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113TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPT. 113–14
Part 1

SUPPORTING KNOWLEDGE AND INVESTING IN LIFELONG SKILLS ACT

R E P O R T

OF THE

COMMITTEE ON EDUCATION AND THE WORKFORCE

TO ACCOMPANY

H.R. 803

together with

MINORITY VIEWS

MARCH 12, 2013.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 803]

[Including cost estimate of the Congressional Budget Office]

The Committee on Education and the Workforce, to whom was referred the bill (H.R. 803) to reform and strengthen the workforce investment system of the Nation to put Americans back to work and make the United States more competitive in the 21st century, 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 all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Supporting Knowledge and Investing in Lifelong Skills Act" or the "SKILLS Act".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. References.
Sec. 4. Effective date.

TITLE I—AMENDMENTS TO THE WORKFORCE INVESTMENT ACT OF 1998

Subtitle A—Workforce Investment Definitions

Sec. 101. Definitions.

Subtitle B—Statewide and Local Workforce Investment Systems

Sec. 102. Purpose.
Sec. 103. State workforce investment boards.

Sec. 104. State plan.
Sec. 105. Local workforce investment areas.
Sec. 106. Local workforce investment boards.
Sec. 107. Local plan.
Sec. 108. Establishment of one-stop delivery system.
Sec. 109. Identification of eligible providers of training services.
Sec. 110. General authorization.
Sec. 111. State allotments.
Sec. 112. Within State allocations.
Sec. 113. Use of funds for employment and training activities.
Sec. 114. Performance accountability system.
Sec. 115. Authorization of appropriations.

Subtitle C—Job Corps

Sec. 116. Job Corps purposes.
Sec. 117. Job Corps definitions.
Sec. 118. Individuals eligible for the Job Corps.
Sec. 119. Recruitment, screening, selection, and assignment of enrollees.
Sec. 120. Job Corps centers.
Sec. 121. Program activities.
Sec. 122. Counseling and job placement.
Sec. 123. Support.
Sec. 124. Operations.
Sec. 125. Community participation.
Sec. 126. Workforce councils.
Sec. 127. Technical assistance.
Sec. 128. Special provisions.
Sec. 129. Performance accountability management.

Subtitle D—National Programs

Sec. 130. Technical assistance.
Sec. 131. Evaluations.

Subtitle E—Administration

Sec. 132. Requirements and restrictions.
Sec. 133. Prompt allocation of funds.
Sec. 134. Fiscal controls; sanctions.
Sec. 135. Reports to Congress.
Sec. 136. Administrative provisions.
Sec. 137. State legislative authority.
Sec. 138. General program requirements.
Sec. 139. Federal agency staff.

Subtitle F—State Unified Plan

Sec. 140. State unified plan.

TITLE II—ADULT EDUCATION AND FAMILY LITERACY EDUCATION

Sec. 201. Amendment.

TITLE III—AMENDMENTS TO THE WAGNER-PEYSER ACT

Sec. 301. Amendments to the Wagner-Peyser Act.

TITLE IV—REPEALS AND CONFORMING AMENDMENTS

Sec. 401. Repeals.
Sec. 402. Amendment to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.
Sec. 403. Amendments to the Food and Nutrition Act of 2008.
Sec. 404. Amendments to section 412 of the Immigration and Nationality Act.
Sec. 405. Amendments relating to the Second Chance Act of 2007.
Sec. 406. Amendments to the Omnibus Crime Control and Safe Streets Act of 1968.
Sec. 407. Conforming amendments to the United States Code.
Sec. 408. Conforming amendment to table of contents.

TITLE V—AMENDMENTS TO THE REHABILITATION ACT OF 1973

Sec. 501. Findings.
Sec. 502. Rehabilitation services administration.
Sec. 503. Definitions.
Sec. 504. State plan.
Sec. 505. Scope of services.
Sec. 506. Standards and indicators.
Sec. 507. Collaboration with industry.
Sec. 508. Reservation for expanded transition services.
Sec. 509. Client assistance program.
Sec. 510. Title III amendments.
Sec. 511. Repeal of title VI.
Sec. 512. Chairperson.
Sec. 513. Authorizations of appropriations.
Sec. 514. Conforming amendments.

SEC. 3. REFERENCES.

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Workforce Investment Act of 1998 (29 U.S.C. 9201 et seq.).

SEC. 4. EFFECTIVE DATE.

Except as otherwise provided, this Act and the amendments made by this Act shall be effective with respect to fiscal year 2014 and succeeding fiscal years.

TITLE I—AMENDMENTS TO THE WORKFORCE INVESTMENT ACT OF 1998

Subtitle A—Workforce Investment Definitions

SEC. 101. DEFINITIONS.

Section 101 (29 U.S.C. 2801) is amended—

(1) by striking paragraphs (13) and (24);

(2) by redesignating paragraphs (1) through (12) as paragraphs (3) through (14), and paragraphs (14) through (23) as paragraphs (15) through (24), respectively;

(3) by striking paragraphs (52) and (53);

(4) by inserting after "In this title:" the following new paragraphs:

"(1) ACCRUED EXPENDITURES.—The term 'accrued expenditures' means charges incurred by recipients of funds under this title for a given period requiring the provision of funds for goods or other tangible property received; services performed by employees, contractors, subgrantees, subcontractors, and other payees; and other amounts becoming owed under programs assisted under this title for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments.

"(2) ADMINISTRATIVE COSTS.—The term 'administrative costs' means expenditures incurred by State and local workforce investment boards, direct recipients (including State grant recipients under subtitle B and recipients of awards under subtitles C and D), local grant recipients, local fiscal agents or local grant subrecipients, and one-stop operators in the performance of administrative functions and in carrying out activities under this title which are not related to the direct provision of workforce investment services (including services to participants and employers). Such costs include both personnel and non-personnel and both direct and indirect.";

(5) in paragraph (3) (as so redesignated), by striking "Except in sections 127 and 132, the" and inserting "The";

(6) by amending paragraph (5) (as so redesignated) to read as follows:

"(5) AREA CAREER AND TECHNICAL EDUCATION SCHOOL.—The term 'area career and technical education school' has the meaning given the term in section 3(3) of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302(3)).";

(7) in paragraph (6) (as so redesignated), by inserting "(or such other level as the Governor may establish)" after "8th grade level";

(8) in paragraph (10)(C) (as so redesignated), by striking "not less than 50 percent of the cost of the training" and inserting "a significant portion of the cost of training, as determined by the local board (or, in the case of an employer in multiple local areas in the State, as determined by the Governor), taking into account the size of the employer and such other factors as the local board determines to be appropriate";

(9) in paragraph (11) (as so redesignated)—

(A) in subparagraph (A)(ii)(II), by striking "section 134(c)" and inserting "section 121(e)";

(B) in subparagraph (B)(iii)—

(i) by striking "134(d)(4)" and inserting "134(c)(4)"; and

(ii) by striking "intensive services described in section 134(d)(3)" and inserting "work ready services described in section 117(d)(5)(C)";

(C) in subparagraph (C), by striking "or" after the semicolon;

(D) in subparagraph (D), by striking the period and inserting "; or"; and

(E) by adding at the end the following:

"(E)(i) is the spouse of a member of the Armed Forces on active duty for a period of more than 30 days (as defined in section 101(d)(2) of title 10, United States Code) who has experienced a loss of employment as a direct result of relocation to accommodate a permanent change in duty station of such member; or

"(ii) is the spouse of a member of the Armed Forces on active duty who meets the criteria described in paragraph (12)(B).";

(10) in paragraph (12)(A) (as redesignated)—

(A) by striking "and" after the semicolon and inserting "or";

(B) by striking "(A)" and inserting "(A)(i)"; and

(C) by adding at the end the following:

"(ii) is the spouse of a member of the Armed Forces on active duty for a period of more than 30 days (as defined in section 101(d)(2) of title 10, United States Code) whose family income is significantly reduced because of a deployment (as defined in section 991(b) of title 10, United States Code, or pursuant to paragraph (4) of such section), a call or order to active duty pursuant to a provision of law referred to in section 101(a)(13)(B) of title 10, United States Code, a permanent change of station, or the service-connected (as defined in section 101(16) of title 38, United States Code) death or disability of the member; and";

(11) in paragraph (13) (as so redesignated), by inserting "or regional" after "local" each place it appears;

(12) in paragraph (14) (as so redesignated)—

(A) in subparagraph (A), by striking "section 122(e)(3)" and inserting "section 122";

(B) by striking subparagraph (B), and inserting the following:

"(B) work ready services, means a provider who is identified or awarded a contract as described in section 117(d)(5)(C); or";

(C) by striking subparagraph (C); and

(D) by redesignating subparagraph (D) as subparagraph (C).

(13) in paragraph (15) (as so redesignated), by striking "adult or dislocated worker" and inserting "individual";

(14) in paragraph (25)—

(A) in subparagraph (B), by striking "higher of—" and all that follows through clause (ii) and inserting "poverty line for an equivalent period;";

(B) by redesignating subparagraphs (D) through (F) as subparagraphs (E) through (G), respectively; and

(C) by inserting after subparagraph (C) the following:

"(D) receives or is eligible to receive free or reduced price lunch under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.);";

(15) in paragraph (32), by striking "the Republic of the Marshall Islands, the Federated States of Micronesia,";

(16) by amending paragraph (33) to read as follows:

"(33) OUT-OF-SCHOOL YOUTH.—The term 'out-of-school youth' means—

"(A) an at-risk youth who is a school dropout; or

"(B) an at-risk youth who has received a secondary school diploma or its recognized equivalent but is basic skills deficient, unemployed, or underemployed.".

(17) in paragraph (38), by striking "134(a)(1)(A)" and inserting "134(a)(1)(B)";

(18) by amending paragraph (49) to read as follows:

"(49) VETERAN.—The term 'veteran' has the same meaning given the term in section 2108(1) of title 5, United States Code.";

(19) by amending paragraph (50) to read as follows:

"(50) CAREER AND TECHNICAL EDUCATION.—The term 'career and technical education' has the meaning given the term in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302).";

(20) in paragraph (51) by striking ", and a youth activity"; and

(21) by adding at the end the following:

"(52) AT-RISK YOUTH.—Except as provided in subtitle C, the term 'at-risk youth' means an individual who—

"(A) is not less than age 16 and not more than age 24;

"(B) is a low-income individual; and

"(C) is an individual who is one or more of the following:

"(i) a secondary school dropout;

"(ii) a youth in foster care (including youth aging out of foster care);

"(iii) a youth offender;

"(iv) a youth who is an individual with a disability; or

"(v) a migrant youth.

"(53) INDUSTRY OR SECTOR PARTNERSHIP.—The term 'industry or sector partnership' means a partnership of a State or local board and one or more industries and other entities that have the capability to help the State or local board determine the immediate and long term skilled workforce needs of in-demand industries and other occupations important to the State or local economy, respectively.

"(54) INDUSTRY-RECOGNIZED CREDENTIAL.—The term 'industry-recognized credential' means a credential that is sought or accepted by companies within the

industry sector involved, across multiple States, as recognized, preferred, or required for recruitment, screening, or hiring.

"(55) RECOGNIZED POSTSECONDARY CREDENTIAL.—The term 'recognized postsecondary credential' means a credential awarded by a training provider or postsecondary educational institution based on completion of all requirements for a program of study, including coursework or tests or other performance evaluations. The term includes an industry-recognized credential, a certificate of completion of an apprenticeship, or an associate or baccalaureate degree.

"(56) PAY-FOR-PERFORMANCE CONTRACT STRATEGY.—The term 'pay-for-performance contract strategy' means a strategy in which a contract to provide a program of employment and training activities incorporates—

"(A) the performance outcome described in subclauses (I) through (IV) of section 136(b)(2)(A)(i);

"(B) a fixed amount that will be paid to a provider of such employment and training activities for each program participant who achieves the agreed to levels of performance based upon the outcome measures described in subparagraph (A), within a defined timetable, and may include a bonus payment to such provider which may be used to expand the capacity of such provider;

"(C) the ability for a provider to recoup the costs of training a participant who has not met such outcome measures, but for whom the provider is able to demonstrate that such participant gained specific competencies required for education and career advancement that are, where feasible, tied to industry-recognized credentials and related standards, or State licensing requirements; and

"(D) the ability for a provider that does not meet the requirements under section 122(a)(2) to participate in such pay-for-performance contract and to not be required to report on the performance and cost information required under section 122(d).".

Subtitle B—Statewide and Local Workforce Investment Systems

SEC. 102. PURPOSE.

Section 106 (29 U.S.C. 2811) is amended by adding at the end the following: "It is also the purpose of this subtitle to provide workforce investment activities in a manner that enhances employer engagement, promotes customer choices in the selection of training services, and ensures accountability in the use of the taxpayer funds.".

SEC. 103. STATE WORKFORCE INVESTMENT BOARDS.

Section 111 (29 U.S.C. 2821) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) by striking subparagraph (B);

(ii) by redesignating subparagraph (C) as subparagraph (B); and

(iii) in subparagraph (B) (as so redesignated)—

(I) by amending clause (i)(I), by striking "section 117(b)(2)(A)(i)" and inserting "section 117(b)(2)(A)";

(II) by amending clause (i)(II) to read as follows:

"(II) represent businesses, including large and small businesses, with immediate and long-term employment opportunities in in-demand industries and other occupations important to the State economy; and";

(III) by striking clause (iii) and inserting the following:

"(iii) a State agency official responsible for economic development; and";

(IV) by striking clauses (iv) through (vi);

(V) by amending clause (vii) to read as follows:

"(vii) such other representatives and State agency officials as the Governor may designate, including—

"(I) members of the State legislature;

"(II) representatives of individuals and organizations that have experience with respect to youth activities;

"(III) representatives of individuals and organizations that have experience and expertise in the delivery of workforce investment

activities, including chief executive officers of community colleges and community-based organizations within the State;

"(IV) representatives of the lead State agency officials with responsibility for the programs and activities that are described in section 121(b) and carried out by one-stop partners; or

"(V) representatives of veterans service organizations."; and

(VI) by redesignating clause (vii) (as so amended) as clause (iv); and

(B) by amending paragraph (3) to read as follows:

"(3) MAJORITY.—A ⅔ majority of the members of the board shall be representatives described in paragraph (1)(B)(i).";

(2) in subsection (c), by striking "(b)(1)(C)(i)" and inserting "(b)(1)(B)(i)";

(3) by amending subsection (d) to read as follows:

"(d) FUNCTIONS.—The State board shall assist the Governor of the State as follows:

"(1) STATE PLAN.—Consistent with section 112, develop a State plan.

"(2) STATEWIDE WORKFORCE DEVELOPMENT SYSTEM.—Review and develop statewide policies and programs in the State in a manner that supports a comprehensive Statewide workforce development system that will result in meeting the workforce needs of the State and its local areas. Such review shall include determining whether the State should consolidate additional programs into the Workforce Investment Fund in accordance with section 501(e).

"(3) WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.—Develop a statewide workforce and labor market information system described in section 15(e) of the Wagner-Peyser Act, which may include using existing information conducted by the State economic development entity or related entity in developing such system.

"(4) EMPLOYER ENGAGEMENT.—Develop strategies across local areas that meet the needs of employers and support economic growth in the State by enhancing communication, coordination, and collaboration among employers, economic development entities, and service providers.

"(5) DESIGNATION OF LOCAL AREAS.—Designate local areas as required under section 116.

"(6) ONE-STOP DELIVERY SYSTEM.—Identify and disseminate information on best practices for effective operation of one-stop centers, including use of innovative business outreach, partnerships, and service delivery strategies.

"(7) PROGRAM OVERSIGHT.—Conduct the following program oversight:

"(A) Reviewing and approving local plans under section 118.

"(B) Ensuring the appropriate use and management of the funds provided for State employment and training activities authorized under section 134.

"(C) Preparing an annual report to the Secretary described in section 136(d).

"(8) DEVELOPMENT OF PERFORMANCE MEASURES.—Develop and ensure continuous improvement of comprehensive State performance measures, including State adjusted levels of performance, as described under section 136(b).";

(4) by striking subsection (e) and redesignating subsection (f) as subsection (e);

(5) in subsection (e) (as so redesignated), by inserting "or participate in any action taken" after "vote";

(6) by inserting after subsection (e) (as so redesignated), the following:

"(f) STAFF.—The State board may employ staff to assist in carrying out the functions described in subsection (d).."; and

(7) in subsection (g), by inserting "electronic means and" after "on a regular basis through".

SEC. 104. STATE PLAN.

Section 112 (29 U.S.C. 2822)—

(1) in subsection (a)—

(A) by striking "127 or"; and

(B) by striking "5-year strategy" and inserting "3-year strategy";

(2) in subsection (b)—

(A) by amending paragraph (4) to read as follows:

"(4) information describing—

"(A) the economic conditions in the State;

"(B) the immediate and long-term skilled workforce needs of in-demand industries, small businesses, and other occupations important to the State economy;

"(C) the knowledge and skills of the workforce in the State; and

"(D) workforce development activities (including education and training) in the State;";

(B) by amending paragraph (7) to read as follows:

"(7) a description of the State criteria for determining the eligibility of training providers in accordance with section 122, including how the State will take into account the performance of providers and whether the training programs relate to occupations that are in-demand;";

(C) by amending paragraph (8) to read as follows:

"(8)(A) a description of the procedures that will be taken by the State to assure coordination of, and avoid duplication among, the programs and activities identified under section 501(b)(2); and

"(B) a description of common data collection and reporting processes used for the programs and activities described in subparagraph (A), which are carried out by one-stop partners, including—

"(i) assurances that such processes use quarterly wage records for performance measures described in section 136(b)(2)(A) that are applicable to such programs or activities; or

"(ii) if such wage records are not being used for the performance measures, an identification of the barriers to using such wage records and a description of how the State will address such barriers within one year of the approval of the plan;";

(D) in paragraph (9), by striking ", including comment by representatives of businesses and representatives of labor organizations,";

(E) in paragraph (11), by striking "under sections 127 and 132" and inserting "under section 132";

(F) by striking paragraph (12);

(G) by redesignating paragraphs (13) through (18) as paragraphs (12) through (17), respectively;

(H) in paragraph (12) (as so redesignated), by striking "111(f)" and inserting "111(e)";

(I) in paragraph (13) (as so redesignated), by striking "134(c)" and inserting "121(e)";

(J) in paragraph (14) (as so redesignated), by striking "116(a)(5)" and inserting "116(a)(4)";

(K) in paragraph (16) (as so redesignated)—

(i) in subparagraph (A)—

(I) in clause (ii), by striking "to dislocated workers";

(II) in clause (iii), by striking "134(d)(4)" and inserting "134(c)(4)";

(III) by striking "and" at the end of clause (iii);

(IV) by amending clause (iv) to read as follows:

"(iv) how the State will serve the employment and training needs of dislocated workers (including displaced homemakers), low-income individuals (including recipients of public assistance such as supplemental nutrition assistance program benefits pursuant to the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.)), long-term unemployed individuals (including individuals who have exhausted entitlement to State and Federal unemployment compensation), English learners, homeless individuals, individuals training for nontraditional employment, youth (including out-of-school youth and at-risk youth), older workers, ex-offenders, migrant and seasonal farmworkers, refugee and entrants, veterans (including disabled and homeless veterans), and Native Americans; and"; and

(V) by adding at the end the following new clause:

"(v) how the State will—

"(I) consistent with section 188 and Executive Order 13217 (42 U.S.C. 12131 note), serve the employment and training needs of individuals with disabilities; and

"(II) consistent with sections 504 and 508 of the Rehabilitation Act of 1973, include the provision of outreach, intake, assessments, and service delivery, the development of performance measures, the training of staff, and other aspects of accessibility to programs and services under this subtitle;"; and

(ii) in subparagraph (B), by striking "to the extent practicable" and inserting "in accordance with the requirements of the Jobs for Veterans Act (Public Law 107–288) and the amendments made by such Act"; and

(L) by striking paragraph (17) (as so redesignated) and inserting the following:

"(17) a description of the strategies and services that will be used in the State—

"(A) to more fully engage employers, including small businesses and employers in in-demand industries and occupations important to the State economy;

"(B) to meet the needs of employers in the State; and

"(C) to better coordinate workforce development programs with economic development activities;

"(18) a description of how the State board will convene (or help to convene) industry or sector partnerships that lead to collaborative planning, resource alignment, and training efforts across multiple firms for a range of workers employed or potentially employed by a targeted industry cluster—

"(A) to encourage industry growth and competitiveness and to improve worker training, retention, and advancement in targeted industry clusters;

"(B) to address the immediate and long-term skilled workforce needs of in-demand industries and other occupations important to the State economy, and

"(C) to address critical skill gaps within and across industries;

"(19) a description of how the State will utilize technology to facilitate access to services in remote areas, which may be used throughout the State;

"(20) a description of the State strategy and assistance to be provided for encouraging regional cooperation within the State and across State borders, as appropriate;

"(21) a description of the actions that will be taken by the State to foster communication, coordination, and partnerships with non-profit organizations (including public libraries, community, faith-based, and philanthropic organizations) that provide employment-related, training, and complementary services, to enhance the quality and comprehensiveness of services available to participants under this title;

"(22) a description of the process and methodology for determining—

"(A) one-stop partner program contributions for the cost of the infrastructure of one-stop centers under section 121(h)(1); and

"(B) the formula for allocating such infrastructure funds to local areas under section 121(h)(3);

"(23) a description of the strategies and services that will be used in the State to assist at-risk youth and out-of-school youth in acquiring the education and skills, credentials (including recognized postsecondary credentials and industry-recognized credentials), and employment experience to succeed in the labor market, including—

"(A) training and internships in in-demand industries or occupations important to the State and local economy;

"(B) dropout recovery activities that are designed to lead to the attainment of a regular secondary school diploma or its recognized equivalent, or other State recognized equivalent (including recognized alternative standards for individuals with disabilities); and

"(C) activities combining remediation of academic skills, work readiness training, and work experience, and including linkages to postsecondary education and training and career-ladder employment; and

"(24) a description of—

"(A) how the State will furnish employment, training, supportive, and placement services to veterans, including disabled and homeless veterans;

"(B) the strategies and services that will be used in the State to assist and expedite reintegration of homeless veterans into the labor force; and

"(C) the veteran population to be served in the State.";

(3) in subsection (c), by striking "period, that—" all that follows through paragraph (2) and inserting "period, that the plan is inconsistent with the provisions of this title."; and

(4) in subsection (d), by striking "5-year" and inserting "3-year".

SEC. 105. LOCAL WORKFORCE INVESTMENT AREAS.

Section 116 (29 U.S.C. 2831) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) by striking "Except as provided in subsection (b), and consistent with paragraphs (2), (3), and (4), in" and inserting "In"; and

(II) by striking "127 or"; and

(ii) by amending subparagraph (B) to read as follows:

"(B) CONSIDERATIONS.—In making the designation of local areas, the Governor shall take into consideration the following:

"(i) The extent to which such local areas are consistent with labor market areas.

"(ii) The extent to which labor market areas align with economic development regions.

"(iii) Whether such local areas have the appropriate education and training providers to meet the needs of the local workforce.

"(iv) The distance that individuals will need to travel to receive services provided in such local areas.";

(B) by amending paragraph (2) to read as follows:

"(2) TECHNICAL ASSISTANCE.—The Secretary shall, if requested by the Governor of a State, provide the State with technical assistance in making the determinations required under paragraph (1). The Secretary shall not issue regulations governing determinations to be made under paragraph (1).";

(C) by striking paragraph (3) and inserting the following:

"(3) DESIGNATION ON RECOMMENDATION OF STATE BOARD.—The Governor may approve a request from any unit of general local government (including a combination of such units) for designation as a local area under paragraph (1) if the State board determines, taking into account the factors described in clauses (i) through (iv) of paragraph (1)(B), and recommends to the Governor, that such area shall be so designated.";

(D) by striking paragraph (4); and

(E) by redesignating paragraph (5) as paragraph (4);

(2) by amending subsection (b) to read as follows:

"(b) SINGLE STATES.—Consistent with subsection (a)(1)(B), the Governor may designate a State as a single State local area for the purposes of this title."; and

(3) in subsection (c)—

(A) in paragraph (1), by adding at the end the following: "The State may require the local boards for the designated region to prepare a single regional plan that incorporates the elements of the local plan under section 118 and that is submitted and approved in lieu of separate local plans under such section."; and

(B) in paragraph (2), by striking "employment statistics" and inserting "workforce and labor market information".

SEC. 106. LOCAL WORKFORCE INVESTMENT BOARDS.

Section 117 (29 U.S.C. 2832) is amended—

(1) in subsection (b)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

(I) by striking "include—" and all that follows through "representatives" and inserting "include representatives";

(II) by striking clauses (ii) through (vi);

(III) by redesignating subclauses (I) through (III) as clauses (i) through (iii), respectively (and by moving the margins of such clauses 2 ems to the left);

(IV) by striking clause (ii) (as so redesignated) and inserting the following:

"(ii) represent businesses, including large and small businesses, with immediate and long-term employment opportunities in in-demand industries and other occupations important to the local economy; and"; and

(V) by striking the semicolon at the end of clause (iii) (as so redesignated) and inserting "; and"; and

(ii) by amending subparagraph (B) to read as follows:

"(B) may include such other individuals or representatives of entities as the chief elected official in the local area may determine to be appropriate, including—

"(i) a superintendent of the local secondary school system, the president or chief executive officer of a postsecondary educational institution (including a community college, where such an entity exists), or an administrator of local entities providing adult education and literacy activities;

"(ii) representatives of community-based organizations (including organizations representing individuals with disabilities and veterans, for a local area in which such organizations are present); or

"(iii) representatives of veterans service organizations.";

(B) in paragraph (4)—

(i) by striking "A majority" and inserting "A ⅔ majority"; and

(ii) by striking "(2)(A)(i)" and inserting "(2)(A)"; and

(C) in paragraph (5) by striking "(2)(A)(i)" and inserting "(2)(A)";

(2) by striking subsection (c)(1)(C);

(3) by amending subsection (d) to read as follows:

"(d) FUNCTIONS OF LOCAL BOARD.—The functions of the local board shall include the following:

"(1) LOCAL PLAN.—Consistent with section 118, each local board, in partnership with the chief elected official for the local area involved, shall develop and submit a local plan to the Governor.

"(2) WORKFORCE RESEARCH AND REGIONAL LABOR MARKET ANALYSIS.—

"(A) IN GENERAL.—The local board shall—

"(i) conduct, and regularly update, an analysis of—

"(I) the economic conditions in the local area;

"(II) the immediate and long-term skilled workforce needs of in-demand industries and other occupations important to the local economy;

"(III) the knowledge and skills of the workforce in the local area; and

"(IV) workforce development activities (including education and training) in the local area; and

"(ii) assist the Governor in developing the statewide workforce and labor market information system described in section 15(e) of the Wagner-Peyser Act.

"(B) EXISTING ANALYSIS.—A local board shall use existing analysis by the local economic development entity or related entity in order to carry out requirements of subparagraph (A)(i).

"(3) EMPLOYER ENGAGEMENT.—The local Board shall meet the needs of employers and support economic growth in the local area by enhancing communication, coordination, and collaboration among employers, economic development entities, and service providers.

"(4) BUDGET AND ADMINISTRATION.—

"(A) BUDGET.—

"(i) IN GENERAL.—The local board shall develop a budget for the activities of the local board in the local area, consistent with the requirements of this subsection.

"(ii) TRAINING RESERVATION.—In developing a budget under clause (i), the local board shall reserve a percentage of funds to carry out the activities specified in section 134(c)(4). The local board shall use the analysis conducted under paragraph (2)(A)(i) to determine the appropriate percentage of funds to reserve under this clause.

"(B) ADMINISTRATION.—

"(i) GRANT RECIPIENT.—

"(I) IN GENERAL.—The chief elected official in a local area shall serve as the local grant recipient for, and shall be liable for any misuse of, the grant funds allocated to the local area under section 133, unless the chief elected official reaches an agreement with the Governor for the Governor to act as the local grant recipient and bear such liability.

"(II) DESIGNATION.—In order to assist in administration of the grant funds, the chief elected official or the Governor, where the Governor serves as the local grant recipient for a local area, may designate an entity to serve as a local grant subrecipient for such funds or as a local fiscal agent. Such designation shall not relieve the chief elected official or the Governor of the liability for any misuse of grant funds as described in subclause (I).

"(III) DISBURSAL.—The local grant recipient or an entity designated under subclause (II) shall disburse the grant funds for workforce investment activities at the direction of the local board, pursuant to the requirements of this title. The local grant recipient or entity designated under subclause (II) shall disburse the funds immediately on receiving such direction from the local board.

"(ii) STAFF.—The local board may employ staff to assist in carrying out the functions described in this subsection.

"(iii) GRANTS AND DONATIONS.—The local board may solicit and accept grants and donations from sources other than Federal funds made available under this Act.

"(5) SELECTION OF OPERATORS AND PROVIDERS.—

"(A) SELECTION OF ONE-STOP OPERATORS.—Consistent with section 121(d), the local board, with the agreement of the chief elected official—

"(i) shall designate or certify one-stop operators as described in section 121(d)(2)(A); and

"(ii) may terminate for cause the eligibility of such operators.

"(B) IDENTIFICATION OF ELIGIBLE TRAINING SERVICE PROVIDERS.—Consistent with this subtitle, the local board shall identify eligible providers of training services described in section 134(c)(4) in the local area, annually review the outcome of individual training providers using the criteria under section 122(b)(2), and designate providers in the local area who have demonstrated the highest level of success with respect to such indicators as priority providers for the following program year.

"(C) IDENTIFICATION OF ELIGIBLE PROVIDERS OF WORK READY SERVICES.—If the one-stop operator does not provide the services described in section 134(c)(2) in the local area, the local board shall identify eligible providers of such services in the local area by awarding contracts.

"(6) PROGRAM OVERSIGHT.—The local board, in partnership with the chief elected official, shall be responsible for—

"(A) ensuring the appropriate use and management of the funds provided for local employment and training activities authorized under section 134(b); and

"(B) conducting oversight of the one-stop delivery system in the local area authorized under section 121.

"(7) NEGOTIATION OF LOCAL PERFORMANCE MEASURES.—The local board, the chief elected official, and the Governor shall negotiate and reach agreement on local performance measures as described in section 136(c).

"(8) TECHNOLOGY IMPROVEMENTS.—The local board shall develop strategies for technology improvements to facilitate access to services authorized under this subtitle and carried out in the local area, including in remote areas.";

(4) in subsection (e)—

(A) by inserting "electronic means and" after "regular basis through"; and

(B) by striking "and the award of grants or contracts to eligible providers of youth activities,";

(5) in subsection (f)—

(A) in paragraph (1)(A), by striking "section 134(d)(4)" and inserting "section 134(c)(4)"; and

(B) by striking paragraph (2) and inserting the following:

"(2) WORK READY SERVICES, DESIGNATION, OR CERTIFICATION AS ONE-STOP OPERATORS.—A local board may provide work ready services described in section 134(c)(2) through a one-stop delivery system described in section 121 or be designated or certified as a one-stop operator only with the agreement of the chief elected official and the Governor.";

(6) in subsection (g)(1), by inserting "or participate in any action taken" after "vote"; and

(7) by striking subsections (h) and (i).

SEC. 107. LOCAL PLAN.

Section 118 (29 U.S.C. 2833) is amended—

(1) in subsection (a), by striking "5-year" and inserting "3-year";

(2) by amending subsection (b) to read as follows:

"(b) CONTENTS.—The local plan shall include—

"(1) a description of the analysis of the local area's economic and workforce conditions conducted under section 117(d)(2)(A)(i), and an assurance that the local board will use such analysis to carry out the activities under this subtitle;

"(2) a description of the one-stop delivery system in the local area, including—

"(A) a description of how the local board will ensure—

"(i) the continuous improvement of eligible providers of services through the system; and

"(ii) that such providers meet the employment needs of local businesses and participants; and

"(B) a description of how the local board will facilitate access to services provided through the one-stop delivery system consistent with section 117(d)(8);

"(3) a description of the strategies and services that will be used in the local area—

"(A) to more fully engage employers, including small businesses and employers in in-demand industries and occupations important to the local economy;

"(B) to meet the needs of employers in the local area;

"(C) to better coordinate workforce development programs with economic development activities; and

"(D) to better coordinate workforce development programs with employment, training, and literacy services carried out by nonprofit organizations, including public libraries, as appropriate;

"(4) a description of how the local board will convene (or help to convene) industry or sector partnerships that lead to collaborative planning, resource alignment, and training efforts across multiple firms for a range of workers employed or potentially employed by a targeted industry cluster—

"(A) to encourage industry growth and competitiveness and to improve worker training, retention, and advancement in targeted industry clusters;

"(B) to address the immediate and long-term skilled workforce needs of in-demand industries, small businesses, and other occupations important to the local economy; and

"(C) to address critical skill gaps within and across industries;

"(5) a description of how the funds reserved under section 117(d)(4)(A)(ii) will be used to carry out activities described in section 134(c)(4);

"(6) a description of how the local board will coordinate workforce investment activities carried out in the local area with statewide activities, as appropriate;

"(7) a description of how the local area will—

"(A) coordinate activities with the local area's disability community and with services provided under section 614(d)(1)(A)(i)(VIII) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)(1)(A)(i)(VIII)) by local educational agencies serving such local area to make available comprehensive, high-quality services to individuals with disabilities;

"(B) consistent with section 188 and Executive Order 13217 (42 U.S.C. 12131 note), serve the employment and training needs of individuals with disabilities; and

"(C) consistent with sections 504 and 508 of the Rehabilitation Act of 1973, include the provision of outreach, intake, assessments, and service delivery, the development of performance measures, the training of staff, and other aspects of accessibility to programs and services under this subtitle;

"(8) a description of the local levels of performance negotiated with the Governor and chief elected official pursuant to section 136(c), to be—

"(A) used to measure the performance of the local area; and

"(B) used by the local board for measuring performance of the local fiscal agent (where appropriate), eligible providers, and the one-stop delivery system, in the local area;

"(9) a description of the process used by the local board, consistent with subsection (c), to provide an opportunity for public comment prior to submission of the plan;

"(10) a description of how the local area will serve the employment and training needs of dislocated workers (including displaced homemakers), low-income individuals (including recipients of public assistance such as the Supplemental Nutrition Assistance Program), long-term unemployed individuals (including individuals who have exhausted entitlement to State and Federal unemployment compensation), English learners, homeless individuals, individuals training for nontraditional employment, youth (including out-of-school youth and at-risk youth), older workers, ex-offenders, migrant and seasonal farmworkers, refugee and entrants, veterans (including disabled veterans and homeless veterans), and Native Americans;

"(11) an identification of the entity responsible for the disbursal of grant funds described in subclause (III) of section 117(d)(4)(B)(i), as determined by the chief elected official or the Governor under such section;

"(12) a description of the strategies and services that will be used in the local area to assist at-risk youth and out-of-school youth in acquiring the education and skills, credentials (including recognized postsecondary credentials and industry-recognized credentials), and employment experience to succeed in the labor market, including—

"(A) training and internships in in-demand industries or occupations important to the local economy;

"(B) dropout recovery activities that are designed to lead to the attainment of a regular secondary school diploma or its recognized equivalent, or other State recognized equivalent (including recognized alternative standards for individuals with disabilities); and

"(C) activities combining remediation of academic skills, work readiness training, and work experience, and including linkages to postsecondary education and training and career-ladder employment;

"(13) a description of—

"(A) how the local area will furnish employment, training, supportive, and placement services to veterans, including disabled and homeless veterans;

"(B) the strategies and services that will be used in the local area to assist and expedite reintegration of homeless veterans into the labor force; and

"(C) the veteran population to be served in the local area;

"(14) a description of—

"(A) the duties assigned to the veteran employment specialist consistent with the requirements of section 134(f);

"(B) the manner in which the veteran employment specialist is integrated into the One-Stop Career System described in section 121;

"(C) the date on which the veteran employment specialist was assigned; and

"(D) whether the veteran employment specialist has satisfactorily competed such training by the National Veterans' Employment and Training Services Institute; and

"(15) such other information as the Governor may require.";

(3) in subsection (c)(1), by striking "such means" and inserting "electronic means such"; and

(4) in subsection (c)(2), by striking ", including representatives of business and representatives of labor organizations,".

SEC. 108. ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEM.

Section 121 (29 U.S.C. 2841) is amended—

(1) in subsection (b)—

(A) by striking subparagraph (A) of paragraph (1) and inserting the following:

"(A) ROLES AND RESPONSIBILITIES OF ONE-STOP PARTNERS.—Each entity that carries out a program or activities described in subparagraph (B) shall—

"(i) provide access through the one-stop delivery system to the program and activities carried out by the entity, including making the work ready services described in section 134(c)(2) that are applicable to the program of the entity available at one-stop centers (in addition to any other appropriate locations);

"(ii) use a portion of the funds available to the program of the entity to maintain the one-stop delivery system, including payment of the infrastructure costs of one-stop centers in accordance with subsection (h);

"(iii) enter into a local memorandum of understanding with the local board relating to the operation of the one-stop delivery system that meets the requirements of subsection (c); and

"(iv) participate in the operation of the one-stop delivery system consistent with the terms of the memorandum of understanding, the requirements of this title, and the requirements of the Federal laws authorizing the programs carried out by the entity.";

(B) in paragraph (1)(B)—

(i) by striking clauses (ii), (v), and (vi);

(ii) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively;

(iii) by redesignating clauses (vii) through (xii) as clauses (iv) through (ix), respectively;

(iv) in clause (viii), as so redesignated, by striking "and" at the end;

(v) in clause (ix), as so redesignated, by striking the period and inserting "; and"; and

(vi) by adding at the end the following:

"(x) subject to subparagraph (C), programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).";

(C) by inserting after paragraph (1)(B) the following:

"(C) DETERMINATION BY THE GOVERNOR.—Each entity carrying out a program described in subparagraph (B)(x) shall carry out the required partner activities described in subparagraph (A) unless the Governor of the State in which the local area is located provides the Secretary and Secretary of Health and Human Services written notice of a determination by the Governor that such entities shall not carry out such required partner activities."; and

(D) in paragraph (2)—

(i) in subparagraph (A)(i), by striking "section 134(d)(2)" and inserting "section 134(c)(2)"; and

(ii) in subparagraph (B)—

(I) by striking clauses (i), (ii), and (v);

(II) in clause (iv), by striking "and" at the end;

(III) by redesignating clauses (iii) and (iv) as clauses (i) and (ii), respectively; and

(IV) by adding at the end the following:

"(iii) employment and training programs administered by the Commissioner of the Social Security Administration;

"(iv) employment and training programs carried out by the Administrator of the Small Business Administration;

"(v) employment, training, and literacy services carried out by public libraries; and

"(vi) other appropriate Federal, State, or local programs, including programs in the private sector.";

(2) in subsection (c)(2), by amending subparagraph (A) to read as follows:

"(A) provisions describing—

"(i) the services to be provided through the one-stop delivery system consistent with the requirements of this section, including the manner in which the services will be coordinated through such system;

"(ii) how the costs of such services and the operating costs of such system will be funded, through cash and in-kind contributions, to provide a stable and equitable funding stream for ongoing one-stop system operations, including the funding of the infrastructure costs of one-stop centers in accordance with subsection (h);

"(iii) methods of referral of individuals between the one-stop operator and the one-stop partners for appropriate services and activities, including referrals for nontraditional employment; and

"(iv) the duration of the memorandum of understanding and the procedures for amending the memorandum during the term of the memorandum, and assurances that such memorandum shall be reviewed not less than once every 3-year period to ensure appropriate funding and delivery of services; and";

(3) in subsection (d)—

(A) in the heading for paragraph (1), by striking "DESIGNATION AND CERTIFICATION" and inserting "LOCAL DESIGNATION AND CERTIFICATION";

(B) in paragraph (2)—

(i) by striking "section 134(c)" and inserting "subsection (e)";

(ii) by amending subparagraph (A) to read as follows:

"(A) shall be designated or certified as a one-stop operator through a competitive process; and"; and

(iii) in subparagraph (B), by striking clause (ii) and redesignating clauses (iii) through (vi) as clauses (ii) through (v), respectively; and

(C) in paragraph (3), by striking "vocational" and inserting "career and technical";

(4) by amending subsection (e) to read as follows:

"(e) ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEM.—

"(1) IN GENERAL.—There shall be established in a State that receives an allotment under section 132(b) a one-stop delivery system, which shall—

"(A) provide the work ready services described in section 134(c)(2);

"(B) provide access to training services as described in section 134(c)(4), including serving as the point of access to career enhancement accounts for training services to participants in accordance with paragraph (4)(F) of such section;

"(C) provide access to the activities carried out under section 134(d), if any;

"(D) provide access to programs and activities carried out by one-stop partners that are described in subsection (b) of this section; and

"(E) provide access to the information described in section 15(e) of the Wagner-Peyser Act (29 U.S.C. 49l–2(e)).

"(2) ONE-STOP DELIVERY.—At a minimum, the one-stop delivery system—

"(A) shall make each of the programs, services, and activities described in paragraph (1) accessible at not less than one physical center in each local area of the State; and

"(B) may also make programs, services, and activities described in paragraph (1) available—

"(i) through a network of affiliated sites that can provide one or more of the programs, services, and activities to individuals; and

"(ii) through a network of eligible one-stop partners—

"(I) in which each partner provides one or more of the programs, services, and activities to such individuals and is accessible at an

affiliated site that consists of a physical location or an electronically- or technologically-linked access point; and

"(II) that assures individuals that information on the availability of the work ready services will be available regardless of where the individuals initially enter the statewide workforce investment system, including information made available through an access point described in subclause (I).

"(3) SPECIALIZED CENTERS.—The centers and sites described in paragraph (2) may have a specialization in addressing special needs."; and

(5) by adding at the end the following:

"(g) CERTIFICATION OF ONE-STOP CENTERS.—

"(1) IN GENERAL.—

"(A) IN GENERAL.—The State board shall establish objective procedures and criteria for certifying, at least once every 3 years, one-stop centers for the purpose of awarding the one-stop infrastructure funding described in subsection (h).

"(B) CRITERIA.—The criteria for certification under this subsection shall include—

"(i) meeting all of the expected levels of performance for each of the core indicators of performance as outlined in the State plan under section 112;

"(ii) meeting minimum standards relating to the scope and degree of service integration achieved by the centers involving the programs provided by the one-stop partners; and

"(iii) meeting minimum standards relating to how the centers ensure that eligible providers meet the employment needs of local employers and participants.

"(C) EFFECT OF CERTIFICATION.—One-stop centers certified under this subsection shall be eligible to receive the infrastructure grants authorized under subsection (h).

"(2) LOCAL BOARDS.—Consistent with the criteria developed by the State, the local board may develop additional criteria of higher standards to respond to local labor market and demographic conditions and trends.

"(h) ONE-STOP INFRASTRUCTURE FUNDING.—

"(1) PARTNER CONTRIBUTIONS.—

"(A) PROVISION OF FUNDS.—Notwithstanding any other provision of law, as determined under subparagraph (B), a portion of the Federal funds provided to the State and areas within the State under the Federal laws authorizing the one-stop partner programs described in subsection (b)(1)(B) and participating additional partner programs described in (b)(2)(B) for a fiscal year shall be provided to the Governor by such programs to carry out this subsection.

"(B) DETERMINATION OF GOVERNOR.—

"(i) IN GENERAL.—Subject to subparagraph (C), the Governor, in consultation with the State board, shall determine the portion of funds to be provided under subparagraph (A) by each one-stop partner and in making such determination shall consider the proportionate use of the one-stop centers by each partner, the costs of administration for purposes not related to one-stop centers for each partner, and other relevant factors described in paragraph (3).

"(ii) SPECIAL RULE.—In those States where the State constitution places policy-making authority that is independent of the authority of the Governor in an entity or official with respect to the funds provided for adult education and literacy activities authorized under title II of this Act and for postsecondary career education activities authorized under the Carl D. Perkins Career and Technical Education Act, the determination described in clause (i) with respect to such programs shall be made by the Governor with the appropriate entity or official with such independent policy-making authority.

"(iii) APPEAL BY ONE-STOP PARTNERS.—The Governor shall establish a procedure for the one-stop partner administering a program described in subsection (b) to appeal a determination regarding the portion of funds to be contributed under this paragraph on the basis that such determination is inconsistent with the criteria described in the State plan or with the requirements of this paragraph. Such procedure shall ensure prompt resolution of the appeal.

"(C) LIMITATIONS.—

"(i) PROVISION FROM ADMINISTRATIVE FUNDS.—The funds provided under this paragraph by each one-stop partner shall be provided only

from funds available for the costs of administration under the program administered by such partner, and shall be subject to the limitations with respect to the portion of funds under such programs that may be used for administration.

"(ii) FEDERAL DIRECT SPENDING PROGRAMS.—Programs that are Federal direct spending under section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(8)) shall not, for purposes of this paragraph, be required to provide an amount in excess of the amount determined to be equivalent to the proportionate use of the one-stop centers by such programs in the State.

"(2) ALLOCATION BY GOVERNOR.—From the funds provided under paragraph (1), the Governor shall allocate funds to local areas in accordance with the formula established under paragraph (3) for the purposes of assisting in paying the costs of the infrastructure of one-stop centers certified under subsection (g).

"(3) ALLOCATION FORMULA.—The State board shall develop a formula to be used by the Governor to allocate the funds described in paragraph (1). The formula shall include such factors as the State board determines are appropriate, which may include factors such as the number of centers in the local area that have been certified, the population served by such centers, and the performance of such centers.

"(4) COSTS OF INFRASTRUCTURE.—For purposes of this subsection, the term 'costs of infrastructure' means the nonpersonnel costs that are necessary for the general operation of a one-stop center, including the rental costs of the facilities, the costs of utilities and maintenance, and equipment (including assistive technology for individuals with disabilities).

"(i) OTHER FUNDS.—

"(1) IN GENERAL.—In addition to the funds provided to carry out subsection (h), a portion of funds made available under Federal law authorizing the one-stop partner programs described in subsection (b)(1)(B) and participating additional partner programs described in subsection (b)(2)(B), or the noncash resources available under such programs shall be used to pay the costs relating to the operation of the one-stop delivery system that are not paid for from the funds provided under subsection (h), to the extent not inconsistent with the Federal law involved including—

"(A) infrastructure costs that are in excess of the funds provided under subsection (h);

"(B) common costs that are in addition to the costs of infrastructure; and

"(C) the costs of the provision of work ready services applicable to each program.

"(2) DETERMINATION AND GUIDANCE.—The method for determining the appropriate portion of funds and noncash resources to be provided by each program under paragraph (1) shall be determined as part of the memorandum of understanding under subsection (c). The State board shall provide guidance to facilitate the determination of appropriate allocation of the funds and noncash resources in local areas.".

SEC. 109. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.

Section 122 (29 U.S.C. 2842) is amended to read as follows:

"SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.

"(a) ELIGIBILITY.—

"(1) IN GENERAL.—The Governor, after consultation with the State board, shall establish criteria and procedures regarding the eligibility of providers of training services described in section 134(c)(4) to receive funds provided under section 133(b) for the provision of such training services.

"(2) PROVIDERS.—Subject to the provisions of this section, to be eligible to receive the funds provided under section 133(b) for the provision of training services, the provider shall be—

"(A) a postsecondary educational institution that—

"(i) is eligible to receive Federal funds under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and

"(ii) provides a program that leads to a recognized postsecondary credential;

"(B) an entity that carries out programs under the Act of August 16, 1937 (commonly known as the 'National Apprenticeship Act'; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.); or

"(C) another public or private provider of a program of training services.

"(3) INCLUSION IN LIST OF ELIGIBLE PROVIDERS.—A provider described in subparagraph (A) or (C) of paragraph (2) shall comply with the criteria and procedures established under this section to be included on the list of eligible pro-

viders of training services described in subsection (d). A provider described in paragraph (2)(B) shall be included on the list of eligible providers of training services described in subsection (d) for so long as the provider remains certified by the Secretary of Labor to carry out the programs described in paragraph (2)(B).

"(b) CRITERIA.—

"(1) IN GENERAL.—The criteria established pursuant to subsection (a) shall take into account—

"(A) the performance of providers of training services with respect to the performance measures described in section 136 and other matters for which information is required under paragraph (2) and other appropriate measures of performance outcomes for those participants receiving training services under this subtitle;

"(B) whether the training programs of such providers relate to occupations that are in demand;

"(C) the need to ensure access to training services throughout the State, including in rural areas;

"(D) the ability of providers to offer programs that lead to a recognized postsecondary credential;

"(E) the information such providers are required to report to State agencies with respect to other Federal and State programs (other than the program carried out under this subtitle), including one-stop partner programs; and

"(F) such other factors as the Governor determines are appropriate.

"(2) INFORMATION.—The criteria established by the Governor shall require that a provider of training services submit appropriate, accurate, and timely information to the State for purposes of carrying out subsection (d), with respect to participants receiving training services under this subtitle in the applicable program, including—

"(A) information on recognized postsecondary credentials received by such participants;

"(B) information on costs of attendance for such participants;

"(C) information on the program completion rate for such participants; and

"(D) information on the performance of the provider with respect to the performance measures described in section 136 for such participants.

"(3) RENEWAL.—The criteria established by the Governor shall also provide for a review every 3 years and renewal of eligibility under this section for providers of training services.

"(4) LOCAL CRITERIA.—A local board in the State may establish criteria in addition to the criteria established by the Governor, or may require higher levels of performance than required under the criteria established by the Governor, for purposes of determining the eligibility of providers of training services to receive funds described in subsection (a) to provide the services in the local area involved.

"(5) LIMITATION.—In carrying out the requirements of this subsection, no personally identifiable information regarding a student, including Social Security number, student identification number, or other identifier, may be disclosed without the prior written consent of the parent or eligible student in compliance with section 444 of the General Education Provisions Act (20 U.S.C. 1232g).

"(c) PROCEDURES.—The procedures established under subsection (a) shall—

"(1) identify—

"(A) the application process for a provider of training services to become eligible to receive funds under section 133(b) for the provision of training services; and

"(B) the respective roles of the State and local areas in receiving and reviewing applications and in making determinations of eligibility based on the criteria established under this section; and

"(2) establish a process for a provider of training services to appeal a denial or termination of eligibility under this section that includes an opportunity for a hearing and prescribes appropriate time limits to ensure prompt resolution of the appeal.

"(d) INFORMATION TO ASSIST PARTICIPANTS IN CHOOSING PROVIDERS.—In order to facilitate and assist participants under chapter 5 in choosing providers of training services, the Governor shall ensure that an appropriate list or lists of providers determined eligible under this section in the State, including information provided under subsection (b)(2) with respect to such providers, is provided to the local boards in the State and is made available to such participants and to members of the public through the one-stop delivery system in the State.

"(e) ENFORCEMENT.—

"(1) IN GENERAL.—The criteria and procedures established under this section shall provide the following:

"(A) INTENTIONALLY SUPPLYING INACCURATE INFORMATION.—Upon a determination, by an individual or entity specified in the criteria or procedures, that a provider of training services, or individual providing information on behalf of the provider, intentionally supplied inaccurate information under this section, the eligibility of such provider to receive funds under chapter 5 shall be terminated for a period of time that is not less than 2 years.

"(B) SUBSTANTIAL VIOLATIONS.—Upon a determination, by an individual or entity specified in the criteria or procedures, that a provider of training services substantially violated any requirement under this title, the eligibility of such provider to receive funds under the program involved shall be terminated for a period of time that is not less than 10 years.

"(C) REPAYMENT.—A provider of training services whose eligibility is terminated under subparagraph (A) or (B) shall be liable for the repayment of funds received under chapter 5 during a period of noncompliance described in such subparagraph.

"(2) CONSTRUCTION.—Paragraph (1) shall be construed to provide remedies and penalties that supplement, but do not supplant, other civil and criminal remedies and penalties.

"(f) AGREEMENTS WITH OTHER STATES.—States may enter into agreements, on a reciprocal basis, to permit eligible providers of training services to accept career enhancement accounts provided in another State.

"(g) RECOMMENDATIONS.—In developing the criteria, procedures, and information required under this section, the Governor shall solicit and take into consideration the recommendations of local boards and providers of training services within the State.

"(h) OPPORTUNITY TO SUBMIT COMMENTS.—During the development of the criteria, procedures, requirements for information, and the list of eligible providers required under this section, the Governor shall provide an opportunity for interested members of the public to submit comments regarding such criteria, procedures, and information.

"(i) ON-THE-JOB TRAINING OR CUSTOMIZED TRAINING EXCEPTION.—

"(1) IN GENERAL.—Providers of on-the-job training or customized training shall not be subject to the requirements of subsections (a) through (d).

"(2) COLLECTION AND DISSEMINATION OF INFORMATION.—A one-stop operator in a local area shall collect such performance information from on-the-job training and customized training providers as the Governor may require, determine whether the providers meet such performance criteria as the Governor may require, and disseminate information identifying providers that meet the criteria as eligible providers, and the performance information, through the one-stop delivery system. Providers determined to meet the criteria shall be considered to be identified as eligible providers of training services.".

SEC. 110. GENERAL AUTHORIZATION.

Chapter 5 of subtitle B of title I is amended—

(1) by striking the heading for chapter 5 and inserting the following: "**EMPLOYMENT AND TRAINING ACTIVITIES**"; and

(2) in section 131 (29 U.S.C. 2861)—

(A) by striking "paragraphs (1)(B) and (2)(B) of"; and

(B) by striking "adults, and dislocated workers," and inserting "individuals".

SEC. 111. STATE ALLOTMENTS.

Section 132 (29 U.S.C. 2862) is amended—

(1) by amending subsection (a) to read as follows:

"(a) IN GENERAL.—The Secretary shall—

"(1) reserve ½ of 1 percent of the total amount appropriated under section 137 for a fiscal year, of which—

"(A) 50 percent shall be used to provide technical assistance under section 170; and

"(B) 50 percent shall be used for evaluations under section 172;

"(2) reserve not more than 1 percent of the total amount appropriated under section 137 for a fiscal year to make grants to, and enter into contracts or cooperative agreements with Indian tribes, tribal organizations, Alaska-Native entities, Indian-controlled organizations serving Indians, or Native Hawaiian organizations to carry out employment and training activities;

"(3) reserve not more than 25 percent of the total amount appropriated under section 137 for a fiscal year to carry out the Jobs Corps program under subtitle C;

"(4) reserve not more than 3.5 percent of the total amount appropriated under section 137 for a fiscal year to—

"(A) make grants to State or local boards to provide employment and training assistance to workers affected by major economic dislocations, such as plant closures, mass layoffs, or closures and realignments of military installations; and

"(B) provide assistance to Governors of States with an area that has suffered an emergency or a major disaster (as such terms are defined in paragraphs (1) and (2), respectively, of section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)) to provide disaster relief employment in the area.

"(5) from the remaining amount appropriated under section 137 for a fiscal year (after reserving funds under paragraphs (1) through (4)), make allotments in accordance with subsection (b) of this section."; and

(2) by amending subsection (b) to read as follows:

"(b) WORKFORCE INVESTMENT FUND.—

"(1) RESERVATION FOR OUTLYING AREAS.—

"(A) IN GENERAL.—From the amount made available under subsection (a)(5) for a fiscal year, the Secretary shall reserve not more than ¼ of 1 percent to provide assistance to the outlying areas.

"(B) RESTRICTION.—The Republic of Palau shall cease to be eligible to receive funding under this subparagraph upon entering into an agreement for extension of United States educational assistance under the Compact of Free Association (approved by the Compact of Free Association Amendments Act of 2003 (Public Law 99–658)) after the date of enactment of the SKILLS Act.

"(2) STATES.—

"(A) IN GENERAL.—After determining the amount to be reserved under paragraph (1), the Secretary shall allot the remainder of the amount referred to in subsection (a)(5) for a fiscal year to the States pursuant to subparagraph (B) for employment and training activities and statewide workforce investment activities.

"(B) FORMULA.—Subject to subparagraphs (C) and (D), of the remainder—

"(i) 25 percent shall be allotted on the basis of the relative number of unemployed individuals in areas of substantial unemployment in each State, compared to the total number of unemployed individuals in areas of substantial unemployment in all States;

"(ii) 25 percent shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of such individuals in all States;

"(iii) 25 percent shall be allotted on the basis of the relative number of individuals in each State who have been unemployed for 15 weeks or more, compared to the total number of individuals in all States who have been unemployed for 15 weeks or more; and

"(iv) 25 percent shall be allotted on the basis of the relative number of disadvantaged youth in each State, compared to the total number of disadvantaged youth in all States.

"(C) MINIMUM AND MAXIMUM PERCENTAGES.—

"(i) MINIMUM PERCENTAGE.—The Secretary shall ensure that no State shall receive an allotment under this paragraph for—

"(I) each of fiscal years 2014 through 2016, that is less than 100 percent of the allotment percentage of the State for fiscal year 2012; and

"(II) fiscal year 2017 and each succeeding fiscal year, that is less than 90 percent of the allotment percentage of the State for the preceding fiscal year.

"(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the Secretary shall ensure that no State shall receive an allotment under this paragraph for—

"(I) each of fiscal years 2014 through 2016, that is more than 130 percent of the allotment percentage of the State for fiscal year 2012; and

"(II) fiscal year 2017 and each succeeding fiscal year, that is more than 130 percent of the allotment percentage of the State for the preceding fiscal year.

"(D) SMALL STATE MINIMUM ALLOTMENT.—Subject to subparagraph (C), the Secretary shall ensure that no State shall receive an allotment under this paragraph for a fiscal year that is less than ⅕ of 1 percent of the remainder described in subparagraph (A) for the fiscal year.

"(E) DEFINITIONS.—For the purpose of the formula specified in this paragraph:

"(i) ALLOTMENT PERCENTAGE.—The term 'allotment percentage'—

"(I) used with respect to fiscal year 2012, means the percentage of the amounts allotted to States under title I of this Act, title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.), the Women in Apprenticeship and Nontraditional Occupations Act (29 U.S.C. 2501 et seq.), sections 4103A and 4104 of title 38, United States Code, and sections 1 through 14 of the Wagner-Peyser Act (29 U.S.C. 49 et seq.), as such provisions were in effect for fiscal year 2012, that is received under such provisions by the State involved for fiscal year 2012; and

"(II) used with respect to fiscal year 2016 or a succeeding fiscal year, means the percentage of the amounts allotted to States under this paragraph for the fiscal year that is received under this paragraph by the State involved for the fiscal year.

"(ii) DISADVANTAGED YOUTH.—The term 'disadvantaged youth' means an individual who is not less than age 16 and not more than age 24 who receives an income, or is a member of a family that received a total family income, that in relation to family size, does not exceed the higher of—

"(I) the poverty line; or

"(II) 70 percent of the lower living standard income level.

"(iii) INDIVIDUAL.—The term 'individual' means an individual who is age 16 or older.".

SEC. 112. WITHIN STATE ALLOCATIONS.

Section 133 is amended—

(1) by amending subsection (a) to read as follows:

"(a) RESERVATIONS FOR STATEWIDE WORKFORCE INVESTMENT ACTIVITIES.—

"(1) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—The Governor of a State shall reserve up to 15 percent of the total amount allotted to the State under section 132(b)(2) for a fiscal year to carry out the statewide activities described in section 134(a).

"(2) STATEWIDE RAPID RESPONSE ACTIVITIES.—Of the amount reserved under paragraph (1) for a fiscal year, the Governor of the State shall reserve not more than 25 percent for statewide rapid response activities described in section 134(a)(4).

"(3) STATEWIDE GRANTS FOR INDIVIDUALS WITH BARRIERS TO EMPLOYMENT.—Of the amount reserved under paragraph (1) for a fiscal year, the Governor of a State shall reserve 15 percent to carry out statewide activities described in section 134(a)(5).

"(4) STATE ADMINISTRATIVE COST LIMIT.—Not more than 5 percent of the funds reserved under paragraph (1) may be used by the Governor of a State for administrative costs of carrying out the statewide activities described in section 134(a).";

(2) by amending subsection (b) to read as follows:

"(b) WITHIN STATE ALLOCATION.—

"(1) METHODS.—The Governor, acting in accordance with the State plan, and after consulting with chief elected officials in the local areas, shall—

"(A) allocate the funds that are allotted to the State for employment and training activities and not reserved under subsection (a), in accordance with paragraph (2)(A); and

"(B) award the funds that are reserved by the State under subsection (a)(3) through competitive grants to eligible entities, in accordance with section 134(a)(1)(C).

"(2) FORMULA ALLOCATIONS FOR THE WORKFORCE INVESTMENT FUND.—

"(A) ALLOCATION.—In allocating the funds described in paragraph (1)(A) to local areas, a State shall allocate—

"(i) 25 percent on the basis described in section 132(b)(2)(B)(i);

"(ii) 25 percent on the basis described in section 132(b)(2)(B)(ii);

"(iii) 25 percent on the basis described in section 132(b)(2)(B)(iii); and

"(iv) 25 percent on the basis described in section 132(b)(2)(B)(iv).

"(B) MINIMUM AND MAXIMUM PERCENTAGES.—

"(i) MINIMUM PERCENTAGE.—The State shall ensure that no local area shall receive an allocation under this paragraph for—

"(I) each of fiscal years 2014 through 2016, that is less than 100 percent of the allocation percentage of the local area for fiscal year 2012; and

"(II) fiscal year 2017 and each succeeding fiscal year, that is less than 90 percent of the allocation percentage of the local area for the preceding fiscal year.

"(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the State shall ensure that no local area shall receive an allocation for a fiscal year under this paragraph for—

"(I) each of fiscal years 2014 through 2016, that is more than 130 percent of the allocation percentage of the local area for fiscal year 2012; and

"(II) fiscal year 2017 and each succeeding fiscal year, that is more than 130 percentage of the allocation percentage of the local area for the preceding fiscal year.

"(C) DEFINITIONS.—For the purpose of the formula specified in this paragraph, the term 'allocation percentage'—

"(i) used with respect to fiscal year 2012, means the percentage of the amounts allocated to local areas under title I of this Act, title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.), the Women in Apprenticeship and Nontraditional Occupations Act (29 U.S.C. 2501 et seq.), sections 4103A and 4104 of title 38, United States Code, and sections 1 through 14 of the Wagner-Peyser Act (29 U.S.C. 49 et seq.), as such provisions were in effect for fiscal year 2012, that is received under such provisions by the local area involved for fiscal year 2012; and

"(ii) used with respect to fiscal year 2016 or a succeeding fiscal year, means the percentage of the amounts allocated to local areas for the fiscal year under this paragraph that is received under this paragraph by the local area involved for the fiscal year.";

(3) in subsection (c)—

(A) by amending paragraph (1) to read as follows:

"(1) IN GENERAL.—The Governor, may in accordance with this subsection, reallocate to eligible local areas within the State amounts that are allocated under subsection (b) for employment and training activities and that are available for reallocation.";

(B) in paragraph (2), by striking "paragraph (2)(A) or (3) of subsection (b) for such activities" and inserting "subsection (b) for such activities";

(C) by amending paragraph (3) to read as follows:

"(3) REALLOCATIONS.—In making reallocations to eligible local areas of amounts available pursuant to paragraph (2) for a program year, the Governor shall allocate to each eligible local area within the State an amount based on the relative amount allocated to such local area under subsection (b)(2) for such activities for such prior program year, as compared to the total amount allocated to all eligible local areas in the State under subsection (b)(2) for such activities for such prior program year."; and

(D) in paragraph (4), by striking "paragraph (2)(A) or (3) of"; and

(4) by adding at the end the following new subsection:

"(d) LOCAL ADMINISTRATIVE COST LIMIT.—Of the amounts allocated to a local area under this section for a fiscal year, not more than 10 percent of the amount may be used by the local board involved for the administrative costs of carrying out local workforce investment activities in the local area under this chapter.".

SEC. 113. USE OF FUNDS FOR EMPLOYMENT AND TRAINING ACTIVITIES.

Section 134 is amended—

(1) by amending subsection (a) to read as follows:

"(a) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

"(1) IN GENERAL.—

"(A) DISTRIBUTION OF STATEWIDE ACTIVITIES.—Funds reserved by a Governor for a State as described in section 133(a)(1)—

"(i) shall be used to carry out the statewide employment and training activities described in paragraph (2); and

"(ii) may be used to carry out any of the statewide employment and training activities described in paragraph (3).

"(B) STATEWIDE RAPID RESPONSE ACTIVITIES.—Funds reserved by a Governor for a State as described in section 133(a)(2) shall be used to carry out the statewide rapid response activities described in paragraph (4).

"(C) STATEWIDE GRANTS FOR INDIVIDUALS WITH BARRIERS TO EMPLOYMENT.—Funds reserved by a Governor for a State as described in section 133(a)(3) shall be used to carry out the Statewide Grants for Individuals with Barriers to Employment competition described in paragraph (5).

"(2) REQUIRED STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—A State shall use funds reserved as described in section 133(a)(1) to carry out statewide employment and training activities, which shall include—

"(A) disseminating the State list of eligible providers of training described in section 122(d), information identifying eligible providers of on-the-job training and customized training described in section 122(i), and performance information and program cost information described in section 122(b)(2);

"(B) supporting the provision of work ready services described in subsection (c)(2) in the one-stop delivery system;

"(C) implementing strategies and services that will be used in the State to assist at-risk youth and out-of-school youth in acquiring the education and skills, recognized postsecondary credentials, and employment experience to succeed in the labor market;

"(D) conducting evaluations under section 136(e) of activities authorized under this chapter in coordination with evaluations carried out by the Secretary under section 172;

"(E) providing technical assistance to local areas that fail to meet local performance measures;

"(F) operating a fiscal and management accountability system under section 136(f); and

"(G) carrying out monitoring and oversight of activities carried out under this chapter.

"(3) ALLOWABLE STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—A State may use funds reserved as described in section 133(a)(1) to carry out statewide employment and training activities which may include—

"(A) implementing innovative programs and strategies designed to meet the needs of all employers in the State, including small employers, which may include incumbent worker training programs, sectoral and industry cluster strategies and partnerships, career ladder programs, micro-enterprise and entrepreneurial training and support programs, utilization of effective business intermediaries, activities to improve linkages between the one-stop delivery system in the State and all employers (including small employers) in the State, and other business services and strategies that better engage employers in workforce investment activities and make the workforce investment system more relevant to the needs of State and local businesses, consistent with the objectives of this title;

"(B) providing incentive grants to local areas for regional cooperation among local boards (including local boards in a designated region as described in section 116(c)), for local coordination of activities carried out under this Act, and for exemplary performance by local areas on the local performance measures;

"(C) developing strategies for effectively integrating programs and services among one-stop partners;

"(D) carrying out activities to facilitate remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology;

"(E) incorporating pay-for-performance contracting strategies, as defined in section 101(56), as an element in funding activities under this section and providing technical support to local areas and providers in order to carry out such strategy, which may provide assistance with data collection and data entry requirements;

"(F) carrying out the State option under subsection (f)(8); and

"(G) carrying out other activities authorized under this section that the State determines to be necessary to assist local areas in carrying out activities described in subsection (c) or (d) through the statewide workforce investment system.

"(4) STATEWIDE RAPID RESPONSE ACTIVITIES.—A State shall use funds reserved as described in section 133(a)(2) to carry out statewide rapid response activities, which shall include—

"(A) provision of rapid response activities, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials in the local areas; and

"(B) provision of additional assistance to local areas that experience disasters, mass layoffs or plant closings, or other events that precipitate sub-

stantial increases in the number of unemployed individuals, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials in the local areas.

"(5) STATEWIDE GRANTS FOR INDIVIDUALS WITH BARRIERS TO EMPLOYMENT.—

"(A) IN GENERAL.—Of the funds reserved as described in section 133(a)(3), the Governor of a State—

"(i) may reserve up to 5 percent to provide technical assistance to, and conduct evaluations as described in section 136(e), of the programs and activities carried out under this paragraph; and

"(ii) using the remainder, shall award grants on a competitive basis to eligible entities described in subparagraph (B) to carry out employment and training programs authorized under this paragraph for individuals with barriers to employment that meet specific performance outcomes and criteria established by the Governor.

"(B) ELIGIBLE ENTITY DEFINED.—For purposes of this paragraph, the term 'eligible entity' means an entity that—

"(i) is a—

"(I) local board or a consortium of local boards;

"(II) nonprofit entity, for-profit entity, or a consortium of nonprofit or for-profit entities; or

"(III) consortium of the entities described in subclauses (I) and (II);

"(ii) has a demonstrated record of placing individuals into unsubsidized employment and serving hard to serve individuals; and

"(iii) agrees to be reimbursed primarily on the basis of achievement of specified performance outcomes and criteria established by the Governor.

"(C) GRANT PERIOD.—

"(i) IN GENERAL.—A grant under this paragraph shall be awarded for a period of 1 year.

"(ii) GRANT RENEWAL.—A Governor of a State may renew, for up to 4 additional 1-year periods, a grant awarded under this paragraph.

"(D) ELIGIBLE PARTICIPANTS.—To be eligible to participate in activities under this paragraph, an individual shall be a low-income individual age 16 or older or a member of a low-income family.

"(E) USE OF FUNDS.—An eligible entity receiving a grant under this paragraph shall use such funds for activities that are designed to assist eligible participants in obtaining employment and acquiring the education and skills necessary to succeed in the labor market.

"(F) APPLICATIONS.—To be eligible to receive a grant under this paragraph, an eligible entity shall submit an application to a State at such time, in such manner, and containing such information as the State may require, including—

"(i) a description of how the strategies and activities will be aligned with the State plan submitted under section 112 and the local plan submitted under section 118 with respect to the areas of the State that will be the focus of grant activities under this paragraph;

"(ii) a description of the educational and skills training programs and activities the eligible entity will provide to eligible participants under this paragraph;

"(iii) how the eligible entity will collaborate with State and local workforce investment systems established under this title in the provision of such programs and activities;

"(iv) a description of the programs of demonstrated effectiveness on which the provision of such educational and skills training programs and activities are based, and a description of how such programs and activities will improve the education and skills training for eligible participants;

"(v) a description of the populations to be served and the skill needs of those populations, and the manner in which eligible participants will be recruited and selected as participants;

"(vi) a description of the private, public, local, and State resources that will be leveraged, in addition to the grant funds provided for the programs and activities under this paragraph, and how the entity will ensure the sustainability of such programs and activities after grant funds are no longer available;

"(vii) a description of the extent of the involvement of employers in such programs and activities;

"(viii) a description of the levels of performance the eligible entity expects to achieve with respect to the indicators of performance for all individuals specified in section in 136(b)(2);

"(ix) a detailed budget and a description of the system of fiscal controls, and auditing and accountability procedures that will be used to ensure fiscal soundness for the programs and activities provided under this paragraph; and

"(x) any other criteria the Governor may require.";

(2) by amending subsection (b) to read as follows:

"(b) LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—Funds allocated to a local area under section 133(b)—

"(1) shall be used to carry out employment and training activities described in subsection (c); and

"(2) may be used to carry out employment and training activities described in subsection (d).";

(3) by striking subsection (c);

(4) by redesignating subsections (d) and (e), as subsections (c) and (d), respectively;

(5) in subsection (c) (as so redesignated)—

(A) by amending paragraph (1) to read as follows:

"(1) IN GENERAL.—Funds allocated to a local area under section 133(b) shall be used—

"(A) to establish a one-stop delivery system as described in section 121(e);

"(B) to provide the work ready services described in paragraph (2) through the one-stop delivery system in accordance with such paragraph; and

"(C) to provide training services described in paragraph (4) in accordance with such paragraph.";

(B) in paragraph (2)—

(i) in the heading, by striking "CORE SERVICES" and inserting "WORK READY SERVICES";

(ii) in the matter preceding subparagraph (A)—

(I) by striking "(1)(A)" and inserting "(1)(B)";

(II) by striking "core services" and inserting "work ready services"; and

(III) by striking "who are adults or dislocated workers";

(iii) by redesignating subparagraph (K) as subparagraph (V);

(iv) by redesignating subparagraphs (B) through (J) as subparagraphs (C) through (K), respectively;

(v) by inserting after subparagraph (A) the following:

"(B) assistance in obtaining eligibility determinations under the other one-stop partner programs through activities, where appropriate and consistent with the authorizing statute of the one-stop partner program, such as assisting in the submission of applications, the provision of information on the results of such applications, and the provision of intake services and information;";

(vi) by amending subparagraph (E), as so redesignated, to read as follows:

"(E) labor exchange services, including—

"(i) job search and placement assistance, and where appropriate, career counseling;

"(ii) appropriate recruitment services for employers, including small employers, in the local area, which may include services described in this subsection, including information and referral to specialized business services not traditionally offered through the one-stop delivery system; and

"(iii) reemployment services provided to unemployment claimants, including claimants identified as in need of such services under the worker profiling system established under section 303(j) of the Social Security Act (42 U.S.C. 503(j));";

(vii) in subparagraph (F), as so redesignated, by striking "employment statistics" and inserting "workforce and labor market";

(viii) in subparagraph (G), as so redesignated, by striking "and eligible providers of youth activities described in section 123,";

(ix) in subparagraph (H), as so redesignated, by inserting "under section 136" after "local performance measures";

(x) in subparagraph (J), as so redesignated, by inserting "and the administration of the work test for the unemployment compensation system" after "compensation";

(xi) by amending subparagraph (K), as so redesignated, to read as follows:

"(K) assistance in establishing eligibility for programs of financial aid assistance for training and education programs that are not funded under this Act and are available in the local area;"; and

(xii) by inserting the following new subparagraphs after subparagraph (K), as so redesignated:

"(L) the provision of information from official publications of the Internal Revenue Service regarding Federal tax credits available to individuals relating to education, job training and employment;

"(M) comprehensive and specialized assessments of the skill levels and service needs of workers, which may include—

"(i) diagnostic testing and use of other assessment tools; and

"(ii) in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals;

"(N) development of an individual employment plan, to identify the employment goals, appropriate achievement objectives, and appropriate combination of services for the participant;

"(O) group counseling;

"(P) individual counseling and career planning;

"(Q) case management;

"(R) short-term pre-career services, including development of learning skills, communications skills, interviewing skills, punctuality, personal maintenance skills, and professional conduct, to prepare individuals for unsubsidized employment or training;

"(S) internships and work experience;

"(T) literacy activities relating to basic work readiness, information and communication technology literacy activities, and financial literacy activities, if such activities are not available to participants in the local area under programs administered under the Adult Education and Family Literacy Act (20 U.S.C. 2901 et seq.);

"(U) out-of-area job search assistance and relocation assistance; and"; and

(C) by amending paragraph (3) to read as follows:

"(3) DELIVERY OF SERVICES.—The work ready services described in paragraph (2) shall be provided through the one-stop delivery system and may be provided through contracts with public, private for-profit, and private nonprofit service providers, approved by the local board.";

(D) in paragraph (4)—

(i) by amending subparagraph (A) to read as follows:

"(A) IN GENERAL.—Funds described in paragraph (1)(C) shall be used to provide training services to individuals who—

"(i) after an interview, evaluation, or assessment, and case management, have been determined by a one-stop operator or one-stop partner, as appropriate, to—

"(I) be in need of training services to obtain or retain employment; and

"(II) have the skills and qualifications to successfully participate in the selected program of training services;

"(ii) select programs of training services that are directly linked to the employment opportunities in the local area involved or in another area in which the individual receiving such services are willing to commute or relocate; and

"(iii) who meet the requirements of subparagraph (B);"; and

(ii) in subparagraph (B)(i), by striking "Except" and inserting "Notwithstanding section 479B of the Higher Education Act of 1965 (20 U.S.C. 1087uu) and except";

(iii) by amending subparagraph (D) to read as follows:

"(D) TRAINING SERVICES.—Training services authorized under this paragraph may include—

"(i) occupational skills training;

"(ii) on-the-job training;

"(iii) skill upgrading and retraining;

"(iv) entrepreneurial training;

"(v) education activities leading to a regular secondary school diploma or its recognized equivalent in combination with, concurrently or subsequently, occupational skills training;

"(vi) adult education and literacy activities provided in conjunction with other training authorized under this subparagraph;

"(vii) workplace training combined with related instruction;

"(viii) occupational skills training that incorporates English language acquisition;

"(ix) customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training; and

"(x) training programs operated by the private sector.";

(iv) by striking subparagraph (E) and redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively; and

(v) in subparagraph (E) (as so redesignated)—

(I) in clause (ii)—

(aa) in the matter preceding subclause (I), by striking "subsection (c)" and inserting "section 121";

(bb) in subclause (I), by striking "section 122(e)" and inserting "section 122(d)" and by striking "section 122(h)" and inserting "section 122(i)"; and

(cc) in subclause (II), by striking "subsections (e) and (h)" and inserting "subsection (i)"; and

(II) by striking clause (iii) and inserting the following:

"(iii) CAREER ENHANCEMENT ACCOUNTS.—An individual who seeks training services and who is eligible pursuant to subparagraph (A), may, in consultation with a case manager, select an eligible provider of training services from the list or identifying information for providers described in clause (ii)(I). Upon such selection, the one-stop operator involved shall, to the extent practicable, refer such individual to the eligible provider of training services, and arrange for payment for such services through a career enhancement account.

"(iv) COORDINATION.—Each local board may, through one-stop centers, coordinate career enhancement accounts with other Federal, State, local, or private job training programs or sources to assist the individual in obtaining training services.

"(v) ASSISTANCE.—Each local board may, through one-stop centers, assist individuals receiving career enhancement accounts in obtaining funds (in addition to the funds provided under this section) from other programs and sources that will assist the individual in obtaining training services."; and

(vi) in subparagraph (F) (as so redesignated)—

(I) in the subparagraph heading, by striking "INDIVIDUAL TRAINING ACCOUNTS" and inserting "CAREER ENHANCEMENT ACCOUNTS";

(II) in clause (i) by striking "individual training accounts" and inserting "career enhancement accounts";

(III) in clause (ii)—

(aa) by striking "an individual training account" and inserting "a career enhancement account";

(bb) by striking "subparagraph (F)" and inserting "subparagraph (E)";

(cc) in subclause (II), by striking "individual training accounts" and inserting "career enhancement accounts";

(dd) in subclause (II) by striking "or" after the semicolon;

(ee) in subclause (III) by striking the period and inserting "; or"; and

(ff) by adding at the end the following:

"(IV) the local board determines that it would be most appropriate to award a contract to an institution of higher education that has been identified as a priority provider under section 117(d)(5)(B) in order to facilitate the training of multiple individuals in in-demand sectors or occupations, and which may be used to enable the expansion of programs provided by a priority provider, if such contract does not limit customer choice.";

(IV) in clause (iii), by striking "adult or dislocated worker" and inserting "individual"; and

(V) in clause (iv)—

(aa) by redesignating subclause (IV) as subclause (V) and inserting after subclause (III) the following:

"(IV) Individuals with disabilities.";

(6) in subsection (d) (as so redesignated)—

(A) by amending paragraph (1) to read as follows:

"(1) DISCRETIONARY ONE-STOP DELIVERY ACTIVITIES.—

"(A) IN GENERAL.—Funds allocated to a local area under section 133(b)(2) may be used to provide, through the one-stop delivery system—

"(i) customized screening and referral of qualified participants in training services to employers;

"(ii) customized employment-related services to employers on a fee-for-service basis;

"(iii) customer supports, including transportation and childcare, to navigate among multiple services and activities for special participant populations that face multiple barriers to employment, including individuals with disabilities;

"(iv) employment and training assistance provided in coordination with child support enforcement activities of the State agency carrying out subtitle D of title IV of the Social Security Act (42 U.S.C. 651 et seq.);

"(v) incorporating pay-for-performance contract strategies, as defined in section 101(56), as an element in funding activities under this section;

"(vi) activities to facilitate remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology; and

"(vii) activities to carry out business services and strategies that meet the workforce investment needs of local area employers, as determined by the local board, consistent with the local plan under section 118.".

(B) by striking paragraphs (2) and (3); and

(C) by adding at the end the following:

"(2) INCUMBENT WORKER TRAINING PROGRAMS.—

"(A) IN GENERAL.—The local board may use funds allocated to a local area under section 133(b)(2) to carry out incumbent worker training programs in accordance with this paragraph.

"(B) TRAINING ACTIVITIES.—The training programs for incumbent workers under this paragraph shall be carried out by the local area in conjunction with the employers of such workers for the purpose of assisting such workers in obtaining the skills necessary to retain employment and avert layoffs.

"(C) EMPLOYER MATCH REQUIRED.—

"(i) IN GENERAL.—Employers participating in programs under this paragraph shall be required to pay a proportion of the costs of providing the training to the incumbent workers of the employers. The local board shall establish the required portion of such costs, which may include in-kind contributions.

"(ii) CALCULATION OF MATCH.—The wages paid by an employer to a worker while they are attending training may be included as part of the required payment of the employer."; and

(7) by adding at the end the following:

"(e) PRIORITY FOR PLACEMENT IN PRIVATE SECTOR JOBS.—In providing employment and training activities authorized under this section, the State and local board shall give priority to placing participants in jobs in the private sector.

"(f) VETERAN EMPLOYMENT SPECIALIST.—

"(1) IN GENERAL.—Subject to paragraph (8), a local board shall hire and employ one or more veteran employment specialist to carry out employment, training, and placement services under this subsection in the local area served by the local board.

"(2) PRINCIPAL DUTIES.—A veteran employment specialist in a local area shall—

"(A) conduct outreach to employers in the local area to assist veterans, including disabled veterans, in gaining employment, including—

"(i) conducting seminars for employers; and

"(ii) in conjunction with employers, conducting job search workshops, and establishing job search groups; and

"(B) facilitate employment, training, supportive, and placement services furnished to veterans, including disabled and homeless veterans, in the local area.

"(3) HIRING PREFERENCE FOR VETERANS AND INDIVIDUALS WITH EXPERTISE IN SERVING VETERANS.—Subject to paragraph (8), a local board shall, to the maximum extent practicable, employ veterans or individuals with expertise in serving veterans to carry out the services described in paragraph (2) in the local area served by the local board. In hiring an individual to serve as a veteran employment specialist, a local board shall give preference to veterans and other individuals in the following order:

"(A) To service-connected disabled veterans.

"(B) If no veteran described in subparagraph (A) is available, to veterans.

"(C) If no veteran described in subparagraph (A) or (B) is available, to any member of the Armed Forces transitioning out of military service.

"(D) If no veteran described in subparagraph (A), (B), or (C) is available, to any spouse of a veteran or a spouse of a member of the Armed Forces transitioning out of military service.

"(E) If no veteran described in subparagraph (A), (B), or (C) is available and no spouse described in paragraph (D) is available, to any other individuals with expertise in serving veterans.

"(4) ADMINISTRATION AND REPORTING.—

"(A) IN GENERAL.—Each veteran employment specialist shall be administratively responsible to the manager of the one-stop delivery center in the local area and shall provide, at a minimum, quarterly reports to the manager of such center and to the Director for Veterans' Employment and Training for the State on the performance and compliance by the specialist with Federal law and regulations with respect to the—

"(i) principal duties and special services for veterans described in paragraph (2); and

"(ii) hiring preferences described in paragraph (3) for veterans and individuals with expertise in serving veterans.

"(B) REPORT TO SECRETARY.—Each State shall submit to the Secretary an annual report on the qualifications used by the local board in making hiring determinations for a veteran employment specialist and the salary structure under which such specialist is compensated.

"(C) REPORT TO CONGRESS.—The Secretary shall submit to the Committee on Education and the Workforce and the Committee on Veterans' Affairs of the House of Representatives and the Committee on Health, Education, Labor, and Pensions and the Committee on Veterans' Affairs of the Senate an annual report summarizing the reports submitted under subparagraph (B), including summaries of outcomes achieved by participating veterans disaggregated by local areas.

"(5) PART-TIME EMPLOYEES.—A part-time veteran employment specialist shall perform the functions of a veteran employment specialist under this subsection on a halftime basis.

"(6) TRAINING REQUIREMENTS.—Each veteran employment specialist described in paragraph (2) shall satisfactorily complete training provided by the National Veterans' Employment and Training Institute during the three-year period that begins on the date on which the employee is so assigned.

"(7) SPECIALIST'S DUTIES.—A full-time veteran employment specialist shall perform only duties related to the employment, training, supportive, and placement services under this subsection, and shall not perform other non-veteran-related duties if such duties detract from the specialist's ability to perform the specialist's duties related to employment, training, and placement services under this subsection.

"(8) STATE OPTION.—At the request of a local board, a State may assume the duties assigned to the local board under paragraphs (1) and (3), including the hiring and employment of one or more veteran employment specialist for placement in the local area served by the local board.".

SEC. 114. PERFORMANCE ACCOUNTABILITY SYSTEM.

Section 136 (29 U.S.C. 2871) is amended—

(1) in subsection (b)—

(A) by amending paragraphs (1) and (2) to read as follows:

"(1) IN GENERAL.—For each State, the State performance measures shall consist of—

"(A)(i) the core indicators of performance described in paragraph (2)(A); and

"(ii) additional indicators of performance (if any) identified by the State under paragraph (2)(B); and

"(B) a State adjusted level of performance for each indicator described in subparagraph (A).

"(2) INDICATORS OF PERFORMANCE.—

"(A) CORE INDICATORS OF PERFORMANCE.—

"(i) IN GENERAL.—The core indicators of performance for the program of employment and training activities authorized under sections 132(a)(2) and 134, the program of adult education and literacy activities authorized under title II, and the program authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), other than section 112 or part C of that title (29 U.S.C. 732, 741), shall consist of

the following indicators of performance, each disaggregated by the populations identified in the State and local plans:

"(I) The percentage and number of program participants who are in unsubsidized employment during the second full calendar quarter after exit from the program.

"(II) The percentage and number of program participants who are in unsubsidized employment during the fourth full calendar quarter after exit from the program.

"(III) The median earnings of program participants who are in unsubsidized employment during the second full calendar quarter after exit from the program compared to the median earnings of such participants prior to the training received under such program.

"(IV) The percentage and number of program participants who obtain a recognized postsecondary credential, a registered apprenticeship, an industry-recognized credential, or a regular secondary school diploma or its recognized equivalent (subject to clause (ii)), during participation in or within 1 year after exit from program.

"(V) The percentage and number of program participants who, during a program year—

"(aa) are in an education or training program that leads to a recognized postsecondary credential, a registered apprenticeship or on-the-job training program, an industry-recognized credential, a regular secondary school diploma or its recognized equivalent, or unsubsidized employment; and

"(bb) are achieving measurable basic skill gains toward such a credential or employment.

"(VI) The percentage and number of program participants who obtain unsubsidized employment in the field relating to the training services described in section 134(c)(4) that such participants received.

"(ii) INDICATOR RELATING TO CREDENTIAL.—For purposes of clause (i)(IV), program participants who obtain a regular secondary school diploma or its recognized equivalent shall be included in the percentage counted as meeting the criterion under such clause only if such participants, in addition to obtaining such diploma or its recognized equivalent, have, within 1 year after exit from the program, obtained or retained employment, have been removed from public assistance, or are in an education or training program leading to a recognized postsecondary credential.

"(B) ADDITIONAL INDICATORS.—A State may identify in the State plan additional indicators for workforce investment activities authorized under this subtitle."; and

(B) in paragraph (3)—

(i) in subparagraph (A)—

(I) in the heading, by striking "AND CUSTOMER SATISFACTION INDICATOR";

(II) in clause (i), by striking "and the customer satisfaction indicator described in paragraph (2)(B)";

(III) in clause (ii), by striking "and the customer satisfaction indicator of performance, for the first 3" and inserting ", for all 3";

(IV) in clause (iii)—

(aa) in the heading, by striking "FOR FIRST 3 YEARS"; and

(bb) by striking "and the customer satisfaction indicator of performance, for the first 3 program years" and inserting "for all 3 program years";

(V) in clause (iv)—

(aa) by striking "or (v)";

(bb) by striking subclause (I) and redesignating subclauses (II) and (III) as subclauses (I) and (II), respectively; and

(cc) in subclause (I) (as so redesignated)—

(AA) by striking "taking into account" and inserting "which shall be adjusted based on";

(BB) by inserting ", such as unemployment rates and job losses or gains in particular industries" after "economic conditions"; and

(CC) by inserting ", such as indicators of poor work experience, dislocation from high-wage employment, low levels of literacy or English proficiency, disability status, includ-

ing the number of veterans with disabilities, and welfare dependency" after "program";

(VI) by striking clause (v) and redesignating clause (vi) as clause (v); and

(VII) in clause (v) (as so redesignated),

(aa) by striking "described in clause (iv)(II)" and inserting "described in clause (iv)(I)"; and

(bb) by striking "or (v)"; and

(ii) in subparagraph (B), by striking "paragraph (2)(C)" and inserting "paragraph (2)(B)";

(2) in subsection (c)(1)(A)—

(A) by amending clause (i) to read as follows: "(i) the core indicators of performance described in subsection (b)(2)(A) for activities described in such subsections, other than statewide workforce investment activities; and";

(B) in clause (ii), by striking "(b)(2)(C)" and inserting "(b)(2)(B)"; and

(C) by amending paragraph (3) to read as follows:

"(3) DETERMINATIONS.—In determining such local levels of performance, the local board, the chief elected official, and the Governor shall ensure such levels are adjusted based on the specific economic characteristics (such as unemployment rates and job losses or gains in particular industries), demographic characteristics, or other characteristics of the population to be served in the local area.";

(3) in subsection (d)—

(A) in paragraph (1)—

(i) by striking "127 or";

(ii) by striking "and the customer satisfaction indicator" each place it appears; and

(iii) in the last sentence, by inserting before the period the following: ", and on the amount and percentage of the State's annual allotment under section 132 the State spends on administrative costs and on the amount and percentage of its annual allocation under section 133 each local area in the State spends on administrative costs";

(B) in paragraph (2)—

(i) by striking subparagraphs (A), (B), and (D);

(ii) by redesignating subparagraph (C) as subparagraph (A);

(iii) by redesignating subparagraph (E) as subparagraph (B);

(iv) in subparagraph (B), as so redesignated—

(I) by striking "(excluding participants who received only self-service and informational activities)"; and

(II) by striking "and" at the end;

(v) by striking subparagraph (F);

(vi) by adding at the end the following:

"(C) with respect to each local area in the State—

"(i) the number of individuals who received work ready services described under section 134(c)(2) and the number of individuals who received training services described under section 134(c)(4) during the most recent program year and fiscal year, and the preceding 5 program years, where the individuals received the training, disaggregated by the type of entity that provided the training, and the amount of funds spent on each type of service;

"(ii) the number of individuals who successfully exited out of work ready services described under section 134(c)(2) and the number of individuals who exited out of training services described under section 134(c)(4) during the most recent program year and fiscal year, and the preceding 5 program years, and where the individuals received the training, disaggregated by the type of entity that provided the training; and

"(iii) the average cost per participant of those individuals who received work ready services described under section 134(c)(2) and the average cost per participant of those individuals who received training services described under section 134(c)(4) during the most recent program year and fiscal year, and the preceding 5 program years, and where the individuals received the training, disaggregated by the type of entity that provided the training; and

"(E) the amount of funds spent on training services and discretionary one-stop delivery activities, disaggregated by the populations identified in the State and local plans.";

(C) in paragraph (3)(A), by striking "through publication" and inserting "through electronic means"; and

(D) by adding at the end the following:

"(4) DATA VALIDATION.—In preparing the reports described in this subsection, each State shall establish procedures, consistent with guidelines issued by the Secretary, to ensure the information contained in the report is valid and reliable.

"(5) STATE AND LOCAL POLICIES.—

"(A) STATE POLICIES.—Each State that receives an allotment under section 132 shall maintain a central repository of policies related to access, eligibility, availability of services, and other matters and plans approved by the State board and make such repository available to the public, including by electronic means.

"(B) LOCAL POLICIES.—Each local area that receives an allotment under section 133 shall maintain a central repository of policies related to access, eligibility, availability of services, and other matters and plans approved by the local board and make such repository available to the public, including by electronic means.";

(4) in subsection (g)—

(A) in paragraph (1)(A), by striking "or (B)";

(B) in paragraph (1)(B), by striking "may reduce by not more than 5 percent," and inserting "shall reduce"; and

(C) by striking paragraph (2) and inserting the following:

"(2) FUNDS RESULTING FROM REDUCED ALLOTMENTS.—The Secretary shall return to the Treasury the amount retained, as a result of a reduction in an allotment to a State made under paragraph (1)(B).";

(5) in subsection (h)(1), by striking "or (B)";

(6) in subsection (h)(2)—

(A) in subparagraph (A), by amending the matter preceding clause (i) to read as follows:

"(A) IN GENERAL.—If such failure continues for a second consecutive year, the Governor shall take corrective actions, including the development of a reorganization plan. Such plan shall—";

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;

(C) by inserting after subparagraph (A), the following:

"(B) REDUCTION IN THE AMOUNT OF GRANT.—If such failure continues for a third consecutive year, the Governor of a State shall reduce the amount of the grant that would (in the absence of this subparagraph) be payable to the local area under such program for the program year after such third consecutive year. Such penalty shall be based on the degree of failure to meet local levels of performance.";

(D) in subparagraph (C)(i) (as so redesignated), by striking "a reorganization plan under subparagraph (A) may, not later than 30 days after receiving notice of the reorganization plan, appeal to the Governor to rescind or revise such plan" and inserting "corrective actions under subparagraphs (A) and (B) may, not later than 30 days after receiving notice of the actions, appeal to the Governor to rescind or revise such actions"; and

(E) in subparagraph (D) (as so redesignated), by striking "subparagraph (B)" each place it appears and inserting "subparagraph (C)";

(7) in subsection (i)(1)(B), by striking "subsection (b)(2)(C)" and inserting "subsection (b)(2)(B)";

(8) in subsection (i)(1)(C), by striking "(b)(3)(A)(vi)" and inserting "(b)(3)(A)(v)";

(9) in subsection (i)(2), by striking "the activities described in section 502 concerning";

(10) in subsection (i)(3), by striking "described in paragraph (1) and in the activities described in section 502" and inserting "and activities described in this subsection"; and

(11) by adding at the end the following new subsections:

"(j) USE OF CORE INDICATORS FOR OTHER PROGRAMS.—In addition to the programs carried out under chapter 5, and consistent with the requirements of the applicable authorizing laws, the Secretary shall use the core indicators of performance described in subsection (b)(2)(A) to assess the effectiveness of the programs described under section 121(b)(1)(B) that are carried out by the Secretary.

"(k) ESTABLISHING PAY-FOR-PERFORMANCE INCENTIVES.—

"(1) IN GENERAL.—At the discretion of the Governor of a State, a State may establish an incentive system for local boards to implement pay-for-performance contract strategies for the delivery of employment and training services in the local areas served by the local boards.

"(2) IMPLEMENTATION.—A State that establishes a pay-for-performance incentive system shall reserve not more than 10 percent of the total amount allotted to the State under section 132(b)(2) for a fiscal year to provide funds to local areas in the State whose local boards have implemented a pay-for-performance contract strategy.

"(3) EVALUATIONS.—A State described in paragraph (2) shall use funds reserved by the State under section 133(a)(1) to evaluate the return on investment of pay-for-performance contract strategies implemented by local boards in the State.".

SEC. 115. AUTHORIZATION OF APPROPRIATIONS.

Section 137 (29 U.S.C. 2872) is amended to read as follows:

"SEC. 137. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out the activities described in section 132, $6,245,318,000 for fiscal year 2014 and each of the 6 succeeding fiscal years.".

Subtitle C—Job Corps

SEC. 116. JOB CORPS PURPOSES.

Paragraph (1) of section 141 (29 U.S.C. 2881(1)) is amended to read as follows:

"(1) to maintain a national Job Corps program for at-risk youth, carried out in partnership with States and communities, to assist eligible youth to connect to the workforce by providing them with intensive academic, career and technical education, and service-learning opportunities, in residential and nonresidential centers, in order for such youth to obtain regular secondary school diplomas and recognized postsecondary credentials leading to successful careers in in-demand industries that will result in opportunities for advancement;".

SEC. 117. JOB CORPS DEFINITIONS.

Section 142 (29 U.S.C. 2882) is amended—

(1) in paragraph (2)—

(A) in the paragraph heading, by striking "APPLICABLE ONE-STOP" and inserting "ONE-STOP";

(B) by striking "applicable";

(C) by striking "customer service"; and

(D) by striking "intake" and inserting "assessment";

(2) in paragraph (4), by striking "before completing the requirements" and all that follows and inserting "prior to becoming a graduate."; and

(3) in paragraph (5), by striking "has completed the requirements" and all that follows and inserting the following: "who, as a result of participation in the Job Corps program, has received a regular secondary school diploma, completed the requirements of a career and technical education and training program, or received, or is making satisfactory progress (as defined under section 484(c) of the Higher Education Act of 1965 (20 U.S.C. 1091(c)) toward receiving, a recognized postsecondary credential, including an industry-recognized credential that prepares individuals for employment leading to economic self-sufficiency.".

SEC. 118. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.

Section 144 (29 U.S.C. 2884) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) not less than age 16 and not more than age 24 on the date of enrollment;";

(2) in paragraph (3)(B), by inserting "secondary" before "school"; and

(3) in paragraph (3)(E), by striking "vocational" and inserting "career and technical education and".

SEC. 119. RECRUITMENT, SCREENING, SELECTION, AND ASSIGNMENT OF ENROLLEES.

Section 145 (29 U.S.C. 2885) is amended—

(1) in subsection (a)—

(A) in paragraph (2)(C)(i) by striking "vocational" and inserting "career and technical education and training"; and

(B) in paragraph (3)—

(i) by striking "To the extent practicable, the" and inserting "The";

(ii) in subparagraph (A)—

(I) by striking "applicable"; and

(II) by inserting "and" after the semicolon;

(iii) by striking subparagraphs (B) and (C); and

(iv) by adding at the end the following:

"(B) organizations that have a demonstrated record of effectiveness in placing at-risk youth into employment.";

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (B), by inserting "and agrees to such rules" after "failure to observe the rules"; and

(ii) by amending subparagraph (C) to read as follows:

"(C) the individual has passed a background check conducted in accordance with procedures established by the Secretary, which shall include—

"(i) a search of the State criminal registry or repository in the State where the individual resides and each State where the individual previously resided;

"(ii) a search of State-based child abuse and neglect registries and databases in the State where the individual resides and each State where the individual previously resided;

"(iii) a search of the National Crime Information Center;

"(iv) a Federal Bureau of Investigation fingerprint check using the Integrated Automated Fingerprint Identification System; and

"(v) a search of the National Sex Offender Registry established under the Adam Walsh Child Protection and Safety Act of 2006 (42 U.S.C. 16901 et seq.).."; and

(B) by adding at the end the following new paragraph:

"(3) INDIVIDUALS CONVICTED OF A CRIME.—An individual shall be ineligible for enrollment if the individual—

"(A) makes a false statement in connection with the criminal background check described in paragraph (1)(C);

"(B) is registered or is required to be registered on a State sex offender registry or the National Sex Offender Registry established under the Adam Walsh Child Protection and Safety Act of 2006 (42 U.S.C. 16901 et seq.); or

"(C) has been convicted of a felony consisting of—

"(i) homicide;

"(ii) child abuse or neglect;

"(iii) a crime against children, including child pornography;

"(iv) a crime involving rape or sexual assault; or

"(v) physical assault, battery, or a drug-related offense, committed within the past 5 years.";

(3) in subsection (c)—

(A) in paragraph (1)—

(i) by striking "2 years" and inserting "year"; and

(ii) by striking "an assignment" and inserting "a"; and

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking ", every 2 years,";

(ii) in subparagraph (B), by striking "and" at the end; and

(iii) in subparagraph (C)—

(I) by inserting "the education and training" after "including"; and

(II) by striking the period at the end and inserting "; and"; and

(iv) by adding at the end the following:

"(D) the performance of the Job Corps center relating to the indicators described in paragraphs (1) and (2) in section 159(c), and whether any actions have been taken with respect to such center pursuant to section 159(f).."; and

(4) in subsection (d)—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by striking "is closest to the home of the enrollee, except that the" and inserting "offers the type of career and technical education and training selected by the individual and, among the centers that offer such education and training, is closest to the home of the individual. The";

(ii) by striking subparagraph (A); and

(iii) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(B) in paragraph (2), by inserting "that offers the career and technical education and training desired by" after "home of the enrollee".

SEC. 120. JOB CORPS CENTERS.

Section 147 (29 U.S.C. 2887) is amended—

(1) in subsection (a)—

(A) in paragraph (1)(A), by striking "vocational" both places it appears and inserting "career and technical"; and

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) by striking "subsections (c) and (d) of section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253)" and inserting "subsections (a) and (b) of section 3304 of title 41, United States Code"; and

(II) by striking "industry council" and inserting "workforce council";

(ii) in subparagraph (B)(i)—

(I) by amending subclause (II) to read as follows:

"(II) the ability of the entity to offer career and technical education and training that the workforce council proposes under section 154(c);";

(II) in subclause (III), by striking "is familiar with the surrounding communities, applicable" and inserting "demonstrates relationships with the surrounding communities, employers, workforce boards," and by striking "and" at the end;

(III) by amending subclause (IV) to read as follows:

"(IV) the performance of the entity, if any, relating to operating or providing activities described in this subtitle to a Job Corps center, including the entity's demonstrated effectiveness in assisting individuals in achieving the primary and secondary indicators of performance described in paragraphs (1) and (2) of section 159(c); and"; and

(IV) by adding at the end the following new subclause:

"(V) the ability of the entity to demonstrate a record of successfully assisting at-risk youth to connect to the workforce, including by providing them with intensive academic, and career and technical education and training."; and

(iii) in subparagraph (B)(ii), by striking ", as appropriate";

(2) in subsection (b), by striking "In any year, no more than 20 percent of the individuals enrolled in the Job Corps may be nonresidential participants in the Job Corps.";

(3) by amending subsection (c) to read as follows:

"(c) CIVILIAN CONSERVATION CENTERS.—

"(1) IN GENERAL.—The Job Corps centers may include Civilian Conservation Centers, operated under an agreement between the Secretary of Labor and the Secretary of Agriculture, that are located primarily in rural areas. Such centers shall adhere to all the provisions of this subtitle, and shall provide, in addition to education, career and technical education and training, and workforce preparation skills training described in section 148, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

"(2) SELECTION PROCESS.—The Secretary shall select an entity that submits an application under subsection (d) to operate a Civilian Conservation Center on a competitive basis, as provided in subsection (a).";

(4) by striking subsection (d) and inserting the following:

"(d) APPLICATION.—To be eligible to operate a Job Corps center under this subtitle, an entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

"(1) a description of the program activities that will be offered at the center, including how the career and technical education and training reflect State and local employment opportunities, including in in-demand industries;

"(2) a description of the counseling, placement, and support activities that will be offered at the center, including a description of the strategies and procedures the entity will use to place graduates into unsubsidized employment upon completion of the program;

"(3) a description of the demonstrated record of effectiveness that the entity has in placing at-risk youth into employment, including past performance of operating a Job Corps center under this subtitle;

"(4) a description of the relationships that the entity has developed with State and local workforce boards, employers, State and local educational agencies, and the surrounding communities in an effort to promote a comprehensive statewide workforce investment system;

"(5) a description of the strong fiscal controls the entity has in place to ensure proper accounting of Federal funds, and a description of how the entity will meet the requirements of section 159(a);

"(6) a description of the strategies and policies the entity will utilize to reduce participant costs;

"(7) a description of the steps taken to control costs in accordance with section 159(a)(3);

"(8) a detailed budget of the activities that will be supported using funds under this subtitle;

"(9) a detailed budget of the activities that will be supported using funds from non-Federal resources;

"(10) an assurance the entity will comply with the administrative cost limitation included in section 151(c);

"(11) an assurance the entity is licensed to operate in the State in which the center is located; and

"(12) an assurance the entity will comply with and meet basic health and safety codes, including those measures described in section 152(b).

"(e) LENGTH OF AGREEMENT.—The agreement described in subsection (a)(1)(A) shall be for not longer than a 2-year period. The Secretary may renew the agreement for 3 one-year periods if the entity meets the requirements of subsection (f).

"(f) RENEWAL.—

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary may renew the terms of an agreement described in subsection (a)(1)(A) for an entity to operate a Job Corps center if the center meets or exceeds each of the indicators of performance described in section 159(c)(1).

"(2) RECOMPETITION.—

"(A) IN GENERAL.—Notwithstanding paragraph (1), the Secretary shall not renew the terms of the agreement for an entity to operate a Job Corps center if such center is ranked in the bottom quintile of centers described in section 159(f)(2) for any program year. Such entity may submit a new application under subsection (d) only if such center has shown significant improvement on the indicators of performance described in section 159(c)(1) over the last program year.

"(B) VIOLATIONS.—The Secretary shall not select an entity to operate a Job Corps center if such entity or such center has been found to have a systemic or substantial material failure that involves—

"(i) a threat to the health, safety, or civil rights of program participants or staff;

"(ii) the misuse of funds received under this subtitle;

"(iii) loss of legal status or financial viability, loss of permits, debarment from receiving Federal grants or contracts, or the improper use of Federal funds;

"(iv) failure to meet any other Federal or State requirement that the entity has shown an unwillingness or inability to correct, after notice from the Secretary, within the period specified; or

"(v) an unresolved area of noncompliance.

"(g) CURRENT GRANTEES.—Not later than 60 days after the date of enactment of the SKILLS Act and notwithstanding any previous grant award or renewals of such award under this subtitle, the Secretary shall require all entities operating a Job Corps center under this subtitle to submit an application under subsection (d) to carry out the requirements of this section.".

SEC. 121. PROGRAM ACTIVITIES.

Section 148 (29 U.S.C. 2888) is amended—

(1) by amending subsection (a) to read as follows:

"(a) ACTIVITIES PROVIDED THROUGH JOB CORPS CENTERS.—

"(1) IN GENERAL.—Each Job Corps center shall provide enrollees with an intensive, well-organized, and supervised program of education, career, and technical education and training, work experience, recreational activities, physical rehabilitation and development, and counseling. Each Job Corps center shall provide enrollees assigned to the center with access to work-ready services described in section 134(c)(2).

"(2) RELATIONSHIP TO OPPORTUNITIES.—

"(A) IN GENERAL.—The activities provided under this subsection shall be targeted to helping enrollees, on completion of their enrollment—

"(i) secure and maintain meaningful unsubsidized employment;

"(ii) complete secondary education and obtain a regular secondary school diploma;

"(iii) enroll in and complete postsecondary education or training programs, including obtaining recognized postsecondary credentials, industry-recognized credentials, and registered apprenticeships; or

"(iv) satisfy Armed Forces requirements.

"(B) LINK TO EMPLOYMENT OPPORTUNITIES.—The career and technical education and training provided shall be linked to the employment opportunities in in-demand industries in the State in which the Job Corps center is located."; and

(2) in subsection (b)—

(A) in the subsection heading, by striking "EDUCATION AND VOCATIONAL" and inserting "ACADEMIC AND CAREER AND TECHNICAL EDUCATION AND";

(B) by striking "may" after "The Secretary" and inserting "shall"; and

(C) by striking "vocational" each place it appears and inserting "career and technical"; and

(3) by amending paragraph (3) of subsection (c) to read as follows:

"(3) DEMONSTRATION.—Each year, any operator seeking to enroll additional enrollees in an advanced career training program shall demonstrate, before the operator may carry out such additional enrollment, that—

"(A) participants in such program have achieved a satisfactory rate of completion and placement in training-related jobs; and

"(B) such operator has met or exceeded the indicators of performance described in paragraphs (1) and (2) of section 159(c) for the previous year.".

SEC. 122. COUNSELING AND JOB PLACEMENT.

Section 149 (29 U.S.C. 2889) is amended—

(1) in subsection (a), by striking "vocational" and inserting "career and technical education and";

(2) in subsection (b), by striking "make every effort to arrange to"; and

(3) by striking subsection (d).

SEC. 123. SUPPORT.

Subsection (b) of section 150 (29 U.S.C. 2890) is amended to read as follows:

"(b) TRANSITION ALLOWANCES AND SUPPORT FOR GRADUATES.—The Secretary shall arrange for a transition allowance to be paid to graduates. The transition allowance shall be incentive-based to reflect a graduate's completion of academic, career and technical education or training, and attainment of a recognized postsecondary credential, including an industry-recognized credential.".

SEC. 124. OPERATIONS.

Section 151 (29 U.S.C. 2891) is amended—

(1) in the header, by striking "**OPERATING PLAN**." and inserting "**OPERATIONS**.";

(2) in subsection (a), by striking "IN GENERAL.—" and inserting "OPERATING PLAN.—";

(3) by striking subsection (b) and redesignating subsection (c) as subsection (b);

(4) by amending subsection (b) (as so redesignated)—

(A) in the heading by inserting "OF OPERATING PLAN" after "AVAILABILITY"; and

(B) by striking "subsections (a) and (b)" and inserting "subsection (a)"; and

(5) by adding at the end the following new subsection:

"(c) ADMINISTRATIVE COSTS.—Not more than 10 percent of the funds allotted under section 147 to an entity selected to operate a Job Corps center may be used by the entity for administrative costs under this subtitle.".

SEC. 125. COMMUNITY PARTICIPATION.

Section 153 (29 U.S.C. 2893) is amended to read as follows:

"SEC. 153. COMMUNITY PARTICIPATION.

"The director of each Job Corps center shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers in the State and nearby communities. Such activities may include the use of any local workforce development boards established under section 117 to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.".

SEC. 126. WORKFORCE COUNCILS.

Section 154 (29 U.S.C. 2894) is amended to read as follows:

"SEC. 154. WORKFORCE COUNCILS.

"(a) IN GENERAL.—Each Job Corps center shall have a workforce council appointed by the Governor of the State in which the Job Corps center is located.

"(b) WORKFORCE COUNCIL COMPOSITION.—

"(1) IN GENERAL.—A workforce council shall be comprised of—

"(A) business members of the State board described in section 111(b)(1)(B)(i);

"(B) business members of the local boards described in section 117(b)(2)(A) located in the State;

"(C) a representative of the State board described in section 111(f); and

"(D) such other representatives and State agency officials as the Governor may designate.

"(2) MAJORITY.—A ⅔ majority of the members of the workforce council shall be representatives described in paragraph (1)(A).

"(c) RESPONSIBILITIES.—The responsibilities of the workforce council shall be—

"(1) to review all the relevant labor market information, including related information in the State plan described in section 112, to—

"(A) determine the in-demand industries in the State in which enrollees intend to seek employment after graduation;

"(B) determine the skills and education that are necessary to obtain the employment opportunities described in subparagraph (A); and

"(C) determine the type or types of career and technical education and training that will be implemented at the center to enable the enrollees to obtain the employment opportunities; and

"(2) to meet at least once a year to reevaluate the labor market information, and other relevant information, to determine any necessary changes in the career and technical education and training provided at the center.".

SEC. 127. TECHNICAL ASSISTANCE.

Section 156 (29 U.S.C. 2896) is amended to read as follows:

"SEC. 156. TECHNICAL ASSISTANCE TO CENTERS.

"(a) IN GENERAL.—From the funds reserved under section 132(a)(3), the Secretary shall provide, directly or through grants, contracts, or other agreements or arrangements as the Secretary considers appropriate, technical assistance and training for the Job Corps program for the purposes of improving program quality.

"(b) ACTIVITIES.—In providing training and technical assistance and for allocating resources for such assistance, the Secretary shall—

"(1) assist entities, including those entities not currently operating a Job Corps center, in developing the application described in section 147(d);

"(2) assist Job Corps centers and programs in correcting deficiencies and violations under this subtitle;

"(3) assist Job Corps centers and programs in meeting or exceeding the indicators of performance described in paragraph (1) and (2) of section 159(c); and

"(4) assist Job Corps centers and programs in the development of sound management practices, including financial management procedures.".

SEC. 128. SPECIAL PROVISIONS.

Section 158(c)(1) (29 U.S.C. 2989(c)(1)) is amended by striking "title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.)" and inserting "chapter of 5 title 40, United States Code,".

SEC. 129. PERFORMANCE ACCOUNTABILITY MANAGEMENT.

Section 159 (29 U.S.C. 2899) is amended—

(1) in the section heading, by striking "**MANAGEMENT INFORMATION**" and inserting "**PERFORMANCE ACCOUNTABILITY AND MANAGEMENT**";

(2) in subsection (a)(3), by inserting before the period at the end the following: ", or operating costs for such centers result in a budgetary shortfall";

(3) by striking subsections (c) through (g); and

(4) by inserting after subsection (b) the following:

"(c) INDICATORS OF PERFORMANCE.—

"(1) PRIMARY INDICATORS.—The annual primary indicators of performance for Job Corps centers shall include—

"(A) the percentage and number of enrollees who graduate from the Job Corps center;

"(B) the percentage and number of graduates who entered unsubsidized employment related to the career and technical education and training received through the Job Corps center, except that such calculation shall not include enrollment in education, the military or volunteer service;

"(C) the percentage and number of graduates who obtained a recognized postsecondary credential, including an industry-recognized credential or a registered apprenticeship; and

"(D) the cost per successful performance outcome, which is calculated by comparing the number of graduates who were placed in unsubsidized employment or obtained a recognized credential, including an industry-recognized credential, to total program costs, including all operations, construction, and administration costs at each Job Corp center.

"(2) SECONDARY INDICATORS.—The annual secondary indicators of performance for Job Corps centers shall include—

"(A) the percentage and number of graduates who entered unsubsidized employment not related to the career and technical education and training received through the Job Corps center;

"(B) the percentage and number of graduates who entered into postsecondary education;

"(C) the percentage and number of graduates who entered into the military;

"(D) the average wage of graduates who are in unsubsidized employment—

"(i) on the first day of employment; and

"(ii) 6 months after the first day;

"(E) the number and percentage of graduates who entered unsubsidized employment and were retained in the unsubsidized employment—

"(i) 6 months after the first day of employment; and

"(ii) 12 months after the first day of employment;

"(F) the percentage and number of enrollees compared to the percentage and number of enrollees the Secretary has established targets in section 145(c)(1);

"(G) the cost per training slot, which is calculated by comparing the program's maximum number of students that can be enrolled in a Job Corps center at any given time during the program year to the number of enrollees in the same program year; and

"(H) the number and percentage of former enrollees, including the number dismissed under the zero tolerance policy described in section 152(b).

"(3) INDICATORS OF PERFORMANCE FOR RECRUITERS.—The annual indicators of performance for recruiters shall include the measurements described in subparagraph (A) of paragraph (1) and subparagraphs (F), (G), and (H) of paragraph (2).

"(4) INDICATORS OF PERFORMANCE OF CAREER TRANSITION SERVICE PROVIDERS.—The annual indicators of performance of career transition service providers shall include the measurements described in subparagraphs (B) and (C) of paragraph (1) and subparagraphs, (B), (C), (D), and (E) of paragraph (2).

"(d) ADDITIONAL INFORMATION.—The Secretary shall collect, and submit in the report described in subsection (f), information on the performance of each Job Corps center, and the Job Corps program, regarding—

"(1) the number and percentage of former enrollees who obtained a regular secondary school diploma;

"(2) the number and percentage of former enrollees who entered unsubsidized employment;

"(3) the number and percentage of former enrollees who obtained a recognized postsecondary credential, including an industry-recognized credential;

"(4) the number and percentage of former enrollees who entered into military service; and

"(5) any additional information required by the Secretary.

"(e) METHODS.—The Secretary shall collect the information described in subsections (c) and (d), using methods described in section 136(i)(2) and consistent with State law, by entering into agreements with the States to access such data for Job Corps enrollees, former enrollees, and graduates.

"(f) TRANSPARENCY AND ACCOUNTABILITY.—

"(1) REPORT.—The Secretary shall collect and annually submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education. Labor and Pensions of the Senate, as well as make available to the public by electronic means, a report containing—

"(A) information on the performance of each Job Corps center, and the Job Corps program, on the performance indicators described in paragraphs (1) and (2) of subsection (c);

"(B) a comparison of each Job Corps center, by rank, on the performance indicators described in paragraphs (1) and (2) of subsection (c);

"(C) a comparison of each Job Corps center, by rank, on the average performance of all primary indicators described in paragraph (1) of subsection (c);

"(D) information on the performance of the service providers described in paragraphs (3) and (4) of subsection (c) on the performance indicators established under such paragraphs; and

"(E) a comparison of each service provider, by rank, on the performance of all service providers described in paragraphs (3) and (4) of subsection (c) on the performance indicators established under such paragraphs.

"(2) ASSESSMENT.—The Secretary shall conduct an annual assessment of the performance of each Job Corps center which shall include information on the Job Corps centers that—

"(A) are ranked in the bottom 10 percent on the performance indicator described in paragraph (1)(C); or

"(B) have failed a safety and health code review described in subsection (g).

"(3) PERFORMANCE IMPROVEMENT.—With respect to a Job Corps center that is identified under paragraph (2) or reports less than 50 percent on the performance indicators described in subparagraphs (A), (B), or (C) of subsection (c)(1), the Secretary shall develop and implement a 1 year performance improvement plan. Such a plan shall require action including—

"(A) providing technical assistance to the center;

"(B) changing the management staff of the center;

"(C) replacing the operator of the center;

"(D) reducing the capacity of the center; or

"(E) closing the center.

"(4) CLOSURE OF JOB CORPS CENTERS.—Job Corps centers that have been identified under paragraph (2) for more than 4 consecutive years shall be closed. The Secretary shall ensure—

"(A) that the proposed decision to close the center is announced in advance to the general public through publication in the Federal Register and other appropriate means; and

"(B) the establishment of a reasonable comment period, not to exceed 30 days, for interested individuals to submit written comments to the Secretary.

"(g) PARTICIPANT HEALTH AND SAFETY.—The Secretary shall enter into an agreement with the General Services Administration or the appropriate State agency responsible for inspecting public buildings and safeguarding the health of disadvantaged students, to conduct an in-person review of the physical condition and health-related activities of each Job Corps center annually. Such review shall include a passing rate of occupancy under Federal and State ordinances.".

Subtitle D—National Programs

SEC. 130. TECHNICAL ASSISTANCE.

Section 170 (29 U.S.C. 2915) is amended—

(1) by striking subsection (b);

(2) by striking:

"(a) GENERAL TECHNICAL ASSISTANCE.—";

(3) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c) respectively, and moving such subsections 2 ems to the left;

(4) in subsection (a) (as so redesignated)—

(A) by inserting "the training of staff providing rapid response services, the training of other staff of recipients of funds under this title, assistance regarding accounting and program operation practices (when such assistance would not be duplicative to assistance provided by the State), technical assistance to States that do not meet State performance measures described in section 136," after "localities,"; and

(B) by striking "from carrying out activities" and all that follows up to the period and inserting "to implement the amendments made by the SKILLS Act";

(5) in subsection (b) (as so redesignated)—

(A) by striking "paragraph (1)" and inserting "subsection (a)";

(B) by striking ", or recipient of financial assistance under any of sections 166 through 169,"; and

(C) by striking "or grant recipient";

(6) in subsection (c) (as so redesignated), by striking "paragraph (1)" and inserting "subsection (a)"; and

(7) by inserting, after subsection (c) (as so redesignated), the following:

"(d) BEST PRACTICES COORDINATION.—The Secretary shall—

"(1) establish a system through which States may share information regarding best practices with regard to the operation of workforce investment activities under this Act; and

"(2) evaluate and disseminate information regarding best practices and identify knowledge gaps.".

SEC. 131. EVALUATIONS.

Section 172 (29 U.S.C. 2917) is amended—

(1) in subsection (a), by striking "the Secretary shall provide for the continuing evaluation of the programs and activities, including those programs and activities carried out under section 171" and inserting "the Secretary, through grants, contracts, or cooperative agreements, shall conduct, at least once every 5 years, an independent evaluation of the programs and activities funded under this Act";

(2) in subsection (a)(4) is amended to read as follows:

"(4) the impact of receiving services and not receiving services under such programs and activities on the community, businesses, and individuals;";

(3) in subsection (c) is amended to read as follows:

"(c) TECHNIQUES.—Evaluations conducted under this section shall utilize appropriate and rigorous methodology and research designs, including the use of control groups chosen by scientific random assignment methodologies, quasi-experimental methods, impact analysis and the use of administrative data. The Secretary shall conduct an impact analysis, as described in subsection (a)(4), of the formula grant program under subtitle B not later than 2015, and thereafter shall conduct such an analysis not less than once every four years.";

(4) in subsection (e) is amended by striking "the Committee on Labor and Human Resources of the Senate" and inserting "the Committee on Health, Education, Labor, and Pensions of the Senate"; and

(5) by adding at the end, the following:

"(g) PUBLIC AVAILABILITY.—The results of the evaluations conducted under this section shall be made publicly available, including by posting such results on the Department's website.".

Subtitle E—Administration

SEC. 132. REQUIREMENTS AND RESTRICTIONS.

Section 181 (29 U.S.C. 2931) is amended—

(1) in subsection (b)(6), by striking ", including representatives of businesses and of labor organizations";

(2) in subsection (c)(2)(A), in the matter preceding clause (i), by striking "shall" and inserting "may";

(3) in subsection (e)—

(A) by striking "training for" and inserting "the entry into employment, retention in employment, or increases in earnings of"; and

(B) by striking "subtitle B" and inserting "this Act";

(4) in subsection (f)(4), by striking "134(a)(3)(B)" and inserting "134(a)(6)"; and

(5) by adding at the end the following:

"(g) SALARY AND BONUS LIMITATION.—No funds provided under this title shall be used by a recipient or subrecipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of Level II of the Federal Executive Pay Schedule (5 U.S.C. 5313). This limitation shall not apply to vendors providing goods and services as defined in OMB Circular A–133. Where States are recipients of such funds, States may establish a lower limit for salaries and bonuses of those receiving salaries and bonuses from subrecipients of such funds, taking into account factors including the relative cost-of-living in the State, the compensation levels for comparable State or local government employees, and the size of the organizations that administer the programs.

"(h) GENERAL AUTHORITY.—

"(1) IN GENERAL.—The Employment and Training Administration of the U.S. Department of Labor (hereinafter in this Act referred to as the 'Administration') shall administer all programs authorized under title I and III of this Act. The Administration shall be headed by an Assistant Secretary appointed by the President by and with the advice and consent of the Senate. Except for titles II and IV, the Administration shall be the principal agency, and the Assistant Secretary shall be the principal officer, of such Department for carrying out this Act.

"(2) QUALIFICATIONS.—The Assistant Secretary shall be an individual with substantial experience in workforce development and in workforce development management. The Assistant Secretary shall also, to the maximum extent possible, possess knowledge and have worked in or with the State or local workforce investment system or have been a member of the business community. In the performance of the functions of the office, the Assistant Secretary shall be directly responsible to the Secretary or the Under Secretary as designed by the Secretary. The functions of the Assistant Secretary shall not be delegated to any officer not directly responsible, both with respect to program operation and administration, to the Assistant Secretary. Any reference in this Act to duties to be carried out by the Assistant Secretary shall be considered to be a reference to duties to be carried out by the Secretary acting through the Assistant Secretary.".

SEC. 133. PROMPT ALLOCATION OF FUNDS.

Section 182 (29 U.S.C. 2932) is amended—

(1) in subsection (c), by striking "127 or"; and

(2) in subsection (e)—

(A) by striking "sections 128 and 133" and inserting "section 133"; and

(B) by striking "127 or".

SEC. 134. FISCAL CONTROLS; SANCTIONS.

Section 184(a)(2) (29 U.S.C. 2934(a)(2)) is amended—

(1) by striking "(A)" and all that follows through "Each" and inserting "Each"; and

(2) by striking subparagraph (B).

SEC. 135. REPORTS TO CONGRESS.

Section 185 (29 U.S.C. 2935) is amended—

(1) in subsection (c)—

(A) in paragraph (2), by striking "and" after the semicolon;

(B) in paragraph (3), by striking the period and inserting "; and"; and

(C) by adding at the end the following:

"(4) shall have the option to submit or disseminate electronically any reports, records, plans, or any other data that are required to be collected or disseminated under this title."; and

(2) in subsection (e)(2), by inserting "and the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate," after "Secretary,".

SEC. 136. ADMINISTRATIVE PROVISIONS.

Section 189 (29 U.S.C. 2939) is amended—

(1) in subsection (g)—

(A) by amending paragraph (1) to read as follows:

"(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities carried out under this title shall be available for obligation only on the basis of a program year. The program year shall begin on October 1 in the fiscal year for which the appropriation is made."; and

(B) in paragraph (2)—

(i) by striking "each State" and inserting "each recipient"; and

(ii) by striking "171 or";

(2) in subsection (i)—

(A) by striking paragraphs (2) and (3);

(B) by redesignating paragraph (4) as paragraph (2);

(C) by amending paragraph (2)(A), as so redesignated—

(i) by striking "requirements of subparagraph (B)" and all that follows through "any of the statutory or regulatory requirements of subtitle B" and inserting "requirements of subparagraph (B) or (D), any of the statutory or regulatory requirements of subtitle B";

(ii) by striking clause (ii); and

(iii) in clause (i), by striking "; and" and inserting a period at the end; and

(D) by adding at the end the following:

"(D) EXPEDITED PROCESS FOR EXTENDING APPROVED WAIVERS TO ADDITIONAL STATES.—In lieu of the requirements of subparagraphs (B) and (C), the Secretary may establish an expedited procedure for the purpose of extending to additional States the waiver of statutory or regulatory requirements that have been approved for a State pursuant to a request under subparagraph (B). Such procedure shall ensure that the extension of such

waivers to additional States are accompanied by appropriate conditions relating the implementation of such waivers.

"(E) EXTERNAL CONDITIONS.—The Secretary shall not require or impose new or additional requirements, which are not specified under this Act, on a State in exchange for providing a waiver to the State or a local area in the State under this paragraph.".

SEC. 137. STATE LEGISLATIVE AUTHORITY.

Section 191(a) (29 U.S.C. 2941(a)) is amended—

(1) by striking "consistent with the provisions of this title" and inserting "consistent with State law and the provisions of this title"; and

(2) by striking "consistent with the terms and conditions required under this title" and inserting "consistent with State law and the terms and conditions required under this title".

SEC. 138. GENERAL PROGRAM REQUIREMENTS.

Section 195 (29 U.S.C. 2945) is amended—

(1) in paragraph (7), by inserting at the end the following:

"(D) Funds received by a public or private nonprofit entity that are not described in paragraph (B), such as funds privately raised from philanthropic foundations, businesses, or other private entities, shall not be considered to be income under this title and shall not be subject to the requirements of this section."; and

(2) by adding at the end the following new paragraphs:

"(14) Funds provided under this title shall not be used to establish or operate stand-alone fee-for-service enterprises that compete with private sector employment agencies within the meaning of section 701(c) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(c)), except that for purposes of this paragraph, such an enterprise does not include one-stop centers.

"(15) Any report required to be submitted to Congress, or to a Committee of Congress, under this title shall be submitted to both the chairmen and ranking minority members of the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate.".

SEC. 139. FEDERAL AGENCY STAFF.

Subtitle E of title I (29 U.S.C. 2931 et seq.) is amended by adding at the end the following new sections:

"SEC. 196. FEDERAL AGENCY STAFF.

"The Director of the Office of Management and Budget shall—

"(1) not later than 60 days after the date of the enactment of the SKILLS Act—

"(A) identify the number of Federal government employees who work on or administer each of the programs authorized under this Act or repealed under section 401 of the SKILLS Act, as such programs were in effect on the day before such date of enactment; and

"(B) identify the number of full-time equivalent employees who work on or administer each of the programs authorized under this Act or repealed under section 401 of the SKILLS Act, as such programs were in effect on the day before such date of enactment, and that have been eliminated or consolidated on or after such date of enactment;

"(2) not later than 90 after such date of enactment, publish the information described in paragraph (1) on the Office of Management and Budget website;

"(3) not later than 1 year after such date of enactment—

"(A) reduce the workforce of the Federal Government by the number of full-time equivalent employees identified under paragraph (1)(B); and

"(B) submit to Congress a report on how the Director carried out the requirements of subparagraph (A).

"SEC. 197. RESTRICTIONS ON LOBBYING AND POLITICAL ACTIVITIES.

"(a) LOBBYING RESTRICTIONS.—

"(1) PUBLICITY RESTRICTIONS.—

"(A) IN GENERAL.—Subject to subparagraph (B), no funds provided under this Act shall be used or proposed for use, for—

"(i) publicity or propaganda purposes; or

"(ii) the preparation, distribution, or use of any kit, pamphlet, booklet, publication, electronic communication, radio, television, or video presentation designed to support or defeat the enactment of legislation before the Congress or any State or local legislature or legislative body.

"(B) EXCEPTION.—Subparagraph (A) shall not apply to—

"(i) normal and recognized executive-legislative relationships;

"(ii) the preparation, distribution, or use of the materials described in subparagraph (A)(ii) in presentation to the Congress or any State or local legislature (except that this subparagraph does not apply with respect to such preparation, distribution, or use in presentation to the executive branch of any State or local government); or

"(iii) if such materials are designed to support or defeat any proposed or pending regulation, administrative action, or order issued by the executive branch of any State or local government.

"(2) SALARY PAYMENT RESTRICTION.—No funds provided under this Act shall be used, or proposed for use, to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence the enactment of legislation, appropriations, regulations, administrative action, or executive order proposed or pending before the Congress or any State government, or State legislature or local legislature or legislative body, other than for normal and recognized executive-legislative relationships or participation by an agency or officer of a State, local, or tribal government in policymaking and administrative processes within the executive branch of that government.

"(b) POLITICAL RESTRICTIONS.—

"(1) IN GENERAL.—No funds received by a participant of a program or an activity under this Act shall be used for—

"(A) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office; or

"(B) any activity to provide voters with transportation to the polls or similar assistance in connection with any such election.

"(2) DEFINITION.—For the purposes of this subsection, the term 'participant' includes any State, local area, or governmental, nonprofit, or for-profit entity receiving funds under this Act.

"(3) RESTRICTION ON VOTER REGISTRATION ACTIVITIES.—No funds under this Act shall be used to conduct voter registration activities.".

Subtitle F—State Unified Plan

SEC. 140. STATE UNIFIED PLAN.

Section 501 (20 U.S.C. 9271) is amended—

(1) by amending subsection (a) to read as follows:

"(a) GENERAL AUTHORITY.—The Secretary shall receive and approve State unified plans developed and submitted under this section.";

(2) by amending subsection (b) to read as follows:

"(b) STATE UNIFIED PLAN.—

"(1) IN GENERAL.—A State may develop and submit to the Secretary a State unified plan for 2 or more of the activities or programs set forth in paragraph (2). The State unified plan shall cover one or more of the activities set forth in subparagraphs (A) and (B) of paragraph (2) and may cover one or more of the activities set forth in subparagraphs (C) through (N) of paragraph (2). For purposes of this paragraph, the activities and programs described in subparagraphs (A) and (B) of paragraph (2) shall not be considered to be 2 or more activities or programs for purposes of the unified plan. Such activities or programs shall be considered to be 1 activity or program.

"(2) ACTIVITIES AND PROGRAMS.—The activities and programs referred to in paragraph (1) are as follows:

"(A) Programs and activities authorized under title I.

"(B) Programs and activities authorized under title II.

"(C) Programs authorized under the Rehabilitation Act of 1973.

"(D) Secondary career education programs authorized under the Carl D. Perkins Career and Applied Technology Education Act.

"(E) Postsecondary career education programs authorized under the Carl D. Perkins Career and Applied Technology Education Act.

"(F) Programs and activities authorized under title II of the Trade Act of 1974.

"(G) National Apprenticeship Act of 1937.

"(H) Programs authorized under the Community Services Block Grant Act.

"(I) Programs authorized under the part A of title IV of the Social Security Act.

"(J) Programs authorized under State unemployment compensation laws (in accordance with applicable Federal law).

"(K) Work programs authorized under section 6(o) of the Food Stamp Act of 1977.

"(L) Programs and activities authorized title I of the Housing and Community Development Act of 1974.

"(M) Programs and activities authorized under the Public Workers and Economic Development Act of 1965.

"(N) Activities as defined under chapter 41 of title 38, United States Code.";

(3) by amending subsection (d) to read as follows:

"(d) APPROVAL.—

"(1) JURISDICTION.—In approving a State unified plan under this section, the Secretary shall—

"(A) submit the portion of the State unified plan covering an activity or program described in subsection (b)(2) to the head of the Federal agency who exercises administrative authority over the activity or program for the approval of such portion by such Federal agency head; or

"(B) coordinate approval of the portion of the State unified plan covering an activity or program described in subsection (b)(2) with the head of the Federal agency who exercises administrative authority over the activity or program.

"(2) TIMELINE.—A State unified plan shall be considered to be approved by the Secretary at the end of the 90-day period beginning on the day the Secretary receives the plan, unless the Secretary makes a written determination, during the 90-day period, that details how the plan is not consistent with the requirements of the Federal statute authorizing an activity or program described in subsection (b)(2) and covered under the plan or how the plan is not consistent with the requirements of subsection (c)(3).'"; and

(4) by adding at the end the following:

"(e) ADDITIONAL EMPLOYMENT AND TRAINING FUNDS.—

"(1) PURPOSE.—It is the purpose of this subsection to reduce inefficiencies in the administration of federally-funded State and local employment and training programs.

"(2) IN GENERAL.—In developing a State unified plan for the activities or programs described in subsection (b)(2) and subject to paragraph (4) and the State plan approval process under subsection (d), a State may propose to consolidate the amount, in whole or part, provided for the activities or programs dedicated to employment and training into the Workforce Investment Fund under section 132(b) to improve the administration of State and local employment and training programs.

"(3) REQUIREMENTS.—A State with a State unified plan approved under subsection (d) for purposes of consolidation under paragraph (2) and that is carrying out such consolidation shall—

"(A) continue to meet the program requirements, limitations, and prohibitions of any Federal statute authorizing the activity or program consolidated into the Workforce Investment Fund;

"(B) meet the intent and purpose of the activity or program consolidated into the Workforce Investment Fund; and

"(C) continue to make reservations and allotments under subsections (a) and (b) of section 133.

"(4) EXCEPTIONS.—A State may not consolidate funds under paragraph (2) that are allocated to the State under—

"(A) the Carl D. Perkins Career and Technical Education Act of 2006; or

"(B) the Rehabilitation Act of 1973.".

TITLE II—ADULT EDUCATION AND FAMILY LITERACY EDUCATION

SEC. 201. AMENDMENT.

Title II (20 U.S.C. 2901 et seq.) is amended to read as follows:

"TITLE II—ADULT EDUCATION AND FAMILY LITERACY EDUCATION

"SEC. 201. SHORT TITLE.

"This title may be cited as the 'Adult Education and Family Literacy Education Act'.

"SEC. 202. PURPOSE.

"It is the purpose of this title to provide instructional opportunities for adults seeking to improve their literacy skills, including their basic reading, writing, speaking, and math skills, and support States and local communities in providing, on a voluntary basis, adult education and family literacy education programs, in order to—

"(1) increase the literacy of adults, including the basic reading, writing, speaking, and math skills, to a level of proficiency necessary for adults to obtain employment and self-sufficiency and to successfully advance in the workforce;

"(2) assist adults in the completion of a secondary school education (or its equivalent) and the transition to a postsecondary educational institution;

"(3) assist adults who are parents to enable them to support the educational development of their children and make informed choices regarding their children's education including, through instruction in basic reading, writing, speaking, and math skills; and

"(4) assist adults who are not proficient in English in improving their reading, writing, speaking, listening, comprehension, and math skills.

"SEC. 203. DEFINITIONS.

"In this title:

"(1) ADULT EDUCATION AND FAMILY LITERACY EDUCATION PROGRAMS.—The term 'adult education and family literacy education programs' means a sequence of academic instruction and educational services below the postsecondary level that increase an individual's ability to read, write, and speak English and perform mathematical computations leading to a level of proficiency equivalent to at least a secondary school completion that is provided for individuals—

"(A) who are at least 16 years of age;

"(B) who are not enrolled or required to be enrolled in secondary school under State law; and

"(C) who—

"(i) lack sufficient mastery of basic reading, writing, speaking, and math skills to enable the individuals to function effectively in society;

"(ii) do not have a secondary school diploma or its equivalent and have not achieved an equivalent level of education; or

"(iii) are English learners.

"(2) ELIGIBLE AGENCY.—The term 'eligible agency'—

"(A) means the primary entity or agency in a State or an outlying area responsible for administering or supervising policy for adult education and family literacy education programs in the State or outlying area, respectively, consistent with the law of the State or outlying area, respectively; and

"(B) may be the State educational agency, the State agency responsible for administering workforce investment activities, or the State agency responsible for administering community or technical colleges.

"(3) ELIGIBLE PROVIDER.—The term 'eligible provider' means an organization of demonstrated effectiveness which is—

"(A) a local educational agency;

"(B) a community-based or faith-based organization;

"(C) a volunteer literacy organization;

"(D) an institution of higher education;

"(E) a public or private educational agency;

"(F) a library;

"(G) a public housing authority;

"(H) an institution that is not described in any of subparagraphs (A) through (G) and has the ability to provide adult education, basic skills, and family literacy education programs to adults and families; or

"(I) a consortium of the agencies, organizations, institutions, libraries, or authorities described in any of subparagraphs (A) through (H).

"(4) ENGLISH LANGUAGE ACQUISITION PROGRAM.—The term 'English language acquisition program' means a program of instruction—

"(A) designed to help English learners achieve competence in reading, writing, speaking, and comprehension of the English language; and

"(B) that may lead to—

"(i) attainment of a secondary school diploma or its recognized equivalent;

"(ii) transition to success in postsecondary education and training; and

"(iii) employment or career advancement.

"(5) FAMILY LITERACY EDUCATION PROGRAM.—The term 'family literacy education program' means an educational program that—

"(A) assists parents and students, on a voluntary basis, in achieving the purposes of this title as described in section 202; and

"(B) is of sufficient intensity in terms of hours and of sufficient quality to make sustainable changes in a family, is evidence-based, and, for the purpose of substantially increasing the ability of parents and children to read, write, and speak English, integrates—

"(i) interactive literacy activities between parents and their children;

"(ii) training for parents regarding how to be the primary teacher for their children and full partners in the education of their children;

"(iii) parent literacy training that leads to economic self-sufficiency; and

"(iv) an age-appropriate education to prepare children for success in school and life experiences.

"(6) GOVERNOR.—The term 'Governor' means the chief executive officer of a State or outlying area.

"(7) INDIVIDUAL WITH A DISABILITY.—

"(A) IN GENERAL.—The term 'individual with a disability' means an individual with any disability (as defined in section 3 of the Americans with Disabilities Act of 1990).

"(B) INDIVIDUALS WITH DISABILITIES.—The term 'individuals with disabilities' means more than one individual with a disability.

"(8) ENGLISH LEARNER.—The term 'English learner' means an adult or out-of-school youth who has limited ability in reading, writing, speaking, or understanding the English language, and—

"(A) whose native language is a language other than English; or

"(B) who lives in a family or community environment where a language other than English is the dominant language.

"(9) INTEGRATED EDUCATION AND TRAINING.—The term 'integrated education and training' means services that provide adult education and literacy activities contextually and concurrently with workforce preparation activities and workforce training for a specific occupation or occupational cluster. Such services may include offering adult education services concurrent with postsecondary education and training, including through co-instruction.

"(10) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 101 of the Higher Education Act of 1965.

"(11) LITERACY.—The term 'literacy' means an individual's ability to read, write, and speak in English, compute, and solve problems at a level of proficiency necessary to obtain employment and to successfully make the transition to postsecondary education.

"(12) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

"(13) OUTLYING AREA.—The term 'outlying area' has the meaning given the term in section 101 of this Act.

"(14) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term 'postsecondary educational institution' means—

"(A) an institution of higher education that provides not less than a 2-year program of instruction that is acceptable for credit toward a bachelor's degree;

"(B) a tribally controlled community college; or

"(C) a nonprofit educational institution offering certificate or apprenticeship programs at the postsecondary level.

"(15) SECRETARY.—The term 'Secretary' means the Secretary of Education.

"(16) STATE.—The term 'State' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(17) STATE EDUCATIONAL AGENCY.—The term 'State educational agency' has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

"(18) WORKPLACE LITERACY PROGRAM.—The term 'workplace literacy program' means an educational program that is offered in collaboration between eligible providers and employers or employee organizations for the purpose of improving the productivity of the workforce through the improvement of reading, writing, speaking, and math skills.

"SEC. 204. HOME SCHOOLS.

"Nothing in this title shall be construed to affect home schools, whether or not a home school is treated as a home school or a private school under State law, or to compel a parent engaged in home schooling to participate in adult education and family literacy education activities under this title.

"SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title, $606,294,933 for fiscal years 2014 and for each of the 6 succeeding fiscal years.

"Subtitle A—Federal Provisions

"SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE AGENCIES; ALLOTMENTS.

"(a) RESERVATION OF FUNDS.—From the sums appropriated under section 205 for a fiscal year, the Secretary shall reserve 2.0 percent to carry out section 242.

"(b) GRANTS TO ELIGIBLE AGENCIES.—

"(1) IN GENERAL.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall award a grant to each eligible agency having a State plan approved under section 224 in an amount equal to the sum of the initial allotment under subsection (c)(1) and the additional allotment under subsection (c)(2) for the eligible agency for the fiscal year, subject to subsections (f) and (g).

"(2) PURPOSE OF GRANTS.—The Secretary may award a grant under paragraph (1) only if the eligible agency involved agrees to expend the grant in accordance with the provisions of this title.

"(c) ALLOTMENTS.—

"(1) INITIAL ALLOTMENTS.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall allot to each eligible agency having a State plan approved under section 224—

"(A) $100,000, in the case of an eligible agency serving an outlying area; and

"(B) $250,000, in the case of any other eligible agency.

"(2) ADDITIONAL ALLOTMENTS.—From the sums appropriated under section 205, not reserved under subsection (a), and not allotted under paragraph (1), for a fiscal year, the Secretary shall allot to each eligible agency that receives an initial allotment under paragraph (1) an additional amount that bears the same relationship to such sums as the number of qualifying adults in the State or outlying area served by the eligible agency bears to the number of such adults in all States and outlying areas.

"(d) QUALIFYING ADULT.—For the purpose of subsection (c)(2), the term 'qualifying adult' means an adult who—

"(1) is at least 16 years of age;

"(2) is beyond the age of compulsory school attendance under the law of the State or outlying area;

"(3) does not have a secondary school diploma or its recognized equivalent; and

"(4) is not enrolled in secondary school.

"(e) SPECIAL RULE.—

"(1) IN GENERAL.—From amounts made available under subsection (c) for the Republic of Palau, the Secretary shall award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Republic of Palau to carry out activities described in this title in accordance with the provisions of this title as determined by the Secretary.

"(2) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the Republic of Palau shall be eligible to receive a grant under this title until an agreement for the extension of United States education assistance under the Compact of Free Association for the Republic of Palau becomes effective.

"(f) HOLD-HARMLESS PROVISIONS.—

"(1) IN GENERAL.—Notwithstanding subsection (c) and subject to paragraph (2), for—

"(A) fiscal year 2014, no eligible agency shall receive an allotment under this title that is less than 90 percent of the allotment the eligible agency received for fiscal year 2012 under this title; and

"(B) fiscal year 2015 and each succeeding fiscal year, no eligible agency shall receive an allotment under this title that is less than 90 percent of the allotment the eligible agency received for the preceding fiscal year under this title.

"(2) RATABLE REDUCTION.—If, for any fiscal year the amount available for allotment under this title is insufficient to satisfy the provisions of paragraph (1), the Secretary shall ratable reduce the payments to all eligible agencies, as necessary.

"(g) REALLOTMENT.—The portion of any eligible agency's allotment under this title for a fiscal year that the Secretary determines will not be required for the period such allotment is available for carrying out activities under this title, shall be available for reallotment from time to time, on such dates during such period as the Secretary shall fix, to other eligible agencies in proportion to the original allotments to such agencies under this title for such year.

"SEC. 212. PERFORMANCE ACCOUNTABILITY SYSTEM.

"Programs and activities authorized under this title are subject to the performance accountability provisions described in paragraph (2)(A) and (3) of section 136(b) and may, at a State's discretion, include additional indicators identified in the State plan approved under section 224.

"Subtitle B—State Provisions

"SEC. 221. STATE ADMINISTRATION.

"Each eligible agency shall be responsible for the following activities under this title:

"(1) The development, submission, implementation, and monitoring of the State plan.

"(2) Consultation with other appropriate agencies, groups, and individuals that are involved in, or interested in, the development and implementation of activities assisted under this title.

"(3) Coordination and avoidance of duplication with other Federal and State education, training, corrections, public housing, and social service programs.

"SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING REQUIREMENT.

"(a) STATE DISTRIBUTION OF FUNDS.—Each eligible agency receiving a grant under this title for a fiscal year—

"(1) shall use an amount not less than 82.5 percent of the grant funds to award grants and contracts under section 231 and to carry out section 225, of which not more than 10 percent of such amount shall be available to carry out section 225;

"(2) shall use not more than 12.5 percent of the grant funds to carry out State leadership activities under section 223; and

"(3) shall use not more than 5 percent of the grant funds, or $65,000, whichever is greater, for the administrative expenses of the eligible agency.

"(b) MATCHING REQUIREMENT.—

"(1) IN GENERAL.—In order to receive a grant from the Secretary under section 211(b), each eligible agency shall provide, for the costs to be incurred by the eligible agency in carrying out the adult education and family literacy education programs for which the grant is awarded, a non-Federal contribution in an amount that is not less than—

"(A) in the case of an eligible agency serving an outlying area, 12 percent of the total amount of funds expended for adult education and family literacy education programs in the outlying area, except that the Secretary may decrease the amount of funds required under this subparagraph for an eligible agency; and

"(B) in the case of an eligible agency serving a State, 25 percent of the total amount of funds expended for adult education and family literacy education programs in the State.

"(2) NON-FEDERAL CONTRIBUTION.—An eligible agency's non-Federal contribution required under paragraph (1) may be provided in cash or in kind, fairly evaluated, and shall include only non-Federal funds that are used for adult education and family literacy education programs in a manner that is consistent with the purpose of this title.

"SEC. 223. STATE LEADERSHIP ACTIVITIES.

"(a) IN GENERAL.—Each eligible agency may use funds made available under section 222(a)(2) for any of the following adult education and family literacy education programs:

"(1) The establishment or operation of professional development programs to improve the quality of instruction provided pursuant to local activities required under section 231(b).

"(2) The provision of technical assistance to eligible providers of adult education and family literacy education programs, including for the development and dissemination of evidence based research instructional practices in reading, writing, speaking, math, and English language acquisition programs.

"(3) The provision of assistance to eligible providers in developing, implementing, and reporting measurable progress in achieving the objectives of this title.

"(4) The monitoring and evaluation of the quality of, and the improvement in, adult education and literacy activities.

"(5) The provision of technology assistance, including staff training, to eligible providers of adult education and family literacy education programs, including distance education activities, to enable the eligible providers to improve the quality of such activities.

"(6) The development and implementation of technology applications or distance education, including professional development to support the use of instructional technology.

"(7) Coordination with other public programs, including programs under title I of this Act, and other welfare-to-work, workforce development, and job training programs.

"(8) Coordination with existing support services, such as transportation, child care, and other assistance designed to increase rates of enrollment in, and successful completion of, adult education and family literacy education programs, for adults enrolled in such activities.

"(9) The development and implementation of a system to assist in the transition from adult basic education to postsecondary education.

"(10) Activities to promote workplace literacy programs.

"(11) Other activities of statewide significance, including assisting eligible providers in achieving progress in improving the skill levels of adults who participate in programs under this title.

"(12) Integration of literacy, instructional, and occupational skill training and promotion of linkages with employees.

"(b) COORDINATION.—In carrying out this section, eligible agencies shall coordinate where possible, and avoid duplicating efforts, in order to maximize the impact of the activities described in subsection (a).

"(c) STATE-IMPOSED REQUIREMENTS.—Whenever a State or outlying area implements any rule or policy relating to the administration or operation of a program authorized under this title that has the effect of imposing a requirement that is not imposed under Federal law (including any rule or policy based on a State or outlying area interpretation of a Federal statute, regulation, or guideline), the State or outlying area shall identify, to eligible providers, the rule or policy as being imposed by the State or outlying area.

"SEC. 224. STATE PLAN.

"(a) 3-YEAR PLANS.—

"(1) IN GENERAL.—Each eligible agency desiring a grant under this title for any fiscal year shall submit to, or have on file with, the Secretary a 3-year State plan.

"(2) STATE UNIFIED PLAN.—The eligible agency may submit the State plan as part of a State unified plan described in section 501.

"(b) PLAN CONTENTS.—The eligible agency shall include in the State plan or any revisions to the State plan—

"(1) an objective assessment of the needs of individuals in the State or outlying area for adult education and family literacy education programs, including individuals most in need or hardest to serve;

"(2) a description of the adult education and family literacy education programs that will be carried out with funds received under this title;

"(3) an assurance that the funds received under this title will not be expended for any purpose other than for activities under this title;

"(4) a description of how the eligible agency will annually evaluate and measure the effectiveness and improvement of the adult education and family literacy education programs funded under this title using the indicators of performance described in section 136, including how the eligible agency will con-

duct such annual evaluations and measures for each grant received under this title;

"(5) a description of how the eligible agency will fund local activities in accordance with the measurable goals described in section 231(d);

"(6) an assurance that the eligible agency will expend the funds under this title only in a manner consistent with fiscal requirements in section 241;

"(7) a description of the process that will be used for public participation and comment with respect to the State plan, which—

"(A) shall include consultation with the State workforce investment board, the State board responsible for administering community or technical colleges, the Governor, the State educational agency, the State board or agency responsible for administering block grants for temporary assistance to needy families under title IV of the Social Security Act, the State council on disabilities, the State vocational rehabilitation agency, and other State agencies that promote the improvement of adult education and family literacy education programs, and direct providers of such programs; and

"(B) may include consultation with the State agency on higher education, institutions responsible for professional development of adult education and family literacy education programs instructors, representatives of business and industry, refugee assistance programs, and faith-based organizations;

"(8) a description of the eligible agency's strategies for serving populations that include, at a minimum—

"(A) low-income individuals;

"(B) individuals with disabilities;

"(C) the unemployed;

"(D) the underemployed; and

"(E) individuals with multiple barriers to educational enhancement, including English learners;

"(9) a description of how the adult education and family literacy education programs that will be carried out with any funds received under this title will be integrated with other adult education, career development, and employment and training activities in the State or outlying area served by the eligible agency;

"(10) a description of the steps the eligible agency will take to ensure direct and equitable access, as required in section 231(c)(1), including—

"(A) how the State will build the capacity of community-based and faith-based organizations to provide adult education and family literacy education programs; and

"(B) how the State will increase the participation of business and industry in adult education and family literacy education programs;

"(11) an assessment of the adequacy of the system of the State or outlying area to ensure teacher quality and a description of how the State or outlying area will use funds received under this subtitle to improve teacher quality, including evidence-based professional development to improve instruction; and

"(12) a description of how the eligible agency will consult with any State agency responsible for postsecondary education to develop adult education that prepares students to enter postsecondary education without the need for remediation upon completion of secondary school equivalency programs.

"(c) PLAN REVISIONS.—When changes in conditions or other factors require substantial revisions to an approved State plan, the eligible agency shall submit the revisions of the State plan to the Secretary.

"(d) CONSULTATION.—The eligible agency shall—

"(1) submit the State plan, and any revisions to the State plan, to the Governor, the chief State school officer, or the State officer responsible for administering community or technical colleges, or outlying area for review and comment; and

"(2) ensure that any comments regarding the State plan by the Governor, the chief State school officer, or the State officer responsible for administering community or technical colleges, and any revision to the State plan, are submitted to the Secretary.

"(e) PLAN APPROVAL.—The Secretary shall—

"(1) approve a State plan within 90 days after receiving the plan unless the Secretary makes a written determination within 30 days after receiving the plan that the plan does not meet the requirements of this section or is inconsistent with specific provisions of this subtitle; and

"(2) not finally disapprove of a State plan before offering the eligible agency the opportunity, prior to the expiration of the 30-day period beginning on the date on which the eligible agency received the written determination described

in paragraph (3), to review the plan and providing technical assistance in order to assist the eligible agency in meeting the requirements of this subtitle.

"SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND OTHER INSTITUTIONALIZED INDIVIDUALS.

"(a) PROGRAM AUTHORIZED.—From funds made available under section 222(a)(1) for a fiscal year, each eligible agency shall carry out corrections education and education for other institutionalized individuals.

"(b) USES OF FUNDS.—The funds described in subsection (a) shall be used for the cost of educational programs for criminal offenders in correctional institutions and for other institutionalized individuals, including academic programs for—

"(1) basic skills education;

"(2) special education programs as determined by the eligible agency;

"(3) reading, writing, speaking, and math programs;

"(4) secondary school credit or diploma programs or their recognized equivalent; and

"(5) integrated education and training.

"(c) PRIORITY.—Each eligible agency that is using assistance provided under this section to carry out a program for criminal offenders within a correctional institution shall give priority to serving individuals who are likely to leave the correctional institution within 5 years of participation in the program.

"(d) DEFINITIONS.—For purposes of this section:

"(1) CORRECTIONAL INSTITUTION.—The term 'correctional institution' means any—

"(A) prison;

"(B) jail;

"(C) reformatory;

"(D) work farm;

"(E) detention center; or

"(F) halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders.

"(2) CRIMINAL OFFENDER.—The term 'criminal offender' means any individual who is charged with, or convicted of, any criminal offense.

"Subtitle C—Local Provisions

"SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PROVIDERS.

"(a) GRANTS AND CONTRACTS.—From grant funds made available under section 222(a)(1), each eligible agency shall award multi-year grants or contracts, on a competitive basis, to eligible providers within the State or outlying area that meet the conditions and requirements of this title to enable the eligible providers to develop, implement, and improve adult education and family literacy education programs within the State.

"(b) LOCAL ACTIVITIES.—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to establish or operate—

"(1) programs that provide adult education and literacy activities;

"(2) programs that provide integrated employment and training activities; or

"(3) credit-bearing postsecondary coursework.

"(c) DIRECT AND EQUITABLE ACCESS; SAME PROCESS.—Each eligible agency receiving funds under this title shall ensure that—

"(1) all eligible providers have direct and equitable access to apply for grants or contracts under this section; and

"(2) the same grant or contract announcement process and application process is used for all eligible providers in the State or outlying area.

"(d) MEASURABLE GOALS.—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to demonstrate—

"(1) the eligible provider's measurable goals for participant outcomes to be achieved annually on the core indicators of performance described in section 136(b)(2)(A);

"(2) the past effectiveness of the eligible provider in improving the basic academic skills of adults and, for eligible providers receiving grants in the prior year, the success of the eligible provider receiving funding under this title in exceeding its performance goals in the prior year;

"(3) the commitment of the eligible provider to serve individuals in the community who are the most in need of basic academic skills instruction services, including individuals with disabilities and individuals who are low-income or

have minimal reading, writing, speaking, and math skills, or are English learners;

"(4) the program is of sufficient intensity and quality for participants to achieve substantial learning gains;

"(5) educational practices are evidence-based;

"(6) the activities of the eligible provider effectively employ advances in technology, and delivery systems including distance education;

"(7) the activities provide instruction in real-life contexts, including integrated education and training when appropriate, to ensure that an individual has the skills needed to compete in the workplace and exercise the rights and responsibilities of citizenship;

"(8) the activities are staffed by well-trained instructors, counselors, and administrators who meet minimum qualifications established by the State;

"(9) the activities are coordinated with other available resources in the community, such as through strong links with elementary schools and secondary schools, postsecondary educational institutions, local workforce investment boards, one-stop centers, job training programs, community-based and faith-based organizations, and social service agencies;

"(10) the activities offer flexible schedules and support services (such as child care and transportation) that are necessary to enable individuals, including individuals with disabilities or other special needs, to attend and complete programs;

"(11) the activities include a high-quality information management system that has the capacity to report measurable participant outcomes (consistent with section 136) and to monitor program performance;

"(12) the local communities have a demonstrated need for additional English language acquisition programs, and integrated education and training programs;

"(13) the capacity of the eligible provider to produce valid information on performance results, including enrollments and measurable participant outcomes;

"(14) adult education and family literacy education programs offer rigorous reading, writing, speaking, and math content that are evidence based; and

"(15) applications of technology, and services to be provided by the eligible providers, are of sufficient intensity and duration to increase the amount and quality of learning and lead to measurable learning gains within specified time periods.

"(e) SPECIAL RULE.—Eligible providers may use grant funds under this title to serve children participating in family literacy programs assisted under this part, provided that other sources of funds available to provide similar services for such children are used first.

"SEC. 232. LOCAL APPLICATION.

"Each eligible provider desiring a grant or contract under this title shall submit an application to the eligible agency containing such information and assurances as the eligible agency may require, including—

"(1) a description of how funds awarded under this title will be spent consistent with the requirements of this title;

"(2) a description of any cooperative arrangements the eligible provider has with other agencies, institutions, or organizations for the delivery of adult education and family literacy education programs; and

"(3) each of the demonstrations required by section 231(d).

"SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.

"(a) IN GENERAL.—Subject to subsection (b), of the amount that is made available under this title to an eligible provider—

"(1) at least 95 percent shall be expended for carrying out adult education and family literacy education programs; and

"(2) the remaining amount shall be used for planning, administration, personnel and professional development, development of measurable goals in reading, writing, speaking, and math, and interagency coordination.

"(b) SPECIAL RULE.—In cases where the cost limits described in subsection (a) are too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination, the eligible provider may negotiate with the eligible agency in order to determine an adequate level of funds to be used for non-instructional purposes.

"Subtitle D—General Provisions

"SEC. 241. ADMINISTRATIVE PROVISIONS.

"Funds made available for adult education and family literacy education programs under this title shall supplement and not supplant other State or local public funds expended for adult education and family literacy education programs.

"SEC. 242. NATIONAL ACTIVITIES.

"The Secretary shall establish and carry out a program of national activities that may include the following:

"(1) Providing technical assistance to eligible entities, on request, to—

"(A) improve their fiscal management, research-based instruction, and reporting requirements to carry out the requirements of this title;

"(B) improve its performance on the core indicators of performance described in section 136;

"(C) provide adult education professional development; and

"(D) use distance education and improve the application of technology in the classroom, including instruction in English language acquisition for English learners.

"(2) Providing for the conduct of research on national literacy basic skill acquisition levels among adults, including the number of adult English learners functioning at different levels of reading proficiency.

"(3) Improving the coordination, efficiency, and effectiveness of adult education and workforce development services at the national, State, and local levels.

"(4) Determining how participation in adult education, English language acquisition, and family literacy education programs prepares individuals for entry into and success in postsecondary education and employment, and in the case of prison-based services, the effect on recidivism.

"(5) Evaluating how different types of providers, including community and faith-based organizations or private for-profit agencies measurably improve the skills of participants in adult education, English language acquisition, and family literacy education programs.

"(6) Identifying model integrated basic and workplace skills education programs, including programs for English learners coordinated literacy and employment services, and effective strategies for serving adults with disabilities.

"(7) Initiating other activities designed to improve the measurable quality and effectiveness of adult education, English language acquisition, and family literacy education programs nationwide.".

TITLE III—AMENDMENTS TO THE WAGNER-PEYSER ACT

SEC. 301. AMENDMENTS TO THE WAGNER-PEYSER ACT.

The Wagner-Peyser Act (29 U.S.C. 49 et seq.) is amended by amending section 15 to read as follows:

"SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.

"(a) SYSTEM CONTENT.—

"(1) IN GENERAL.—The Secretary of Labor, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide workforce and labor market information system that includes—

"(A) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems that, taken together, enumerate, estimate, and project employment opportunities and conditions at national, State, and local levels in a timely manner, including statistics on—

"(i) employment and unemployment status of national, State, and local populations, including self-employed, part-time, and seasonal workers;

"(ii) industrial distribution of occupations, as well as current and projected employment opportunities, wages, benefits (where data is available), and skill trends by occupation and industry, with particular attention paid to State and local conditions;

"(iii) the incidence of, industrial and geographical location of, and number of workers displaced by, permanent layoffs and plant closings; and

"(iv) employment and earnings information maintained in a longitudinal manner to be used for research and program evaluation;

"(B) information on State and local employment opportunities, and other appropriate statistical data related to labor market dynamics, which—

"(i) shall be current and comprehensive;

"(ii) shall meet the needs identified through the consultations described in subparagraphs (A) and (B) of subsection (e)(2); and

"(iii) shall meet the needs for the information identified in section 121;

"(C) technical standards (which the Secretary shall publish annually) for data and information described in subparagraphs (A) and (B) that, at a minimum, meet the criteria of chapter 35 of title 44, United States Code;

"(D) procedures to ensure compatibility and additivity of the data and information described in subparagraphs (A) and (B) from national, State, and local levels;

"(E) procedures to support standardization and aggregation of data from administrative reporting systems described in subparagraph (A) of employment-related programs;

"(F) analysis of data and information described in subparagraphs (A) and (B) for uses such as—

"(i) national, State, and local policymaking;

"(ii) implementation of Federal policies (including allocation formulas);

"(iii) program planning and evaluation; and

"(iv) researching labor market dynamics;

"(G) wide dissemination of such data, information, and analysis in a user-friendly manner and voluntary technical standards for dissemination mechanisms; and

"(H) programs of—

"(i) training for effective data dissemination;

"(ii) research and demonstration; and

"(iii) programs and technical assistance.

"(2) INFORMATION TO BE CONFIDENTIAL.—

"(A) IN GENERAL.—No officer or employee of the Federal Government or agent of the Federal Government may—

"(i) use any submission that is furnished for exclusively statistical purposes under the provisions of this section for any purpose other than the statistical purposes for which the submission is furnished;

"(ii) disclose to the public any publication or media transmittal of the data contained in the submission described in clause (i) that permits information concerning an individual subject to be reasonably inferred by either direct or indirect means; or

"(iii) permit anyone other than a sworn officer, employee, or agent of any Federal department or agency, or a contractor (including an employee of a contractor) of such department or agency, to examine an individual submission described in clause (i),

without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission.

"(B) IMMUNITY FROM LEGAL PROCESS.—Any submission (including any data derived from the submission) that is collected and retained by a Federal department or agency, or an officer, employee, agent, or contractor of such a department or agency, for exclusively statistical purposes under this section shall be immune from the legal process and shall not, without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

"(C) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to provide immunity from the legal process for such submission (including any data derived from the submission) if the submission is in the possession of any person, agency, or entity other than the Federal Government or an officer, employee, agent, or contractor of the Federal Government, or if the submission is independently collected, retained, or produced for purposes other than the purposes of this Act.

"(b) SYSTEM RESPONSIBILITIES.—

"(1) IN GENERAL.—The workforce and labor market information system described in subsection (a) shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and States.

"(2) DUTIES.—The Secretary, with respect to data collection, analysis, and dissemination of workforce and labor market information for the system, shall carry out the following duties:

"(A) Assign responsibilities within the Department of Labor for elements of the workforce and labor market information system described in subsection (a) to ensure that all statistical and administrative data collected is consistent with appropriate Bureau of Labor Statistics standards and definitions.

"(B) Actively seek the cooperation of other Federal agencies to establish and maintain mechanisms for ensuring complementarity and nonduplication in the development and operation of statistical and administrative data collection activities.

"(C) Eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority.

"(D) In collaboration with the Bureau of Labor Statistics and States, develop and maintain the elements of the workforce and labor market information system described in subsection (a), including the development of consistent procedures and definitions for use by the States in collecting the data and information described in subparagraphs (A) and (B) of subsection (a)(1).

"(E) Establish procedures for the system to ensure that—

"(i) such data and information are timely;

"(ii) paperwork and reporting for the system are reduced to a minimum; and

"(iii) States and localities are fully involved in the development and continuous improvement of the system at all levels.

"(c) NATIONAL ELECTRONIC TOOLS TO PROVIDE SERVICES.—The Secretary is authorized to assist in the development of national electronic tools that may be used to facilitate the delivery of work ready services described in section 134(c)(2) and to provide workforce information to individuals through the one-stop delivery systems described in section 121 and through other appropriate delivery systems.

"(d) COORDINATION WITH THE STATES.—

"(1) IN GENERAL.—The Secretary, working through the Bureau of Labor Statistics and the Employment and Training Administration, shall regularly consult with representatives of State agencies carrying out workforce information activities regarding strategies for improving the workforce and labor market information system.

"(2) FORMAL CONSULTATIONS.—At least twice each year, the Secretary, working through the Bureau of Labor Statistics, shall conduct formal consultations regarding programs carried out by the Bureau of Labor Statistics with representatives of each of the Federal regions of the Bureau of Labor Statistics, elected (pursuant to a process established by the Secretary) from the State directors affiliated with State agencies that perform the duties described in subsection (e)(2).

"(e) STATE RESPONSIBILITIES.—

"(1) IN GENERAL.—In order to receive Federal financial assistance under this section, the Governor of a State shall—

"(A) be responsible for the management of the portions of the workforce and labor market information system described in subsection (a) that comprise a statewide workforce and labor market information system and for the State's participation in the development of the annual plan;

"(B) establish a process for the oversight of such system;

"(C) consult with State and local employers, participants, and local workforce investment boards about the labor market relevance of the data to be collected and disseminated through the statewide workforce and labor market information system;

"(D) consult with State educational agencies and local educational agencies concerning the provision of employment statistics in order to meet the needs of secondary school and postsecondary school students who seek such information;

"(E) collect and disseminate for the system, on behalf of the State and localities in the State, the information and data described in subparagraphs (A) and (B) of subsection (a)(1);

"(F) maintain and continuously improve the statewide workforce and labor market information system in accordance with this section;

"(G) perform contract and grant responsibilities for data collection, analysis, and dissemination for such system;

"(H) conduct such other data collection, analysis, and dissemination activities as will ensure an effective statewide workforce and labor market information system;

"(I) actively seek the participation of other State and local agencies in data collection, analysis, and dissemination activities in order to ensure complementarity, compatibility, and usefulness of data;

"(J) participate in the development of the annual plan described in subsection (c); and

"(K) utilize the quarterly records described in section 136(f)(2) to assist the State and other States in measuring State progress on State performance measures.

"(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as limiting the ability of a Governor to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this section.

"(f) NONDUPLICATION REQUIREMENT.—None of the functions and activities carried out pursuant to this section shall duplicate the functions and activities carried out under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.).

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $63,473,000 for fiscal year 2014 and each of the 6 succeeding fiscal years.

"(h) DEFINITION.—In this section, the term 'local area' means the smallest geographical area for which data can be produced with statistical reliability.".

TITLE IV—REPEALS AND CONFORMING AMENDMENTS

SEC. 401. REPEALS.

The following provisions are repealed:

(1) Chapter 4 of subtitle B of title I, and sections 123, 155, 166, 167, 168, 169, 171, 173, 173A, 174, 192, 194, 502, 503, and 506 of the Workforce Investment Act of 1998.

(2) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(3) Sections 1 through 14 of the Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(4) Twenty-First Century Workforce Commission Act (29 U.S.C. 2701 note).

(5) Youth Conservation Corps Act of 1970 (16 U.S.C. 1701 et seq.).

(6) Section 821 of the Higher Education Amendments of 1998 (20 U.S.C. 1151) (Grants to States for workplace and community transition training for incarcerated individuals).

(7) The Women in Apprenticeship and Nontraditional Occupations Act (29 U.S.C. 2501 et seq.).

(8) Sections 4103A and 4104 of title 38, United States Code.

SEC. 402. AMENDMENT TO THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT OF 1980.

Section 104(k)(6) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9604) is amended by striking ", training,".

SEC. 403. AMENDMENTS TO THE FOOD AND NUTRITION ACT OF 2008.

(a) DEFINITION.—Section 3(t) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(t)) is amended—

(1) by striking "and (2)" and inserting "(2)", and

(2) by inserting before the period at the end the following:

", and (3) when referencing employment and training activities under section 6(d)(4), a State board as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801)".

(b) ELIGIBLE HOUSEHOLDS.—Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(1) in subsection (d)(14) by striking "section 6(d)(4)(I)" and inserting "section 6(d)(4)(C)", and

(2) in subsection (g)(3) by striking "constitutes adequate participation in an employment and training program under section 6(d)" and inserting "allows the individual to participate in employment and training activities under section 6(d)(4)".

(c) ELIGIBILITY DISQUALIFICATIONS.—Section 6(d)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)(4)) is amended to read as follows:

"(4) EMPLOYMENT AND TRAINING.—

"(A) IMPLEMENTATION.—Each State agency shall provide employment and training services authorized under section 134 of the Workforce Investment Act of 1998 (29 U.S.C. 2864) to eligible members of households participating in the supplemental nutrition assistance program in gaining skills, training, work, or experience that will increase their ability to obtain regular employment.

"(B) STATEWIDE WORKFORCE DEVELOPMENT SYSTEM.—Consistent with subparagraph (A), employment and training services shall be provided through the statewide workforce development system, including the One-Stop delivery system, authorized by the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

"(C) REIMBURSEMENTS.—

"(i) ACTUAL COSTS.—The State agency shall provide payments or reimbursement to participants served under this paragraph for—

"(I) the actual costs of transportation and other actual costs (other than dependent care costs) that are reasonably necessary and directly related to the individual participating in employment and training activities; and

"(II) the actual costs of such dependent care expenses that are determined by the State agency to be necessary for the individual to participate in employment and training activities (other than an individual who is the caretaker relative of a dependent in a family receiving benefits under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in a local area where an employment, training, or education program under title IV of such Act is in operation), except that no such payment or reimbursement shall exceed the applicable local market rate.

"(ii) SERVICE CONTRACTS AND VOUCHERS.—In lieu of providing reimbursements or payments for dependent care expenses under clause (i), a State agency may, at its option, arrange for dependent care through providers by the use of purchase of service contracts or vouchers or by providing vouchers to the household.

"(iii) VALUE OF REIMBURSEMENTS.—The value of any dependent care services provided for or arranged under clause (ii), or any amount received as a payment or reimbursement under clause (i), shall—

"(I) not be treated as income for the purposes of any other Federal or federally assisted program that bases eligibility for, or the amount of benefits on, need; and

"(II) not be claimed as an employment-related expense for the purposes of the credit provided under section 21 of the Internal Revenue Code of 1986 (26 U.S.C. 21).".

(d) ADMINISTRATION.—Section 11(e)(19) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(e)(11) is amended to read as follows:

"(19) the plans of the State agency for providing employment and training services under section 6(d)(4);".

(e) ADMINISTRATIVE COST-SHARING AND QUALITY CONTROL.—Section 16(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A) by striking "carry out employment and training programs" and inserting "provide employment and training services to eligible households under section 6(d)(4)", and

(B) in subparagraph (D) by striking "operating an employment and training program" and inserting "providing employment and training services consistent with section 6(d)(4)",

(2) in paragraph (3) by striking "related to participation in an employment and training program" and inserting "the individual participating in employment and training activities",

(3) in paragraph (4) by striking "for operating an employment and training program" and inserting "to provide employment and training services", and

(4) by amending paragraph (5) to read as follows:

"(5) MONITORING.—The Secretary, in conjunction with the Secretary of Labor, shall monitor each State agency responsible for administering employment and training services under section 6(d)(4) to ensure funds are being spent effectively and efficiently. Each program of employment and training receiving funds under section 6(d)(4) shall be subject to the requirements of the performance ac-

countability system, including having to meet the state performance measures included in section 136 of the Workforce Investment Act (29 U.S.C. 2871).".

(f) RESEARCH, DEMONSTRATION, AND EVALUATIONS.—Section 17 of the Food and Nutrition Act of 2008 (7 U.S.C. 2026) is amended—

(1) in subsection (b) by striking paragraph (3), and

(2) in subsection (g)—

(A) by inserting ", in conjunction with the Secretary of Labor," after "Secretary", and

(B) by striking "programs established" and inserting "activities provided to eligible households".

(g) MINNESOTA FAMILY INVESTMENT PROJECT.—Section 22(b)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2031(b)(4)) is amended by striking "equivalent to those offered under the employment and training program".

SEC. 404. AMENDMENTS TO SECTION 412 OF THE IMMIGRATION AND NATIONALITY ACT.

(a) CONDITIONS AND CONSIDERATIONS.—Section 412(a) of the Immigration and Nationality Act (8 U.S.C. 1522(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)(i), by striking "make available sufficient resources for employment training and placement" and inserting "provide refugees with the opportunity to access employment and training services, including job placement,"; and

(B) in subparagraph (B)(ii), by striking "services;" and inserting "services provided through the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.);";

(2) in paragraph (2)(C)(iii)(II), by inserting "and training" after "employment";

(3) in paragraph (6)(A)(ii)—

(A) by striking "insure" and inserting "ensure";

(B) by inserting "and training" after "employment"; and

(C) by inserting after "available" the following: "through the one-stop delivery system under section 121 of the Workforce Investment Act of 1998 (29 U.S.C. 2841)"; and

(4) in paragraph (9), by inserting "the Secretary of Labor," after "Education,".

(b) PROGRAM OF INITIAL RESETTLEMENT.—Section 412(b)(2) of such Act (8 U.S.C. 1522(b)(2)) is amended—

(1) by striking "orientation, instruction" and inserting "orientation and instruction"; and

(2) by striking ", and job training for refugees, and such other education and training of refugees, as facilitates" and inserting "for refugees to facilitate".

(c) PROJECT GRANTS AND CONTRACTS FOR SERVICES FOR REFUGEES.—Section 412(c) of such Act (8 U.S.C. 1522(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)(i), by inserting "and training" after "employment"; and

(B) by striking subparagraph (C);

(2) in paragraph (2)(B), by striking "paragraph—" through "in a manner" and inserting "paragraph in a manner"; and

(3) by adding at the end the following:

"(3) In carrying out this section, the Director shall ensure that employment and training services are provided through the statewide workforce development system, as appropriate, authorized by the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.). Such action may include—

"(A) making employment and training services as described under section 134 of such Act (29 U.S.C. 2864) available to refugees; and

"(B) providing refugees with access to a one-stop delivery system under section 121 of such Act (29 U.S.C. 2841).".

(d) CASH ASSISTANCE AND MEDICAL ASSISTANCE TO REFUGEES.—Section 412(e) of such Act (8 U.S.C. 1522(e)) is amended—

(1) in paragraph (2)(A)(i), by inserting "and training" after "providing employment"; and

(2) in paragraph (3), by striking "The" and inserting "Consistent with subsection (c)(3), the".

SEC. 405. AMENDMENTS RELATING TO THE SECOND CHANCE ACT OF 2007.

(a) FEDERAL PRISONER REENTRY INITIATIVE.—Section 231 of the Second Chance Act of 2007 (42 U.S.C. 17541) is amended—

(1) in subsection (a)(1)(E)—

(A) by inserting "the Department of Labor and" before "other Federal agencies"; and

(B) by inserting "State and local workforce investment boards," after "community-based organizations,";

(2) in subsection (c)—

(A) in paragraph (2), by striking at the end "and";

(B) in paragraph (3), by striking at the end the period and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(4) to coordinate reentry programs with the employment and training services provided through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.).";

and

(3) in subsection (d), by adding at the end the following new paragraph:

"(6) INTERACTION WITH THE WORKFORCE INVESTMENT SYSTEM.—

"(A) IN GENERAL.—In carrying out this section, the Director shall ensure that employment and training services, including such employment and services offered through reentry programs, are provided, as appropriate, through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.). Such action may include—

"(i) making employment and training services available to prisoners prior to and immediately following the release of such prisoners; or

"(ii) providing prisoners with access by remote means to a one-stop delivery system under section 121 of the Workforce Investment Act of 1998 (29 U.S.C. 2841) in the State in which the prison involved is located.

"(B) SERVICE DEFINED.—In this paragraph, the term 'employment and training services' means those services described in section 134 of the Workforce Investment Act of 1998 (29 U.S.C. 2864) offered by the Bureau of Prisons, including—

"(i) the skills assessment described in subsection (a)(1)(A);

"(ii) the skills development plan described in subsection (a)(1)(B); and

"(iii) the enhancement, development, and implementation of reentry and skills development programs.".

(b) DUTIES OF THE BUREAU OF PRISONS.—Section 4042(a)(5)(E) of title 18, United States Code, is amended—

(1) in clause (ii), by striking "Employment" and inserting "Employment and training services (as defined in paragraph (6) of section 231(d) of the Second Chance Act of 2007), including basic skills attainment, consistent with such paragraph";

(2) by striking clause (iii); and

(3) by redesignating clauses (iv), (v), (vi), and (vii) as clauses (iii), (iv), (v), and (vi), respectively.

SEC. 406. AMENDMENTS TO THE OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968.

Section 2976 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3797w) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking "vocational" and inserting "career and technical education (as defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302)) and training";

(B) by redesignating each of paragraphs (4) through (7) as paragraphs (5) through (8), respectively; and

(C) by inserting after paragraph (3) the following new paragraph:

"(4) coordinating employment and training services provided through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.), including a one-stop delivery system under section 121 of such Act (29 U.S.C. 2841), for offenders upon release from prison, jail, or a juvenile facility, as appropriate;";

(2) in subsection (d)(2), by inserting ", including local workforce investment boards established under section 117 of the Workforce Investment Act of 1998 (29 U.S.C. 2832)," after "nonprofit organizations";

(3) in subsection (e)—

(A) in paragraph (3), by striking "victim services, and employment services" and inserting "and victim services";

(B) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(C) by inserting after paragraph (3) the following new paragraph:

"(4) provides employment and training services through the statewide workforce investment system under subtitle B of title I of the Workforce Investment

Act of 1998 (29 U.S.C. 2811 et seq.), including a one-stop delivery system under section 121 of such Act (29 U.S.C. 2841); and";

(4) in subsection (k)—

(A) in paragraph (1)(A), by inserting ", in accordance with paragraph (2)" after "under this section";

(B) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(C) by inserting after paragraph (1) the following new paragraph:

"(2) EMPLOYMENT AND TRAINING.—The Attorney General shall require each grantee under this section to measure the core indicators of performance as described in section 136(b)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(b)(2)(A)) with respect to the program of such grantee funded with a grant under this section.".

SEC. 407. CONFORMING AMENDMENTS TO THE UNITED STATES CODE.

Title 38, United States Code, is amended—

(1) by striking the item relating to section 4103A and section 4104 in the table of sections at the beginning of chapter 41 of such title;

(2) in section 4102A—

(A) in subsection (b)—

(i) by striking paragraphs (5), (6), and (7);

(ii) by redesignating paragraph (8) as paragraph (5);

(B) by striking subsections (c) and (h);

(C) by redesignating subsection (d), (e), (f), and (g) as subsection (c), (d), (e), and (f);

(D) in subsection (e)(1) (as so redesignated)—

(i) by striking ", including disabled veterans' outreach program specialists and local veterans' employment representatives providing employment, training, and placement services under this chapter in a State"; and

(ii) by striking "for purposes of subsection (c)".

(3) in section 4109(a), by striking "disabled veterans' outreach program specialists and local veterans' employment representative" and inserting "veteran employment specialists appointed under section 134(f) of the Workforce Investment Act of 1998";

(4) in section 4109(d)(1), by striking "disabled veterans' outreach program specialists and local veterans' employment representatives" and inserting "veteran employment specialists appointed under section 134(f) of the Workforce Investment Act of 1998";

(5) in section 4112(d)—

(A) in paragraph (1), by striking "disabled veterans' outreach program specialist" and inserting "veteran employment specialist appointed under section 134(f) of the Workforce Investment Act of 1998"; and

(B) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2);

(6) in section 3672(d)(1), by striking "disabled veterans' outreach program specialists under section 4103A" and inserting "veteran employment specialists appointed under section 134(f) of the Workforce Investment Act of 1998"; and

(7) in section 4104A—

(A) in subsection (b)(1), by striking subparagraph (A) and inserting the following:

"(A) the appropriate veteran employment specialist (in carrying out the functions described in section 134(f) of the Workforce Investment Act of 1998);"; and

(B) in subsection (c)(1), by striking subparagraph (A) and inserting the following:

"(A) collaborate with the appropriate veteran employment specialist (as described in section 134(f)) and the appropriate State boards and local boards (as such terms are defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801));".

SEC. 408. CONFORMING AMENDMENT TO TABLE OF CONTENTS.

The table of contents in section 1(b) is amended to read as follows:

"Sec. 1. Short title; table of contents.

"TITLE I—WORKFORCE INVESTMENT SYSTEMS

"Subtitle A—Workforce Investment Definitions

"Sec. 101. Definitions.

"Subtitle B—Statewide and Local Workforce Investment Systems

"Sec. 106. Purpose.

"CHAPTER 1—STATE PROVISIONS

"Sec. 111. State workforce investment boards.
"Sec. 112. State plan.

"CHAPTER 2—LOCAL PROVISIONS

"Sec. 116. Local workforce investment areas.
"Sec. 117. Local workforce investment boards.
"Sec. 118. Local plan.

"CHAPTER 3—WORKFORCE INVESTMENT ACTIVITIES PROVIDERS

"Sec. 121. Establishment of one-stop delivery systems.
"Sec. 122. Identification of eligible providers of training services.
"Sec. 123. [Repealed].

"CHAPTER 4—[REPEALED]

"CHAPTER 5—EMPLOYMENT AND TRAINING ACTIVITIES

"Sec. 131. General authorization.
"Sec. 132. State allotments.
"Sec. 133. Within State allocations.
"Sec. 134. Use of funds for employment and training activities.

"CHAPTER 6—GENERAL PROVISIONS

"Sec. 136. Performance accountability system.
"Sec. 137. Authorization of appropriations.

"Subtitle C—Job Corps

"Sec. 141. Purposes.
"Sec. 142. Definitions.
"Sec. 143. Establishment.
"Sec. 144. Individuals eligible for the Job Corps.
"Sec. 145. Recruitment, screening, selection, and assignment of enrollees.
"Sec. 146. Enrollment.
"Sec. 147. Job Corps centers.
"Sec. 148. Program activities.
"Sec. 149. Counseling and job placement.
"Sec. 150. Support.
"Sec. 151. Operations.
"Sec. 152. Standards of conduct.
"Sec. 153. Community participation.
"Sec. 154. Workforce councils.
"Sec. 155. [Repealed].
"Sec. 156. Technical assistance to centers.
"Sec. 157. Application of provisions of Federal law.
"Sec. 158. Special provisions.
"Sec. 159. Performance accountability and management.
"Sec. 160. General provisions.
"Sec. 161. Authorization of appropriations.

"Subtitle D—National Programs

"Sec. 166. [Repealed].
"Sec. 167. [Repealed].
"Sec. 168. [Repealed].
"Sec. 169. [Repealed].
"Sec. 170. Technical assistance.
"Sec. 171. [Repealed].
"Sec. 172. Evaluations.
"Sec. 173. [Repealed].
"Sec. 173A. [Repealed].
"Sec. 174. [Repealed].

"Subtitle E—Administration

"Sec. 181. Requirements and restrictions.
"Sec. 182. Prompt allocation of funds.
"Sec. 183. Monitoring.
"Sec. 184. Fiscal controls; sanctions.
"Sec. 185. Reports; recordkeeping; investigations.
"Sec. 186. Administrative adjudication.
"Sec. 187. Judicial review.
"Sec. 188. Nondiscrimination.
"Sec. 189. Administrative provisions.
"Sec. 190. References.
"Sec. 191. State legislative authority.
"Sec. 192. [Repealed].
"Sec. 193. Transfer of Federal equity in State employment security real property to the States.
"Sec. 194. [Repealed].
"Sec. 195. General program requirements.
"Sec. 196. Federal agency staff.

"Subtitle F—Repeals and Conforming Amendments

"Sec. 199. Repeals.
"Sec. 199A. Conforming amendments.

"TITLE II—ADULT EDUCATION AND FAMILY LITERACY EDUCATION

"Sec. 201. Short title.
"Sec. 202. Purpose.
"Sec. 203. Definitions.
"Sec. 204. Home schools.
"Sec. 205. Authorization of appropriations.

"Subtitle A—Federal Provisions

"Sec. 211. Reservation of funds; grants to eligible agencies; allotments.
"Sec. 212. Performance accountability system.

"Subtitle B—State Provisions

"Sec. 221. State administration.
"Sec. 222. State distribution of funds; matching requirement.
"Sec. 223. State leadership activities.
"Sec. 224. State plan.
"Sec. 225. Programs for corrections education and other institutionalized individuals.

"Subtitle C—Local Provisions

"Sec. 231. Grants and contracts for eligible providers.
"Sec. 232. Local application.
"Sec. 233. Local administrative cost limits.

"Subtitle D—General Provisions

"Sec. 241. Administrative provisions.
"Sec. 242. National activities.

"TITLE III—WORKFORCE INVESTMENT-RELATED ACTIVITIES

"Subtitle A—Wagner-Peyser Act

"Sec. 301. Definitions.
"Sec. 302. Functions.
"Sec. 303. Designation of State agencies.
"Sec. 304. Appropriations.
"Sec. 305. Disposition of allotted funds.
"Sec. 306. State plans.
"Sec. 307. Repeal of Federal advisory council.
"Sec. 308. Regulations.
"Sec. 309. Employment statistics.
"Sec. 310. Technical amendments.
"Sec. 311. Effective date.

"Subtitle B—Linkages With Other Programs

"Sec. 321. Trade Act of 1974.
"Sec. 322. Veterans' employment programs.
"Sec. 323. Older Americans Act of 1965.

"Subtitle C—[Repealed]

"Subtitle D—Application of Civil Rights and Labor-Management Laws to the Smithsonian Institution

"Sec. 341. Application of civil rights and labor-management laws to the Smithsonian Institution.

"TITLE IV—REHABILITATION ACT AMENDMENTS OF 1998

"Sec. 401. Short title.
"Sec. 402. Title.
"Sec. 403. General provisions.
"Sec. 404. Vocational rehabilitation services.
"Sec. 405. Research and training.
"Sec. 406. Professional development and special projects and demonstrations.
"Sec. 407. National Council on Disability.
"Sec. 408. Rights and advocacy.
"Sec. 409. Employment opportunities for individuals with disabilities.
"Sec. 410. Independent living services and centers for independent living.
"Sec. 411. [Repealed].
"Sec. 412. Helen Keller National Center Act.
"Sec. 413. President's Committee on Employment of People With Disabilities.
"Sec. 414. Conforming amendments.

"TITLE V—GENERAL PROVISIONS

"Sec. 501. State unified plan.
"Sec. 502. [Repealed].
"Sec. 503. [Repealed].
"Sec. 504. Privacy.
"Sec. 505. Buy-American requirements.
"Sec. 506. [Repealed].
"Sec. 507. Effective date.".

TITLE V—AMENDMENTS TO THE REHABILITATION ACT OF 1973

SEC. 501. FINDINGS.

Section 2(a) of the Rehabilitation Act of 1973 (29 U.S.C. 701(a)) is amended—

(1) in paragraph (5), by striking "and" at the end;
(2) in paragraph (6), by striking the period and inserting "; and"; and
(3) by adding at the end the following:
"(7) there is a substantial need to improve and expand services for students with disabilities under this Act.".

SEC. 502. REHABILITATION SERVICES ADMINISTRATION.

(a) REHABILITATION SERVICES ADMINISTRATION.—The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended—
(1) in section 3(a) (29 U.S.C. 702(a))—
(A) by striking "Office of the Secretary" and inserting "Department of Education";
(B) by striking "President by and with the advice and consent of the Senate" and inserting "Secretary"; and
(C) by striking ", and the Commissioner shall be the principal officer,";
(2) by striking "Commissioner" each place it appears (except in section 21) and inserting "Director";
(3) in section 12(c) (29 U.S.C. 709), by striking "Commissioner's" and inserting "Director's";
(4) in the heading for subparagraph (B) of section 100(d)(2), by striking "COMMISSIONER" and inserting "DIRECTOR";
(5) in the heading for section 706, by striking "**COMMISSIONER**" and inserting "**DIRECTOR**";
(6) in the heading for paragraph (3) of section 723(a), by striking "COMMISSIONER" and inserting "DIRECTOR"; and
(7) in section 21 (29 U.S.C. 718)—
(A) in subsection (b)(1)—
(i) by striking "Commissioner" the first place it appears and inserting "Director of the Rehabilitation Services Administration";
(ii) by striking "(referred to in this subsection as the 'Director')"; and
(iii) by striking "The Commissioner and the Director" and inserting "Both such Directors"; and
(B) by striking "the Commissioner and the Director" each place it appears and inserting "both such Directors".

(b) EFFECTIVE DATE; APPLICATION.—The amendments made by subsection (a) shall—
(1) take effect on the date of the enactment of this Act; and
(2) apply with respect to the appointments of Directors of the Rehabilitation Services Administration made on or after the date of enactment of this Act, and the Directors so appointed.

SEC. 503. DEFINITIONS.

Section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705) is amended—
(1) by redesignating paragraphs (35) through (39) as paragraphs (36) through (40), respectively;
(2) in subparagraph (A)(ii) of paragraph (36) (as redesignated by paragraph (1)), by striking "paragraph (36)(C)" and inserting "paragraph (37)(C)"; and
(3) by inserting after paragraph (34) the following:
"(35)(A) The term 'student with a disability' means an individual with a disability who—
"(i) is not younger than 16 and not older than 21;
"(ii) has been determined to be eligible under section 102(a) for assistance under this title; and
"(iii)(I) is eligible for, and is receiving, special education under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); or
"(II) is an individual with a disability, for purposes of section 504.
"(B) The term 'students with disabilities' means more than 1 student with a disability.".

SEC. 504. STATE PLAN.

Section 101(a) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) is amended—
(1) in paragraph (10)(B) by striking "on the eligible individuals" and all that follows through "section 136(d)(2)" and inserting "of information necessary to assess the State's performance on the core indicators of performance described in section 136(b)(2)(A)";
(2) in paragraph (11)—
(A) in subparagraph (D)(i), by inserting before the semicolon the following: ", which may be provided using alternative means of meeting participation (such as video conferences and conference calls)"; and

(B) by adding at the end the following:

"(G) COORDINATION WITH ASSISTIVE TECHNOLOGY PROGRAMS.—The State plan shall include an assurance that the designated State unit and the lead agency or implementing entity responsible for carrying out duties under the Assistive Technology Act of 1998 (29 U.S.C. 3001 et seq.) have developed working relationships and coordinate their activities.";

(3) in paragraph (15)—

(A) in subparagraph (A)—

(i) in clause (i)—

(I) in subclause (II), by striking "and" at the end;

(II) in subclause (III), by adding "and" at the end; and

(III) by adding at the end the following:

"(IV) students with disabilities, including their need for transition services;";

(ii) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively; and

(iii) by inserting after clause (i) the following:

"(ii) include an assessment of the transition services provided under this Act, and coordinated with transition services under the Individuals with Disabilities Education Act, as to those services meeting the needs of individuals with disabilities;"; and

(B) in subparagraph (D)—

(i) by redesignating clauses (iii), (iv), and (v) as clauses (iv), (v), and (vi), respectively; and

(ii) by inserting after clause (ii) the following:

"(iii) the methods to be used to improve and expand vocational rehabilitation services for students with disabilities, including the coordination of services designed to facilitate the transition of such students from the receipt of educational services in school to the receipt of vocational rehabilitation services under this title or to postsecondary education or employment;";

(4) in paragraph (22)—

(A) by striking "carrying out part B of title VI, including"; and

(B) by striking "that part to supplement funds made available under part B of";

(5) in paragraph (24)(A), by striking "part A of title VI" and inserting "section 109A"; and

(6) by adding at the end the following:

"(25) COLLABORATION WITH INDUSTRY.—The State plan shall describe how the designated State agency will carry out the provisions of section 109A, including—

"(A) the criteria such agency will use to award grants under such section; and

"(B) how the activities carried out under such grants will be coordinated with other services provided under this title.

"(26) SERVICES FOR STUDENTS WITH DISABILITIES.—The State plan shall provide an assurance satisfactory to the Secretary that the State—

"(A) has developed and implemented strategies to address the needs identified in the assessment described in paragraph (15), and achieve the goals and priorities identified by the State, to improve and expand vocational rehabilitation services for students with disabilities on a statewide basis in accordance with paragraph (15); and

"(B) from funds reserved under section 110A, shall carry out programs or activities designed to improve and expand vocational rehabilitation services for students with disabilities that—

"(i) facilitate the transition of students with disabilities from the receipt of educational services in school, to the receipt of vocational rehabilitation services under this title, including, at a minimum, those services specified in the interagency agreement required in paragraph (11)(D);

"(ii) improve the achievement of post-school goals of students with disabilities, including improving the achievement through participation (as appropriate when career goals are discussed) in meetings regarding individualized education programs developed under section 614 of the Individuals with Disabilities Education Act (20 U.S.C. 1414);

"(iii) provide career guidance, career exploration services, job search skills and strategies, and technical assistance to students with disabilities;

"(iv) support the provision of training and technical assistance to State and local educational agencies and designated State agency personnel responsible for the planning and provision of services to students with disabilities; and

"(v) support outreach activities to students with disabilities who are eligible for, and need, services under this title.".

SEC. 505. SCOPE OF SERVICES.

Section 103 of the Rehabilitation Act of 1973 (29 U.S.C. 723) is amended—

(1) in subsection (a), by striking paragraph (15) and inserting the following:

"(15) transition services for students with disabilities, that facilitate the achievement of the employment outcome identified in the individualized plan for employment, including services described in clauses (i) through (iii) of section 101(a)(26)(B);";

(2) in subsection (b), by striking paragraph (6) and inserting the following:

"(6)(A)(i) Consultation and technical assistance services to assist State and local educational agencies in planning for the transition of students with disabilities from school to post-school activities, including employment.

"(ii) Training and technical assistance described in section 101(a)(26)(B)(iv).

"(B) Services for groups of individuals with disabilities who meet the requirements of clauses (i) and (iii) of section 7(35)(A), including services described in clauses (i), (ii), (iii), and (v) of section 101(a)(26)(B), to assist in the transition from school to post-school activities."; and

(3) in subsection (b) by inserting at the end, the following:

"(7) The establishment, development, or improvement of assistive technology demonstration, loan, reutilization, or financing programs in coordination with activities authorized under the Assistive Technology Act of 1998 (29 U.S.C. 3001) to promote access to assistive technology for individuals with disabilities and employers.".

SEC. 506. STANDARDS AND INDICATORS.

Section 106 of the Rehabilitation Act of 1973 (29 U.S.C. 726(a)) is amended—

(1) by striking subsection (a) and inserting the following:

"(a) STANDARDS AND INDICATORS.—The performance standards and indicators for the vocational rehabilitation program carried out under this title—

"(1) shall be subject to paragraphs (2)(A) and (3) of section 136(b) of the Workforce Investment Act of 1998; and

"(2) may, at a State's discretion, include additional indicators identified in the State plan submitted under section 101."; and

(2) in subsection (b)(2)(B), by striking clause (i) and inserting the following:

"(i) on a biannual basis, review the program improvement efforts of the State and, if the State has not improved its performance to acceptable levels, as determined by the Director, direct the State to make revisions to the plan to improve performance; and".

SEC. 507. COLLABORATION WITH INDUSTRY.

The Rehabilitation Act of 1973 is amended by inserting after section 109 (29 U.S.C. 729) the following:

"SEC. 109A. COLLABORATION WITH INDUSTRY.

"(a) AUTHORITY.—A State shall use not less than one-half of one percent of the payment the State receives under section 111 for a fiscal year to award grants to eligible entities to create practical job and career readiness and training programs, and to provide job placements and career advancement.

"(b) APPLICATION.—To receive a grant under this section, an eligible entity shall submit an application to a designated State agency at such time, in such manner, and containing such information as such agency shall require. Such application shall include, at a minimum—

"(1) a plan for evaluating the effectiveness of the program;

"(2) a plan for collecting and reporting the data and information described under subparagraphs (A) through (C) of section 101(a)(10), as determined appropriate by the designated State agency; and

"(3) a plan for providing for the non-Federal share of the costs of the program.

"(c) ACTIVITIES.—An eligible entity receiving a grant under this section shall use the grant funds to carry out a program that provides one or more of the following:

"(1) Job development, job placement, and career advancement services for individuals with disabilities.

"(2) Training in realistic work settings in order to prepare individuals with disabilities for employment and career advancement in the competitive market.

"(3) Providing individuals with disabilities with such support services as may be required in order to maintain the employment and career advancement for which the individuals have received training.

"(d) AWARDS.—Grants under this section shall—

"(1) be awarded for a period not to exceed 5 years; and

"(2) be awarded competitively.

"(e) ELIGIBLE ENTITY DEFINED.—For the purposes of this section, the term 'eligible entity' means a for-profit business, alone or in partnership with one or more of the following:

"(1) Community rehabilitation program providers.

"(2) Indian tribes.

"(3) Tribal organizations.

"(f) FEDERAL SHARE.—The Federal share of a program under this section shall not exceed 80 percent of the costs of the program.

"(g) ELIGIBILITY FOR SERVICES.—An individual shall be eligible for services provided under a program under this section if the individual is determined under section 102(a)(1) to be eligible for assistance under this title.".

SEC. 508. RESERVATION FOR EXPANDED TRANSITION SERVICES.

The Rehabilitation Act of 1973 is amended by inserting after section 110 (29 U.S.C. 730) the following:

"SEC. 110A. RESERVATION FOR EXPANDED TRANSITION SERVICES.

"Each State shall reserve not less than 10 percent of the funds allotted to the State under section 110(a) to carry out programs and activities under sections 101(a)(26)(B) and 103(b)(6).".

SEC. 509. CLIENT ASSISTANCE PROGRAM.

Section 112(e)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 732(e)(1)) is amended by redesignating subparagraph (D) as subparagraph (E) and inserting after subparagraph (C) the following:

"(D) The Secretary shall make grants to the protection and advocacy system serving the American Indian Consortium to provide services in accordance with this section. The amount of such grants shall be the same as provided to territories under this subsection.".

SEC. 510. TITLE III AMENDMENTS.

Title III of the Rehabilitation Act of 1973 (29 U.S.C. 771 et seq.) is amended—

(1) in section 301(a)—

(A) in paragraph (2), by inserting "and" at the end;

(B) by striking paragraphs (3) and (4); and

(C) by redesignating paragraph (5) as paragraph (3);

(2) in section 302(g)—

(A) in the heading, by striking "AND IN-SERVICE TRAINING"; and

(B) by striking paragraph (3);

(3) in section 303(c)—

(A) in paragraph (4)—

(i) by amending subparagraph (A)(ii) to read as follows:

"(ii) to coordinate and work closely with the parent training and information centers established pursuant to section 671 of the Individuals with Disabilities Education Act, the community parent resource centers established pursuant to section 672 of such Act, and the eligible entities receiving awards under section 673 of such Act; and"; and

(ii) in subparagraph (C), by inserting ", and demonstrate the capacity for serving," after "serve"; and

(B) by adding at the end the following:

"(8) RESERVATION.—From the amount appropriated to carry out this subsection for a fiscal year, 20 percent of such amount or $500,000, whichever is less, shall be reserved to carry out paragraph (6).";

(4) by striking sections 304 and 305; and

(5) by redesignating section 306 as section 304.

SEC. 511. REPEAL OF TITLE VI.

The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended by repealing title VI.

SEC. 512. CHAIRPERSON.

Section 705(b)(5) of the Rehabilitation Act of 1973 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

"(5) CHAIRPERSON.—The Council shall select a chairperson from among the voting membership of the Council.".

SEC. 513. AUTHORIZATIONS OF APPROPRIATIONS.

The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is further amended—

(1) in section 100(b)(1) (29 U.S.C. 720(b)(1)), by striking "such sums as may be necessary for fiscal years 1999 through 2003" and inserting "$3,121,712,000 for fiscal year 2014 and each of the 6 succeeding fiscal years";

(2) in section 110(c) (29 U.S.C. 730(c)), by amending paragraph (2) to read as follows:

"(2) The sum referred to in paragraph (1) shall be, as determined by the Secretary, not less than 1 percent and not more than 1.5 percent of the amount referred to in paragraph (1) for each of fiscal years 2014 through 2020.";

(3) in section 112(h) (29 U.S.C. 732(h)) by striking "such sums as may be necessary for fiscal years 1999 through 2003" and inserting "$12,240,000 for fiscal year 2014 and each of the 6 succeeding fiscal years";

(4) by amending subsection (a) of section 201 (29 U.S.C. 761(a)) to read as follows: "(a) There are authorized to be appropriated $108,817,000 for fiscal year 2014 and each of the 6 succeeding fiscal years to carry out this title.";

(5) in section 302(i) (29 U.S.C. 772(i)) by striking "such sums as may be necessary for each of the fiscal years 1999 through 2003" and inserting "$35,515,000 for fiscal year 2014 and each of the 6 succeeding fiscal years";

(6) in section 303(e) (29 U.S.C. 773(e)) by striking "such sums as may be necessary for each of the fiscal years 1999 through 2003" and inserting "$5,325,000 for fiscal year 2014 and each of the 6 succeeding fiscal years";

(7) in section 405 (29 U.S.C. 785) by striking "such sums as may be necessary for each of the fiscal years 1999 through 2003" and inserting "$3,258,000 for fiscal year 2014 and each of the 6 succeeding fiscal years";

(8) in section 502(j) (29 U.S.C. 792(j)) by striking "such sums as may be necessary for each of the fiscal years 1999 through 2003" and inserting "$7,400,000 for fiscal year 2014 and each of the 6 succeeding fiscal years";

(9) in section 509(l) (29 U.S.C. 794e(l)) by striking "such sums as may be necessary for each of the fiscal years 1999 through 2003" and inserting "$18,031,000 for fiscal year 2014 and each of the 6 succeeding fiscal years";

(10) in section 714 (29 U.S.C. 796e–3), by striking "such sums as may be necessary for each of the fiscal years 1999 through 2003" and inserting "$23,359,000 for fiscal year 2014 and each of the 6 succeeding fiscal years";

(11) in section 727 (29 U.S.C. 796f–6), by striking "such sums as may be necessary for each of the fiscal years 1999 through 2003" and inserting "$79,953,000 for fiscal year 2014 and each of the 6 succeeding fiscal years"; and

(12) in section 753 (29 U.S.C. 7961), by striking "such sums as may be necessary for each of the fiscal years 1999 through 2003" and inserting "$34,018,000 for fiscal year 2014 and each of the 6 succeeding fiscal years".

SEC. 514. CONFORMING AMENDMENTS.

Section 1(b) of the Rehabilitation Act of 1973 is amended—

(1) by inserting after the item relating to section 109 the following:

"Sec. 109A. Collaboration with industry.";

(2) by inserting after the item relating to section 110 the following:

"Sec. 110A. Reservation for expanded transition services.";

(3) by striking the item related to section 304 and inserting the following:

"Sec. 304. Measuring of project outcomes and performance.";

(4) by striking the items related to sections 305 and 306; and

(5) by striking the items related to title VI.

PURPOSE

H.R. 803, the Supporting Knowledge and Investing in Lifelong Skills (SKILLS) Act, amends the Workforce Investment Act of 1998 to streamline federal workforce development programs; strengthen the employer-driven workforce development system; expand decision-making at the local level; improve accountability and transparency; simplify reporting requirements; encourage more training to meet in-demand job opportunities; and improve adult education and vocational rehabilitation.

COMMITTEE ACTION

The Committee on Education and the Workforce is committed to developing a comprehensive and seamless statewide workforce investment system that helps unemployed and underemployed workers obtain the in-demand skills and employment services necessary to find employment.

107TH CONGRESS

Hearings—Second Session

On Tuesday, March 12, 2002, the Committee on Education and the Workforce Subcommittee on 21st Century Competitiveness held a hearing in Washington, D.C. entitled, "Welfare to Work: Ties Between Temporary Assistance for Needy Families (TANF) and Workforce Development." The purpose of the hearing was to learn about the interaction between the TANF block grant and the workforce investment system created through the Workforce Investment Act (WIA). Testifying before the subcommittee were: Dr. Sigurd Nilsen, Director of Health, Education, and Human Services Division, U.S. General Accounting Office (now known as the Government Accountability Office, GAO), Washington, D.C.; Mr. John B. O'Reilly, Jr., Executive Director, Southeast Michigan Community Alliance, Taylor, MI; Dr. Barbara Gault, Director of Research, Institute for Women's Policy Research, Washington, D.C.; Mr. Greg Gardner, Acting Director, Utah Department of Workforce Services, Salt Lake City, UT; and Dr. Erika Kates, Executive Director, Welfare Education Training Access Coalition Center for Youth and Communities, Brandeis University, Boston, MA.

On Thursday, September 12, 2002, the Committee on Education and the Workforce Subcommittee on 21st Century Competitiveness held a hearing in Washington, D.C. entitled, "Implementation of the Workforce Investment Act: Promising Practices in Workforce Development." The purpose of the hearing was to encourage and promote a seamless system that improves services to job seekers and employers. Testifying before the subcommittee were: Mr. Bruce Stenslie, Director, Ventura County Workforce Investment Board, Ventura, CA; Ms. Diane D. Rath, Chair, Texas Workforce Commission, Austin, TX; Mr. Danny Wegman, President, Wegmans Food Markets, Rochester, NY; and Mr. Timothy Barnicle, Co-Director, Workforce Development Program, National Center on Education and the Economy, Washington, D.C.

108TH CONGRESS

Hearings—First Session

On Wednesday, February 12, 2003, the Committee on Education and the Workforce held a hearing in Washington, D.C. entitled, "Back to Work: The Administration's Plan for Economic Recovery and the Workforce Investment Act." The purpose of the hearing was to learn about the administration's proposal to speed the country's economic recovery, a component of which included Personal Reemployment Accounts that provide assistance to unemployed Americans who are struggling to return to work, and learn about the administration's proposal for the Workforce Investment Act reauthorization. Testifying before the committee were: the Honorable

Elaine Chao, Secretary, U.S. Department of Labor, Washington, D.C.; Mr. Kenneth Mayfield, President, National Association of Counties, Washington, D.C.; and Dr. Lawrence Mishel, President, Economic Policy Institute, Washington, D.C.

On Tuesday, February 18, 2003, the Committee on Education and the Workforce held a field hearing in Las Vegas, NV entitled, "H.R. 444, the Back to Work Incentive Act." The purpose of the hearing was to examine and discuss the Back to Work Incentive Act, which reflected the administration's initial plan to create personal reemployment accounts to help unemployed individuals return to work quickly. Testifying before the committee were: Ms. Myla Florence, Director, Nevada Department of Employment, Training, and Rehabilitation, Carson City, NV; Mr. Ardell Galbreth, Deputy Board Manager, Southern Nevada Workforce Investment Board, Las Vegas, NV; Mr. Robert Brewer, Chair, Southern Nevada Workforce Investment Board, Las Vegas, NV; and Ms. Debi Lindemenn, Employment Specialist Supervisor, Department of Employment, Training, and Rehabilitation, North Las Vegas, NV.

On Tuesday, March 4, 2003, the Committee on Education and the Workforce Subcommittee on 21st Century Competitiveness held a hearing in Washington, D.C. entitled, "Improving Adult Education for the 21st Century." The purpose of the hearing was to learn about pertinent issues to be addressed in the reauthorization of the Adult Education and Family Literacy Act, Title II of the Workforce Investment Act. Testifying before the subcommittee were: the Honorable Carol D'Amico, Assistant Secretary for Vocational and Adult Education, U.S. Department of Education, Washington, D.C.; Dr. Beth Buehlmann, Executive Director, Center for Workforce Preparation for the U.S. Chamber of Commerce, Washington, D.C.; Dr. Randy Whitfield, Associate Vice President of Academic and Student Services, North Carolina Community College System, Raleigh, NC; Ms. Ann-Marie Panella, Director of Human Resources, MCS Industries, Inc., Easton, PA; and Ms. Hermelinda Morales Herrera, Adult Education Participant, Aurora, CO.

On Tuesday, March 11, 2003, the Committee on Education and the Workforce Subcommittee on 21st Century Competitiveness held a hearing in Washington, D.C. entitled, "Workforce Investment and Rehabilitation Acts: Improving Services and Empowering Individuals." The purpose of the hearing was to learn about methods to strengthen and improve current programs and results for job seekers and employers. Testifying before the subcommittee were: the Honorable Emily DeRocco, Assistant Secretary for Employment and Training, U.S. Department of Labor, Washington, D.C.; the Honorable Robert Pasternack, Assistant Secretary for Special Education and Rehabilitative Services, U.S. Department of Education, Washington, D.C.; Mr. Thomas J. White, President and Chief Executive Officer, Greater Durham Chamber of Commerce, Durham, NC; Mr. Steven Savner, Senior Staff Attorney, Center for Law and Social Policy, Washington, D.C.; Mr. John Twomey, President, National Workforce Association, Washington, D.C.; and Ms. Bettie Shaw-Henderson, District Manager, Michigan Department of Vocational Rehabilitation, Grand Rapids, MI.

Legislative Action—First Session

On January 29, 2003, Rep. Jon Porter (R-NV) and 21st Century Competitiveness Subcommittee Chairman Howard P. "Buck" McKeon (R-CA) introduced H.R. 444, the Back to Work Incentive Act, a bill to amend the Workforce Investment Act of 1998 to establish a Personal Reemployment Accounts grant program to assist Americans in returning to work.

On February 26, 2003, the Subcommittee on 21st Century Competitiveness considered H.R. 444 in legislative session and reported it favorably, as amended, to the Committee on Education and the Workforce by a vote of 15–12.

The subcommittee considered and adopted the following amendment to H.R. 444:

Subcommittee Chairman Howard P. "Buck" McKeon (R-CA) offered an amendment in the nature of a substitute to: (1) make clear that the Back to Work accounts would be administered through the local one-stop delivery system under the direction of local workforce investment boards; (2) require local boards to submit a plan to the state, consistent with the state plan, in order to receive an allocation to administer the accounts; (3) require states and local areas, through their respective plans, to specify safeguards to ensure the quality and integrity of services and providers, consistent with the purpose of providing flexibility and choice to individuals; (4) require the individual accepting a Back to Work account to attest that he or she was given the option to develop a personal reemployment plan; and (5) allow states to make eligible individuals who have exhausted their unemployment compensation benefits within the previous 180 days, instead of the 90 day limit in the original bill. The amendment was adopted by a voice vote.

The subcommittee also considered the following amendment to H.R. 444, which was not adopted:

Reps. Dale Kildee (D–MI) and David Wu (D–OR) offered an amendment to strike all language after the enacting clause and insert language that allocates funds to each state to provide emergency employment accounts to eligible individuals. The funds in these accounts would be used in the same manner as unemployment compensation benefits. The amendment failed by a vote of 11–13.

On March 5, 2003, the Committee on Education and the Workforce considered H.R. 444 in legislative session and reported it favorably, as amended, to the House of Representatives by a vote of 23–22, with one member voting present.

The committee considered and adopted the following amendments to H.R. 444:

• Subcommittee Chairman Howard P. "Buck" McKeon (R–CA) offered an amendment in the nature of a substitute to: (1) change the calculation of the "look-back" period for eligibility determinations from days to weeks to be consistent with the terminology used in the unemployment compensation program; (2) clarify that the 40 percent retention bonus is provided after 26 weeks of employment retention; and (3) make other technical improvements. The amendment was adopted by a voice vote.

• Rep. Pete Hoekstra (R–MI) offered an amendment to make those individuals whose unemployment can be attributed in substantial part to unfair competition from Federal Prison Industries,

Inc., eligible to receive Back to Work accounts, subject to state criteria and prioritization. The amendment was adopted by a voice vote.

The committee also considered the following amendments to H.R. 444, which were not adopted:

• Rep. Dale Kildee (D–MI) offered an amendment to strike all language after the enacting clause and insert language that allocates funds to each state to provide emergency employment accounts to eligible individuals. The funds in these accounts would be used in the same manner as unemployment compensation benefits. The amendment failed by a vote of 20–24.

• Rep. David Wu (D–OR) offered an amendment to change the amount of a Back to Work account from "not exceeding $3,000" to $3,000. Additionally, the amendment would have struck subparagraph (C) of section 135F(a)(3), which prohibits recipients of the account from receiving intensive, supportive, or training services funded under WIA except on a fee-for-services basis for one year following the establishment of the account. The amendment failed by a voice vote.

• Rep. Donald Payne (D–NJ) offered an amendment that was not germane and ruled out of order by the Chair.

• Rep. Donald Payne (D–NJ) offered an amendment to prohibit the account holder from buying services from providers who fall in the exemptions category of current civil rights protections. Examples of exemptions include an employer providing training services who has less than 10 employees, or a faith based organization offering childcare. The amendment failed by a vote of 20–22.

• Rep. Betty McCollum (D–MN) offered an amendment to make individuals whose unemployment from the textile industries attributed in substantial part to unfair competition pursuant to basing agreements eligible to receive Back to Work accounts. The amendment failed by a vote of 20–23.

• Rep. Denise Majette (D–GA) offered and withdrew an amendment to specify that intensive services must be provided through the one-stop delivery system, and that a provider of training services must meet the requirements of section 122(a)(2) of the Workforce Investment Act.

On March 13, 2003, 21st Century Competitiveness Subcommittee Chairman Howard P. "Buck" McKeon (R–CA) and Chairman John Boehner (R–OH) introduced H.R. 1261, the Workforce Reinvestment and Adult Education Act of 2003, a bill to amend the Workforce Investment Act of 1998 to provide for the nation's One-Stop workforce development system. The legislation also contains the Adult Basic Education Skills Act, which reauthorizes state programs for adult education, and reauthorizes the Rehabilitation Act of 1973, which provides services to help individuals with disabilities become employable and achieve full integration into society.

On March 20, 2003, the Subcommittee on 21st Century Competitiveness considered H.R. 1261 in legislative session and reported it favorably, as amended, to the Committee on Education and the Workforce by a vote of 15–12.

The subcommittee considered and adopted the following amendments to H.R. 1261:

• Subcommittee Chairman Howard P. "Buck" McKeon (R–CA) offered an amendment in the nature of a substitute to clarify the dis-

tribution of adult funding within states, allow some youth funding to be used to serve in-school youth, address the problem of determining system expenditures, add adult education incentive grants, reinstate the National Institute for Literacy, and make other technical changes. The amendment was adopted by a voice vote.

• Rep. Johnny Isakson (R–GA) offered an amendment to make a technical change. The amendment was adopted by a voice vote.

The subcommittee also considered the following amendments to H.R. 1261, which were not adopted:

• Rep. Dale Kildee (D–MI) offered an amendment to strike the Back to Work Accounts and authorize Emergency Employment Accounts. The amendment failed by a vote of 10–13.

• Rep. Rush Holt (D–NJ) offered an amendment to increase the authorization for dislocated workers. The amendment failed by a vote of 11–15.

• Rep. Dale Kildee (D–MI) offered an amendment to strike the Back to Work Accounts and authorize a medical and safety first responders grant program. The amendment failed by a vote of 10–14.

• Rep. John Tierney (D–MA) offered and withdrew an amendment to reinstate the Employment Service program authorized under the Wagner-Peyser Act.

• Rep. John Tierney (D–MA) offered and withdrew an amendment to strike the youth activities and youth challenge provisions that focus on out-of-school youth.

• Rep. Donald Payne (D–NJ) offered and withdrew an amendment to require that service providers are subject to anti-discrimination laws.

On March 27, 2003, the Committee on Education and the Workforce considered H.R. 1261 in legislative session and reported it favorably, as amended, to the House of Representatives by a vote of 26–21.

The committee considered and adopted the following amendments to H.R. 1261:

• Subcommittee Chairman Howard P. "Buck" McKeon (R–CA) offered an amendment in the nature of a substitute to ensure confidentiality of student records, allow states to measure customer satisfaction, amend the provisions relating to in-school youth, add Family Literacy to the adult education program, reauthorize the Helen Keller National Center Act, and make additional technical changes. The amendment also removes Back to Work Accounts from the bill, which had already been approved by the full committee as a stand-alone bill (H.R. 444). The Back to Work Accounts were temporarily removed pending negotiations on the FY 2004 Budget Resolution. The amendment was adopted by a voice vote.

• Rep. Johnny Isakson (R–GA) offered an amendment to make a technical change. The amendment was adopted, en bloc, by a voice vote.

• Rep. Danny Davis (D–IL) offered an amendment to require states to specify how they would address the needs of ex-offenders. The amendment was adopted by a voice vote.

• Rep. Tom Osborne (R–NE) offered an amendment to provide that the Commissioner of Rehabilitation Services Administration will no longer be a presidential appointment. The amendment was adopted by a vote of 24–23.

• Rep. Lynn Woolsey (D–CA) offered an amendment to allow states to provide programs for displaced homemakers using statewide employment and training funds. The amendment was adopted by a voice vote.

• Rep. Betty McCollum (D–MN) offered an amendment to authorize the secretary to provide demonstration retention grants to qualified job training programs upon placement or retention of a low-income individual. The amendment was adopted by a voice vote.

• Rep. Rob Andrews (D–NJ) offered an amendment to allow entrepreneurial training to eligible individuals. The amendment was adopted by a voice vote.

• Rep. Ron Kind (D–WI) offered an amendment to require states to specify how they will serve the employment and training needs of dislocated farmers, ranchers, and fishermen. The amendment was adopted by a voice vote.

• Rep. Carolyn McCarthy (D–NY) offered an amendment to include a 'hold harmless' funding provision at 2003 levels pending amended allocation levels. The amendment was adopted by a voice vote.

The committee also considered the following amendments to H.R. 1261, which were not adopted:

• Rep. Dale Kildee (D–MI) offered an amendment in the nature of a substitute. The amendment failed by a vote of 16–25.

• Rep. Dale Kildee (D–MI) offered an amendment to use the Back to Work Account fund to extend unemployment benefits. The amendment failed by a vote of 19–19.

• Rep. Tim Ryan (D–OH) offered an amendment to create a new grant program for medical and safety occupations. The amendment failed by a vote of 15–25.

• Rep. Chris Van Hollen (D–MD) offered an amendment to eliminate faith-based organizations as eligible participants under the Workforce Investment Act. The amendment failed by a vote of 18–22.

• Rep. Rush Holt (D–NJ) offered an amendment to increase the funding authorization for dislocated workers. The amendment failed by a vote of 19–23.

• Rep. John Tierney (D–MA) offered an amendment to require separate funding streams for individual workforce development programs. The amendment failed by a vote of 20–24.

• Rep. Danny Davis (D–IL) offered an amendment to strike provisions making the Commissioner of Rehabilitation Services a secretarial appointment instead of a presidential appointment. The amendment failed by a vote of 23–25.

• Rep. Rob Andrews (D–NJ) offered an amendment to count as a success the placement of clients into non-integrated workplace settings. The amendment failed by a vote of 6–37, with 4 voting present.

• Rep. John Tierney (D–MA) offered an amendment regarding funding allocations for in-school and out-of-school youth. The amendment failed by a vote of 21–26.

• Rep. Danny Davis (D–IL) offered an amendment to strike provisions making the Commissioner of Rehabilitation Services a secretarial appointment instead of a presidential appointment. The amendment failed by a vote of 23–25.

• Rep. Carolyn McCarthy (D–NY) offered and withdrew an amendment to ensure states shall not receive a funding allotment less than what they received in 2003.

• Rep. Ron Kind (D–WI) offered and withdrew an amendment to require states to describe how they will serve farmers in their state plan.

On May 8, 2003, the House of Representatives passed H.R. 1261 by a vote of 220–204.

On November 14, 2003, the Senate passed a substitute version of H.R. 1261 by unanimous consent.

On June 3, 2004, the House of Representatives appointed conferees to resolve differences with the Senate on H.R. 1261.

The Senate did not appoint conferees to resolve differences with the House on H.R. 1261.

109TH CONGRESS

Hearing—First Session

On July 12, 2005, the Committee on Education and the Workforce Subcommittee on Select Education held a hearing in Washington, D.C. entitled, "Coordination Among Federal Youth Development Programs." The purpose of the hearing was to examine federal youth development programs that help disadvantaged youth develop the academic, social, and citizenship skills needed for a successful future. Testifying before the subcommittee were: Dr. Michael O'Grady, Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, Washington, D.C.; Mr. Richard Moore, Criminal and Juvenile Justice Planning Division, Iowa Department of Human Rights, Des Moines, IA; Ms. Marguerite Sallee, President and Chief Executive Officer, America's Promise—The Alliance for Youth, Washington, D.C.; Ms. Laura Shubilla, President, Philadelphia Youth Network, Philadelphia, PA; and Dr. Laurence Steinberg, Director, MacArthur Foundation Research Network on Adolescent Development and Juvenile Justice, Temple University, Philadelphia, PA.

Hearing—Second Session

On April 6, 2006, the Committee on Education and the Workforce held a hearing in Washington, D.C. entitled, "Building America's Competitiveness: Examining What is Needed to Compete in a Global Economy." The purpose of the hearing was to examine methods for addressing the changing needs of the workforce. Testifying before the committee were: the Honorable Elaine Chao, Secretary, U.S. Department of Labor, Washington, D.C.; the Honorable Margaret Spellings, Secretary, U.S. Department of Education, Washington, D.C.; Mr. Jim Jarrett, Vice President, Worldwide Government Affairs, Intel Corporation, Santa Clara, CA; Mr. Wes Jurey, President and Chief Executive Officer, Arlington Chamber of Commerce, Arlington, TX; and Dr. James Simons, President, Renaissance Technologies Corporation, New York, NY.

Legislative Action—First Session

On January 4, 2005, 21st Century Competitiveness Subcommittee Chairman Howard P. "Buck" McKeon (R–CA) and Chairman John Boehner (R–OH) introduced H.R. 27, the Job

Training Improvement Act of 2005, a bill to amend the Workforce Investment Act of 1998 to provide for the nation's One-Stop workforce development system. The legislation also contains the Adult Basic Education Skills Act, which reauthorizes state programs for adult education, and provisions reauthorizing the Rehabilitation Act of 1973, which provides services to help individuals with disabilities become employable and achieve full integration into society. The bill is substantially the same as H.R. 1261, which was considered by the House in the 108th Congress.

On February 9, 2005, the Subcommittee on 21st Century Competitiveness considered H.R. 27 in legislative session and reported it favorably, as amended, to the Committee on Education and the Workforce by a vote of 18–15.

The subcommittee considered and adopted the following amendments to H.R. 27:

• Subcommittee Chairman Howard P. "Buck" McKeon (R–CA) offered an amendment in the nature of a substitute that creates new authority within the demonstration section of WIA to authorize the president's proposal for community-based job training grants; defines administrative costs; makes projects that focus on employment in advanced manufacturing allowable pilot projects; removes the calculation of program efficiency as a core indicator of performance; clarifies that in order to be eligible for WIA youth services, an out-of-school youth who has finished high school and has low basic skills must not be attending any school; allows services for youth during the school day if youth are participating in programs that have demonstrated effectiveness in high school youth achieving diplomas; reinstates the business and community liaison for Job Corps centers; and makes other technical and conforming changes. The amendment was adopted by a voice vote.

• Rep. Luis Fortuño (R–PR) offered an amendment that requires states to describe in their plans how they will serve individuals with limited English proficiency and allows local areas to offer training that integrates occupational skills training with English language acquisition. The amendment was adopted by a voice vote.

• Rep. Ron Kind (D–WI) offered an amendment that allows the secretary, through available demonstration funding, to award competitive grants to train real-time writers. The amendment was adopted by a voice vote.

• Rep. Rush Holt (D–NJ) offered an amendment that requires the secretary to submit states' quarterly reports to the House Committee on Education and the Workforce and the Senate Committee on Health, Education, Labor, and Pensions. The amendment was adopted by a voice vote.

The subcommittee also considered the following amendments to H.R. 27, which were not adopted:

• Rep. Bobby Scott (D–VA) offered an amendment to preserve the religious non-discrimination requirement. The amendment failed by a vote of 13–19.

• Rep. Dale Kildee (D–MI) offered an amendment to create a separate funding stream for One-Stop Career Center administrative costs. The amendment failed by a vote of 14–18.

• Rep. Rush Holt (D–NJ) offered an amendment to create an additional funding authorization for dislocated workers. The amendment failed by a vote of 15–18.

• Rep. Dale Kildee (D–MI) offered an amendment to strike the personal reemployment accounts pilot program. The amendment failed by a vote of 15–18.

• Rep. John Tierney (D–MA) offered an amendment to strike block granting and funding restructuring provisions. The amendment failed by a vote of 15–18.

• Rep. John Tierney (D–MA) offered an amendment to preserve youth opportunity grants. The amendment failed by a vote of 15–18.

• Rep. John Tierney (D–MA) offered an amendment to preserve the mandated One-Stop Career Center partners on local workforce investment boards. The amendment failed by a voice vote.

• Rep. John Tierney (D–MA) offered an amendment to alter the sequence of services. The amendment failed by a vote of 15–18.

• Rep. Rush Holt (D–NJ) offered and withdrew an amendment to add a use of funds to purchase computer technology for workforce development.

On February 16 and 17, 2005, the Committee on Education and the Workforce considered H.R. 27 in legislative session and reported it favorably, as amended, to the House of Representatives by a vote of 26–20.

The committee considered and adopted the following amendments to H.R. 27:

• Subcommittee Chairman Howard P. "Buck" McKeon (R-CA) offered an amendment in the nature of a substitute that authorizes $211 million for WIA pilot and demonstration authority (of which $125 million could be used for the president's community-based job training grants) and also authorizes the secretary to use up to $125 million more from WIA national reserve funds to fund community-based job training grants; clarifies that community colleges are the only training providers eligible to participate in community-based job training grants; allows governors to consider whether training providers allow participants to attain a certification, credential, or mastery as they develop their criteria for determining eligible providers of training; authorizes the American Indian Consortium to receive funds under the Client Assistance Program to provide protection and advocacy services to Native Americans; allows programs under the Protection and Advocacy of Individual Rights program to retain program income generated by the system for up to one additional year after it was generated; requires the state vocational rehabilitation agency to coordinate with the lead agencies established under the Assistive Technology Act of 1998; allows state vocational rehabilitation agencies to spend funds to support activities authorized under the Assistive Technology Act of 1998; and makes other technical and conforming changes. The amendment was adopted by a voice vote.

• Rep. Thelma Drake (R–VA) offered an amendment to require state and local performance indicators to be adjusted based on the number of veterans with disabilities being served. The amendment was adopted by a voice vote.

• Rep. Rob Andrews (D–NJ) offered an amendment to allow local areas to provide information regarding the availability of microcredit loans when providing entrepreneurship training. The amendment was adopted by a voice vote.

• Rep. Rob Andrews (D–NJ) offered an amendment to allow the secretary to award competitive grants to business partnerships using pilot and demonstration funding. The amendment was adopted by a voice vote.

The committee also considered the following amendments to H.R. 27, which were not adopted:

• Rep. Rush Holt (D–NJ) offered an amendment to increase the funding authorization for Title I of the Act. The amendment failed by a vote of 21–22.

• Rep. Tim Ryan (D–OH) offered an amendment to require states to set aside funds for an early intervention program for workers affected by offshoring. The amendment failed by a vote of 19–23.

• Rep. Major Owens (D–NY) offered an amendment to require the secretary to set up an interstate transfer demonstration program. The amendment failed by a vote of 12–17.

• Rep. Bobby Scott (D–VA) offered an amendment to preserve the religious non-discrimination requirement. The amendment failed by a vote of 19–23.

• Rep. Chris Van Hollen (D–MD) offered an amendment to require the secretary to collect specific data on women workers. The amendment failed by a vote of 16–23.

• Rep. Carolyn McCarthy (D–NY) offered an amendment to require a hiring policy statement for positions funded through the Workforce Investment Act. The amendment failed by a vote of 17–27.

• Rep. Dale Kildee (D–MI) offered an amendment to create a separate funding stream for One-Stop Career Center administrative costs. The amendment failed by a vote of 19–21.

• Rep. Lynn Woolsey (D–CA) offered an amendment to require states to specifically describe youth workforce development services in their state plan. The amendment failed, en bloc, by a vote of 19–21.

• Rep. Lynn Woolsey (D–CA) offered an amendment to allow local areas to use up to 10 percent of local funding to serve displaced homemakers or training women for nontraditional employment. The amendment failed, en bloc, by a vote of 19–21.

• Rep. Dale Kildee (D–MI) offered an amendment to strike the personal reemployment accounts pilot program. The amendment failed by a vote of 19–21.

• Rep. David Wu (D–OR) offered and withdrew an amendment to restructure the youth grants program.

• Rep. John Tierney (D–MA) offered an amendment to strike the block granting and funding restructuring provisions. The amendment failed by a voice vote.

• Rep. Carolyn McCarthy (D–NY) offered and withdrew an amendment to create a special rule for states with policy-making authority that is independent of the authority of the governor.

• Rep. Rubén Hinojosa (D–TX) offered and withdrew an amendment to further disaggregate reporting data.

• Rep. John Tierney (D–MA) offered an amendment to preserve the Youth Opportunity Grants program. The amendment failed by a voice vote.

• Rep. Rob Andrews (D–NJ) offered an amendment to authorize a new business incubator pilot program. The amendment failed by a voice vote.

On March 2, 2005, the House of Representatives passed H.R. 27 by a vote of 224–200.

On June 29, 2006, the Senate passed a substitute version of H.R. 27 by unanimous consent.

Neither the House nor the Senate appointed conferees to resolve differences on H.R. 27.

110TH CONGRESS

Hearings—First Session

On March 26, 2007, the Committee on Education and Labor held a hearing in Washington, D.C. entitled, "How Effective are Existing Programs in Helping Workers Impacted by International Trade?" The purpose of the hearing was to examine the effectiveness of federal programs intended to assist American workers affected by outsourcing, specifically the Trade Adjustment Assistance program. Testifying before the committee were: Mr. David Brevard, Former Employee, Maytag Refrigeration Products, Galesburg, IL; Mr. Stan Dorn, Senior Research Assistant, Urban Institute, Washington, D.C.; Mr. Bruce Herman, Executive Director, National Employment Law Project, New York, NY; Dr. Lael Brainard, Vice President and Director, Global Economy Development Center, Brookings Institute, Washington, D.C.; Dr. Tim Alford, Director, Alabama Office of Workforce Development, Montgomery, AL; and Ms. Thea Lee, Policy Director and Chief International Economist, AFL-CIO, Washington, D.C..

On June 28, 2007, the Committee on Education and Labor Subcommittee on Higher Education, Lifelong Learning, and Competitiveness held a hearing in Washington, D.C. entitled, "Workforce Investment Act: Recommendations to Improve the Effectiveness of Job Training." The purpose of the hearing was to focus on the priorities for the reauthorization of the Workforce Investment Act of 1998. Testifying before the subcommittee were: Mr. Bruce Ferguson, Jr., President and Chief Executive Officer, WorkSource, Fleming Island, FL; Mr. Wes Jurey, President and Chief Executive Office, Arlington Chamber of Commerce, testifying on behalf of the U.S. Chamber of Commerce, Arlington, TX; Dr. Sigurd Nilsen, Director of Education, Workforce, and Income Security Issues, U.S. Government Accountability Office (GAO), Washington, D.C.; Dr. Rachel Gragg, Federal Policy Director, The Workforce Alliance, Washington, D.C.; Ms. Evelyn Ganzglass, Director, Workforce Development, Center for Law and Social Policy, Washington, D.C.; and Dr. Sandra Baxter, Director, National Institute for Literacy, Washington, D.C.

On July 26, 2007, the Committee on Education and Labor Subcommittee on Higher Education, Lifelong Learning, and Competitiveness held a hearing in Washington, D.C. entitled, "The Workforce Investment Act: Ideas to Improve the Workforce Development System." The purpose of the hearing was again to focus on priorities for the reauthorization of the Workforce Investment Act of 1998. Testifying before the subcommittee were: Ms. Beth Butler, Vice President, Employment Compliance, Wachovia Corporate

Headquarters, Charlotte, NC; Mr. John Twomey, Executive Director, New York Association of Training and Employment Professionals, Albany, NY; Mr. Charles Ware, Chief Executive Officer, Wyoming Contractors Association, Cheyenne, WY; Mr. Mason Petit, Employment Counselor, Washington State Employment Security Department, Seattle, WA; Ms. Kathleen Randolph, President, Partners for Workforce Solutions, Fort Wayne, IN; and Mr. Joseph Carbone, President and Chief Executive Officer, Workplace Incorporated, Southwestern Connecticut's Workforce Investment Board, Bridgeport, CT.

Hearing—Second Session

On May 6, 2008, the Committee on Education and Labor held a hearing in Washington, D.C. entitled, "Do Federal Programs Ensure U.S. Workers Are Recruited First Before Employers Hire from Abroad?" The purpose of the hearing was to examine whether federal programs ensure U.S. workers are recruited before employers hire from abroad. Testifying before the committee were: the Honorable Leon Sequeira, Assistant Secretary for Policy, U.S. Department of Labor, Washington, D.C.; Dr. William Carlson, Administrator, Office of Foreign Labor Certification, Employment and Training Administration, U.S. Department of Labor, Washington, D.C.; Mr. Bruce Goldstein, Executive Director, Farmworker Justice, Washington, D.C.; Mr. Javier Riojas, Attorney and Branch Manager, Texas Rio Grande Legal Aid, Eagle Pass, TX; Mr. John Young, President, National Council of Agriculture Employers, Vienna, VA; Mr. Andrew Sum, Professor of Economics and Director, Center for Labor Market Studies, Northeastern University, Boston, MA; and Mr. Bill Beardall, Executive Director, Equal Justice Center, Austin, TX.

Legislative Action—First Session

On June 25, 2007, Rep. Hilda Solis (D–CA) introduced H.R. 2847, the Green Jobs Act of 2007. The bill amends the Workforce Investment Act of 1998 to direct the secretary to: (1) establish an energy efficiency and renewable energy worker training program that targets certain persons; and (2) establish a national research program to collect and analyze labor market data to track workforce trends resulting from energy-related initiatives under the bill.

On June 27, 2007, the Committee on Education and Labor considered H.R. 2847 in legislative session and reported it favorably, as amended, to the House of Representatives by a vote of 26–18, with one member voting present.

The committee considered and adopted the following amendments to H.R. 2847:

• Rep. John Tierney (D–MA) offered an amendment that contained technical modifications. The amendment was adopted by a voice vote.

• Rep. Dennis Kucinich (D–OH) offered an amendment to add "the energy efficiency assessment industry" as an eligible industry. The amendment was adopted by a voice vote.

• Rep. Vernon Ehlers (R–MI) offered an amendment to add "manufacturers that produce sustainable products using environmentally sustainable processes and materials" as an eligible industry. The amendment was adopted by a voice vote.

• Rep. Virginia Foxx (R–NC) offered an amendment to require the secretary to apply performance measures to the grants administered under this bill. The amendment was adopted by a voice vote.

The committee also considered the following amendments to H.R. 2847, which were not adopted:

• Rep. Howard P. "Buck" McKeon (R–CA) offered an amendment in the nature of a substitute to strike the creation of the new program and replace it with specific authority for state and local workforce investment boards to carry out worker training programs focusing on renewable energy and energy efficiency. The amendment was defeated by a vote of 20–25.

• Rep. Charles Boustany (R–LA) offered an amendment to sunset the program created in the Green Jobs Act after five years. The amendment was defeated by a vote of 18–26.

• Rep. Tom Price (R–GA) offered an amendment to apply Pay-as-you-Go requirements to H.R. 2847. The amendment was defeated by a vote of 20–25.

• Rep. Howard P. "Buck" McKeon (R–CA) offered an amendment to add "the nuclear and clean coal to liquids industries" to the list of eligible industries. The amendment was defeated by a vote of 20–25.

• Rep. Howard P. "Buck" McKeon (R–CA) offered an amendment to strike priority to "formerly incarcerated, adjudicated, non-violent offenders." The amendment was defeated by a vote of 20–26.

Though H.R. 2847 was not considered by the House of Representatives, its provisions were included in H.R. 3221, the Housing and Economic Recovery Act of 2008, which was signed into law on July 30, 2008.

111TH CONGRESS

Hearings—First Session

On February 12, 2009, the Committee on Education and Labor Subcommittee on Higher Education, Lifelong Learning, and Competiveness held a hearing in Washington, D.C. entitled, "New Innovations and Best Practices under the Workforce Investment Act (Part I)." The purpose of the hearing was to focus on ideas for improving the Workforce Investment Act of 1998. Testifying before the subcommittee were: Ms. Sherry L. Johnson, Associate Director, Lincoln Trail Area Development District, Elizabethtown, KY; Ms. Karen R. Elzey, Vice President and Executive Director, Institute for a Competitive Workforce (ICW), U.S. Chamber of Commerce, Washington, D.C.; Ms. Bonnie Gonzalez, Chief Executive Officer, Workforce Solutions, McAllen, TX; Mr. Morton Bahr, National Coalition for Adult Literacy, Washington, D.C.; Mr. Stephen Wooderson, Administrator, Iowa Vocational Rehabilitation Services, Des Moines, IA; and Mr. Bill Camp, Executive Secretary, Sacramento Central Labor Council, Sacramento, CA.

On February 26, 2009, the Committee on Education and Labor Subcommittee on Higher Education, Lifelong Learning, and Competiveness held a hearing in Washington, D.C. entitled, "New Innovations and Best Practices under the Workforce Investment Act (Part II)." The purpose of the hearing was to focus on ideas for improving the Workforce Investment Act of 1998. Testifying before

the subcommittee were: Mr. John Morales, President, National Workforce Association, and Executive Director, Yuma Private Industry Council (YPIC), Yuma, AZ; Ms. Cheryl Keenan, Director, Division of Adult Education and Literacy, Office of Vocational and Adult Education, U.S. Department of Education, Washington, D.C.; Mr. George Scott, Director of Education, Workforce, and Income Security Issues, U.S. Government Accountability Office (GAO), Washington, D.C.; Mr. Bob Lanter, Legislative Committee Chairman, California Workforce Association and Executive Director, Contra Costa Workforce Development Board, Concord, CA; Ms. Sandi Vito, Acting Secretary, Department of Labor and Industry, State of Pennsylvania, on behalf of National Governor's Association, Harrisburg, PA; Mr. Kevin Smith, Executive Director and Chief Operating Officer, Literacy New York Inc., Buffalo, NY; and Ms. Charissa Raynor, Executive Director, Service Employees International Union (SEIU) Healthcare NW Training Partnership, Federal Way, WA.

On March 23, 2009, the Committee on Education and Labor Subcommittee on Higher Education, Lifelong Learning, and Competiveness held a field hearing in Albany, NY entitled, "New Innovations and Best Practices under the Workforce Investment Act (Part III)." The purpose of the hearing was to examine best practices being implemented at the state and local levels under the Workforce Investment Act of 1998. Testifying before the subcommittee were: Mr. Mario Musolino, Executive Deputy Commissioner, New York State Department of Labor, Albany, NY; Ms. Gail Breen, Executive Director, Fulton-Montgomery-Schoharie Counties Workforce Development Board, Inc., Amsterdam, NY; Mr. Thomas Quick, Senior Human Resource Manager, General Electric—Power and Water, Schenectady, NY; Mr. Joseph Sarubbi, Executive Director, Tec-Smart, Hudson Valley Community College, Malta, NY; and Ms. Nanine Meiklejohn, Senior Legislative Representative, American Federation of State, County, and Municipal Employees (AFSCME), Washington, D.C.

On March 31, 2009, the Committee on Education and Labor Subcommittee on Workforce Protections held a hearing in Washington, D.C. entitled, "Green Jobs and their Role in our Economic Recovery." The purpose of the hearing was to examine the value of green jobs in fostering an American economic recovery. Testifying before the subcommittee were: Dr. Robin Roy, Vice President of Projects and Policy, Serious Materials, Sunnyvale, CA; Ms. Jill Sherman, Senior Development Manager at Gerding Edlen Development, Portland, OR; Dr. William Bogart, Dean of Academic Affairs and Professor of Economics, York College, York, PA; Mr. Jerome Ringo, President, Apollo Alliance, San Francisco, CA; Dr. Clint Wolfe, Executive Director, Citizens for Nuclear Technology Awareness, Aiken, SC; and Ms. Kathy Krepcio, Executive Director, John J. Heldrich Center for Workforce Development, Rutgers University, Newark, NJ.

On May 5, 2009, the Committee on Education and Labor Subcommittee on Higher Education, Lifelong Learning, and Competitiveness held a hearing in Washington, D.C. entitled, "New Innovations and Best Practices under the Workforce Investment Act (Part IV)." The purpose of the hearing was to focus on ideas for improving the Adult Education and Family Literacy Act, which is included

as Title II of the Workforce Investment Act of 1998. Testifying before the subcommittee were: Ms. Gretchen Wilson, Country Music Singer, Lebanon, TN; Mr. Marty Finsterbusch, Executive Director, Voice of Adult Learners United to Educate (VALUE), Media, PA; Mr. David L. Beré, President, Dollar General, Goodlettsville, TN; Ms. Cathy Cooper, Policy Deputy for Basic Skills, Washington State Board for Community and Technical Colleges, Olympia, WA; Ms. Roberta Lanterman, Program Director, Long Beach School for Adults, Long Beach, CA; Dr. Donna Kinerney, Instructional Dean for Adult English for Speakers of Other Languages (ESOL) and Literacy Programs, Montgomery College, Rockville, MD; and Dr. Steve Reder, Professor of Applied Linguistics, Portland State University, Portland, OR.

On May 29, 2009, the Committee on Education and Labor Subcommittee on Higher Education, Lifelong Learning, and Competiveness held a field hearing in Henderson, NV entitled, "New Innovations and Best Practices under the Workforce Investment Act (Part V)." The purpose of the hearing was to examine best practices being implemented at the state and local levels under the Workforce Investment Act of 1998. Testifying before the subcommittee were: Mr. Brian Patchett, President and Chief Executive Officer, Easter Seals of Southern Nevada, Las Vegas, NV; Mr. Chris Brooks, Director of Renewable Energy, Bombard Electric, Las Vegas, NV; Ms. Chanda Cook, Director of Community Initiatives, Nevada Public Education Foundation, Las Vegas, NV; and Ms. Rebecca Metty-Burns, Interim Director, Workforce and Economic Division, College of Southern Nevada, Las Vegas, NV.

Hearing—Second Session

On February 2, 2010, the Committee on Education and Labor held a hearing in Washington, D.C. entitled, "Strengthening the Economy and Improving the Lives of American Workers." The purpose of the hearing was to examine the administration's policies for getting Americans back to work. Testifying before the committee was the Honorable Hilda Solis, Secretary, U.S. Department of Labor, Washington, D.C.

112TH CONGRESS

Hearings—First Session

On February 16, 2011, the Committee on Education and the Workforce held a hearing in Washington, D.C. entitled, "Policies and Priorities at the U.S. Department of Labor." The purpose of the hearing was to discuss the fiscal year 2012 budget proposal for the Department of Labor. Testifying before the committee was the Honorable Hilda Solis, Secretary, U.S. Department of Labor, Washington, D.C.

On April 6, 2011, the Committee on Education and the Workforce held a hearing in Washington, D.C. entitled, "Streamlining Federal Education and Workforce Programs: A Look at the GAO Report on Government Waste." The purpose of the hearing was to discuss the GAO report entitled, Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue, which examined overlap, fragmentation, and duplication of federal programs. Testifying before the committee was the Honorable Gene

L. Dodaro, Comptroller General, U.S. Government Accountability Office (GAO), Washington, D.C.

On May 11, 2011, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C. entitled, "Removing Inefficiencies in the Nation's Job Training Programs." The purpose of the hearing was to highlight the number of workforce development programs administered across the federal government, many of which are overlapping, duplicative, and target similar populations, and discuss the need to streamline these programs. Testifying before the subcommittee were: Dr. Andrew Sherrill, Director for Education, Workforce, and Income Security, U.S. Government Accountability Office (GAO), Washington, D.C.; Mr. Larry Temple, Executive Director, Texas Workforce Commission, Austin, TX; Mr. Bert "Van" Royal, Owner/Broker, Magnolia Point Reality, K & V Investment Group, Inc., Green Cove Springs, FL; and Ms. Evelyn Ganzglass, Director of Workforce Development, CLASP, Washington, D.C.

On August 30, 2011, the Committee on Education and the Workforce held a field hearing in Las Vegas, NV entitled, "Examining Local Solutions to Strengthen Federal Job Training Programs." The purpose of the hearing was to highlight the work being done by local businesses and workforce development professionals to respond to the needs of the local economy and workforce. Testifying before the committee were: The Honorable Andy A. Hafen, Mayor, City of Henderson, NV; Mr. Jeremy Aguero, Principal Analyst, Applied Analysis, Las Vegas, NV; Mr. Darren Enns, Secretary Treasurer, Southern Nevada Building and Construction Trades Council, Henderson, NV; Mr. LeRoy Walker, Vice President, Human Resources, St. Rose Dominican Hospitals, Nevada Market, Henderson, NV; Mr. Edward R. Guthrie, Executive Director, Opportunity Village, Las Vegas, NV; Mr. John Ball, Executive Director, Nevada Workforce Connections, Las Vegas, NV; and Ms. Rebecca Metty-Burns, Executive Director, Division of Workforce and Economic Development, College of Southern Nevada, Las Vegas, NV.

On October 4, 2011, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C. entitled, "Modernizing the Workforce Investment Act: Developing an Effective Job Training System for Workers and Employers." The purpose of the hearing was to focus on the need to provide flexibility and autonomy to state and local leaders to ensure the system is meeting the needs of area businesses and job seekers. Testifying before the subcommittee were: Ms. Kristen Cox, Executive Director, Utah Department of Workforce Services, Salt Lake City, UT; Ms. Laurie Bouillion Larrea, President, Workforce Solutions Greater Dallas, Dallas, TX; Mr. Jaime S. Fall, Vice President, Workforce and Talent Development Policy, HR Policy Association, Washington, D.C.; and Mr. Bruce G. Herman, Organizer and Strategist, National Call to Action, Brooklyn, NY.

Hearings—Second Session

On March 21, 2012, the Committee on Education and the Workforce held a hearing in Washington, D.C. entitled, "Reviewing the President's Fiscal Year 2013 Budget Proposal for the U.S. Depart-

ment of Labor." The purpose of the hearing was to discuss the fiscal year 2013 budget proposal for the Department of Labor. Testifying before the committee was the Honorable Hilda Solis, Secretary, U.S. Department of Labor, Washington, D.C.

On April 17, 2012, the Committee on Education and the Workforce held a legislative hearing in Washington, D.C. entitled, "H.R. 4297, the Workforce Investment Improvement Act of 2012." The purpose of the hearing was to hear perspectives on H.R. 4297, which reauthorizes the Workforce Investment Act of 1998 and learn how the bill addresses the challenges presented by the current workforce development system. Testifying before the committee were: Ms. Norma Noble, Deputy Secretary of Commerce for Workforce Development, Oklahoma Department of Commerce, Oklahoma City, OK; Ms. Laurie Moran, President, Danville Pittsylvania County Chamber of Commerce, Blairs, VA; Ms. Sandy Harmsen, Director, San Bernardino County Department of Workforce Development, San Bernardino, CA; and Mr. Andy Van Kleunen, Executive Director, National Skills Coalition, Washington, D.C.

Legislative Action—First Session

On June 22, 2011, Rep. Howard P. "Buck" McKeon (R–CA) introduced H.R. 2295, the Workforce Investment Improvement Act of 2011. The bill eases restrictions that prevent program participants from accessing job training for in-demand industries and improves the One-Stop Career Center System. The bill is substantially the same as H.R. 27, which was considered by the House in the 109th Congress.

On December 8, 2011, Higher Education and Workforce Training Subcommittee Chairwoman Virginia Foxx (R–NC) introduced H.R. 3610, the Streamlining Workforce Development Programs Act of 2011. The bill consolidates more than 30 federally funded workforce development programs into a streamlined workforce development system.

On December 8, 2011, Rep. Joe Heck (R–NV) introduced H.R. 3611, the Local Job Opportunities and Business Success Act of 2011 (JOBS Act). The bill enhances business engagement by increasing business presence on local boards to drive workforce development services to employers who need skilled workers.

Legislative Action—Second Session

On March 29, 2012, Higher Education and Workforce Training Subcommittee Chairwoman Virginia Foxx (R–NC) and Reps. Howard P. "Buck" McKeon (R–CA) and Joe Heck (R–NV) introduced H.R. 4297, the Workforce Investment Improvement Act of 2012. The bill streamlines federal workforce development programs; strengthens the employer-driven workforce development system; expands decision-making at the local level; improves accountability and transparency; simplifies reporting requirements; encourages more training to meet in-demand job opportunities; and improves adult education and vocational rehabilitation.

On June 7, 2012, the Committee on Education and the Workforce considered H.R. 4297 in legislative session and reported it favorably, as amended, to the House of Representatives by a vote of 23–15.

The committee considered and adopted the following amendments to H.R. 4297:

- Subcommittee Chairwoman Virginia Foxx (R–NC) offered an amendment in the nature of a substitute to ensure recognized post-secondary credentials and industry-recognized credentials are included in program performance indicators; include at-risk and out-of-school youth provisions in all program activities; increase the state set-aside for statewide activities; maintain and reform the national Job Corps program; and make technical and conforming changes. The amendment was adopted by a voice vote.
- Rep. Joe Heck (R–NV) offered an amendment to include the needs of small businesses and strategies to engage small businesses in state and local workforce plans. The amendment was adopted by a voice vote.
- Rep. Kristi Noem (R–SD) offered an amendment to increase the Secretary's reservation from 1 percent to 2 percent for Native American, Native Alaskan, and Native Hawaiian employment and training services and improve performance metrics for such programs. The amendment was adopted by a voice vote.
- Subcommittee Chairwoman Virginia Foxx (R–NC) offered a manager's amendment to: (1) integrate four veterans job training programs identified in the U.S. Government Accountability Office (GAO) report into the One-Stop Career System funded under the Workforce Investment Fund; (2) authorize the Secretary to offer technical assistance to Job Corps centers for the purposes of improving program quality; and (3) make other technical and conforming changes. The amendment was adopted by a voice vote.
    - Rep. George Miller (D–CA) offered a second degree amendment to the Foxx manager's amendment to strengthen accountability of veterans' employment and training programs. The second degree amendment was adopted by a voice vote.
- Rep. Bobby Scott (D–VA) offered an amendment to address employment barriers facing long-term unemployed workers in state and local workforce plans. The amendment was adopted by a voice vote.
- Rep. Rob Andrews (D–NJ) offered an amendment to disaggregate performance data to measure how specific populations are served and require states to maintain a central repository of policies. The amendment was adopted by a voice vote.
- Rep. Susan Davis (D–CA) offered an amendment to require veterans service organizations be a member of state and local workforce investment boards. The amendment was adopted by a voice vote.
    - Subcommittee Chairwoman Virginia Foxx (R–NC) offered a second degree amendment to the Davis amendment to allow a governor or chief elected official to appoint a veterans service organization to sit on state and local boards. The amendment was adopted by a vote of 21–17.

The committee also considered the following amendments to H.R. 4297, which were not adopted:

- Rep. John Tierney (D–MA) offered an amendment in the nature of a substitute to establish new workforce development initiatives, including an $8 billion Community College to Career Fund. The amendment failed by a vote of 15–23.

• Rep. Rubén Hinojosa (D–TX) offered two amendments, en bloc, to: (1) eliminate the requirement that state and local workforce investment boards have a two-thirds business majority, restore 19 specific federal mandates regarding board membership, and restore the priority for low-income individuals; and (2) increase authorization levels for adult education, create new programs related to adult education, expand state and local workforce investment boards to include representatives of adult education providers, and other changes to the Adult and Family Literacy Act (Title II of WIA). The amendments failed, en bloc, by a vote of 14–23.

• Rep. Bobby Scott (D–VA) offered an amendment to create a new Pathways Back to Work Fund, providing resources for low-income and disconnected youth for summer employment. The amendment failed by a vote of 15–23.

• Rep. Bobby Scott (D–VA) offered an amendment to create a 25 percent reservation of funds from local employment and training activities to serve at-risk youth. The amendment failed by a vote of 16–22.

• Rep. Dale Kildee (D–MI) offered an amendment to increase the set-aside for Native Americans, Native Alaskans, and Native Hawaiians from 1 percent to at least 2 percent and restore the current WIA Native American Program. The amendment failed by a vote of 15–23.

• Rep. Lynn Woolsey (D–CA) offered an amendment to restore the national Women in Apprenticeship in Non-Traditional Occupations program and add a required activity to the statewide employment and training activities for women in non-traditional employment. The amendment failed by a vote of 15–23.

• Rep. Tim Bishop (D–NY) offered an amendment to prohibit businesses that have sent jobs overseas from being members of state and local workforce investment boards. The amendment failed by a vote of 15–23.

• Rep. Rush Holt (D–NJ) offered an amendment to create a new independent living office that duplicates the Department of Education's rehabilitation services office and other changes to the Rehabilitation Act of 1973. The amendment failed by a vote of 15–23.

• Rep. Todd Platts (R–PA) offered an amendment to restore the national YouthBuild program. The amendment failed by a vote of 17–21.

• Rep. Tim Bishop (D–NY) offered an amendment to allow states to reserve a portion of funds from the state allocation to develop cooperative education programs. The amendment failed by a vote of 16–22.

• Rep. Rush Holt (D–NJ) offered an amendment to establish a 15 percent cap on funds used for incumbent worker training at the local level. The amendment was amended by unanimous consent and then later withdrawn.

• Rep. George Miller (D–CA) offered an amendment to create a new program to train workers to build elementary and secondary schools and community colleges. The amendment failed by a vote of 15–23.

• Rep. Rush Holt (D–NJ) offered an amendment to allow states to spend WIA funds on employment and training activities at public libraries. The amendment failed by a vote of 18–20.

• Rep. Rush Holt (D–NJ) offered an amendment to establish a new National Online Workforce Training Grants program. The amendment failed by a voice vote.

• Rep. David Loebsack (D–IA) offered an amendment to mandate that 5 percent of the state allocation be spent on an Employer Engagement Fund. The amendment failed by a vote of 17–21.

113TH CONGRESS

Hearings

On February 26, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C. entitled, "Putting America Back to Work: Reforming the Nation's Workforce Investment System." The purpose of the hearing was to hear perspectives on the Supporting Knowledge and Investing in Lifelong Skills (SKILLS) Act (H.R. 803), which reauthorizes the Workforce Investment Act of 1998, and discuss how the bill addresses the challenges presented by the current workforce development system. Testifying before the subcommittee were: Mr. Chris Hart, President and Chief Executive Officer, Workforce Florida Inc., Tallahassee, FL; Dr. Scott Ralls, President, North Carolina Community College System, Raleigh, NC; Mr. Todd Gustafson, Executive Director, Michigan Works! Berrien-Cass-Van Buren, Benton Harbor, MI; and Dr. Harry Holzer, Professor of Public Policy, Georgetown Public Policy Institute, Washington, D.C.

Legislative Action

On February 25, 2013, Higher Education and Workforce Training Subcommittee Chairwoman Virginia Foxx (R–NC) introduced H.R. 803, the Supporting Knowledge and Investing in Lifelong Skills (SKILLS) Act. The bill streamlines federal workforce development programs, strengthens the employer-driven workforce development system, expands decision-making at the local level, improves accountability and transparency, simplifies reporting requirements, encourages more training to meet in-demand job opportunities, and improves adult education and vocational rehabilitation. The legislation is substantially the same as H.R. 4297 considered by the Committee on Education and the Workforce in the 112th Congress.

On March 6, 2013, the Committee on Education and the Workforce considered H.R. 803 in legislative session and reported it favorably, as amended, to the House of Representatives by a vote of 23–0.

The committee considered and adopted the following amendments to H.R. 803:

• Subcommittee Chairwoman Virginia Foxx (R-NC) offered an amendment in the nature of a substitute to extend the hold-harmless provision for state and local areas' formula funds from one year to three years; require the Office of Management and Budget—instead of the Department of Labor—to reduce federal staff working on repealed employment and training programs; amend language regarding the closing of chronically low performing Job Corps centers; and make technical and conforming changes to the introduced bill. The amendment was adopted by a voice vote.

• Rep. Tim Walberg (R–MI) offered an amendment, en bloc with the Roby and Brooks amendments, to allow states to submit their unified plans on employment and training programs solely to the Secretary of Labor, instead of multiple secretaries, placing the onus on the secretary to navigate the federal bureaucracy. The amendment also changes the law's current operating and funding schedule to align it with the federal fiscal year. The en bloc amendment was adopted by a voice vote.

• Rep. Martha Roby (R–AL) offered an amendment, en bloc with the Walberg amendment, to prohibit the use of funds under the Act for lobbying and political activities. The en bloc amendment was adopted by a voice vote.

• Rep. Susan Brooks (R–IN) offered an amendment to allow states and local areas to designate high-performing training providers who would be able to contract with local boards for group training services. Additionally, the amendment would allow state and local workforce boards to implement pay-for-performance strategies. The en bloc amendment was adopted by a voice vote.

SUMMARY

The federal government currently administers over 50 separate employment and training programs across nine different federal agencies. All of the programs overlap with at least one other program with most of the programs targeting similar populations and providing similar services. Only five of the programs have been evaluated for their effectiveness on finding employment opportunities for unemployed and underemployed workers.

The Supporting Knowledge and Investing in Lifelong Skills (SKILLS) Act (H.R. 803), introduced by Higher Education and Workforce Training Subcommittee Chairwoman Virginia Foxx (R–NC), streamlines and eliminates 35 ineffective and duplicative programs, including 26 identified in a 2011 report by the nonpartisan Government Accountability Office (GAO). The proposal creates a single Workforce Investment Fund to assist state and local workforce leaders in developing comprehensive employment and training systems to help get Americans back to work. The bill reforms the nation's workforce investment system authorized under the Workforce Investment Act to ensure it is producing results for all job seekers and employers by:

• Streamlining the confusing maze of workforce development programs;

• Strengthening business engagement in state and local workforce decisions;

• Increasing state and local flexibility and reducing administrative overhead;

• Supporting education and training opportunities for all adults, dislocated workers, and youth;

• Improving services at One-Stop Career Centers and promoting innovation;

• Ensuring accountability for the use of taxpayer funds; and

• Enhancing adult education and vocational rehabilitation services.

Importantly, the new structure will maintain and improve workforce development and related services offered to all Americans, in-

cluding unemployed and low-skilled adults and youth, currently receiving services under these programs.

Streamlining the confusing maze of workforce development programs

The SKILLS Act builds on the work of state and local leaders, including those in Florida, Texas, and Utah, to create seamless, unified workforce development systems. As President Obama recognized in his 2012 State of the Union address, the current design of the public workforce investment system is a maze of individual programs and funding streams with various mandates, many of which provide the same or similar services. The legislation ends this fragmented federal, state, and local system that diverts limited resources from direct employment and training services for unemployed and underemployed workers.

- *One Program for All Workers:* The bill creates a single Workforce Investment Fund that provides formula funds to state and local workforce investment boards (WIBs) to create universal employment and training programs for all adults, unemployed workers, and youth. The new fund ensures all major workforce development services are co-located and administered through the nation's workforce investment system and One-Stop Career Centers. This change eliminates duplicative and inefficient job training programs, streamlines program administration at the federal, state, and local levels, and allows for greater coordination and collaboration among federal, state, and local programs.
- *New Universal Program Structure:* The Workforce Investment Fund includes a new formula for state and local areas consistent with the program's universal service structure. The formula is based on four factors: the number of individuals ages 16 through 72 in the civilian labor force; the number of unemployed individuals; the number of individuals who are experiencing long term unemployment defined as 15 weeks or more; and the number of disadvantaged youth ages 16 to 24. The program's structure:
    - Allows governors to reserve up to 15 percent to carry out statewide activities, 25 percent of which may be reserved for Rapid Response Activities that provide assistance to local areas experiencing mass layoffs or plant closings and 15 percent to target services to individuals with barriers to employment and training.
    - Minimizes winners and losers by including a minimum and maximum change in states' and local areas' allotment percentages and a small state minimum allotment.
    - Allows the Secretary of Labor to reserve one-half of 1 percent of the total appropriation to carry out evaluations and technical assistance, set aside 1 percent of the total funds to target employment and training services directly to Indian tribes, and reserve 3.5 percent to assist areas during natural disasters. These changes allocate an overwhelming majority of federal funds to state and local areas that are empowered to get Americans back to work, and away from bureaucrats at the Department of Labor.
    - Limits the administrative activities of state WIBs to 5 percent and local WIBs to 10 percent, ensuring that most state

and local funds are spent on workforce investment activities that directly benefit unemployed and underemployed workers.

○ Authorizes level funding, based on the FY 2012 budget, for the Workforce Investment Fund for fiscal years 2014 to 2020.

• *State and Local Focus on Special Populations:* The bill requires state and local WIBs to detail how they will serve dislocated workers (including displaced homemakers), low-income individuals (including recipients of public assistance such as those enrolled in the Supplemental Nutrition Assistance Program), long-term unemployed individuals (including individuals who have exhausted entitlement to state and federal unemployment compensation), English learners, homeless individuals, individuals training for nontraditional employment, youth (including at-risk youth and out-of-school), older workers, ex-offenders, migrant and seasonal farmworkers, refugee and entrants, veterans (including disabled and homeless veterans), and Native Americans. This change ensures all states and local areas are working to improve workforce services to special populations, instead of relying on small, targeted national programs to accomplish this goal.

• *Elimination and Streamlining of Ineffective and Duplicative Programs:* The bill streamlines and eliminates 35 existing job training programs that support similar activities to aid individuals in finding and retaining employment. The programs include: (1) WIA Adult Program; (2) WIA Youth Activities; (3) WIA Dislocated Workers; (4) Employment Services (ES)/Wagner-Peyser Funded Activities; (5) Community-Based Job Training Grants; (6) Veterans Workforce Investment Program; (7) National Farmworker Jobs Program—U.S. Department of Labor; (8) Native American Employment and Training; (9) WIA National Emergency Grants; (10) Reintegration of Ex-Offenders; (11) Grants to States for Training for Incarcerated Individuals; (12) YouthBuild; (13) Conservation Activities by Youth Service Organizations (Youth Conservation Corps); (14) 21st Century Workforce Commission; (15) SNAP (aka Food Stamps) Employment and Training; (16) Senior Community Service Employment Program (SCSEP); (17) Brownfield Job Training Cooperative Agreements (Environmental Workforce Development and Job Training Grants); (18) Women in Apprenticeship and Nontraditional Occupations (WANTO); (19) Second Chance Act Prisoner Reentry Initiative; (20) Refugee and Entrant Assistance—Targeted Assistance Grants; (21) Refugee and Entrant Assistance—Social Services Program; (22) Refugee and Entrant Assistance—Targeted Assistance Discretionary; (23) Projects with Industry; (24) State-Supported Employment Services Program; (25) Migrant and Seasonal Farmworkers Program—U.S. Department of Education; (26) Disabled Veterans' Outreach Program; (27) Local Veterans Employment Representative Program; (28) WIA Pilot and Demonstration Projects; (29) Workforce Innovation Fund; (30) ES Statistical Programs; (31) Green Jobs Act; (32) National Institute for Literacy; (33) Youth Opportunity Job Grants; (34) Recreational Programs; and (35) In-Service Training of Rehabilitation Personnel. The bill further requires the Office of Management and Budget (OMB) to reduce federal staff working on repealed employment and training programs.

Strengthening business engagement in state and local workforce decisions

The SKILLS Act maintains the long-standing position that the nation's workforce investment system can only be successful in building the skills of job seekers and helping them secure employment if it is closely linked with employers. The bill puts the business community—the job creators—in the driver's seat, and strengthens business-led workforce investment boards to ensure the system is focused on training individuals for in-demand jobs that are growing in the state and local area.

• *Stronger Business-led Boards:* The bill strengthens the presence and participation of the business community on state and local WIBs by requiring business leaders, including those representing in-demand industries, to make up a two-thirds majority on the boards. Business leaders currently have a simple majority on the boards. This change ensures strategic planning focuses on identifying the gaps in the workforce to train individuals to fill available jobs.

• *Stronger Business Focus:* The bill requires state WIBs to develop strategies across local areas that meet the needs of employers, and ensures local WIBs provide employment and training activities that meet the needs of employers and enhance communication, coordination, and collaboration between in-demand industries and small businesses with the workforce investment system.

• *Relevant to Businesses:* The bill requires state and local WIBs to detail how they will more fully engage businesses in workforce investment activities, meet the needs of businesses in the state and local area, and develop industry/sector partnerships that encourage industry growth and improve worker training. The bill also includes the attainment of industry-recognized credentials as a performance outcome.

Increasing state and local flexibility and reducing administrative overhead

The SKILLS Act recognizes state and local areas should have maximum flexibility to design programs and initiatives best suited to their workers, businesses, and workforce development partners. Though WIA pushes state and local areas to develop business-friendly, customer-centric initiatives, the current system imposes hundreds of heavy-handed mandates, including mandates on who can serve on state and local boards. As a result, the mandates have created paperwork and compliance burdens. The bill streamlines the law's governance system, reducing bureaucracy and maximizing resources for unemployed and underemployed workers.

• *Smaller Local and State Boards:* The bill restructures local WIBs by removing all federal requirements on board membership, except business representation. State WIBs retain business representation, chief elected officials, and economic development representatives. Chief elected officials and governors have the power to appoint the remaining one-third membership of each respective board, which may include members of the state legislature and representatives of youth organizations, community colleges, labor unions, community-based organizations, veterans service organizations, and One-Stop partners. This change dramatically reduces the

size of the boards, making them more manageable and focused on strategic decisions.

• *Review of Outdated State Policies:* The bill requires state WIBs to review and develop statewide policies and programs that support comprehensive workforce development systems, including determining whether they should consolidate additional employment and training programs into the Workforce Investment Fund for the express purpose of providing greater administrative flexibility and reducing overly burdensome paperwork requirements.

• *Simplified Program Administration:* The bill authorizes states to develop and submit unified state plans to the Secretary of Labor and, if they choose, to consolidate additional federal job training and social services programs into the Workforce Investment Fund. This further reduces inefficiencies in the administration of employment and training programs at the state and local levels and creates a unified workforce and economic development system. States must continue to comply, however, with all program requirements of the consolidated program. The programs include: (1) programs authorized under Titles I and II of the Workforce Investment Act; (2) programs under the Trade Adjustment Act; (3) the National Apprenticeship Act; (4) Community Services Block Grants (CSBG); (5) Temporary Assistance for Needy Families (TANF); (6) programs under state unemployment compensation laws; (7) work programs under the Food Stamp Act; (8) the Community Development Block Grant (CDBG); and (9) Economic Development programs. The bill requires the Secretary of Labor to navigate the federal bureaucracy of each federal department or agency approving state unified plans, placing this burden on the secretary rather than on the state.

• *Promoting Local Flexibility:* The bill eliminates the requirement in current law that local WIBs give priority to low-income individuals. This change gives local areas additional flexibility to determine how best to get all unemployed Americans back to work and is consistent with the bill's intent to create workforce development programs that benefit all job seekers.

• *Modernizing and Creating Regional Approaches to Job Creation:* The bill eliminates the grandfather provisions in current law that allow certain state and local entities similar to WIBs and One-Stop Career Centers that were in existence prior to 1998 to remain in place. It requires state WIBs, in consultation with local leaders, to designate local workforce investment areas, taking into consideration existing labor market areas and economic development regions. It removes barriers that are preventing states from implementing a regional approach to providing services by ending duplicative and overlapping service delivery areas.

Supporting education and training opportunities for all adults, dislocated workers, and youth

The SKILLS Act removes barriers in current law that prevent unemployed and underemployed workers from accessing important employment and training services. According to the Bureau of Labor Statistics, there are more than 3.6 million job openings across the country because many employers are unable to find skilled workers. The legislation supports states and local areas in developing workforce development services that are in-demand and

tailoring services to individuals that meet the needs of each job seeker.

• *Dedicated Funds for Training:* The bill requires local WIBs to reserve a percentage of funds, as specified by the board, to carry out training activities for job seekers. This change addresses the concern that a significant portion of employment and training funds are currently spent on infrastructure and administrative costs. The reservation ensures job training is a priority for the workforce investment system.

• *Direct Access to Training:* The bill combines "core services" and "intensive services" into a new category of "work ready services," which allows individuals to receive the services that best meet their needs quickly. This change eliminates the cumbersome "sequence of services" process that individuals must go through to access training under current law.

• *Reducing Burdensome Requirements:* The bill allows states to determine what standards will be required for eligible training providers, streamlining the bureaucratic requirements that have forced many community colleges and other training providers out of the system. It also permits local areas to contract directly with community colleges and other institutions of higher education to provide specialized group training programs designed for employers who are looking to hire several workers with a particular skill.

The legislation allows local WIBs to develop and implement industry and sector partnerships to aid in aligning resources and training efforts among multiple firms.

• *Reforms the Job Corps Program:* The bill restructures Job Corps to ensure career and technical education and training is geared toward in-demand occupations and disadvantaged youth receive a regular high school diploma and/or a recognized postsecondary credential that prepares them for employment in the global economy. It establishes a new performance accountability and management system; requires the Secretary of Labor to provide technical assistance to low-performing centers, and requires all grantees to re-compete for funding, ensuring grantees are high-quality and have expertise in serving disadvantaged youth. These changes ensure at-risk youth become more employable, responsible, and productive citizens.

Improving services at one-stop career centers and promoting innovation

The SKILLS Act responds to the changing U.S. economy. States and local workforce boards should have the tools to implement and continuously improve workforce programs, including those at the 3,000 One-Stop Career Centers, to keep pace with the dynamic real time evolution of local and regional economies. The legislation supports the innovative approaches taking place at the state and local levels by maintaining and strengthening the One-Stop Career system without authorizing new and duplicative programs that empower the Secretary of Labor to pick winners and losers.

• *Strengthening One-Stop Career Centers:* The legislation requires state WIBs to describe how they will encourage regional cooperation within the state and foster communication and partnerships with nonprofit organizations to enhance the quality of services available to workers. The bill requires each mandatory partner

program to contribute a portion of their administrative funds toward infrastructure funding. This change ensures all organizations are paying a fair share for the physical structure and administrative costs to One-Stops, ensuring employment and training dollars are spent on direct services for individuals.

• *In-Demand Occupations:* The bill requires local WIBs to conduct and regularly update workforce research and regional labor market analysis. This analysis is used to determine the immediate and long-term skilled workforce needs of in-demand industries and small businesses, as well as the knowledge and skills of the workforce in the area to address critical skills gaps between employers and job seekers.

• *Reducing Barriers to Employment:* The bill requires states to set aside 15 percent of their reserve to provide job training services to individuals with barriers to employment. These competitive grants to local WIBs and/or non-profit or for-profit organizations provide additional assistance to local areas to help hard-to-serve individuals, including individuals with disabilities and at-risk youth, obtain the skills necessary to get a job. These changes use the expertise and knowledge of the statewide workforce investment system to serve individuals who have barriers to employment, instead of continuing to support national programs operating outside of the WIA system. The bill provides maximum flexibility to state and local areas to identify the targeted population they aim to assist and build workforce development programs that address their unique needs. It also requires eligible grantees to demonstrate their capacity to achieve the best results for individuals with employment barriers and reimburses programs on their ability to achieve specified performance outcomes and criteria established by the governor.

• *Increased Use of Technology:* The bill encourages state and local WIBs to use technology to facilitate access of workforce development services in remote areas. The legislation allows state and local WIBs to disseminate information not only in writing, but also electronically to ensure full transparency of their actions and intentions.

• *Better Services for Individuals with Disabilities:* The bill requires state and local WIBs to describe how they will serve the employment and training needs of individuals with disabilities and stipulates that local WIBs are to work with the area's disability community to make available comprehensive, high-quality services to individuals with disabilities.

Ensuring accountability for the use of taxpayer funds

The SKILLS Act ensures taxpayer funds are spent effectively and efficiently, and workforce development programs are helping Americans get back to work. Federal job training programs have a myriad of performance measures, many of which do not address whether or not an unemployed or underemployed worker received the appropriate training and secured employment in a particular field. As such, there is little information available to federal, state, and local policymakers on whether federal programs are making a difference in local communities. The legislation responds to last year's GAO report on multiple employment and training programs

and takes a number of important steps to provide a clear picture as to the true effectiveness of federal job training programs.

• *Protecting Taxpayers:* The bill requires state and local WIBs to give priority to placing participants in private-sector employment, instead of continuing to grow the size of government at all levels. It also requires local WIBs, in consultation with their chief elected officials, to designate or certify One-Stop Career Center operators through competitive processes. This change eliminates the authority for public, government-led consortiums of boards and One-Stop partners to automatically manage the centers. The legislation makes state and local WIBs responsible for the use and management of employment and training funds spent in their area. Finally, the bill prohibits the use of workforce investment funds for lobbying and political activities.

• *Common Performance Measures:* The bill rewrites the accountability system included in current law to create common performance measures for the Workforce Investment Fund, and the Adult Education and Vocational Rehabilitation programs, to decrease burdensome administrative reporting requirements. Common measurements include the number and percentage of participants entering and retaining unsubsidized employment in the field in which the individual received training and obtaining recognized postsecondary credentials, including industry-recognized credentials. The legislation also:

  ○ Requires state and local WIBs to disaggregate performance data to identify how particular populations are served.

  ○ Allows governors to add additional performance measures for use within their states.

  ○ Eliminates the unreliable customer satisfaction measure as a required performance measurement, but allows state and local WIBs to continue to use it if they choose.

  ○ Requires the Secretary of Labor to reduce funding for those states that fail to meet performance measures for two consecutive years.

  ○ Requires local WIBs to develop a reorganization plan if they fail to meet performance measures for two consecutive years. Currently, the reorganization plan is allowed under the law, but it is not mandatory.

  ○ Requires governors to reduce funding for those local WIBs that fail to meet performance measures for three consecutive years.

• *Transparency in Results:* The bill requires state and local WIBs to report additional information to improve federal, state, and local efforts to better measure program performance and validate worker outcomes. Included in this reporting are common measurements to compare the number of individuals who receive both work-ready and training services and who successfully complete such services. The bill also requires states to maintain a central repository of policies related to access, eligibility, and availability of services electronically.

• *Program Evaluations:* Consistent with the recent GAO finding, the bill requires the Secretary of Labor to conduct an independent evaluation of all workforce development programs and activities at least once every five years. The evaluations must be contracted out

through grants, contracts, or cooperative agreements. The results of the evaluations must be publicly available.

• *Training Providers:* The bill requires state WIBs to set eligibility criteria for training providers that take into account the performance of providers and whether the training programs relate to occupations that are in demand. The bill also allows state and local WIBs to implement pay-for-performance strategies, as well as designate those training providers that demonstrate the highest level of success on performance indicators to be deemed priority providers.

Enhancing adult education and vocational rehabilitation services

The SKILLS Act reauthorizes the Adult Education program, which provides funds to states to assist adults without a high school diploma to become literate and obtain the knowledge and skills necessary for postsecondary education and/or employment. The bill makes the following changes to the program:

• Increases the focus of adult education programs on the delivery of basic skills such as reading, writing, speaking, and math, and encourages integrated education and workforce development programs.

• Ensures instructional practices are evidence-based to provide the highest return on federal investments.

• Enhances delivery of services through the use of technology, including distance education, to improve the professional development of teachers and the delivery of instruction to participants.

• Requires better coordination with the business community and the workforce investment system.

• Measures performance using the common performance measures outlined for all workforce investment programs to provide national, state, and local leaders with the data needed to make informed decisions.

The SKILLS Act reauthorizes the Rehabilitation Act of 1973, which provides vocational rehabilitation (VR) services to assist individuals with disabilities prepare for, obtain, and retain employment. The bill makes the following changes to the program:

• Streamlines the federal bureaucracy by redesignating the commissioner of the Rehabilitation Services Agency as a director, removing the requirement for Senate confirmation, and encouraging better collaboration for individuals with disabilities.

• Requires coordination between VR and services provided under the Assistive Technology Act.

• Includes in the state plan an assessment of transition services provided through the VR system and how those services are coordinated with services under the Individuals with Disabilities Education Act (IDEA).

• Includes in the state plan strategies the state will use to address the needs identified in the assessment of transition services described above.

• Requires states to use one-half of 1 percent of their VR funding to award grants to businesses in partnership with other entities to create practical job and career readiness and training programs, and provide job placements and career advancement.

• Requires states to reserve 10 percent of their formula grant funds to provide transition services to students with disabilities

served under IDEA as they prepare to move out of school to post-secondary education, employment, or independent living.

• Strengthens coordination and collaboration between parent training programs under IDEA and the Rehabilitation Act of 1973.

• Measures performance using the common performance measures outlined for all workforce investment programs to provide national, state, and local leaders with the data needed to make informed decisions.

Both the Adult Education and Vocational Rehabilitation programs are mandatory partners in the One-Stop Career system and will contribute a portion of their administrative funds to the delivery infrastructure based on the state's determination. The bill limits the portion of administrative funds that VR programs are required to contribute to the proportionate use of the One-Stops by the programs in the state.

COMMITTEE VIEWS

Introduction

In March 2013, the U.S. unemployment rate stood at a staggering 7.7 percent, continuing a devastating trend of unemployment hovering around 8 percent for the last four years. At a time when millions of Americans are desperate for jobs, our nation needs a dynamic, results-oriented job training system that meets the needs of workers and helps local communities respond to an ever-changing labor market.

In 1998, Congress passed the Workforce Investment Act (WIA) to give job seekers access to important employment services, including résumé assistance, career counseling, skills assessments, labor market information, and specialized training, to help them get back to work. In the decade since the last reauthorization of the law, our economy has changed dramatically. In 1998, the federal government was running a budget surplus, unemployment was less than 5 percent, there was virtually no inflation, and workers were experiencing solid growth of monthly and yearly income. Today, our country continues to run annual trillion dollar deficits, we have a historic $16 trillion national debt, the unemployment rate has been hovering around 8 percent for the last four years, there have been growing concerns about rising inflation, and many workers continue to see stagnant wages.

Instead of responding to the changing needs of American workers and employers in the global economy, the current workforce development system is broken and antiquated. Less than half of the individuals who access services through the current workforce system get a job after taking advantage of job search, communication and interviewing skills development, on-the-job training, and other employment services. Worse, only 20 percent of workers actually receive training services that provide the important skills necessary to succeed in the workplace. According to the U.S. Department of Labor, 3.6 million jobs remain unfilled despite nearly 12 million unemployed workers. Employers largely attribute this discrepancy to the lack of a skilled workforce—the so-called "skills gap"—and many workers admit they struggle to find essential training for available jobs. In spite of the best intentions to establish a unified workforce development system 15 years ago, employers and state

and local leaders still grapple with a bureaucracy that squanders taxpayer resources, stifles innovation, and stands in the way of the support and training workers need to get back on their feet.

The problems in the system haven't gone unnoticed. In January 2011, the U.S. Government Accountability Office (GAO) released a report that found the federal government administers roughly 47 separate and distinct job training programs across nine agencies, costing taxpayers $18 billion annually. The report found many of these programs overlap, and few have been evaluated for efficacy. In his 2012 State of the Union address, President Barack Obama called on Congress to "cut through the maze of confusing [job] training programs." A Wall Street Journal editorial on May 9, 2012, noted "a federal job training program that puts people back to work is hard to find."

Understanding the nation's economic situation is the number one issue facing our country, the House Committee on Education and the Workforce is working to create a workforce development system that will better serve all Americans. The Supporting Knowledge and Investing in Lifelong Skills (SKILLS) Act, H.R. 803, provides a more dynamic, flexible, and effective network of job training and education services. It empowers employers to play a key role in ensuring the system meets the needs of in-demand industries, reins in federal and state bureaucracy, and develops a more transparent and accountable performance system that ensures a return on taxpayer investments.

TITLE I—AMENDMENTS TO THE WORKFORCE INVESTMENT ACT OF 1998

Workforce development programs

In January 2011, GAO released a report entitled, Multiple Employment and Training Programs: Providing Information on Co-locating Services and Consolidating Administrative Structures Could Promote Efficiencies. For fiscal year 2009, the GAO identified 47 employment and training programs across nine different federal agencies spending approximately $18 billion on employment and training services. This represents an increase of three programs and $5 billion since fiscal year 2003. Forty-four of these programs were found to overlap with at least one other program and only five of the 47 programs had been evaluated to determine whether they improved employment outcomes. In addition, 23 of the programs did not claim to conduct any type of study that reviewed performance. Through continued oversight of the workforce development system, additional job training and employment programs have been identified. As a result, the committee determined the federal government administers more than 50 employment and training programs.

The committee supports a comprehensive statewide workforce investment system that will better serve all Americans, regardless of age or economic situation. Under the current system, separate funding streams have resulted in administrative inefficiencies at the federal, state, and local levels, creating confusion for workers struggling to access the services necessary to get a job. Several of the so-called national programs, created at the urging of specific populations outside of statewide workforce development systems, largely duplicate the employment and training services provided

through the nation's 3,000 One-Stop career centers and are too small to have a significant national bearing. As a result, the nation's current job training system diverts direct services and limited resources away from unemployed and underemployed workers and towards unnecessary bureaucracy. The committee believes the federal government has a responsibility to eliminate waste, fraud, and abuse of taxpayer dollars and to make the tough choices necessary to streamline ineffective and duplicative federal programs. A failure to act when confronted with such compelling evidence of waste is indefensible.

At an October 4, 2011 Subcommittee on Higher Education and Workforce Training hearing entitled, "Modernizing the Workforce Investment Act: Developing an Effective Job Training System for Workers and Employers," Kristen Cox, executive director of the Utah Department of Workforce Services, outlined the problems inherent in the current workforce investment system:

> "The current design of the public workforce investment system is a maze of individual programs and funding streams with various mandates attached to each program. It is then the expectation of the states to manage through these mandates and bureaucracy and provide individuals and businesses with the employment and job training services needed, thus contributing to the improvement of the national economy. Just meeting individual program requirements, providing fiscal stewardship over each individual funding stream, tracking outcomes and results for individual programs, and implementing a business-friendly, customer-centric model around targeted program mandates is extremely inefficient by diverting finite resources from actual employment and job training services."

Mr. Bert "Van" Royal, owner of Magnolia Point Realty in Green Cove Springs, Florida, echoed this sentiment from the local business perspective. In testimony at a May 11, 2011 subcommittee hearing entitled, "Removing Inefficiencies in the Nation's Job Training Programs," he stated:

> "The GAO report referenced here today describes a plethora of federal job training and employment programs. While all of them were likely created with the best of intentions, it is virtually impossible for businesses, particularly small businesses, and job seekers to know about and navigate the services of that many programs. We need a system that is simple to understand and easy to use."

In order to ensure our nation's workforce investment system is producing results for all job seekers and employers, H.R. 803 eliminates and streamlines 35 ineffective and duplicative employment and training programs, 26 of which were identified by the GAO report, and creates a single Workforce Investment Fund (WIF). The new flexible WIF program assists states and local workforce investment boards in developing a comprehensive workforce development system administered through existing One-Stop career centers that will help get Americans back to work. The new WIF streamlines the confusing maze of job training programs, decreases administrative overhead, and improves program coordination. Importantly,

the new structure will maintain and improve workforce development services offered to all Americans, including those who receive services under existing workforce development programs.

In a letter to Chairman John Kline (R–MN) and Ranking Member George Miller (D-CA) dated March 5, 2013, the U.S. Chamber of Commerce endorsed this important step. The organization stated:

> "Reauthorization of the Workforce Investment Act (WIA) is long overdue and the Chamber believes H.R. 803 would allow for some much-needed updates and improvements to America's workforce and training system"
>
> Specifically, this legislation would repeal many ineffective and duplicative federal training and employment programs. The Chamber believes this consolidation, when combined with additional state and local flexibility for the delivery of these services, would allow more adults and dislocated workers to more efficiently receive the services they need to not only find a job, but also stay employed.

The programs and their justifications for elimination and consolidation into the WIF under H.R. 803 include the following:

(In alphabetical order)

• **Brownfields Job Training Cooperative Agreements (Environmental Workforce Development and Job Training Program).** This program awards grants to entities that provide unemployed and underemployed people living in areas affected by solid and hazardous waste with the skills needed to secure employment in environmental fields. It has provided little return on federal investments, funding 191 job training grants over the past 12 years totaling $42 million, yet placing a mere 7,000 individuals into environmentally-related jobs over the same period of time. In addition, the program reports graduates generally pursue three paths after training, with only the first focused on the program's mission: (1) employment in the environmental field; (2) employment in other fields; or (3) further education. Finally, funds can be used for a variety of activities not focused on providing direct job training services to participants, such as training in First Aid or CPR, costs associated with health exams, and transportation.

• **Community-Based Job Training Grants.** This program, which supports workforce training for high-growth/high-demand industries through community and technical colleges, has not been funded since fiscal year 2010. Further, a 2011 Senate Appropriations Committee report stated other significant funding sources exist to support community colleges for similar endeavors.

• **Conservation Activities by Youth Service Organizations (Youth Conservation Corps).** This program, which provides summer employment for youth ages 15–18 and work experience on public lands, is duplicative of the current workforce investment system, including Job Corps and other targeted youth programs. As reported by GAO, this program has not conducted an impact study since at least 2004. Instead of a separate stand-alone program, the SKILLS Act requires state and local workforce investment boards to describe how they will serve the employment and training needs of youth, including out-of-school youth and at-risk youth.

• **Disabled Veterans' Outreach Program (DVOP).** This program, which provides funds to support dedicated specialist employment positions to primarily serve disabled veterans, is duplicative of the local veterans' employment representative program. Under a recent analysis, only 17 percent of eligible veterans were found to receive "intensive" services under the DVOP program. In fiscal year 2011, only half of those participating veterans with disabilities were employed after they exited the program. The program's performance targets for fiscal year 2012 are to help even fewer veterans, 42 percent, at a time when more servicemen and women are returning home. Instead of a separate stand-alone program, the SKILLS Act requires state and local workforce investment boards to describe how they will furnish employment, training, support, and placement services to veterans, including disabled veterans. The bill also maintains current law provisions providing a priority of service for veterans and eligible spouses in all qualified job training programs, including the new Workforce Investment Fund.

• **Employment Service (ES)/Wagner-Peyser Funded Activities and ES Statistical Programs.** The ES program, which is authorized under the Wagner-Peyser Act to help job seekers with job search assistance, reported placing a dismal 48 percent of participants into employment in 2010, 25 percent of whom did not retain employment. For the past three years, the program has set a low goal of assisting less than half of participants in finding employment, ensuring the program meets its performance measurements. This low goal is especially disconcerting given the state of the economy. In addition, the program is duplicative of the core and intensive services (renamed work ready services in the SKILLS Act) already offered through One-Stop career centers. The ES Statistical Programs, which reimburse states that provide data for national statistical programs, is duplicative of those statewide activities currently funded under WIA. The SKILLS Act continues to provide states with funding to carry out statewide employment and training activities, including the collection of accurate local, regional, and national workforce and labor market information.

• **Grants to States for Workplace and Community Transition Training for Incarcerated Individuals.** This program, which awards grants to state correctional education agencies to assist incarcerated individuals in acquiring postsecondary education, counseling, and vocational training, did not receive funding in fiscal year 2012, nor did the Department of Education request funding for this program in the president's fiscal year 2013 budget. According to the latest data, only 26 percent of participants in this program completed their postsecondary education and training requirements. Instead of a separate stand-alone program, the SKILLS Act requires state and local workforce investment boards to describe how they will serve the employment and training needs of ex-offenders.

• **Green Jobs Act.** This program, which was established as a pilot program in 2009 and funded under the American Recovery and Reinvestment Act (ARRA) to develop training programs for jobs in a range of "green" industries, has not been funded since fiscal year 2010. In September 2011, the Department of Labor's Inspector General (IG) reported that out of $435.4 million allocated for green jobs training programs under ARRA, only $162.8 million

had been expended by grantees. In addition, the IG found that grantees reported serving just 52,762 (42 percent) of the targeted 124,893 participants and only placed 8,035 participants out of the targeted 79,854 participants in jobs.

• **Local Veterans' Employment Representative Program (LVER).** This program, which provides dedicated staff employment positions primarily at One-Stop career centers to assist veterans, has demonstrated poor results. Under a fiscal year 2009 analysis, only 22 percent of eligible veterans received direct "intensive" services under the LVER program. In fiscal year 2011, only half of participating veterans were employed after they exited the program. The program's performance targets for fiscal year 2012 are lower, despite increasing numbers of servicemen and women returning home. State and local areas also lack sufficient data to determine whether LVER or regular One-Stop career center staff is responsible for delivering services to veterans. Instead of a separate stand-alone program, the SKILLS Act integrates the LVER program into the One-Stop career system, requiring local areas to hire and employ specialists to carry out employment, training, and placement services for our nation's veterans. These specialists will also conduct outreach to local employers to assist veterans in gaining employment.

• **National Farmworker Job Program (U.S. Department of Labor).** This program, which provides job training and employment development services to migrant and seasonal farmworkers, duplicates the efforts of the larger WIA programs that provide funds to state and local workforce investment areas to carry out workforce development activities. Under current law, migrant and seasonal farmworkers receive employment and training services through the nation's 3,000 One-Stop career centers. According to the Department of Labor's program year 2010 quarterly state data reports, more than half of individuals participating in the program did not receive training services and even fewer completed training. In 2003, the Office of Management and Budget (OMB) found more than 60 percent of the program's participants received only supportive services like emergency cash assistance. GAO reports the program has not conducted an impact study since at least 2004. Instead of a separate stand-alone program, the SKILLS Act requires state and local workforce investment boards to describe how they will serve the employment and training needs of migrant and seasonal farmworkers.

• **National Institute for Literacy (NIFL).** The institute, which is an independent office charged with providing national leadership on literacy, has not received funding since fiscal year 2010. In 2010, the Obama Administration proposed eliminating the program, stating, "The Administration believes that NIFL's broad mission and the lack of clear management oversight have led to a diffuse and incoherent system of delivery as well as duplication of efforts with other Department of Education and Federal offices." In addition, nearly half of NIFL's $6.5 million 2009 appropriation was targeted to support expenses for personnel and overhead.

• **Native American Employment and Training.** This program, which supports employment and training activities for Indian, Alaska Native, and Native Hawaiian individuals, tracks only a few outcomes and does not measure whether former participants

are experiencing wage gains after exiting the program. The Department of Labor has set the bar low by putting in place a goal of finding employment for just 57 percent of participants, despite high unemployment numbers facing this population. As reported by GAO, this program has not conducted an impact study since at least 2004. Instead of a separate stand-alone program, the SKILLS Act requires the Secretary of Labor to reserve up to one percent of the Workforce Investment Fund to provide employment and training services to Indian tribes. It also requires state and local workforce investment boards to describe how they will serve the employment and training needs of Native Americans.

• **Refugee Job Training Programs.** There are three job training programs dedicated to providing employment and training services to refugees and new entrants, including the Refugee and Entrant Assistance Targeted Assistance Grants, the Refugee and Entrant Assistance Social Services Program, and the Refugee and Entrant Assistance Targeted Discretionary Program. These programs are duplicative of the main workforce investment system, which is a universal access system designed to help unemployed and underemployed individuals gain the skills required by in-demand industries. Instead of separate stand-alone programs, the SKILLS Act amends these provisions to better align with the current workforce investment system and requires state and local workforce investment boards to describe how they will serve the employment and training needs of refugees and entrants.

• **Reintegration of Ex-Offenders.** This program, which provides grants to serve repeat adult offenders and youth involved or at-risk of being involved in crime or violence, placed roughly half of participants into employment. The Department of Labor's program goals for 2013 do not aim to raise the percentages substantially, targeting just 59 percent of participants to enter employment. In addition, the program costs more than $6,681 per person, significantly more money than programs with similar functions. In 2009, the program utilized only 80 percent of its total appropriation toward employment and training activities, even though training is integral to its stated goal of helping former inmates reenter the workforce. Instead of a separate stand-alone program, the SKILLS Act requires state and local workforce investment boards to describe how they will serve the employment and training needs of ex-offenders.

• **Second Chance Act Prisoner Reentry Initiative.** This program, which aims to help juvenile and adult inmates successfully reintegrate into society, utilized only 70 percent of its funds to focus on employment and training activities and has not conducted an impact study as reported by the GAO. In addition, under a 2010 analysis, the Department of Justice's IG found the Office of Justice Programs did not adequately define key terms essential for determining whether program goals were met, did not require grantees to identify baseline recidivism rates needed to calculate changes in recidivism, and failed to analyze performance measurement data. Instead of a separate stand-alone program, the SKILLS Act amends these provisions to better align with the current workforce investment system and requires state and local workforce investment boards to describe how they will serve the employment and training needs of ex-offenders.

• **Senior Community Service Employment Program (SCSEP).** This program supports employment of older workers by providing part-time paid community service positions, as well as training for unemployed, low-income individuals age 55 and older. In program year 2012, it placed fewer than half of program participants into employment and, of those, only 65 percent retained employment. In addition, the six-month average earnings for program participants were $7,000, yet it cost more than $6,000 to serve each participant. In January 2012, the Department of Labor added a new performance metric to the program to require grantees to measure the number of participants who enter into volunteer service. Though this metric will likely produce dramatic improvements in the program's performance, it is contrary to the program's goal to get older Americans into paid positions. Finally, the president's fiscal year 2013 budget proposal requests to move SCSEP to the Department of Health and Human Services' (HHS) Administration on Aging, confirming the administration's new focus for SCSEP on community service, not job training services. Instead of a separate stand-alone program, the SKILLS Act requires state and local workforce investment boards to describe how they will serve the employment and training needs of dislocated and older workers.

• **Supplemental Nutrition Assistance Program (SNAP) Employment and Training.** This program, which supports employment and training for SNAP (formerly Food Stamps) participants, includes job search, resume assistance, job training, and work experience, all of which are duplicative of the activities funded under the existing workforce investment system. Nearly 43 million individuals receive SNAP benefits, making a large share of low-income families eligible for employment and training services. In 2009, however, only 6.8 percent of eligible recipients participated in the SNAP Employment and Training program. Since 2008, federal law has required the Secretary of Agriculture to monitor the effectiveness of state SNAP Employment and Training programs. In 2012, the administration finally proposed establishing a standard set of measurements and requiring annual reporting. However, the rule will not be effective until fiscal year 2015, essentially permitting seven years without performance outcomes. Additionally, current regulations allow participants to be reimbursed under SNAP Employment and Training for costs relating to job retention, including driver education, testing fees, and union dues. This is an attempt by the administration to support its Big Labor agenda. There is no time limit on how long SNAP Employment and Training programs and benefits can be provided, essentially allowing individuals to "look" for a job on the government's dime for an indefinite period of time. Instead of a separate stand-alone program, the SKILLS Act amends these provisions to better align with the current workforce investment system and requires state and local workforce investment boards to describe how they will serve the employment and training needs of low-income individuals, including recipients of public assistance.

• **Veterans' Workforce Investment Program.** This program, which provides services to assist with reintegrating eligible veterans into employment, duplicates the efforts of the larger WIA programs that provide funds to aid state and local areas in administering workforce development activities. Under current law, vet-

erans receive priority service at local One-Stop career centers for employment and training services. In fiscal year 2011, the Secretary of Labor repurposed this program to provide services that lead to green jobs as outlined under the Green Jobs Act, which is currently under investigation by the IG for poor job placement results. In addition, the president's 2013 budget request proposes to eliminate the program, citing growing costs and limited participant placement. Instead of a separate stand-alone program, the SKILLS Act requires state and local workforce investment boards to describe how they will provide employment, training, and placement support services to veterans.

• **WIA Adult Program.** This program, which provides funds to state and local workforce investment boards to serve individuals ages 18–72 with employment and job training services, has had a poor record of training participants for in-demand jobs. According to the Department of Labor's WIASARD 2011 report, which is a more detailed annual analysis, only 134,000 individuals between April 1, 2011 and March 31, 2012, received training services, and only 58 percent of those individuals received a credential. In addition, 28 percent of individuals who received and completed services were also counted as being enrolled under the WIA Dislocated Workers program. The Department of Labor claims it "served" more than 6.6 million adults under this program between April 2011 and March 2012; yet according to the more detailed analysis that number is closer to 1.2 million. Out of the 1.2 million individuals who exited the program during the previous year, fewer than half entered employment after the first quarter and only 268,000 retained employment in the second and third quarters.

• **WIA Dislocated Workers.** This program, which provides funds to state and local workforce investment boards to serve individuals ages 18–72 whose jobs have been terminated or who have been laid off, has poor results and a poor track record of training individuals for employment. According to the Department of Labor's WIASARD 2011 report, which is a more detailed annual analysis, only 120,000 individuals between April 1, 2011 and March 31, 2012 received training services. In addition, 46 percent of individuals who received and completed services under this program were also counted as being enrolled under the WIA Adult Program. The Department of Labor claims it "served" more than 1.1 million dislocated workers under this program from April 1, 2011 to March 31, 2012. According to the more detailed analysis, the number is closer to 761,000. Out of the 639,000 individuals who exited this program during the previous year, only 343,000 entered employment after the first quarter and only 129,000 retained employment in the second and third quarters. Instead of a separate stand-alone program, the SKILLS Act requires state and local workforce investment boards to describe how they will serve the employment and training needs of unemployed workers, including displaced homemakers.

• **WIA National Emergency Grants.** This national program, which provides funding to state and local workforce investment boards to assist them in responding to significant dislocation events, is duplicative of the underlying activities funded under statewide employment and training activities. Under current law, states are required to reserve a portion of their funds to carry out

Rapid Response activities to help dislocated workers and employers respond to layoffs and other major events affecting state and local areas. The SKILLS Act allocates additional money to the state and local level, giving officials on the ground the ability to quickly respond to emergencies. The bill also requires the Secretary of Labor to reserve 3.5 percent of the Workforce Investment Fund to assist states and local areas in the case of a natural disaster.

- **WIA Pilot and Demonstration Projects.** This program, which funds national pilot, demonstration, and research projects, allows the Secretary of Labor to fund the administration's priorities. Past projects funded under this section of the law have included the Workforce Innovation Fund and the Green Jobs Act. Under current law, a "gold standard" evaluation was supposed to be conducted more than ten years ago to evaluate WIA programs. The Department of Labor now claims this study will not be completed for another four years. The Obama Administration's fiscal year 2013 budget proposes the elimination of the program.
- **WIA Youth Activities.** This program, which provides disadvantaged youth ages 16–21 with education attainment, job training, and employment services, has inflated performance data and a poor track record of helping at-risk youth obtain the occupational skills necessary for full-time employment. The Department of Labor claims it "served" more than 258,000 youth under this program between April 1, 2011 and March 31, 2012. According to the Department of Labor's WIASARD 2011 report, which is a more detailed analysis, the number is closer to 128,000. Of those who exited the program, only 35,000 participants were placed in employment and only 13,000 were placed in education. According to GAO, five federal programs provide employment and training services to disadvantaged youth at a cost of nearly $4.1 billion. Collectively, the federal government operates more than 50 major federal programs for youth. States, counties, cities, school districts, and nonprofits also operate programs focused on improving outcomes for disadvantaged youth. Because of the fragmentation of youth programs at the national, state, and local levels, federal youth programs lack any type of coordination with state or local programs, provide many of the same services, and share similar goals. Instead of a separate stand-alone program, the SKILLS Act requires state and local workforce investment boards to describe how they will serve the employment and training needs of youth, including out-of-school youth and at-risk youth.
- **Women in Apprenticeship and Nontraditional Occupations (WANTO).** This program, which promotes the recruitment, training, employment, and retention of women in apprenticeship and nontraditional occupations, was proposed for elimination under the president's fiscal year 2013 budget request. The administration found the WANTO program is too small to have a meaningful bearing on the number of women participating in registered apprenticeship programs, and grants are given to small community-based organizations that are unable to directly report performance results. In program years 2009 and 2010 combined, six grantees had a target of 300 placements into registered apprenticeships, yet only 60 placements were made. In addition, the program is duplicative of the larger Registered Apprenticeship program. Instead of a separate stand-alone program, the SKILLS Act requires state and local

workforce investment boards to describe how they will serve the employment and training needs of individuals training for non-traditional employment.

- **Workforce Innovation Fund.** This program, which provides funds to state and local areas for "innovative" employment and training activities, duplicates the efforts of the larger WIA programs that provide funds to state and local workforce investment areas to carry out workforce development activities. As the program was created through the appropriations process and is still in its infancy, it has no proven results despite costing taxpayers close to $200 million. Instead of a separate stand-alone program, the SKILLS Act allows states to use employment and training funds to provide incentive grants to local areas for exemplary performance on local performance measures and grants states wide latitude to develop and administer workforce programs.
- **YouthBuild.** This program, which aims to help at-risk youth ages 16 to 24 obtain a general educational development (GED) or high school diploma as well as attain skills in the construction industry, has poor results. As of March 31, 2010, the Department of Labor reported fewer than half of the enrolled participants complete or "exit" the program (12,483 enrollees compared to 5,975 exiters). The program has also not met its performance goals for placement or retention. Slightly more than 40 percent of youth who exited the program were placed in jobs or other educational programs compared to the goal of 70 percent. Only 64 percent of those who attained placement retained employment or stayed in school compared to the goal of 75 percent. The cost per participant in the program has increased by more than 50 percent over the last two years. In 2010, the program served only 9,847 youth at a cost of $10,409 per participant. The department estimates the number of youth served by the program in 2012 will decline to 5,210, resulting in a cost of $15,300 per participant. In contrast, other youth programs are a fraction of the cost.

The Department of Labor's IG estimates 20 percent of participants served by the program may be ineligible to participate, and $5.7 million of direct program costs were expended on these potentially ineligible participants. Also, the IG determined the department lacks effective grantee oversight; seven grantees could not demonstrate that they met the 25 percent matching funds requirement, 10 grantees enrolled ineligible youth, and 140 participants did not earn industry-recognized credentials due to two grantees not providing any type of certification to students after completing training. According to the GAO, five federal programs provide employment and training services to disadvantaged youth at a cost of nearly $4.1 billion. Collectively, the federal government operates more than 50 major federal programs for youth. States, counties, cities, school districts, and nonprofits also operate programs focused on improving outcomes for disadvantaged youth. Because of the fragmentation at the national, state, and local levels, federal youth programs lack any type of coordination with state or local programs, provide many of the same services, and share similar goals. Instead of a separate stand-alone program, the SKILLS Act requires state and local workforce investment boards to describe how they will serve the employment and training needs of youth, including out-of-school youth and at-risk youth.

- **Youth Opportunity Grants.** This program, which aims to increase the long-term employment of youth who live in high-poverty areas with education attainment, employment, and training assistance, has not been funded since 2003.
- **21st Century Workforce Commission.** The Workforce Investment Act of 1998 established and directed the 21st Century Workforce Commission to issue recommendations to the president and Congress within six months on the skill needs of the information technology workforce. The commission first met on November 16, 1999 and issued its final report with recommendations by May 16, 2000. The SKILLS Act repeals the authorizing language for the commission since it has completed its mission.

Five additional programs are consolidated in the vocational rehabilitation program outlined under Title V of the Act.

State and local workforce investment board membership

The bill amends the membership requirements of state and local workforce investment boards to ensure the system is demand-driven and closely linked to employers.

Under current law, state and local workforce boards must adhere to a number of federal mandates, almost 40 in total, dictating everything from how many people must serve on the board to who nominates each of the representatives. As a result, many of the current workforce board representatives are government employees administering federally-funded programs. This federal interference in local decision-making has caused workforce boards to become bloated and unwieldy, making strategic planning difficult and limiting a board's ability to respond quickly to changing workforce and industry needs.

During the hearing on February 26, 2013, entitled, "Putting America Back to Work: Reforming the Nation's Workforce Investment System," Todd Gustafson, Executive Director of Michigan Works! Berrien-Cass-Van Buren, explained the need for a streamlined board and increased business leadership:

> "For boards to have the greatest strategic impact and productivity they have to be business led and be a manageable size. Locally run and accountable boards governed by the end-user of the system, business, make the system more responsive, innovative, and less bureaucratic. Eliminating the 19 federal mandates on representation will further strengthen business engagement. Requiring two-thirds of board members to be employers will enhance the shift from a supply side designed system to a demand or market driven system. Mandating board representation stifles board member recruitment and often forces the creation of large unmanageable and unengaged boards. Eliminating mandates will also help attract higher caliber local business and community leaders who otherwise feel disempowered and ultimately uninterested among a large unfocused group. Smaller boards are a best practice in both the private for-profit and non-profit sectors and should be applied to the government's workforce system."

With a growing skills gap standing between workers and available job opportunities, the workforce investment system must re-

flect the expertise and needs of the nation's job creators. H.R. 803 strengthens the role of employers by requiring a two-thirds business majority on both state and local workforce investment boards and removing nearly all federal requirements on board membership. This dramatically reduces the size of the boards, making them more manageable and focused on strategic decisions.

Similar to current law, governors would retain the right to expand state board membership beyond business and economic development representation and chief elected officials. Chief elected officials would retain the authority to appoint local board membership beyond business representation. Such members could include members of the state legislature and representatives of youth organizations, community colleges, community-based organizations, veterans' service organizations, and One-Stop partners.

State workforce investment board functions and state plans

The SKILLS Act amends the required functions of state workforce investment boards. It requires states to review and develop statewide policies and programs that support a comprehensive statewide workforce development system, including determining whether the state should consolidate additional programs into its Workforce Investment Fund. State boards are also tasked with developing strategies across local areas that meet the needs of employers and support economic growth in the state, identifying and disseminating information on best practices for effective operation of One-Stop centers, and ensuring the appropriate use of funds for statewide employment and training activities.

H.R. 803 eliminates the grandfathering provisions that allow states to use entities in existence prior to the enactment of the Workforce Investment Act of 1998 in place of state workforce investment boards. The committee notes state boards are an important component of the reforms underlying WIA, and this change is intended to ensure state boards, with their enhanced functions, are established and business-driven. The bill also allows the state board to hire staff to assist in carrying out its functions.

The legislation also revises the WIA planning cycle to require state plans be submitted every three years instead of every five years. This is intended to ensure state plans are dynamic documents that are regularly updated to reflect changing economic situations and state and local priorities. The committee believes this change will not create an undue burden on states because the submission of a new plan simply requires reviewing and updating the previous plan if significant changes are not warranted.

While creating a more simple and universal structure, the committee believes the workforce development system must meet the needs of certain populations. Therefore, H.R. 803 requires states to develop targeted plans to serve special populations, including dislocated workers, low-income individuals, English learners, homeless individuals, individuals training for nontraditional employment, youth, older workers, ex-offenders, migrant and seasonal farmworkers, refugees and entrants, veterans, Native Americans, and long-term unemployed individuals, including those who have exhausted state and federal unemployment compensation.

The committee recognizes the obligation states have in providing services to individuals with disabilities in a manner consistent with

the requirements of civil rights laws, such as the Americans with Disabilities Act and sections 504 and 508 of the Rehabilitation Act of 1973. These laws are crucial to protecting the rights of individuals with disabilities to participate fully in society. In H.R. 803, the committee reaffirms this obligation by including requirements for state plans to ensure the rights of individuals with disabilities are protected and reasonable accommodations are provided so these individuals can fully participate in the programs and services supported under this Act.

As a condition of receiving funds, state workforce investment boards are required to detail the strategies and services that will be used to help at-risk youth and out-of-school youth acquire the education, skills, credentials, and employment experience necessary to succeed in the workplace. These services include: training and internships in in-demand industries, dropout recovery activities designed to lead to the attainment of a regular high school diploma, and activities combining remediation of academic skills and work experience with linkages to postsecondary education.

The committee seeks to make the entire workforce investment system more demand-driven and responsive to the needs of employers. By doing so, the workforce system will train workers for in-demand jobs. H.R. 803 requires states to include in their plans a description of any programs and strategies they will utilize to meet the needs of all businesses, including small businesses. These include convening industry or sector partnerships to address the immediate and long-term skill needs of the workforce and the needs of small businesses. The committee notes that, while strategic planning and delivery of services most appropriately belongs with local areas, the One-Stop delivery system created under WIA would be improved with greater continuity of services within states. As a result, H.R. 803 includes new functions for the state board regarding statewide policies for the One-Stop career center system. These include the development of criteria for and issuance of certifications of One-Stop centers, allocation of One-Stop infrastructure funding, and approaches to facilitating equitable and efficient cost allocation in the One-Stop delivery system. The establishment of state-level criteria for One-Stop centers should lead to better, more consistent performance within states.

Local workforce investment board functions and local plans

The committee strongly supports the governance structure of local control embodied in the Workforce Investment Act. The committee believes important employment and training decisions are best developed and administered at the local level, closest to the business community and workers. H.R. 803 maintains this important concept by driving more authority and funding to local workforce investment boards. At the same time, the legislation recognizes the nation's workforce development system must change if it is to remain relevant and responsive to our economic challenges.

While states are permitted to engage in regional planning and cooperation among local areas that serve a single labor market area, economic development region, or other appropriate contiguous sub-area of a state, the law's grandfathering provision stifles such innovation. This clause allows local areas in existence prior to 1998 to remain in existence, which has prevented many states from de-

veloping a workforce investment system that best correlates with their regional economy. H.R. 803 repeals the grandfather clause and allows governors to designate local workforce investment areas based on a series of considerations that align these areas with economic development and regional labor markets.

As President and Chief Executive Officer (CEO) of Workforce Florida Inc., Chris Hart outlined in his testimony during the February 26, 2013 subcommittee hearing entitled, "Putting America Back to Work: Reforming the Nation's Workforce Investment System":

> "The SKILLS Act proposes important changes that facilitate regional alignment of markets and resources rather than forcing the acceptance of the status quo. It also strengthens the authority of governors to designate the boundaries of workforce areas. We agree and support these provisions—The SKILLS Act will allow our state and others to accelerate innovative, market-responsive strategies for even higher performance and results aimed at improving our nation's talent competitiveness."

Under H.R. 803, local boards are required to conduct a workforce needs analysis of their region, which will aid in determining the industries that are hiring and growing, as well as the types of skills and training needed to meet that demand. The bill requires local boards to use this analysis to reserve a certain percentage of funds for training. This provides local areas with the flexibility and the authority to determine their own region's priorities while quickly reacting to the workforce training needs of area residents. For far too long, our nation's workforce investment system has not focused adequate resources on direct training services to unemployed and underemployed workers. Only 14 percent of WIA participants actually receive and complete training services that can provide the important skills necessary to succeed in the workplace. This provision ensures local boards are targeting funding to training individuals for in demand occupations and preparing workers for the jobs of today and tomorrow.

Similar to the state plan requirement, H.R. 803 requires local areas to include in their plans a description of the strategies and services that will be initiated in the local area to engage employers in workforce development activities to ensure local workforce investment activities remain demand-driven and responsive to changing employer needs. The bill requires local areas to engage small employers, as well. The bill requires local boards to develop industry-sector partnerships to better coordinate and align resources. The committee encourages local areas to initiate other employer-focused efforts such as career ladder programs, utilization of business intermediaries, and coordination with economic development activities. These strategies and many others could help local areas ensure the One-Stop system contributes to the economic growth of local areas.

Current law requires each local area to have a youth council to advise the local board on activities related to youth. The committee understands these councils have been ineffective in some areas and burdensome to create and operate. Maintaining participation by parents, youth, educators, and other groups has proven difficult.

The committee believes local areas should have the option to create such councils if they add value and benefit services to youth in the area.

Under WIA, states have the authority to use entities in existence prior to the enactment of WIA in place of local boards. This grandfathering provision is repealed under H.R. 803 to ensure the most effective local boards are in place. Further, the local workforce investment planning cycle is reduced from five years to three years to be consistent with the state planning cycle and to promote using the plan to address changing economic circumstances and priorities.

Just as states are required to describe in their plans how they will address the needs of individuals with disabilities consistent with civil rights laws, local areas also must provide services to individuals with disabilities in a manner consistent with the requirements of civil rights laws, such as the Americans with Disabilities Act and sections 504 and 508 of the Rehabilitation Act of 1973. To that end, the bill includes the same requirement for local plans as for state plans.

Similarly, local boards are required to address in their plans how they will serve at-risk and out-of-school youth in acquiring the education and skills, credentials, and employment experience necessary to succeed in the workforce. The committee encourages local areas to develop strategies that focus on high school dropout recovery efforts and attainment of regular secondary school diplomas. Local boards are also required to develop targeted plans to serve special populations, including dislocated workers, low-income individuals, English learners, homeless individuals, individuals training for nontraditional employment, youth, older workers, ex-offenders, migrant and seasonal farmworkers, refugees and entrants, veterans, Native Americans, and long-term unemployed individuals, including those who have exhausted state and federal unemployment compensation.

The committee recognizes our nation's economy is dynamic, and the types of growing industries are constantly changing. While a number of select industries, such as health care, are in-demand in most communities across the country, the decision on what industries are best suited for a particular state or local area and what professions workers should be encouraged to pursue should remain with state and local leaders.

One-stop delivery system

One of the hallmarks of the workforce development system is the approach that encourages the development of comprehensive efforts to improve services for employers and job seekers. This effort seeks to increase access to federal and state resources available to help individuals obtain the training of their choice at one centralized location.

Currently, 19 federal programs operate as mandatory partner programs within the One-Stop delivery system. In addition to the programs authorized under Title I of WIA, the programs include career education, veterans' employment and training programs, welfare-to-work, employment services, vocational rehabilitation, trade adjustment assistance, and adult education, to name a few. H.R. 803 adds the Temporary Assistance for Needy Families

(TANF) program as a mandatory partner in the One-Stop Career Center system. All of these programs must make their services available through the One-Stop centers. In addition, optional partner programs may provide their services through the system if the local board and the chief elected official for the area permit the inclusion and the partner program agrees to such participation.

H.R. 803 removes from the mandatory One-Stop partner list those programs that are consolidated into the main Workforce Investment Fund. The bill includes additional optional partner programs, such as employment and training programs operated by the Small Business Administration, employment and training services provided by public libraries, and programs serving individuals with disabilities. The addition of these programs enhances opportunities to coordinate employment and training services, particularly for special populations.

Under H.R. 803, provisions regarding the establishment of One-Stop delivery systems are moved from Chapter 5 (Comprehensive Adult Employment and Training Activities) to what is now Subtitle B (Statewide and Local Workforce Investment Systems) so as to reinforce the creation of a One-Stop delivery system independent of WIA employment and training funds. Incorporating these provisions in the general workforce investment system subtitle is intended to clarify the requirements applicable to the One-Stop delivery system.

The One-Stop centers across states have not provided consistent services to consumers, whether job seekers or employers. Therefore, H.R. 803 requires all One-Stop operators to be designated through a competitive process, removing the provision that allows three or more One-Stop partners to form a consortium to operate a center, and infusing higher quality operators throughout the system. In addition, the bill calls on the state board to establish procedures and criteria for certifying One-Stop centers and issue certifications based on those procedures and criteria. The criteria include state-developed minimum standards relating to the scope and degree of service integration achieved by the centers involving the programs provided by the One-Stop partners. The effect of certification is to make One-Stop centers eligible for infrastructure grants. The intent of the certification process is to promote consistency and quality in the services provided by One-Stop centers in a state. No One-Stop is required to obtain certification, and local boards retain authority over the identification of One-Stop operators.

Under current law, One-Stop centers must provide access to the programs and activities carried out by partner programs. Each partner must make available to clients the core services applicable to their program. There must be at least one comprehensive One-Stop center in each local area, which can be supplemented through a network of affiliated sites if the mandatory partners do not fully co-locate. One-Stop partner programs are required to contribute a portion of their funds for the operation of the One-Stop delivery system. The appropriate portion is to be determined through the Memorandum of Understanding (MOU) development process at the local level. However, this process has resulted in uncertainty of funding and contention among program operators and has forced WIA funding streams to pay for a large share of infrastructure costs, thus reducing funds available for training.

In order to provide a stable source of infrastructure funding on a statewide basis, H.R. 803 requires each of the One-Stop partner programs to provide a portion of program funds to the governor, who then will allocate such funds to the local areas for the certified One-Stop centers in the state. The portion of funds to be provided by each One-Stop partner will be determined by the governor in consultation with the state board. The committee believes the decision on the amount of such funding is best determined within each state depending on each state's needs and delivery systems, and arbitrary limits or floors should not be established at the federal level.

When determining the amount of contribution from each program, the governor must consider the proportionate use of the One-Stop centers by the programs and cost of administering the programs not related to One-Stop centers. The infrastructure funding must come from the programs' administrative funds and are subject to the programs' administrative cost limits. All mandatory partner programs, except vocational rehabilitation and unemployment insurance, have administrative caps that are either established in statute or negotiated as part of a grant. For instance, career and technical education currently has a 5 percent administrative cap, and veterans programs' administrative limits are negotiated as part of the grant. For federal mandatory spending programs, which include TANF and vocational rehabilitation services, the programs' contributions cannot be in excess of their proportionate use of the centers. The committee expects the portion of funds provided by mandatory partners for infrastructure costs will be a very small percentage of the programs' funds, proportionate to the programs' contribution to and use of the One-Stop system.

The governor is required to distribute the funds to certified One-Stop centers based on a formula the state board will develop. The formula shall include factors the state determines are appropriate, which may include the number of certified centers in a local area, the population served by such centers, and the centers' performance.

While the infrastructure funding provided through these grants will address the primary common costs of operating One-Stop centers, some common costs will remain. Thus, partner programs and local boards will continue to develop MOUs to specify how such costs would be paid. Remaining common costs include personnel and the cost of providing work ready services applicable to participants for each program. Since the basic infrastructure costs would already be addressed, these remaining cost items should be easier to resolve.

Providers of training services

WIA created an eligible training provider list to give customers flexibility in selecting a provider that meets their individual training needs. However, current eligible training provider provisions include requirements that have proven to be overly burdensome with respect to the specific information required and the scope of the reporting (i.e. reporting performance outcomes for all students in a training program and not just WIA-funded students). Rather than increasing consumer choice as intended, the current requirements have had the unintended effect of reducing customer choice

as many qualified providers, including community colleges, choose not to participate in the system.

H.R. 803 gives states the authority to determine what provider information and data will be required to establish a list of eligible training providers. This allows for flexibility to design procedures that respond to the needs of each state. To ensure the quality of providers, states must establish criteria that include the performance of providers with respect to WIA's performance indicators. States may include other factors appropriate to ensure the quality of services and the accountability of providers, including whether providers of training allow participants to attain a certification or credential, or demonstrate mastery. In addition, states are required to ensure providers submit appropriate information to assist consumers in selecting training programs. Such state-developed criteria will be established with the input of local areas and training providers. The intent is to ensure the retention of key elements in promoting consumer choice and provider accountability while allowing states to simplify the process so more qualified training providers will participate.

During the markup, the committee adopted an amendment offered by Rep. Susan Brooks (R–IN) to require workforce investment boards to identify those providers that are demonstrating the highest levels of success on performance indicators and deem them priority providers. This gives participants and local boards a more accurate picture when choosing training providers. In addition, the amendment allows state and local boards to implement pay-for-performance strategies to reward those providers that are consistently outperforming their peers.

The committee encourages states to examine whether training providers offer the opportunity to obtain industry-recognized credentials. The committee recognizes such certifications or credentials may allow states to validate available training, and the attainment of a certification or credential may increase individuals' ability to find good jobs that utilize such training.

The committee remains determined to protect the confidentiality of all personally identifiable information about students, and believes such information must not be released without appropriate permission from students or their parents. Therefore, H.R. 803 specifies that the new training provider eligibility criteria must comply with the Family Educational Rights and Privacy Act (FERPA).

Certified apprenticeship programs are automatically qualified to serve as training providers. In addition, H.R. 803 retains language from current law allowing governors to create separate requirements for providers of on-the-job training or customized training, since these are tailored specifically to one employer or occupational field.

Employment and training activities

H.R. 803 amends Chapter 5 of WIA to establish a comprehensive program of employment and training activities for individuals age 16 and older. As discussed earlier in the report, the bill consolidates 35 employment and training programs, including the three separate WIA funding streams (WIA Adult, WIA Dislocated Worker, and WIA Youth) and the Employment Services funding stream

under the Wagner-Peyser Act. These current programs have separate funding formulas, eligibility criteria, performance measures, reporting requirements, and other elements, though they largely serve the same populations. Under current law, Employment Services are to be co-located with One-Stop centers. However, contrary to the intent of WIA, some areas have retained separate Employment Services offices. Consequently, unnecessary duplication of services and confusion for customers (both job seekers and employers) has resulted. Consistent with the principles of program integration underlying WIA, the bill's consolidation proposal will simplify and enhance the delivery of services to adults and youth and allow states and local areas to tailor services to meet the needs of the local communities.

H.R. 803 changes the title of Chapter 5 from "Adult and Dislocated Worker Employment and Training Activities" to "Employment and Training Activities". Throughout the bill, references to the separate adult, dislocated worker, and youth funding, which are being consolidated, are eliminated to reflect the universal nature of the Workforce Investment Fund.

H.R. 803 authorizes the Secretary of Labor to reserve half of 1 percent of the amount appropriated for the WIF to carry out national activities, with 50 percent to be used for technical assistance and 50 percent to be used for evaluations. The bill also authorizes the secretary to reserve up to 1 percent of the amount appropriated to make grants to and enter into contracts or cooperative agreements with Indian tribes, tribal organizations, Alaska-Native entities, Indian controlled organizations serving Indians, or Native Hawaiian organizations to carry out employment and training activities. These important programs must adhere to the common performance measures.

The secretary may also reserve up to 25 percent of funds of the total amount appropriated to carry out the Job Corps program described later in this report and allows the secretary to reserve not more than 3.5 percent of the total amount appropriated to provide grants to states and local areas to address mass layoffs and natural disasters. The remaining amount would be allotted to states, with up to one-fourth of 1 percent reserved for the provision of services in outlying areas.

H.R. 803 creates a new formula to reflect the more relevant criteria from the funding streams consolidated into the Workforce Investment Fund. The formula is calculated by dividing equally the relative number of unemployed individuals in a state, the relative number of individuals in the civilian labor force in a state, the relative number of individuals who have experienced long-term unemployment of 15 weeks or more in a state, and the relative number of disadvantaged youth in a state.

The bill also contains a provision that holds states harmless for three years against what they would have received in fiscal year 2012 for the programs under Title I of WIA; Title V of the Older Americans Act of 1965; the Women in Apprenticeship and Nontraditional Occupations Act; Sections 4103A and 4104 of Title 38, United States Code; and Sections 1–14 of the Wagner-Peyser Act. For states that would receive an increase in 2014 under the new formula, their increase is capped at 130 percent of the allotment percentage of the state for fiscal year 2012. For fiscal year 2017

and each succeeding year, the formula ensures states receive a minimum percentage that is not less than 90 percent of the previous year's allotment and a maximum percentage of 130 percent of the previous year's allotment.

The committee notes these protections should create more stability in funding for states. Currently, the WIA Dislocated Worker funding stream has no stop-loss or stop-gain protections. While the formula in current law was designed to allow funds to flow to those states most in need, there have been significant shifts in funding from year to year. As a result, states have been unable to plan their programs effectively. The new provisions should reduce this instability.

The formula also includes a small state minimum allotment of one-fifth of 1 percent to ensure small states have sufficient resources to operate a viable program. Currently, both the WIA Adult and Wagner-Peyser formulas include small state minimums.

H.R. 803 further specifies within state allocation of funds. The bill authorizes governors to reserve up to 15 percent of the state's allotment for statewide activities. H.R. 803 has a much larger authorized level for appropriations due to the consolidation of programs and is comparable to the level of resources currently administered at the state level under WIA.

Under statewide activities, states must use funds to carry out rapid response activities to assist local areas that experience disasters, mass layoffs, or other events that precipitate substantial increases in the number of unemployed individuals. States are also required to support the provision of work ready services for job seekers in the One-Stop delivery system, implement strategies and services to assist at-risk and out-of-school youth, and conduct evaluations of all employment and training services. The bill also allows states to spend funds on implementing innovative programs to meet the needs of employers, including incumbent worker training and entrepreneurial training; developing strategies for integrating programs and services among One-Stop partners; facilitating access to remote areas through the use of technology; and incorporating pay-for-performance contracting strategies as an element in funding employment and training activities. The bill also retains the current law limitation on state administrative expenses, which are not to exceed 5 percent of the governor's set aside.

Further, governors must reserve 15 percent of their state set aside funds to award competitive grants to eligible entities assisting individuals with barriers to find and retain full-time, unsubsidized employment. This new reservation provides additional support to local areas to assist hard-to-serve individuals (ages 16 and older) in obtaining a regular secondary school diploma or its recognized equivalent, industry-recognized credentials, postsecondary training, and employment. The committee believes that, rather than creating separate national programs, priorities, and funding streams for particular individuals or groups, states should be given the flexibility and decision-making power to prioritize funds towards the individuals most in need in their communities. Unlike the current system in which only a handful of national programs targeted to special populations have been evaluated, H.R. 803 requires states to evaluate employment and training programs, mak-

ing it easier for the public to learn whether programs are helping workers find a job.

The remaining overall state allotment is to be allocated to local areas within the state. Under the bill, the same formula used to distribute funds to states is used to distribute funds to local areas, including the stop-loss and stop-gain provisions described earlier to stabilize funding. H.R. 803 also retains the current administrative cost limit under which local areas may not expend more than 10 percent of the allocation for administrative costs. The legislation adds a new definition of "administrative costs" which includes expenditures incurred by state and local workforce investment boards, direct recipients, local grant recipients, local fiscal agents or local grant sub recipients, and One-Stop operators in the performance of administrative functions and in carrying out activities which are not related to the direct provision of workforce investment services (including services to participants and employers). The bill also requires states and local areas to report on the percentage and dollar amount spent on administrative costs annually.

Under current law, both WIA and the Wagner-Peyser Act provide funds for services to connect job seekers with available jobs, including job search and placement assistance. Regardless of income, all individuals are eligible to receive these services. Many One-Stop career centers offer such services through self-serve computer stations. Under WIA, these are called "core services" while under Wagner-Peyser they are called "labor exchange services." Although each law has a different term, the services are essentially the same. Through WIA, two other levels of services also are provided. "Intensive" services include comprehensive assessments, case management and one-on-one career counseling, short-term prevocational services, and more. "Training" services include occupational skills, on-the-job, entrepreneurial, customized, and other training. Under current law, an individual must utilize at least one service in each level before moving on to the next level of service. While there is no federally required minimum time period for participation in core and intensive services before one can access training assistance, some states have interpreted current law as requiring all participants to participate in core services for a specified period of time before becoming eligible for intensive services, and likewise requiring intensive services before training. This has sometimes resulted in denied or delayed services, and limited the flexibility of states and local areas to tailor services to meet individual needs.

To address these issues regarding the "sequencing of services," H.R. 803 combines core and intensive services into a new "work ready" set of services, effectively nullifying the eligibility requirements for proceeding onto the next level of services if an individual is determined to be in need of those services. The bill incorporates two functions specifically identified in the Wagner-Peyser Act to the list of allowable work ready services: appropriate recruitment services for employers and the administration of the work test for the unemployment compensation system. Additional new services are added to the list, including internships and work experience; literacy activities relating to basic work readiness, information and communication technology, and finances; and out-of-area job search and relocation assistance. The committee believes allowing literacy

activities to be provided as a work ready service, not just a training service, will increase access to such services for those who need them. The committee also recognizes nearly all job seekers need to know how to find, use, manage, and evaluate information resources efficiently. The committee encourages One-Stop centers to offer opportunities to acquire skills in the area of communication technology literacy.

Among the types of entities local boards may contract with to provide work ready services are public non-profit service providers. The committee notes this language from current law should not be construed as limiting eligibility to non-profit entities that exist solely to provide these types of services. In particular, the committee notes a wide variety of non-profit entities that may have broader missions, but have the capacity to leverage funds received through local workforce boards, such as public libraries. The committee encourages local areas to consider creating relationships with entities such as libraries when they already are providing similar services.

The committee also recognizes private-sector employment agencies play an important role in providing employment opportunities to America's workforce. The committee encourages local boards and One-Stop operators to refer to and contract with such firms. This will enhance the ability of local boards and One-Stop operators to make job placements, especially to businesses that do not traditionally use One-Stop services to fill vacancies.

The committee aims to address the unique training needs of individuals who are English learners. H.R. 803 allows occupational skills training to be combined with English language acquisition. Integrated training programs that provide language instruction in the context of job training have demonstrated remarkable employment outcomes for job seekers and positive results for employers. These enhancements to training opportunities should increase employment for our country's immigrant populations.

Under current law, the adult funding stream serves all adults but prioritizes low-income individuals. H.R. 803 removes the priority of service in the rewrite of the Workforce Investment Fund. One of the hallmarks of the workforce investment system is that it is a universal access program in which any American in need of employment and training services can receive the education and skills he or she needs to get a job. Under the bill, states and local areas must detail how they will serve the needs of all individuals, including low-income individuals, dislocated workers, English learners, and veterans, among others. Instead of setting artificial limits on who should receive training, the bill aims to increase the amount of training for everyone and allows state and local leaders to determine who is most in need in their community.

Training is currently provided primarily through "individual training accounts," or ITAs. Individuals that receive an ITA voucher can choose training courses available through eligible training providers. The committee believes local areas should have the flexibility to combine funds available for training under WIA with other training resources. Therefore, H.R. 803 authorizes local areas to assist participants in enhancing these accounts so funds from other sources may be included and renames them "career enhancement

accounts." This is intended to facilitate the acquisition of training and maximize the number of individuals who obtain training.

H.R. 803 permits local boards to award contracts to institutions of higher education identified as priority eligible training providers to facilitate the training of multiple individuals in in-demand industries, provided such a contract does not limit customer choice. This provision allows community colleges and other institutions of higher education, including proprietary colleges, to provide specialized group training programs designed for employers who are looking to hire several workers with a particular skill.

H.R. 803 adds new activities to the current list of permissible activities local areas may carry out. Current activities include customized screening and referral services for employers and other customized employment-related services for employers on a fee-for-service basis. New allowable activities include providing customer supports, such as transportation and childcare services, for special participant populations that face multiple barriers to employment, including individuals with disabilities. These supports can often contribute to job retention and enhance employment. The committee has also learned such populations, especially individuals with disabilities, have not been as well served through the One-Stop system as Congress intended. The committee anticipates this additional assistance to such individuals will increase their utilization of the One-Stop delivery system and improve the quality of services they receive. In addition, employment and training assistance provided in coordination with child support enforcement activities of the state agency carrying out Title IV-D of the Social Security Act is also included as a permissible activity. This coordination is intended to facilitate the employment of unemployed or underemployed non-custodial parents, thus enabling them to pay child support.

In addition, local areas may engage in activities to improve services to businesses, including small employers in the local area, and increase linkages between the local workforce investment system and employers. Local areas may also facilitate remote access to services provided through the One-Stop delivery system, including facilitating access through the use of technology. This is critical to ensure rural areas are served adequately. Local areas may incorporate pay-for-performance contracting strategies as an element of funding employment and training activities to ensure the system is not continuing to pay for strategies that have not demonstrated a record of success.

An additional permissible activity for local areas is the development and implementation of incumbent worker training programs. Under current law, incumbent worker programs are only authorized at the state level. Under H.R. 803, local boards may provide incumbent worker training, as long as it is carried out in conjunction with the workers' employers for the purpose of helping the workers obtain the skills necessary to retain employment and avert layoffs. Employers participating in incumbent worker training programs are required to pay a portion of the costs of training for the incumbent workers, which is left up to local boards to establish. This provision is intended to provide some flexibility for the One-Stop system to respond to the needs in the local area and help pre-

vent potential layoffs. The matching requirement is intended to ensure appropriate employer commitment to the training program.

Local areas are required to prioritize placing participants into private sector jobs. The committee believes enhancing private sector business growth and limiting the size and scope of the government are the best outcomes for American workers and improve our country's economic outlook.

Each One-Stop career center is also required to employ a veterans' employment specialist to help veterans, including those returning from Afghanistan and Iraq, find and retain employment. These specialists function similarly to the Local Veterans' Employment Representatives currently in many One-Stop centers across the country, and conduct outreach to employers as well as provide transition services to those military service men and women leaving the armed services. H.R. 803 also integrates the Disabled Veterans' Outreach Program into the Workforce Investment Fund; requires state and local areas to detail how they will furnish employment and training services to veterans, including disabled and homeless veterans; and requires states and the Secretary of Labor to measure and report on the outcomes achieved by participating veterans disaggregated by local communities.

Youth provisions

According to GAO, more than 50 major programs funded by the federal government help at-risk youth obtain the education and skills necessary to succeed in the workforce. These programs often lack coordination and have failed to adequately improve outcomes for our nation's young people. H.R. 803 includes several important provisions to address the needs of at-risk and out-of-school youth. First, state and local workforce investment boards are required to detail the strategies and services that will be used to assist at-risk youth and out-of-school youth in acquiring the education and skills, credentials, and employment experience to succeed in the workplace. Second, the Workforce Investment Fund, as well as the state set-aside for individuals with barriers to employment, has reduced age limitations from 18 to 16 years of age, ensuring youth are eligible for all employment and training activities.

Third, local workforce boards are required to conduct a workforce needs analysis and direct funds based on those identified as most in need, which include at-risk youth and out-of-school youth. This provides local leaders, who know best the needs of the community, with flexibility and authority to determine their own priorities. If local officials want to use a significant amount of federal funds for youth employment and training services, they can do so.

Finally, the secretary is required to reserve 25 percent of the total amount appropriated to fund a national Job Corps program for at-risk youth. H.R. 803 makes important reforms to the program, as outlined below, to ensure these young people are receiving high quality instruction and training to obtain employment and advance in careers.

Performance accountability system

According to GAO's report that examined the multiple federal job training programs, only five had undergone an impact evaluation to determine if the program was meeting the needs of individuals

it was slated to serve. Without a true picture of the effectiveness of job training programs, how can federal, state, and local policymakers accurately and quickly assist workers in finding a job, help employers hire skilled workers, and grow our regional economies?

As Larry Temple, executive director of the Texas Workforce Commission, said during a May 11, 2011 subcommittee hearing entitled, "Removing Inefficiencies in the Nation's Job Training Programs":

> ". . . [W]e need to move to an outcome driven system rather than a process driven system. We need to look closely at what works and what does not. We understand accountability and we understand that while the process is important—from the customer's perspective, what is achieved at the end of the day is what constitutes the measure of your work. Far too often these federal programs are measured by the process, not the outcome."

Since passage of WIA, states and local areas have raised concerns about the 17 statutory performance measures applicable to formula programs. The current performance measures have been perceived as excessive and overly burdensome. In addition, questions have been raised about the utility of certain federally required measures (such as customer satisfaction).

To promote consistency in the measures applicable to federal employment and job training, H.R. 803 reduces the number of performance measures from 17 to six and applies them to all employment and training programs, including the Adult Education and Family Literacy Act provisions outlined under Title II of WIA and the Amendments to the Rehabilitation Act of 1973 under Title IV of WIA.

The core indicators of performance the committee believes all employment and training programs should measure include:

- The percent and number of program participants who are in unsubsidized employment for six months after exiting the program;
- The percent and number of program participants who are in unsubsidized employment for a full year after exiting the program;
- The median earnings of program participants six months after exiting the program compared to their earnings prior to receiving training;
- The percent and number of participants who obtain a recognized postsecondary credential, a registered apprenticeship, an industry-recognized credential, or a regular secondary school diploma or its recognized equivalent during participation in or within one year after exiting the program;
- The percent and number of participants who enroll in an education or training program that leads to a credential and are achieving measureable basic skill gains; and
- The percent and number of participants who obtain unsubsidized employment in a field related to the training services they received.

Additionally, all core indicators of performance, training services, and discretionary One-Stop delivery services are to be disaggregated by the targeted populations described in the local plan, and states are required to maintain a central repository of policies related to access, eligibility, availability of services, and

other matters approved by the state and local boards. The committee supports enhanced accountability and policies that encourage the identification of individuals who are not receiving adequate assistance in the quest to find and retain employment.

The committee believes the customer satisfaction measure does not provide a uniform standard by which to evaluate employment and training programs on a national level. Therefore, the bill strikes references to the customer satisfaction measure. However, states are explicitly permitted to utilize customer satisfaction measures, and the committee urges states and local areas to utilize such measures to evaluate the effectiveness of their outreach programs and engage in continuous improvement.

Currently, outcomes data is only collected for those individuals who register for intensive training services. Individuals accessing only core services are not required to register for such services and little information is available regarding the employment status of such individuals and the benefit of One-Stop services. By requiring all employment and training programs to use a common set of performance indicators, federal, state, and local policymakers will have an accurate and clear picture of which programs are working.

Under current law, the levels of performance for each indicator are negotiated between the Secretary of Labor and each state. One concern is these negotiations do not sufficiently consider economic conditions and the characteristics of the population to be served, thus discouraging services to special populations. H.R. 803 replaces the current language with a requirement that levels must be adjusted based on those factors. The bill also identifies the kinds of economic characteristics (unemployment rates and job losses in particular industries) and participant characteristics (indicators of poor work history, lack of work experience, disability status, low levels of literacy or English proficiency, and welfare dependency) to be considered.

Amendments to the local performance measures parallel the amendments made to the state performance measures. The same performance indicators are applied to local areas and the levels of performance negotiated between governors and local areas are required to be adjusted based on economic conditions and the characteristics of the population served.

In an effort to gauge program efficiency, state and local areas will also report:

- The number of individuals who received work-ready and training services during the most recent program year, fiscal year, and the preceding five program years; as well as where the individuals received the training, disaggregated by the type of entity that provided the training.
- The number of individuals who successfully exited work-ready and training services during the most recent program year, fiscal year, and the preceding five program years; as well as where the individuals received the training, disaggregated by the type of entity that provided the training.
- The average cost per participant of those individuals who received work-ready and training services during the most recent program year, fiscal year, and the preceding five program years; as well as where the individuals received the training, disaggregated by the type of entity that provided the training.

State and local performance measures will be negotiated every two years.

Rebecca Metty-Burns, the executive director for the division of workforce and economic development at the College of Southern Nevada, summarized the importance of the bill's efforts to increase accountability in her testimony during an August 30, 2011 committee field hearing in Las Vegas, Nevada entitled, "Examining Local Solutions to Strengthen Federal Job Training Programs":

> "Hold us accountable but have the accountability make sense to the needs of the community and have measurements and outcomes that reflect true progress based on the competencies needed by industry."

The committee believes that with the new flexibility in the use of federal funds envisioned under H.R. 803 comes tremendous responsibility. In no way does this legislation constitute a blank check. Unlike the current workforce system in which only a handful of programs have been evaluated, H.R. 803 establishes common performance measures that will make it easier for the public to learn whether programs are helping workers find a job, and includes new provisions to ensure programs that demonstrate a pattern of failure lose funding.

Under current law, the secretary *may* reduce state funds by 5 percent if the state fails to meet its performance targets for two consecutive years. H.R. 803 *requires* the secretary to reduce state funding and returns those funds to the U.S. Department of Treasury. Similarly, a governor must take corrective action if a local area fails to meet its performance targets for a second consecutive year. If an area fails to meet performance for a third year, a governor must reduce the amount of the grant based on the degree of failure to meet local levels of performance.

Finally, the bill requires the secretary to use the core indicators of performance to assess the effectiveness of mandatory partner programs carried out by the Department of Labor. This action must be consistent with the requirements of the applicable authorizing laws of those programs.

Authorization of appropriations

H.R. 803 authorizes appropriations for the Workforce Investment Fund for fiscal years 2014 through 2020. The committee authorizes $6,245,318,000 for fiscal year 2014 and each of the six succeeding fiscal years. This amount is equal to the appropriated amount for fiscal year 2012 for Title I of WIA; Title V of the Older Americans Act of 1965; Sections 1–14 of the Wagner-Peyser Act; the Women in Apprenticeship and Nontraditional Occupations Act; and Sections 4103A and 4104 of Title 38, United States Code;

Job Corps Program

The committee believes the Job Corps program is in dire need of reform. Created in 1965 to provide at-risk youth with academic instruction toward the achievement of a high school diploma or GED and career training, the program has failed to help disadvantaged youth find employment while spending billions in limited taxpayer dollars. Through a series of investigations conducted over the last four years, the Department of Labor's IG found the program's per-

formance data is often inflated and unreliable, accused Job Corps centers and their operators of mismanaging federal funds and ignoring unhealthy and unsafe living conditions for youth, and discovered little federal funding was spent to support worker training. In addition, the Department of Labor has recently announced that the program incurred a $39 million budgetary shortfall in program year 2011 and is facing a $60 million shortfall in program year 2012. The Obama Administration agrees Job Corps is in need of restructuring. The Department of Labor's FY 2013 Budget Justification includes the following:

> "The 2013 Budget launches a reform effort for Job Corps to improve its outcomes and strengthen accountability. Specifically, the Department will close in Program Year 2013 a small number of chronically low-performing Job Corps centers, selected using specific criteria that will be shared with the public in advance. While most centers meet program standards, some centers are chronically low-performing based on their educational and employment outcomes, and have remained in the bottom cohort of center performance rankings for many years. Given the resource intensiveness of the Job Corps model, it is not cost-effective to continue to invest in centers that have historically not served students well."

At a time when the youth unemployment rate continues to rise, the committee supports efforts to revamp Job Corps to ensure at-risk youth become more employable, responsible, and productive citizens.

Over the last decade, Job Corps has undergone a number of evaluations to measure its effectiveness. Many reports found the program's benefits to society (e.g. reduced crime and drug use and increased attainment of GEDs) outweigh its program costs. However, these studies also showed program participation did not substantially increase earnings, and was ineffective in moving participants into full-time employment. H.R. 803 restructures the current program to ensure career and technical education and training is geared toward in-demand occupations and disadvantaged youth receive a regular secondary school diploma and/or a recognized post-secondary credential that prepares individuals for employment in the global economy.

According to the Department of Labor's 2011 Annual Performance Report, only 66 percent of Job Corps participants entered employment or enrolled in training or postsecondary education in 2009. In fact, the program's placement rate, along with actual student enrollment, has been on a steady decline since 2004. A recent IG audit also found Job Corps lacked reliable performance metrics. Among other things, the audit found the program inaccurately reported 42.3 percent of its job placements, claiming as a "success" those instances in which students were enrolled in postsecondary education or training rather than jobs, and in jobs that required little or no previous work-related skills, such as fast food cooks and dishwashers. H.R. 803 establishes a new performance accountability and management system under which each center must calculate and report on the number and percent of enrollees who graduate (defined based on the program's new goals) from the center;

the percent and number of graduates who enter unsubsidized employment related to the training the participant received through the center; and the cost per successful performance outcome. Similar to current law, the bill requires the secretary to annually rank the performance of each center and to develop and carry out an improvement plan for low-performing centers.

As President Obama has stated, a number of Job Corps centers have consistently ranked in the bottom tier of Job Corps centers nationally. With the federal government running trillion dollar deficits and the Job Corps program running a $100 billion budget shortfall, the committee must ensure limited taxpayer dollars are dedicated to programs that work. H.R. 803 requires the secretary to evaluate the performance of Job Corps centers and rank them annually. If a center has consistently performed in the bottom 10 percent for four consecutive years, then the secretary must close those centers. Students in closed centers will have priority placement in a neighboring center, and resources will be reinvested in the program.

According to recent IG audits, there is widespread mismanagement of federal funds and safety and health concerns by Jobs Corps operators. H.R. 803 requires all current grantees to re-compete for funding to operate Job Corps centers. The bill creates a detailed application in which grantees must describe their record of effectiveness in placing at-risk youth into employment; describe the strong fiscal controls they have in place; and give an assurance they are licensed to operate in the state in which the center is located, among other commonsense measures. The secretary is authorized to enter into two-year agreements with operators and may extend the agreement for three one-year terms if the grantees meet or exceed all of their performance indicators. The secretary may not extend the terms if a center's performance ranks it in the bottom quintile of all centers unless the center has shown significant improvement over the last program year. The bill prevents the secretary from awarding grants to entities that have been found to have a material failure that involves the misuse of federal funds or a threat to the health, safety, or civil rights of youth or staff. This process removes poor-performing grantees and ensures high-quality grantees are adhering to new and stronger performance requirements.

As a national program, Job Corps spends a significant amount of taxpayer dollars on administration. The $1.5 billion operations budget allocates more than 80 percent ($1.2 billion) to center operations, leases, phone and data lines, and information technology equipment; 7 percent ($107 million) to student pay and home transportation; and only 3.6 percent ($57 million) to career services. H.R. 803 sets a 10 percent cap on administrative costs for the program, ensuring a greater portion of Job Corps funds go to youth employment services, including career skills training for in-demand occupations.

According to the department's budget documents, Job Corps cost $29,388 per participant in 2010. However, the IG, GAO, and the Office of Management and Budget note this calculation does not reflect job placement or training completion outcomes and includes students who have dropped out of the program. Based on these factors, the program actually costs $42,952 per participant, one of the

highest participant costs for federal programs. H.R. 803 provides a competitive priority to Job Corps center operators who demonstrate they can reduce program costs, including during times of budgetary shortfalls, and requires operators to detail in their applications how they will reduce costs to save taxpayer dollars.

As a national program, the secretary and departmental employees establish all policies and requirements for Job Corps, resulting in a lack of coordination with state and local workforce initiatives. H.R. 803 provides the governor of the state in which a Job Corps center is located the authority to appoint representatives to the Workforce Council, a two-thirds majority of whom must be from the business community, and requires education and training services to be linked to employment opportunities in in-demand industries.

National activities

The committee believes state and local leaders—not Washington bureaucrats—should be driving policies and programs that best meet their region's needs. To this end, H.R. 803 dramatically reduces the role of the federal government in the nation's workforce investment decisions. The bill eliminates most national activities, choosing to send resources to state and local workforce investment board leaders who know best how to administer employment and training programs to unemployed and underemployed workers. As stated earlier, during his 2012 State of the Union address, President Obama recognized the need to consolidate job training programs and called on Congress to "cut through the maze of confusing [job] training programs" and create "one program" for workers to find the support they need. H.R. 803 moves our country in that direction and helps put Americans back to work. This bill will help ensure we spend less money on red tape and more on training, while also making the system more attuned to the needs of job seekers and employers and heeding the president's call for consolidation.

H.R. 803 requires the Secretary of Labor to provide technical assistance to states that fail to meet performance measurements and establish a system through which states may share information regarding best practices in the operation of workforce investment activities. In addition, the secretary, through grants, contracts, or cooperative agreements, is required to conduct an independent evaluation of the programs and activities under this Act at least once every five years. The secretary must also conduct an impact analysis of the formula grant program by no later than 2015, and then not less than once every four years thereafter. All results of these evaluations must be made public and posted to the department's website.

Administration

Under current law, the secretary must investigate each allegation of violations of the requirements of Title I of WIA. This provision is amended to authorize, but not require investigations of such allegations since it may not be necessary or appropriate to conduct an investigation of each one.

H.R. 803 prohibits funds from being used to pay the salary and bonuses of an individual at a rate in excess of Level II of the Federal Executive Pay Schedule. The bill includes general authority es-

tablishing the Employment and Training Administration (ETA) at the U.S. Department of Labor and requires the assistant secretary to be an individual with substantial experience in workforce development and workforce development management. During markup, the committee adopted an amendment offered by Rep. Martha Roby (R-AL) to prohibit the use of workforce investment funds for lobbying and political activities.

The legislation requires the secretary to submit states' quarterly reports to the House Committee on Education and the Workforce and the Senate Committee on Health, Education, Labor, and Pensions to ensure the committees have sufficient information to evaluate the program.

Current law prohibits use of WIA funds for employment generating activities, economic development activities, and similar activities that are not directly related to training for eligible Title I participants. The bill clarifies this restriction to encourage closer ties between workforce development and economic development activities. The new language will only prohibit such activities if they do not relate to the entry in employment, retention of employment, or increases in earnings.

H.R. 803 provides new waiver authority for the secretary. The Department of Labor will establish an expedited process for extending waivers approved for one state to additional states, provided they meet other requirements. In administering the waiver process it has been found that some waivers to address particular issues appear to be appropriate for all states, but under current authority each state must go through a detailed application process to receive the waiver. This provision will allow the secretary to expedite that process. In addition, the secretary is explicitly prohibited from requiring or imposing new or additional requirements in exchange for providing a waiver to a state.

In addition, H.R. 803 prohibits using funds provided under WIA to establish or operate stand-alone fee-for-service enterprises that compete with private sector employment agencies; this does not include One-Stop centers. Such efforts are contrary to the intent of WIA.

H.R. 803 also includes a provision directing the Office of Management and Budget to identify how many full-time equivalent federal employees worked on or administered the eliminated programs under this Act and, no later than one year after the bill's enactment, to reduce the federal government's workforce by that number.

State unified plan

WIA currently allows states to develop and submit to the appropriate secretaries unified plans for two or more programs that provide, in part, employment and training activities to individuals. H.R. 803 maintains current law and goes a step further in authorizing governors to consolidate those funds into the Workforce Investment Fund for the express purpose of providing greater administrative flexibility and reducing overly burdensome paperwork requirements. The bill requires states that wish to consolidate additional employment and training programs into the Workforce Investment Fund to meet the underlying purpose, intent, requirements, prohibitions, and limitations of any such program. This im-

portant, but voluntary, change further streamlines administrative costs at the state level in those areas, subjecting all state workforce and economic development programs to the same performance and reporting requirements, while still requiring states to meet the goals and requirements of the consolidated programs. During markup, the committee adopted an amendment offered by Rep. Tim Walberg (R-MI) that would allow states to submit unified plans solely to the Secretary of Labor, instead of multiple secretaries, placing the onus on the secretary to navigate the federal bureaucracy.

Mr. Chris Hart, President and CEO of Workforce Florida Inc., discussed the importance of state flexibility during the February 26, 2013 subcommittee hearing entitled, "Putting America Back to Work: Reforming the Nation's Workforce Investment System":

> "The SKILLS Act calls for unified planning and common shared goals, it focuses on performance over process and continuous evaluation of systems and procedures in an effort to become more efficient and effective with each passing year. Florida agrees."

The committee believes states should have the ability to consolidate additional programs not included under H.R. 803. This flexibility ensures taxpayer dollars are not spent maintaining an inefficient bureaucracy, but instead put toward supporting employers and job seekers.

TITLE II—ADULT EDUCATION

The need for an educated populace is critical to success in today's global economy. Individuals without a high school diploma or its equivalent earn roughly half the salary of the average worker. Employers searching for qualified employees over the past decade have noticed an increasing trend in the number of employees lacking the basic skills needed in the workplace. In addition, the number of beginning college students who are required to take basic skills courses in reading and math before moving into the standard college program continues to increase, jeopardizing their success in postsecondary education.

In reauthorizing Title II, the Adult Education and Family Literacy Education Act, of WIA, H.R. 803 places additional emphasis on ensuring states and local providers offer basic skills instruction in reading, writing, English language acquisition, and math, and integrating those services with occupational skills training. Making sure these skills are solidly in place for all students is a priority, whether English learners, high school dropouts who have not mastered these vital skills, or high school graduates who have slipped through the cracks in the education system and need additional instruction in the basics.

Accountability

As discussed above, H.R. 803 requires all adult basic education and literacy programs to meet the same set of core performance measurements outlined for all employment and training activities authorized under this Act. The committee believes individuals receiving services aimed at improving their language and numeracy skills should be able to use these skills in obtaining a regular sec-

ondary school diploma or its recognized equivalent, obtaining full time employment, increasing their average earnings, earning industry-recognized credentials, or enrolling in postsecondary education and training programs.

The bill also provides funds for states to use in offering eligible providers of adult education technical assistance and professional development training on ways to develop, implement, and report measurable progress in achieving the objectives of this title. States are required to include in their plans how they will evaluate and measure annually such effectiveness on a grant-by-grant basis and how they will hold eligible providers accountable for improving the academic achievement of participants in adult education programs. The committee believes cooperation and coordination between state and local providers in offering research-based instruction in reading, writing, English language acquisition, and math will ensure participants reach their goals. States are authorized to use technical assistance, sanctions, and rewards (including allocation of grant funds based on performance and termination of grant funds based on nonperformance) to hold local adult education providers accountable.

Coordination and integration of services

The committee believes it is essential for adult educators to work closely with state workforce investment boards; state agencies of higher education; representatives of business and industry; and immigrant assistance organizations, including community-based and faith based organizations, in providing appropriate skill development programs for eligible adults. H.R. 803 encourages state and local leaders to provide adult education and literacy activities contextually and concurrently with workforce preparation activities and workforce training for a specific occupation or occupational cluster. The integration of literacy and occupational skills training are essential in assisting adults with the transition into postsecondary education and careers.

National leadership activities

The bill authorizes national activities to assist states and local providers in developing valid, measurable, and reliable performance data, and in using such performance information for the improvement of adult education and family literacy education programs. The committee supports the development of model basic and workplace skills education programs, and believes their effective integration with employment services are important components of improving the delivery of adult education programs. H.R. 803 also supports the development of a more efficient delivery system of technology-based, basic skills programs and materials for adult reading, writing, English language acquisition, math, and family literacy education.

The bill eliminates the National Institute of Literacy, described earlier in this report, due to its lack of results, duplication of services, and not receiving funding in the past two fiscal years.

Authorization of appropriations

H.R. 803 authorizes appropriations for Title II at $606,294,933 for fiscal year 2014 and each of the six succeeding fiscal years. This

amount is equal to the appropriated amount for fiscal year 2012 for Title II of WIA.

TITLE III—AMENDMENTS TO THE WAGNER-PEYSER ACT

The Wagner-Peyser Act authorizes the current employment services system and the employment statistics system. Because employment services funding is being consolidated under the Workforce Investment Fund and the employment services functions are being integrated into the One-Stop delivery system, H.R. 803 repeals sections 1 through 14 of the Wagner-Peyser Act. These sections authorize the stand-alone employment services system and the separate Employment Services Statistical Program.

H.R. 803 amends the current employment statistics system authorized under the Wagner-Peyser Act and renames the system the Workforce and Labor Market Information System. The requirement for the secretary to prepare an annual plan for management of the nationwide employment statistics system is eliminated. This plan has not proven useful. In place of the plan requirement is an authorization for the secretary to assist in the development of national electronic tools that may be used to facilitate the delivery of work ready services and provide workforce information to individuals through the One-Stop and other appropriate delivery systems.

The bill eliminates the requirement for the governor to designate a state agency to oversee the labor market information system and gives the governor flexibility to operate the system as appropriate for the state's delivery system. Our rapidly changing economy and labor markets require a new, flexible, demand-driven workforce investment system that is fully aligned with states' economic development strategies. This system, in turn, requires a broader view of workforce, labor market, and economic data and information than the traditional labor market information system of the past. Governors need the flexibility to determine how this function is performed without being bound by outdated institutional arrangements. Through this change, the committee recognizes quality workforce information is more important than ever; it should be utilized as a tool to drive system investments, including types of training needed by individuals to compete in local labor markets, the development of targeted high growth strategies as part of economic development, and use by businesses eager to grow and compete both locally and globally.

Provisions in current law relating to consultations between the secretary and state employment statistics officials is simplified to provide that the secretary, working through the Bureau of Labor Statistics (BLS) and ETA, must regularly consult with representatives from the designated state agencies on strategies for improving the workforce and labor market information system. At least twice each year, the secretary, working through BLS, would conduct formal consultations on BLS programs with representatives, elected by and from state directors affiliated with state entities, from each of the ten Department of Labor regions. This formal consultation and election process is similar to current law.

H.R. 803 eliminates the Employment Service Statistical Program, which reimburses states for providing data for national statistical programs, as it is duplicative of statewide activities currently funded under WIA. The bill also eliminates the 21st Century

Workforce Commission, which issued its final report on the skills needed for the information technology industry sector in the spring of 2000.

TITLE IV—REPEALS AND CONFORMING AMENDMENTS

H.R. 803 eliminates and streamlines 35 ineffective and duplicative programs and creates a new Workforce Investment Fund, a single workforce training program for unemployed and underemployed workers. The reasons for consolidation are outlined earlier in this report. The bill repeals the following programs: WIA Adult Program; WIA Youth Activities; WIA Dislocated Workers; Employment Services (ES)/Wagner-Peyser Funded Activities; Community-Based Job Training Grants; Veterans Workforce Investment Program; National Farmworker Jobs Program—U.S. Department of Labor; Native American Employment and Training; WIA National Emergency Grants; Reintegration of Ex-Offenders; Grants to States for Training for Incarcerated Individuals; YouthBuild; Conservation Activities by Youth Service Organizations (Youth Conservation Corps); 21st Century Workforce Commission; Senior Community Service Employment Program (SCSEP); Women in Apprenticeship and Nontraditional Occupations (WANTO); Projects with Industry; State-Supported Employment Services Program; Migrant and Seasonal Farmworkers Program—U.S. Department of Education; Disabled Veterans' Outreach Program; Local Veterans Employment Representative Program; WIA Pilot and Demonstration Projects; Workforce Innovation Fund; ES Statistical Programs; Green Jobs Act; National Institute for Literacy; Youth Opportunity Job Grants; Recreational Programs; and In-Service Training of Rehabilitation Personnel.

In addition to these programs, the bill amends the Brownfields Job Training Cooperative Agreements (Environmental Workforce Development and Job Training Program) to remove references to training to prohibit the Environmental Protection Agency (EPA) from distributing grants for workforce training efforts that are duplicative of the workforce investment system. H.R. 803 also amends the Supplemental Nutrition Assistance Program's (SNAP) Employment and Training program, the Second Chance Act Prisoner Reentry Initiative, and three Refugee and Entrant Assistance programs to provide such services through the statewide workforce development system authorized under this Act. State and local boards are required to detail in their plans how they will serve the employment and training needs of SNAP recipients, refugees, and ex-offenders.

TITLE V—AMENDMENTS TO THE REHABILITATION ACT OF 1973

The Rehabilitation Act of 1973 is the nation's major program providing comprehensive vocational rehabilitation (VR) services to help persons with disabilities become employable and achieve full integration into society. The primary program within the Act is the state VR program under Title I, which provides formula grant funds to states for VR services to assist persons with significant disabilities to become employed in integrated work settings.

VR Programs

H.R. 803 makes several significant and important changes to the underlying law. In the committee's ongoing effort to address the duplication of federal workforce training programs, the bill eliminates five programs that are ineffective or duplicative of the much larger state grant program, most of which have been proposed for elimination by the Obama Administration.

The In-Service Training of Rehabilitation Personnel program supports state systems of professional development. The program is duplicative of the existing—and larger—training program authorized under Section 302 of the Act, and the requirement that states provide comprehensive professional development as part of their Title I state plans. The administration's fiscal year 2013 budget eliminates funding for this small program. The Department of Education's budget justifications advocated for this elimination "in order to reduce duplication of effort and administrative costs, streamline program administration at the federal and local level, and improve accountability."

The Migrant and Seasonal Farmworkers program provides funding to states to assist individuals with disabilities who are migrant and seasonal farmworkers. The program is duplicative of the main Title I state grant, which provides similar services and serves the same target population. It also contains numerous provisions to ensure that state agencies reach and serve all individuals with disabilities in the state, including minority, unserved, and underserved populations. The administration's fiscal year 2013 budget eliminates funding for this small program. As with the In-Service Training program, the Department of Education is seeking this program's elimination "in order to reduce duplication of effort and administrative costs, streamline program administration at the federal and local level, and improve accountability." The program is also producing poor results. During fiscal year 2009, the 13 states with projects served 189 individuals, placing 126 in employment ($17,460 program cost/per placement). In contrast, states that did not receive dedicated funding served 1,835 migratory workers and placed 1,082 in employment. In FY 2008, the 13 states with projects reported placing 55 percent of those served into employment while states without projects reported placing 58 percent into employment.

The Recreation program provides individuals with disabilities inclusive recreational activities and related experiences. The program did not receive funding in fiscal year 2012 and gave out only 16 new grants in fiscal year 2011. As the administration stated in its fiscal year 2012 budget proposal to eliminate this program, its activities would be more appropriately financed by state and local agencies and the private sector.

The Projects with Industry (PWI) program creates and expands job and career opportunities for individuals with disabilities in the competitive labor market. The program did not receive funding in fiscal year 2012. The committee believes, however, that direct engagement with industry is critical to improving employment opportunities for individuals with disabilities. To that end, H.R. 803 requires states to set aside at least one-half of 1 percent of their Title I state grant funds to award grants to businesses and partnerships between businesses and other entities to provide services similar to

those provided to grantees under the PWI program. Integrating these efforts with the main state program will strengthen partnerships between industry and the statewide VR system.

The Supported Employment State Grant program provides supplemental funding to state VR agencies for providing supported employment services for individuals with the most significant disabilities. The program duplicates the much larger Title I state grant program by providing similar services to the same target population. The administration's fiscal year 2013 budget eliminates funding for this small program. In 2012, the Department of Education stated in its budget justifications, "[B]ecause supported employment is now an integral part of the VR State Grants program, the Administration believes that there is no longer a need for a separate funding stream to ensure the provision of such services." State agencies are spending a growing portion of their main VR program funds to provide supported employment services, demonstrating that the Supported Employment State Grant program has accomplished its goal.

Transition services

H.R. 803 makes significant changes to the underlying law to address the need for improved transition services for youth with disabilities. The Department of Labor's Office of Disability Employment Policy reports that the labor force participation rate for people with disabilities was only 21 percent in January 2013, more than three times lower than the rate for people without disabilities. The committee recognizes the significant need to improve the transition of youth with disabilities from school to postsecondary education and employment.

A 2003 GAO report found poor linkages between schools and youth service providers and a lack of community work experience impedes the successful transition of youth. Without the involvement of agencies that support youth with disabilities, the responsibility for transition is left to special education teachers who may not have the capacity, training, or access to necessary community resources. The involvement of the VR program in transition provides students with disabilities and special education teachers with assistance, training, and access to community resources that can be critical to success. However, many youth with disabilities who are eligible for VR services while in high school do not access them because they lack knowledge of the program or the program does not have the capacity to serve all those who are eligible.

The committee recognizes state vocational rehabilitation agencies currently have an affirmative obligation to provide transition services to students with disabilities as they prepare to leave secondary education. Despite this obligation, the state vocational rehabilitation agencies have not sufficiently addressed this important problem. In response to the 2003 GAO report, the committee developed a bipartisan proposal in the 109th and 110th Congresses to address the transition of students receiving services under the Individuals with Disabilities Education Act (IDEA) to postsecondary education, employment, and independent living. H.R. 803 reflects this longstanding consensus.

To improve planning and coordination, the bill requires states to address the needs of students with disabilities as a part of the com-

prehensive statewide assessment of vocational rehabilitation needs and to describe the methods used to expand and improve services to students with disabilities, including the coordination of services designed to facilitate the transition of such students to postsecondary education or employment. The bill also requires states to set aside at least 10 percent of their formula grants to expand transition services. States will be required to use these targeted funds to carry out programs or activities to improve and expand services that facilitate student transition; improve the achievement of postschool goals; support training and technical assistance to personnel; support outreach activities; and provide vocational guidance, career exploration services, and job search skills to students with disabilities.

Administration

The bill seeks to better align the Department of Education's services to individuals with disabilities by eliminating bureaucratic hurdles to collaboration. The committee believes improved coordination of services will better address the challenges youth with disabilities face when transitioning out of secondary education and lead to better employment and postsecondary outcomes.

H.R. 803 changes the position that heads the Rehabilitation Services Administration (RSA) within the Department of Education from a commissioner appointed by the president and approved by the Senate to a director appointed by the secretary. The committee notes this is a simple and important change to the department's administrative functioning that will help make it operate more effectively and ensure a consistent policy view exists across the department's programs that address the needs of individuals with disabilities.

The Assistant Secretary of Special Education and Rehabilitation Services oversees the Director of the Office of Special Education Programs and the Director of the National Institute on Disability and Rehabilitation Research. The bill places the Rehabilitation Services Administration (RSA) on equal footing with those two important offices, and reaffirms the importance of coordinating federal policy across these three vital offices through the Office of the Assistant Secretary.

Administration after administration has struggled with having two individuals appointed by the president and confirmed by the Senate working within the same office. Providing this clarity will establish a clear sense of purpose to these offices, enabling the department to focus more on providing high-quality services to individuals with disabilities.

In the 112th Congress, Senators Chuck Schumer (D–NY) and Lamar Alexander (R–TN) introduced S. 679, the Presidential Appointment Efficiency and Streamlining Act of 2011. The bill eliminated the requirement of Senate approval of specified presidentially appointed positions in federal agencies and departments to reduce bureaucracy and improve efficiency. The bill as voted out of committee removed the requirement for Senate confirmation of the Commissioner of the RSA, reflecting bipartisan support for this provision. Unfortunately, the provision was removed from S. 679 prior to its approval by the Senate as a result of pressure from interest groups. But Democrats and Republicans agree that the re-

moval of Senate confirmation for the commissioner is a commonsense way to provide better and more efficient services to individuals with disabilities.

Coordination with the Assistive Technology Act

When the Assistive Technology Act of 1998 was last reauthorized in 2004, Congress made a series of significant changes to improve the structure and operation of the program. H.R. 803 ensures state VR programs coordinate and cooperate with the lead agency responsible for assistive technology to guarantee individuals with disabilities have access to assistive technology to improve their educational, employment, or independent living opportunities. In addition, the bill provides state VR programs the option to coordinate their activities with programs authorized under the Assistive Technology Act, including device loan, device demonstration, device reutilization, and alternative financing programs.

Conclusion

The Supporting Knowledge and Investing in Lifelong Skills (SKILLS) Act embodies bold reforms that will better serve unemployed and underemployed workers struggling to succeed in today's challenging economy. The bill eliminates and streamlines 35 ineffective and duplicative workforce development programs, and empowers state and local leaders to assist workers and job seekers through a single, flexible Workforce Investment Fund. The bill also provides governors the opportunity to submit a responsible plan to consolidate additional programs when such measures would better serve workers by creating a more seamless, comprehensive job training system.

Unlike the current system in which only a handful of programs have been evaluated, H.R. 803 establishes common performance measures that will make it easier for the public to learn whether programs are helping workers find a job, and ensures those programs that demonstrate a pattern of failure lose funding. To ensure states and local areas are serving all Americans, including special populations, the bill dedicates a portion of funding to serve those most vulnerable, such as disadvantaged youth and individuals with disabilities.

More money to pay for new workforce programs does not constitute reform; it merely doubles down on the failed policies of the past. H.R. 803 maintains our nation's current fiscal commitment to employment and training assistance—important services that will help close the skills gap—while taking steps to ensure taxpayer dollars are spent more efficiently and effectively, leading to more direct services for workers.

The committee strongly endorses the Supporting Knowledge and Investing in Lifelong Skills (SKILLS) Act, which streamlines the confusing maze of job training programs—a step the president has asked Congress to take; strengthens the role of employers; expands state and local decision-making; ensures additional resources are spent on training; and takes action to help get more Americans back to work.

SECTION-BY-SECTION ANALYSIS

Section 1—Short title

States the short title as the Supporting Knowledge and Investing in Lifelong Skills (SKILLS) Act.

Section 2—Table of contents

Lists the table of contents for the Act.

Section 3—References

References the Workforce Investment Act of 1998.

Section 4—Effective date

Specifies the effective dates of the amendment and programs within the Act.

TITLE I

SUBTITLE A

Section 101—Definitions

Amends Section 101 (29 U.S.C. 2801) by modifying and adding commonly used terms within the Act.

SUBTITLE B

Section 102—Purpose

Amends Section 106 (29 U.S.C. 2811) to reflect the purpose of Title I, Subtitle B—Statewide and Local Workforce Investment Systems.

Section 103—State workforce investment boards

Amends Section 111 (29 U.S.C. 2821) to specify the general requirements for state board membership by removing the mandatory partners and requiring a two-thirds business majority.

Section 104—State plan

Amends Section 112 (29 U.S.C. 2822) to specify the general requirements for plans submitted by state workforce investment boards and amends the state planning cycle from a 5–year to 3–year strategy.

Section 105—Local workforce investment areas

Amends Section 116 (29 U.S.C. 2831) to specify general requirements for designating local workforce areas and removes all grandfathering clauses that allowed areas in existence prior to 1998 to remain.

Section 106—Local workforce investment boards

Amends Section 117 (29 U.S.C. 2832) to specify the general requirements for local board membership by removing the mandated partners and requiring a two-thirds business majority.

Section 107—Local plan

Amends Section 118 (29 U.S.C. 2833) to specify the general requirements for plans submitted by local workforce investment

boards, requires local boards to allocate a percentage of funds to be used on training activities, and amends the local planning cycle from a 5–year to 3–year strategy.

Section 108—Establishment of One-Stop delivery system

Amends Section 121 (29 U.S.C. 2841) to add the Temporary Assistance for Needy Families program as a mandatory partner within the One-Stop delivery system. The section also adds employment and training programs administered by the Commissioner of the Social Security Administration, programs at the Small Business Administration, and programs and literacy services carried out by public libraries as new optional partner programs within the One-Stop delivery system. Moves the creation of the One-Stop delivery system from Section 134 to Section 121, requires state boards to certify One-Stop centers for the purposes of awarding infrastructure funds, and requires One-Stop partners to contribute funds for infrastructure grants.

Section 109—Identification of eligible providers of training services

Amends Section 122 (29 U.S.C. 2842) to allow governors to identify eligible providers of training services and prioritize those that are meeting and exceeding performance outcomes.

Section 110—General authorization

States the heading of Chapter 5 of Subtitle B of Title I as "Employment and Training Activities."

Section 111—State allotments

Amends Section 132 (29 U.S.C. 2862) to establish a comprehensive program of employment and training activities for all individuals ages 16 and older. The section amends the Secretary of Labor's reservations of funds, changes the allotment formula of funds to states, and amends the reallotment provisions.

Section 112—Within state allocations

Amends Section 133 (29 U.S.C. 2863) to specify the amounts reserved under the statewide reservations. The section changes the allotment formula of funds to local areas, amends the reallotment provisions for local areas, and specifies state and local administrative cost limits.

Section 113—Use of funds for employment and training activities

Amends Section 134 (29 U.S.C. 2864) to specify the use of funds for employment and training activities at the state and local levels and removes the current sequencing of services requirements. The section also adds the new statewide grants for individuals with barriers to employment program requirements and requires a priority for placement in private sector jobs.

Section 114—Performance accountability system

Amends Section 136 (29 U.S.C. 2871) to establish a common set of core indicators of performance that all employment and training programs under this Act must adhere to and requires the Secretary of Labor to reduce funds to states that do not meet their performance targets for two consecutive years and governors to reduce

funds to local areas that do not meet their performance targets for three consecutive years. The section also allows states and local boards to implement pay-for-performance strategies.

Section 115—Authorization of appropriations

Amends Section 137 (29 U.S.C. 2872) to authorize appropriations for this Act.

SUBTITLE C

Section 116—Job Corps purposes

Amends Section 141 (29 U.S.C. 2881(1)) to reflect the purpose of the Job Corps program.

Section 117—Job Corps definitions

Amends Section 142 (29 U.S.C. 2882) to modify and add commonly used terms under this subtitle.

Section 118—Individuals eligible for the Job Corps

Amends Section 144 (20 U.S.C. 2884) to include youth up to 24 years of age.

Section 119—Recruitment, screening, selection, and assignment of enrollees

Amends Section 145 (29 U.S.C. 2885) to specify general requirements for selecting enrollees and placing them into centers that offer the type of career and technical education training selected by the individual.

Section 120—Job Corps centers

Amends Section 147 (29 U.S.C. 2887) to specify general requirements to operate a Job Corps center and requires all current grantees to undergo a recompetition.

Section 121—Program activities

Amends Section 148 (29 U.S.C. 2888) to specify general requirements linking education and training to in-demand industries in the state and the attainment of a regular high school diploma.

Section 122—Counseling and job placement

Amends Section 149 (29 U.S.C. 2889) to remove the requirement to provide counseling and job placement services to former enrollees.

Section 123—Support

Amends Section 150 (29 U.S.C. 2890) to change the Secretary of Labor's allowances to graduates to become incentive-based.

Section 124—Operations

Amends Section 151 (29 U.S.C. 2891) to change the heading from "Operating Plan" to "Operations" and adds an administrative cost limit on funds allotted to Job Corps operators.

Section 125—Community participation

Amends Section 153 (29 U.S.C. 2893) to include local workforce investment boards in planning purposes.

Section 126—Workforce councils

Amends Section 154 (29 U.S.C. 2894) to change the heading from "Industry Councils" to "Workforce Councils" and to specify general requirements on council members and require a two-thirds business majority.

Section 127—Technical assistance

Amends Section 156 (29 U.S.C. 2896) by striking the section and inserting requirements for the Secretary of Labor to provide technical assistance and training for the Job Corps program for the purposes of improving program quality.

Section 128—Special provisions

Amends Section 158 (29 U.S.C. 2898) by updating the reference regarding transfers of federal property to chapter 5 of title 40 United States Code.

Section 129—Performance accountability and management

Amends Section 159 (29 U.S.C. 2899) to change the heading from "Management Information" to "Performance Accountability and Management." The section adds new primary indicators of performance and adds performance indicators for recruiters and career transition service providers. The section also requires new transparency and accountability provisions.

SUBTITLE D

Section 130—Technical assistance

Amends Section 170 (29 U.S.C. 2915) by striking the dislocated worker technical assistance provision and specifying requirements for the training of staff to provide rapid response services. The section also establishes a system for coordination of best practices among states.

Section 131—Evaluations

Amends Section 172 (29 U.S.C. 2917) to require the Secretary of Labor to conduct evaluations of programs and activities funded under this Act at least once every five years.

SUBTITLE E

Section 132—Requirements and restrictions

Amends Section 181 (29 U.S.C. 2931) to specify the general requirements on the limitation of funds in the Act.

Section 133—Prompt allocation of funds

Amends Section 182 (29 U.S.C. 2932) to strike the youth provisions.

Section 134—Fiscal controls; sanctions

Amends Section 184(a)(2) (29 U.S.C. 2934(a)(2)) to strike the references to the WIA adult and dislocated worker programs.

Section 135—Reports to Congress

Amends Section 185 (29 U.S.C. 2935) to specify requirements on dissemination of the reports.

Section 136—Administrative provisions

Amends Section 189 (29 U.S.C. 2939) to specify requirements for administrative provisions, changes the program year to October 1, and prohibits the Secretary of Labor from requiring or imposing new or additional requirements in exchange for providing a waiver to a state.

Section 137—State legislative authority

Amends Section 191(a) (29 U.S.C. 2941(a)) to specify requirements consistent with state law.

Section 138—General program requirements

Amends Section 195 (29 U.S.C. 2945) to specify requirements that no funds under this Act shall be used to establish fee-for-service agencies that compete with private sector employment agencies.

Section 139—Federal agency staff

Amends Subtitle E of Title I (29 U.S.C. 2931 et seq.) to add a new Section 196 to specify requirements for the Director of the Office of Management and Budget to identify and reduce the federal workforce by the number of full-time equivalent employees identified as having worked on programs eliminated or consolidated under this Act. The section also adds a new Section 197 to restrict the use of grant funds under this Act from being used for lobbying or political activities.

SUBTITLE F

Section 140—State unified plan

Amends Section 501 (20 U.S.C. 9271) to modify and add programs to be included in the unified plan and authorizes the governor to consolidate funds allotted to the identified programs into the Workforce Investment Fund with the exception of the Carl D. Perkins Career and Technical Education Act of 2006 and the Rehabilitation Act of 1973. The section also specifies that states wishing to consolidate additional employment and training programs into the Workforce Investment Fund must meet the underlying purpose, intent, requirements, prohibitions, and limitations of any such program.

TITLE II

Section 201—Amendment

Amends Title II (29 U.S.C. 2901 et seq.) by reducing the Secretary of Education's set aside to carry out national activities to 2 percent; requires programs and initiatives funded this title to meet the core indicators of performance outlined in Title I of the Work-

force Investment Act; specifies requirements for state agencies under state leadership activities; encourages coordination and integration of education and occupational skills training among programs and agencies to avoid duplication; changes five year strategic plans to three years; specifies requirements for state plans; specifies requirements for local provisions, including requiring measurable goals that demonstrate past effectiveness of providers; repeals the National Institute for Literacy; and specifies requirements for national leadership activities to improve performance on core indicators.

TITLE III

Section 301—Amendments to the Wagner-Peyser Act

Amends the Wagner-Peyser Act (29 U.S.C. 49 et seq.) by striking Sections 1 through 14. The section also amends Section 15 of the Act to require the Secretary of Labor to oversee a nationwide workforce and labor market information system; sets forth provisions with regard to system content, confidentiality of information, system responsibilities, and immunity from legal process; authorizes the Secretary of Labor to assist in the development of national electronic tools to provide services; and requires the Secretary of Labor to consult with representatives of state agencies involved in carrying out workforce information strategies.

TITLE IV

Section 401—Repeals

Repeals Chapter 4 of Subtitle B of Title I, Subtitle C of Title III, and Sections 123, 155, 166, 167, 168, 169, 171, 173, 173A, 174, 192, 194, 502, 503, and 506 of the Workforce Investment Act of 1998; Title V of the Older Americans Act of 1965; Sections 1 through 14 of the Wagner-Peyser Act of 1933; Youth Conservation Corps Act of 1970 (16 U.S.C. 1701 et seq.); Section 821 of the Higher Education Amendments of 1998 (20 U.S.C. 1151); the Women in Apprenticeship and Nontraditional Occupations Act (29 U.S.C. 2501 et seq.); and Sections 4103A and 4104 of title 38, United States Code.

Section 402—Amendment to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980

Amends Section 104(k)(6) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9604) to strike the word "training."

Section 403—Amendments to the Food and Nutrition Act of 2008

Amends the Food and Nutrition Act of 2008 (7 U.S.C. 2012) to specify requirements that employment and training services authorized under Section 134 of the Workforce Investment Act must be made available to eligible recipients of supplemental nutrition assistance program benefits; employment and training services shall be provided through the statewide workforce development system; and the responsibility for monitoring both administration and spending of employment and training services shall be in conjunction with both the Secretary of Agriculture and the Secretary of Labor.

Section 404—Amendments to Section 412 of the Immigration and Nationality Act

Amends the Immigration and Nationality Act (8 U.S.C. 1522(a)) to require employment and training services for refugee and new entrants be provided through the one-stop delivery system under the Workforce Investment Act of 1998.

Section 405—Amendments relating to the Second Chance Act of 2007

Amends the Second Chance Act of 2007 (42 U.S.C.17541) to coordinate and ensure prisoners reentering the workforce are provided employment and training services through the one-stop delivery system under the Workforce Investment Act of 1998.

Section 406—Amendments to the Omnibus Crime Control and Safe Streets Act of 1968

Amends Section 2976 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3797w) to coordinate and ensure offenders upon release from prison, jail, or a juvenile facility are provided employment and training services through the one-stop delivery system under the Workforce Investment Act of 1998.

Section 407—Conforming amendments to the United States Code

Amends the United States Code with conforming and technical changes.

Section 408—Conforming amendments to table of contents

Amends the table of contents in Section 1(b) with conforming and technical changes.

TITLE V

Section 501—Findings

Amends Section 2(a) of the Rehabilitation Act of 1973 (29 U.S.C. 701(a)) to include a finding regarding the need to improve services for students with disabilities under the Act.

Section 502—Rehabilitation services administration

Amends the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) to make the position of Commissioner of the Rehabilitation Services Administration a director appointed by the Secretary of Education and to remove the requirement that the position be confirmed by the Senate; applies this change to directors appointed after the date of enactment of the Act.

Section 503—Definitions

Amends Section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705) to add a new definition for "student with a disability."

Section 504—State plan

Amends Section 101(a) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) to make data reporting consistent with the common performance measures required under Title I of the Workforce Investment Act; to allow consultation and technical assistance between the State Vocational Rehabilitation agency and educational

agencies to occur through alternative means of meeting participation; to require coordination and collaboration with the state agencies implementing the Assistive Technology Act of 1998; to require the statewide assessment of the rehabilitation needs of individuals with disabilities to include students with disabilities and their needs for transition services and to require a statewide assessment of the transition services provided under the Act; to require the development of strategies for improving and expanding Vocational Rehabilitation services for students with disabilities; and to require states to include in their state plans how they will carry out the Collaboration with Industry grant program and transition services for students with disabilities.

Section 505—Scope of services

Amends Section 103 of the Rehabilitation Act of 1973 (29 U.S.C. 723) by specifying the types of transition services to be provided to students with disabilities; to expand the types of services Vocational Rehabilitation agencies may provide to facilitate the transition of groups of students with disabilities from secondary education to postsecondary education or employment; and to allow state Vocational Rehabilitation agencies to develop assistive technology programs coordinated with services provided under the Assistive Technology Act of 1998 for groups of individuals with disabilities.

Section 506—Standards and indicators

Amends Section 106(a) of the Rehabilitation Act of 1973 (29 U.S.C. 726(a)) to require the standards and indicators for Vocational Rehabilitation programs to be consistent with the core indicators of performance under the Workforce Investment Act; and allow the state to develop additional indicators for Vocational Rehabilitation services; and require the director to direct the state to revise its state plan if the state has not met acceptable performance levels.

Section 507—Collaboration with industry

Amends the Rehabilitation Act of 1973 (29 U.S.C. 729) to add a new Section 109A to require states to set aside one-half of 1 percent of their state Vocational Rehabilitation allotments to make grants to facilitate partnerships with private industry to support job training and placement programs.

Section 508—Reservation for expanded transition services

Amends the Rehabilitation Act of 1973 (29 U.S.C. 730) to add a new Section 110A to require states to set aside at least 10 percent of their state Vocational Rehabilitation allotments to provide transition services to students with disabilities.

Section 509—Client assistance program

Amends Section 112(e)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 732(e)(1)) to require the Secretary of Education to make client assistance program grants to the American Indian Consortium consistent with the amounts provided to territories under the program.

Section 510—Title III amendments

Amends Title III of the Rehabilitation Act of 1973 (U.S.C. 771 et seq.) by repealing In-Service Training of Rehabilitation Personnel, Migrant and Seasonal Farmworkers, and Recreational Programs; and amending the Parent Information and Training Program to expand coordination requirements with entities funded under the Individuals with Disabilities Education Act and requiring a reservation of funds for coordination activities.

Section 511—Repeal of title VI

Amends the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) by repealing the Projects with Industry and Supported Employment Services for Individuals with the Most Significant Disabilities programs.

Section 512—Chairperson

Amends Section 705(b)(5) of the Rehabilitation Act of 1973 (29 U.S.C. 796(b)(5)) to clarify that statewide independent living councils are responsible for selecting the chairperson of the council from among the council's voting membership.

Section 513—Authorization of appropriations

Amends the Rehabilitation Act of 1973 (29 U.S.C. 701) to authorize appropriations for this Act.

Section 514—Conforming amendments

Amends Section 1(b) of the Rehabilitation Act of 1973 to update the Act's table of contents.

EXPLANATION OF AMENDMENTS

The amendments, including the amendment in the nature of a substitute, are 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. H.R. 803 streamlines federal workforce development programs, strengthens the employer-driven workforce development system, expands decision-making at the local level, improves accountability and transparency, simplifies reporting requirements, encourages more training to meet in-demand job opportunities, and improves adult education and vocational rehabilitation.

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. This issue is addressed in the CBO letter.

EARMARK STATEMENT

H.R. 803 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of House Rule XXI.

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.

Date: March 6, 2013

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: No. 1 Bill: H.R. 803 Amendment Number:

Disposition: Ordered favorably reported to the House by a roll call vote of 23 yeas and 18 not voting.

Sponsor/Amendment: Mr. Petri - motion to report the bill to the House, as amended.

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mr. KLINE (MN) (Chairman)	x			Mr. MILLER (CA) (Ranking)			x
Mr. PETRI (WI)	x			Mr. ANDREWS (NJ)			x
Mr. McKEON (CA)	x			Mr. SCOTT (VA)			x
Mr. WILSON (SC)	x			Mr. HINOJOSA (TX)			x
Mrs. FOXX (NC)	x			Mrs. McCARTHY (NY)			x
Mr. PRICE (GA)	x			Mr. TIERNEY (MA)			x
Mr. MARCHANT (TX)	x			Mr. HOLT (NJ)			x
Mr. HUNTER (CA)	x			Mrs. DAVIS (CA)			x
Mr. ROE (TN)	x			Mr. GRIJALVA (AZ)			x
Mr. THOMPSON (PA)	x			Mr. BISHOP (NY)			x
Mr. WALBERG (MI)	x			Mr. LOEBSACK (IA)			x
Mr. SALMON (AZ)	x			Mr. COURTNEY (CT)			x
Mr. GUTHRIE (KY)	x			Ms. FUDGE (OH)			x
Mr. DesJARLAIS (TN)	x			Mr. POLIS (CO)			x
Mr. ROKITA (IN)	x			Mr. SABLAN (MP)			x
Mr. BUCSHON (IN)	x			Mr. YARMUTH (KY)			x
Mr. GOWDY (SC)	x			Ms. WILSON (FL)			x
Mr. BARLETTA (PA)	x			Ms. BONAMICI (OR)			x
Mrs. ROBY (AL)	x						
Mr. HECK (NV)	x						
Mrs. BROOKS (IN)	x						
Mr. HUDSON (NC)	x						
Mr. MESSER (IN)	x						

TOTALS: Aye: 23 No: Not Voting: 18

Total: 41 / Quorum: 14 / Report: 21

CORRESPONDENCE

Exchange of letters with the Committee on Agriculture, the Committee on Energy and Commerce, the Committee on the Judiciary, the Committee on Transportation and Infrastructure, and the Committee on Veterans' Affairs.

U.S. House of Representatives
Committee on Agriculture
Washington, DC 20515

March 8, 2013

The Honorable John Kline
Chairman
Committee on Education and the Workforce
2181 Rayburn HOB
Washington, D.C. 20515

Dear Chairman Kline:

Thank you for the opportunity to review the relevant provisions of the text of H.R. 803, the Supporting Knowledge and Investing in Lifelong Skills (SKILLS) Act. As you are aware, the bill was primarily referred to the Committee on Education and the Workforce, while the Agriculture Committee received an additional referral.

I recognize and appreciate your desire to bring this legislation before the House in an expeditious manner and, accordingly, I agree to discharge H.R. 803 from further consideration by the Committee on Agriculture. I do so with the understanding that by discharging the bill, the Committee on Agriculture does not waive any future jurisdictional claim on this or similar matters. Further, the Committee on Agriculture reserves the right to seek the appointment of conferees, if it should become necessary.

I ask that you insert a copy of our exchange of letters into the *Congressional Record* during consideration of this measure on the House floor.

Thank you for your courtesy in this matter and I look forward to continued cooperation between our respective committees.

Sincerely,

Frank D. Lucas

Frank D. Lucas
Chairman

cc: The Honorable John A. Boehner, Speaker
The Honorable Collin C. Peterson
The Honorable George Miller
Mr. Thomas J. Wickham, Parliamentarian

MAJORITY MEMBERS:

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COMMITTEE ON EDUCATION
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HAND-DELIVERED

March 8, 2013

The Honorable Frank Lucas
Chairman
Committee on Agriculture
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your letter regarding the Committee on Agriculture's jurisdictional interest in H.R. 803, the Supporting Knowledge and Investing in Lifelong Skills Act, as amended. I appreciate your willingness to forgo further consideration of H.R. 803 by your committee.

I agree that the Committee on Agriculture has a valid jurisdictional interest in certain provisions of H.R. 803 and that the committee's jurisdiction will not be adversely affected by your decision to forgo further consideration of the bill. Your committee will be appropriately consulted as this or similar legislation moves forward. As you have requested, I will include a copy of your letter and this response in the committee report for H.R. 803 and in the *Congressional Record* during the floor consideration of this bill. As always, thank you for your cooperation.

Sincerely,

John Kline

John Kline
Chairman

CC: The Honorable John Boehner
The Honorable George Miller
The Honorable Collin C. Peterson
Mr. Thomas J. Wickham, Jr., Parliamentarian

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED THIRTEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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Minority (202) 225–3641

March 7, 2013

The Honorable John Kline
Chairman
Committee on Education and the Workforce
2181 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Kline,

I am writing concerning H.R. 803, the "Supporting Knowledge and Investing in Lifelong Skills Act," which was ordered to be reported out of your Committee on March 6, 2013. I wanted to notify you that the Committee on Energy and Commerce will forgo action on H.R. 803 so that it may proceed expeditiously to the House floor for consideration.

This is being done with the understanding that the Committee on Energy and Commerce is not waiving any of its jurisdiction, and the Committee will not in any way be prejudiced with respect to the appointment of conferees or its jurisdictional prerogatives on this or similar legislation.

I would appreciate your response to this letter, confirming this understanding, and ask that a copy of our exchange of letters on this matter be included in the *Congressional Record* during consideration of the H.R. 803 on the House floor.

Sincerely,

Fred Upton
Chairman

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HAND-DELIVERED

March 8, 2013

The Honorable Fred Upton
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your letter regarding the Committee on Energy and Commerce's jurisdictional interest in H.R. 803, the Supporting Knowledge and Investing in Lifelong Skills Act, as amended. I appreciate your willingness to forgo further consideration of H.R. 803 by your committee.

I agree that the Committee on Energy and Commerce has a valid jurisdictional interest in certain provisions of H.R. 803 and that the committee's jurisdiction will not be adversely affected by your decision to forgo further consideration of the bill. Your committee will be appropriately consulted as this or similar legislation moves forward. As you have requested, I will include a copy of your letter and this response in the committee report for H.R. 803 and in the *Congressional Record* during the floor consideration of this bill. As always, thank you for your cooperation.

Sincerely,

John Kline

John Kline
Chairman

CC: The Honorable John Boehner
The Honorable George Miller
The Honorable Henry A. Waxman
Mr. Thomas J. Wickham, Jr., Parliamentarian

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March 7, 2013

HAND-DELIVERED

The Honorable John Kline
Chairman
Committee on Education and the Workforce
2181 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Kline,

I am writing with respect to H.R. 803, the "the Supporting Knowledge and Investing in Lifelong Skills Act," which the Committee on Education and the Workforce reported favorably on March 6, 2013. As a result of your having consulted with us on provisions in H.R. 803 that fall within the Rule X jurisdiction of the Committee on the Judiciary, and your agreement to support mutually-agreeable changes to the legislation, I agree to discharge our Committee from further consideration of this bill so that it may proceed expeditiously to the House floor for consideration.

The Judiciary Committee takes this action with our mutual understanding that by foregoing consideration of H.R. 803 at this time, we do not waive any jurisdiction over subject matter contained in this or similar legislation, and that our Committee will be appropriately consulted and involved as the bill or similar legislation moves forward so that we may address any remaining issues in our jurisdiction. Our Committee also reserves the right to seek appointment of an appropriate number of conferees to any House-Senate conference involving this or similar legislation, and asks that you support any such request.

I would appreciate a response to this letter confirming this understanding with respect to H.R. 803, and would ask that a copy of our exchange of letters on this matter be included in the *Congressional Record* during Floor consideration of H.R. 803.

Sincerely,

Bob Goodlatte

Bob Goodlatte
Chairman

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HAND-DELIVERED

March 7, 2013

The Honorable Bob Goodlatte
Chairman
Committee on the Judiciary
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your letter regarding the Committee on the Judiciary's jurisdictional interest in H.R. 803, the Supporting Knowledge and Investing in Lifelong Skills Act, as amended. I appreciate your willingness to forgo further consideration of H.R. 803 by your committee.

I agree that the Committee on the Judiciary has a valid jurisdictional interest in certain provisions of H.R. 803 and that the committee's jurisdiction will not be adversely affected by your decision to forgo further consideration of the bill. Your committee will be appropriately consulted as this or similar legislation moves forward. As you have requested, I will include a copy of your letter and this response in the committee report for H.R. 803 and in the *Congressional Record* during the floor consideration of this bill. As always, thank you for your cooperation.

Sincerely,

John Kline

John Kline
Chairman

CC: The Honorable John Boehner
The Honorable George Miller
The Honorable John Conyers, Jr.
Mr. Thomas J. Wickham, Jr., Parliamentarian

Committee on Transportation and Infrastructure
U.S. House of Representatives

Bill Shuster
Chairman

Washington, DC 20515

Nick J. Rahall, II
Ranking Member

March 5, 2013

Christopher P. Bertram, Staff Director

James H. Zoia, Democrat Staff Director

The Honorable John Kline
Chairman
Committee on Education and the Workforce
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I write concerning H.R. 803, the Supporting Knowledge and Investing in Lifelong Skills Act. There are certain provisions in the legislation that fall within the Rule X jurisdiction of the Committee on Transportation and Infrastructure.

In order to expedite the House's consideration of H.R. 803, the Committee will forgo action on this bill. However, this is conditional on our mutual understanding that forgoing consideration of the bill does not prejudice the Committee with respect to the appointment of conferees or to any future jurisdictional claim over the subject matters contained in the bill or similar legislation that fall within the Committee's Rule X jurisdiction. I request you urge the Speaker to name members of the Committee to any conference committee named to consider such provisions.

I would appreciate your response to this letter, confirming this understanding, and would request that you insert our exchange of letters on this matter into the committee report on H.R. 803 and the *Congressional Record* during any consideration of this bill on the House floor.

Sincerely,

Bill Shuster

Bill Shuster
Chairman

cc The Honorable John Boehner
The Honorable Nick J. Rahall, II
The Honorable George Miller
Mr. Tom Wickham, Parliamentarian

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HAND-DELIVERED

March 7, 2013

The Honorable Bill Shuster
Chairman
Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your letter regarding the Committee on Transportation and Infrastructure's jurisdictional interest in H.R. 803, the Supporting Knowledge and Investing in Lifelong Skills Act, as amended. I appreciate your willingness to forgo further consideration of H.R. 803 by your committee.

I agree that the Committee on Transportation and Infrastructure has a valid jurisdictional interest in certain provisions of H.R. 803 and that the committee's jurisdiction will not be adversely affected by your decision to forgo further consideration of the bill. Your committee will be appropriately consulted as this or similar legislation moves forward. As you have requested, I will include a copy of your letter and this response in the committee report for H.R. 803 and in the *Congressional Record* during the floor consideration of this bill. As always, thank you for your cooperation.

Sincerely,

John Kline

John Kline
Chairman

CC: The Honorable John Boehner
The Honorable George Miller
The Honorable Nick J. Rahall, II
Mr. Thomas J. Wickham, Jr., Parliamentarian

REPUBLICANS
JEFF MILLER, FLORIDA, CHAIRMAN

DEMOCRATS
MICHAEL H. MICHAUD, MAINE, RANKING

U.S. House of Representatives
COMMITTEE ON VETERANS' AFFAIRS
ONE HUNDRED THIRTEENTH CONGRESS
335 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
http://veterans.house.gov

March 6, 2013

The Honorable John Kline
Chairman
Committee on Education and the Workforce
2181 Rayburn House Office Building
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Kline:

I write to confirm our mutual understanding regarding H.R. 803, as amended, the Supporting Knowledge and Lifelong Skills Act, as amended. This legislation contains subject matter within the jurisdiction of the House Committee on Veterans' Affairs, specifically, programs providing employment-related services and training for veterans contained in Chapter 41 of Title 38 United States Code.

However, to expedite floor consideration of this important legislation, the Committee on Veterans' Affairs waives consideration of provisions under its jurisdiction and its subject matter as it may appear in H.R. 803, as amended.

The House Committee on Veterans' Affairs takes this action only with the understanding that the committee's jurisdictional interests over this and similar legislation are in no way diminished or altered.

The committee also reserves the right to seek appointment to any House-Senate conference on this legislation and requests your support is such a request in made.

Finally, I would appreciate a letter from you confirming our agreement and inclusion of this letter in the Congressional Record during consideration of H.R. 803, as amended, and any bill reflecting a conference bill containing the relevant provisions of H.R. 803 on the House Floor. Thank you for your attention to these matters.

Sincerely,

Jeff Miller
Chairman

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HAND-DELIVERED

March 7, 2013

The Honorable Jeff Miller
Chairman
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your letter regarding the Committee on Veterans' Affairs' jurisdictional interest in H.R. 803, the Supporting Knowledge and Investing in Lifelong Skills Act, as amended. I appreciate your willingness to forgo further consideration of H.R. 803 by your committee.

I agree that the Committee on Veterans' Affairs has a valid jurisdictional interest in certain provisions of H.R. 803 and that the committee's jurisdiction will not be adversely affected by your decision to forgo further consideration of the bill. Your committee will be appropriately consulted as this or similar legislation moves forward. As you have requested, I will include a copy of your letter and this response in the committee report for H.R. 803 and in the *Congressional Record* during the floor consideration of this bill. As always, thank you for your cooperation.

Sincerely,

John Kline

John Kline
Chairman

CC: The Honorable John Boehner
The Honorable George Miller
The Honorable Michael Michaud
Mr. Thomas J. Wickham, Jr., Parliamentarian

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause (3)(c) of House Rule XIII, the goal of H.R. 803 is to reform and improve the federal workforce development systems. The Committee expects the Department of Labor to comply with these provisions and implement the changes to the law in accordance with these stated goals.

DUPLICATION OF FEDERAL PROGRAMS

H.R. 803 streamlines and eliminates 35 duplicative programs, including 26 identified in a 2011 report by the Government Accountability Office.

DISCLOSURE OF DIRECTED RULE MAKINGS

The committee estimates that enacting H.R. 803 does not specifically direct the completion of any specific rule makings within the meaning of 5 U.S.C. 551.

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 CBO COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following estimate for H.R. 803 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 8, 2013.

Hon. JOHN KLINE,
Chairman, Committee on Education and the Workforce,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 803, the Supporting Knowledge and Investing in Lifelong Skills Act.

If you wish further details on this estimate, we will be pleased to provide them. The CB0 staff contacts are Christina Hawley Anthony and David Rafferty.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

H.R. 803—Supporting Knowledge and Investing in Lifelong Skills Act

Summary: H.R. 803 would consolidate job training programs under the Workforce Investment Act of 1998 (WIA) into a single

funding stream. It also would amend the Wagner-Peyser Act, reauthorize adult-education programs, and reauthorize programs under the Rehabilitation Act of 1973 (RA). Those programs, which received discretionary funding of $7 billion and mandatory funding of $3 billion in 2013, provide job training, adult education, and employment service assistance.

Enacting the bill would affect direct spending, but those costs are already assumed to continue in CBO's baseline; therefore, pay-as-you-go procedures do not apply. (Enacting the bill would not affect revenues.)

Implementing the bill would affect discretionary spending. Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 803 would cost $26 billion over the 2014–2018 period.

H.R. 803 would not impose intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 803 is shown in the following table. The costs of this legislation fall within budget function 500 (education, employment, training, and social services).

	By fiscal year, in millions of dollars—					
	2014	2015	2016	2017	2018	2014–2018
CHANGES IN DIRECT SPENDING [a]						
Estimated Budget Authority	0	0	0	0	0	0
Estimated Outlays	0	0	0	0	0	0
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Title I: Amendments to the Workforce Investment Act:						
Authorization Level	6,245	6,245	6,245	6,245	6,245	31,227
Estimated Outlays	531	4,622	5,496	5,746	5,933	22,327
Title II: Adult Education and Family Literacy Education Act:						
Authorization Level	606	606	606	606	606	3,030
Estimated Outlays	18	455	576	606	606	2,260
Title III: Amendments to the Wagner-Peyser Act:						
Authorization Level	63	63	63	63	63	317
Estimated Outlays	29	63	63	63	63	282
Title V: Amendments to the Rehabilitation Act:						
Authorization Level	328	328	328	328	328	1,640
Estimated Outlays	71	260	320	328	328	1,307
Total Changes in Discretionary Spending:						
Authorization Level	7,243	7,243	7,243	7,243	7,243	36,214
Estimated Outlays	649	5,400	6,455	6,743	6,931	26,177

Note: Components may not sum to totals because of rounding.

[a] Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, the cost of extending the grants to provide vocational rehabilitation services is assumed in CBO's current baseline projections and is therefore not included in the costs attributable to the bill. CBO estimates that the cost of extending the state grants through 2022 would result in outlays of about $32 billion.

Basis of estimate: This estimate assumes that H.R. 803 will be enacted near the start of fiscal year 2014, and that the specified authorization amounts will be appropriated for fiscal year 2014 and each subsequent fiscal year. The estimated outlays reflect historical spending patterns for the affected programs.

Direct spending

H.R. 803 would reauthorize mandatory grants to states to provide vocational rehabilitation services. Those grants are currently authorized through fiscal year 2013. H.R. 803 would extend the authorization for the state grants through 2020, which would subse-

quently be extended for one year each under the RA and the General Education Provisions Act. Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, the cost of extending the grants to provide vocational rehabilitation services is assumed in CBO' s current baseline projections and is therefore not included in the costs attributable to the bill. CBO estimates that the cost of extending the state grants through 2022 would result in outlays of about $32 billion.

H.R. 803 would authorize the appropriation of $3.1 billion per year for each of the next eight years, equal to the amount the Congress appropriated in fiscal year 2012. However, funding for the mandatory state grants is determined by a formula in the RA. Funding each year is equal to the previous year's funding level adjusted by the year-over-year change in the consumer price index (CPI) as of October 15 of the second preceding year. Because H.R. 803 would not affect that formula, CBO estimates that the CPI formula would continue to determine the funding level, rather than the stated authorization level. In fiscal year 2014, CBO estimates that state grants under the RA would be funded at $3.3 billion; by 2022, funding for state grants would rise to an estimated $3.9 billion.

Spending subject to appropriation

H.R. 803 would reauthorize and amend the WIA, the Adult Education and Family Literacy Act, provisions of the Wagner-Peyser Act, and the RA. Most of the authorizations for those programs have expired, but are extended through 2013 because the Congress provided funds for those programs for 2013. Under H.R. 803, the authorizations of appropriations for those programs would total about $7.2 billion in 2014.

For ease of comparison to the proposed authorization levels, CBO has shown the most recent level of funding provided by the Congress for each title. Estimated funding for 2013 is based on the amount the Congress provided in the most recent continuing resolution, which expires on March 27, 2013, and is extrapolated for the entire fiscal year. Those estimates do not include any of the effects from the across-the-board cuts mandated in the Budget Control Act of 2011 and specified in the sequestration report issued March 1, 2013, by the Office of Management and Budget.

Title I: Amendments to the Workforce Investment Act. Title I would revise and reauthorize the WIA by consolidating separate grants for adults, dislocated workers, veterans and youth (including Job Corps grants) and some employment service functions currently authorized under the Wagner-Peyser Act into a single funding stream. Those programs, which received approximately $6.3 billion in fiscal year 2013, would be authorized for fiscal years 2014 through 2020. Assuming the appropriation of the authorized amounts, CBO estimates that implementing title I would cost about $22.3 billion over the 2014–2018 period.

Title II: Adult Education and Family Literacy Education Act. Title II would revise and reauthorize the adult education programs in title II of the Workforce Investment Act. The bill would authorize the appropriation of about $600 million for state grants and national activities for each of fiscal years 2014 through 2021, similar to the amount the Congress provided in 2013. (The bill

would repeal authorizing language for the National Institute for Literacy, which has not received an appropriation since fiscal year 2010.) CBO estimates that implementing title II would cost about $2.3 billion over the 2014–2018 period, assuming appropriation of the authorized amounts.

Title III: Amendments to the Wagner-Peyser Act. Title III would reauthorize labor market information functions of the Wagner-Peyser Act and would authorize appropriations for those purposes at $63 million for each of fiscal years 2014 through 2020. (In 2013, an estimated $63 million was appropriated for similar purposes.) CBO estimates that implementing title III would cost $282 million over the 2014–2018 period, assuming appropriation of the authorized amounts.

Title V: Amendments to the Rehabilitation Act. Title V would revise and reauthorize existing discretionary grant programs under the RA. The authorizations for those programs have expired but are extended through 2013 because the Congress appropriated funds for them for 2013. The bill would reauthorize the programs through 2020.

Department of Education Programs. The Department of Education runs a variety of categorical grant and demonstration programs under the RA—primarily aimed at training, employment support for the disabled, independent living, research, and advocacy projects. The bill would authorize the appropriation of $317 million for those programs for each of fiscal years 2014 through 2020, about $30 million less than provided for those programs in fiscal year 2013. (The bill also would repeal the underlying authority for state grants for supported employment, and rehabilitation services for migrant and seasonal farmworkers, for which the Congress provided a total of $30 million in fiscal year 2013.) CBO estimates that implementing those provisions would cost nearly $1.3 billion over the 2014–2018 period, assuming appropriation of the authorized amounts.

National Council on Disability. The Council is responsible for reviewing federal laws and policies affecting individuals with disabilities. The bill would authorize the appropriation of $3 million for the Council for each of fiscal years 2014 through 2020, equal to the estimated amount appropriated for fiscal year 2013. CBO estimates that implementing this provision would cost $15 million over the 2014–2018 period.

Architectural and Transportation Barriers Compliance Board. The Board develops guidelines to ensure access to buildings, transportation vehicles, and telecommunications equipment for individuals with disabilities. The bill would authorize the appropriation of $7 million for the Board for each of fiscal years 2014 through 2020, equal to the estimated amount appropriated for fiscal year 2013. CBO estimates that implementing this provision would cost $35 million over the 2014–2018 period.

Pay-As-You-Go Considerations. None.

Intergovernmental and private-sector impact. H.R. 803 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. By consolidating and repealing grant programs, the bill would decrease the amount of assistance that state, local, and tribal governments receive for employment services, job training, and

adult education and literacy services. Such changes to grant programs are not mandates as defined in UMRA.

Estimate prepared by: Federal costs: Workforce Investment Act and Wagner-Peyser—Christina Hawley Anthony; Adult Education and National Institute for Literacy—Justin Humphrey; Rehabilitation Act—David Rafferty; Impact on State, Local, and Tribal governments: Lisa Ramirez-Branum; Impact on the Private Sector: Vi Nguyen.

Estimate approved by: Holly Harvey, Deputy Assistant Director for Budget Analysis.

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 803. However, clause 3(d)(2)(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):

WORKFORCE INVESTMENT ACT OF 1998

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) * * *

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

[Sec. 1. Short title; table of contents.

[TITLE I—WORKFORCE INVESTMENT SYSTEMS

[Subtitle A—Workforce Investment Definitions

[Sec. 101. Definitions.

[Subtitle B—Statewide and Local Workforce Investment Systems

[Sec. 106. Purpose.

[CHAPTER 1—STATE PROVISIONS

[Sec. 111. State workforce investment boards.
[Sec. 112. State plan.

[CHAPTER 2—LOCAL PROVISIONS

[Sec. 116. Local workforce investment areas.
[Sec. 117. Local workforce investment boards.
[Sec. 118. Local plan.

[CHAPTER 3—WORKFORCE INVESTMENT ACTIVITIES PROVIDERS

[Sec. 121. Establishment of one-stop delivery systems.
[Sec. 122. Identification of eligible providers of training services.
[Sec. 123. Identification of eligible providers of youth activities.

[CHAPTER 4—YOUTH ACTIVITIES

[Sec. 126. General authorization.
[Sec. 127. State allotments.
[Sec. 128. Within State allocations.
[Sec. 129. Use of funds for youth activities.

[CHAPTER 5—ADULT AND DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

[Sec. 131. General authorization.
[Sec. 132. State allotments.
[Sec. 133. Within State allocations.
[Sec. 134. Use of funds for employment and training activities.

[CHAPTER 6—GENERAL PROVISIONS

[Sec. 136. Performance accountability system.
[Sec. 137. Authorization of appropriations.

[Subtitle C—Job Corps

[Sec. 141. Purposes.
[Sec. 142. Definitions.
[Sec. 143. Establishment.
[Sec. 144. Individuals eligible for the Job Corps.
[Sec. 145. Recruitment, screening, selection, and assignment of enrollees.
[Sec. 146. Enrollment.
[Sec. 147. Job Corps centers.
[Sec. 148. Program activities.
[Sec. 149. Counseling and job placement.
[Sec. 150. Support.
[Sec. 151. Operating plan.
[Sec. 152. Standards of conduct.
[Sec. 153. Community participation.
[Sec. 154. Industry councils.
[Sec. 155. Advisory committees.
[Sec. 156. Experimental, research, and demonstration projects.
[Sec. 157. Application of provisions of Federal law.
[Sec. 158. Special provisions.
[Sec. 159. Management information.
[Sec. 160. General provisions.
[Sec. 161. Authorization of appropriations.

[Subtitle D—National Programs

[Sec. 166. Native American programs.
[Sec. 167. Migrant and seasonal farmworker programs.
[Sec. 168. Veterans' workforce investment programs.
[Sec. 169. Youth opportunity grants.
[Sec. 170. Technical assistance.
[Sec. 171. Demonstration, pilot, multiservice, research, and multistate projects.
[Sec. 172. Evaluations.
[Sec. 173. National emergency grants.
[Sec. 173A. YouthBuild program
[Sec. 174. Authorization of appropriations.

[Subtitle E—Administration

[Sec. 181. Requirements and restrictions.
[Sec. 182. Prompt allocation of funds.
[Sec. 183. Monitoring.
[Sec. 184. Fiscal controls; sanctions.
[Sec. 185. Reports; recordkeeping; investigations.
[Sec. 186. Administrative adjudication.
[Sec. 187. Judicial review.
[Sec. 188. Nondiscrimination.
[Sec. 189. Administrative provisions.
[Sec. 190. References.
[Sec. 191. State legislative authority.
[Sec. 192. Workforce flexibility plans.
[Sec. 193. Use of certain real property.
[Sec. 194. Continuation of State activities and policies.
[Sec. 195. General program requirements.

[Subtitle F—Repeals and Conforming Amendments

[Sec. 199. Repeals.
[Sec. 199A. Conforming amendments.

[TITLE II—ADULT EDUCATION AND LITERACY

[Sec. 201. Short title.
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TITLE I—WORKFORCE INVESTMENT SYSTEMS

Subtitle A—Workforce Investment Definitions

SEC. 101. DEFINITIONS.

In this title:

(1) ACCRUED EXPENDITURES.—The term "accrued expenditures" means charges incurred by recipients of funds under this title for a given period requiring the provision of funds for goods or other tangible property received; services performed by employees, contractors, subgrantees, subcontractors, and other payees; and other amounts becoming owed under programs assisted under this title for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments.

(2) ADMINISTRATIVE COSTS.—The term "administrative costs" means expenditures incurred by State and local workforce investment boards, direct recipients (including State grant recipients under subtitle B and recipients of awards under subtitles C and D), local grant recipients, local fiscal agents or local grant subrecipients, and one-stop operators in the performance of administrative functions and in carrying out activities under this title which are not related to the direct provision of workforce investment services (including services to participants and employers). Such costs include both personnel and non-personnel and both direct and indirect.

[(1)**]** *(3)* ADULT.—**[**Except in sections 127 and 132, the**]** *The* term "adult" means an individual who is age 18 or older.

[(2)**]** *(4)* ADULT EDUCATION; ADULT EDUCATION AND LITERACY ACTIVITIES.—The terms "adult education" and "adult education and literacy activities" have the meanings given the terms in section 203.

* * * * * * *

[(3) AREA VOCATIONAL EDUCATION SCHOOL.—The term "area vocational education school" has the meaning given the term "area career and technical education school" in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006.**]**

(5) AREA CAREER AND TECHNICAL EDUCATION SCHOOL.—The term "area career and technical education school" has the meaning given the term in section 3(3) of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302(3)).

[(4)**]** *(6)* BASIC SKILLS DEFICIENT.—The term "basic skills deficient" means, with respect to an individual, that the individual has English reading, writing, or computing skills at or below the 8th grade level *(or such other level as the Governor may establish)* on a generally accepted standardized test or a comparable score on a criterion-referenced test.

[(5)**]** *(7)* CASE MANAGEMENT.—The term "case management" means the provision of a client-centered approach in the delivery of services, designed—

(A) * * *

* * * * * * *

[(6)] *(8)* CHIEF ELECTED OFFICIAL.—The term "chief elected official" means—

(A) * * *

* * * * * * *

[(7)] *(9)* COMMUNITY-BASED ORGANIZATION.—The term "community-based organization" means a private nonprofit organization that is representative of a community or a significant segment of a community and that has demonstrated expertise and effectiveness in the field of workforce investment.

[(8)] *(10)* CUSTOMIZED TRAINING.—The term "customized training" means training—

(A) * * *

* * * * * * *

(C) for which the employer pays for [not less than 50 percent of the cost of the training] *a significant portion of the cost of training, as determined by the local board (or, in the case of an employer in multiple local areas in the State, as determined by the Governor), taking into account the size of the employer and such other factors as the local board determines to be appropriate*.

[(9)] *(11)* DISLOCATED WORKER.—The term "dislocated worker" means an individual who—

(A)(i) * * *

(ii)(I) * * *

(II) has been employed for a duration sufficient to demonstrate, to the appropriate entity at a one-stop center referred to in [section 134(c)] *section 121(e)*, attachment to the workforce, but is not eligible for unemployment compensation due to insufficient earnings or having performed services for an employer that were not covered under a State unemployment compensation law; and

* * * * * * *

(B)(i) * * *

* * * * * * *

(iii) for purposes of eligibility to receive services other than training services described in section [134(d)(4)] *134(c)(4)*, [intensive services described in section 134(d)(3)] *work ready services described in section 117(d)(5)(C)*, or supportive services, is employed at a facility at which the employer has made a general announcement that such facility will close;

(C) was self-employed (including employment as a farmer, a rancher, or a fisherman) but is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters; [or]

(D) is a displaced homemaker[.]*; or*

(E)(i) is the spouse of a member of the Armed Forces on active duty for a period of more than 30 days (as defined in section 101(d)(2) of title 10, United States Code) who has

experienced a loss of employment as a direct result of relocation to accommodate a permanent change in duty station of such member; or

(ii) is the spouse of a member of the Armed Forces on active duty who meets the criteria described in paragraph (12)(B).

[(10)] *(12)* DISPLACED HOMEMAKER.—The term "displaced homemaker" means an individual who has been providing unpaid services to family members in the home and who—

(A)*(i)* has been dependent on the income of another family member but is no longer supported by that income; [and] *or*

(ii) is the spouse of a member of the Armed Forces on active duty for a period of more than 30 days (as defined in section 101(d)(2) of title 10, United States Code) whose family income is significantly reduced because of a deployment (as defined in section 991(b) of title 10, United States Code, or pursuant to paragraph (4) of such section), a call or order to active duty pursuant to a provision of law referred to in section 101(a)(13)(B) of title 10, United States Code, a permanent change of station, or the service-connected (as defined in section 101(16) of title 38, United States Code) death or disability of the member; and

* * * * * * *

[(11)] *(13)* ECONOMIC DEVELOPMENT AGENCIES.—The term "economic development agencies" includes local *or regional* planning and zoning commissions or boards, community development agencies, and other local *or regional* agencies and institutions responsible for regulating, promoting, or assisting in local *or regional* economic development.

* * * * * * *

[(12)] *(14)* ELIGIBLE PROVIDER.—The term "eligible provider", used with respect to—

(A) training services, means a provider who is identified in accordance with [section 122(e)(3)] *section 122*;

[(B) intensive services, means a provider who is identified or awarded a contract as described in section 134(d)(3)(B);]

(B) work ready services, means a provider who is identified or awarded a contract as described in section 117(d)(5)(C); or

[(C) youth activities, means a provider who is awarded a grant or contract in accordance with section 123; or]

[(D)] *(C)* other workforce investment activities, means a public or private entity selected to be responsible for such activities, such as a one-stop operator designated or certified under section 121(d).

[(13) ELIGIBLE YOUTH.—Except as provided in subtitles C and D, the term "eligible youth" means an individual who—

[(A) is not less than age 14 and not more than age 21;

[(B) is a low-income individual; and

[(C) is an individual who is one or more of the following:

[(i) Deficient in basic literacy skills.

[(ii) A school dropout.

[(iii) Homeless, a runaway, or a foster child.

[(iv) Pregnant or a parent.

[(v) An offender.

[(vi) An individual who requires additional assistance to complete an educational program, or to secure and hold employment.]

[(14)] *(15)* EMPLOYMENT AND TRAINING ACTIVITY.—The term "employment and training activity" means an activity described in section 134 that is carried out for an [adult or dislocated worker] *individual*.

[(15)] *(16)* FAMILY.—The term "family" means two or more persons related by blood, marriage, or decree of court, who are living in a single residence, and are included in one or more of the following categories:

(A) * * *

* * * * * * *

[(16)] *(17)* GOVERNOR.—The term "Governor" means the chief executive of a State.

[(17)] *(18)* INDIVIDUAL WITH A DISABILITY.—

(A) * * *

* * * * * * *

[(18)] *(19)* LABOR MARKET AREA.—The term "labor market area" means an economically integrated geographic area within which individuals can reside and find employment within a reasonable distance or can readily change employment without changing their place of residence. Such an area shall be identified in accordance with criteria used by the Bureau of Labor Statistics of the Department of Labor in defining such areas or similar criteria established by a Governor.

[(19)] *(20)* LITERACY.—The term "literacy" has the meaning given the term in section 203.

[(20)] *(21)* LOCAL AREA.—The term "local area" means a local workforce investment area designated under section 116.

[(21)] *(22)* LOCAL BOARD.—The term "local board" means a local workforce investment board established under section 117.

[(22)] *(23)* LOCAL PERFORMANCE MEASURE.—The term "local performance measure" means a performance measure established under section 136(c).

[(23)] *(24)* LOCAL EDUCATIONAL AGENCY.—The term "local educational agency" has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

[(24) LOWER LIVING STANDARD INCOME LEVEL.—The term "lower living standard income level" means that income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary based on the most recent lower living family budget issued by the Secretary.]

(25) LOW-INCOME INDIVIDUAL.—The term "low-income individual" means an individual who—

(A) * * *

(B) received an income, or is a member of a family that received a total family income, for the 6-month period

prior to application for the program involved (exclusive of unemployment compensation, child support payments, payments described in subparagraph (A), and old-age and survivors insurance benefits received under section 202 of the Social Security Act (42 U.S.C. 402)) that, in relation to family size, does not exceed the [higher of—

[(i) the poverty line, for an equivalent period; or

[(ii) 70 percent of the lower living standard income level, for an equivalent period;] *poverty line for an equivalent period;*

* * * * * * *

(D) receives or is eligible to receive free or reduced price lunch under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.);

[(D)] *(E)* qualifies as a homeless individual, as defined in subsections (a) and (c) of section 103 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11302);

[(E)] *(F)* is a foster child on behalf of whom State or local government payments are made; or

[(F)] *(G)* in cases permitted by regulations promulgated by the Secretary of Labor, is an individual with a disability whose own income meets the requirements of a program described in subparagraph (A) or of subparagraph (B), but who is a member of a family whose income does not meet such requirements.

* * * * * * *

(32) OUTLYING AREA.—The term "outlying area" means the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, [the Republic of the Marshall Islands, the Federated States of Micronesia,] and the Republic of Palau.

[(33) OUT-OF-SCHOOL YOUTH.—The term "out-of-school youth" means—

[(A) an eligible youth who is a school dropout; or

[(B) an eligible youth who has received a secondary school diploma or its equivalent but is basic skills deficient, unemployed, or underemployed.]

(33) OUT-OF-SCHOOL YOUTH.—The term "out-of-school youth" means—

(A) an at-risk youth who is a school dropout; or

(B) an at-risk youth who has received a secondary school diploma or its recognized equivalent but is basic skills deficient, unemployed, or underemployed.

* * * * * * *

(38) RAPID RESPONSE ACTIVITY.—The term "rapid response activity" means an activity provided by a State, or by an entity designated by a State, with funds provided by the State under section [134(a)(1)(A)] *134(a)(1)(B)*, in the case of a permanent closure or mass layoff at a plant, facility, or enterprise, or a natural or other disaster, that results in mass job dislocation, in order to assist dislocated workers in obtaining reemployment as soon as possible, with services including—

(A) * * *

* * * * * * *

[(49) VETERAN; RELATED DEFINITION.—

[(A) VETERAN.—The term "veteran" means an individual who served in the active military, naval, or air service, and who was discharged or released from such service under conditions other than dishonorable.

[(B) RECENTLY SEPARATED VETERAN.—The term "recently separated veteran" means any veteran who applies for participation under this title within 48 months after the discharge or release from active military, naval, or air service.

[(50) VOCATIONAL EDUCATION.—The term "vocational education" has the meaning given the term "career and technical education" in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006.]

(49) VETERAN.—The term "veteran" has the same meaning given the term in section 2108(1) of title 5, United States Code.

(50) CAREER AND TECHNICAL EDUCATION.—The term "career and technical education" has the meaning given the term in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302).

(51) WORKFORCE INVESTMENT ACTIVITY.—The term "workforce investment activity" means an employment and training activity[, and a youth activity].

[(52) YOUTH ACTIVITY.—The term "youth activity" means an activity described in section 129 that is carried out for eligible youth (or as described in section 129(c)(5)).

[(53) YOUTH COUNCIL.—The term "youth council" means a council established under section 117(h).]

(52) AT-RISK YOUTH.—Except as provided in subtitle C, the term "at-risk youth" means an individual who—

(A) is not less than age 16 and not more than age 24;

(B) is a low-income individual; and

(C) is an individual who is one or more of the following:

(i) a secondary school dropout;

(ii) a youth in foster care (including youth aging out of foster care);

(iii) a youth offender;

(iv) a youth who is an individual with a disability; or

(v) a migrant youth.

(53) INDUSTRY OR SECTOR PARTNERSHIP.—The term "industry or sector partnership" means a partnership of a State or local board and one or more industries and other entities that have the capability to help the State or local board determine the immediate and long term skilled workforce needs of in-demand industries and other occupations important to the State or local economy, respectively.

(54) INDUSTRY-RECOGNIZED CREDENTIAL.—The term "industry-recognized credential" means a credential that is sought or accepted by companies within the industry sector involved, across multiple States, as recognized, preferred, or required for recruitment, screening, or hiring.

(55) RECOGNIZED POSTSECONDARY CREDENTIAL.—The term "recognized postsecondary credential" means a credential awarded by a training provider or postsecondary educational institution based on completion of all requirements for a program of study, including coursework or tests or other performance evaluations. The term includes an industry-recognized credential, a certificate of completion of an apprenticeship, or an associate or baccalaureate degree.

(56) PAY-FOR-PERFORMANCE CONTRACT STRATEGY.—The term "pay-for-performance contract strategy" means a strategy in which a contract to provide a program of employment and training activities incorporates—

(A) the performance outcome described in subclauses (I) through (IV) of section 136(b)(2)(A)(i);

(B) a fixed amount that will be paid to a provider of such employment and training activities for each program participant who achieves the agreed to levels of performance based upon the outcome measures described in subparagraph (A), within a defined timetable, and may include a bonus payment to such provider which may be used to expand the capacity of such provider;

(C) the ability for a provider to recoup the costs of training a participant who has not met such outcome measures, but for whom the provider is able to demonstrate that such participant gained specific competencies required for education and career advancement that are, where feasible, tied to industry-recognized credentials and related standards, or State licensing requirements; and

(D) the ability for a provider that does not meet the requirements under section 122(a)(2) to participate in such pay-for-performance contract and to not be required to report on the performance and cost information required under section 122(d).

* * * * * * *

Subtitle B—Statewide and Local Workforce Investment Systems

SEC. 106. PURPOSE.

The purpose of this subtitle is to provide workforce investment activities, through statewide and local workforce investment systems, that increase the employment, retention, and earnings of participants, and increase occupational skill attainment by participants, and, as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the Nation. *It is also the purpose of this subtitle to provide workforce investment activities in a manner that enhances employer engagement, promotes customer choices in the selection of training services, and ensures accountability in the use of the taxpayer funds.*

CHAPTER 1—STATE PROVISIONS

SEC. 111. STATE WORKFORCE INVESTMENT BOARDS.

(a) * * *

(b) MEMBERSHIP.—

(1) IN GENERAL.—The State Board shall include—

(A) * * *

[(B) 2 members of each chamber of the State legislature, appointed by the appropriate presiding officers of each such chamber; and]

[(C)] *(B)* representatives appointed by the Governor, who are—

(i) representatives of business in the State, who—

(I) are owners of businesses, chief executives or operating officers of businesses, and other business executives or employers with optimum policymaking or hiring authority, including members of local boards described in [section 117(b)(2)(A)(i)] *section 117(b)(2)(A)*;

[(II) represent businesses with employment opportunities that reflect the employment opportunities of the State; and]

(II) represent businesses, including large and small businesses, with immediate and long-term employment opportunities in in-demand industries and other occupations important to the State economy; and

* * * * * * *

[(iii) representatives of labor organizations, who have been nominated by State labor federations;

[(iv) representatives of individuals and organizations that have experience with respect to youth activities;

[(v) representatives of individuals and organizations that have experience and expertise in the delivery of workforce investment activities, including chief executive officers of community colleges and community-based organizations within the State;

[(vi)(I) the lead State agency officials with responsibility for the programs and activities that are described in section 121(b) and carried out by one-stop partners; and

[(II) in any case in which no lead State agency official has responsibility for such a program, service, or activity, a representative in the State with expertise relating to such program, service, or activity; and

[(vii) such other representatives and State agency officials as the Governor may designate, such as the State agency officials responsible for economic development and juvenile justice programs in the State.]

(iii) a State agency official responsible for economic development; and

(iv) such other representatives and State agency officials as the Governor may designate, including—

(I) members of the State legislature;

(II) representatives of individuals and organizations that have experience with respect to youth activities;

(III) representatives of individuals and organizations that have experience and expertise in the delivery of workforce investment activities, including chief executive officers of community colleges and community-based organizations within the State;

(IV) representatives of the lead State agency officials with responsibility for the programs and activities that are described in section 121(b) and carried out by one-stop partners; or

(V) representatives of veterans service organizations.

* * * * * * *

[(3) MAJORITY.—A majority of the members of the State Board shall be representatives described in paragraph (1)(C)(i).]

(3) MAJORITY.—A ⅔ majority of the members of the board shall be representatives described in paragraph (1)(B)(i).

(c) CHAIRPERSON.—The Governor shall select a chairperson for the State Board from among the representatives described in subsection [(b)(1)(C)(i)] *(b)(1)(B)(i)*.

[(d) FUNCTIONS.—The State Board shall assist the Governor in—

[(1) development of the State plan;

[(2) development and continuous improvement of a statewide system of activities that are funded under this subtitle or carried out through a one-stop delivery system described in section 134(c) that receives funds under this subtitle (referred to in this title as a "statewide workforce investment system"), including—

[(A) development of linkages in order to assure coordination and nonduplication among the programs and activities described in section 121(b); and

[(B) review of local plans;

[(3) commenting at least once annually on the measures taken pursuant to section 113(b)(3) of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C 2323(b)(14));

[(4) designation of local areas as required in section 116;

[(5) development of allocation formulas for the distribution of funds for adult employment and training activities and youth activities to local areas as permitted under sections 128(b)(3)(B) and 133(b)(3)(B);

[(6) development and continuous improvement of comprehensive State performance measures, including State adjusted levels of performance, to assess the effectiveness of the workforce investment activities in the State as required under section 136(b);

[(7) preparation of the annual report to the Secretary described in section 136(d);

[(8) development of the statewide employment statistics system described in section 15(e) of the Wagner-Peyser Act; and

[(9) development of an application for an incentive grant under section 503.

[(e) ALTERNATIVE ENTITY.—

[(1) IN GENERAL.—For purposes of complying with subsections (a), (b), and (c), a State may use any State entity (including a State council, State workforce development board, combination of regional workforce development boards, or similar entity) that—

[(A) was in existence on December 31, 1997;

[(B)(i) was established pursuant to section 122 or title VII of the Job Training Partnership Act, as in effect on December 31, 1997; or

[(ii) is substantially similar to the State board described in subsections (a), (b), and (c); and

[(C) includes representatives of business in the State and representatives of labor organizations in the State.

[(2) REFERENCES.—References in this Act to a State board shall be considered to include such an entity.]

(d) FUNCTIONS.—The State board shall assist the Governor of the State as follows:

(1) STATE PLAN.—Consistent with section 112, develop a State plan.

(2) STATEWIDE WORKFORCE DEVELOPMENT SYSTEM.—Review and develop statewide policies and programs in the State in a manner that supports a comprehensive Statewide workforce development system that will result in meeting the workforce needs of the State and its local areas. Such review shall include determining whether the State should consolidate additional programs into the Workforce Investment Fund in accordance with section 501(e).

(3) WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.—Develop a statewide workforce and labor market information system described in section 15(e) of the Wagner-Peyser Act, which may include using existing information conducted by the State economic development entity or related entity in developing such system.

(4) EMPLOYER ENGAGEMENT.—Develop strategies across local areas that meet the needs of employers and support economic growth in the State by enhancing communication, coordination, and collaboration among employers, economic development entities, and service providers.

(5) DESIGNATION OF LOCAL AREAS.—Designate local areas as required under section 116.

(6) ONE-STOP DELIVERY SYSTEM.—Identify and disseminate information on best practices for effective operation of one-stop centers, including use of innovative business outreach, partnerships, and service delivery strategies.

(7) PROGRAM OVERSIGHT.—Conduct the following program oversight:

(A) Reviewing and approving local plans under section 118.

(B) Ensuring the appropriate use and management of the funds provided for State employment and training activities authorized under section 134.

(C) Preparing an annual report to the Secretary described in section 136(d).

(8) DEVELOPMENT OF PERFORMANCE MEASURES.—Develop and ensure continuous improvement of comprehensive State performance measures, including State adjusted levels of performance, as described under section 136(b).

[(f)] *(e)* CONFLICT OF INTEREST.—A member of a State board may not—

(1) vote *or participate in any action taken* on a matter under consideration by the State board—

(A) * * *

* * * * * * *

(f) STAFF.—The State board may employ staff to assist in carrying out the functions described in subsection (d).

(g) SUNSHINE PROVISION.—The State board shall make available to the public, on a regular basis through *electronic means and* open meetings, information regarding the activities of the State board, including information regarding the State plan prior to submission of the plan, information regarding membership, and, on request, minutes of formal meetings of the State board.

SEC. 112. STATE PLAN.

(a) IN GENERAL.—For a State to be eligible to receive an allotment under section [127 or] 132, or to receive financial assistance under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), the Governor of the State shall submit to the Secretary for consideration by the Secretary, a single State plan (referred to in this title as the "State plan") that outlines a [5-year strategy] *3-year strategy* for the statewide workforce investment system of the State and that meets the requirements of section 111 and this section.

(b) CONTENTS.—The State plan shall include—

(1) * * *

* * * * * * *

[(4) information describing—

[(A) the needs of the State with regard to current and projected employment opportunities, by occupation;

[(B) the job skills necessary to obtain such employment opportunities;

[(C) the skills and economic development needs of the State; and

[(D) the type and availability of workforce investment activities in the State;]

(4) information describing—

(A) the economic conditions in the State;

(B) the immediate and long-term skilled workforce needs of in-demand industries, small businesses, and other occupations important to the State economy;

(C) the knowledge and skills of the workforce in the State; and

(D) workforce development activities (including education and training) in the State;

* * * * * * *

[(7) the detailed plans required under section 8 of the Wagner-Peyser Act (29 U.S.C. 49g);

[(8)(A) a description of the procedures that will be taken by the State to assure coordination of and avoid duplication among—

[(i) workforce investment activities authorized under this title;

[(ii) other activities authorized under this title;

[(iii) programs authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), title II of this Act, title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), and section 6(d)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)(4)), activities authorized under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.), and career and technical education activities at the postsecondary level authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.);

[(iv) work programs authorized under section 6(o) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(o));

[(v) activities authorized under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.);

[(vi) activities authorized under chapter 41 of title 38, United States Code;

[(vii) employment and training activities carried out under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.);

[(viii) activities authorized under the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.);

[(ix) employment and training activities carried out by the Department of Housing and Urban Development; and

[(x) programs authorized under State unemployment compensation laws (in accordance with applicable Federal law); and

[(B) a description of the common data collection and reporting processes used for the programs and activities described in subparagraph (A);]

(7) a description of the State criteria for determining the eligibility of training providers in accordance with section 122, including how the State will take into account the performance of providers and whether the training programs relate to occupations that are in-demand;

(8)(A) a description of the procedures that will be taken by the State to assure coordination of, and avoid duplication among, the programs and activities identified under section 501(b)(2); and

(B) a description of common data collection and reporting processes used for the programs and activities described in subparagraph (A), which are carried out by one-stop partners, including—

(i) assurances that such processes use quarterly wage records for performance measures described in section 136(b)(2)(A) that are applicable to such programs or activities; or

(ii) if such wage records are not being used for the performance measures, an identification of the barriers to

using such wage records and a description of how the State will address such barriers within one year of the approval of the plan;

(9) a description of the process used by the State, consistent with section 111(g), to provide an opportunity for public comment[, including comment by representatives of businesses and representatives of labor organizations,] and input into development of the plan, prior to submission of the plan;

* * * * * * *

(11) assurances that the State will provide, in accordance with section 184 for fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the State through the allotments made [under sections 127 and 132] *under section 132*;

[(12)(A) a description of the methods and factors the State will use in distributing funds to local areas for youth activities and adult employment and training activities under sections 128(b)(3)(B) and 133(b)(3)(B), including—

[(i) a description of how the individuals and entities represented on the State board were involved in determining such methods and factors of distribution; and

[(ii) a description of how the State consulted with chief elected officials in local areas throughout the State in determining such distribution;

[(B) assurances that the funds will be distributed equitably throughout the State, and that no local areas will suffer significant shifts in funding from year to year; and

[(C) a description of the formula prescribed by the Governor pursuant to section 133(b)(2)(B) for the allocation of funds to local areas for dislocated worker employment and training activities;]

[(13)] *(12)* information specifying the actions that constitute a conflict of interest prohibited in the State for purposes of sections [111(f)] *111(e)* and 117(g);

[(14)] *(13)* with respect to the one-stop delivery systems described in section [134(c)] *121(e)* (referred to individually in this title as a "one-stop delivery system"), a description of the strategy of the State for assisting local areas in development and implementation of fully operational one-stop delivery systems in the State;

[(15)] *(14)* a description of the appeals process referred to in section [116(a)(5)] *116(a)(4)*;

[(16)] *(15)* a description of the competitive process to be used by the State to award grants and contracts in the State for activities carried out under this title;

[(17)] *(16)* with respect to the employment and training activities authorized in section 134—

(A) a description of—

(i) * * *

(ii) how the State will provide rapid response activities [to dislocated workers] from funds reserved under section 133(a)(2) for such purposes, including the designation of an identifiable State rapid response dis-

located worker unit to carry out statewide rapid response activities;

(iii) the procedures the local boards in the State will use to identify eligible providers of training services described in section [134(d)(4)] *134(c)(4)* (other than on-the-job training or customized training), as required under section 122; [and]

[(iv) how the State will serve the employment and training needs of dislocated workers (including displaced homemakers), low-income individuals (including recipients of public assistance), individuals training for nontraditional employment, and other individuals with multiple barriers to employment (including older individuals and individuals with disabilities); and]

(iv) how the State will serve the employment and training needs of dislocated workers (including displaced homemakers), low-income individuals (including recipients of public assistance such as supplemental nutrition assistance program benefits pursuant to the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.)), long-term unemployed individuals (including individuals who have exhausted entitlement to State and Federal unemployment compensation), English learners, homeless individuals, individuals training for nontraditional employment, youth (including out-of-school youth and at-risk youth), older workers, ex-offenders, migrant and seasonal farmworkers, refugee and entrants, veterans (including disabled and homeless veterans), and Native Americans; and

(v) how the State will—

(I) consistent with section 188 and Executive Order 13217 (42 U.S.C. 12131 note), serve the employment and training needs of individuals with disabilities; and

(II) consistent with sections 504 and 508 of the Rehabilitation Act of 1973, include the provision of outreach, intake, assessments, and service delivery, the development of performance measures, the training of staff, and other aspects of accessibility to programs and services under this subtitle;

(B) an assurance that veterans will be afforded the employment and training activities by the State, [to the extent practicable] *in accordance with the requirements of the Jobs for Veterans Act (Public Law 107–288) and the amendments made by such Act*; and

[(18) with respect to youth activities authorized in section 129, information—

[(A) describing the State strategy for providing comprehensive services to eligible youth, particularly those eligible youth who are recognized as having significant barriers to employment;

[(B) identifying the criteria to be used by local boards in awarding grants for youth activities, including criteria that the Governor and local boards will use to identify effective

and ineffective youth activities and providers of such activities;

[(C) describing how the State will coordinate the youth activities carried out in the State under section 129 with the services provided by Job Corps centers in the State (where such centers exist); and

[(D) describing how the State will coordinate youth activities described in subparagraph (C) with activities carried out through the youth opportunity grants under section 169.]

(17) a description of the strategies and services that will be used in the State—

(A) to more fully engage employers, including small businesses and employers in in-demand industries and occupations important to the State economy;

(B) to meet the needs of employers in the State; and

(C) to better coordinate workforce development programs with economic development activities;

(18) a description of how the State board will convene (or help to convene) industry or sector partnerships that lead to collaborative planning, resource alignment, and training efforts across multiple firms for a range of workers employed or potentially employed by a targeted industry cluster—

(A) to encourage industry growth and competitiveness and to improve worker training, retention, and advancement in targeted industry clusters;

(B) to address the immediate and long-term skilled workforce needs of in-demand industries and other occupations important to the State economy, and

(C) to address critical skill gaps within and across industries;

(19) a description of how the State will utilize technology to facilitate access to services in remote areas, which may be used throughout the State;

(20) a description of the State strategy and assistance to be provided for encouraging regional cooperation within the State and across State borders, as appropriate;

(21) a description of the actions that will be taken by the State to foster communication, coordination, and partnerships with non-profit organizations (including public libraries, community, faith-based, and philanthropic organizations) that provide employment-related, training, and complementary services, to enhance the quality and comprehensiveness of services available to participants under this title;

(22) a description of the process and methodology for determining—

(A) one-stop partner program contributions for the cost of the infrastructure of one-stop centers under section 121(h)(1); and

(B) the formula for allocating such infrastructure funds to local areas under section 121(h)(3);

(23) a description of the strategies and services that will be used in the State to assist at-risk youth and out-of-school youth in acquiring the education and skills, credentials (including recognized postsecondary credentials and industry-recognized

credentials), and employment experience to succeed in the labor market, including—

(A) training and internships in in-demand industries or occupations important to the State and local economy;

(B) dropout recovery activities that are designed to lead to the attainment of a regular secondary school diploma or its recognized equivalent, or other State recognized equivalent (including recognized alternative standards for individuals with disabilities); and

(C) activities combining remediation of academic skills, work readiness training, and work experience, and including linkages to postsecondary education and training and career-ladder employment; and

(24) a description of—

(A) how the State will furnish employment, training, supportive, and placement services to veterans, including disabled and homeless veterans;

(B) the strategies and services that will be used in the State to assist and expedite reintegration of homeless veterans into the labor force; and

(C) the veteran population to be served in the State.

(c) PLAN SUBMISSION AND APPROVAL.—A State plan submitted to the Secretary under this section by a Governor shall be considered to be approved by the Secretary at the end of the 90-day period beginning on the day the Secretary receives the plan, unless the Secretary makes a written determination, during the 90-day [period, that—]

[(1) the plan is inconsistent with the provisions of this title; or

[(2) in the case of the portion of the plan described in section 8(a) of the Wagner-Peyser Act (29 U.S.C. 49g(a)), the portion does not satisfy the criteria for approval provided in section 8(d) of such Act.] *period, that the plan is inconsistent with the provisions of this title.*

(d) MODIFICATIONS TO PLAN.—A State may submit modifications to a State plan in accordance with the requirements of this section and section 111 as necessary during the [5-year] *3-year* period covered by the plan.

CHAPTER 2—LOCAL PROVISIONS

SEC. 116. LOCAL WORKFORCE INVESTMENT AREAS.

(a) DESIGNATION OF AREAS.—

(1) IN GENERAL.—

(A) PROCESS.—[Except as provided in subsection (b), and consistent with paragraphs (2), (3), and (4), in] *In* order for a State to receive an allotment under section [127 or] 132, the Governor of the State shall designate local workforce investment areas within the State—

(i) * * *

* * * * * * *

[(B) CONSIDERATIONS.—In making the designation of local areas, the Governor shall take into consideration the following:

[(i) Geographic areas served by local educational agencies and intermediate educational agencies.

[(ii) Geographic areas served by postsecondary educational institutions and area vocational education schools.

[(iii) The extent to which such local areas are consistent with labor market areas.

[(iv) The distance that individuals will need to travel to receive services provided in such local areas.

[(v) The resources of such local areas that are available to effectively administer the activities carried out under this subtitle.]

(B) CONSIDERATIONS.—In making the designation of local areas, the Governor shall take into consideration the following:

(i) The extent to which such local areas are consistent with labor market areas.

(ii) The extent to which labor market areas align with economic development regions.

(iii) Whether such local areas have the appropriate education and training providers to meet the needs of the local workforce.

(iv) The distance that individuals will need to travel to receive services provided in such local areas.

[(2) AUTOMATIC DESIGNATION.—The Governor shall approve any request for designation as a local area—

[(A) from any unit of general local government with a population of 500,000 or more;

[(B) of the area served by a rural concentrated employment program grant recipient of demonstrated effectiveness that served as a service delivery area or substate area under the Job Training Partnership Act, if the grant recipient has submitted the request; and

[(C) of an area that served as a service delivery area under section 101(a)(4)(A)(ii) of the Job Training Partnership Act (as in effect on the day before the date of enactment of this Act) in a State that has a population of not more than 1,100,000 and a population density greater than 900 persons per square mile.

[(3) TEMPORARY AND SUBSEQUENT DESIGNATION.—

[(A) CRITERIA.—Notwithstanding paragraph (2)(A), the Governor shall approve any request, made not later than the date of submission of the initial State plan under this subtitle, for temporary designation as a local area from any unit of general local government (including a combination of such units) with a population of 200,000 or more that was a service delivery area under the Job Training Partnership Act on the day before the date of enactment of this Act if the Governor determines that the area—

[(i) performed successfully, in each of the last 2 years prior to the request for which data are available, in the delivery of services to participants under part A of title II and title III of the Job Training Partnership Act (as in effect on such day); and

[(ii) has sustained the fiscal integrity of the funds used by the area to carry out activities under such part and title.

[(B) DURATION AND SUBSEQUENT DESIGNATION.—A temporary designation under this paragraph shall be for a period of not more than 2 years, after which the designation shall be extended until the end of the period covered by the State plan if the Governor determines that, during the temporary designation period, the area substantially met (as defined by the State board) the local performance measures for the local area and sustained the fiscal integrity of the funds used by the area to carry out activities under this subtitle.

[(C) TECHNICAL ASSISTANCE.—The Secretary shall provide the States with technical assistance in making the determinations required by this paragraph. The Secretary shall not issue regulations governing determinations to be made under this paragraph.

[(D) PERFORMED SUCCESSFULLY.—In this paragraph, the term "performed successfully" means that the area involved met or exceeded the performance standards for activities administered in the area that—

[(i) are established by the Secretary for each year and modified by the adjustment methodology of the State (used to account for differences in economic conditions, participant characteristics, and combination of services provided from the combination assumed for purposes of the established standards of the Secretary); and

[(ii)(I) if the area was designated as both a service delivery area and a substate area under the Job Training Partnership Act (as in effect on the day before the date of enactment of this Act)—

[(aa) relate to job retention and earnings, with respect to activities carried out under part A of title II of such Act (as in effect on such day); and

[(bb) relate to entry into employment, with respect to activities carried out under title III of such Act (as in effect on such day);

[(II) if the area was designated only as a service delivery area under such Act (as in effect on such day), relate to the standards described in subclause (I)(aa); or

[(III) if the area was only designated as a substate area under such Act (as in effect on such day), relate to the standards described in subclause (I)(bb).

[(E) SUSTAINED THE FISCAL INTEGRITY.—In this paragraph, the term "sustained the fiscal integrity", used with respect to funds used by a service delivery area or local area, means that the Secretary has not made a final determination during any of the last 3 years for which data are available, prior to the date of the designation request involved, that either the grant recipient or the administrative entity of the area misexpended the funds due to willful disregard of the requirements of the Act involved, gross

negligence, or failure to observe accepted standards of administration.

[(4) DESIGNATION ON RECOMMENDATION OF STATE BOARD.—The Governor may approve a request from any unit of general local government (including a combination of such units) for designation (including temporary designation) as a local area if the State board determines, taking into account the factors described in clauses (i) through (v) of paragraph (1)(B), and recommends to the Governor, that such area should be so designated.]

(2) TECHNICAL ASSISTANCE.—The Secretary shall, if requested by the Governor of a State, provide the State with technical assistance in making the determinations required under paragraph (1). The Secretary shall not issue regulations governing determinations to be made under paragraph (1).

(3) DESIGNATION ON RECOMMENDATION OF STATE BOARD.—The Governor may approve a request from any unit of general local government (including a combination of such units) for designation as a local area under paragraph (1) if the State board determines, taking into account the factors described in clauses (i) through (iv) of paragraph (1)(B), and recommends to the Governor, that such area shall be so designated.

[(5)] *(4)* APPEALS.—A unit of general local government (including a combination of such units) or grant recipient that requests but is not granted designation of an area as a local area under paragraph (2) or (3) may submit an appeal to the State board under an appeal process established in the State plan. If the appeal does not result in such a designation, the Secretary, after receiving a request for review from the unit or grant recipient and on determining that the unit or grant recipient was not accorded procedural rights under the appeal process established in the State plan or that the area meets the requirements of paragraph (2) or (3), as appropriate, may require that the area be designated as a local area under such paragraph.

[(b) SMALL STATES.—The Governor of any State that was a single State service delivery area under the Job Training Partnership Act as of July 1, 1998, may designate the State as a single State local area for the purposes of this title. In the case of such a designation, the Governor shall identify the State as a local area under section 112(b)(5).]

(b) SINGLE STATES.—Consistent with subsection (a)(1)(B), the Governor may designate a State as a single State local area for the purposes of this title.

(c) REGIONAL PLANNING AND COOPERATION.—

(1) PLANNING.—As part of the process for developing the State plan, a State may require regional planning by local boards for a designated region in the State. The State may require the local boards for a designated region to participate in a regional planning process that results in the establishment of regional performance measures for workforce investment activities authorized under this subtitle. The State may award regional incentive grants to the designated regions that meet or exceed the regional performance measures. *The State may require the local boards for the designated region to prepare a*

single regional plan that incorporates the elements of the local plan under section 118 and that is submitted and approved in lieu of separate local plans under such section.

(2) INFORMATION SHARING.—The State may require the local boards for a designated region to share, in feasible cases, [employment statistics] *workforce and labor market information*, information about employment opportunities and trends, and other types of information that would assist in improving the performance of all local areas in the designated region on local performance measures.

* * * * * * *

SEC. 117. LOCAL WORKFORCE INVESTMENT BOARDS.

(a) * * *

(b) MEMBERSHIP.—

(1) * * *

(2) COMPOSITION.—Such criteria shall require, at a minimum, that the membership of each local board—

(A) shall [include—

[(i) representatives] *include representatives* of business in the local area, who—

[(I)] *(i)* are owners of businesses, chief executives or operating officers of businesses, and other business executives or employers with optimum policymaking or hiring authority;

[(II) represent businesses with employment opportunities that reflect the employment opportunities of the local area; and]

(ii) represent businesses, including large and small businesses, with immediate and long-term employment opportunities in in-demand industries and other occupations important to the local economy; and

[(III)] *(iii)* are appointed from among individuals nominated by local business organizations and business trade associations; *and*

[(ii) representatives of local educational entities, including representatives of local educational agencies, local school boards, entities providing adult education and literacy activities, and postsecondary educational institutions (including representatives of community colleges, where such entities exist), selected from among individuals nominated by regional or local educational agencies, institutions, or organizations representing such local educational entities;

[(iii) representatives of labor organizations (for a local area in which employees are represented by labor organizations), nominated by local labor federations, or (for a local area in which no employees are represented by such organizations), other representatives of employees;

[(iv) representatives of community-based organizations (including organizations representing individuals with disabilities and veterans, for a local area in which such organizations are present);

[(v) representatives of economic development agencies, including private sector economic development entities; and

[(vi) representatives of each of the one-stop partners; and]

[(B) may include such other individuals or representatives of entities as the chief elected official in the local area may determine to be appropriate.]

(B) may include such other individuals or representatives of entities as the chief elected official in the local area may determine to be appropriate, including—

(i) a superintendent of the local secondary school system, the president or chief executive officer of a postsecondary educational institution (including a community college, where such an entity exists), or an administrator of local entities providing adult education and literacy activities;

(ii) representatives of community-based organizations (including organizations representing individuals with disabilities and veterans, for a local area in which such organizations are present); or

(iii) representatives of veterans service organizations.

* * * * * * *

(4) MAJORITY.—[A majority] *A ⅔ majority* of the members of the local board shall be representatives described in paragraph [(2)(A)(i)] *(2)(A)*.

(5) CHAIRPERSON.—The local board shall elect a chairperson for the local board from among the representatives described in paragraph [(2)(A)(i)] *(2)(A)*.

(c) APPOINTMENT AND CERTIFICATION OF BOARD.—

(1) APPOINTMENT OF BOARD MEMBERS AND ASSIGNMENT OF RESPONSIBILITIES.—

(A) * * *

* * * * * * *

[(C) CONCENTRATED EMPLOYMENT PROGRAMS.—In the case of a local area designated in accordance with section 116(a)(2)(B), the governing body of the concentrated employment program involved shall act in consultation with the chief elected official in the local area to appoint members of the local board, in accordance with the State criteria established under subsection (b), and to carry out any other responsibility relating to workforce investment activities assigned to such official under this Act.]

* * * * * * *

[(d) FUNCTIONS OF LOCAL BOARD.—The functions of the local board shall include the following:

[(1) LOCAL PLAN.—Consistent with section 118, each local board, in partnership with the chief elected official for the local area involved, shall develop and submit a local plan to the Governor.

[(2) SELECTION OF OPERATORS AND PROVIDERS.—

[(A) SELECTION OF ONE-STOP OPERATORS.—Consistent with section 121(d), the local board, with the agreement of the chief elected official—

[(i) shall designate or certify one-stop operators as described in section 121(d)(2)(A); and

[(ii) may terminate for cause the eligibility of such operators.

[(B) SELECTION OF YOUTH PROVIDERS.—Consistent with section 123, the local board shall identify eligible providers of youth activities in the local area by awarding grants or contracts on a competitive basis, based on the recommendations of the youth council.

[(C) IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.—Consistent with section 122, the local board shall identify eligible providers of training services described in section 134(d)(4) in the local area.

[(D) IDENTIFICATION OF ELIGIBLE PROVIDERS OF INTENSIVE SERVICES.—If the one-stop operator does not provide intensive services in a local area, the local board shall identify eligible providers of intensive services described in section 134(d)(3) in the local area by awarding contracts.

[(3) BUDGET AND ADMINISTRATION.—

[(A) BUDGET.—The local board shall develop a budget for the purpose of carrying out the duties of the local board under this section, subject to the approval of the chief elected official.

[(B) ADMINISTRATION.—

[(i) GRANT RECIPIENT.—

[(I) IN GENERAL.—The chief elected official in a local area shall serve as the local grant recipient for, and shall be liable for any misuse of, the grant funds allocated to the local area under sections 128 and 133, unless the chief elected official reaches an agreement with the Governor for the Governor to act as the local grant recipient and bear such liability.

[(II) DESIGNATION.—In order to assist in the administration of the grant funds, the chief elected official or the Governor, where the Governor serves as the local grant recipient for a local area, may designate an entity to serve as a local grant subrecipient for such funds or as a local fiscal agent. Such designation shall not relieve the chief elected official or the Governor of the liability for any misuse of grant funds as described in subclause (I).

[(III) DISBURSAL.—The local grant recipient or an entity designated under subclause (II) shall disburse such funds for workforce investment activities at the direction of the local board, pursuant to the requirements of this title, if the direction does not violate a provision of this Act. The local grant recipient or entity designated under subclause (II) shall disburse the funds imme-

diately on receiving such direction from the local board.

[(ii) STAFF.—The local board may employ staff.

[(iii) GRANTS AND DONATIONS.—The local board may solicit and accept grants and donations from sources other than Federal funds made available under this Act.

[(4) PROGRAM OVERSIGHT.—The local board, in partnership with the chief elected official, shall conduct oversight with respect to local programs of youth activities authorized under section 129, local employment and training activities authorized under section 134, and the one-stop delivery system in the local area.

[(5) NEGOTIATION OF LOCAL PERFORMANCE MEASURES.—The local board, the chief elected official, and the Governor shall negotiate and reach agreement on local performance measures as described in section 136(c).

[(6) EMPLOYMENT STATISTICS SYSTEM.—The local board shall assist the Governor in developing the statewide employment statistics system described in section 15(e) of the Wagner-Peyser Act.

[(7) EMPLOYER LINKAGES.—The local board shall coordinate the workforce investment activities authorized under this subtitle and carried out in the local area with economic development strategies and develop other employer linkages with such activities.

[(8) CONNECTING, BROKERING, AND COACHING.—The local board shall promote the participation of private sector employers in the statewide workforce investment system and ensure the effective provision, through the system, of connecting, brokering, and coaching activities, through intermediaries such as the one-stop operator in the local area or through other organizations, to assist such employers in meeting hiring needs.]

(d) FUNCTIONS OF LOCAL BOARD.—The functions of the local board shall include the following:

(1) LOCAL PLAN.—Consistent with section 118, each local board, in partnership with the chief elected official for the local area involved, shall develop and submit a local plan to the Governor.

(2) WORKFORCE RESEARCH AND REGIONAL LABOR MARKET ANALYSIS.—

(A) IN GENERAL.—The local board shall—

(i) conduct, and regularly update, an analysis of—

(I) the economic conditions in the local area;

(II) the immediate and long-term skilled workforce needs of in-demand industries and other occupations important to the local economy;

(III) the knowledge and skills of the workforce in the local area; and

(IV) workforce development activities (including education and training) in the local area; and

(ii) assist the Governor in developing the statewide workforce and labor market information system described in section 15(e) of the Wagner-Peyser Act.

(B) EXISTING ANALYSIS.—A local board shall use existing analysis by the local economic development entity or related entity in order to carry out requirements of subparagraph (A)(i).

(3) EMPLOYER ENGAGEMENT.—The local Board shall meet the needs of employers and support economic growth in the local area by enhancing communication, coordination, and collaboration among employers, economic development entities, and service providers.

(4) BUDGET AND ADMINISTRATION.—

(A) BUDGET.—

(i) IN GENERAL.—The local board shall develop a budget for the activities of the local board in the local area, consistent with the requirements of this subsection.

(ii) TRAINING RESERVATION.—In developing a budget under clause (i), the local board shall reserve a percentage of funds to carry out the activities specified in section 134(c)(4). The local board shall use the analysis conducted under paragraph (2)(A)(i) to determine the appropriate percentage of funds to reserve under this clause.

(B) ADMINISTRATION.—

(i) GRANT RECIPIENT.—

(I) IN GENERAL.—The chief elected official in a local area shall serve as the local grant recipient for, and shall be liable for any misuse of, the grant funds allocated to the local area under section 133, unless the chief elected official reaches an agreement with the Governor for the Governor to act as the local grant recipient and bear such liability.

(II) DESIGNATION.—In order to assist in administration of the grant funds, the chief elected official or the Governor, where the Governor serves as the local grant recipient for a local area, may designate an entity to serve as a local grant subrecipient for such funds or as a local fiscal agent. Such designation shall not relieve the chief elected official or the Governor of the liability for any misuse of grant funds as described in subclause (I).

(III) DISBURSAL.—The local grant recipient or an entity designated under subclause (II) shall disburse the grant funds for workforce investment activities at the direction of the local board, pursuant to the requirements of this title. The local grant recipient or entity designated under subclause (II) shall disburse the funds immediately on receiving such direction from the local board.

(ii) STAFF.—The local board may employ staff to assist in carrying out the functions described in this subsection.

(iii) GRANTS AND DONATIONS.—The local board may solicit and accept grants and donations from sources other than Federal funds made available under this Act.

(5) SELECTION OF OPERATORS AND PROVIDERS.—

(A) SELECTION OF ONE-STOP OPERATORS.—Consistent with section 121(d), the local board, with the agreement of the chief elected official—

(i) shall designate or certify one-stop operators as described in section 121(d)(2)(A); and

(ii) may terminate for cause the eligibility of such operators.

(B) IDENTIFICATION OF ELIGIBLE TRAINING SERVICE PROVIDERSConsistent with this subtitle, the local board shall identify eligible providers of training services described in section 134(c)(4) in the local area, annually review the outcome of individual training providers using the criteria under section 122(b)(2), and designate providers in the local area who have demonstrated the highest level of success with respect to such indicators as priority providers for the following program year.

(C) IDENTIFICATION OF ELIGIBLE PROVIDERS OF WORK READY SERVICES.—If the one-stop operator does not provide the services described in section 134(c)(2) in the local area, the local board shall identify eligible providers of such services in the local area by awarding contracts.

(6) PROGRAM OVERSIGHT.—The local board, in partnership with the chief elected official, shall be responsible for—

(A) ensuring the appropriate use and management of the funds provided for local employment and training activities authorized under section 134(b); and

(B) conducting oversight of the one-stop delivery system in the local area authorized under section 121.

(7) NEGOTIATION OF LOCAL PERFORMANCE MEASURES.—The local board, the chief elected official, and the Governor shall negotiate and reach agreement on local performance measures as described in section 136(c).

(8) TECHNOLOGY IMPROVEMENTS.—The local board shall develop strategies for technology improvements to facilitate access to services authorized under this subtitle and carried out in the local area, including in remote areas.

(e) SUNSHINE PROVISION.—The local board shall make available to the public, on a regular basis through *electronic means and* open meetings, information regarding the activities of the local board, including information regarding the local plan prior to submission of the plan, and regarding membership, the designation and certification of one-stop operators, ❚and the award of grants or contracts to eligible providers of youth activities,❚ and on request, minutes of formal meetings of the local board.

(f) LIMITATIONS.—

(1) TRAINING SERVICES.—

(A) IN GENERAL.—Except as provided in subparagraph (B), no local board may provide training services described in ❚section 134(d)(4)❚ *section 134(c)(4).*

* * * * * * *

❚(2) CORE SERVICES; INTENSIVE SERVICES; DESIGNATION OR CERTIFICATION AS ONE-STOP OPERATORS.—A local board may provide core services described in section 134(d)(2) or intensive services described in section 134(d)(3) through a one-stop deliv-

ery system described in section 134(c) or be designated or certified as a one-stop operator only with the agreement of the chief elected official and the Governor.]

(2) WORK READY SERVICES, DESIGNATION, OR CERTIFICATION AS ONE-STOP OPERATORS.—A local board may provide work ready services described in section 134(c)(2) through a one-stop delivery system described in section 121 or be designated or certified as a one-stop operator only with the agreement of the chief elected official and the Governor.

* * * * * * *

(g) CONFLICT OF INTEREST.—A member of a local board may not—

(1) vote *or participate in any action taken* on a matter under consideration by the local board—

(A) * * *

* * * * * * *

[(h) YOUTH COUNCIL.—

[(1) ESTABLISHMENT.—There shall be established, as a subgroup within each local board, a youth council appointed by the local board, in cooperation with the chief elected official for the local area.

[(2) MEMBERSHIP.—The membership of each youth council—

[(A) shall include—

[(i) members of the local board described in subparagraph (A) or (B) of subsection (b)(2) with special interest or expertise in youth policy;

[(ii) representatives of youth service agencies, including juvenile justice and local law enforcement agencies;

[(iii) representatives of local public housing authorities;

[(iv) parents of eligible youth seeking assistance under this subtitle;

[(v) individuals, including former participants, and representatives of organizations, that have experience relating to youth activities; and

[(vi) representatives of the Job Corps, as appropriate; and

[(B) may include such other individuals as the chairperson of the local board, in cooperation with the chief elected official, determines to be appropriate.

[(3) RELATIONSHIP TO LOCAL BOARD.—Members of the youth council who are not members of the local board described in subparagraphs (A) and (B) of subsection (b)(2) shall be voting members of the youth council and nonvoting members of the board.

[(4) DUTIES.—The duties of the youth council include—

[(A) developing the portions of the local plan relating to eligible youth, as determined by the chairperson of the local board;

[(B) subject to the approval of the local board and consistent with section 123—

[(i) recommending eligible providers of youth activities, to be awarded grants or contracts on a competi-

tive basis by the local board to carry out the youth activities; and

[(ii) conducting oversight with respect to the eligible providers of youth activities, in the local area;

[(C) coordinating youth activities authorized under section 129 in the local area; and

[(D) other duties determined to be appropriate by the chairperson of the local board.

[(i) ALTERNATIVE ENTITY.—

[(1) IN GENERAL.—For purposes of complying with subsections (a), (b), and (c), and paragraphs (1) and (2) of subsection (h), a State may use any local entity (including a local council, regional workforce development board, or similar entity) that—

[(A) is established to serve the local area (or the service delivery area that most closely corresponds to the local area);

[(B) is in existence on December 31, 1997;

[(C)(i) is established pursuant to section 102 of the Job Training Partnership Act, as in effect on December 31, 1997; or

[(ii) is substantially similar to the local board described in subsections (a), (b), and (c), and paragraphs (1) and (2) of subsection (h); and

[(D) includes—

[(i) representatives of business in the local area; and

[(ii)(I) representatives of labor organizations (for a local area in which employees are represented by labor organizations), nominated by local labor federations; or

[(II) other representatives of employees in the local area (for a local area in which no employees are represented by such organizations).

[(2) REFERENCES.—References in this Act to a local board or a youth council shall be considered to include such an entity or a subgroup of such an entity, respectively.]

SEC. 118. LOCAL PLAN.

(a) IN GENERAL.—Each local board shall develop and submit to the Governor a comprehensive [5-year] *3-year* local plan (referred to in this title as the "local plan"), in partnership with the appropriate chief elected official. The plan shall be consistent with the State plan.

[(b) CONTENTS.—The local plan shall include—

[(1) an identification of—

[(A) the workforce investment needs of businesses, jobseekers, and workers in the local area;

[(B) the current and projected employment opportunities in the local area; and

[(C) the job skills necessary to obtain such employment opportunities;

[(2) a description of the one-stop delivery system to be established or designated in the local area, including—

[(A) a description of how the local board will ensure the continuous improvement of eligible providers of services through the system and ensure that such providers meet

the employment needs of local employers and participants; and

[(B) a copy of each memorandum of understanding described in section 121(c) (between the local board and each of the one-stop partners) concerning the operation of the one-stop delivery system in the local area;

[(3) a description of the local levels of performance negotiated with the Governor and chief elected official pursuant to section 136(c), to be used to measure the performance of the local area and to be used by the local board for measuring the performance of the local fiscal agent (where appropriate), eligible providers, and the one-stop delivery system, in the local area;

[(4) a description and assessment of the type and availability of adult and dislocated worker employment and training activities in the local area;

[(5) a description of how the local board will coordinate workforce investment activities carried out in the local area with statewide rapid response activities, as appropriate;

[(6) a description and assessment of the type and availability of youth activities in the local area, including an identification of successful providers of such activities;

[(7) a description of the process used by the local board, consistent with subsection (c), to provide an opportunity for public comment, including comment by representatives of businesses and comment by representatives of labor organizations, and input into the development of the local plan, prior to submission of the plan;

[(8) an identification of the entity responsible for the disbursal of grant funds described in section 117(d)(3)(B)(i)(III), as determined by the chief elected official or the Governor under section 117(d)(3)(B)(i);

[(9) a description of the competitive process to be used to award the grants and contracts in the local area for activities carried out under this subtitle; and

[(10) such other information as the Governor may require.]

(b) CONTENTS.—The local plan shall include—

(1) a description of the analysis of the local area's economic and workforce conditions conducted under section 117(d)(2)(A)(i), and an assurance that the local board will use such analysis to carry out the activities under this subtitle;

(2) a description of the one-stop delivery system in the local area, including—

(A) a description of how the local board will ensure—

(i) the continuous improvement of eligible providers of services through the system; and

(ii) that such providers meet the employment needs of local businesses and participants; and

(B) a description of how the local board will facilitate access to services provided through the one-stop delivery system consistent with section 117(d)(8);

(3) a description of the strategies and services that will be used in the local area—

(A) to more fully engage employers, including small businesses and employers in in-demand industries and occupations important to the local economy;

(B) to meet the needs of employers in the local area;

(C) to better coordinate workforce development programs with economic development activities; and

(D) to better coordinate workforce development programs with employment, training, and literacy services carried out by nonprofit organizations, including public libraries, as appropriate;

(4) a description of how the local board will convene (or help to convene) industry or sector partnerships that lead to collaborative planning, resource alignment, and training efforts across multiple firms for a range of workers employed or potentially employed by a targeted industry cluster—

(A) to encourage industry growth and competitiveness and to improve worker training, retention, and advancement in targeted industry clusters;

(B) to address the immediate and long-term skilled workforce needs of in-demand industries, small businesses, and other occupations important to the local economy; and

(C) to address critical skill gaps within and across industries;

(5) a description of how the funds reserved under section 117(d)(4)(A)(ii) will be used to carry out activities described in section 134(c)(4);

(6) a description of how the local board will coordinate workforce investment activities carried out in the local area with statewide activities, as appropriate;

(7) a description of how the local area will—

(A) coordinate activities with the local area's disability community and with services provided under section 614(d)(1)(A)(i)(VIII) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)(1)(A)(i)(VIII)) by local educational agencies serving such local area to make available comprehensive, high-quality services to individuals with disabilities;

(B) consistent with section 188 and Executive Order 13217 (42 U.S.C. 12131 note), serve the employment and training needs of individuals with disabilities; and

(C) consistent with sections 504 and 508 of the Rehabilitation Act of 1973, include the provision of outreach, intake, assessments, and service delivery, the development of performance measures, the training of staff, and other aspects of accessibility to programs and services under this subtitle;

(8) a description of the local levels of performance negotiated with the Governor and chief elected official pursuant to section 136(c), to be—

(A) used to measure the performance of the local area; and

(B) used by the local board for measuring performance of the local fiscal agent (where appropriate), eligible providers, and the one-stop delivery system, in the local area;

(9) a description of the process used by the local board, consistent with subsection (c), to provide an opportunity for public comment prior to submission of the plan;

(10) a description of how the local area will serve the employment and training needs of dislocated workers (including displaced homemakers), low-income individuals (including recipients of public assistance such as the Supplemental Nutrition Assistance Program), long-term unemployed individuals (including individuals who have exhausted entitlement to State and Federal unemployment compensation), English learners, homeless individuals, individuals training for nontraditional employment, youth (including out-of-school youth and at-risk youth), older workers, ex-offenders, migrant and seasonal farmworkers, refugee and entrants, veterans (including disabled veterans and homeless veterans), and Native Americans;

(11) an identification of the entity responsible for the disbursal of grant funds described in subclause (III) of section 117(d)(4)(B)(i), as determined by the chief elected official or the Governor under such section;

(12) a description of the strategies and services that will be used in the local area to assist at-risk youth and out-of-school youth in acquiring the education and skills, credentials (including recognized postsecondary credentials and industry-recognized credentials), and employment experience to succeed in the labor market, including—

(A) training and internships in in-demand industries or occupations important to the local economy;

(B) dropout recovery activities that are designed to lead to the attainment of a regular secondary school diploma or its recognized equivalent, or other State recognized equivalent (including recognized alternative standards for individuals with disabilities); and

(C) activities combining remediation of academic skills, work readiness training, and work experience, and including linkages to postsecondary education and training and career-ladder employment;

(13) a description of—

(A) how the local area will furnish employment, training, supportive, and placement services to veterans, including disabled and homeless veterans;

(B) the strategies and services that will be used in the local area to assist and expedite reintegration of homeless veterans into the labor force; and

(C) the veteran population to be served in the local area;

(14) a description of—

(A) the duties assigned to the veteran employment specialist consistent with the requirements of section 134(f);

(B) the manner in which the veteran employment specialist is integrated into the One-Stop Career System described in section 121;

(C) the date on which the veteran employment specialist was assigned; and

(D) whether the veteran employment specialist has satisfactorily competed such training by the National Veterans' Employment and Training Services Institute; and

(15) such other information as the Governor may require.

(c) PROCESS.—Prior to the date on which the local board submits a local plan under this section, the local board shall—

(1) make available copies of a proposed local plan to the public through [such means] *electronic means such* as public hearings and local news media;

(2) allow members of the local board and members of the public[, including representatives of business and representatives of labor organizations,] to submit comments on the proposed local plan to the local board, not later than the end of the 30-day period beginning on the date on which the proposed local plan is made available; and

* * * * * * *

CHAPTER 3—WORKFORCE INVESTMENT ACTIVITIES PROVIDERS

SEC. 121. ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEMS.

(a) * * *

(b) ONE-STOP PARTNERS.—

(1) REQUIRED PARTNERS.—

[(A) IN GENERAL.—Each entity that carries out a program or activities described in subparagraph (B) shall—

[(i) make available to participants, through a one-stop delivery system, the services described in section 134(d)(2) that are applicable to such program or activities; and

[(ii) participate in the operation of such system consistent with the terms of the memorandum described in subsection (c), and with the requirements of the Federal law in which the program or activities are authorized.]

(A) ROLES AND RESPONSIBILITIES OF ONE-STOP PARTNERS.—Each entity that carries out a program or activities described in subparagraph (B) shall—

(i) provide access through the one-stop delivery system to the program and activities carried out by the entity, including making the work ready services described in section 134(c)(2) that are applicable to the program of the entity available at one-stop centers (in addition to any other appropriate locations);

(ii) use a portion of the funds available to the program of the entity to maintain the one-stop delivery system, including payment of the infrastructure costs of one-stop centers in accordance with subsection (h);

(iii) enter into a local memorandum of understanding with the local board relating to the operation of the one-stop delivery system that meets the requirements of subsection (c); and

(iv) participate in the operation of the one-stop delivery system consistent with the terms of the memorandum of understanding, the requirements of this title, and the requirements of the Federal laws authorizing the programs carried out by the entity.

(B) PROGRAMS AND ACTIVITIES.—The programs and activities referred to in subparagraph (A) consist of—

(i) * * *

[(ii) programs authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.);]

[(iii)] *(ii)* adult education and literacy activities authorized under title II;

[(iv)] *(iii)* programs authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.) (other than part C of title I of such Act and subject to subsection (f));

[(v) programs authorized under section 403(a)(5) of the Social Security Act (42 U.S.C. 603(a)(5)) (as added by section 5001 of the Balanced Budget Act of 1997);

[(vi) activities authorized under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.);]

[(vii)] *(iv)* career and technical education activities at the postsecondary level authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.);

[(viii)] *(v)* activities authorized under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.);

[(ix)] *(vi)* activities authorized under chapter 41 of title 38, United States Code;

[(x)] *(vii)* employment and training activities carried out under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.);

[(xi)] *(viii)* employment and training activities carried out by the Department of Housing and Urban Development; [and]

[(xii)] *(ix)* programs authorized under State unemployment compensation laws (in accordance with applicable Federal law)[.]*; and*

(x) subject to subparagraph (C), programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

(C) DETERMINATION BY THE GOVERNOR.—Each entity carrying out a program described in subparagraph (B)(x) shall carry out the required partner activities described in subparagraph (A) unless the Governor of the State in which the local area is located provides the Secretary and Secretary of Health and Human Services written notice of a determination by the Governor that such entities shall not carry out such required partner activities.

(2) ADDITIONAL PARTNERS.—

(A) IN GENERAL.—In addition to the entities described in paragraph (1), other entities that carry out a human resource program described in subparagraph (B) may—

(i) make available to participants, through the one-stop delivery system, the services described in [section 134(d)(2)] *section 134(c)(2)* that are applicable to such program; and

* * * * * * *

(B) PROGRAMS.—The programs referred to in subparagraph (A) may include—

[(i) programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

[(ii) programs authorized under section 6(d)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)(4));]

[(iii)] *(i)* work programs authorized under section 6(o) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(o));

[(iv)] *(ii)* programs authorized under the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.); [and]

[(v) other appropriate Federal, State, or local programs, including programs in the private sector.]

(iii) employment and training programs administered by the Commissioner of the Social Security Administration;

(iv) employment and training programs carried out by the Administrator of the Small Business Administration;

(v) employment, training, and literacy services carried out by public libraries; and

(vi) other appropriate Federal, State, or local programs, including programs in the private sector.

* * * * * * *

(c) MEMORANDUM OF UNDERSTANDING.—

(1) * * *

(2) CONTENTS.—Each memorandum of understanding shall contain—

[(A) provisions describing—

[(i) the services to be provided through the one-stop delivery system;

[(ii) how the costs of such services and the operating costs of the system will be funded;

[(iii) methods for referral of individuals between the one-stop operator and the one-stop partners, for the appropriate services and activities; and

[(iv) the duration of the memorandum and the procedures for amending the memorandum during the term of the memorandum; and]

(A) provisions describing—

(i) the services to be provided through the one-stop delivery system consistent with the requirements of this section, including the manner in which the services will be coordinated through such system;

(ii) how the costs of such services and the operating costs of such system will be funded, through cash and in-kind contributions, to provide a stable and equitable funding stream for ongoing one-stop system operations, including the funding of the infrastructure costs of one-stop centers in accordance with subsection (h);

(iii) methods of referral of individuals between the one-stop operator and the one-stop partners for appro-

priate services and activities, including referrals for nontraditional employment; and

(iv) the duration of the memorandum of understanding and the procedures for amending the memorandum during the term of the memorandum, and assurances that such memorandum shall be reviewed not less than once every 3-year period to ensure appropriate funding and delivery of services; and

* * * * * * *

(d) ONE-STOP OPERATORS.—

(1) [DESIGNATION AND CERTIFICATION] *LOCAL DESIGNATION AND CERTIFICATION*.—Consistent with paragraphs (2) and (3), the local board, with the agreement of the chief elected official, is authorized to designate or certify one-stop operators and to terminate for cause the eligibility of such operators.

(2) ELIGIBILITY.—To be eligible to receive funds made available under this subtitle to operate a one-stop center referred to in [section 134(c)] *subsection (e)*, an entity (which may be a consortium of entities)—

[(A) shall be designated or certified as a one-stop operator—

[(i) through a competitive process; or

[(ii) in accordance with an agreement reached between the local board and a consortium of entities that, at a minimum, includes 3 or more of the one-stop partners described in subsection (b)(1); and]

(A) shall be designated or certified as a one-stop operator through a competitive process; and

(B) may be a public or private entity, or consortium of entities, of demonstrated effectiveness, located in the local area, which may include—

(i) * * *

[(ii) an employment service agency established under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), on behalf of the local office of the agency;]

[(iii)] *(ii)* a private, nonprofit organization (including a community-based organization);

[(iv)] *(iii)* a private for-profit entity;

[(v)] *(iv)* a government agency; and

[(vi)] *(v)* another interested organization or entity, which may include a local chamber of commerce or other business organization.

(3) EXCEPTION.—Elementary schools and secondary schools shall not be eligible for designation or certification as one-stop operators, except that nontraditional public secondary schools and area [vocational] *career and technical* education schools shall be eligible for such designation or certification.

[(e) ESTABLISHED ONE-STOP DELIVERY SYSTEM.—If a one-stop delivery system has been established in a local area prior to the date of enactment of this Act, the local board, the chief elected official, and the Governor involved may agree to certify an entity carrying out activities through the system as a one-stop operator for purposes of subsection (d), consistent with the requirements of subsection (b), of the memorandum of understanding, and of section 134(c).]

(e) ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEM.—

(1) IN GENERAL.—There shall be established in a State that receives an allotment under section 132(b) a one-stop delivery system, which shall—

(A) provide the work ready services described in section 134(c)(2);

(B) provide access to training services as described in section 134(c)(4), including serving as the point of access to career enhancement accounts for training services to participants in accordance with paragraph (4)(F) of such section;

(C) provide access to the activities carried out under section 134(d), if any;

(D) provide access to programs and activities carried out by one-stop partners that are described in subsection (b) of this section; and

(E) provide access to the information described in section 15(e) of the Wagner-Peyser Act (29 U.S.C. 49l–2(e)).

(2) ONE-STOP DELIVERY.—At a minimum, the one-stop delivery system—

(A) shall make each of the programs, services, and activities described in paragraph (1) accessible at not less than one physical center in each local area of the State; and

(B) may also make programs, services, and activities described in paragraph (1) available—

(i) through a network of affiliated sites that can provide one or more of the programs, services, and activities to individuals; and

(ii) through a network of eligible one-stop partners—

(I) in which each partner provides one or more of the programs, services, and activities to such individuals and is accessible at an affiliated site that consists of a physical location or an electronically- or technologically-linked access point; and

(II) that assures individuals that information on the availability of the work ready services will be available regardless of where the individuals initially enter the statewide workforce investment system, including information made available through an access point described in subclause (I).

(3) SPECIALIZED CENTERS.—The centers and sites described in paragraph (2) may have a specialization in addressing special needs.

* * * * * * *

(g) CERTIFICATION OF ONE-STOP CENTERS.—

(1) IN GENERAL.—

(A) IN GENERAL.—The State board shall establish objective procedures and criteria for certifying, at least once every 3 years, one-stop centers for the purpose of awarding the one-stop infrastructure funding described in subsection (h).

(B) CRITERIA.—The criteria for certification under this subsection shall include—

(i) meeting all of the expected levels of performance for each of the core indicators of performance as outlined in the State plan under section 112;

(ii) meeting minimum standards relating to the scope and degree of service integration achieved by the centers involving the programs provided by the one-stop partners; and

(iii) meeting minimum standards relating to how the centers ensure that eligible providers meet the employment needs of local employers and participants.

(C) EFFECT OF CERTIFICATION.—One-stop centers certified under this subsection shall be eligible to receive the infrastructure grants authorized under subsection (h).

(2) LOCAL BOARDS.—Consistent with the criteria developed by the State, the local board may develop additional criteria of higher standards to respond to local labor market and demographic conditions and trends.

(h) ONE-STOP INFRASTRUCTURE FUNDING.—

(1) PARTNER CONTRIBUTIONS.—

(A) PROVISION OF FUNDS.—Notwithstanding any other provision of law, as determined under subparagraph (B), a portion of the Federal funds provided to the State and areas within the State under the Federal laws authorizing the one-stop partner programs described in subsection (b)(1)(B) and participating additional partner programs described in (b)(2)(B) for a fiscal year shall be provided to the Governor by such programs to carry out this subsection.

(B) DETERMINATION OF GOVERNOR.—

(i) IN GENERAL.—Subject to subparagraph (C), the Governor, in consultation with the State board, shall determine the portion of funds to be provided under subparagraph (A) by each one-stop partner and in making such determination shall consider the proportionate use of the one-stop centers by each partner, the costs of administration for purposes not related to one-stop centers for each partner, and other relevant factors described in paragraph (3).

(ii) SPECIAL RULE.—In those States where the State constitution places policy-making authority that is independent of the authority of the Governor in an entity or official with respect to the funds provided for adult education and literacy activities authorized under title II of this Act and for postsecondary career education activities authorized under the Carl D. Perkins Career and Technical Education Act, the determination described in clause (i) with respect to such programs shall be made by the Governor with the appropriate entity or official with such independent policy-making authority.

(iii) APPEAL BY ONE-STOP PARTNERS.—The Governor shall establish a procedure for the one-stop partner administering a program described in subsection (b) to appeal a determination regarding the portion of funds to be contributed under this paragraph on the basis that such determination is inconsistent with the cri-

teria described in the State plan or with the requirements of this paragraph. Such procedure shall ensure prompt resolution of the appeal.

(C) LIMITATIONS.—

(i) PROVISION FROM ADMINISTRATIVE FUNDS.—The funds provided under this paragraph by each one-stop partner shall be provided only from funds available for the costs of administration under the program administered by such partner, and shall be subject to the limitations with respect to the portion of funds under such programs that may be used for administration.

(ii) FEDERAL DIRECT SPENDING PROGRAMS.—Programs that are Federal direct spending under section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(8)) shall not, for purposes of this paragraph, be required to provide an amount in excess of the amount determined to be equivalent to the proportionate use of the one-stop centers by such programs in the State.

(2) ALLOCATION BY GOVERNOR.—From the funds provided under paragraph (1), the Governor shall allocate funds to local areas in accordance with the formula established under paragraph (3) for the purposes of assisting in paying the costs of the infrastructure of one-stop centers certified under subsection (g).

(3) ALLOCATION FORMULA.—The State board shall develop a formula to be used by the Governor to allocate the funds described in paragraph (1). The formula shall include such factors as the State board determines are appropriate, which may include factors such as the number of centers in the local area that have been certified, the population served by such centers, and the performance of such centers.

(4) COSTS OF INFRASTRUCTURE.—For purposes of this subsection, the term "costs of infrastructure" means the nonpersonnel costs that are necessary for the general operation of a one-stop center, including the rental costs of the facilities, the costs of utilities and maintenance, and equipment (including assistive technology for individuals with disabilities).

(i) OTHER FUNDS.—

(1) IN GENERAL.—In addition to the funds provided to carry out subsection (h), a portion of funds made available under Federal law authorizing the one-stop partner programs described in subsection (b)(1)(B) and participating additional partner programs described in subsection (b)(2)(B), or the noncash resources available under such programs shall be used to pay the costs relating to the operation of the one-stop delivery system that are not paid for from the funds provided under subsection (h), to the extent not inconsistent with the Federal law involved including—

(A) infrastructure costs that are in excess of the funds provided under subsection (h);

(B) common costs that are in addition to the costs of infrastructure; and

(C) the costs of the provision of work ready services applicable to each program.

(2) DETERMINATION AND GUIDANCE.—The method for determining the appropriate portion of funds and noncash resources to be provided by each program under paragraph (1) shall be determined as part of the memorandum of understanding under subsection (c). The State board shall provide guidance to facilitate the determination of appropriate allocation of the funds and noncash resources in local areas.

[SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.

[(a) ELIGIBILITY REQUIREMENTS.—

[(1) IN GENERAL.—Except as provided in subsection (h), to be identified as an eligible provider of training services described in section 134(d)(4) (referred to in this section as "training services") in a local area and to be eligible to receive funds made available under section 133(b) for the provision of training services, a provider of such services shall meet the requirements of this section.

[(2) PROVIDERS.—Subject to the provisions of this section, to be eligible to receive the funds, the provider shall be—

[(A) a postsecondary educational institution that—

[(i) is eligible to receive Federal funds under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and

[(ii) provides a program that leads to an associate degree, baccalaureate degree, or certificate;

[(B) an entity that carries out programs under the Act of August 16, 1937 (commonly known as the "National Apprenticeship Act"; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.); or

[(C) another public or private provider of a program of training services.

[(b) INITIAL ELIGIBILITY DETERMINATION.—

[(1) POSTSECONDARY EDUCATIONAL INSTITUTIONS AND ENTITIES CARRYING OUT APPRENTICESHIP PROGRAMS.—To be initially eligible to receive funds as described in subsection (a) to carry out a program described in subparagraph (A) or (B) of subsection (a)(2), a provider described in subparagraph (A) or (B), respectively, of subsection (a)(2) shall submit an application, to the local board for the local area in which the provider desires to provide training services, at such time, in such manner, and containing such information as the local board may require.

[(2) OTHER ELIGIBLE PROVIDERS.—

[(A) PROCEDURE.—Each Governor of a State shall establish a procedure for use by local boards in the State in determining the initial eligibility of a provider described in subsection (a)(2)(C) to receive funds as described in subsection (a) for a program of training services, including the initial eligibility of—

[(i) a postsecondary educational institution to receive such funds for a program not described in subsection (a)(2)(A); and

[(ii) a provider described in subsection (a)(2)(B) to receive such funds for a program not described in subsection (a)(2)(B).

[(B) RECOMMENDATIONS.—In developing such procedure, the Governor shall solicit and take into consideration the recommendations of local boards and providers of training services within the State.

[(C) OPPORTUNITY TO SUBMIT COMMENTS.—The Governor shall provide an opportunity, during the development of the procedure, for interested members of the public, including representatives of business and labor organizations, to submit comments on such procedure.

[(D) REQUIREMENTS.—In establishing the procedure, the Governor shall require that, to be initially eligible to receive funds as described in subsection (a) for a program, a provider described in subsection (a)(2)(C)—

[(i) shall submit an application, to the local board for the local area in which the provider desires to provide training services, at such time and in such manner as may be required, and containing a description of the program;

[(ii) if the provider provides training services through a program on the date of application, shall include in the application an appropriate portion of the performance information and program cost information described in subsection (d) for the program, as specified in the procedure, and shall meet appropriate levels of performance for the program, as specified in the procedure; and

[(iii) if the provider does not provide training services on such date, shall meet appropriate requirements, as specified in the procedure.

[(c) SUBSEQUENT ELIGIBILITY DETERMINATION.—

[(1) PROCEDURE.—Each Governor of a State shall establish a procedure for use by local boards in the State in determining the eligibility of a provider described in subsection (a)(2) to continue to receive funds as described in subsection (a) for a program after an initial period of eligibility under subsection (b) (referred to in this section as "subsequent eligibility").

[(2) RECOMMENDATIONS.—In developing such procedure, the Governor shall solicit and take into consideration the recommendations of local boards and providers of training services within the State.

[(3) OPPORTUNITY TO SUBMIT COMMENTS.—The Governor shall provide an opportunity, during the development of the procedure, for interested members of the public, including representatives of business and labor organizations, to submit comments on such procedure.

[(4) CONSIDERATIONS.—In developing such procedure, the Governor shall ensure that the procedure requires the local boards to take into consideration, in making the determinations of subsequent eligibility—

[(A) the specific economic, geographic, and demographic factors in the local areas in which providers seeking eligibility are located; and

[(B) the characteristics of the populations served by providers seeking eligibility, including the demonstrated difficulties in serving such populations, where applicable.

[(5) REQUIREMENTS.—In establishing the procedure, the Governor shall require that, to be eligible to continue to receive funds as described in subsection (a) for a program after the initial period of eligibility, a provider described in subsection (a)(2) shall—

[(A) submit the performance information and program cost information described in subsection (d)(1) for the program and any additional information required to be submitted in accordance with subsection (d)(2) for the program annually to the appropriate local board at such time and in such manner as may be required; and

[(B) annually meet the performance levels described in paragraph (6) for the program, as demonstrated utilizing quarterly records described in section 136, in a manner consistent with section 136.

[(6) LEVELS OF PERFORMANCE.—

[(A) IN GENERAL.—At a minimum, the procedure described in paragraph (1) shall require the provider to meet minimum acceptable levels of performance based on the performance information referred to in paragraph (5)(A).

[(B) HIGHER LEVELS OF PERFORMANCE ELIGIBILITY.—The local board may require higher levels of performance than the levels referred to in subparagraph (A) for subsequent eligibility to receive funds as described in subsection (a).

[(d) PERFORMANCE AND COST INFORMATION.—

[(1) REQUIRED INFORMATION.—For a provider of training services to be determined to be subsequently eligible under subsection (c) to receive funds as described in subsection (a), such provider shall, under subsection (c), submit—

[(A) verifiable program-specific performance information consisting of—

[(i) program information, including—

[(I) the program completion rates for all individuals participating in the applicable program conducted by the provider;

[(II) the percentage of all individuals participating in the applicable program who obtain unsubsidized employment, which may also include information specifying the percentage of the individuals who obtain unsubsidized employment in an occupation related to the program conducted; and

[(III) the wages at placement in employment of all individuals participating in the applicable program; and

[(ii) training services information for all participants who received assistance under section 134 to participate in the applicable program, including—

[(I) the percentage of participants who have completed the applicable program and who are placed in unsubsidized employment;

[(II) the retention rates in unsubsidized employment of participants who have completed the applicable program, 6 months after the first day of the employment;

[(III) the wages received by participants who have completed the applicable program, 6 months after the first day of the employment involved; and

[(IV) where appropriate, the rates of licensure or certification, attainment of academic degrees or equivalents, or attainment of other measures of skills, of the graduates of the applicable program; and

[(B) information on program costs (such as tuition and fees) for participants in the applicable program.

[(2) ADDITIONAL INFORMATION.—Subject to paragraph (3), in addition to the performance information described in paragraph (1)—

[(A) the Governor may require that a provider submit, under subsection (c), such other verifiable program-specific performance information as the Governor determines to be appropriate to obtain such subsequent eligibility, which may include information relating to—

[(i) retention rates in employment and the subsequent wages of all individuals who complete the applicable program;

[(ii) where appropriate, the rates of licensure or certification of all individuals who complete the program; and

[(iii) the percentage of individuals who complete the program who attain industry-recognized occupational skills in the subject, occupation, or industry for which training is provided through the program, where applicable; and

[(B) the Governor, or the local board, may require a provider to submit, under subsection (c), other verifiable program-specific performance information to obtain such subsequent eligibility.

[(3) CONDITIONS.—

[(A) IN GENERAL.—If the Governor or a local board requests additional information under paragraph (2) that imposes extraordinary costs on providers, or if providers experience extraordinary costs in the collection of information required under paragraph (1)(A)(ii), the Governor or the local board shall provide access to cost-effective methods for the collection of the information involved, or the Governor shall provide additional resources to assist providers in the collection of such information from funds made available as described in sections 128(a) and 133(a)(1), as appropriate.

[(B) HIGHER EDUCATION ELIGIBILITY REQUIREMENTS.—The local board and the designated State agency described in subsection (i) may accept program-specific performance information consistent with the requirements for eligibility under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) from a provider for purposes of enabling the provider to fulfill the applicable requirements of this subsection, if such information is substantially similar

to the information otherwise required under this subsection.

[(e) LOCAL IDENTIFICATION.—

[(1) IN GENERAL.—The local board shall place on a list providers submitting an application under subsection (b)(1) and providers determined to be initially eligible under subsection (b)(2), and retain on the list providers determined to be subsequently eligible under subsection (c), to receive funds as described in subsection (a) for the provision of training services in the local area served by the local board. The list of providers shall be accompanied by any performance information and program cost information submitted under subsection (b) or (c) by the provider.

[(2) SUBMISSION TO STATE AGENCY.—On placing or retaining a provider on the list, the local board shall submit, to the designated State agency described in subsection (i), the list and the performance information and program cost information referred to in paragraph (1). If the agency determines, within 30 days after the date of the submission, that the provider does not meet the performance levels described in subsection (c)(6) for the program (where applicable), the agency may remove the provider from the list for the program. The agency may not remove from the list an agency submitting an application under subsection (b)(1).

[(3) IDENTIFICATION OF ELIGIBLE PROVIDERS.—A provider who is placed or retained on the list under paragraph (1), and is not removed by the designated State agency under paragraph (2), for a program, shall be considered to be identified as an eligible provider of training services for the program.

[(4) AVAILABILITY.—

[(A) STATE LIST.—The designated State agency shall compile a single list of the providers identified under paragraph (3) from all local areas in the State and disseminate such list, and the performance information and program cost information described in paragraph (1), to the one-stop delivery systems within the State. Such list and information shall be made widely available to participants in employment and training activities authorized under section 134 and others through the one-stop delivery system.

[(B) SELECTION FROM STATE LIST.—Individuals eligible to receive training services under section 134(d)(4) shall have the opportunity to select any of the eligible providers, from any of the local areas in the State, that are included on the list described in subparagraph (A) to provide the services, consistent with the requirements of section 134.

[(5) ACCEPTANCE OF INDIVIDUAL TRAINING ACCOUNTS BY OTHER STATES.—States may enter into agreements, on a reciprocal basis, to permit eligible providers of training services in a State to accept individual training accounts provided in another State.

[(f) ENFORCEMENT.—

[(1) ACCURACY OF INFORMATION.—If the designated State agency, after consultation with the local board involved, determines that an eligible provider or individual supplying information on behalf of the provider intentionally supplies inac-

curate information under this section, the agency shall terminate the eligibility of the provider to receive funds described in subsection (a) for any program for a period of time, but not less than 2 years.

[(2) NONCOMPLIANCE.—If the designated State agency, or the local board working with the State agency, determines that an eligible provider described in subsection (a) substantially violates any requirement under this Act, the agency, or the local board working with the State agency, may terminate the eligibility of such provider to receive funds described in subsection (a) for the program involved or take such other action as the agency or local board determines to be appropriate.

[(3) REPAYMENT.—A provider whose eligibility is terminated under paragraph (1) or (2) for a program shall be liable for repayment of all funds described in subsection (a) received for the program during any period of noncompliance described in such paragraph.

[(4) CONSTRUCTION.—This subsection and subsection (g) shall be construed to provide remedies and penalties that supplement, but do not supplant, other civil and criminal remedies and penalties.

[(g) APPEAL.—The Governor shall establish procedures for providers of training services to appeal a denial of eligibility by the local board or the designated State agency under subsection (b), (c), or (e), a termination of eligibility or other action by the board or agency under subsection (f), or a denial of eligibility by a one-stop operator under subsection (h). Such procedures shall provide an opportunity for a hearing and prescribe appropriate time limits to ensure prompt resolution of the appeal.

[(h) ON-THE-JOB TRAINING OR CUSTOMIZED TRAINING EXCEPTION.—

[(1) IN GENERAL.—Providers of on-the-job training or customized training shall not be subject to the requirements of subsections (a) through (e).

[(2) COLLECTION AND DISSEMINATION OF INFORMATION.—A one-stop operator in a local area shall collect such performance information from on-the-job training and customized training providers as the Governor may require, determine whether the providers meet such performance criteria as the Governor may require, and disseminate information identifying providers that meet the criteria as eligible providers, and the performance information, through the one-stop delivery system. Providers determined to meet the criteria shall be considered to be identified as eligible providers of training services.

[(i) ADMINISTRATION.—The Governor shall designate a State agency to make the determinations described in subsection (e)(2), take the enforcement actions described in subsection (f), and carry out other duties described in this section.

[SEC. 123. IDENTIFICATION OF ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

[From funds allocated under paragraph (2)(A) or (3) of section 128(b) to a local area, the local board for such area shall identify eligible providers of youth activities by awarding grants or contracts on a competitive basis, based on the recommendations of the youth council and on the criteria contained in the State plan, to the

providers to carry out the activities, and shall conduct oversight with respect to the providers, in the local area.]

SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.

(a) ELIGIBILITY.—

(1) IN GENERAL.—The Governor, after consultation with the State board, shall establish criteria and procedures regarding the eligibility of providers of training services described in section 134(c)(4) to receive funds provided under section 133(b) for the provision of such training services.

(2) PROVIDERS.—Subject to the provisions of this section, to be eligible to receive the funds provided under section 133(b) for the provision of training services, the provider shall be—

(A) a postsecondary educational institution that—

(i) is eligible to receive Federal funds under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and

(ii) provides a program that leads to a recognized postsecondary credential;

(B) an entity that carries out programs under the Act of August 16, 1937 (commonly known as the "National Apprenticeship Act"; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.); or

(C) another public or private provider of a program of training services.

(3) INCLUSION IN LIST OF ELIGIBLE PROVIDERS.—A provider described in subparagraph (A) or (C) of paragraph (2) shall comply with the criteria and procedures established under this section to be included on the list of eligible providers of training services described in subsection (d). A provider described in paragraph (2)(B) shall be included on the list of eligible providers of training services described in subsection (d) for so long as the provider remains certified by the Secretary of Labor to carry out the programs described in paragraph (2)(B).

(b) CRITERIA.—

(1) IN GENERAL.—The criteria established pursuant to subsection (a) shall take into account—

(A) the performance of providers of training services with respect to the performance measures described in section 136 and other matters for which information is required under paragraph (2) and other appropriate measures of performance outcomes for those participants receiving training services under this subtitle;

(B) whether the training programs of such providers relate to occupations that are in demand;

(C) the need to ensure access to training services throughout the State, including in rural areas;

(D) the ability of providers to offer programs that lead to a recognized postsecondary credential;

(E) the information such providers are required to report to State agencies with respect to other Federal and State programs (other than the program carried out under this subtitle), including one-stop partner programs; and

(F) such other factors as the Governor determines are appropriate.

(2) INFORMATION.—The criteria established by the Governor shall require that a provider of training services submit appropriate, accurate, and timely information to the State for purposes of carrying out subsection (d), with respect to participants receiving training services under this subtitle in the applicable program, including—

(A) information on recognized postsecondary credentials received by such participants;

(B) information on costs of attendance for such participants;

(C) information on the program completion rate for such participants; and

(D) information on the performance of the provider with respect to the performance measures described in section 136 for such participants.

(3) RENEWAL.—The criteria established by the Governor shall also provide for a review every 3 years and renewal of eligibility under this section for providers of training services.

(4) LOCAL CRITERIA.—A local board in the State may establish criteria in addition to the criteria established by the Governor, or may require higher levels of performance than required under the criteria established by the Governor, for purposes of determining the eligibility of providers of training services to receive funds described in subsection (a) to provide the services in the local area involved.

(5) LIMITATION.—In carrying out the requirements of this subsection, no personally identifiable information regarding a student, including Social Security number, student identification number, or other identifier, may be disclosed without the prior written consent of the parent or eligible student in compliance with section 444 of the General Education Provisions Act (20 U.S.C. 1232g).

(c) PROCEDURES.—The procedures established under subsection (a) shall—

(1) identify—

(A) the application process for a provider of training services to become eligible to receive funds under section 133(b) for the provision of training services; and

(B) the respective roles of the State and local areas in receiving and reviewing applications and in making determinations of eligibility based on the criteria established under this section; and

(2) establish a process for a provider of training services to appeal a denial or termination of eligibility under this section that includes an opportunity for a hearing and prescribes appropriate time limits to ensure prompt resolution of the appeal.

(d) INFORMATION TO ASSIST PARTICIPANTS IN CHOOSING PROVIDERS.—In order to facilitate and assist participants under chapter 5 in choosing providers of training services, the Governor shall ensure that an appropriate list or lists of providers determined eligible under this section in the State, including information provided under subsection (b)(2) with respect to such providers, is provided to the local boards in the State and is made available to such participants and to members of the public through the one-stop delivery system in the State.

(e) ENFORCEMENT.—

(1) IN GENERAL.—The criteria and procedures established under this section shall provide the following:

(A) INTENTIONALLY SUPPLYING INACCURATE INFORMATION.—Upon a determination, by an individual or entity specified in the criteria or procedures, that a provider of training services, or individual providing information on behalf of the provider, intentionally supplied inaccurate information under this section, the eligibility of such provider to receive funds under chapter 5 shall be terminated for a period of time that is not less than 2 years.

(B) SUBSTANTIAL VIOLATIONS.—Upon a determination, by an individual or entity specified in the criteria or procedures, that a provider of training services substantially violated any requirement under this title, the eligibility of such provider to receive funds under the program involved shall be terminated for a period of time that is not less than 10 years.

(C) REPAYMENT.—A provider of training services whose eligibility is terminated under subparagraph (A) or (B) shall be liable for the repayment of funds received under chapter 5 during a period of noncompliance described in such subparagraph.

(2) CONSTRUCTION.—Paragraph (1) shall be construed to provide remedies and penalties that supplement, but do not supplant, other civil and criminal remedies and penalties.

(f) AGREEMENTS WITH OTHER STATES.—States may enter into agreements, on a reciprocal basis, to permit eligible providers of training services to accept career enhancement accounts provided in another State.

(g) RECOMMENDATIONS.—In developing the criteria, procedures, and information required under this section, the Governor shall solicit and take into consideration the recommendations of local boards and providers of training services within the State.

(h) OPPORTUNITY TO SUBMIT COMMENTS.—During the development of the criteria, procedures, requirements for information, and the list of eligible providers required under this section, the Governor shall provide an opportunity for interested members of the public to submit comments regarding such criteria, procedures, and information.

(i) ON-THE-JOB TRAINING OR CUSTOMIZED TRAINING EXCEPTION.—

(1) IN GENERAL.—Providers of on-the-job training or customized training shall not be subject to the requirements of subsections (a) through (d).

(2) COLLECTION AND DISSEMINATION OF INFORMATION.—A one-stop operator in a local area shall collect such performance information from on-the-job training and customized training providers as the Governor may require, determine whether the providers meet such performance criteria as the Governor may require, and disseminate information identifying providers that meet the criteria as eligible providers, and the performance information, through the one-stop delivery system. Providers de-

termined to meet the criteria shall be considered to be identified as eligible providers of training services.

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CHAPTER 5—[ADULT AND DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES] *EMPLOYMENT AND TRAINING ACTIVITIES*

SEC. 131. GENERAL AUTHORIZATION.

The Secretary shall make allotments under [paragraphs (1)(B) and (2)(B) of] section 132(b) to each State that meets the requirements of section 112 and a grant to each outlying area that complies with the requirements of this title, to assist the State or outlying area, and to enable the State or outlying area to assist local areas, for the purpose of providing workforce investment activities for [adults, and dislocated workers,] *individuals* in the State or outlying area and in the local areas.

SEC. 132. STATE ALLOTMENTS.

[(a) IN GENERAL.—The Secretary shall—

[(1) make allotments and grants from the total amount appropriated under section 137(b) for a fiscal year in accordance with subsection (b)(1); and

[(2)(A) reserve 20 percent of the amount appropriated under section 137(c) for a fiscal year for use under subsection (b)(2)(A), and under sections 170(b) (relating to dislocated worker technical assistance), 171(d) (relating to dislocated worker projects), and 173 (relating to national emergency grants, other than under subsection (a)(4), (f), and (g)); and

[(B) make allotments from 80 percent of the amount appropriated under section 137(c) for a fiscal year in accordance with subsection (b)(2)(B).

[(b) ALLOTMENT AMONG STATES.—

[(1) ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—

[(A) RESERVATION FOR OUTLYING AREAS.—

[(i) IN GENERAL.—From the amount made available under subsection (a)(1) for a fiscal year, the Secretary shall reserve not more than ¼ of 1 percent to provide assistance to the outlying areas.

[(ii) APPLICABILITY OF ADDITIONAL REQUIREMENTS.—From the amount reserved under clause (i), the Secretary shall provide assistance to the outlying areas for adult employment and training activities and statewide workforce investment activities in accordance with the requirements of section 127(b)(1)(B), except that the reference in section 127(b)(1)(B)(i)(II) to sections 252(d) and 262(a)(1) of the Job Training Partnership Act shall be deemed to be a reference to section 202(a)(1) of the Job Training Partnership Act (as in effect on the day before the date of enactment of this Act).

[(B) STATES.—

[(i) IN GENERAL.—After determining the amount to be reserved under subparagraph (A), the Secretary shall allot the remainder of the amount referred to in subsection (a)(1) for a fiscal year to the States pursu-

ant to clause (ii) for adult employment and training activities and statewide workforce investment activities.

[(ii) FORMULA.—Subject to clauses (iii) and (iv), of the remainder—

[(I) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals in areas of substantial unemployment in each State, compared to the total number of unemployed individuals in areas of substantial unemployment in all States;

[(II) 33⅓ percent shall be allotted on the basis of the relative excess number of unemployed individuals in each State, compared to the total excess number of unemployed individuals in all States; and

[(III) 33⅓ percent shall be allotted on the basis of the relative number of disadvantaged adults in each State, compared to the total number of disadvantaged adults in all States, except as described in clause (iii).

[(iii) CALCULATION.—In determining an allotment under clause (ii)(III) for any State in which there is a local area designated under section 116(a)(2)(B), the allotment shall be based on the higher of—

[(I) the number of adults in families with an income below the low-income level in such area; or

[(II) the number of disadvantaged adults in such area.

[(iv) MINIMUM AND MAXIMUM PERCENTAGES AND MINIMUM ALLOTMENTS.—In making allotments under this subparagraph, the Secretary shall ensure the following:

[(I) MINIMUM PERCENTAGE AND ALLOTMENT.—Subject to subclause (IV), the Secretary shall ensure that no State shall receive an allotment for a fiscal year that is less than the greater of—

[(aa) an amount based on 90 percent of the allotment percentage of the State for the preceding fiscal year; or

[(bb) 100 percent of the allotment of the State under section 202 of the Job Training Partnership Act (as in effect on the day before the date of enactment of this Act) for fiscal year 1998.

[(II) SMALL STATE MINIMUM ALLOTMENT.—Subject to subclauses (I), (III), and (IV), the Secretary shall ensure that no State shall receive an allotment under this subparagraph that is less than the total of—

[(aa) 3/10 of 1 percent of $960,000,000 of the remainder described in clause (i) for the fiscal year; and

[(bb) if the remainder described in clause (i) for the fiscal year exceeds $960,000,000, 2/5 of 1 percent of the excess.

[(III) MAXIMUM PERCENTAGE.—Subject to subclause (I), the Secretary shall ensure that no State shall receive an allotment percentage for a fiscal year that is more than 130 percent of the allotment percentage of the State for the preceding fiscal year.

[(IV) MINIMUM FUNDING.—In any fiscal year in which the remainder described in clause (i) does not exceed $960,000,000, the minimum allotments under subclauses (I) and (II) shall be calculated by the methodology for calculating the corresponding allotments under part A of title II of the Job Training Partnership Act, as in effect on July 1, 1998.

[(v) DEFINITIONS.—For the purpose of the formula specified in this subparagraph:

[(I) ADULT.—The term "adult" means an individual who is not less than age 22 and not more than age 72.

[(II) ALLOTMENT PERCENTAGE.—The term "allotment percentage", used with respect to fiscal year 2000 or a subsequent fiscal year, means a percentage of the remainder described in clause (i) that is received through an allotment made under this subparagraph for the fiscal year. The term, used with respect to fiscal year 1998 or 1999, means the percentage of the amounts allotted to States under section 202(a) of the Job Training Partnership Act (as in effect on the day before the date of enactment of this Act) that is received under such section by the State involved for fiscal year 1998 or 1999.

[(III) AREA OF SUBSTANTIAL UNEMPLOYMENT.—The term "area of substantial unemployment" means any area that is of sufficient size and scope to sustain a program of workforce investment activities carried out under this subtitle and that has an average rate of unemployment of at least 6.5 percent for the most recent 12 months, as determined by the Secretary. For purposes of this subclause, determinations of areas of substantial unemployment shall be made once each fiscal year.

[(IV) DISADVANTAGED ADULT.—Subject to subclause (V), the term "disadvantaged adult" means an adult who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the higher of—

[(aa) the poverty line; or

[(bb) 70 percent of the lower living standard income level.

[(V) DISADVANTAGED ADULT SPECIAL RULE.—The Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of disadvantaged adults.

[(VI) EXCESS NUMBER.—The term "excess number" means, used with respect to the excess number of unemployed individuals within a State, the higher of—

[(aa) the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the State; or

[(bb) the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such State.

[(2) DISLOCATED WORKER EMPLOYMENT AND TRAINING.—

[(A) RESERVATION FOR OUTLYING AREAS.—

[(i) IN GENERAL.—From the amount made available under subsection (a)(2)(A) for a fiscal year, the Secretary shall reserve not more than ¼ of 1 percent of the amount appropriated under section 137(c) for the fiscal year to provide assistance to the outlying areas.

[(ii) APPLICABILITY OF ADDITIONAL REQUIREMENTS.—From the amount reserved under clause (i), the Secretary shall provide assistance to the outlying areas for dislocated worker employment and training activities and statewide workforce investment activities in accordance with the requirements of section 127(b)(1)(B), except that the reference in section 127(b)(1)(B)(i)(II) to sections 252(a) and 262(a)(1) of the Job Training Partnership Act shall be deemed to be a reference to section 302(e) of the Job Training Partnership Act (as in effect on the day before the date of enactment of this Act).

[(B) STATES.—

[(i) IN GENERAL.—The Secretary shall allot the amount referred to in subsection (a)(2)(B) for a fiscal year to the States pursuant to clause (ii) for dislocated worker employment and training activities and statewide workforce investment activities.

[(ii) FORMULA.—Of the amount—

[(I) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals in each State, compared to the total number of unemployed individuals in all States;

[(II) 33⅓ percent shall be allotted on the basis of the relative excess number of unemployed individuals in each State, compared to the total excess number of unemployed individuals in all States; and

[(III) 33⅓ percent shall be allotted on the basis of the relative number of individuals in each State who have been unemployed for 15 weeks or more,

compared to the total number of individuals in all States who have been unemployed for 15 weeks or more.

[(iii) DEFINITION.—In this subparagraph, the term "excess number" means, used with respect to the excess number of unemployed individuals within a State, the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the State.

[(3) DEFINITIONS.—For the purpose of the formulas specified in this subsection:

[(A) FREELY ASSOCIATED STATES.—The term "Freely Associated States" means the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

[(B) LOW-INCOME LEVEL.—The term "low-income level" means $7,000 with respect to income in 1969, and for any later year means that amount that bears the same relationship to $7,000 as the Consumer Price Index for that year bears to the Consumer Price Index for 1969, rounded to the nearest $1,000.]

(a) IN GENERAL.—The Secretary shall—

(1) reserve 1/2 of 1 percent of the total amount appropriated under section 137 for a fiscal year, of which—

(A) 50 percent shall be used to provide technical assistance under section 170; and

(B) 50 percent shall be used for evaluations under section 172;

(2) reserve not more than 1 percent of the total amount appropriated under section 137 for a fiscal year to make grants to, and enter into contracts or cooperative agreements with Indian tribes, tribal organizations, Alaska-Native entities, Indian-controlled organizations serving Indians, or Native Hawaiian organizations to carry out employment and training activities;

(3) reserve not more than 25 percent of the total amount appropriated under section 137 for a fiscal year to carry out the Jobs Corps program under subtitle C;

(4) reserve not more than 3.5 percent of the total amount appropriated under section 137 for a fiscal year to—

(A) make grants to State or local boards to provide employment and training assistance to workers affected by major economic dislocations, such as plant closures, mass layoffs, or closures and realignments of military installations; and

(B) provide assistance to Governors of States with an area that has suffered an emergency or a major disaster (as such terms are defined in paragraphs (1) and (2), respectively, of section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)) to provide disaster relief employment in the area.

(5) from the remaining amount appropriated under section 137 for a fiscal year (after reserving funds under paragraphs (1) through (4)), make allotments in accordance with subsection (b) of this section.

(b) WORKFORCE INVESTMENT FUND.—

(1) RESERVATION FOR OUTLYING AREAS.—

(A) IN GENERAL.—From the amount made available under subsection (a)(5) for a fiscal year, the Secretary shall reserve not more than 1/4 of 1 percent to provide assistance to the outlying areas.

(B) RESTRICTION.—The Republic of Palau shall cease to be eligible to receive funding under this subparagraph upon entering into an agreement for extension of United States educational assistance under the Compact of Free Association (approved by the Compact of Free Association Amendments Act of 2003 (Public Law 99–658)) after the date of enactment of the SKILLS Act.

(2) STATES.—

(A) IN GENERAL.—After determining the amount to be reserved under paragraph (1), the Secretary shall allot the remainder of the amount referred to in subsection (a)(5) for a fiscal year to the States pursuant to subparagraph (B) for employment and training activities and statewide workforce investment activities.

(B) FORMULA.—Subject to subparagraphs (C) and (D), of the remainder—

(i) 25 percent shall be allotted on the basis of the relative number of unemployed individuals in areas of substantial unemployment in each State, compared to the total number of unemployed individuals in areas of substantial unemployment in all States;

(ii) 25 percent shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of such individuals in all States;

(iii) 25 percent shall be allotted on the basis of the relative number of individuals in each State who have been unemployed for 15 weeks or more, compared to the total number of individuals in all States who have been unemployed for 15 weeks or more; and

(iv) 25 percent shall be allotted on the basis of the relative number of disadvantaged youth in each State, compared to the total number of disadvantaged youth in all States.

(C) MINIMUM AND MAXIMUM PERCENTAGES.—

(i) MINIMUM PERCENTAGE.—The Secretary shall ensure that no State shall receive an allotment under this paragraph for—

(I) each of fiscal years 2014 through 2016, that is less than 100 percent of the allotment percentage of the State for fiscal year 2012; and

(II) fiscal year 2017 and each succeeding fiscal year, that is less than 90 percent of the allotment percentage of the State for the preceding fiscal year.

(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the Secretary shall ensure that no State shall receive an allotment under this paragraph for—

(I) each of fiscal years 2014 through 2016, that is more than 130 percent of the allotment percentage of the State for fiscal year 2012; and

(II) fiscal year 2017 and each succeeding fiscal year, that is more than 130 percent of the allotment percentage of the State for the preceding fiscal year.

(D) SMALL STATE MINIMUM ALLOTMENT.—Subject to subparagraph (C), the Secretary shall ensure that no State shall receive an allotment under this paragraph for a fiscal year that is less than 1/5 of 1 percent of the remainder described in subparagraph (A) for the fiscal year.

(E) DEFINITIONS.—For the purpose of the formula specified in this paragraph:

(i) ALLOTMENT PERCENTAGE.—The term "allotment percentage"—

(I) used with respect to fiscal year 2012, means the percentage of the amounts allotted to States under title I of this Act, title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.), the Women in Apprenticeship and Nontraditional Occupations Act (29 U.S.C. 2501 et seq.), sections 4103A and 4104 of title 38, United States Code, and sections 1 through 14 of the Wagner-Peyser Act (29 U.S.C. 49 et seq.), as such provisions were in effect for fiscal year 2012, that is received under such provisions by the State involved for fiscal year 2012; and

(II) used with respect to fiscal year 2016 or a succeeding fiscal year, means the percentage of the amounts allotted to States under this paragraph for the fiscal year that is received under this paragraph by the State involved for the fiscal year.

(ii) DISADVANTAGED YOUTH.—The term "disadvantaged youth" means an individual who is not less than age 16 and not more than age 24 who receives an income, or is a member of a family that received a total family income, that in relation to family size, does not exceed the higher of—

(I) the poverty line; or

(II) 70 percent of the lower living standard income level.

(iii) INDIVIDUAL.—The term "individual" means an individual who is age 16 or older.

* * * * * * *

SEC. 133. WITHIN STATE ALLOCATIONS.

[(a) RESERVATIONS FOR STATE ACTIVITIES.—

[(1) STATEWIDE WORKFORCE INVESTMENT ACTIVITIES.—The Governor of a State shall make the reservation required under section 128(a).

[(2) STATEWIDE RAPID RESPONSE ACTIVITIES.—The Governor of the State shall reserve not more than 25 percent of the total amount allotted to the State under section 132(b)(2)(B) for a

fiscal year for statewide rapid response activities described in section 134(a)(2)(A).

[(b) WITHIN STATE ALLOCATION.—

[(1) METHODS.—The Governor, acting in accordance with the State plan, and after consulting with chief elected officials in the local areas, shall allocate—

[(A) the funds that are allotted to the State for adult employment and training activities and statewide workforce investment activities under section 132(b)(1)(B) and are not reserved under subsection (a)(1), in accordance with paragraph (2) or (3); and

[(B) the funds that are allotted to the State for dislocated worker employment and training activities under section 132(b)(2)(B) and are not reserved under paragraph (1) or (2) of subsection (a), in accordance with paragraph (2).

[(2) FORMULA ALLOCATIONS.—

[(A) ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—

[(i) ALLOCATION.—In allocating the funds described in paragraph (1)(A) to local areas, a State may allocate—

[(I) 33⅓ percent of the funds on the basis described in section 132(b)(1)(B)(ii)(I);

[(II) 33⅓ percent of the funds on the basis described in section 132(b)(1)(B)(ii)(II); and

[(III) 33⅓ percent of the funds on the basis described in clauses (ii)(III) and (iii) of section 132(b)(1)(B).

[(ii) MINIMUM PERCENTAGE.—Effective at the end of the second full fiscal year after the date on which a local area is designated under section 116, the local area shall not receive an allocation percentage for a fiscal year that is less than 90 percent of the average allocation percentage of the local area for the 2 preceding fiscal years. Amounts necessary for increasing such allocations to local areas to comply with the preceding sentence shall be obtained by ratably reducing the allocations to be made to other local areas under this subparagraph.

[(iii) DEFINITION.—The term "allocation percentage", used with respect to fiscal year 2000 or a subsequent fiscal year, means a percentage of the funds referred to in clause (i), received through an allocation made under this subparagraph, for the fiscal year.

[(B) DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES.—

[(i) FORMULA.—In allocating the funds described in paragraph (1)(B) to local areas, a State shall allocate the funds based on an allocation formula prescribed by the Governor of the State. Such formula may be amended by the Governor not more than once for each program year. Such formula shall utilize the most appropriate information available to the Governor to distribute amounts to address the State's worker readjustment assistance needs.

[(ii) INFORMATION.—The information described in clause (i) shall include insured unemployment data, unemployment concentrations, plant closing and mass layoff data, declining industries data, farmer-rancher economic hardship data, and long-term unemployment data.

[(C) APPLICATION.—For purposes of carrying out subparagraph (A)—

[(i) references in section 132(b) to a State shall be deemed to be references to a local area;

[(ii) references in section 132(b) to all States shall be deemed to be references to all local areas in the State involved; and

[(iii) except as described in clause (i), references in section 132(b)(1) to the term "excess number" shall be considered to be references to the term as defined in section 132(b)(1).

[(3) ADULT EMPLOYMENT AND TRAINING DISCRETIONARY ALLOCATIONS.—In lieu of making the allocation described in paragraph (2)(A), in allocating the funds described in paragraph (1)(A) to local areas, a State may distribute—

[(A) a portion equal to not less than 70 percent of the funds in accordance with paragraph (2)(A); and

[(B) the remaining portion of the funds on the basis of a formula that—

[(i) incorporates additional factors (other than the factors described in paragraph (2)(A)) relating to—

[(I) excess poverty in urban, rural, and suburban local areas; and

[(II) excess unemployment above the State average in urban, rural, and suburban local areas; and

[(ii) was developed by the State board and approved by the Secretary as part of the State plan.

[(4) TRANSFER AUTHORITY.—A local board may transfer, if such a transfer is approved by the Governor, not more than 20 percent of the funds allocated to the local area under paragraph (2)(A) or (3), and 20 percent of the funds allocated to the local area under paragraph (2)(B), for a fiscal year between—

[(A) adult employment and training activities; and

[(B) dislocated worker employment and training activities.

[(5) ALLOCATION.—

[(A) IN GENERAL.—The Governor of the State shall allocate the funds described in paragraph (1) to local areas under paragraphs (2) and (3) for the purpose of providing a single system of employment and training activities for adults and dislocated workers in accordance with subsections (d) and (e) of section 134.

[(B) ADDITIONAL REQUIREMENTS.—

[(i) ADULTS.—Funds allocated under paragraph (2)(A) or (3) shall be used by a local area to contribute proportionately to the costs of the one-stop delivery system described in section 134(c) in the local area, and to pay for employment and training activities pro-

vided to adults in the local area, consistent with section 134.

[(ii) DISLOCATED WORKERS.—Funds allocated under paragraph (2)(B) shall be used by a local area to contribute proportionately to the costs of the one-stop delivery system described in section 134(c) in the local area, and to pay for employment and training activities provided to dislocated workers in the local area, consistent with section 134.]

(a) RESERVATIONS FOR STATEWIDE WORKFORCE INVESTMENT ACTIVITIES.—

(1) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—The Governor of a State shall reserve up to 15 percent of the total amount allotted to the State under section 132(b)(2) for a fiscal year to carry out the statewide activities described in section 134(a).

(2) STATEWIDE RAPID RESPONSE ACTIVITIES.—Of the amount reserved under paragraph (1) for a fiscal year, the Governor of the State shall reserve not more than 25 percent for statewide rapid response activities described in section 134(a)(4).

(3) STATEWIDE GRANTS FOR INDIVIDUALS WITH BARRIERS TO EMPLOYMENT.—Of the amount reserved under paragraph (1) for a fiscal year, the Governor of a State shall reserve 15 percent to carry out statewide activities described in section 134(a)(5).

(4) STATE ADMINISTRATIVE COST LIMIT.—Not more than 5 percent of the funds reserved under paragraph (1) may be used by the Governor of a State for administrative costs of carrying out the statewide activities described in section 134(a).

(b) WITHIN STATE ALLOCATION.—

(1) METHODS.—The Governor, acting in accordance with the State plan, and after consulting with chief elected officials in the local areas, shall—

(A) allocate the funds that are allotted to the State for employment and training activities and not reserved under subsection (a), in accordance with paragraph (2)(A); and

(B) award the funds that are reserved by the State under subsection (a)(3) through competitive grants to eligible entities, in accordance with section 134(a)(1)(C).

(2) FORMULA ALLOCATIONS FOR THE WORKFORCE INVESTMENT FUND.—

(A) ALLOCATION.—In allocating the funds described in paragraph (1)(A) to local areas, a State shall allocate—

(i) 25 percent on the basis described in section 132(b)(2)(B)(i);

(ii) 25 percent on the basis described in section 132(b)(2)(B)(ii);

(iii) 25 percent on the basis described in section 132(b)(2)(B)(iii); and

(iv) 25 percent on the basis described in section 132(b)(2)(B)(iv).

(B) MINIMUM AND MAXIMUM PERCENTAGES.—

(i) MINIMUM PERCENTAGE.—The State shall ensure that no local area shall receive an allocation under this paragraph for—

(I) each of fiscal years 2014 through 2016, that is less than 100 percent of the allocation percentage of the local area for fiscal year 2012; and

(II) fiscal year 2017 and each succeeding fiscal year, that is less than 90 percent of the allocation percentage of the local area for the preceding fiscal year.

(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the State shall ensure that no local area shall receive an allocation for a fiscal year under this paragraph for—

(I) each of fiscal years 2014 through 2016, that is more than 130 percent of the allocation percentage of the local area for fiscal year 2012; and

(II) fiscal year 2017 and each succeeding fiscal year, that is more than 130 percentage of the allocation percentage of the local area for the preceding fiscal year.

(C) DEFINITIONS.—For the purpose of the formula specified in this paragraph, the term "allocation percentage"—

(i) used with respect to fiscal year 2012, means the percentage of the amounts allocated to local areas under title I of this Act, title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.), the Women in Apprenticeship and Nontraditional Occupations Act (29 U.S.C. 2501 et seq.), sections 4103A and 4104 of title 38, United States Code, and sections 1 through 14 of the Wagner-Peyser Act (29 U.S.C. 49 et seq.), as such provisions were in effect for fiscal year 2012, that is received under such provisions by the local area involved for fiscal year 2012; and

(ii) used with respect to fiscal year 2016 or a succeeding fiscal year, means the percentage of the amounts allocated to local areas for the fiscal year under this paragraph that is received under this paragraph by the local area involved for the fiscal year.

(c) REALLOCATION AMONG LOCAL AREAS.—

[(1) IN GENERAL.—The Governor may, in accordance with this subsection, reallocate to eligible local areas within the State amounts that are allocated under paragraph (2)(A) or (3) of subsection (b) for adult employment and training activities and that are available for reallocation.**]**

(1) IN GENERAL.—The Governor, may in accordance with this subsection, reallocate to eligible local areas within the State amounts that are allocated under subsection (b) for employment and training activities and that are available for reallocation.

(2) AMOUNT.—The amount available for reallocation for a program year is equal to the amount by which the unobligated balance of the local area allocation under **[**paragraph (2)(A) or (3) of subsection (b) for such activities**]** *subsection (b) for such activities*, at the end of the program year prior to the program year for which the determination under this paragraph is made exceeds 20 percent of such allocation for the prior program year.

[(3) REALLOCATION.—In making reallocations to eligible local areas of amounts available pursuant to paragraph (2) for a pro-

gram year, the Governor shall allocate to each eligible local area within the State an amount based on the relative amount allocated to such local area under subsection (b)(3) for such activities for the prior program year, as compared to the total amount allocated to all eligible local areas in the State under subsection (b)(3) for such activities for such prior program year. For purposes of this paragraph, local areas that received allocations under subsection (b)(2)(A) for the prior program year shall be treated as if the local areas received allocations under subsection (b)(3) for such year.]

(3) REALLOCATIONS.—In making reallocations to eligible local areas of amounts available pursuant to paragraph (2) for a program year, the Governor shall allocate to each eligible local area within the State an amount based on the relative amount allocated to such local area under subsection (b)(2) for such activities for such prior program year, as compared to the total amount allocated to all eligible local areas in the State under subsection (b)(2) for such activities for such prior program year.

(4) ELIGIBILITY.—For purposes of this subsection, an eligible local area means a local area that has obligated at least 80 percent of the local area allocation under [paragraph (2)(A) or (3) of] subsection (b) for such activities, for the program year prior to the program year for which the determination under paragraph (2) is made.

(d) LOCAL ADMINISTRATIVE COST LIMIT.—Of the amounts allocated to a local area under this section for a fiscal year, not more than 10 percent of the amount may be used by the local board involved for the administrative costs of carrying out local workforce investment activities in the local area under this chapter.

SEC. 134. USE OF FUNDS FOR EMPLOYMENT AND TRAINING ACTIVITIES.

[(a) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

[(1) IN GENERAL.—Funds reserved by a Governor for a State—

[(A) as described in section 133(a)(2) shall be used to carry out the statewide rapid response activities described in paragraph (2)(A); and

[(B) as described in sections 128(a) and 133(a)(1)—

[(i) shall be used to carry out the statewide employment and training activities described in paragraph (2)(B); and

[(ii) may be used to carry out any of the statewide employment and training activities described in paragraph (3),

regardless of whether the funds were allotted to the State under section 127(b)(1) or under paragraph (1) or (2) of section 132(b).

[(2) REQUIRED STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

[(A) STATEWIDE RAPID RESPONSE ACTIVITIES.—A State shall use funds reserved as described in section 133(a)(2) to carry out statewide rapid response activities, which shall include—

[(i) provision of rapid response activities, carried out in local areas by the State or by an entity designated

by the State, working in conjunction with the local boards and the chief elected officials in the local areas; and

[(ii) provision of additional assistance to local areas that experience disasters, mass layoffs or plant closings, or other events that precipitate substantial increases in the number of unemployed individuals, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials in the local areas.

[(B) OTHER REQUIRED STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—A State shall use funds reserved as described in sections 128(a) and 133(a)(1) (regardless of whether the funds were allotted to the State under section 127(b)(1) or paragraph (1) or (2) of section 132(b)) to carry out other statewide employment and training activities, which shall include—

[(i) disseminating the State list of eligible providers of training services, including eligible providers of nontraditional training services, information identifying eligible providers of on-the-job training and customized training, and performance information and program cost information, as described in subsections (e) and (h) of section 122;

[(ii) conducting evaluations, under section 136(e), of activities authorized in this section, in coordination with the activities carried out under section 172;

[(iii) providing incentive grants to local areas for regional cooperation among local boards (including local boards for a designated region as described in section 116(c)), for local coordination of activities carried out under this Act, and for exemplary performance by local areas on the local performance measures;

[(iv) providing technical assistance to local areas that fail to meet local performance measures;

[(v) assisting in the establishment and operation of one-stop delivery systems described in subsection (c); and

[(vi) operating a fiscal and management accountability information system under section 136(f).

[(3) ALLOWABLE STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

[(A) IN GENERAL.—A State may use funds reserved as described in sections 128(a) and 133(a)(1) (regardless of whether the funds were allotted to the State under section 127(b)(1) or paragraph (1) or (2) of section 132(b)) to carry out additional statewide employment and training activities, which may include—

[(i) subject to subparagraph (B), administration by the State of the activities authorized under this section;

[(ii) provision of capacity building and technical assistance to local areas, one-stop operators, one-stop partners, and eligible providers, including the develop-

ment and training of staff and the development of exemplary program activities;

[(iii) conduct of research and demonstrations;

[(iv)(I) implementation of innovative incumbent worker training programs, which may include the establishment and implementation of an employer loan program to assist in skills upgrading; and

[(II) the establishment and implementation of programs targeted to empowerment zones and enterprise communities;

[(v) support for the identification of eligible providers of training services as required under section 122;

[(vi)(I) implementation of innovative programs for displaced homemakers, which for purposes of this subclause may include an individual who is receiving public assistance and is within 2 years of exhausting lifetime eligibility under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

[(II) implementation of programs to increase the number of individuals training for and placed in nontraditional employment; and

[(vii) carrying out other activities authorized in this section that the State determines to be necessary to assist local areas in carrying out activities described in subsection (d) or (e) through the statewide workforce investment system.

[(B) LIMITATION.—

[(i) IN GENERAL.—Of the funds allotted to a State under sections 127(b) and 132(b) and reserved as described in sections 128(a) and 133(a)(1) for a fiscal year—

[(I) not more than 5 percent of the amount allotted under section 127(b)(1);

[(II) not more than 5 percent of the amount allotted under section 132(b)(1); and

[(III) not more than 5 percent of the amount allotted under section 132(b)(2),

may be used by the State for the administration of youth activities carried out under section 129 and employment and training activities carried out under this section.

[(ii) USE OF FUNDS.—Funds made available for administrative costs under clause (i) may be used for the administrative cost of any of the statewide youth activities or statewide employment and training activities, regardless of whether the funds were allotted to the State under section 127(b)(1) or paragraph (1) or (2) of section 132(b).

[(b) LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—Funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to a local area for dislocated workers under section 133(b)(2)(B)—

[(1) shall be used to carry out employment and training activities described in subsection (d) for adults or dislocated workers, respectively; and

[(2) may be used to carry out employment and training activities described in subsection (e) for adults or dislocated workers, respectively.

[(c) ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEM.—

[(1) IN GENERAL.—There shall be established in a State that receives an allotment under section 132(b) a one-stop delivery system, which—

[(A) shall provide the core services described in subsection (d)(2);

[(B) shall provide access to intensive services and training services as described in paragraphs (3) and (4) of subsection (d), including serving as the point of access to individual training accounts for training services to participants in accordance with subsection (d)(4)(G);

[(C) shall provide access to the activities carried out under subsection (e), if any;

[(D) shall provide access to programs and activities carried out by one-stop partners and described in section 121(b); and

[(E) shall provide access to the information described in section 15 of the Wagner-Peyser Act and all job search, placement, recruitment, and other labor exchange services authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.).

[(2) ONE-STOP DELIVERY.—At a minimum, the one-stop delivery system—

[(A) shall make each of the programs, services, and activities described in paragraph (1) accessible at not less than one physical center in each local area of the State; and

[(B) may also make programs, services, and activities described in paragraph (1) available—

[(i) through a network of affiliated sites that can provide one or more of the programs, services, and activities to individuals; and

[(ii) through a network of eligible one-stop partners—

[(I) in which each partner provides one or more of the programs, services, and activities to such individuals and is accessible at an affiliated site that consists of a physical location or an electronically or technologically linked access point; and

[(II) that assures individuals that information on the availability of the core services will be available regardless of where the individuals initially enter the statewide workforce investment system, including information made available through an access point described in subclause (I).

[(3) SPECIALIZED CENTERS.—The centers and sites described in paragraph (2) may have a specialization in addressing special needs, such as the needs of dislocated workers.]

(a) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

(1) IN GENERAL.—

(A) DISTRIBUTION OF STATEWIDE ACTIVITIES.—Funds reserved by a Governor for a State as described in section 133(a)(1)—

(i) shall be used to carry out the statewide employment and training activities described in paragraph (2); and

(ii) may be used to carry out any of the statewide employment and training activities described in paragraph (3).

(B) STATEWIDE RAPID RESPONSE ACTIVITIES.—Funds reserved by a Governor for a State as described in section 133(a)(2) shall be used to carry out the statewide rapid response activities described in paragraph (4).

(C) STATEWIDE GRANTS FOR INDIVIDUALS WITH BARRIERS TO EMPLOYMENT.—Funds reserved by a Governor for a State as described in section 133(a)(3) shall be used to carry out the Statewide Grants for Individuals with Barriers to Employment competition described in paragraph (5).

(2) REQUIRED STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—A State shall use funds reserved as described in section 133(a)(1) to carry out statewide employment and training activities, which shall include—

(A) disseminating the State list of eligible providers of training described in section 122(d), information identifying eligible providers of on-the-job training and customized training described in section 122(i), and performance information and program cost information described in section 122(b)(2);

(B) supporting the provision of work ready services described in subsection (c)(2) in the one-stop delivery system;

(C) implementing strategies and services that will be used in the State to assist at-risk youth and out-of-school youth in acquiring the education and skills, recognized postsecondary credentials, and employment experience to succeed in the labor market;

(D) conducting evaluations under section 136(e) of activities authorized under this chapter in coordination with evaluations carried out by the Secretary under section 172;

(E) providing technical assistance to local areas that fail to meet local performance measures;

(F) operating a fiscal and management accountability system under section 136(f); and

(G) carrying out monitoring and oversight of activities carried out under this chapter.

(3) ALLOWABLE STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—A State may use funds reserved as described in section 133(a)(1) to carry out statewide employment and training activities which may include—

(A) implementing innovative programs and strategies designed to meet the needs of all employers in the State, including small employers, which may include incumbent worker training programs, sectoral and industry cluster strategies and partnerships, career ladder programs, micro-

enterprise and entrepreneurial training and support programs, utilization of effective business intermediaries, activities to improve linkages between the one-stop delivery system in the State and all employers (including small employers) in the State, and other business services and strategies that better engage employers in workforce investment activities and make the workforce investment system more relevant to the needs of State and local businesses, consistent with the objectives of this title;

(B) providing incentive grants to local areas for regional cooperation among local boards (including local boards in a designated region as described in section 116(c)), for local coordination of activities carried out under this Act, and for exemplary performance by local areas on the local performance measures;

(C) developing strategies for effectively integrating programs and services among one-stop partners;

(D) carrying out activities to facilitate remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology;

(E) incorporating pay-for-performance contracting strategies, as defined in section 101(56), as an element in funding activities under this section and providing technical support to local areas and providers in order to carry out such strategy, which may provide assistance with data collection and data entry requirements;

(F) carrying out the State option under subsection (f)(8); and

(G) carrying out other activities authorized under this section that the State determines to be necessary to assist local areas in carrying out activities described in subsection (c) or (d) through the statewide workforce investment system.

(4) STATEWIDE RAPID RESPONSE ACTIVITIES.—A State shall use funds reserved as described in section 133(a)(2) to carry out statewide rapid response activities, which shall include—

(A) provision of rapid response activities, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials in the local areas; and

(B) provision of additional assistance to local areas that experience disasters, mass layoffs or plant closings, or other events that precipitate substantial increases in the number of unemployed individuals, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials in the local areas.

(5) STATEWIDE GRANTS FOR INDIVIDUALS WITH BARRIERS TO EMPLOYMENT.—

(A) IN GENERAL.—Of the funds reserved as described in section 133(a)(3), the Governor of a State—

(i) may reserve up to 5 percent to provide technical assistance to, and conduct evaluations as described in section 136(e), of the programs and activities carried out under this paragraph; and

(ii) using the remainder, shall award grants on a competitive basis to eligible entities described in subparagraph (B) to carry out employment and training programs authorized under this paragraph for individuals with barriers to employment that meet specific performance outcomes and criteria established by the Governor.

(B) ELIGIBLE ENTITY DEFINED.—For purposes of this paragraph, the term "eligible entity" means an entity that—

(i) is a—

(I) local board or a consortium of local boards;

(II) nonprofit entity, for-profit entity, or a consortium of nonprofit or for-profit entities; or

(III) consortium of the entities described in subclauses (I) and (II);

(ii) has a demonstrated record of placing individuals into unsubsidized employment and serving hard to serve individuals; and

(iii) agrees to be reimbursed primarily on the basis of achievement of specified performance outcomes and criteria established by the Governor.

(C) GRANT PERIOD.—

(i) IN GENERAL.—A grant under this paragraph shall be awarded for a period of 1 year.

(ii) GRANT RENEWAL.—A Governor of a State may renew, for up to 4 additional 1-year periods, a grant awarded under this paragraph.

(D) ELIGIBLE PARTICIPANTS.—To be eligible to participate in activities under this paragraph, an individual shall be a low-income individual age 16 or older or a member of a low-income family.

(E) USE OF FUNDS.—An eligible entity receiving a grant under this paragraph shall use such funds for activities that are designed to assist eligible participants in obtaining employment and acquiring the education and skills necessary to succeed in the labor market.

(F) APPLICATIONS.—To be eligible to receive a grant under this paragraph, an eligible entity shall submit an application to a State at such time, in such manner, and containing such information as the State may require, including—

(i) a description of how the strategies and activities will be aligned with the State plan submitted under section 112 and the local plan submitted under section 118 with respect to the areas of the State that will be the focus of grant activities under this paragraph;

(ii) a description of the educational and skills training programs and activities the eligible entity will provide to eligible participants under this paragraph;

(iii) how the eligible entity will collaborate with State and local workforce investment systems established under this title in the provision of such programs and activities;

(iv) a description of the programs of demonstrated effectiveness on which the provision of such educational

and skills training programs and activities are based, and a description of how such programs and activities will improve the education and skills training for eligible participants;

(v) a description of the populations to be served and the skill needs of those populations, and the manner in which eligible participants will be recruited and selected as participants;

(vi) a description of the private, public, local, and State resources that will be leveraged, in addition to the grant funds provided for the programs and activities under this paragraph, and how the entity will ensure the sustainability of such programs and activities after grant funds are no longer available;

(vii) a description of the extent of the involvement of employers in such programs and activities;

(viii) a description of the levels of performance the eligible entity expects to achieve with respect to the indicators of performance for all individuals specified in section in 136(b)(2);

(ix) a detailed budget and a description of the system of fiscal controls, and auditing and accountability procedures that will be used to ensure fiscal soundness for the programs and activities provided under this paragraph; and

(x) any other criteria the Governor may require.

(b) LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—Funds allocated to a local area under section 133(b)—

(1) shall be used to carry out employment and training activities described in subsection (c); and

(2) may be used to carry out employment and training activities described in subsection (d).

[(d)] *(c)* REQUIRED LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—

[(1) IN GENERAL.—

[(A) ALLOCATED FUNDS.—Funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), shall be used—

[(i) to establish a one-stop delivery system described in subsection (c);

[(ii) to provide the core services described in paragraph (2) to adults and dislocated workers, respectively, through the one-stop delivery system in accordance with such paragraph;

[(iii) to provide the intensive services described in paragraph (3) to adults and dislocated workers, respectively, described in such paragraph; and

[(iv) to provide training services described in paragraph (4) to adults and dislocated workers, respectively, described in such paragraph.

[(B) OTHER FUNDS.—A portion of the funds made available under Federal law authorizing the programs and activities described in section 121(b)(1)(B), including the Wagner-Peyser Act (29 U.S.C. 49 et seq.), shall be used as

described in clauses (i) and (ii) of subparagraph (A), to the extent not inconsistent with the Federal law involved.]

(1) IN GENERAL.—Funds allocated to a local area under section 133(b) shall be used—

(A) to establish a one-stop delivery system as described in section 121(e);

(B) to provide the work ready services described in paragraph (2) through the one-stop delivery system in accordance with such paragraph; and

(C) to provide training services described in paragraph (4) in accordance with such paragraph.

(2) [CORE SERVICES] *WORK READY SERVICES*.—Funds described in paragraph [(1)(A)] *(1)(B)* shall be used to provide [core services] *work ready services*, which shall be available to individuals [who are adults or dislocated workers] through the one-stop delivery system and shall, at a minimum, include—

(A) * * *

(B) assistance in obtaining eligibility determinations under the other one-stop partner programs through activities, where appropriate and consistent with the authorizing statute of the one-stop partner program, such as assisting in the submission of applications, the provision of information on the results of such applications, and the provision of intake services and information;

[(B)] *(C)* outreach, intake (which may include worker profiling), and orientation to the information and other services available through the one-stop delivery system;

[(C)] *(D)* initial assessment of skill levels, aptitudes, abilities, and supportive service needs;

[(D) job search and placement assistance, and where appropriate, career counseling;]

(E) labor exchange services, including—

(i) job search and placement assistance, and where appropriate, career counseling;

(ii) appropriate recruitment services for employers, including small employers, in the local area, which may include services described in this subsection, including information and referral to specialized business services not traditionally offered through the one-stop delivery system; and

(iii) reemployment services provided to unemployment claimants, including claimants identified as in need of such services under the worker profiling system established under section 303(j) of the Social Security Act (42 U.S.C. 503(j));

[(E)] *(F)* provision of [employment statistics] *workforce and labor market* information, including the provision of accurate information relating to local, regional, and national labor market areas, including—

(i) * * *

* * * * * * *

[(F)] *(G)* provision of performance information and program cost information on eligible providers of training services as described in section 122, provided by program,

[and eligible providers of youth activities described in section 123,] providers of adult education described in title II, providers of career and technical education activities at the postsecondary level, and career and technical education activities available to school dropouts, under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.), and providers of vocational rehabilitation program activities described in title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.);

[(G)] *(H)* provision of information regarding how the local area is performing on the local performance measures *under section 136* and any additional performance information with respect to the one-stop delivery system in the local area;

[(H)] *(I)* provision of accurate information relating to the availability of supportive services, including child care and transportation, available in the local area, and referral to such services, as appropriate;

[(I)] *(J)* provision of information regarding filing claims for unemployment compensation *and the administration of the work test for the unemployment compensation system*;

[(J) assistance in establishing eligibility for—

[(i) welfare-to-work activities authorized under section 403(a)(5) of the Social Security Act (as added by section 5001 of the Balanced Budget Act of 1997) available in the local area; and

[(ii) programs of financial aid assistance for training and education programs that are not funded under this Act and are available in the local area; and]

(K) assistance in establishing eligibility for programs of financial aid assistance for training and education programs that are not funded under this Act and are available in the local area;

(L) the provision of information from official publications of the Internal Revenue Service regarding Federal tax credits available to individuals relating to education, job training and employment;

(M) comprehensive and specialized assessments of the skill levels and service needs of workers, which may include—

(i) diagnostic testing and use of other assessment tools; and

(ii) in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals;

(N) development of an individual employment plan, to identify the employment goals, appropriate achievement objectives, and appropriate combination of services for the participant;

(O) group counseling;

(P) individual counseling and career planning;

(Q) case management;

(R) short-term pre-career services, including development of learning skills, communications skills, interviewing skills, punctuality, personal maintenance skills, and profes-

sional conduct, to prepare individuals for unsubsidized employment or training;

(S) internships and work experience;

(T) literacy activities relating to basic work readiness, information and communication technology literacy activities, and financial literacy activities, if such activities are not available to participants in the local area under programs administered under the Adult Education and Family Literacy Act (20 U.S.C. 2901 et seq.);

(U) out-of-area job search assistance and relocation assistance; and

[(K)] *(V)* followup services, including counseling regarding the workplace, for participants in workforce investment activities authorized under this subtitle who are placed in unsubsidized employment, for not less than 12 months after the first day of the employment, as appropriate.

[(3) INTENSIVE SERVICES.—

[(A) IN GENERAL.—Funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), shall be used to provide intensive services to adults and dislocated workers, respectively—

[(i)(I) who are unemployed and are unable to obtain employment through core services provided under paragraph (2); and

[(II) who have been determined by a one-stop operator to be in need of more intensive services in order to obtain employment; or

[(ii) who are employed, but who are determined by a one-stop operator to be in need of such intensive services in order to obtain or retain employment that allows for self-sufficiency.

[(B) DELIVERY OF SERVICES.—Such intensive services shall be provided through the one-stop delivery system—

[(i) directly through one-stop operators identified pursuant to section 121(d); or

[(ii) through contracts with service providers, which may include contracts with public, private for-profit, and private nonprofit service providers, approved by the local board.

[(C) TYPES OF SERVICES.—Such intensive services may include the following:

[(i) Comprehensive and specialized assessments of the skill levels and service needs of adults and dislocated workers, which may include—

[(I) diagnostic testing and use of other assessment tools; and

[(II) in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals.

[(ii) Development of an individual employment plan, to identify the employment goals, appropriate achievement objectives, and appropriate combination of serv-

ices for the participant to achieve the employment goals.

[(iii) Group counseling.

[(iv) Individual counseling and career planning.

[(v) Case management for participants seeking training services under paragraph (4).

[(vi) Short-term prevocational services, including development of learning skills, communication skills, interviewing skills, punctuality, personal maintenance skills, and professional conduct, to prepare individuals for unsubsidized employment or training.]

(3) DELIVERY OF SERVICES.—The work ready services described in paragraph (2) shall be provided through the one-stop delivery system and may be provided through contracts with public, private for-profit, and private nonprofit service providers, approved by the local board.

(4) TRAINING SERVICES.—

[(A) IN GENERAL.—Funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to a local area for dislocated workers under section 133(b)(2)(B) shall be used to provide training services to adults and dislocated workers, respectively—

[(i) who have met the eligibility requirements for intensive services under paragraph (3)(A) and who are unable to obtain or retain employment through such services;

[(ii) who after an interview, evaluation, or assessment, and case management, have been determined by a one-stop operator or one-stop partner, as appropriate, to be in need of training services and to have the skills and qualifications to successfully participate in the selected program of training services;

[(iii) who select programs of training services that are directly linked to the employment opportunities in the local area involved or in another area in which the adults or dislocated workers receiving such services are willing to relocate;

[(iv) who meet the requirements of subparagraph (B); and

[(v) who are determined to be eligible in accordance with the priority system, if any, in effect under subparagraph (E).]

(A) IN GENERAL.—Funds described in paragraph (1)(C) shall be used to provide training services to individuals who—

(i) after an interview, evaluation, or assessment, and case management, have been determined by a one-stop operator or one-stop partner, as appropriate, to—

(I) be in need of training services to obtain or retain employment; and

(II) have the skills and qualifications to successfully participate in the selected program of training services;

(ii) select programs of training services that are directly linked to the employment opportunities in the local area involved or in another area in which the individual receiving such services are willing to commute or relocate; and

(iii) who meet the requirements of subparagraph (B).

(B) QUALIFICATION.—

(i) REQUIREMENT.—[Except] *Notwithstanding section 479B of the Higher Education Act of 1965 (20 U.S.C. 1087uu) and except* as provided in clause (ii), provision of such training services shall be limited to individuals who—

(I) * * *

* * * * * * *

[(D) TRAINING SERVICES.—Training services may include—

[(i) occupational skills training, including training for nontraditional employment;

[(ii) on-the-job training;

[(iii) programs that combine workplace training with related instruction, which may include cooperative education programs;

[(iv) training programs operated by the private sector;

[(v) skill upgrading and retraining;

[(vi) entrepreneurial training;

[(vii) job readiness training;

[(viii) adult education and literacy activities provided in combination with services described in any of clauses (i) through (vii); and

[(ix) customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.

[(E) PRIORITY.—In the event that funds allocated to a local area for adult employment and training activities under paragraph (2)(A) or (3) of section 133(b) are limited, priority shall be given to recipients of public assistance and other low-income individuals for intensive services and training services. The appropriate local board and the Governor shall direct the one-stop operators in the local area with regard to making determinations related to such priority.]

(D) TRAINING SERVICES.—Training services authorized under this paragraph may include—

(i) occupational skills training;

(ii) on-the-job training;

(iii) skill upgrading and retraining;

(iv) entrepreneurial training;

(v) education activities leading to a regular secondary school diploma or its recognized equivalent in combination with, concurrently or subsequently, occupational skills training;

(vi) adult education and literacy activities provided in conjunction with other training authorized under this subparagraph;

(vii) workplace training combined with related instruction;

(viii) occupational skills training that incorporates English language acquisition;

(ix) customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training; and

(x) training programs operated by the private sector.

[(F)] *(E)* CONSUMER CHOICE REQUIREMENTS.—

(i) * * *

(ii) ELIGIBLE PROVIDERS.—Each local board, through one-stop centers referred to in [subsection (c)] *section 121*, shall make available—

(I) the State list of eligible providers of training services required under [section 122(e)] *section 122(d)*, with a description of the programs through which the providers may offer the training services, and the information identifying eligible providers of on-the-job training and customized training required under [section 122(h)] *section 122(i)*; and

(II) the performance information and performance cost information relating to eligible providers of training services described in [subsections (e) and (h)] *subsection (i)* of section 122.

[(iii) INDIVIDUAL TRAINING ACCOUNTS.—An individual who seeks training services and who is eligible pursuant to subparagraph (A), may, in consultation with a case manager, select an eligible provider of training services from the list or identifying information for providers described in clause (ii)(I). Upon such selection, the one-stop operator involved shall, to the extent practicable, refer such individual to the eligible provider of training services, and arrange for payment for such services through an individual training account.]

(iii) CAREER ENHANCEMENT ACCOUNTS.—An individual who seeks training services and who is eligible pursuant to subparagraph (A), may, in consultation with a case manager, select an eligible provider of training services from the list or identifying information for providers described in clause (ii)(I). Upon such selection, the one-stop operator involved shall, to the extent practicable, refer such individual to the eligible provider of training services, and arrange for payment for such services through a career enhancement account.

(iv) COORDINATION.—Each local board may, through one-stop centers, coordinate career enhancement accounts with other Federal, State, local, or private job

training programs or sources to assist the individual in obtaining training services.

(v) ASSISTANCE.—Each local board may, through one-stop centers, assist individuals receiving career enhancement accounts in obtaining funds (in addition to the funds provided under this section) from other programs and sources that will assist the individual in obtaining training services.

[(G)] *(F)* USE OF [INDIVIDUAL TRAINING ACCOUNTS] *CAREER ENHANCEMENT ACCOUNTS.*—

(i) IN GENERAL.—Except as provided in clause (ii), training services provided under this paragraph shall be provided through the use of [individual training accounts] *career enhancement accounts* in accordance with this paragraph, and shall be provided to eligible individuals through the one-stop delivery system.

(ii) EXCEPTIONS.—Training services authorized under this paragraph may be provided pursuant to a contract for services in lieu of [an individual training account] *a career enhancement account* if the requirements of [subparagraph (F)] *subparagraph (E)* are met and if—

(I) * * *

(II) the local board determines there are an insufficient number of eligible providers of training services in the local area involved (such as in a rural area) to accomplish the purposes of a system of [individual training accounts] *career enhancement accounts*; [or]

(III) the local board determines that there is a training services program of demonstrated effectiveness offered in the local area by a community-based organization or another private organization to serve special participant populations that face multiple barriers to employment[.]*; or*

(IV) the local board determines that it would be most appropriate to award a contract to an institution of higher education that has been identified as a priority provider under section 117(d)(5)(B) in order to facilitate the training of multiple individuals in in-demand sectors or occupations, and which may be used to enable the expansion of programs provided by a priority provider, if such contract does not limit customer choice.

(iii) LINKAGE TO OCCUPATIONS IN DEMAND.—Training services provided under this paragraph shall be directly linked to occupations that are in demand in the local area, or in another area to which an [adult or dislocated worker] *individual* receiving such services is willing to relocate, except that a local board may approve training services for occupations determined by the local board to be in sectors of the economy that have a high potential for sustained demand or growth in the local area.

(iv) DEFINITION.—In this subparagraph, the term "special participant population that faces multiple barriers to employment" means a population of low-income individuals that is included in one or more of the following categories:

(I) * * *

* * * * * * *

(IV) Individuals with disabilities.

[(IV)] *(V)* Other hard-to-serve populations as defined by the Governor involved.

[(e)] *(d)* PERMISSIBLE LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—

[(1) DISCRETIONARY ONE-STOP DELIVERY ACTIVITIES.—Funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), may be used to provide, through one-stop delivery described in subsection (c)(2)—

[(A) customized screening and referral of qualified participants in training services described in subsection (d)(4) to employment; and

[(B) customized employment-related services to employers on a fee-for-service basis.

[(2) SUPPORTIVE SERVICES.—Funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), may be used to provide supportive services to adults and dislocated workers, respectively—

[(A) who are participating in programs with activities authorized in any of paragraphs (2), (3), or (4) of subsection (d); and

[(B) who are unable to obtain such supportive services through other programs providing such services.

[(3) NEEDS-RELATED PAYMENTS.—

[(A) IN GENERAL.—Funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), may be used to provide needs-related payments to adults and dislocated workers, respectively, who are unemployed and do not qualify for (or have ceased to qualify for) unemployment compensation for the purpose of enabling such individuals to participate in programs of training services under subsection (d)(4).

[(B) ADDITIONAL ELIGIBILITY REQUIREMENTS.—In addition to the requirements contained in subparagraph (A), a dislocated worker who has ceased to qualify for unemployment compensation may be eligible to receive needs-related payments under this paragraph only if such worker was enrolled in the training services—

[(i) by the end of the 13th week after the most recent layoff that resulted in a determination of the worker's eligibility for employment and training activities for dislocated workers under this subtitle; or

[(ii) if later, by the end of the 8th week after the worker is informed that a short-term layoff will exceed 6 months.

[(C) LEVEL OF PAYMENTS.—The level of a needs-related payment made to a dislocated worker under this paragraph shall not exceed the greater of—

[(i) the applicable level of unemployment compensation; or

[(ii) if such worker did not qualify for unemployment compensation, an amount equal to the poverty line, for an equivalent period, which amount shall be adjusted to reflect changes in total family income.]

(1) DISCRETIONARY ONE-STOP DELIVERY ACTIVITIES.—

(A) IN GENERAL.—Funds allocated to a local area under section 133(b)(2) may be used to provide, through the one-stop delivery system—

(i) customized screening and referral of qualified participants in training services to employers;

(ii) customized employment-related services to employers on a fee-for-service basis;

(iii) customer supports, including transportation and childcare, to navigate among multiple services and activities for special participant populations that face multiple barriers to employment, including individuals with disabilities;

(iv) employment and training assistance provided in coordination with child support enforcement activities of the State agency carrying out subtitle D of title IV of the Social Security Act (42 U.S.C. 651 et seq.);

(v) incorporating pay-for-performance contracting strategies, as defined in section 101(56), as an element in funding activities under this section;

(vi) activities to facilitate remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology; and

(vii) activities to carry out business services and strategies that meet the workforce investment needs of local area employers, as determined by the local board, consistent with the local plan under section 118.

(2) INCUMBENT WORKER TRAINING PROGRAMS.—

(A) IN GENERAL.—The local board may use funds allocated to a local area under section 133(b)(2) to carry out incumbent worker training programs in accordance with this paragraph.

(B) TRAINING ACTIVITIES.—The training programs for incumbent workers under this paragraph shall be carried out by the local area in conjunction with the employers of such workers for the purpose of assisting such workers in obtaining the skills necessary to retain employment and avert layoffs.

(C) EMPLOYER MATCH REQUIRED.—

(i) IN GENERAL.—Employers participating in programs under this paragraph shall be required to pay a proportion of the costs of providing the training to the incumbent workers of the employers. The local

board shall establish the required portion of such costs, which may include in-kind contributions.

(ii) CALCULATION OF MATCH.—The wages paid by an employer to a worker while they are attending training may be included as part of the required payment of the employer.

(e) PRIORITY FOR PLACEMENT IN PRIVATE SECTOR JOBS.—In providing employment and training activities authorized under this section, the State and local board shall give priority to placing participants in jobs in the private sector.

(f) VETERAN EMPLOYMENT SPECIALIST.—

(1) IN GENERAL.—Subject to paragraph (8), a local board shall hire and employ one or more veteran employment specialist to carry out employment, training, and placement services under this subsection in the local area served by the local board.

(2) PRINCIPAL DUTIES.—A veteran employment specialist in a local area shall—

(A) conduct outreach to employers in the local area to assist veterans, including disabled veterans, in gaining employment, including—

(i) conducting seminars for employers; and

(ii) in conjunction with employers, conducting job search workshops, and establishing job search groups; and

(B) facilitate employment, training, supportive, and placement services furnished to veterans, including disabled and homeless veterans, in the local area.

(3) HIRING PREFERENCE FOR VETERANS AND INDIVIDUALS WITH EXPERTISE IN SERVING VETERANS.—Subject to paragraph (8), a local board shall, to the maximum extent practicable, employ veterans or individuals with expertise in serving veterans to carry out the services described in paragraph (2) in the local area served by the local board. In hiring an individual to serve as a veteran employment specialist, a local board shall give preference to veterans and other individuals in the following order:

(A) To service-connected disabled veterans.

(B) If no veteran described in subparagraph (A) is available, to veterans.

(C) If no veteran described in subparagraph (A) or (B) is available, to any member of the Armed Forces transitioning out of military service.

(D) If no veteran described in subparagraph (A), (B), or (C) is available, to any spouse of a veteran or a spouse of a member of the Armed Forces transitioning out of military service.

(E) If no veteran described in subparagraph (A), (B), or (C) is available and no spouse described in paragraph (D) is available, to any other individuals with expertise in serving veterans.

(4) ADMINISTRATION AND REPORTING.—

(A) IN GENERAL.—Each veteran employment specialist shall be administratively responsible to the manager of the one-stop delivery center in the local area and shall provide,

at a minimum, quarterly reports to the manager of such center and to the Director for Veterans' Employment and Training for the State on the performance and compliance by the specialist with Federal law and regulations with respect to the—

(i) principal duties and special services for veterans described in paragraph (2); and

(ii) hiring preferences described in paragraph (3) for veterans and individuals with expertise in serving veterans.

(B) REPORT TO SECRETARY.—Each State shall submit to the Secretary an annual report on the qualifications used by the local board in making hiring determinations for a veteran employment specialist and the salary structure under which such specialist is compensated.

(C) REPORT TO CONGRESS.—The Secretary shall submit to the Committee on Education and the Workforce and the Committee on Veterans' Affairs of the House of Representatives and the Committee on Health, Education, Labor, and Pensions and the Committee on Veterans' Affairs of the Senate an annual report summarizing the reports submitted under subparagraph (B), including summaries of outcomes achieved by participating veterans disaggregated by local areas.

(5) PART-TIME EMPLOYEES.—A part-time veteran employment specialist shall perform the functions of a veteran employment specialist under this subsection on a halftime basis.

(6) TRAINING REQUIREMENTS.—Each veteran employment specialist described in paragraph (2) shall satisfactorily complete training provided by the National Veterans' Employment and Training Institute during the three-year period that begins on the date on which the employee is so assigned.

(7) SPECIALIST'S DUTIES.—A full-time veteran employment specialist shall perform only duties related to the employment, training, supportive, and placement services under this subsection, and shall not perform other non-veteran-related duties if such duties detract from the specialist's ability to perform the specialist's duties related to employment, training, and placement services under this subsection.

(8) STATE OPTION.—At the request of a local board, a State may assume the duties assigned to the local board under paragraphs (1) and (3), including the hiring and employment of one or more veteran employment specialist for placement in the local area served by the local board.

CHAPTER 6—GENERAL PROVISIONS

SEC. 136. PERFORMANCE ACCOUNTABILITY SYSTEM.

(a) * * *

(b) STATE PERFORMANCE MEASURES.—

[(1) IN GENERAL.—For each State, the State performance measures shall consist of—

[(A)(i) the core indicators of performance described in paragraph (2)(A) and the customer satisfaction indicator of performance described in paragraph (2)(B); and

[(ii) additional indicators of performance (if any) identified by the State under paragraph (2)(C); and

[(B) a State adjusted level of performance for each indicator described in subparagraph (A).

[(2) INDICATORS OF PERFORMANCE.—

[(A) CORE INDICATORS OF PERFORMANCE.—

[(i) IN GENERAL.—The core indicators of performance for employment and training activities authorized under section 134 (except for self-service and informational activities) and (for participants who are eligible youth age 19 through 21) for youth activities authorized under section 129 shall consist of—

[(I) entry into unsubsidized employment;

[(II) retention in unsubsidized employment 6 months after entry into the employment;

[(III) earnings received in unsubsidized employment 6 months after entry into the employment; and

[(IV) attainment of a recognized credential relating to achievement of educational skills, which may include attainment of a secondary school diploma or its recognized equivalent, or occupational skills, by participants who enter unsubsidized employment, or by participants who are eligible youth age 19 through 21 who enter postsecondary education, advanced training, or unsubsidized employment.

[(ii) CORE INDICATORS FOR ELIGIBLE YOUTH.—The core indicators of performance (for participants who are eligible youth age 14 through 18) for youth activities authorized under section 129, shall include—

[(I) attainment of basic skills and, as appropriate, work readiness or occupational skills;

[(II) attainment of secondary school diplomas and their recognized equivalents; and

[(III) placement and retention in postsecondary education or advanced training, or placement and retention in military service, employment, or qualified apprenticeships.

[(B) CUSTOMER SATISFACTION INDICATORS.—The customer satisfaction indicator of performance shall consist of customer satisfaction of employers and participants with services received from the workforce investment activities authorized under this subtitle. Customer satisfaction may be measured through surveys conducted after the conclusion of participation in the workforce investment activities.

[(C) ADDITIONAL INDICATORS.—A State may identify in the State plan additional indicators for workforce investment activities authorized under this subtitle.]

(1) IN GENERAL.—For each State, the State performance measures shall consist of—

(A)(i) the core indicators of performance described in paragraph (2)(A); and

(ii) additional indicators of performance (if any) identified by the State under paragraph (2)(B); and

(B) a State adjusted level of performance for each indicator described in subparagraph (A).

(2) INDICATORS OF PERFORMANCE.—

(A) CORE INDICATORS OF PERFORMANCE.—

(i) IN GENERAL.—The core indicators of performance for the program of employment and training activities authorized under sections 132(a)(2) and 134, the program of adult education and literacy activities authorized under title II, and the program authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), other than section 112 or part C of that title (29 U.S.C. 732, 741), shall consist of the following indicators of performance, each disaggregated by the populations identified in the State and local plans:

(I) The percentage and number of program participants who are in unsubsidized employment during the second full calendar quarter after exit from the program.

(II) The percentage and number of program participants who are in unsubsidized employment during the fourth full calendar quarter after exit from the program.

(III) The median earnings of program participants who are in unsubsidized employment during the second full calendar quarter after exit from the program compared to the median earnings of such participants prior to the training received under such program.

(IV) The percentage and number of program participants who obtain a recognized postsecondary credential, a registered apprenticeship, an industry-recognized credential, or a regular secondary school diploma or its recognized equivalent (subject to clause (ii)), during participation in or within 1 year after exit from program.

(V) The percentage and number of program participants who, during a program year—

(aa) are in an education or training program that leads to a recognized postsecondary credential, a registered apprenticeship or on-the-job training program, an industry-recognized credential, a regular secondary school diploma or its recognized equivalent, or unsubsidized employment; and

(bb) are achieving measurable basic skill gains toward such a credential or employment.

(VI) The percentage and number of program participants who obtain unsubsidized employment in the field relating to the training services described in section 134(c)(4) that such participants received.

(ii) INDICATOR RELATING TO CREDENTIAL.—For purposes of clause (i)(IV), program participants who obtain a regular secondary school diploma or its recognized equivalent shall be included in the percentage counted as meeting the criterion under such clause only

if such participants, in addition to obtaining such diploma or its recognized equivalent, have, within 1 year after exit from the program, obtained or retained employment, have been removed from public assistance, or are in an education or training program leading to a recognized postsecondary credential.

(B) ADDITIONAL INDICATORS.—A State may identify in the State plan additional indicators for workforce investment activities authorized under this subtitle.

(3) LEVELS OF PERFORMANCE.—

(A) STATE ADJUSTED LEVELS OF PERFORMANCE FOR CORE INDICATORS [AND CUSTOMER SATISFACTION INDICATOR].—

(i) IN GENERAL.—For each State submitting a State plan, there shall be established, in accordance with this subparagraph, levels of performance for each of the core indicators of performance described in paragraph (2)(A) [and the customer satisfaction indicator described in paragraph (2)(B)] for workforce investment activities authorized under this subtitle. The levels of performance established under this subparagraph shall, at a minimum—

(I) * * *

* * * * * * *

(ii) IDENTIFICATION IN STATE PLAN.—Each State shall identify, in the State plan submitted under section 112, expected levels of performance for each of the core indicators of performance [and the customer satisfaction indicator of performance, for the first 3]*, for all 3* program years covered by the State plan.

(iii) AGREEMENT ON STATE ADJUSTED LEVELS OF PERFORMANCE [FOR FIRST 3 YEARS].—In order to ensure an optimal return on the investment of Federal funds in workforce investment activities authorized under this subtitle, the Secretary and each Governor shall reach agreement on levels of performance for each of the core indicators of performance [and the customer satisfaction indicator of performance, for the first 3 program years] *for all 3 program years* covered by the State plan, taking into account the levels identified in the State plan under clause (ii) and the factors described in clause (iv). The levels agreed to under this clause shall be considered to be the State adjusted levels of performance for the State for such years and shall be incorporated into the State plan prior to the approval of such plan.

(iv) FACTORS.—The agreement described in clause (iii) [or (v)] shall take into account—

[(I) the extent to which the levels involved will assist the State in attaining a high level of customer satisfaction;]

[(II)] *(I)* how the levels involved compare with the State adjusted levels of performance established for other States, [taking into account] *which shall be adjusted based on* factors including differences in economic conditions*, such as unem-*

ployment rates and job losses or gains in particular industries, the characteristics of participants when the participants entered the program*, such as indicators of poor work experience, dislocation from high-wage employment, low levels of literacy or English proficiency, disability status, including the number of veterans with disabilities, and welfare dependency*, and the services to be provided; and

[(III)] *(II)* the extent to which such levels involved promote continuous improvement in performance on the performance measures by such State and ensure optimal return on the investment of Federal funds.

[(v) AGREEMENT ON STATE ADJUSTED LEVELS OF PERFORMANCE FOR 4TH AND 5TH YEARS.—Prior to the 4th program year covered by the State plan, the Secretary and each Governor shall reach agreement on levels of performance for each of the core indicators of performance and the customer satisfaction indicator of performance, for the 4th and 5th program years covered by the State plan, taking into account the factors described in clause (iv). The levels agreed to under this clause shall be considered to be the State adjusted levels of performance for the State for such years and shall be incorporated into the State plan.]

[(vi)] *(v)* REVISIONS.—If unanticipated circumstances arise in a State resulting in a significant change in the factors [described in clause (iv)(II)] *described in clause (iv)(I)*, the Governor may request that the State adjusted levels of performance agreed to under clause (iii) [or (v)] be revised. The Secretary, after collaboration with the representatives described in subsection (i), shall issue objective criteria and methods for making such revisions.

(B) LEVELS OF PERFORMANCE FOR ADDITIONAL INDICATORS.—The State may identify, in the State plan, State levels of performance for each of the additional indicators described in [paragraph (2)(C)] *paragraph (2)(B)*. Such levels shall be considered to be State adjusted levels of performance for purposes of this title.

(c) LOCAL PERFORMANCE MEASURES.—

(1) IN GENERAL.—For each local area in a State, the local performance measures shall consist of—

(A)[(i) the core indicators of performance described in subsection (b)(2)(A), and the customer satisfaction indicator of performance described in subsection (b)(2)(B), for activities described in such subsections, other than statewide workforce investment activities; and] *(i) the core indicators of performance described in subsection (b)(2)(A) for activities described in such subsections, other than statewide workforce investment activities; and*

(ii) additional indicators of performance (if any) identified by the State under subsection [(b)(2)(C)] *(b)(2)(B)* for

activities described in such subsection, other than statewide workforce investment activities; and

* * * * * * *

[(3) DETERMINATIONS.—In determining such local levels of performance, the local board, the chief elected official, and the Governor shall take into account the specific economic, demographic, and other characteristics of the populations to be served in the local area.]

(3) DETERMINATIONS.—In determining such local levels of performance, the local board, the chief elected official, and the Governor shall ensure such levels are adjusted based on the specific economic characteristics (such as unemployment rates and job losses or gains in particular industries), demographic characteristics, or other characteristics of the population to be served in the local area.

(d) REPORT.—

(1) IN GENERAL.—Each State that receives an allotment under section [127 or] 132 shall annually prepare and submit to the Secretary a report on the progress of the State in achieving State performance measures, including information on the levels of performance achieved by the State with respect to the core indicators of performance [and the customer satisfaction indicator]. The annual report also shall include information regarding the progress of local areas in the State in achieving local performance measures, including information on the levels of performance achieved by the areas with respect to the core indicators of performance [and the customer satisfaction indicator]. The report also shall include information on the status of State evaluations of workforce investment activities described in subsection (e)*, and on the amount and percentage of the State's annual allotment under section 132 the State spends on administrative costs and on the amount and percentage of its annual allocation under section 133 each local area in the State spends on administrative costs*.

(2) ADDITIONAL INFORMATION.—In preparing such report, the State shall include, at a minimum, information on participants in workforce investment activities authorized under this subtitle relating to—

[(A) entry by participants who have completed training services provided under section 134(d)(4) into unsubsidized employment related to the training received;

[(B) wages at entry into employment for participants in workforce investment activities who entered unsubsidized employment, including the rate of wage replacement for such participants who are dislocated workers;]

[(C)] *(A)* cost of workforce investment activities relative to the effect of the activities on the performance of participants;

[(D) retention and earnings received in unsubsidized employment 12 months after entry into the employment;]

[(E)] *(B)* performance with respect to the indicators of performance specified in subsection (b)(2)(A) of participants in workforce investment activities who received the training services compared with the performance of participants in workforce investment activities who received

only services other than the training services [(excluding participants who received only self-service and informational activities)]; [and]

[(F) performance with respect to the indicators of performance specified in subsection (b)(2)(A) of recipients of public assistance, out-of-school youth, veterans, individuals with disabilities, displaced homemakers, and older individuals.]

(C) with respect to each local area in the State—

(i) the number of individuals who received work ready services described under section 134(c)(2) and the number of individuals who received training services described under section 134(c)(4) during the most recent program year and fiscal year, and the preceding 5 program years, where the individuals received the training, disaggregated by the type of entity that provided the training, and the amount of funds spent on each type of service;

(ii) the number of individuals who successfully exited out of work ready services described under section 134(c)(2) and the number of individuals who exited out of training services described under section 134(c)(4) during the most recent program year and fiscal year, and the preceding 5 program years, and where the individuals received the training, disaggregated by the type of entity that provided the training; and

(iii) the average cost per participant of those individuals who received work ready services described under section 134(c)(2) and the average cost per participant of those individuals who received training services described under section 134(c)(4) during the most recent program year and fiscal year, and the preceding 5 program years, and where the individuals received the training, disaggregated by the type of entity that provided the training; and

(E) the amount of funds spent on training services and discretionary one-stop delivery activities, disaggregated by the populations identified in the State and local plans.

(3) INFORMATION DISSEMINATION.—The Secretary—

(A) shall make the information contained in such reports available to the general public [through publication] *through electronic means* and other appropriate methods;

* * * * * * *

(4) DATA VALIDATION.—In preparing the reports described in this subsection, each State shall establish procedures, consistent with guidelines issued by the Secretary, to ensure the information contained in the report is valid and reliable.

(5) STATE AND LOCAL POLICIES.—

(A) STATE POLICIES.—Each State that receives an allotment under section 132 shall maintain a central repository of policies related to access, eligibility, availability of services, and other matters and plans approved by the State board and make such repository available to the public, including by electronic means.

(B) LOCAL POLICIES.—Each local area that receives an allotment under section 133 shall maintain a central repository of policies related to access, eligibility, availability of services, and other matters and plans approved by the local board and make such repository available to the public, including by electronic means.

* * * * * * *

(g) SANCTIONS FOR STATE FAILURE TO MEET STATE PERFORMANCE MEASURES.—

(1) STATES.—

(A) TECHNICAL ASSISTANCE.—If a State fails to meet State adjusted levels of performance relating to indicators described in subparagraph (A) [or (B)] of subsection (b)(2) for a program for any program year, the Secretary shall, upon request, provide technical assistance in accordance with section 170, including assistance in the development of a performance improvement plan.

(B) REDUCTION IN AMOUNT OF GRANT.—If such failure continues for a second consecutive year, or if a State fails to submit a report under subsection (d) for any program year, the Secretary [may reduce by not more than 5 percent,] *shall reduce* the amount of the grant that would (in the absence of this paragraph) be payable to the State under such program for the immediately succeeding program year. Such penalty shall be based on the degree of failure to meet State adjusted levels of performance.

[(2) FUNDS RESULTING FROM REDUCED ALLOTMENTS.—The Secretary shall use an amount retained, as a result of a reduction in an allotment to a State made under paragraph (1)(B), to provide incentive grants under section 503.]

(2) FUNDS RESULTING FROM REDUCED ALLOTMENTS.—The Secretary shall return to the Treasury the amount retained, as a result of a reduction in an allotment to a State made under paragraph (1)(B).

(h) SANCTIONS FOR LOCAL AREA FAILURE TO MEET LOCAL PERFORMANCE MEASURES.—

(1) TECHNICAL ASSISTANCE.—If a local area fails to meet levels of performance relating to indicators described in subparagraph (A) [or (B)] of subsection (b)(2) for a program for any program year, the Governor, or upon request by the Governor, the Secretary, shall provide technical assistance, which may include assistance in the development of a performance improvement plan, or the development of a modified local plan.

(2) CORRECTIVE ACTIONS.—

(A) IN GENERAL.—[If such failure continues for a second consecutive year, the Governor shall take corrective actions, which may include development of a reorganization plan through which the Governor may—] *If such failure continues for a second consecutive year, the Governor shall take corrective actions, including the development of a reorganization plan. Such plan shall—*

(i) * * *

* * * * * * *

(B) REDUCTION IN THE AMOUNT OF GRANT.—If such failure continues for a third consecutive year, the Governor of a State shall reduce the amount of the grant that would (in the absence of this subparagraph) be payable to the local area under such program for the program year after such third consecutive year. Such penalty shall be based on the degree of failure to meet local levels of performance.

[(B)] *(C)* APPEAL BY LOCAL AREA.—

(i) APPEAL TO GOVERNOR.—A local area that is subject to [a reorganization plan under subparagraph (A) may, not later than 30 days after receiving notice of the reorganization plan, appeal to the Governor to rescind or revise such plan] *corrective actions under subparagraphs (A) and (B) may, not later than 30 days after receiving notice of the actions, appeal to the Governor to rescind or revise such actions*. In such case, the Governor shall make a final decision not later then 30 days after the receipt of the appeal.

* * * * * * *

[(C)] *(D)* EFFECTIVE DATE.—The decision made by the Governor under clause (i) of [subparagraph (B)] *subparagraph (C)* shall become effective at the time the Governor issues the decision pursuant to such clause. Such decision shall remain effective unless the Secretary rescinds or revises such plan pursuant to clause (ii) of [subparagraph (B)] *subparagraph (C)*.

(i) OTHER MEASURES AND TERMINOLOGY.—

(1) RESPONSIBILITIES.—In order to ensure nationwide comparability of performance data, the Secretary, after collaboration with representatives of appropriate Federal agencies, and representatives of States and political subdivisions, business and industry, employees, eligible providers of employment and training activities, educators, and participants, with expertise regarding workforce investment policies and workforce investment activities, shall issue—

(A) * * *

(B) terms for a menu of additional indicators of performance described in [subsection (b)(2)(C)] *subsection (b)(2)(B)* to assist States in assessing their progress toward State workforce investment goals; and

(C) objective criteria and methods described in subsection [(b)(3)(A)(vi)] *(b)(3)(A)(v)* for making revisions to levels of performance.

(2) DEFINITIONS FOR CORE INDICATORS.—The Secretary and the representatives described in paragraph (1) shall participate in [the activities described in section 502 concerning] the issuance of definitions for indicators of performance described in subsection (b)(2)(A).

(3) ASSISTANCE.—The Secretary shall make the services of staff available to the representatives to assist the representatives in participating in the collaboration [described in paragraph (1) and in the activities described in section 502] *and activities described in this subsection*.

(j) USE OF CORE INDICATORS FOR OTHER PROGRAMS.—In addition to the programs carried out under chapter 5, and consistent with

the requirements of the applicable authorizing laws, the Secretary shall use the core indicators of performance described in subsection (b)(2)(A) to assess the effectiveness of the programs described under section 121(b)(1)(B) that are carried out by the Secretary.

(k) ESTABLISHING PAY-FOR-PERFORMANCE INCENTIVES.—

(1) IN GENERAL.—At the discretion of the Governor of a State, a State may establish an incentive system for local boards to implement pay-for-performance contract strategies for the delivery of employment and training services in the local areas served by the local boards.

(2) IMPLEMENTATION.—A State that establishes a pay-for-performance incentive system shall reserve not more than 10 percent of the total amount allotted to the State under section 132(b)(2) for a fiscal year to provide funds to local areas in the State whose local boards have implemented a pay-for-performance contract strategy.

(3) EVALUATIONS.—A State described in paragraph (2) shall use funds reserved by the State under section 133(a)(1) to evaluate the return on investment of pay-for-performance contract strategies implemented by local boards in the State.

[SEC. 137. AUTHORIZATION OF APPROPRIATIONS.

[(a) YOUTH ACTIVITIES.—There are authorized to be appropriated to carry out the activities described in section 127(a), such sums as may be necessary for each of fiscal years 1999 through 2003.

[(b) ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—There are authorized to be appropriated to carry out the activities described in section 132(a)(1), such sums as may be necessary for each of fiscal years 1999 through 2003.

[(c) DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES.—There are authorized to be appropriated to carry out the activities described in section 132(a)(2), such sums as may be necessary for each of fiscal years 1999 through 2003.]

SEC. 137. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out the activities described in section 132, $6,245,318,000 for fiscal year 2014 and each of the 6 succeeding fiscal years.

Subtitle C—Job Corps

SEC. 141. PURPOSES.

The purposes of this subtitle are—

[(1) to maintain a national Job Corps program, carried out in partnership with States and communities, to assist eligible youth who need and can benefit from an intensive program, operated in a group setting in residential and nonresidential centers, to become more responsible, employable, and productive citizens;]

(1) to maintain a national Job Corps program for at-risk youth, carried out in partnership with States and communities, to assist eligible youth to connect to the workforce by providing them with intensive academic, career and technical education, and service-learning opportunities, in residential and nonresidential centers, in order for such youth to obtain regular secondary school diplomas and recognized postsecondary creden-

tials leading to successful careers in in-demand industries that will result in opportunities for advancement;

* * * * * * *

SEC. 142. DEFINITIONS.

In this subtitle:

(1) * * *

(2) [APPLICABLE ONE-STOP] *ONE-STOP* CENTER.—The term "[applicable] one-stop center" means a one-stop [customer service] center that provides services, such as referral, [intake] *assessment*, recruitment, and placement, to a Job Corps center.

* * * * * * *

(4) FORMER ENROLLEE.—The term "former enrollee" means an individual who has voluntarily applied for, been selected for, and enrolled in the Job Corps program, but left the program [before completing the requirements of a vocational training program, or receiving a secondary school diploma or recognized equivalent, as a result of participation in the Job Corps program.] *prior to becoming a graduate.*

(5) GRADUATE.—The term "graduate" means an individual who has voluntarily applied for, been selected for, and enrolled in the Job Corps program and [has completed the requirements of a vocational training program, or received a secondary school diploma or recognized equivalent, as a result of participation in the Job Corps program.] *who, as a result of participation in the Job Corps program, has received a regular secondary school diploma, completed the requirements of a career and technical education and training program, or received, or is making satisfactory progress (as defined under section 484(c) of the Higher Education Act of 1965 (20 U.S.C. 1091(c)) toward receiving, a recognized postsecondary credential, including an industry-recognized credential that prepares individuals for employment leading to economic self-sufficiency.*

* * * * * * *

SEC. 144. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.

To be eligible to become an enrollee, an individual shall be—

[(1) not less than age 16 and not more than age 21 on the date of enrollment, except that—

[(A) not more than 20 percent of the individuals enrolled in the Job Corps may be not less than age 22 and not more than age 24 on the date of enrollment; and

[(B) either such maximum age limitation may be waived by the Secretary, in accordance with regulations of the Secretary, in the case of an individual with a disability;]

* * * * * * *

(3) an individual who is one or more of the following:

(A) * * *

(B) A *secondary* school dropout.

* * * * * * *

(E) An individual who requires additional education, [vocational] *career and technical education and* training, or intensive counseling and related assistance, in order to

participate successfully in regular schoolwork or to secure and hold employment.

* * * * * * *

(1) not less than age 16 and not more than age 24 on the date of enrollment;

SEC. 145. RECRUITMENT, SCREENING, SELECTION, AND ASSIGNMENT OF ENROLLEES.

(a) STANDARDS AND PROCEDURES.—

(1) * * *

(2) METHODS.—In prescribing standards and procedures under paragraph (1), the Secretary, at a minimum, shall—

(A) * * *

* * * * * * *

(C) establish standards and procedures for—

(i) determining, for each applicant, whether the educational and [vocational] *career and technical education and training* needs of the applicant can best be met through the Job Corps program or an alternative program in the community in which the applicant resides; and

* * * * * * *

(3) IMPLEMENTATION.—[To the extent practicable, the] *The* standards and procedures shall be implemented through arrangements with—

(A) [applicable] one-stop centers; *and*

[(B) community action agencies, business organizations, and labor organizations; and

[(C) agencies and individuals that have contact with youth over substantial periods of time and are able to offer reliable information about the needs and problems of youth.]

(B) organizations that have a demonstrated record of effectiveness in placing at-risk youth into employment.

* * * * * * *

(b) SPECIAL LIMITATIONS ON SELECTION.—

(1) IN GENERAL.—No individual shall be selected as an enrollee unless the individual or organization implementing the standards and procedures described in subsection (a) determines that—

(A) * * *

(B) the individual manifests a basic understanding of both the rules to which the individual will be subject and of the consequences of failure to observe the rules *and agrees to such rules*; and

[(C) the individual has passed a background check conducted in accordance with procedures established by the Secretary.]

(C) the individual has passed a background check conducted in accordance with procedures established by the Secretary, which shall include—

(i) a search of the State criminal registry or repository in the State where the individual resides and each State where the individual previously resided;

(ii) a search of State-based child abuse and neglect registries and databases in the State where the individual resides and each State where the individual previously resided;

(iii) a search of the National Crime Information Center;

(iv) a Federal Bureau of Investigation fingerprint check using the Integrated Automated Fingerprint Identification System; and

(v) a search of the National Sex Offender Registry established under the Adam Walsh Child Protection and Safety Act of 2006 (42 U.S.C. 16901 et seq.).

* * * * * * *

(3) INDIVIDUALS CONVICTED OF A CRIME.—An individual shall be ineligible for enrollment if the individual—

(A) makes a false statement in connection with the criminal background check described in paragraph (1)(C);

(B) is registered or is required to be registered on a State sex offender registry or the National Sex Offender Registry established under the Adam Walsh Child Protection and Safety Act of 2006 (42 U.S.C. 16901 et seq.); or

(C) has been convicted of a felony consisting of—

(i) homicide;

(ii) child abuse or neglect;

(iii) a crime against children, including child pornography;

(iv) a crime involving rape or sexual assault; or

(v) physical assault, battery, or a drug-related offense, committed within the past 5 years.

(c) ASSIGNMENT PLAN.—

(1) IN GENERAL.—Every [2 years] *year*, the Secretary shall develop and implement [an assignment] *a* plan for assigning enrollees to Job Corps centers. In developing the plan, the Secretary shall, based on the analysis described in paragraph (2), establish targets, applicable to each Job Corps center, for—

(A) * * *

* * * * * * *

(2) ANALYSIS.—In order to develop the plan described in paragraph (1), the Secretary shall[, every 2 years,] analyze, for the Job Corps center—

(A) * * *

(B) the relative demand for participation in the Job Corps in the State and region, and in surrounding regions; [and]

(C) the capacity and utilization of the Job Corps center, including *the education and training* services provided through the center[.]*; and*

(D) the performance of the Job Corps center relating to the indicators described in paragraphs (1) and (2) in section 159(c), and whether any actions have been taken with respect to such center pursuant to section 159(f).

* * * * * * *

(d) ASSIGNMENT OF INDIVIDUAL ENROLLEES.—

(1) IN GENERAL.—After an individual has been selected for the Job Corps in accordance with the standards and procedures of the Secretary under subsection (a), the enrollee shall be assigned to the Job Corps center that [is closest to the home of the enrollee, except that the] *offers the type of career and technical education and training selected by the individual and, among the centers that offer such education and training, is closest to the home of the individual. The* Secretary may waive this requirement if—

[(A) the enrollee chooses a vocational training program, or requires an English literacy program, that is not available at such center;]

[(B)] *(A)* the enrollee would be unduly delayed in participating in the Job Corps program because the closest center is operating at full capacity; or

[(C)] *(B)* the parent or guardian of the enrollee requests assignment of the enrollee to another Job Corps center due to circumstances in the community of the enrollee that would impair prospects for successful participation in the Job Corps program.

(2) ENROLLEES WHO ARE YOUNGER THAN 18.—An enrollee who is younger than 18 shall not be assigned to a Job Corps center other than the center closest to the home of the enrollee *that offers the career and technical education and training desired by* pursuant to paragraph (1) if the parent or guardian of the enrollee objects to the assignment.

* * * * * * *

SEC. 147. JOB CORPS CENTERS.

(a) OPERATORS AND SERVICE PROVIDERS.—

(1) ELIGIBLE ENTITIES.—

(A) OPERATORS.—The Secretary shall enter into an agreement with a Federal, State, or local agency, an area [vocational] *career and technical* education school or residential [vocational] *career and technical* school, or a private organization, for the operation of each Job Corps center.

* * * * * * *

(2) SELECTION PROCESS.—

(A) COMPETITIVE BASIS.—Except as provided in [subsections (c) and (d) of section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253)] *subsections (a) and (b) of section 3304 of title 41, United States Code*, the Secretary shall select on a competitive basis an entity to operate a Job Corps center and entities to provide activities described in this subtitle to the Job Corps center. In developing a solicitation for an operator or service provider, the Secretary shall consult with the Governor of the State in which the center is located, the [industry council] *workforce council* for the Job Corps center (if established), and the applicable local board regarding the contents of such solicitation, including elements that will promote the consistency of the activities carried out through the center with the objectives set forth in the State plan or in a local plan.

(B) RECOMMENDATIONS AND CONSIDERATIONS.—

(i) OPERATORS.—In selecting an entity to operate a Job Corps center, the Secretary shall consider—

(I) * * *

[(II) the degree to which the vocational training that the entity proposes for the center reflects local employment opportunities in the local areas in which enrollees at the center intend to seek employment;]

(II) the ability of the entity to offer career and technical education and training that the workforce council proposes under section 154(c);

(III) the degree to which the entity [is familiar with the surrounding communities, applicable] *demonstrates relationships with the surrounding communities, employers, workforce boards,* one-stop centers, and the State and region in which the center is located; [and]

[(IV) the past performance of the entity, if any, relating to operating or providing activities described in this subtitle to a Job Corps center.]

(IV) the performance of the entity, if any, relating to operating or providing activities described in this subtitle to a Job Corps center, including the entity's demonstrated effectiveness in assisting individuals in achieving the primary and secondary indicators of performance described in paragraphs (1) and (2) of section 159(c); and

(V) the ability of the entity to demonstrate a record of successfully assisting at-risk youth to connect to the workforce, including by providing them with intensive academic, and career and technical education and training.

(ii) PROVIDERS.—In selecting a service provider for a Job Corps center, the Secretary shall consider the factors described in subclauses (I) through (IV) of clause (i)[, as appropriate].

(b) CHARACTER AND ACTIVITIES.—Job Corps centers may be residential or nonresidential in character, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with access to activities described in this subtitle. [In any year, no more than 20 percent of the individuals enrolled in the Job Corps may be nonresidential participants in the Job Corps.]

[(c) CIVILIAN CONSERVATION CENTERS.—

[(1) IN GENERAL.—The Job Corps centers may include Civilian Conservation Centers operated under agreements with the Secretary of Agriculture or the Secretary of the Interior, located primarily in rural areas, which shall provide, in addition to other vocational training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

[(2) SELECTION PROCESS.—The Secretary may select an entity to operate a Civilian Conservation Center on a competitive basis, as provided in subsection (a), if the center fails to meet

such national performance standards as the Secretary shall establish.

[(d) INDIAN TRIBES.—

[(1) GENERAL AUTHORITY.—The Secretary may enter into agreements with Indian tribes to operate Job Corps centers for Indians.

[(2) DEFINITIONS.—In this subsection, the terms "Indian" and "Indian tribe", have the meanings given such terms in subsections (d) and (e), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).]

(c) CIVILIAN CONSERVATION CENTERS.—

(1) IN GENERAL.—The Job Corps centers may include Civilian Conservation Centers, operated under an agreement between the Secretary of Labor and the Secretary of Agriculture, that are located primarily in rural areas. Such centers shall adhere to all the provisions of this subtitle, and shall provide, in addition to education, career and technical education and training, and workforce preparation skills training described in section 148, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

(2) SELECTION PROCESS.—The Secretary shall select an entity that submits an application under subsection (d) to operate a Civilian Conservation Center on a competitive basis, as provided in subsection (a).

(d) APPLICATION.—To be eligible to operate a Job Corps center under this subtitle, an entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

(1) a description of the program activities that will be offered at the center, including how the career and technical education and training reflect State and local employment opportunities, including in in-demand industries;

(2) a description of the counseling, placement, and support activities that will be offered at the center, including a description of the strategies and procedures the entity will use to place graduates into unsubsidized employment upon completion of the program;

(3) a description of the demonstrated record of effectiveness that the entity has in placing at-risk youth into employment, including past performance of operating a Job Corps center under this subtitle;

(4) a description of the relationships that the entity has developed with State and local workforce boards, employers, State and local educational agencies, and the surrounding communities in an effort to promote a comprehensive statewide workforce investment system;

(5) a description of the strong fiscal controls the entity has in place to ensure proper accounting of Federal funds, and a description of how the entity will meet the requirements of section 159(a);

(6) a description of the strategies and policies the entity will utilize to reduce participant costs;

(7) a description of the steps taken to control costs in accordance with section 159(a)(3);

(8) a detailed budget of the activities that will be supported using funds under this subtitle;

(9) a detailed budget of the activities that will be supported using funds from non-Federal resources;

(10) an assurance the entity will comply with the administrative cost limitation included in section 151(c);

(11) an assurance the entity is licensed to operate in the State in which the center is located; and

(12) an assurance the entity will comply with and meet basic health and safety codes, including those measures described in section 152(b).

(e) LENGTH OF AGREEMENT.—The agreement described in subsection (a)(1)(A) shall be for not longer than a 2-year period. The Secretary may renew the agreement for 3 one-year periods if the entity meets the requirements of subsection (f).

(f) RENEWAL.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary may renew the terms of an agreement described in subsection (a)(1)(A) for an entity to operate a Job Corps center if the center meets or exceeds each of the indicators of performance described in section 159(c)(1).

(2) RECOMPETITION.—

(A) IN GENERAL.—Notwithstanding paragraph (1), the Secretary shall not renew the terms of the agreement for an entity to operate a Job Corps center if such center is ranked in the bottom quintile of centers described in section 159(f)(2) for any program year. Such entity may submit a new application under subsection (d) only if such center has shown significant improvement on the indicators of performance described in section 159(c)(1) over the last program year.

(B) VIOLATIONS.—The Secretary shall not select an entity to operate a Job Corps center if such entity or such center has been found to have a systemic or substantial material failure that involves—

(i) a threat to the health, safety, or civil rights of program participants or staff;

(ii) the misuse of funds received under this subtitle;

(iii) loss of legal status or financial viability, loss of permits, debarment from receiving Federal grants or contracts, or the improper use of Federal funds;

(iv) failure to meet any other Federal or State requirement that the entity has shown an unwillingness or inability to correct, after notice from the Secretary, within the period specified; or

(v) an unresolved area of noncompliance.

(g) CURRENT GRANTEES.—Not later than 60 days after the date of enactment of the SKILLS Act and notwithstanding any previous grant award or renewals of such award under this subtitle, the Secretary shall require all entities operating a Job Corps center under this subtitle to submit an application under subsection (d) to carry out the requirements of this section.

SEC. 148. PROGRAM ACTIVITIES.

[(a) ACTIVITIES PROVIDED BY JOB CORPS CENTERS.—

[(1) IN GENERAL.—Each Job Corps center shall provide enrollees with an intensive, well organized, and fully supervised program of education, vocational training, work experience, recreational activities, physical rehabilitation and development, and counseling. Each Job Corps center shall provide enrollees assigned to the center with access to core services described in section 134(d)(2) and the intensive services described in section 134(d)(3).

[(2) RELATIONSHIP TO OPPORTUNITIES.—

[(A) IN GENERAL.—The activities provided under this subsection shall provide work-based learning throughout the enrollment of the enrollees and assist the enrollees in obtaining meaningful unsubsidized employment, participating in secondary education or postsecondary education programs, enrolling in other suitable vocational training programs, or satisfying Armed Forces requirements, on completion of their enrollment.

[(B) LINK TO EMPLOYMENT OPPORTUNITIES.—The vocational training provided shall be linked to the employment opportunities in the local area in which the enrollee intends to seek employment after graduation.]

(a) ACTIVITIES PROVIDED HROUGH JOB CORPS CENTERS.—

(1) IN GENERAL.—Each Job Corps center shall provide enrollees with an intensive, well-organized, and supervised program of education, career, and technical education and training, work experience, recreational activities, physical rehabilitation and development, and counseling. Each Job Corps center shall provide enrollees assigned to the center with access to work-ready services described in section 134(c)(2).

(2) RELATIONSHIP TO OPPORTUNITIES.—

(A) IN GENERAL.—The activities provided under this subsection shall be targeted to helping enrollees, on completion of their enrollment—

(i) secure and maintain meaningful unsubsidized employment;

(ii) complete secondary education and obtain a regular secondary school diploma;

(iii) enroll in and complete postsecondary education or training programs, including obtaining recognized postsecondary credentials, industry-recognized credentials, and registered apprenticeships; or

(iv) satisfy Armed Forces requirements.

(B) LINK TO EMPLOYMENT OPPORTUNITIES.—The career and technical education and training provided shall be linked to the employment opportunities in in-demand industries in the State in which the Job Corps center is located.

(b) [EDUCATION AND VOCATIONAL] *ACADEMIC AND CAREER AND TECHNICAL EDUCATION AND* TRAINING.—The Secretary [may] *shall* arrange for education and [vocational] *career and technical* training of enrollees through local public or private educational agencies, [vocational] *career and technical* educational institutions, or technical institutes, whenever such entities provide education and

training substantially equivalent in cost and quality to that which the Secretary could provide through other means.

(c) ADVANCED CAREER TRAINING PROGRAMS.—

(1) * * *

* * * * * * *

[(3) DEMONSTRATION.—Each year, any operator seeking to enroll additional enrollees in an advanced career training program shall demonstrate that participants in such program have achieved a satisfactory rate of completion and placement in training-related jobs before the operator may carry out such additional enrollment.]

(3) DEMONSTRATION.—Each year, any operator seeking to enroll additional enrollees in an advanced career training program shall demonstrate, before the operator may carry out such additional enrollment, that—

(A) participants in such program have achieved a satisfactory rate of completion and placement in training-related jobs; and

(B) such operator has met or exceeded the indicators of performance described in paragraphs (1) and (2) of section 159(c) for the previous year.

* * * * * * *

SEC. 149. COUNSELING AND JOB PLACEMENT.

(a) COUNSELING AND TESTING.—The Secretary shall arrange for counseling and testing for each enrollee at regular intervals to measure progress in the education and [vocational] *career and technical education and* training programs carried out through the Job Corps.

(b) PLACEMENT.—The Secretary shall arrange for counseling and testing for enrollees prior to their scheduled graduations to determine their capabilities and, based on their capabilities, shall [make every effort to arrange to] place the enrollees in jobs in the vocations for which the enrollees are trained or to assist the enrollees in obtaining further activities described in this subtitle. In arranging for the placement of graduates in jobs, the Secretary shall utilize the one-stop delivery system to the fullest extent possible.

* * * * * * *

[(d) SERVICES TO FORMER ENROLLEES.—The Secretary may provide such services as the Secretary determines to be appropriate under this subtitle to former enrollees.]

SEC. 150. SUPPORT.

(a) * * *

[(b) READJUSTMENT ALLOWANCES.—

[(1) GRADUATES.—The Secretary shall arrange for a readjustment allowance to be paid to graduates. The Secretary shall arrange for the allowance to be paid at the one-stop center nearest to the home of the graduate who is returning home, or at the one-stop center nearest to the location where the graduate has indicated an intent to seek employment. If the Secretary uses any organization, in lieu of a one-stop center, to provide placement services under this Act, the Secretary shall arrange for that organization to pay the readjustment allowance.

[(2) FORMER ENROLLEES.—The Secretary may provide for a readjustment allowance to be paid to former enrollees. The provision of the readjustment allowance shall be subject to the same requirements as are applicable to the provision of the readjustment allowance paid to graduates under paragraph (1).]

(b) TRANSITION ALLOWANCES AND SUPPORT FOR GRADUATES.—The Secretary shall arrange for a transition allowance to be paid to graduates. The transition allowance shall be incentive-based to reflect a graduate's completion of academic, career and technical education or training, and attainment of a recognized postsecondary credential, including an industry-recognized credential.

SEC. 151. [OPERATING PLAN.] *OPERATIONS.*

(a) [IN GENERAL] *OPERATING PLAN.*—The provisions of the contract between the Secretary and an entity selected to operate a Job Corps center shall, at a minimum, serve as an operating plan for the Job Corps center.

[(b) ADDITIONAL INFORMATION.—The Secretary may require the operator, in order to remain eligible to operate the Job Corps center, to submit such additional information as the Secretary may require, which shall be considered part of the operating plan.]

[(c)] *(b)* AVAILABILITY *OF OPERATING PLAN.*—The Secretary shall make the operating plan described in [subsections (a) and (b)] *subsection (a)*, excluding any proprietary information, available to the public.

(c) ADMINISTRATIVE COSTS.—Not more than 10 percent of the funds allotted under section 147 to an entity selected to operate a Job Corps center may be used by the entity for administrative costs under this subtitle.

* * * * * * *

[SEC. 153. COMMUNITY PARTICIPATION.

[(a) BUSINESS AND COMMUNITY LIAISON.—Each Job Corps center shall have a Business and Community Liaison (referred to in this Act as a "Liaison"), designated by the director of the center.

[(b) RESPONSIBILITIES.—The responsibilities of the Liaison shall include—

[(1) establishing and developing relationships and networks with—

[(A) local and distant employers; and

[(B) applicable one-stop centers and applicable local boards,

for the purpose of providing job opportunities for Job Corps graduates; and

[(2) establishing and developing relationships with members of the community in which the Job Corps center is located, informing members of the community about the projects of the Job Corps center and changes in the rules, procedures, or activities of the center that may affect the community, and planning events of mutual interest to the community and the Job Corps center.

[(c) NEW CENTERS.—The Liaison for a Job Corps center that is not yet operating shall establish and develop the relationships and networks described in subsection (b) at least 3 months prior to the date on which the center accepts the first enrollee at the center.

[SEC. 154. INDUSTRY COUNCILS.

[(a) IN GENERAL.—Each Job Corps center shall have an industry council, appointed by the director of the center after consultation with the Liaison, in accordance with procedures established by the Secretary.

[(b) INDUSTRY COUNCIL COMPOSITION.—

[(1) IN GENERAL.—An industry council shall be comprised of—

[(A) a majority of members who shall be local and distant owners of business concerns, chief executives or chief operating officers of nongovernmental employers, or other private sector employers, who—

[(i) have substantial management, hiring, or policy responsibility; and

[(ii) represent businesses with employment opportunities that reflect the employment opportunities of the applicable local area;

[(B) representatives of labor organizations (where present) and representatives of employees; and

[(C) enrollees and graduates of the Job Corps.

[(2) LOCAL BOARD.—The industry council may include members of the applicable local boards who meet the requirements described in paragraph (1).

[(c) RESPONSIBILITIES.—The responsibilities of the industry council shall be—

[(1) to work closely with all applicable local boards in order to determine, and recommend to the Secretary, appropriate vocational training for the center;

[(2) to review all the relevant labor market information to—

[(A) determine the employment opportunities in the local areas in which the enrollees intend to seek employment after graduation;

[(B) determine the skills and education that are necessary to obtain the employment opportunities; and

[(C) recommend to the Secretary the type of vocational training that should be implemented at the center to enable the enrollees to obtain the employment opportunities; and

[(3) to meet at least once every 6 months to reevaluate the labor market information, and other relevant information, to determine, and recommend to the Secretary, any necessary changes in the vocational training provided at the center.

[(d) NEW CENTERS.—The industry council for a Job Corps center that is not yet operating shall carry out the responsibilities described in subsection (c) at least 3 months prior to the date on which the center accepts the first enrollee at the center.

[SEC. 155. ADVISORY COMMITTEES.

[The Secretary may establish and use advisory committees in connection with the operation of the Job Corps program, and the operation of Job Corps centers, whenever the Secretary determines that the availability of outside advice and counsel on a regular basis would be of substantial benefit in identifying and overcoming problems, in planning program or center development, or in strengthening relationships between the Job Corps and agencies, institutions, or groups engaged in related activities.]

SEC. 153. COMMUNITY PARTICIPATION.

The director of each Job Corps center shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers in the State and nearby communities. Such activities may include the use of any local workforce development boards established under section 117 to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.

SEC. 154. WORKFORCE COUNCILS.

(a) IN GENERAL.—Each Job Corps center shall have a workforce council appointed by the Governor of the State in which the Job Corps center is located.

(b) WORKFORCE COUNCIL COMPOSITION.—

(1) IN GENERAL.—A workforce council shall be comprised of—

(A) business members of the State board described in section 111(b)(1)(B)(i);

(B) business members of the local boards described in section 117(b)(2)(A) located in the State;

(C) a representative of the State board described in section 111(f); and

(D) such other representatives and State agency officials as the Governor may designate.

(2) MAJORITY.—A ⅔ majority of the members of the workforce council shall be representatives described in paragraph (1)(A).

(c) RESPONSIBILITIES.—The responsibilities of the workforce council shall be—

(1) to review all the relevant labor market information, including related information in the State plan described in section 112, to—

(A) determine the in-demand industries in the State in which enrollees intend to seek employment after graduation;

(B) determine the skills and education that are necessary to obtain the employment opportunities described in subparagraph (A); and

(C) determine the type or types of career and technical education and training that will be implemented at the center to enable the enrollees to obtain the employment opportunities; and

(2) to meet at least once a year to reevaluate the labor market information, and other relevant information, to determine any necessary changes in the career and technical education and training provided at the center.

* * * * * * *

[SEC. 156. EXPERIMENTAL, RESEARCH, AND DEMONSTRATION PROJECTS.

[The Secretary may carry out experimental, research, or demonstration projects relating to carrying out the Job Corps program and may waive any provisions of this subtitle that the Secretary finds would prevent the Secretary from carrying out the projects.]

SEC. 156. TECHNICAL ASSISTANCE TO CENTERS.

(a) IN GENERAL.—From the funds reserved under section 132(a)(3), the Secretary shall provide, directly or through grants, contracts, or other agreements or arrangements as the Secretary

considers appropriate, technical assistance and training for the Job Corps program for the purposes of improving program quality.

(b) ACTIVITIES.—In providing training and technical assistance and for allocating resources for such assistance, the Secretary shall—

(1) assist entities, including those entities not currently operating a Job Corps center, in developing the application described in section 147(d);

(2) assist Job Corps centers and programs in correcting deficiencies and violations under this subtitle;

(3) assist Job Corps centers and programs in meeting or exceeding the indicators of performance described in paragraph (1) and (2) of section 159(c); and

(4) assist Job Corps centers and programs in the development of sound management practices, including financial management procedures.

* * * * * * *

SEC. 158. SPECIAL PROVISIONS.

(a) * * *

* * * * * * *

(c) TRANSFER OF PROPERTY.—

(1) IN GENERAL.—Notwithstanding [title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.)] *chapter of 5 title 40, United States Code,* and any other provision of law, the Secretary and the Secretary of Education shall receive priority by the Secretary of Defense for the direct transfer, on a nonreimbursable basis, of the property described in paragraph (2) for use in carrying out programs under this Act or under any other Act.

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SEC. 159. [MANAGEMENT INFORMATION] *PERFORMANCE ACCOUNTABILITY AND MANAGEMENT*.

(a) FINANCIAL MANAGEMENT INFORMATION SYSTEM.—

(1) * * *

* * * * * * *

(3) FISCAL RESPONSIBILITY.—Operators shall remain fiscally responsible and control costs, regardless of whether the funds made available for Job Corps centers are incrementally increased or decreased between fiscal years, *or operating costs for such centers result in a budgetary shortfall*.

* * * * * * *

[(c) INFORMATION ON INDICATORS OF PERFORMANCE.—

[(1) ESTABLISHMENT.—The Secretary shall, with continuity and consistency from year to year, establish indicators of performance, and expected levels of performance for Job Corps centers and the Job Corps program, relating to—

[(A) the number of graduates and the rate of such graduation, analyzed by type of vocational training received through the Job Corps program and by whether the vocational training was provided by a local or national service provider;

[(B) the number of graduates who entered unsubsidized employment related to the vocational training received through the Job Corps program and the number who entered unsubsidized employment not related to the vocational training received, analyzed by whether the vocational training was provided by a local or national service provider and by whether the placement in the employment was conducted by a local or national service provider;

[(C) the average wage received by graduates who entered unsubsidized employment related to the vocational training received through the Job Corps program and the average wage received by graduates who entered unsubsidized employment unrelated to the vocational training received;

[(D) the average wage received by graduates placed in unsubsidized employment after completion of the Job Corps program—

[(i) on the first day of the employment;

[(ii) 6 months after the first day of the employment; and

[(iii) 12 months after the first day of the employment,

analyzed by type of vocational training received through the Job Corps program;

[(E) the number of graduates who entered unsubsidized employment and were retained in the unsubsidized employment—

[(i) 6 months after the first day of the employment; and

[(ii) 12 months after the first day of the employment;

[(F) the number of graduates who entered unsubsidized employment—

[(i) for 32 hours per week or more;

[(ii) for not less than 20 but less than 32 hours per week; and

[(iii) for less than 20 hours per week;

[(G) the number of graduates who entered postsecondary education or advanced training programs, including apprenticeship programs, as appropriate; and

[(H) the number of graduates who attained job readiness and employment skills.

[(2) PERFORMANCE OF RECRUITERS.—The Secretary shall also establish performance measures, and expected performance levels on the performance measures, for local and national recruitment service providers serving the Job Corps program. The performance measures shall relate to the number of enrollees retained in the Job Corps program for 30 days and for 60 days after initial placement in the program.

[(3) REPORT.—The Secretary shall collect, and annually submit a report to the appropriate committees of Congress containing, information on the performance of each Job Corps center, and the Job Corps program, on the core performance measures, as compared to the expected performance level for each performance measure. The report shall also contain informa-

tion on the performance of the service providers described in paragraph (2) on the performance measures established under such paragraph, as compared to the expected performance levels for the performance measures.

[(d) ADDITIONAL INFORMATION.—The Secretary shall also collect, and submit in the report described in subsection (c), information on the performance of each Job Corps center, and the Job Corps program, regarding—

[(1) the number of enrollees served;

[(2) the average level of learning gains for graduates and former enrollees;

[(3) the number of former enrollees and graduates who entered the Armed Forces;

[(4) the number of former enrollees who entered postsecondary education;

[(5) the number of former enrollees who entered unsubsidized employment related to the vocational training received through the Job Corps program and the number who entered unsubsidized employment not related to the vocational training received;

[(6) the number of former enrollees and graduates who obtained a secondary school diploma or its recognized equivalent;

[(7) the number and percentage of dropouts from the Job Corps program including the number dismissed under the zero tolerance policy described in section 152(b); and

[(8) any additional information required by the Secretary.

[(e) METHODS.—The Secretary may collect the information described in subsections (c) and (d) using methods described in section 136(f)(2) consistent with State law.

[(f) PERFORMANCE ASSESSMENTS AND IMPROVEMENTS.—

[(1) ASSESSMENTS.—The Secretary shall conduct an annual assessment of the performance of each Job Corps center. Based on the assessment, the Secretary shall take measures to continuously improve the performance of the Job Corps program.

[(2) PERFORMANCE IMPROVEMENT PLANS.—With respect to a Job Corps center that fails to meet the expected levels of performance relating to the core performance measures specified in subsection (c), the Secretary shall develop and implement a performance improvement plan. Such a plan shall require action including—

[(A) providing technical assistance to the center;

[(B) changing the vocational training offered at the center;

[(C) changing the management staff of the center;

[(D) replacing the operator of the center;

[(E) reducing the capacity of the center;

[(F) relocating the center; or

[(G) closing the center.

[(3) ADDITIONAL PERFORMANCE IMPROVEMENT PLANS.—In addition to the performance improvement plans required under paragraph (2), the Secretary may develop and implement additional performance improvement plans. Such a plan shall require improvements, including the actions described in paragraph (2), for a Job Corps center that fails to meet criteria es-

tablished by the Secretary other than the expected levels of performance described in paragraph (2).

[(g) CLOSURE OF JOB CORPS CENTER.—Prior to the closure of any Job Corps center, the Secretary shall ensure—

[(1) that the proposed decision to close the center is announced in advance to the general public through publication in the Federal Register or other appropriate means;

[(2) the establishment of a reasonable comment period, not to exceed 30 days, for interested individuals to submit written comments to the Secretary; and

[(3) that the Member of Congress who represents the district in which such center is located is notified within a reasonable period of time in advance of any final decision to close the center.]

(c) INDICATORS OF PERFORMANCE.—

(1) PRIMARY INDICATORS.—The annual primary indicators of performance for Job Corps centers shall include—

(A) the percentage and number of enrollees who graduate from the Job Corps center;

(B) the percentage and number of graduates who entered unsubsidized employment related to the career and technical education and training received through the Job Corps center, except that such calculation shall not include enrollment in education, the military or volunteer service;

(C) the percentage and number of graduates who obtained a recognized postsecondary credential, including an industry-recognized credential or a registered apprenticeship; and

(D) the cost per successful performance outcome, which is calculated by comparing the number of graduates who were placed in unsubsidized employment or obtained a recognized credential, including an industry-recognized credential, to total program costs, including all operations, construction, and administration costs at each Job Corp center.

(2) SECONDARY INDICATORS.—The annual secondary indicators of performance for Job Corps centers shall include—

(A) the percentage and number of graduates who entered unsubsidized employment not related to the career and technical education and training received through the Job Corps center;

(B) the percentage and number of graduates who entered into postsecondary education;

(C) the percentage and number of graduates who entered into the military;

(D) the average wage of graduates who are in unsubsidized employment—

(i) on the first day of employment; and

(ii) 6 months after the first day;

(E) the number and percentage of graduates who entered unsubsidized employment and were retained in the unsubsidized employment—

(i) 6 months after the first day of employment; and

(ii) 12 months after the first day of employment;

(F) the percentage and number of enrollees compared to the percentage and number of enrollees the Secretary has established targets in section 145(c)(1);

(G) the cost per training slot, which is calculated by comparing the program's maximum number of students that can be enrolled in a Job Corps center at any given time during the program year to the number of enrollees in the same program year; and

(H) the number and percentage of former enrollees, including the number dismissed under the zero tolerance policy described in section 152(b).

(3) INDICATORS OF PERFORMANCE FOR RECRUITERS.—The annual indicators of performance for recruiters shall include the measurements described in subparagraph (A) of paragraph (1) and subparagraphs (F), (G), and (H) of paragraph (2).

(4) INDICATORS OF PERFORMANCE OF CAREER TRANSITION SERVICE PROVIDERS.—The annual indicators of performance of career transition service providers shall include the measurements described in subparagraphs (B) and (C) of paragraph (1) and subparagraphs, (B), (C), (D), and (E) of paragraph (2).

(d) ADDITIONAL INFORMATION.—The Secretary shall collect, and submit in the report described in subsection (f), information on the performance of each Job Corps center, and the Job Corps program, regarding—

(1) the number and percentage of former enrollees who obtained a regular secondary school diploma;

(2) the number and percentage of former enrollees who entered unsubsidized employment;

(3) the number and percentage of former enrollees who obtained a recognized postsecondary credential, including an industry-recognized credential;

(4) the number and percentage of former enrollees who entered into military service; and

(5) any additional information required by the Secretary.

(e) METHODS.—The Secretary shall collect the information described in subsections (c) and (d), using methods described in section 136(i)(2) and consistent with State law, by entering into agreements with the States to access such data for Job Corps enrollees, former enrollees, and graduates.

(f) TRANSPARENCY AND ACCOUNTABILITY.—

(1) REPORT.—The Secretary shall collect and annually submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education. Labor and Pensions of the Senate, as well as make available to the public by electronic means, a report containing—

(A) information on the performance of each Job Corps center, and the Job Corps program, on the performance indicators described in paragraphs (1) and (2) of subsection (c);

(B) a comparison of each Job Corps center, by rank, on the performance indicators described in paragraphs (1) and (2) of subsection (c);

(C) a comparison of each Job Corps center, by rank, on the average performance of all primary indicators described in paragraph (1) of subsection (c);

(D) information on the performance of the service providers described in paragraphs (3) and (4) of subsection (c) on the performance indicators established under such paragraphs; and

(E) a comparison of each service provider, by rank, on the performance of all service providers described in paragraphs (3) and (4) of subsection (c) on the performance indicators established under such paragraphs.

(2) ASSESSMENT.—The Secretary shall conduct an annual assessment of the performance of each Job Corps center which shall include information on the Job Corps centers that—

(A) are ranked in the bottom 10 percent on the performance indicator described in paragraph (1)(C); or

(B) have failed a safety and health code review described in subsection (g).

(3) PERFORMANCE IMPROVEMENT.—With respect to a Job Corps center that is identified under paragraph (2) or reports less than 50 percent on the performance indicators described in subparagraphs (A), (B), or (C) of subsection (c)(1), the Secretary shall develop and implement a 1 year performance improvement plan. Such a plan shall require action including—

(A) providing technical assistance to the center;

(B) changing the management staff of the center;

(C) replacing the operator of the center;

(D) reducing the capacity of the center; or

(E) closing the center.

(4) CLOSURE OF JOB CORPS CENTERS.—Job Corps centers that have been identified under paragraph (2) for more than 4 consecutive years shall be closed. The Secretary shall ensure—

(A) that the proposed decision to close the center is announced in advance to the general public through publication in the Federal Register and other appropriate means; and

(B) the establishment of a reasonable comment period, not to exceed 30 days, for interested individuals to submit written comments to the Secretary.

(g) PARTICIPANT HEALTH AND SAFETY.—The Secretary shall enter into an agreement with the General Services Administration or the appropriate State agency responsible for inspecting public buildings and safeguarding the health of disadvantaged students, to conduct an in-person review of the physical condition and health-related activities of each Job Corps center annually. Such review shall include a passing rate of occupancy under Federal and State ordinances.

Subtitle D—National Programs

[SEC. 166. NATIVE AMERICAN PROGRAMS.

[(a) PURPOSE.—

[(1) IN GENERAL.—The purpose of this section is to support employment and training activities for Indian, Alaska Native, and Native Hawaiian individuals in order—

[(A) to develop more fully the academic, occupational, and literacy skills of such individuals;

[(B) to make such individuals more competitive in the workforce; and

[(C) to promote the economic and social development of Indian, Alaska Native, and Native Hawaiian communities in accordance with the goals and values of such communities.

[(2) INDIAN POLICY.—All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) and the government-to-government relationship between the Federal Government and Indian tribal governments.

[(b) DEFINITIONS.—As used in this section:

[(1) ALASKA NATIVE.—The term "Alaska Native" means a Native as such term is defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

[(2) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—The terms "Indian", "Indian tribe", and "tribal organization" have the meanings given such terms in subsections (d), (e), and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

[(3) NATIVE HAWAIIAN AND NATIVE HAWAIIAN ORGANIZATION.—The terms "Native Hawaiian" and "Native Hawaiian organization" have the meanings given such terms in section 7207 of the Native Hawaiian Education Act.

[(c) PROGRAM AUTHORIZED.—

[(1) IN GENERAL.—The Secretary shall, on a competitive basis, make grants to, or enter into contracts or cooperative agreements with, Indian tribes, tribal organizations, Alaska Native entities, Indian-controlled organizations serving Indians, or Native Hawaiian organizations to carry out the authorized activities described in subsection (d).

[(2) EXCEPTION.—The competition for grants, contracts, or cooperative agreements conducted under paragraph (1) shall be conducted every 2 years, except that if a recipient of such a grant, contract, or agreement has performed satisfactorily, the Secretary may waive the requirements for such competition on receipt from the recipient of a satisfactory 2-year program plan for the succeeding 2-year period of the grant, contract, or agreement.

[(d) AUTHORIZED ACTIVITIES.—

[(1) IN GENERAL.—Funds made available under subsection (c) shall be used to carry out the activities described in paragraph (2) that—

[(A) are consistent with this section; and

[(B) are necessary to meet the needs of Indians or Native Hawaiians preparing to enter, reenter, or retain unsubsidized employment.

[(2) WORKFORCE INVESTMENT ACTIVITIES AND SUPPLEMENTAL SERVICES.—

[(A) IN GENERAL.—Funds made available under subsection (c) shall be used for—

[(i) comprehensive workforce investment activities for Indians or Native Hawaiians; or

[(ii) supplemental services for Indian or Native Hawaiian youth on or near Indian reservations and in Oklahoma, Alaska, or Hawaii.

[(B) SPECIAL RULE.—Notwithstanding any other provision of this section, individuals who were eligible to participate in programs under section 401 of the Job Training Partnership Act (29 U.S.C. 1671) (as such section was in effect on the day before the date of enactment of this Act) shall be eligible to participate in an activity assisted under this section.

[(e) PROGRAM PLAN.—In order to receive a grant or enter into a contract or cooperative agreement under this section an entity described in subsection (c) shall submit to the Secretary a program plan that describes a 2-year strategy for meeting the needs of Indian, Alaska Native, or Native Hawaiian individuals, as appropriate, in the area served by such entity. Such plan shall—

[(1) be consistent with the purpose of this section;

[(2) identify the population to be served;

[(3) identify the education and employment needs of the population to be served and the manner in which the activities to be provided will strengthen the ability of the individuals served to obtain or retain unsubsidized employment;

[(4) describe the activities to be provided and the manner in which such activities are to be integrated with other appropriate activities; and

[(5) describe, after the entity submitting the plan consults with the Secretary, the performance measures to be used to assess the performance of entities in carrying out the activities assisted under this section.

[(f) CONSOLIDATION OF FUNDS.—Each entity receiving assistance under subsection (c) may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act of 1992 (25 U.S.C. 3401 et seq.).

[(g) NONDUPLICATIVE AND NONEXCLUSIVE SERVICES.—Nothing in this section shall be construed—

[(1) to limit the eligibility of any entity described in subsection (c) to participate in any activity offered by a State or local entity under this Act; or

[(2) to preclude or discourage any agreement, between any entity described in subsection (c) and any State or local entity, to facilitate the provision of services by such entity or to the population served by such entity.

[(h) ADMINISTRATIVE PROVISIONS.—

[(1) ORGANIZATIONAL UNIT ESTABLISHED.—The Secretary shall designate a single organizational unit within the Department of Labor that shall have primary responsibility for the administration of the activities authorized under this section.

[(2) REGULATIONS.—The Secretary shall consult with the entities described in subsection (c) in—

[(A) establishing regulations to carry out this section, including performance measures for entities receiving assistance under such subsection, taking into account the economic circumstances of such entities; and

[(B) developing a funding distribution plan that takes into consideration previous levels of funding (prior to the date of enactment of this Act) to such entities.

[(3) WAIVERS.—

[(A) IN GENERAL.—With respect to an entity described in subsection (c), the Secretary, notwithstanding any other provision of law, may, pursuant to a request submitted by such entity that meets the requirements established under subparagraph (B), waive any of the statutory or regulatory requirements of this title that are inconsistent with the specific needs of the entities described in such subsection, except that the Secretary may not waive requirements relating to wage and labor standards, worker rights, participation and protection of workers and participants, grievance procedures, and judicial review.

[(B) REQUEST AND APPROVAL.—An entity described in subsection (c) that requests a waiver under subparagraph (A) shall submit a plan to the Secretary to improve the program of workforce investment activities carried out by the entity, which plan shall meet the requirements established by the Secretary and shall be generally consistent with the requirements of section 189(i)(4)(B).

[(4) ADVISORY COUNCIL.—

[(A) IN GENERAL.—Using funds made available to carry out this section, the Secretary shall establish a Native American Employment and Training Council to facilitate the consultation described in paragraph (2).

[(B) COMPOSITION.—The Council shall be composed of individuals, appointed by the Secretary, who are representatives of the entities described in subsection (c).

[(C) DUTIES.—The Council shall advise the Secretary on all aspects of the operation and administration of the programs assisted under this section, including the selection of the individual appointed as the head of the unit established under paragraph (1).

[(D) PERSONNEL MATTERS.—

[(i) COMPENSATION OF MEMBERS.—Members of the Council shall serve without compensation.

[(ii) TRAVEL EXPENSES.—The members of the Council shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Council.

[(iii) ADMINISTRATIVE SUPPORT.—The Secretary shall provide the Council with such administrative support as may be necessary to perform the functions of the Council.

[(E) CHAIRPERSON.—The Council shall select a chairperson from among its members.

[(F) MEETINGS.—The Council shall meet not less than twice each year.

[(G) APPLICATION.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Council.

[(5) TECHNICAL ASSISTANCE.—The Secretary, acting through the unit established under paragraph (1), is authorized to provide technical assistance to entities described in subsection (c) that receive assistance under subsection (c) to enable such entities to improve the activities authorized under this section that are provided by such entities.

[(6) AGREEMENT FOR CERTAIN FEDERALLY RECOGNIZED INDIAN TRIBES TO TRANSFER FUNDS TO THE PROGRAM.—A federally recognized Indian tribe that administers funds provided under this section and funds provided by more than one State under other sections of this title may enter into an agreement with the Secretary and the Governors of the affected States to transfer the funds provided by the States to the program administered by the tribe under this section.

[(i) COMPLIANCE WITH SINGLE AUDIT REQUIREMENTS; RELATED REQUIREMENT.—Grants, contracts, and cooperative agreements entered into under this section shall be subject to the requirements of chapter 75 of subtitle V of title 31, United States Code (enacted by the Single Audit Act of 1984) and charging of costs under this section shall be subject to appropriate circulars issued by the Office of Management and Budget.

[(j) ASSISTANCE TO AMERICAN SAMOANS IN HAWAII.—

[(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary is authorized to provide assistance to American Samoans who reside in Hawaii for the co-location of federally funded and State-funded workforce investment activities.

[(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal year 1999 such sums as may be necessary to carry out this subsection.

[SEC. 167. MIGRANT AND SEASONAL FARMWORKER PROGRAMS.

[(a) IN GENERAL.—Every 2 years, the Secretary shall, on a competitive basis, make grants to, or enter into contracts with, eligible entities to carry out the activities described in subsection (d).

[(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant or enter into a contract under this section, an entity shall have an understanding of the problems of eligible migrant and seasonal farmworkers (including dependents), a familiarity with the area to be served, and the ability to demonstrate a capacity to administer effectively a diversified program of workforce investment activities (including youth activities) and related assistance for eligible migrant and seasonal farmworkers.

[(c) PROGRAM PLAN.—

[(1) IN GENERAL.—To be eligible to receive a grant or enter into a contract under this section, an entity described in subsection (b) shall submit to the Secretary a plan that describes a 2-year strategy for meeting the needs of eligible migrant and seasonal farmworkers in the area to be served by such entity.

[(2) CONTENTS.—Such plan shall—

[(A) identify the education and employment needs of the population to be served and the manner in which the services to be provided will strengthen the ability of the eligible migrant and seasonal farmworkers and dependents to

obtain or retain unsubsidized employment or stabilize their unsubsidized employment;

[(B) describe the related assistance and supportive services to be provided and the manner in which such assistance and services are to be integrated and coordinated with other appropriate services; and

[(C) describe the indicators of performance to be used to assess the performance of such entity in carrying out the activities assisted under this section.

[(3) ADMINISTRATION.—Grants and contracts awarded under this section shall be centrally administered by the Department of Labor and competitively awarded by the Secretary using procedures consistent with standard Federal Government competitive procurement policies.

[(4) COMPETITION.—

[(A) IN GENERAL.—The competition for grants made and contracts entered into under this section shall be conducted every 2 years.

[(B) EXCEPTION.—Notwithstanding subparagraph (A), if a recipient of such a grant or contract has performed satisfactorily under the terms of the grant agreement or contract, the Secretary may waive the requirement for such competition for such recipient upon receipt from the recipient of a satisfactory 2-year plan described in paragraph (1) for the succeeding 2-year grant or contract period. The Secretary may exercise the waiver authority of the preceding sentence not more than once during any 4-year period with respect to any single recipient.

[(d) AUTHORIZED ACTIVITIES.—Funds made available under this section and section 127(b)(1)(A)(iii) shall be used to carry out workforce investment activities (including youth activities) and provide related assistance for eligible migrant and seasonal farmworkers, which may include employment, training, educational assistance, literacy assistance, an English language program, worker safety training, housing, supportive services, dropout prevention activities, followup services for those individuals placed in employment, self-employment and related business enterprise development education as needed by eligible migrant and seasonal farmworkers and identified pursuant to the plan required by subsection (c), and technical assistance relating to capacity enhancement in such areas as management information technology.

[(e) CONSULTATION WITH GOVERNORS AND LOCAL BOARDS.—In making grants and entering into contracts under this section, the Secretary shall consult with the Governors and local boards of the States in which the eligible entities will carry out the activities described in subsection (d).

[(f) REGULATIONS.—The Secretary shall consult with eligible migrant and seasonal farmworkers groups and States in establishing regulations to carry out this section, including performance measures for eligible entities that take into account the economic circumstances and demographics of eligible migrant and seasonal farmworkers.

[(g) COMPLIANCE WITH SINGLE AUDIT REQUIREMENTS; RELATED REQUIREMENT.—Grants and contracts entered into under this section shall be subject to the requirements of chapter 75 of subtitle

V of title 31, United States Code (enacted by the Single Audit Act of 1984) and charging of costs under this section shall be subject to appropriate circulars issued by the Office of Management and Budget.

[(h) DEFINITIONS.—In this section:

[(1) DISADVANTAGED.—The term "disadvantaged", used with respect to a farmworker, means a farmworker whose income, for 12 consecutive months out of the 24 months prior to application for the program involved, does not exceed the higher of—

[(A) the poverty line (as defined in section 334(a)(2)(B)) for an equivalent period; or

[(B) 70 percent of the lower living standard income level, for an equivalent period.

[(2) ELIGIBLE MIGRANT AND SEASONAL FARMWORKERS.—The term "eligible migrant and seasonal farmworkers" means individuals who are eligible migrant farmworkers or are eligible seasonal farmworkers.

[(3) ELIGIBLE MIGRANT FARMWORKER.—The term "eligible migrant farmworker" means—

[(A) an eligible seasonal farmworker described in paragraph (4)(A) whose agricultural labor requires travel to a job site such that the farmworker is unable to return to a permanent place of residence within the same day; and

[(B) a dependent of the farmworker described in subparagraph (A).

[(4) ELIGIBLE SEASONAL FARMWORKER.—The term "eligible seasonal farmworker" means—

[(A) a disadvantaged person who, for 12 consecutive months out of the 24 months prior to application for the program involved, has been primarily employed in agricultural labor that is characterized by chronic unemployment or underemployment; and

[(B) a dependent of the person described in subparagraph (A).

[SEC. 168. VETERANS' WORKFORCE INVESTMENT PROGRAMS.

[(a) AUTHORIZATION.—

[(1) IN GENERAL.—The Secretary shall conduct, directly or through grants or contracts, programs to meet the needs for workforce investment activities of veterans with service-connected disabilities, veterans who have significant barriers to employment, veterans who served on active duty in the armed forces during a war or in a campaign or expedition for which a campaign badge has been authorized, and recently separated veterans.

[(2) CONDUCT OF PROGRAMS.—Programs supported under this section may be conducted through grants and contracts with public agencies and private nonprofit organizations, including recipients of Federal assistance under other provisions of this title, that the Secretary determines have an understanding of the unemployment problems of veterans described in paragraph (1), familiarity with the area to be served, and the capability to administer effectively a program of workforce investment activities for such veterans.

[(3) REQUIRED ACTIVITIES.—Programs supported under this section shall include—

[(A) activities to enhance services provided to veterans by other providers of workforce investment activities funded by Federal, State, or local government;

[(B) activities to provide workforce investment activities to such veterans that are not adequately provided by other public providers of workforce investment activities; and

[(C) outreach and public information activities to develop and promote maximum job and job training opportunities for such veterans and to inform such veterans about employment, job training, on-the-job training and educational opportunities under this title, under title 38, United States Code, and under other provisions of law, which activities shall be coordinated with activities provided through the one-stop centers described in section 134(c).

[(b) ADMINISTRATION OF PROGRAMS.—

[(1) IN GENERAL.—The Secretary shall administer programs supported under this section through the Assistant Secretary for Veterans' Employment and Training.

[(2) ADDITIONAL RESPONSIBILITIES.—In carrying out responsibilities under this section, the Assistant Secretary for Veterans' Employment and Training shall—

[(A) be responsible for the awarding of grants and contracts and the distribution of funds under this section and for the establishment of appropriate fiscal controls, accountability, and program performance measures for recipients of grants and contracts under this section; and

[(B) consult with the Secretary of Veterans Affairs and take steps to ensure that programs supported under this section are coordinated, to the maximum extent feasible, with related programs and activities conducted under title 38, United States Code, including programs and activities conducted under chapter 63 of such title, chapters 30, 31, 32, and 34 of such title, and sections 1712A, 1720A, 3687, and 4103A of such title.

[SEC. 169. YOUTH OPPORTUNITY GRANTS.

[(a) GRANTS.—

[(1) IN GENERAL.—Using funds made available under section 127(b)(1)(A), the Secretary shall make grants to eligible local boards and eligible entities described in subsection (d) to provide activities described in subsection (b) for youth to increase the long-term employment of youth who live in empowerment zones, enterprise communities, and high poverty areas and who seek assistance.

[(2) DEFINITION.—In this section, the term "youth" means an individual who is not less than age 14 and not more than age 21.

[(3) GRANT PERIOD.—The Secretary may make a grant under this section for a 1-year period, and may renew the grant for each of the 4 succeeding years.

[(4) GRANT AWARDS.—In making grants under this section, the Secretary shall ensure that grants are distributed equitably among local boards and entities serving urban areas and

local boards and entities serving rural areas, taking into consideration the poverty rate in such urban and rural areas, as described in subsection (c)(3)(B).

[(b) USE OF FUNDS.—

[(1) IN GENERAL.—A local board or entity that receives a grant under this section shall use the funds made available through the grant to provide activities that meet the requirements of section 129, except as provided in paragraph (2), as well as youth development activities such as activities relating to leadership development, citizenship, and community service, and recreation activities.

[(2) INTENSIVE PLACEMENT AND FOLLOWUP SERVICES.—In providing activities under this section, a local board or entity shall provide—

[(A) intensive placement services; and

[(B) followup services for not less than 24 months after the completion of participation in the other activities described in this subsection, as appropriate.

[(c) ELIGIBLE LOCAL BOARDS.—To be eligible to receive a grant under this section, a local board shall serve a community that—

[(1) has been designated as an empowerment zone or enterprise community under section 1391 of the Internal Revenue Code of 1986;

[(2)(A) is a State without a zone or community described in paragraph (1); and

[(B) has been designated as a high poverty area by the Governor of the State; or

[(3) is 1 of 2 areas in a State that—

[(A) have been designated by the Governor as areas for which a local board may apply for a grant under this section; and

[(B) meet the poverty rate criteria set forth in subsections (a)(4), (b), and (d) of section 1392 of the Internal Revenue Code of 1986.

[(d) ELIGIBLE ENTITIES.—To be eligible to receive a grant under this section, an entity (other than a local board) shall—

[(1) be a recipient of financial assistance under section 166; and

[(2) serve a community that—

[(A) meets the poverty rate criteria set forth in subsections (a)(4), (b), and (d) of section 1392 of the Internal Revenue Code of 1986; and

[(B) is located on an Indian reservation or serves Oklahoma Indians or Alaska Natives.

[(e) APPLICATION.—To be eligible to receive a grant under this section, a local board or entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

[(1) a description of the activities that the local board or entity will provide under this section to youth in the community described in subsection (c);

[(2) a description of the performance measures negotiated under subsection (f), and the manner in which the local boards or entities will carry out the activities to meet the performance measures;

[(3) a description of the manner in which the activities will be linked to activities described in section 129; and

[(4) a description of the community support, including financial support through leveraging additional public and private resources, for the activities.

[(f) PERFORMANCE MEASURES.—

[(1) IN GENERAL.—The Secretary shall negotiate and reach agreement with the local board or entity on performance measures for the indicators of performance referred to in subparagraphs (A) and (B) of section 136(b)(2) that will be used to evaluate the performance of the local board or entity in carrying out the activities described in subsection (b). Each local performance measure shall consist of such a indicator of performance, and a performance level referred to in paragraph (2).

[(2) PERFORMANCE LEVELS.—The Secretary shall negotiate and reach agreement with the local board or entity regarding the levels of performance expected to be achieved by the local board or entity on the indicators of performance.

[(g) ROLE MODEL ACADEMY PROJECT.—

[(1) IN GENERAL.—Using the funds made available pursuant to section 127(b)(1)(A)(iv) for fiscal year 1999, the Secretary shall provide assistance to an entity to carry out a project establishing a role model academy for out-of-school youth.

[(2) RESIDENTIAL CENTER.—The entity shall use the assistance to establish an academy that consists of a residential center located on the site of a military installation closed or realigned pursuant to a law providing for closures and realignments of such installations.

[(3) SERVICES.—The academy established pursuant to this subsection shall provide services that—

[(A) utilize a military style model that emphasizes leadership skills and discipline, or another model of demonstrated effectiveness; and

[(B) include vocational training, secondary school course work leading to a secondary school diploma or recognized equivalent, and the use of mentors who serve as role models and who provide academic training and career counseling to the youth.]

SEC. 170. TECHNICAL ASSISTANCE.

[(a) GENERAL TECHNICAL ASSISTANCE.—]

[(1)] *(a)* IN GENERAL.—The Secretary shall provide, coordinate, and support the development of, appropriate training, technical assistance, staff development, and other activities, including assistance in replicating programs of demonstrated effectiveness, to States and localities, *the training of staff providing rapid response services, the training of other staff of recipients of funds under this title, assistance regarding accounting and program operation practices (when such assistance would not be duplicative to assistance provided by the State), technical assistance to States that do not meet State performance measures described in section 136,* and, in particular, to assist States in making transitions [from carrying out activities under the provisions of law repealed under section 199 to carrying out activities under this title] *to implement the amendments made by the SKILLS Act*.

[(2)] *(b)* FORM OF ASSISTANCE.—In carrying out [paragraph (1)] *subsection (a)* on behalf of a State[, or recipient of financial assistance under any of sections 166 through 169,] the Secretary, after consultation with the State [or grant recipient], may award grants and enter into contracts and cooperative agreements.

[(3)] *(c)* LIMITATION.—Grants or contracts awarded under [paragraph (1)] *subsection (a)* to entities other than States or local units of government that are for amounts in excess of $100,000 shall only be awarded on a competitive basis.

(d) BEST PRACTICES COORDINATION.— The Secretary shall—

(1) establish a system through which States may share information regarding best practices with regard to the operation of workforce investment activities under this Act; and

(2) evaluate and disseminate information regarding best practices and identify knowledge gaps.

[(b) DISLOCATED WORKER TECHNICAL ASSISTANCE.—

[(1) AUTHORITY.—Of the amounts available pursuant to section 132(a)(2), the Secretary shall reserve not more than 5 percent of such amounts to provide technical assistance to States that do not meet the State performance measures described in section 136 with respect to employment and training activities for dislocated workers. Using such reserved funds, the Secretary may provide such assistance to other States, local areas, and other entities involved in providing assistance to dislocated workers, to promote the continuous improvement of assistance provided to dislocated workers, under this title.

[(2) TRAINING.—Amounts reserved under this subsection may be used to provide for the training of staff, including specialists, who provide rapid response services. Such training shall include instruction in proven methods of promoting, establishing, and assisting labor-management committees. Such projects shall be administered through the dislocated worker office described in section 173(b).]

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[SEC. 171. DEMONSTRATION, PILOT, MULTISERVICE, RESEARCH, AND MULTISTATE PROJECTS.

[(a) STRATEGIC PLAN.—

[(1) IN GENERAL.—After consultation with States, localities, and other interested parties, the Secretary shall, every 2 years, publish in the Federal Register, a plan that describes the demonstration and pilot (including dislocated worker demonstration and pilot), multiservice, research, and multistate project priorities of the Department of Labor concerning employment and training for the 5-year period following the submission of the plan. Copies of the plan shall be transmitted to the appropriate committees of Congress.

[(2) FACTORS.—The plan published under paragraph (1) shall contain strategies to address national employment and training problems and take into account factors such as—

[(A) the availability of existing research (as of the date of the publication);

[(B) the need to ensure results that have interstate validity;

[(C) the benefits of economies of scale and the efficiency of proposed projects; and

[(D) the likelihood that the results of the projects will be useful to policymakers and stakeholders in addressing employment and training problems.

[(b) DEMONSTRATION AND PILOT PROJECTS.—

[(1) IN GENERAL.—Under a plan published under subsection (a), the Secretary shall, through grants or contracts, carry out demonstration and pilot projects for the purpose of developing and implementing techniques and approaches, and demonstrating the effectiveness of specialized methods, in addressing employment and training needs. Such projects shall include the provision of direct services to individuals to enhance employment opportunities and an evaluation component and may include—

[(A) the establishment of advanced manufacturing technology skill centers developed through local partnerships of industry, labor, education, community-based organizations, and economic development organizations to meet unmet, high-tech skill needs of local communities;

[(B) projects that provide training to upgrade the skills of employed workers who reside and are employed in enterprise communities or empowerment zones;

[(C) programs conducted jointly with the Department of Defense to develop training programs utilizing computer-based and other innovative learning technologies;

[(D) projects that promote the use of distance learning, enabling students to take courses through the use of media technology such as videos, teleconferencing computers, and the Internet;

[(E) projects that assist in providing comprehensive services to increase the employment rates of out-of-school youth residing in targeted high poverty areas within empowerment zones and enterprise communities;

[(F) the establishment of partnerships with national organizations with special expertise in developing, organizing, and administering employment and training services, for individuals with disabilities, at the national, State, and local levels;

[(G) projects to assist public housing authorities that provide, to public housing residents, job training programs that demonstrate success in upgrading the job skills and promoting employment of the residents; and

[(H) projects that assist local areas to develop and implement local self-sufficiency standards to evaluate the degree to which participants in programs under this title are achieving self-sufficiency.

[(2) LIMITATIONS.—

[(A) COMPETITIVE AWARDS.—Grants or contracts awarded for carrying out demonstration and pilot projects under this subsection shall be awarded in accordance with generally applicable Federal requirements.

[(B) ELIGIBLE ENTITIES.—Grants or contracts may be awarded under this subsection only to—

[(i) entities with recognized expertise in—

[(I) conducting national demonstration projects;

[(II) utilizing state-of-the-art demonstration methods; or

[(III) conducting evaluations of workforce investment projects; or

[(ii) State and local entities with expertise in operating or overseeing workforce investment programs.

[(C) TIME LIMITS.—The Secretary shall establish appropriate time limits for carrying out demonstration and pilot projects under this subsection.

[(c) MULTISERVICE PROJECTS, RESEARCH PROJECTS, AND MULTISTATE PROJECTS.—

[(1) MULTISERVICE PROJECTS.—Under a plan published under subsection (a), the Secretary shall, through grants or contracts, carry out multiservice projects—

[(A) that will test an array of approaches to the provision of employment and training services to a variety of targeted populations;

[(B) in which the entity carrying out the project, in conjunction with employers, organized labor, and other groups such as the disability community, will design, develop, and test various training approaches in order to determine effective practices; and

[(C) that will assist in the development and replication of effective service delivery strategies for targeted populations for the national employment and training system as a whole.

[(2) RESEARCH PROJECTS.—

[(A) IN GENERAL.—Under a plan published under subsection (a), the Secretary shall, through grants or contracts, carry out research projects that will contribute to the solution of employment and training problems in the United States.

[(B) FORMULA IMPROVEMENT STUDY AND REPORT.—

[(i) STUDY.—The Secretary shall conduct a 2-year study concerning improvements in the formulas described in section 132(b)(1)(B) and paragraphs (2)(A) and (3) of section 133(b) (regarding distributing funds under subtitle B to States and local areas for adult employment and training activities). In conducting the study, the Secretary shall examine means of improving the formulas by—

[(I) developing formulas based on statistically reliable data;

[(II) developing formulas that are consistent with the goals and objectives of this title; and

[(III) developing formulas based on organizational and financial stability of State boards and local boards.

[(ii) REPORT.—The Secretary shall prepare and submit to Congress a report containing the results of the study, including recommendations for improved formulas.

[(3) MULTISTATE PROJECTS.—

[(A) IN GENERAL.—

[(i) AUTHORITY.—Under a plan published under subsection (a), the Secretary may, through grants or contracts, carry out multistate projects that require demonstrated expertise that is available at the national level to effectively disseminate best practices and models for implementing employment and training services, address the specialized employment and training needs of particular service populations, or address industry-wide skill shortages.

[(ii) DESIGN OF GRANTS.—Grants or contracts awarded under this subsection shall be designed to obtain information relating to the provision of services under different economic conditions or to various demographic groups in order to provide guidance at the national and State levels about how best to administer specific employment and training services.

[(4) LIMITATIONS.—

[(A) COMPETITIVE AWARDS.—Grants or contracts awarded for carrying out projects under this subsection in amounts that exceed $100,000 shall be awarded only on a competitive basis, except that a noncompetitive award may be made in the case of a project that is funded jointly with other public or private sector entities that provide a substantial portion of assistance under the grant or contract for the project.

[(B) TIME LIMITS.—A grant or contract shall not be awarded under this subsection to the same organization for more than 3 consecutive years unless such grant or contract is competitively reevaluated within such period.

[(C) PEER REVIEW.—

[(i) IN GENERAL.—The Secretary shall utilize a peer review process—

[(I) to review and evaluate all applications for grants in amounts that exceed $500,000 that are submitted under this section; and

[(II) to review and designate exemplary and promising programs under this section.

[(ii) AVAILABILITY OF FUNDS.—The Secretary is authorized to use funds provided under this section to carry out peer review activities under this subparagraph.

[(D) PRIORITY.—In awarding grants or contracts under this subsection, priority shall be provided to entities with nationally recognized expertise in the methods, techniques, and knowledge of workforce investment activities and shall include appropriate time limits, established by the Secretary, for the duration of such projects.

[(d) DISLOCATED WORKER PROJECTS.—Of the amount made available pursuant to section 132(a)(2)(A) for any program year, the Secretary shall use not more than 10 percent of such amount to carry out demonstration and pilot projects, multiservice projects, and multistate projects, relating to the employment and training needs of dislocated workers. Of the requirements of this section, such projects shall be subject only to the provisions relating to review and evaluation of applications under subsection (c)(4)(C). Such

projects may include demonstration and pilot projects relating to promoting self-employment, promoting job creation, averting dislocations, assisting dislocated farmers, assisting dislocated fishermen, and promoting public works. Such projects shall be administered through the dislocated worker office described in section 173(b).

[(e) ENERGY EFFICIENCY AND RENEWABLE ENERGY WORKER TRAINING PROGRAM.—

[(1) GRANT PROGRAM.—

[(A) IN GENERAL.—Not later than 6 months after the date of enactment of the Green Jobs Act of 2007, the Secretary, in consultation with the Secretary of Energy, shall establish an energy efficiency and renewable energy worker training program under which the Secretary shall carry out the activities described in paragraph (2) to achieve the purposes of this subsection.

[(B) ELIGIBILITY.—For purposes of providing assistance and services under the program established under this subsection—

[(i) target populations of eligible individuals to be given priority for training and other services shall include—

[(I) workers impacted by national energy and environmental policy;

[(II) individuals in need of updated training related to the energy efficiency and renewable energy industries;

[(III) veterans, or past and present members of reserve components of the Armed Forces;

[(IV) unemployed individuals;

[(V) individuals, including at-risk youth, seeking employment pathways out of poverty and into economic self-sufficiency; and

[(VI) formerly incarcerated, adjudicated, nonviolent offenders; and

[(ii) energy efficiency and renewable energy industries eligible to participate in a program under this subsection include—

[(I) the energy-efficient building, construction, and retrofits industries;

[(II) the renewable electric power industry;

[(III) the energy efficient and advanced drive train vehicle industry;

[(IV) the biofuels industry;

[(V) the deconstruction and materials use industries;

[(VI) the energy efficiency assessment industry serving the residential, commercial, or industrial sectors; and

[(VII) manufacturers that produce sustainable products using environmentally sustainable processes and materials.

[(2) ACTIVITIES.—

[(A) NATIONAL RESEARCH PROGRAM.—Under the program established under paragraph (1), the Secretary, acting

through the Bureau of Labor Statistics, where appropriate, shall collect and analyze labor market data to track workforce trends resulting from energy-related initiatives carried out under this subsection. Activities carried out under this paragraph shall include—

[(i) tracking and documentation of academic and occupational competencies as well as future skill needs with respect to renewable energy and energy efficiency technology;

[(ii) tracking and documentation of occupational information and workforce training data with respect to renewable energy and energy efficiency technology;

[(iii) collaborating with State agencies, workforce investments boards, industry, organized labor, and community and nonprofit organizations to disseminate information on successful innovations for labor market services and worker training with respect to renewable energy and energy efficiency technology;

[(iv) serving as a clearinghouse for best practices in workforce development, job placement, and collaborative training partnerships;

[(v) encouraging the establishment of workforce training initiatives with respect to renewable energy and energy efficiency technologies;

[(vi) linking research and development in renewable energy and energy efficiency technology with the development of standards and curricula for current and future jobs;

[(vii) assessing new employment and work practices including career ladder and upgrade training as well as high performance work systems; and

[(viii) providing technical assistance and capacity building to national and State energy partnerships, including industry and labor representatives.

[(B) NATIONAL ENERGY TRAINING PARTNERSHIP GRANTS.—

[(i) IN GENERAL.—Under the program established under paragraph (1), the Secretary shall award National Energy Training Partnerships Grants on a competitive basis to eligible entities to enable such entities to carry out training that leads to economic self-sufficiency and to develop an energy efficiency and renewable energy industries workforce. Grants shall be awarded under this subparagraph so as to ensure geographic diversity with at least 2 grants awarded to entities located in each of the 4 Petroleum Administration for Defense Districts with no subdistricts, and at least 1 grant awarded to an entity located in each of the subdistricts of the Petroleum Administration for Defense District with subdistricts.

[(ii) ELIGIBILITY.—To be eligible to receive a grant under clause (i), an entity shall be a nonprofit partnership that—

[(I) includes the equal participation of industry, including public or private employers, and labor

organizations, including joint labor-management training programs, and may include workforce investment boards, community-based organizations, qualified service and conservation corps, educational institutions, small businesses, cooperatives, State and local veterans agencies, and veterans service organizations; and

[(II) demonstrates—

[(aa) experience in implementing and operating worker skills training and education programs;

[(bb) the ability to identify and involve in training programs carried out under this grant, target populations of individuals who would benefit from training and be actively involved in activities related to energy efficiency and renewable energy industries; and

[(cc) the ability to help individuals achieve economic self-sufficiency.

[(iii) PRIORITY.—Priority shall be given to partnerships which leverage additional public and private resources to fund training programs, including cash or in-kind matches from participating employers.

[(C) STATE LABOR MARKET RESEARCH, INFORMATION, AND LABOR EXCHANGE RESEARCH PROGRAM.—

[(i) IN GENERAL.—Under the program established under paragraph (1), the Secretary shall award competitive grants to States to enable such States to administer labor market and labor exchange information programs that include the implementation of the activities described in clause (ii), in coordination with the one-stop delivery system.

[(ii) ACTIVITIES.—A State shall use amounts awarded under a grant under this subparagraph to provide funding to the State agency that administers the Wagner-Peyser Act and State unemployment compensation programs to carry out the following activities using State agency merit staff:

[(I) The identification of job openings in the renewable energy and energy efficiency sector.

[(II) The administration of skill and aptitude testing and assessment for workers.

[(III) The counseling, case management, and referral of qualified job seekers to openings and training programs, including energy efficiency and renewable energy training programs.

[(D) STATE ENERGY TRAINING PARTNERSHIP PROGRAM.—

[(i) IN GENERAL.—Under the program established under paragraph (1), the Secretary shall award competitive grants to States to enable such States to administer renewable energy and energy efficiency workforce development programs that include the implementation of the activities described in clause (ii).

[(ii) PARTNERSHIPS.—A State shall use amounts awarded under a grant under this subparagraph to

award competitive grants to eligible State Energy Sector Partnerships to enable such Partnerships to coordinate with existing apprenticeship and labor management training programs and implement training programs that lead to the economic self-sufficiency of trainees.

[(iii) ELIGIBILITY.—To be eligible to receive a grant under this subparagraph, a State Energy Sector Partnership shall—

[(I) consist of nonprofit organizations that include equal participation from industry, including public or private nonprofit employers, and labor organizations, including joint labor-management training programs, and may include representatives from local governments, the workforce investment system, including one-stop career centers, community based organizations, qualified service and conservation corps, community colleges, and other post-secondary institutions, small businesses, cooperatives, State and local veterans agencies, and veterans service organizations;

[(II) demonstrate experience in implementing and operating worker skills training and education programs; and

[(III) demonstrate the ability to identify and involve in training programs, target populations of workers who would benefit from training and be actively involved in activities related to energy efficiency and renewable energy industries.

[(iv) PRIORITY.—In awarding grants under this subparagraph, the Secretary shall give priority to States that demonstrate that activities under the grant—

[(I) meet national energy policies associated with energy efficiency, renewable energy, and the reduction of emissions of greenhouse gases;

[(II) meet State energy policies associated with energy efficiency, renewable energy, and the reduction of emissions of greenhouse gases; and

[(III) leverage additional public and private resources to fund training programs, including cash or in-kind matches from participating employers.

[(v) COORDINATION.—A grantee under this subparagraph shall coordinate activities carried out under the grant with existing other appropriate training programs, including apprenticeship and labor management training programs, including such activities referenced in paragraph (3)(A), and implement training programs that lead to the economic self-sufficiency of trainees.

[(E) PATHWAYS OUT OF POVERTY DEMONSTRATION PROGRAM.—

[(i) IN GENERAL.—Under the program established under paragraph (1), the Secretary shall award competitive grants of sufficient size to eligible entities to enable such entities to carry out training that leads to

economic self-sufficiency. The Secretary shall give priority to entities that serve individuals in families with income of less than 200 percent of the sufficiency standard for the local areas where the training is conducted that specifies, as defined by the State, or where such standard is not established, the income needs of families, by family size, the number and ages of children in the family, and sub-State geographical considerations. Grants shall be awarded to ensure geographic diversity.

[(ii) ELIGIBLE ENTITIES.—To be eligible to receive a grant an entity shall be a partnership that—

[(I) includes community-based nonprofit organizations, educational institutions with expertise in serving low-income adults or youth, public or private employers from the industry sectors described in paragraph (1)(B)(ii), and labor organizations representing workers in such industry sectors;

[(II) demonstrates a record of successful experience in implementing and operating worker skills training and education programs;

[(III) coordinates activities, where appropriate, with the workforce investment system; and

[(IV) demonstrates the ability to recruit individuals for training and to support such individuals to successful completion in training programs carried out under this grant, targeting populations of workers who are or will be engaged in activities related to energy efficiency and renewable energy industries.

[(iii) PRIORITIES.—In awarding grants under this paragraph, the Secretary shall give priority to applicants that—

[(I) target programs to benefit low-income workers, unemployed youth and adults, high school dropouts, or other underserved sectors of the workforce within areas of high poverty;

[(II) ensure that supportive services are integrated with education and training, and delivered by organizations with direct access to and experience with targeted populations;

[(III) leverage additional public and private resources to fund training programs, including cash or in-kind matches from participating employers;

[(IV) involve employers and labor organizations in the determination of relevant skills and competencies and ensure that the certificates or credentials that result from the training are employer-recognized;

[(V) deliver courses at alternative times (such as evening and weekend programs) and locations most convenient and accessible to participants and link adult remedial education with occupational skills training; and

[(VI) demonstrate substantial experience in administering local, municipal, State, Federal, foundation, or private entity grants.

[(iv) DATA COLLECTION.—Grantees shall collect and report the following information:

[(I) The number of participants.

[(II) The demographic characteristics of participants, including race, gender, age, parenting status, participation in other Federal programs, education and literacy level at entry, significant barriers to employment (such as limited English proficiency, criminal record, addiction or mental health problem requiring treatment, or mental disability).

[(III) The services received by participants, including training, education, and supportive services.

[(IV) The amount of program spending per participant.

[(V) Program completion rates.

[(VI) Factors determined as significantly interfering with program participation or completion.

[(VII) The rate of job placement and the rate of employment retention after 1 year.

[(VIII) The average wage at placement, including any benefits, and the rate of average wage increase after 1 year.

[(IX) Any post-employment supportive services provided.

The Secretary shall assist grantees in the collection of data under this clause by making available, where practicable, low-cost means of tracking the labor market outcomes of participants, and by providing standardized reporting forms, where appropriate.

[(3) ACTIVITIES.—

[(A) IN GENERAL.—Activities to be carried out under a program authorized by subparagraph (B), (D), or (E) of paragraph (2) shall be coordinated with existing systems or providers, as appropriate. Such activities may include—

[(i) occupational skills training, including curriculum development, on-the-job training, and classroom training;

[(ii) safety and health training;

[(iii) the provision of basic skills, literacy, GED, English as a second language, and job readiness training;

[(iv) individual referral and tuition assistance for a community college training program, or any training program leading to an industry-recognized certificate;

[(v) internship programs in fields related to energy efficiency and renewable energy;

[(vi) customized training in conjunction with an existing registered apprenticeship program or labor-management partnership;

[(vii) incumbent worker and career ladder training and skill upgrading and retraining;

[(viii) the implementation of transitional jobs strategies; and

[(ix) the provision of supportive services.

[(B) OUTREACH ACTIVITIES.—In addition to the activities authorized under subparagraph (A), activities authorized for programs under subparagraph (E) of paragraph (2) may include the provision of outreach, recruitment, career guidance, and case management services.

[(4) WORKER PROTECTIONS AND NONDISCRIMINATION REQUIREMENTS.—

[(A) APPLICATION OF WIA.—The provisions of sections 181 and 188 of the Workforce Investment Act of 1998 (29 U.S.C. 2931 and 2938) shall apply to all programs carried out with assistance under this subsection.

[(B) CONSULTATION WITH LABOR ORGANIZATIONS.—If a labor organization represents a substantial number of workers who are engaged in similar work or training in an area that is the same as the area that is proposed to be funded under this Act, the labor organization shall be provided an opportunity to be consulted and to submit comments in regard to such a proposal.

[(5) PERFORMANCE MEASURES.—

[(A) IN GENERAL.—The Secretary shall negotiate and reach agreement with the eligible entities that receive grants and assistance under this section on performance measures for the indicators of performance referred to in subparagraphs (A) and (B) of section 136(b)(2) that will be used to evaluate the performance of the eligible entity in carrying out the activities described in subsection (e)(2). Each performance measure shall consist of such an indicator of performance, and a performance level referred to in subparagraph (B).

[(B) PERFORMANCE LEVELS.—The Secretary shall negotiate and reach agreement with the eligible entity regarding the levels of performance expected to be achieved by the eligible entity on the indicators of performance.

[(6) REPORT.—

[(A) STATUS REPORT.—Not later than 18 months after the date of enactment of the Green Jobs Act of 2007, the Secretary shall transmit a report to the Senate Committee on Energy and Natural Resources, the Senate Committee on Health, Education, Labor, and Pensions, the House Committee on Education and Labor, and the House Committee on Energy and Commerce on the training program established by this subsection. The report shall include a description of the entities receiving funding and the activities carried out by such entities.

[(B) EVALUATION.—Not later than 3 years after the date of enactment of such Act, the Secretary shall transmit to the Senate Committee on Energy and Natural Resources, the Senate Committee on Health, Education, Labor, and Pensions, the House Committee on Education and Labor, and the House Committee on Energy and Commerce an

assessment of such program and an evaluation of the activities carried out by entities receiving funding from such program.

[(7) DEFINITION.—As used in this subsection, the term "renewable energy" has the meaning given such term in section 203(b)(2) of the Energy Policy Act of 2005 (Public Law 109–58).

[(8) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection, $125,000,000 for each fiscal year, of which—

[(A) not to exceed 20 percent of the amount appropriated in each such fiscal year shall be made available for, and shall be equally divided between, national labor market research and information under paragraph (2)(A) and State labor market information and labor exchange research under paragraph (2)(C), and not more than 2 percent of such amount shall be for the evaluation and report required under paragraph (4);

[(B) 20 percent shall be dedicated to Pathways Out of Poverty Demonstration Programs under paragraph (2)(E); and

[(C) the remainder shall be divided equally between National Energy Partnership Training Grants under paragraph (2)(B) and State energy training partnership grants under paragraph (2)(D).]

SEC. 172. EVALUATIONS.

(a) PROGRAMS AND ACTIVITIES CARRIED OUT UNDER THIS TITLE.—For the purpose of improving the management and effectiveness of programs and activities carried out under this title, [the Secretary shall provide for the continuing evaluation of the programs and activities, including those programs and activities carried out under section 171] *the Secretary, through grants, contracts, or cooperative agreements, shall conduct, at least once every 5 years, an independent evaluation of the programs and activities funded under this Act*. Such evaluations shall address—

(1) * * *

* * * * * * *

[(4) the impact of the programs and activities on the community and participants involved;]

(4) the impact of receiving services and not receiving services under such programs and activities on the community, businesses, and individuals;

* * * * * * *

[(c) TECHNIQUES.—Evaluations conducted under this section shall utilize appropriate methodology and research designs, including the use of control groups chosen by scientific random assignment methodologies. The Secretary shall conduct as least 1 multisite control group evaluation under this section by the end of fiscal year 2005.]

(c) TECHNIQUES.—Evaluations conducted under this section shall utilize appropriate and rigorous methodology and research designs, including the use of control groups chosen by scientific random assignment methodologies, quasi-experimental methods, impact analysis and the use of administrative data. The Secretary shall conduct an impact analysis, as described in subsection (a)(4), of the formula

grant program under subtitle B not later than 2015, and thereafter shall conduct such an analysis not less than once every four years.

* * * * * * *

(e) REPORTS TO CONGRESS.—Not later than 30 days after the completion of such a draft report, the Secretary shall transmit the draft report to the Committee on Education and the Workforce of the House of Representatives and [the Committee on Labor and Human Resources of the Senate] *the Committee on Health, Education, Labor, and Pensions of the Senate*. Not later than 60 days after the completion of such a final report, the Secretary shall transmit the final report to such committees of the Congress.

* * * * * * *

(g) PUBLIC AVAILABILITY.—The results of the evaluations conducted under this section shall be made publicly available, including by posting such results on the Department's website.

[SEC. 173. NATIONAL EMERGENCY GRANTS.

[(a) IN GENERAL.—The Secretary is authorized to award national emergency grants in a timely manner—

[(1) to an entity described in subsection (c) to provide employment and training assistance to workers affected by major economic dislocations, such as plant closures, mass layoffs, or closures and realignments of military installations;

[(2) to provide assistance to the Governor of any State within the boundaries of which is an area that has suffered an emergency or a major disaster as defined in paragraphs (1) and (2), respectively, of section 102 of The Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122 (1) and (2)) (referred to in this section as the "disaster area") to provide disaster relief employment in the area;

[(3) to provide additional assistance to a State or local board for eligible dislocated workers in a case in which the State or local board has expended the funds provided under this section to carry out activities described in paragraphs (1) and (2) and can demonstrate the need for additional funds to provide appropriate services for such workers, in accordance with requirements prescribed by the Secretary; and

[(4) from funds appropriated under section 174(c)—

[(A) to a State or entity (as defined in section 173(c)(1)(B)) to carry out subsection (f), including providing assistance to eligible individuals; and

[(B) to a State or entity (as so defined) to carry out subsection (g), including providing assistance to eligible individuals.

[(b) ADMINISTRATION.—The Secretary shall designate a dislocated worker office to coordinate the functions of the Secretary under this title relating to employment and training activities for dislocated workers, including activities carried out under the national emergency grants.

[(c) EMPLOYMENT AND TRAINING ASSISTANCE REQUIREMENTS.—

[(1) GRANT RECIPIENT ELIGIBILITY.—

[(A) APPLICATION.—To be eligible to receive a grant under subsection (a)(1), an entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

[(B) ELIGIBLE ENTITY.—In this paragraph, the term "entity" means a State, a local board, an entity described in section 166(c), entities determined to be eligible by the Governor of the State involved, and other entities that demonstrate to the Secretary the capability to effectively respond to the circumstances relating to particular dislocations.

[(2) PARTICIPANT ELIGIBILITY.—

[(A) IN GENERAL.—In order to be eligible to receive employment and training assistance under a national emergency grant awarded pursuant to subsection (a)(1), an individual shall be—

[(i) a dislocated worker;

[(ii) a civilian employee of the Department of Defense or the Department of Energy employed at a military installation that is being closed, or that will undergo realignment, within the next 24 months after the date of the determination of eligibility;

[(iii) an individual who is employed in a nonmanagerial position with a Department of Defense contractor, who is determined by the Secretary of Defense to be at-risk of termination from employment as a result of reductions in defense expenditures, and whose employer is converting operations from defense to nondefense applications in order to prevent worker layoffs; or

[(iv) a member of the Armed Forces who—

[(I) was on active duty or full-time National Guard duty;

[(II)(aa) is involuntarily separated (as defined in section 1141 of title 10, United States Code) from active duty or full-time National Guard duty; or

[(bb) is separated from active duty or full-time National Guard duty pursuant to a special separation benefits program under section 1174a of title 10, United States Code, or the voluntary separation incentive program under section 1175 of that title;

[(III) is not entitled to retired or retained pay incident to the separation described in subclause (II); and

[(IV) applies for such employment and training assistance before the end of the 180-day period beginning on the date of that separation.

[(B) RETRAINING ASSISTANCE.—The individuals described in subparagraph (A)(iii) shall be eligible for retraining assistance to upgrade skills by obtaining marketable skills needed to support the conversion described in subparagraph (A)(iii).

[(C) ADDITIONAL REQUIREMENTS.—The Secretary shall establish and publish additional requirements related to eligibility for employment and training assistance under the national emergency grants to ensure effective use of the funds available for this purpose.

[(D) DEFINITIONS.—In this paragraph, the terms "military institution" and "realignment" have the meanings given the terms in section 2910 of the Defense Base Closure and Realignment Act of 1990 (Public Law 101–510; 10 U.S.C. 2687 note).

[(d) DISASTER RELIEF EMPLOYMENT ASSISTANCE REQUIREMENTS.—

[(1) IN GENERAL.—Funds made available under subsection (a)(2)—

[(A) shall be used to provide disaster relief employment on projects that provide food, clothing, shelter, and other humanitarian assistance for disaster victims, and projects regarding demolition, cleaning, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within the disaster area;

[(B) may be expended through public and private agencies and organizations engaged in such projects; and

[(C) may be expended to provide employment and training activities.

[(2) ELIGIBILITY.—An individual shall be eligible to be offered disaster relief employment under subsection (a)(2) if such individual is a dislocated worker, is a long-term unemployed individual, or is temporarily or permanently laid off as a consequence of the disaster.

[(3) LIMITATIONS ON DISASTER RELIEF EMPLOYMENT.—No individual shall be employed under subsection (a)(2) for more than 6 months for work related to recovery from a single natural disaster.

[(e) ADDITIONAL ASSISTANCE.—

[(1) IN GENERAL.—From the amount appropriated and made available to carry out this section for any program year, the Secretary shall use not more than $15,000,000 to make grants to not more than 8 States to provide employment and training activities under section 134, in accordance with subtitle B.

[(2) ELIGIBLE STATES.—The Secretary shall make a grant under paragraph (1) to a State for a program year if—

[(A)(i) the amount of the allotment that would be made to the State for the program year under the formula specified in section 202(a) of the Job Training Partnership Act, as in effect on July 1, 1998; is greater than

[(ii) the amount of the allotment that would be made to the State for the program year under the formula specified in section 132(b)(1)(B); and

[(B) the State is 1 of the 8 States with the greatest quotient obtained by dividing—

[(i) the amount described in subparagraph (A)(i); by

[(ii) the amount described in subparagraph (A)(ii).

[(3) AMOUNT OF GRANTS.—Subject to paragraph (1), the amount of the grant made under paragraph (1) to a State for a program year shall be based on the difference between—

[(A) the amount of the allotment that would be made to the State for the program year under the formula specified in section 202(a) of the Job Training Partnership Act, as in effect on July 1, 1998; and

[(B) the amount of the allotment that would be made to the State for the program year under the formula specified in section 132(b)(1)(B).

[(4) ALLOCATION OF FUNDS.—A State that receives a grant under paragraph (1) for a program year—

[(A) shall allocate funds made available through the grant on the basis of the formula used by the State to allocate funds within the State for that program year under—

[(i) paragraph (2)(A) or (3) of section 133(b); or

[(ii) paragraph (2)(B) of section 133(b); and

[(B) shall use the funds in the same manner as the State uses other funds allocated under the appropriate paragraph of section 133(b).

[(f) HEALTH INSURANCE COVERAGE ASSISTANCE FOR ELIGIBLE INDIVIDUALS.—

[(1) USE OF FUNDS.—

[(A) HEALTH INSURANCE COVERAGE FOR ELIGIBLE INDIVIDUALS IN ORDER TO OBTAIN QUALIFIED HEALTH INSURANCE THAT HAS GUARANTEED ISSUE AND OTHER CONSUMER PROTECTIONS.—Funds made available to a State or entity under paragraph (4)(A) of subsection (a) may be used to provide an eligible individual described in paragraph (4)(C) and such individual's qualifying family members with health insurance coverage for the 3-month period that immediately precedes the first eligible coverage month (as defined in section 35(b) of the Internal Revenue Code of 1986) in which such eligible individual and such individual's qualifying family members are covered by qualified health insurance that meets the requirements described in clauses (i) through (v) of section 35(e)(2)(A) of the Internal Revenue Code of 1986 (or such longer minimum period as is necessary in order for such eligible individual and such individual's qualifying family members to be covered by qualified health insurance that meets such requirements).

[(B) ADDITIONAL USES.—Funds made available to a State or entity under paragraph (4)(A) of subsection (a) may be used by the State or entity for the following:

[(i) HEALTH INSURANCE COVERAGE.—To assist an eligible individual and such individual's qualifying family members with enrolling in health insurance coverage and qualified health insurance or paying premiums for such coverage or insurance.

[(ii) ADMINISTRATIVE EXPENSES AND START-UP EXPENSES TO ESTABLISH GROUP HEALTH PLAN COVERAGE OPTIONS FOR QUALIFIED HEALTH INSURANCE.—To pay the administrative expenses related to the enrollment of eligible individuals and such individuals' qualifying family members in health insurance coverage and qualified health insurance, including—

[(I) eligibility verification activities;

[(II) the notification of eligible individuals of available health insurance and qualified health insurance options;

[(III) processing qualified health insurance costs credit eligibility certificates provided for

under section 7527 of the Internal Revenue Code of 1986;

[(IV) providing assistance to eligible individuals in enrolling in health insurance coverage and qualified health insurance;

[(V) the development or installation of necessary data management systems; and

[(VI) any other expenses determined appropriate by the Secretary, including start-up costs and on going administrative expenses, in order for the State to treat the coverage described in subparagraphs (C) through (H) of section 35(e)(1) of the Internal Revenue Code of 1986 as qualified health insurance under that section.

[(iii) OUTREACH.—To pay for outreach to eligible individuals to inform such individuals of available health insurance and qualified health insurance options, including outreach consisting of notice to eligible individuals of such options made available after the date of enactment of this clause and direct assistance to help potentially eligible individuals and such individual's qualifying family members qualify and remain eligible for the credit established under section 35 of the Internal Revenue Code of 1986 and advance payment of such credit under section 7527 of such Code.

[(iv) BRIDGE FUNDING.—To assist potentially eligible individuals to purchase qualified health insurance coverage prior to issuance of a qualified health insurance costs credit eligibility certificate under section 7527 of the Internal Revenue Code of 1986 and commencement of advance payment, and receipt of expedited payment, under subsections (a) and (e), respectively, of that section.

[(C) RULE OF CONSTRUCTION.—The inclusion of a permitted use under this paragraph shall not be construed as prohibiting a similar use of funds permitted under subsection (g).

[(2) QUALIFIED HEALTH INSURANCE.—For purposes of this subsection and subsection (g), the term "qualified health insurance" has the meaning given that term in section 35(e) of the Internal Revenue Code of 1986.

[(3) AVAILABILITY OF FUNDS.—

[(A) EXPEDITED PROCEDURES.—With respect to applications submitted by States or entities for grants under this subsection, the Secretary shall—

[(i) not later than 15 days after the date on which the Secretary receives a completed application from a State or entity, notify the State or entity of the determination of the Secretary with respect to the approval or disapproval of such application;

[(ii) in the case of an application of a State or other entity that is disapproved by the Secretary, provide technical assistance, at the request of the State or entity, in a timely manner to enable the State or entity to submit an approved application; and

[(iii) develop procedures to expedite the provision of funds to States and entities with approved applications.

[(B) AVAILABILITY AND DISTRIBUTION OF FUNDS.—The Secretary shall ensure that funds made available under section 174(c)(1)(A) to carry out subsection (a)(4)(A) are available to States and entities throughout the period described in section 174(c)(2)(A).

[(4) ELIGIBLE INDIVIDUAL DEFINED.—For purposes of this subsection and subsection (g), the term "eligible individual" means—

[(A) an eligible TAA recipient (as defined in section 35(c)(2) of the Internal Revenue Code of 1986),

[(B) an eligible alternative TAA recipient (as defined in section 35(c)(3) of the Internal Revenue Code of 1986), and

[(C) an eligible PBGC pension recipient (as defined in section 35(c)(4) of the Internal Revenue Code of 1986),

who, as of the first day of the month, does not have other specified coverage and is not imprisoned under Federal, State, or local authority.

[(5) QUALIFYING FAMILY MEMBER DEFINED.—For purposes of this subsection and subsection (g)—

[(A) IN GENERAL.—The term "qualifying family member" means—

[(i) the eligible individual's spouse, and

[(ii) any dependent of the eligible individual with respect to whom the individual is entitled to a deduction under section 151(c) of the Internal Revenue Code of 1986.

Such term does not include any individual who has other specified coverage.

[(B) SPECIAL DEPENDENCY TEST IN CASE OF DIVORCED PARENTS, ETC.—If paragraph (2) or (4) of section 152(e) of such Code applies to any child with respect to any calendar year, in the case of any taxable year beginning in such calendar year, such child shall be treated as described in subparagraph (A)(ii) with respect to the custodial parent (within the meaning of section 152(e)(1) of such Code) and not with respect to the noncustodial parent.

[(6) STATE.—For purposes of this subsection and subsection (g), the term "State" includes an entity as defined in subsection (c)(1)(B).

[(7) OTHER SPECIFIED COVERAGE.—For purposes of this subsection, an individual has other specified coverage for any month if, as of the first day of such month—

[(A) SUBSIDIZED COVERAGE.—

[(i) IN GENERAL.—Such individual is covered under any insurance which constitutes medical care (except insurance substantially all of the coverage of which is of excepted benefits described in section 9832(c) of the Internal Revenue Code of 1986) under any health plan maintained by any employer (or former employer) of the taxpayer or the taxpayer's spouse and at least 50 percent of the cost of such coverage (determined under

section 4980B of such Code) is paid or incurred by the employer.

[(ii) ELIGIBLE ALTERNATIVE TAA RECIPIENTS.—In the case of an eligible alternative TAA recipient (as defined in section 35(c)(3) of the Internal Revenue Code of 1986), such individual is either—

[(I) eligible for coverage under any qualified health insurance (other than insurance described in clause (i), (ii), or (vi) of paragraph (2)(A)) under which at least 50 percent of the cost of coverage (determined under section 4980B(f)(4) of such Code) is paid or incurred by an employer (or former employer) of the taxpayer or the taxpayer's spouse, or

[(II) covered under any such qualified health insurance under which any portion of the cost of coverage (as so determined) is paid or incurred by an employer (or former employer) of the taxpayer or the taxpayer's spouse.

[(iii) TREATMENT OF CAFETERIA PLANS.—For purposes of clauses (i) and (ii), the cost of coverage shall be treated as paid or incurred by an employer to the extent the coverage is in lieu of a right to receive cash or other qualified benefits under a cafeteria plan (as defined in section 125(d) of the Internal Revenue Code of 1986).

[(B) COVERAGE UNDER MEDICARE, MEDICAID, OR SCHIP.—Such individual—

[(i) is entitled to benefits under part A of title XVIII of the Social Security Act or is enrolled under part B of such title, or

[(ii) is enrolled in the program under title XIX or XXI of such Act (other than under section 1928 of such Act).

[(C) CERTAIN OTHER COVERAGE.—Such individual—

[(i) is enrolled in a health benefits plan under chapter 89 of title 5, United States Code, or

[(ii) is entitled to receive benefits under chapter 55 of title 10, United States Code.

[(8) CONTINUED QUALIFICATION OF FAMILY MEMBERS AFTER CERTAIN EVENTS.—

[(A) MEDICARE ELIGIBILITY.—In the case of any month which would be an eligible coverage month with respect to an eligible individual but for paragraph (7)(B)(i), such month shall be treated as an eligible coverage month with respect to such eligible individual solely for purposes of determining the eligibility of qualifying family members of such individual under this subsection. This subparagraph shall only apply with respect to the first 24 months after such eligible individual is first entitled to the benefits described in paragraph (7)(B)(i).

[(B) DIVORCE.—In the case of the finalization of a divorce between an eligible individual and such individual's spouse, such spouse shall be treated as an eligible individual for purposes of this subsection for a period of 24

months beginning with the date of such finalization, except that the only qualifying family members who may be taken into account with respect to such spouse are those individuals who were qualifying family members immediately before such finalization.

[(C) DEATH.—In the case of the death of an eligible individual—

[(i) any spouse of such individual (determined at the time of such death) shall be treated as an eligible individual for purposes of this subsection for a period of 24 months beginning with the date of such death, except that the only qualifying family members who may be taken into account with respect to such spouse are those individuals who were qualifying family members immediately before such death, and

[(ii) any individual who was a qualifying family member of the decedent immediately before such death shall be treated as an eligible individual for purposes this subsection for a period of 24 months beginning with the date of such death, except that no qualifying family members may be taken into account with respect to such individual.

[(g) INTERIM HEALTH INSURANCE COVERAGE AND OTHER ASSISTANCE.—

[(1) IN GENERAL.—Funds made available to a State or entity under paragraph (4)(B) of subsection (a) may be used by the State or entity to provide assistance and support services to eligible individuals, including health care coverage to the extent provided under subsection (f)(1)(A), transportation, child care, dependent care, and income assistance.

[(2) INCOME SUPPORT.—With respect to any income assistance provided to an eligible individual with such funds, such assistance shall supplement and not supplant other income support or assistance provided under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) (as in effect on the day before the effective date of the Trade Act of 2002) or the unemployment compensation laws of the State where the eligible individual resides.

[(3) HEALTH INSURANCE COVERAGE.—With respect to any assistance provided to an eligible individual with such funds in enrolling in qualified health insurance, the following rules shall apply:

[(A) The State or entity may provide assistance in obtaining such coverage to the eligible individual and to such individual's qualifying family members.

[(B) Such assistance shall supplement and may not supplant any other State or local funds used to provide health care coverage and may not be included in determining the amount of non-Federal contributions required under any program.

[(4) AVAILABILITY OF FUNDS.—

[(A) EXPEDITED PROCEDURES.—With respect to applications submitted by States or entities for grants under this subsection, the Secretary shall—

[(i) not later than 15 days after the date on which the Secretary receives a completed application from a State or entity, notify the State or entity of the determination of the Secretary with respect to the approval or disapproval of such application;

[(ii) in the case of an application of a State or entity that is disapproved by the Secretary, provide technical assistance, at the request of the State or entity, in a timely manner to enable the State or entity to submit an approved application; and

[(iii) develop procedures to expedite the provision of funds to States and entities with approved applications.

[(B) AVAILABILITY AND DISTRIBUTION OF FUNDS.—The Secretary shall ensure that funds made available under section 174(c)(1)(B) to carry out subsection (a)(4)(B) are available to States and entities throughout the period described in section 174(c)(2)(B).

[(5) INCLUSION OF CERTAIN INDIVIDUALS AS ELIGIBLE INDIVIDUALS.—For purposes of this subsection, the term "eligible individual" includes an individual who is a member of a group of workers certified after April 1, 2002, under chapter 2 of title II of the Trade Act of 1974 (as in effect on the day before the effective date of the Trade Act of 2002) and is participating in the trade adjustment allowance program under such chapter (as so in effect) or who would be determined to be participating in such program under such chapter (as so in effect) if such chapter were applied without regard to section 231(a)(3)(B) of the Trade Act of 1974 (as so in effect).

[SEC. 173A. YOUTHBUILD PROGRAM.

[(a) STATEMENT OF PURPOSE.—The purposes of this section are—

[(1) to enable disadvantaged youth to obtain the education and employment skills necessary to achieve economic self-sufficiency in occupations in demand and postsecondary education and training opportunities;

[(2) to provide disadvantaged youth with opportunities for meaningful work and service to their communities;

[(3) to foster the development of employment and leadership skills and commitment to community development among youth in low-income communities; and

[(4) to expand the supply of permanent affordable housing for homeless individuals and low-income families by utilizing the energies and talents of disadvantaged youth.

[(b) DEFINITIONS.—In this section:

[(1) ADJUSTED INCOME.—The term "adjusted income" has the meaning given the term in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

[(2) APPLICANT.—The term "applicant" means an eligible entity that has submitted an application under subsection (c).

[(3) ELIGIBLE ENTITY.—The term "eligible entity" means a public or private nonprofit agency or organization (including a consortium of such agencies or organizations), including—

[(A) a community-based organization;

[(B) a faith-based organization;

[(C) an entity carrying out activities under this title, such as a local board;

[(D) a community action agency;

[(E) a State or local housing development agency;

[(F) an Indian tribe or other agency primarily serving Indians;

[(G) a community development corporation;

[(H) a State or local youth service or conservation corps; and

[(I) any other entity eligible to provide education or employment training under a Federal program (other than the program carried out under this section).

[(4) HOMELESS INDIVIDUAL.—The term "homeless individual" has the meaning given the term in section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302).

[(5) HOUSING DEVELOPMENT AGENCY.—The term "housing development agency" means any agency of a State or local government, or any private nonprofit organization, that is engaged in providing housing for homeless individuals or low-income families.

[(6) INCOME.—The term "income" has the meaning given the term in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

[(7) INDIAN; INDIAN TRIBE.—The terms "Indian" and "Indian tribe" have the meanings given such terms in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

[(8) INDIVIDUAL OF LIMITED ENGLISH PROFICIENCY.—The term "individual of limited English proficiency" means an eligible participant under this section who meets the criteria set forth in section 203(10) of the Adult Education and Family Literacy Act (20 U.S.C. 9202(10)).

[(9) LOW-INCOME FAMILY.—The term "low-income family" means a family described in section 3(b)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(2)).

[(10) QUALIFIED NATIONAL NONPROFIT AGENCY.—The term "qualified national nonprofit agency" means a nonprofit agency that—

[(A) has significant national experience providing services consisting of training, information, technical assistance, and data management to YouthBuild programs or similar projects; and

[(B) has the capacity to provide those services.

[(11) REGISTERED APPRENTICESHIP PROGRAM.—The term "registered apprenticeship program" means an apprenticeship program—

[(A) registered under the Act of August 16, 1937 (commonly known as the "National Apprenticeship Act"; 50 Stat. 664, chapter 663; 20 U.S.C. 50 et seq.); and

[(B) that meets such other criteria as may be established by the Secretary under this section.

[(12) TRANSITIONAL HOUSING.—The term "transitional housing" means housing provided for the purpose of facilitating the movement of homeless individuals to independent living within a reasonable amount of time. The term includes housing pri-

marily designed to serve deinstitutionalized homeless individuals and other homeless individuals who are individuals with disabilities or members of families with children.

[(13) YOUTHBUILD PROGRAM.—The term "YouthBuild program" means any program that receives assistance under this section and provides disadvantaged youth with opportunities for employment, education, leadership development, and training through the rehabilitation or construction of housing for homeless individuals and low-income families, and of public facilities.

[(c) YOUTHBUILD GRANTS.—

[(1) AMOUNTS OF GRANTS.—The Secretary is authorized to make grants to applicants for the purpose of carrying out YouthBuild programs approved under this section.

[(2) ELIGIBLE ACTIVITIES.—An entity that receives a grant under this subsection shall use the funds made available through the grant to carry out a YouthBuild program, which may include the following activities:

[(A) Education and workforce investment activities including—

[(i) work experience and skills training (coordinated, to the maximum extent feasible, with preapprenticeship and registered apprenticeship programs) in the rehabilitation and construction activities described in subparagraphs (B) and (C);

[(ii) occupational skills training;

[(iii) other paid and unpaid work experiences, including internships and job shadowing;

[(iv) services and activities designed to meet the educational needs of participants, including—

[(I) basic skills instruction and remedial education;

[(II) language instruction educational programs for individuals with limited English proficiency;

[(III) secondary education services and activities, including tutoring, study skills training, and dropout prevention activities, designed to lead to the attainment of a secondary school diploma, General Education Development (GED) credential, or other State-recognized equivalent (including recognized alternative standards for individuals with disabilities);

[(IV) counseling and assistance in obtaining postsecondary education and required financial aid; and

[(V) alternative secondary school services;

[(v) counseling services and related activities, such as comprehensive guidance and counseling on drug and alcohol abuse and referral;

[(vi) activities designed to develop employment and leadership skills, which may include community service and peer-centered activities encouraging responsibility and other positive social behaviors, and activities related to youth policy committees that participate in decision-making related to the program;

[(vii) supportive services and provision of need-based stipends necessary to enable individuals to participate in the program and supportive services to assist individuals, for a period not to exceed 12 months after the completion of training, in obtaining or retaining employment, or applying for and transitioning to postsecondary education; and

[(viii) job search and assistance.

[(B) Supervision and training for participants in the rehabilitation or construction of housing, including residential housing for homeless individuals or low-income families, or transitional housing for homeless individuals.

[(C) Supervision and training for participants in the rehabilitation or construction of community and other public facilities, except that not more than 10 percent of funds appropriated to carry out this section may be used for such supervision and training.

[(D) Payment of administrative costs of the applicant, except that not more than 15 percent of the amount of assistance provided under this subsection to the grant recipient may be used for such costs.

[(E) Adult mentoring.

[(F) Provision of wages, stipends, or benefits to participants in the program.

[(G) Ongoing training and technical assistance that are related to developing and carrying out the program.

[(H) Follow-up services.

[(3) APPLICATION.—

[(A) FORM AND PROCEDURE.—To be qualified to receive a grant under this subsection, an eligible entity shall submit an application at such time, in such manner, and containing such information as the Secretary may require.

[(B) MINIMUM REQUIREMENTS.—The Secretary shall require that the application contain, at a minimum—

[(i) labor market information for the labor market area where the proposed program will be implemented, including both current data (as of the date of submission of the application) and projections on career opportunities in growing industries;

[(ii) a request for the grant, specifying the amount of the grant requested and its proposed uses;

[(iii) a description of the applicant and a statement of its qualifications, including a description of the applicant's relationship with local boards, one-stop operators, local unions, entities carrying out registered apprenticeship programs, other community groups, and employers, and the applicant's past experience, if any, with rehabilitation or construction of housing or public facilities, and with youth education and employment training programs;

[(iv) a description of the proposed site for the proposed program;

[(v) a description of the educational and job training activities, work opportunities, postsecondary education and training opportunities, and other services that

will be provided to participants, and how those activities, opportunities, and services will prepare youth for employment in occupations in demand in the labor market area described in clause (i);

[(vi) a description of the proposed rehabilitation or construction activities to be undertaken under the grant and the anticipated schedule for carrying out such activities;

[(vii) a description of the manner in which eligible youth will be recruited and selected as participants, including a description of arrangements that will be made with local boards, one-stop operators, community- and faith-based organizations, State educational agencies or local educational agencies (including agencies of Indian tribes), public assistance agencies, the courts of jurisdiction, agencies operating shelters for homeless individuals and other agencies that serve youth who are homeless individuals, foster care agencies, and other appropriate public and private agencies;

[(viii) a description of the special outreach efforts that will be undertaken to recruit eligible young women (including young women with dependent children) as participants;

[(ix) a description of the specific role of employers in the proposed program, such as their role in developing the proposed program and assisting in service provision and in placement activities;

[(x) a description of how the proposed program will be coordinated with other Federal, State, and local activities and activities conducted by Indian tribes, such as local workforce investment activities, vocational education programs, adult and language instruction educational programs, activities conducted by public schools, activities, conducted by community colleges, national service programs, and other job training provided with funds available under this title;

[(xi) assurances that there will be a sufficient number of adequately trained supervisory personnel in the proposed program;

[(xii) a description of results to be achieved with respect to common indicators of performance for youth and lifelong learning, as identified by the Secretary;

[(xiii) a description of the applicant's relationship with local building trade unions regarding their involvement in training to be provided through the proposed program, the relationship of the proposed program to established registered apprenticeship programs and employers, and the ability of the applicant to grant industry-recognized skill certification through the program;

[(xiv) a description of activities that will be undertaken to develop the leadership skills of participants;

[(xv) a detailed budget and a description of the system of fiscal controls, and auditing and accountability

procedures, that will be used to ensure fiscal soundness for the proposed program;

[(xvi) a description of the commitments for any additional resources (in addition to the funds made available through the grant) to be made available to the proposed program from—

[(I) the applicant;

[(II) recipients of other Federal, State or local housing and community development assistance who will sponsor any part of the rehabilitation, construction, operation and maintenance, or other housing and community development activities undertaken as part of the proposed program; or

[(III) entities carrying out other Federal, State, or local activities or activities conducted by Indian tribes, including vocational education programs, adult and language instruction educational programs, and job training provided with funds available under this title;

[(xvii) information identifying, and a description of, the financing proposed for any—

[(I) rehabilitation of the property involved;

[(II) acquisition of the property; or

[(III) construction of the property;

[(xviii) information identifying, and a description of, the entity that will operate and manage the property;

[(xix) information identifying, and a description of, the data collection systems to be used;

[(xx) a certification, by a public official responsible for the housing strategy for the State or unit of general local government within which the proposed program is located, that the proposed program is consistent with the housing strategy; and

[(xxi) a certification that the applicant will comply with the requirements of the Fair Housing Act (42 U.S.C. 3601 et seq.) and will affirmatively further fair housing.

[(4) SELECTION CRITERIA.—For an applicant to be eligible to receive a grant under this subsection, the applicant and the applicant's proposed program shall meet such selection criteria as the Secretary shall establish under this section, which shall include criteria relating to—

[(A) the qualifications or potential capabilities of an applicant;

[(B) an applicant's potential for developing a successful YouthBuild program;

[(C) the need for an applicant's proposed program, as determined by the degree of economic distress of the community from which participants would be recruited (measured by indicators such as poverty, youth unemployment, and the number of individuals who have dropped out of secondary school) and of the community in which the housing and public facilities proposed to be rehabilitated or constructed is located (measured by indicators such as inci-

dence of homelessness, shortage of affordable housing, and poverty);

[(D) the commitment of an applicant to providing skills training, leadership development, and education to participants;

[(E) the focus of a proposed program on preparing youth for occupations in demand or postsecondary education and training opportunities;

[(F) the extent of an applicant's coordination of activities to be carried out through the proposed program with local boards, one-stop operators, and one-stop partners participating in the operation of the one-stop delivery system involved, or the extent of the applicant's good faith efforts in achieving such coordination;

[(G) the extent of the applicant's coordination of activities with public education, criminal justice, housing and community development, national service, or postsecondary education or other systems that relate to the goals of the proposed program;

[(H) the extent of an applicant's coordination of activities with employers in the local area involved;

[(I) the extent to which a proposed program provides for inclusion of tenants who were previously homeless individuals in the rental housing provided through the program;

[(J) the commitment of additional resources (in addition to the funds made available through the grant) to a proposed program by—

[(i) an applicant;

[(ii) recipients of other Federal, State, or local housing and community development assistance who will sponsor any part of the rehabilitation, construction, operation and maintenance, or other housing and community development activities undertaken as part of the proposed program; or

[(iii) entities carrying out other Federal, State, or local activities or activities conducted by Indian tribes, including vocational education programs, adult and language instruction educational programs, and job training provided with funds available under this title;

[(K) the applicant's potential to serve different regions, including rural areas and States that have not previously received grants for YouthBuild programs; and

[(L) such other factors as the Secretary determines to be appropriate for purposes of carrying out the proposed program in an effective and efficient manner.

[(5) APPROVAL.—To the extent practicable, the Secretary shall notify each applicant, not later than 5 months after the date of receipt of the application by the Secretary, whether the application is approved or not approved.

[(d) USE OF HOUSING UNITS.—Residential housing units rehabilitated or constructed using funds made available under subsection (c) shall be available solely—

[(1) for rental by, or sale to, homeless individuals or low-income families; or

[(2) for use as transitional or permanent housing, for the purpose of assisting in the movement of homeless individuals to independent living.

[(e) ADDITIONAL PROGRAM REQUIREMENTS.—

[(1) ELIGIBLE PARTICIPANTS.—

[(A) IN GENERAL.—Except as provided in subparagraph (B), an individual may participate in a YouthBuild program only if such individual is—

[(i) not less than age 16 and not more than age 24, on the date of enrollment;

[(ii) a member of a low-income family, a youth in foster care (including youth aging out of foster care), a youth offender, a youth who is an individual with a disability, a child of incarcerated parents, or a migrant youth; and

[(iii) a school dropout.

[(B) EXCEPTION FOR INDIVIDUALS NOT MEETING INCOME OR EDUCATIONAL NEED REQUIREMENTS.—Not more than 25 percent of the participants in such program may be individuals who do not meet the requirements of clause (ii) or (iii) of subparagraph (A), but who—

[(i) are basic skills deficient, despite attainment of a secondary school diploma, General Education Development (GED) credential, or other State-recognized equivalent (including recognized alternative standards for individuals with disabilities); or

[(ii) have been referred by a local secondary school for participation in a YouthBuild program leading to the attainment of a secondary school diploma.

[(2) PARTICIPATION LIMITATION.—An eligible individual selected for participation in a YouthBuild program shall be offered full-time participation in the program for a period of not less than 6 months and not more than 24 months.

[(3) MINIMUM TIME DEVOTED TO EDUCATIONAL SERVICES AND ACTIVITIES.—A YouthBuild program receiving assistance under subsection (c) shall be structured so that participants in the program are offered—

[(A) education and related services and activities designed to meet educational needs, such as those specified in clauses (iv) through (vii) of subsection (c)(2)(A), during at least 50 percent of the time during which the participants participate in the program; and

[(B) work and skill development activities such as those specified in clauses (i), (ii), (iii), and (viii) of subsection (c)(2)(A), during at least 40 percent of the time during which the participants participate in the program.

[(4) AUTHORITY RESTRICTION.—No provision of this section may be construed to authorize any agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution (including a school) or school system, or over the selection of library resources, textbooks, or other printed or published instructional materials by any educational institution or school system.

[(5) STATE AND LOCAL STANDARDS.—All educational programs and activities supported with funds provided under subsection (c) shall be consistent with applicable State and local educational standards. Standards and procedures for the programs and activities that relate to awarding academic credit for and certifying educational attainment in such programs and activities shall be consistent with applicable State and local educational standards.

[(f) MANAGEMENT AND TECHNICAL ASSISTANCE.—

[(1) SECRETARY ASSISTANCE.—The Secretary may enter into contracts with 1 or more entities to provide assistance to the Secretary in the management, supervision, and coordination of the program carried out under this section.

[(2) TECHNICAL ASSISTANCE.—

[(A) CONTRACTS AND GRANTS.—The Secretary shall enter into contracts with or make grants to 1 or more qualified national nonprofit agencies, in order to provide training, information, technical assistance, and data management to recipients of grants under subsection (c).

[(B) RESERVATION OF FUNDS.—Of the amounts available under subsection (h) to carry out this section for a fiscal year, the Secretary shall reserve 5 percent to carry out subparagraph (A).

[(3) CAPACITY BUILDING GRANTS.—

[(A) IN GENERAL.—In each fiscal year, the Secretary may use not more than 3 percent of the amounts available under subsection (h) to award grants to 1 or more qualified national nonprofit agencies to pay for the Federal share of the cost of capacity building activities.

[(B) FEDERAL SHARE.—The Federal share of the cost described in subparagraph (A) shall be 25 percent. The non-Federal share shall be provided from private sources.

[(g) SUBGRANTS AND CONTRACTS.—Each recipient of a grant under subsection (c) to carry out a YouthBuild program shall provide the services and activities described in this section directly or through subgrants, contracts, or other arrangements with local educational agencies, postsecondary educational institutions, State or local housing development agencies, other public agencies, including agencies of Indian tribes, or private organizations.

[(h) AUTHORIZATION OF APPROPRIATIONS.—

[(1) IN GENERAL.—There are authorized to be appropriated for each of fiscal years 2007 through 2012 such sums as may be necessary to carry out this section.

[(2) FISCAL YEAR.—Notwithstanding section 189(g), appropriations for any fiscal year for programs and activities carried out under this section shall be available for obligation only on the basis of a fiscal year.

[SEC. 174. AUTHORIZATION OF APPROPRIATIONS.

[(a) NATIVE AMERICAN PROGRAMS; MIGRANT AND SEASONAL FARMWORKER PROGRAMS; VETERANS' WORKFORCE INVESTMENT PROGRAMS.—

[(1) IN GENERAL.—Subject to paragraph (2), there are authorized to be appropriated to carry out sections 166 through 168 such sums as may be necessary for each of the fiscal years 1999 through 2003.

[(2) RESERVATIONS.—Of the amount appropriated pursuant to the authorization of appropriations under paragraph (1) for a fiscal year, the Secretary shall—

[(A) reserve not less than $55,000,000 for carrying out section 166;

[(B) reserve not less than $70,000,000 for carrying out section 167; and

[(C) reserve not less than $7,300,000 for carrying out section 168.

[(b) TECHNICAL ASSISTANCE; DEMONSTRATION AND PILOT PROJECTS; EVALUATIONS; INCENTIVE GRANTS.—

[(1) IN GENERAL.—Subject to paragraph (2), there are authorized to be appropriated to carry out sections 170 through 172 and section 503 such sums as may be necessary for each of the fiscal years 1999 through 2003.

[(2) RESERVATIONS.—Of the amount appropriated pursuant to the authorization of appropriations under paragraph (1) for a fiscal year, the Secretary shall—

[(A)(i) for fiscal year 1999, reserve up to 40 percent for carrying out section 170 (other than subsection (b) of such section);

[(ii) for fiscal year 2000, reserve up to 25 percent for carrying out section 170 (other than subsection (b) of such section); and

[(iii) for each of the fiscal years 2001 through 2003, reserve up to 20 percent for carrying out section 170 (other than subsection (b) of such section);

[(B)(i) for fiscal year 1999, reserve not less than 50 percent for carrying out section 171; and

[(ii) for each of the fiscal years 2000 through 2003, reserve not less than 45 percent for carrying out section 171;

[(C)(i) for fiscal year 1999, reserve not less than 10 percent for carrying out section 172; and

[(ii) for each of the fiscal years 2000 through 2003, reserve not less than 10 percent for carrying out section 172; and

[(D)(i) for fiscal year 1999, reserve no funds for carrying out section 503;

[(ii) for fiscal year 2000, reserve up to 20 percent for carrying out section 503; and

[(iii) for each of the fiscal years 2001 through 2003, reserve up to 25 percent for carrying out section 503.

[(c) ASSISTANCE FOR ELIGIBLE WORKERS.—

[(1) APPROPRIATIONS.—There are authorized to be appropriated and appropriated—

[(A) to carry out subsection (a)(4)(A) of section 173—

[(i) $10,000,000 for fiscal year 2002; and

[(ii) $150,000,000 for the period of fiscal years 2009 through 2010; and

[(B) to carry out subsection (a)(4)(B) of section 173, $50,000,000 for fiscal year 2002.

[(2) AUTHORIZATION OF APPROPRIATIONS FOR SUBSEQUENT FISCAL YEARS.—There are authorized to be appropriated—

[(A) to carry out subsection (a)(4)(A) of section 173, $60,000,000 for each of fiscal years 2003 through 2007; and

[(B) to carry out subsection (a)(4)(B) of section 173—

[(i) $100,000,000 for fiscal year 2003; and

[(ii) $50,000,000 for fiscal year 2004.

[(3) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to—

[(A) paragraphs (1)(A) and (2)(A) for each fiscal year shall, notwithstanding section 189(g), remain available for obligation during the pendency of any outstanding claim under the Trade Act of 1974, as amended by the Trade Act of 2002; and

[(B) paragraph (1)(B) and (2)(B), for each fiscal year shall, notwithstanding section 189(g), remain available during the period that begins on the date of enactment of the Trade Act of 2002 and ends on September 30, 2004.]

Subtitle E—Administration

SEC. 181. REQUIREMENTS AND RESTRICTIONS.

(a) * * *

(b) LABOR STANDARDS.—

(1) * * *

* * * * * * *

(6) OPPORTUNITY TO SUBMIT COMMENTS.—Interested members of the public[, including representatives of businesses and of labor organizations], shall be provided an opportunity to submit comments to the Secretary with respect to programs and activities proposed to be funded under subtitle B.

* * * * * * *

(c) GRIEVANCE PROCEDURE.—

(1) * * *

(2) INVESTIGATION.—

(A) IN GENERAL.—The Secretary [shall] *may* investigate an allegation of a violation described in paragraph (1) if—

(i) * * *

* * * * * * *

(e) LIMITATION ON USE OF FUNDS.—No funds available under this title shall be used for employment generating activities, economic development activities, investment in revolving loan funds, capitalization of businesses, investment in contract bidding resource centers, and similar activities that are not directly related to [training for] *the entry into employment, retention in employment, or increases in earnings of* eligible individuals under this title. No funds available under [subtitle B] *this Act* shall be used for foreign travel.

(f) TESTING AND SANCTIONING FOR USE OF CONTROLLED SUBSTANCES.—

(1) * * *

* * * * * * *

(4) FUNDING REQUIREMENT.—In testing and sanctioning of participants for the use of controlled substances in accordance with this subsection, the only Federal funds that a State may use are the amounts made available for the administration of statewide workforce investment activities under section [134(a)(3)(B)] *134(a)(6)*.

(g) SALARY AND BONUS LIMITATION.—No funds provided under this title shall be used by a recipient or subrecipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of Level II of the Federal Executive Pay Schedule (5 U.S.C. 5313). This limitation shall not apply to vendors providing goods and services as defined in OMB Circular A–133. Where States are recipients of such funds, States may establish a lower limit for salaries and bonuses of those receiving salaries and bonuses from subrecipients of such funds, taking into account factors including the relative cost-of-living in the State, the compensation levels for comparable State or local government employees, and the size of the organizations that administer the programs.

(h) GENERAL AUTHORITY.—

(1) IN GENERAL.—The Employment and Training Administration of the U.S. Department of Labor (hereinafter in this Act referred to as the "Administration") shall administer all programs authorized under title I and III of this Act. The Administration shall be headed by an Assistant Secretary appointed by the President by and with the advice and consent of the Senate. Except for titles II and IV, the Administration shall be the principal agency, and the Assistant Secretary shall be the principal officer, of such Department for carrying out this Act.

(2) QUALIFICATIONS.—The Assistant Secretary shall be an individual with substantial experience in workforce development and in workforce development management. The Assistant Secretary shall also, to the maximum extent possible, possess knowledge and have worked in or with the State or local workforce investment system or have been a member of the business community. In the performance of the functions of the office, the Assistant Secretary shall be directly responsible to the Secretary or the Under Secretary as designed by the Secretary. The functions of the Assistant Secretary shall not be delegated to any officer not directly responsible, both with respect to program operation and administration, to the Assistant Secretary. Any reference in this Act to duties to be carried out by the Assistant Secretary shall be considered to be a reference to duties to be carried out by the Secretary acting through the Assistant Secretary.

SEC. 182. PROMPT ALLOCATION OF FUNDS.

(a) * * *

* * * * * * *

(c) REQUIREMENT FOR FUNDS DISTRIBUTED BY FORMULA.—All funds required to be allotted under section [127 or] 132 shall be allotted within 45 days after the date of enactment of the Act appropriating the funds, except that, if such funds are appropriated in advance as authorized by section 189(g), such funds shall be al-

lotted or allocated not later than the March 31 preceding the program year for which such funds are to be available for obligation.

* * * * * * *

(e) AVAILABILITY OF FUNDS.—Funds shall be made available under [sections 128 and 133] *section 133* for a local area not later than 30 days after the date the funds are made available to the Governor involved, under section [127 or] 132 (as the case may be), or 7 days after the date the local plan for the area is approved, whichever is later.

* * * * * * *

SEC. 184. FISCAL CONTROLS; SANCTIONS.

(a) ESTABLISHMENT OF FISCAL CONTROLS BY STATES.—

(1) * * *

(2) COST PRINCIPLES.—

[(A) IN GENERAL.—Each] *Each* State (including the Governor of the State), local area (including the chief elected official for the area), and provider receiving funds under this title shall comply with the applicable uniform cost principles included in the appropriate circulars of the Office of Management and Budget for the type of entity receiving the funds.

[(B) EXCEPTION.—The funds made available to a State for administration of statewide workforce investment activities in accordance with section 134(a)(3)(B) shall be allocable to the overall administration of workforce investment activities, but need not be specifically allocable to—

[(i) the administration of adult employment and training activities;

[(ii) the administration of dislocated worker employment and training activities; oradministration of youth activities.]

* * * * * * *

SEC. 185. REPORTS; RECORDKEEPING; INVESTIGATIONS.

(a) * * *

* * * * * * *

(c) ACCESSIBILITY OF REPORTS.—Each State, each local board, and each recipient (other than a subrecipient, subgrantee, or contractor of a recipient) receiving funds under this title—

(1) * * *

(2) shall prescribe and maintain comparable management information systems, in accordance with guidelines that shall be prescribed by the Secretary, designed to facilitate the uniform compilation, cross tabulation, and analysis of programmatic, participant, and financial data, on statewide, local area, and other appropriate bases, necessary for reporting, monitoring, and evaluating purposes, including data necessary to comply with section 188; [and]

(3) shall monitor the performance of providers in complying with the terms of grants, contracts, or other agreements made pursuant to this title[.]*; and*

(4) shall have the option to submit or disseminate electronically any reports, records, plans, or any other data that are required to be collected or disseminated under this title.

* * * * * * *

(e) QUARTERLY FINANCIAL REPORTS.—

(1) * * *

(2) ADDITIONAL REQUIREMENT.—Each State shall submit to the Secretary, *and the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate,* on a quarterly basis, a summary of the reports submitted to the Governor pursuant to paragraph (1).

* * * * * * *

SEC. 189. ADMINISTRATIVE PROVISIONS.

(a) * * *

* * * * * * *

(g) PROGRAM YEAR.—

[(1) IN GENERAL.—

[(A) PROGRAM YEAR.—Except as provided in subparagraph (B) and section 173A, appropriations for any fiscal year for programs and activities carried out under this title shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.

[(B) YOUTH ACTIVITIES.—The Secretary may make available for obligation, beginning April 1 of any fiscal year, funds appropriated for such fiscal year to carry out youth activities under subtitle B.]

(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities carried out under this title shall be available for obligation only on the basis of a program year. The program year shall begin on October 1 in the fiscal year for which the appropriation is made.

(2) AVAILABILITY.—Funds obligated for any program year for a program or activity carried out under this title may be expended by [each State] *each recipient* receiving such funds during that program year and the 2 succeeding program years. Funds obligated for any program year for a program or activity carried out under section [171 or] 172 shall remain available until expended. Funds received by local areas from States under this title during a program year may be expended during that program year and the succeeding program year. No amount of the funds described in this paragraph shall be deobligated on account of a rate of expenditure that is consistent with a State plan, an operating plan described in section 151, or a plan, grant agreement, contract, application, or other agreement described in subtitle D, as appropriate.

* * * * * * *

(i) WAIVERS AND SPECIAL RULES.—

(1) * * *

[(2) SPECIAL RULE REGARDING DESIGNATED AREAS.—A State that has enacted, not later than December 31, 1997, a State law providing for the designation of service delivery areas for

the delivery of workforce investment activities, may use such areas as local areas under this title, notwithstanding section 116.

[(3) SPECIAL RULE REGARDING SANCTIONS.—A State that enacts, not later than December 31, 1997, a State law providing for the sanctioning of such service delivery areas for failure to meet performance measures for workforce investment activities, may use the State law to sanction local areas for failure to meet State performance measures under this title.]

[(4)] *(2)* GENERAL WAIVERS OF STATUTORY OR REGULATORY REQUIREMENTS.—

(A) GENERAL AUTHORITY.—Notwithstanding any other provision of law, the Secretary may waive for a State, or a local area in a State, pursuant to a request submitted by the Governor of the State (in consultation with appropriate local elected officials) that meets the [requirements of subparagraph (B)—

[(i) any of the statutory or regulatory requirements of subtitle B] *requirements of subparagraph (B) or (D), any of the statutory or regulatory requirements of subtitle B* or this subtitle (except for requirements relating to wage and labor standards, including nondisplacement protections, worker rights, participation and protection of workers and participants, grievance procedures and judicial review, nondiscrimination, allocation of funds to local areas, eligibility of providers or participants, the establishment and functions of local areas and local boards, and procedures for review and approval of plans)[; and].

[(ii) any of the statutory or regulatory requirements of sections 8 through 10 of the Wagner-Peyser Act (29 U.S.C. 49g through 49i) (excluding requirements relating to the provision of services to unemployment insurance claimants and veterans, and requirements relating to universal access to basic labor exchange services without cost to jobseekers).]

* * * * * * *

(D) EXPEDITED PROCESS FOR EXTENDING APPROVED WAIVERS TO ADDITIONAL STATES.—In lieu of the requirements of subparagraphs (B) and (C), the Secretary may establish an expedited procedure for the purpose of extending to additional States the waiver of statutory or regulatory requirements that have been approved for a State pursuant to a request under subparagraph (B). Such procedure shall ensure that the extension of such waivers to additional States are accompanied by appropriate conditions relating the implementation of such waivers.

(E) EXTERNAL CONDITIONS.—The Secretary shall not require or impose new or additional requirements, which are not specified under this Act, on a State in exchange for providing a waiver to the State or a local area in the State under this paragraph.

* * * * * * *

SEC. 191. STATE LEGISLATIVE AUTHORITY.

(a) AUTHORITY OF STATE LEGISLATURE.—Nothing in this title shall be interpreted to preclude the enactment of State legislation providing for the implementation, [consistent with the provisions of this title] *consistent with State law and the provisions of this title*, of the activities assisted under this title. Any funds received by a State under this title shall be subject to appropriation by the State legislature, [consistent with the terms and conditions required under this title] *consistent with State law and the terms and conditions required under this title*.

* * * * * * *

[SEC. 192. WORKFORCE FLEXIBILITY PLANS.

[(a) PLANS.—A State may submit to the Secretary, and the Secretary may approve, a workforce flexibility plan under which the State is authorized to waive, in accordance with the plan—

[(1) any of the statutory or regulatory requirements applicable under this title to local areas, pursuant to applications for such waivers from the local areas, except for requirements relating to the basic purposes of this title, wage and labor standards, grievance procedures and judicial review, nondiscrimination, eligibility of participants, allocation of funds to local areas, establishment and functions of local areas and local boards, review and approval of local plans, and worker rights, participation, and protection;

[(2) any of the statutory or regulatory requirements applicable under sections 8 through 10 of the Wagner-Peyser Act (29 U.S.C. 49g through 49i) to the State, except for requirements relating to the provision of services to unemployment insurance claimants and veterans, and to universal access to basic labor exchange services without cost to jobseekers; and

[(3) any of the statutory or regulatory requirements applicable under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.) to State agencies on aging with respect to activities carried out using funds allotted under section 506(a)(3) of such Act (42 U.S.C. 3056d(a)(3)), except for requirements relating to the basic purposes of such Act, wage and labor standards, eligibility of participants in the activities, and standards for agreements.

[(b) CONTENT OF PLANS.—A workforce flexibility plan implemented by a State under subsection (a) shall include descriptions of—

[(1)(A) the process by which local areas in the State may submit and obtain approval by the State of applications for waivers of requirements applicable under this title; and

[(B) the requirements described in subparagraph (A) that are likely to be waived by the State under the plan;

[(2) the requirements applicable under sections 8 through 10 of the Wagner-Peyser Act that are proposed to be waived, if any;

[(3) the requirements applicable under the Older Americans Act of 1965 that are proposed to be waived, if any;

[(4) the outcomes to be achieved by the waivers described in paragraphs (1) through (3); and

[(5) other measures to be taken to ensure appropriate accountability for Federal funds in connection with the waivers.

[(c) PERIODS.—The Secretary may approve a workforce flexibility plan for a period of not more than 5 years.

[(d) OPPORTUNITY FOR PUBLIC COMMENTS.—Prior to submitting a workforce flexibility plan to the Secretary for approval, the State shall provide to all interested parties and to the general public adequate notice and a reasonable opportunity for comment on the waiver requests proposed to be implemented pursuant to such plan.]

* * * * * * *

[SEC. 194. CONTINUATION OF STATE ACTIVITIES AND POLICIES.

[(a) IN GENERAL.—Notwithstanding any other provision of this title, the Secretary may not deny approval of a State plan for a covered State, or an application of a covered State for financial assistance, under this title or find a covered State (including a State board or Governor), or a local area (including a local board or chief elected official) in a covered State, in violation of a provision of this title, on the basis that—

[(1)(A) the State proposes to allocate or disburse, allocates, or disburses, within the State, funds made available to the State under section 127 or 132 in accordance with the allocation formula for the type of activities involved, or in accordance with a disbursal procedure or process, used by the State under prior consistent State laws; or

[(B) a local board in the State proposes to disburse, or disburses, within the local area, funds made available to a State under section 127 or 132 in accordance with a disbursal procedure or process used by a private industry council under prior consistent State law;

[(2) the State proposes to carry out or carries out a State procedure through which local areas use, as fiscal agents for funds made available to the State under section 127 or 132 and allocated within the State, fiscal agents selected in accordance with a process established under prior consistent State laws;

[(3) the State proposes to carry out or carries out a State procedure through which the local board in the State (or the local boards, the chief elected officials in the State, and the Governor) designate or select the one-stop partners and one-stop operators of the statewide system in the State under prior consistent State laws, in lieu of making the designation, or certification described in section 121 (regardless of the date the one-stop delivery systems involved have been established);

[(4) the State proposes to carry out or carries out a State procedure through which the persons responsible for selecting eligible providers for purposes of subtitle B are permitted to determine that a provider shall not be selected to provide both intake services under section 134(d)(2) and training services under section 134(d)(4), under prior consistent State laws;

[(5) the State proposes to designate or designates a State board, or proposes to assign or assigns functions and roles of the State board (including determining the time periods for development and submission of a State plan required under sec-

tion 112), for purposes of subtitle B in accordance with prior consistent State laws; or

[(6) a local board in the State proposes to use or carry out, uses, or carries out a local plan (including assigning functions and roles of the local board) for purposes of subtitle B in accordance with the authorities and requirements applicable to local plans and private industry councils under prior consistent State laws.

[(b) DEFINITION.—In this section:

[(1) COVERED STATE.—The term "covered State" means a State that enacted State laws described in paragraph (2).

[(2) PRIOR CONSISTENT STATE LAWS.—The term "prior consistent State laws" means State laws, not inconsistent with the Job Training Partnership Act or any other applicable Federal law, that took effect on September 1, 1993, September 1, 1995, and September 1, 1997.]

SEC. 195. GENERAL PROGRAM REQUIREMENTS.

Except as otherwise provided in this title, the following conditions are applicable to all programs under this title:

(1) * * *

* * * * * * *

(7)(A) * * *

* * * * * * *

(D) Funds received by a public or private nonprofit entity that are not described in paragraph (B), such as funds privately raised from philanthropic foundations, businesses, or other private entities, shall not be considered to be income under this title and shall not be subject to the requirements of this section.

* * * * * * *

(14) Funds provided under this title shall not be used to establish or operate stand-alone fee-for-service enterprises that compete with private sector employment agencies within the meaning of section 701(c) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(c)), except that for purposes of this paragraph, such an enterprise does not include one-stop centers.

(15) Any report required to be submitted to Congress, or to a Committee of Congress, under this title shall be submitted to both the chairmen and ranking minority members of the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate.

SEC. 196. FEDERAL AGENCY STAFF.

The Director of the Office of Management and Budget shall—

(1) not later than 60 days after the date of the enactment of the SKILLS Act—

(A) identify the number of Federal government employees who work on or administer each of the programs authorized under this Act or repealed under section 401 of the SKILLS Act, as such programs were in effect on the day before such date of enactment; and

(B) identify the number of full-time equivalent employees who work on or administer each of the programs authorized under this Act or repealed under section 401 of the

SKILLS Act, as such programs were in effect on the day before such date of enactment, and that have been eliminated or consolidated on or after such date of enactment;

(2) not later than 90 after such date of enactment, publish the information described in paragraph (1) on the Office of Management and Budget website;

(3) not later than 1 year after such date of enactment—

(A) reduce the workforce of the Federal Government by the number of full-time equivalent employees identified under paragraph (1)(B); and

(B) submit to Congress a report on how the Director carried out the requirements of subparagraph (A).

* * * * * * *

[TITLE II—ADULT EDUCATION AND LITERACY

[SEC. 201. SHORT TITLE.

[This title may be cited as the "Adult Education and Family Literacy Act".

[SEC. 202. PURPOSE.

[It is the purpose of this title to create a partnership among the Federal Government, States, and localities to provide, on a voluntary basis, adult education and literacy services, in order to—

[(1) assist adults to become literate and obtain the knowledge and skills necessary for employment and self-sufficiency;

[(2) assist adults who are parents to obtain the educational skills necessary to become full partners in the educational development of their children; and

[(3) assist adults in the completion of a secondary school education.

[SEC. 203. DEFINITIONS.

[In this title:

[(1) ADULT EDUCATION.—The term "adult education" means services or instruction below the postsecondary level for individuals—

[(A) who have attained 16 years of age;

[(B) who are not enrolled or required to be enrolled in secondary school under State law; and

[(C) who—

[(i) lack sufficient mastery of basic educational skills to enable the individuals to function effectively in society;

[(ii) do not have a secondary school diploma or its recognized equivalent, and have not achieved an equivalent level of education; or

[(iii) are unable to speak, read, or write the English language.

[(2) ADULT EDUCATION AND LITERACY ACTIVITIES.—The term "adult education and literacy activities" means activities described in section 231(b).

[(3) EDUCATIONAL SERVICE AGENCY.—The term "educational service agency" means a regional public multiservice agency

authorized by State statute to develop and manage a service or program, and to provide the service or program to a local educational agency.

[(4) ELIGIBLE AGENCY.—The term "eligible agency" means the sole entity or agency in a State or an outlying area responsible for administering or supervising policy for adult education and literacy in the State or outlying area, respectively, consistent with the law of the State or outlying area, respectively.

[(5) ELIGIBLE PROVIDER.—The term "eligible provider" means—

[(A) a local educational agency;

[(B) a community-based organization of demonstrated effectiveness;

[(C) a volunteer literacy organization of demonstrated effectiveness;

[(D) an institution of higher education;

[(E) a public or private nonprofit agency;

[(F) a library;

[(G) a public housing authority;

[(H) a nonprofit institution that is not described in any of subparagraphs (A) through (G) and has the ability to provide literacy services to adults and families; and

[(I) a consortium of the agencies, organizations, institutions, libraries, or authorities described in any of subparagraphs (A) through (H).

[(6) ENGLISH LITERACY PROGRAM.—The term "English literacy program" means a program of instruction designed to help individuals of limited English proficiency achieve competence in the English language.

[(7) FAMILY LITERACY SERVICES.—The term "family literacy services" means services that are of sufficient intensity in terms of hours, and of sufficient duration, to make sustainable changes in a family, and that integrate all of the following activities:

[(A) Interactive literacy activities between parents and their children.

[(B) Training for parents regarding how to be the primary teacher for their children and full partners in the education of their children.

[(C) Parent literacy training that leads to economic self-sufficiency.

[(D) An age-appropriate education to prepare children for success in school and life experiences.

[(8) GOVERNOR.—The term "Governor" means the chief executive officer of a State or outlying area.

[(9) INDIVIDUAL WITH A DISABILITY.—

[(A) IN GENERAL.—The term "individual with a disability" means an individual with any disability (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).

[(B) INDIVIDUALS WITH DISABILITIES.—The term "individuals with disabilities" means more than one individual with a disability.

[(10) INDIVIDUAL OF LIMITED ENGLISH PROFICIENCY.—The term "individual of limited English proficiency" means an adult

or out-of-school youth who has limited ability in speaking, reading, writing, or understanding the English language, and—

[(A) whose native language is a language other than English; or

[(B) who lives in a family or community environment where a language other than English is the dominant language.

[(11) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given the term in section 101 of the Higher Education Act of 1965.

[(12) LITERACY.—The term "literacy" means an individual's ability to read, write, and speak in English, compute, and solve problems, at levels of proficiency necessary to function on the job, in the family of the individual, and in society.

[(13) LOCAL EDUCATIONAL AGENCY.—The term "local educational agency" has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

[(14) OUTLYING AREA.—The term "outlying area" has the meaning given the term in section 101.

[(15) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term "postsecondary educational institution" means—

[(A) an institution of higher education that provides not less than a 2-year program of instruction that is acceptable for credit toward a bachelor's degree;

[(B) a tribally controlled community college; or

[(C) a nonprofit educational institution offering certificate or apprenticeship programs at the postsecondary level.

[(16) SECRETARY.—The term "Secretary" means the Secretary of Education.

[(17) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

[(18) WORKPLACE LITERACY SERVICES.—The term "workplace literacy services" means literacy services that are offered for the purpose of improving the productivity of the workforce through the improvement of literacy skills.

[SEC. 204. HOME SCHOOLS.

[Nothing in this title shall be construed to affect home schools, or to compel a parent engaged in home schooling to participate in an English literacy program, family literacy services, or adult education.

[SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

[There is authorized to be appropriated to carry out this title such sums as may be necessary for each of the fiscal years 1999 through 2003.

[Subtitle A—Adult Education and Literacy Programs

[CHAPTER 1—FEDERAL PROVISIONS

[SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE AGENCIES; ALLOTMENTS.

[(a) RESERVATION OF FUNDS.—From the sum appropriated under section 205 for a fiscal year, the Secretary—

[(1) shall reserve 1.5 percent to carry out section 242, except that the amount so reserved shall not exceed $8,000,000;

[(2) shall reserve 1.5 percent to carry out section 243, except that the amount so reserved shall not exceed $8,000,000; and

[(3) shall make available, to the Secretary of Labor, 1.72 percent for incentive grants under section 503.

[(b) GRANTS TO ELIGIBLE AGENCIES.—

[(1) IN GENERAL.—From the sum appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall award a grant to each eligible agency having a State plan approved under section 224 in an amount equal to the sum of the initial allotment under subsection (c)(1) and the additional allotment under subsection (c)(2) for the eligible agency for the fiscal year, subject to subsections (f) and (g), to enable the eligible agency to carry out the activities assisted under this subtitle.

[(2) PURPOSE OF GRANTS.—The Secretary may award a grant under paragraph (1) only if the eligible entity involved agrees to expend the grant for adult education and literacy activities in accordance with the provisions of this subtitle.

[(c) ALLOTMENTS.—

[(1) INITIAL ALLOTMENTS.—From the sum appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall allot to each eligible agency having a State plan approved under section 224(f)—

[(A) $100,000, in the case of an eligible agency serving an outlying area; and

[(B) $250,000, in the case of any other eligible agency.

[(2) ADDITIONAL ALLOTMENTS.—From the sum appropriated under section 205, not reserved under subsection (a), and not allotted under paragraph (1), for a fiscal year, the Secretary shall allot to each eligible agency that receives an initial allotment under paragraph (1) an additional amount that bears the same relationship to such sum as the number of qualifying adults in the State or outlying area served by the eligible agency bears to the number of such adults in all States and outlying areas.

[(d) QUALIFYING ADULT.—For the purpose of subsection (c)(2), the term "qualifying adult" means an adult who—

[(1) is at least 16 years of age;

[(2) is beyond the age of compulsory school attendance under the law of the State or outlying area;

[(3) does not have a secondary school diploma or its recognized equivalent; and

[(4) is not enrolled in secondary school.

[(e) SPECIAL RULE.—

[(1) IN GENERAL.—From amounts made available under subsection (c) for the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau, the Secretary shall award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau to carry out activities described in this subtitle in accordance with the provisions of this subtitle that the Secretary determines are not inconsistent with this subsection.

[(2) AWARD BASIS.—The Secretary shall award grants pursuant to paragraph (1) on a competitive basis and pursuant to recommendations from the Pacific Region Educational Laboratory in Honolulu, Hawaii.

[(3) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau shall not receive any funds under this subtitle for any fiscal year that begins after September 30, 2001.

[(4) ADMINISTRATIVE COSTS.—The Secretary may provide not more than 5 percent of the funds made available for grants under this subsection to pay the administrative costs of the Pacific Region Educational Laboratory regarding activities assisted under this subsection.

[(f) HOLD-HARMLESS.—

[(1) IN GENERAL.—Notwithstanding subsection (c)—

[(A) for fiscal year 1999, no eligible agency shall receive an allotment under this subtitle that is less than 90 percent of the payments made to the State or outlying area of the eligible agency for fiscal year 1998 for programs for which funds were authorized to be appropriated under section 313 of the Adult Education Act (as such Act was in effect on the day before the date of the enactment of the Workforce Investment Act of 1998); and

[(B) for fiscal year 2000 and each succeeding fiscal year, no eligible agency shall receive an allotment under this subtitle that is less than 90 percent of the allotment the eligible agency received for the preceding fiscal year under this subtitle.

[(2) RATABLE REDUCTION.—If for any fiscal year the amount available for allotment under this subtitle is insufficient to satisfy the provisions of paragraph (1), the Secretary shall ratably reduce the payments to all eligible agencies, as necessary.

[(g) REALLOTMENT.—The portion of any eligible agency's allotment under this subtitle for a fiscal year that the Secretary determines will not be required for the period such allotment is available for carrying out activities under this subtitle, shall be available for reallotment from time to time, on such dates during such period as the Secretary shall fix, to other eligible agencies in proportion to the original allotments to such agencies under this subtitle for such year.

[SEC. 212. PERFORMANCE ACCOUNTABILITY SYSTEM.

[(a) PURPOSE.—The purpose of this section is to establish a comprehensive performance accountability system, comprised of the activities described in this section, to assess the effectiveness of eligi-

ble agencies in achieving continuous improvement of adult education and literacy activities funded under this subtitle, in order to optimize the return on investment of Federal funds in adult education and literacy activities.

[(b) ELIGIBLE AGENCY PERFORMANCE MEASURES.—

[(1) IN GENERAL.—For each eligible agency, the eligible agency performance measures shall consist of—

[(A)(i) the core indicators of performance described in paragraph (2)(A); and

[(ii) additional indicators of performance (if any) identified by the eligible agency under paragraph (2)(B); and

[(B) an eligible agency adjusted level of performance for each indicator described in subparagraph (A).

[(2) INDICATORS OF PERFORMANCE.—

[(A) CORE INDICATORS OF PERFORMANCE.—The core indicators of performance shall include the following:

[(i) Demonstrated improvements in literacy skill levels in reading, writing, and speaking the English language, numeracy, problem solving, English language acquisition, and other literacy skills.

[(ii) Placement in, retention in, or completion of, postsecondary education, training, unsubsidized employment or career advancement.

[(iii) Receipt of a secondary school diploma or its recognized equivalent.

[(B) ADDITIONAL INDICATORS.—An eligible agency may identify in the State plan additional indicators for adult education and literacy activities authorized under this subtitle.

[(3) LEVELS OF PERFORMANCE.—

[(A) ELIGIBLE AGENCY ADJUSTED LEVELS OF PERFORMANCE FOR CORE INDICATORS.—

[(i) IN GENERAL.—For each eligible agency submitting a State plan, there shall be established, in accordance with this subparagraph, levels of performance for each of the core indicators of performance described in paragraph (2)(A) for adult education and literacy activities authorized under this subtitle. The levels of performance established under this subparagraph shall, at a minimum—

[(I) be expressed in an objective, quantifiable, and measurable form; and

[(II) show the progress of the eligible agency toward continuously improving in performance.

[(ii) IDENTIFICATION IN STATE PLAN.—Each eligible agency shall identify, in the State plan submitted under section 224, expected levels of performance for each of the core indicators of performance for the first 3 program years covered by the State plan.

[(iii) AGREEMENT ON ELIGIBLE AGENCY ADJUSTED LEVELS OF PERFORMANCE FOR FIRST 3 YEARS.—In order to ensure an optimal return on the investment of Federal funds in adult education and literacy activities authorized under this subtitle, the Secretary and each eligible agency shall reach agreement on levels of per-

formance for each of the core indicators of performance, for the first 3 program years covered by the State plan, taking into account the levels identified in the State plan under clause (ii) and the factors described in clause (iv). The levels agreed to under this clause shall be considered to be the eligible agency adjusted levels of performance for the eligible agency for such years and shall be incorporated into the State plan prior to the approval of such plan.

[(iv) FACTORS.—The agreement described in clause (iii) or (v) shall take into account—

[(I) how the levels involved compare with the eligible agency adjusted levels of performance established for other eligible agencies, taking into account factors including the characteristics of participants when the participants entered the program, and the services or instruction to be provided; and

[(II) the extent to which such levels involved promote continuous improvement in performance on the performance measures by such eligible agency and ensure optimal return on the investment of Federal funds.

[(v) AGREEMENT ON ELIGIBLE AGENCY ADJUSTED LEVELS OF PERFORMANCE FOR 4TH AND 5TH YEARS.—Prior to the fourth program year covered by the State plan, the Secretary and each eligible agency shall reach agreement on levels of performance for each of the core indicators of performance for the fourth and fifth program years covered by the State plan, taking into account the factors described in clause (iv). The levels agreed to under this clause shall be considered to be the eligible agency adjusted levels of performance for the eligible agency for such years and shall be incorporated into the State plan.

[(vi) REVISIONS.—If unanticipated circumstances arise in a State resulting in a significant change in the factors described in clause (iv)(II), the eligible agency may request that the eligible agency adjusted levels of performance agreed to under clause (iii) or (v) be revised. The Secretary, after collaboration with the representatives described in section 136(i)(1), shall issue objective criteria and methods for making such revisions.

[(B) LEVELS OF PERFORMANCE FOR ADDITIONAL INDICATORS.—The eligible agency may identify, in the State plan, eligible agency levels of performance for each of the additional indicators described in paragraph (2)(B). Such levels shall be considered to be eligible agency adjusted levels of performance for purposes of this subtitle.

[(c) REPORT.—

[(1) IN GENERAL.—Each eligible agency that receives a grant under section 211(b) shall annually prepare and submit to the Secretary a report on the progress of the eligible agency in achieving eligible agency performance measures, including in-

formation on the levels of performance achieved by the eligible agency with respect to the core indicators of performance.

[(2) INFORMATION DISSEMINATION.—The Secretary—

[(A) shall make the information contained in such reports available to the general public through publication and other appropriate methods;

[(B) shall disseminate State-by-State comparisons of the information; and

[(C) shall provide the appropriate committees of Congress with copies of such reports.

[CHAPTER 2—STATE PROVISIONS

[SEC. 221. STATE ADMINISTRATION.

[Each eligible agency shall be responsible for the State or outlying area administration of activities under this subtitle, including—

[(1) the development, submission, and implementation of the State plan;

[(2) consultation with other appropriate agencies, groups, and individuals that are involved in, or interested in, the development and implementation of activities assisted under this subtitle; and

[(3) coordination and nonduplication with other Federal and State education, training, corrections, public housing, and social service programs.

[SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING REQUIREMENT.

[(a) STATE DISTRIBUTION OF FUNDS.—Each eligible agency receiving a grant under this subtitle for a fiscal year—

[(1) shall use not less than 82.5 percent of the grant funds to award grants and contracts under section 231 and to carry out section 225, of which not more than 10 percent of the 82.5 percent shall be available to carry out section 225;

[(2) shall use not more than 12.5 percent of the grant funds to carry out State leadership activities under section 223; and

[(3) shall use not more than 5 percent of the grant funds, or $65,000, whichever is greater, for the administrative expenses of the eligible agency.

[(b) MATCHING REQUIREMENT.—

[(1) IN GENERAL.—In order to receive a grant from the Secretary under section 211(b) each eligible agency shall provide, for the costs to be incurred by the eligible agency in carrying out the adult education and literacy activities for which the grant is awarded, a non-Federal contribution in an amount equal to—

[(A) in the case of an eligible agency serving an outlying area, 12 percent of the total amount of funds expended for adult education and literacy activities in the outlying area, except that the Secretary may decrease the amount of funds required under this subparagraph for an eligible agency; and

[(B) in the case of an eligible agency serving a State, 25 percent of the total amount of funds expended for adult education and literacy activities in the State.

[(2) NON-FEDERAL CONTRIBUTION.—An eligible agency's non-Federal contribution required under paragraph (1) may be provided in cash or in kind, fairly evaluated, and shall include only non-Federal funds that are used for adult education and literacy activities in a manner that is consistent with the purpose of this subtitle.

[SEC. 223. STATE LEADERSHIP ACTIVITIES.

[(a) IN GENERAL.—Each eligible agency shall use funds made available under section 222(a)(2) for one or more of the following adult education and literacy activities:

[(1) The establishment or operation of professional development programs to improve the quality of instruction provided pursuant to local activities required under section 231(b), including instruction incorporating phonemic awareness, systematic phonics, fluency, and reading comprehension, and instruction provided by volunteers or by personnel of a State or outlying area.

[(2) The provision of technical assistance to eligible providers of adult education and literacy activities.

[(3) The provision of technology assistance, including staff training, to eligible providers of adult education and literacy activities to enable the eligible providers to improve the quality of such activities.

[(4) The support of State or regional networks of literacy resource centers.

[(5) The monitoring and evaluation of the quality of, and the improvement in, adult education and literacy activities.

[(6) Incentives for—

[(A) program coordination and integration; and

[(B) performance awards.

[(7) Developing and disseminating curricula, including curricula incorporating phonemic awareness, systematic phonics, fluency, and reading comprehension.

[(8) Other activities of statewide significance that promote the purpose of this title.

[(9) Coordination with existing support services, such as transportation, child care, and other assistance designed to increase rates of enrollment in, and successful completion of, adult education and literacy activities, to adults enrolled in such activities.

[(10) Integration of literacy instruction and occupational skill training, and promoting linkages with employers.

[(11) Linkages with postsecondary educational institutions.

[(b) COLLABORATION.—In carrying out this section, eligible agencies shall collaborate where possible, and avoid duplicating efforts, in order to maximize the impact of the activities described in subsection (a).

[(c) STATE-IMPOSED REQUIREMENTS.—Whenever a State or outlying area implements any rule or policy relating to the administration or operation of a program authorized under this subtitle that has the effect of imposing a requirement that is not imposed under Federal law (including any rule or policy based on a State or outlying area interpretation of a Federal statute, regulation, or guideline), the State or outlying area shall identify, to eligible providers, the rule or policy as being State- or outlying area-imposed.

[SEC. 224. STATE PLAN.

[(a) 5-YEAR PLANS.—

[(1) IN GENERAL.—Each eligible agency desiring a grant under this subtitle for any fiscal year shall submit to, or have on file with, the Secretary a 5-year State plan.

[(2) COMPREHENSIVE PLAN OR APPLICATION.—The eligible agency may submit the State plan as part of a comprehensive plan or application for Federal education assistance.

[(b) PLAN CONTENTS.—In developing the State plan, and any revisions to the State plan, the eligible agency shall include in the State plan or revisions—

[(1) an objective assessment of the needs of individuals in the State or outlying area for adult education and literacy activities, including individuals most in need or hardest to serve;

[(2) a description of the adult education and literacy activities that will be carried out with any funds received under this subtitle;

[(3) a description of how the eligible agency will evaluate annually the effectiveness of the adult education and literacy activities based on the performance measures described in section 212;

[(4) a description of the performance measures described in section 212 and how such performance measures will ensure the improvement of adult education and literacy activities in the State or outlying area;

[(5) an assurance that the eligible agency will award not less than one grant under this subtitle to an eligible provider who offers flexible schedules and necessary support services (such as child care and transportation) to enable individuals, including individuals with disabilities, or individuals with other special needs, to participate in adult education and literacy activities, which eligible provider shall attempt to coordinate with support services that are not provided under this subtitle prior to using funds for adult education and literacy activities provided under this subtitle for support services;

[(6) an assurance that the funds received under this subtitle will not be expended for any purpose other than for activities under this subtitle;

[(7) a description of how the eligible agency will fund local activities in accordance with the considerations described in section 231(e);

[(8) an assurance that the eligible agency will expend the funds under this subtitle only in a manner consistent with fiscal requirements in section 241;

[(9) a description of the process that will be used for public participation and comment with respect to the State plan;

[(10) a description of how the eligible agency will develop program strategies for populations that include, at a minimum—

[(A) low-income students;

[(B) individuals with disabilities;

[(C) single parents and displaced homemakers; and

[(D) individuals with multiple barriers to educational enhancement, including individuals with limited English proficiency;

[(11) a description of how the adult education and literacy activities that will be carried out with any funds received under this subtitle will be integrated with other adult education, career development, and employment and training activities in the State or outlying area served by the eligible agency; and

[(12) a description of the steps the eligible agency will take to ensure direct and equitable access, as required in section 231(c)(1).

[(c) PLAN REVISIONS.—When changes in conditions or other factors require substantial revisions to an approved State plan, the eligible agency shall submit the revisions to the State plan to the Secretary.

[(d) CONSULTATION.—The eligible agency shall—

[(1) submit the State plan, and any revisions to the State plan, to the Governor of the State or outlying area for review and comment; and

[(2) ensure that any comments by the Governor regarding the State plan, and any revision to the State plan, are submitted to the Secretary.

[(e) PEER REVIEW.—The Secretary shall establish a peer review process to make recommendations regarding the approval of State plans.

[(f) PLAN APPROVAL.—A State plan submitted to the Secretary shall be approved by the Secretary unless the Secretary makes a written determination, within 90 days after receiving the plan, that the plan is inconsistent with the specific provisions of this subtitle.

[(g) TRANSITION.—The provisions of this section shall be subject to section 506(b).

[SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND OTHER INSTITUTIONALIZED INDIVIDUALS.

[(a) PROGRAM AUTHORIZED.—From funds made available under section 222(a)(1) for a fiscal year, each eligible agency shall carry out corrections education and education for other institutionalized individuals.

[(b) USES OF FUNDS.—The funds described in subsection (a) shall be used for the cost of educational programs for criminal offenders in correctional institutions and for other institutionalized individuals, including academic programs for—

[(1) basic education;

[(2) special education programs as determined by the eligible agency;

[(3) English literacy programs; and

[(4) secondary school credit programs.

[(c) PRIORITY.—Each eligible agency that is using assistance provided under this section to carry out a program for criminal offenders within a correctional institution shall give priority to serving individuals who are likely to leave the correctional institution within 5 years of participation in the program.

[(d) DEFINITION OF CRIMINAL OFFENDER.—

[(1) CRIMINAL OFFENDER.—The term "criminal offender" means any individual who is charged with or convicted of any criminal offense.

[(2) CORRECTIONAL INSTITUTION.—The term "correctional institution" means any—

[(A) prison;
[(B) jail;
[(C) reformatory;
[(D) work farm;
[(E) detention center; or
[(F) halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders.

[CHAPTER 3—LOCAL PROVISIONS

[SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PROVIDERS.

[(a) GRANTS AND CONTRACTS.—From grant funds made available under section 211(b), each eligible agency shall award multiyear grants or contracts, on a competitive basis, to eligible providers within the State or outlying area to enable the eligible providers to develop, implement, and improve adult education and literacy activities within the State.

[(b) REQUIRED LOCAL ACTIVITIES.—The eligible agency shall require that each eligible provider receiving a grant or contract under subsection (a) use the grant or contract to establish or operate one or more programs that provide services or instruction in one or more of the following categories:

[(1) Adult education and literacy services, including workplace literacy services.

[(2) Family literacy services.

[(3) English literacy programs.

[(c) DIRECT AND EQUITABLE ACCESS; SAME PROCESS.—Each eligible agency receiving funds under this subtitle shall ensure that—

[(1) all eligible providers have direct and equitable access to apply for grants or contracts under this section; and

[(2) the same grant or contract announcement process and application process is used for all eligible providers in the State or outlying area.

[(d) SPECIAL RULE.—Each eligible agency awarding a grant or contract under this section shall not use any funds made available under this subtitle for adult education and literacy activities for the purpose of supporting or providing programs, services, or activities for individuals who are not individuals described in subparagraphs (A) and (B) of section 203(1), except that such agency may use such funds for such purpose if such programs, services, or activities are related to family literacy services. In providing family literacy services under this subtitle, an eligible provider shall attempt to coordinate with programs and services that are not assisted under this subtitle prior to using funds for adult education and literacy activities under this subtitle for activities other than adult education activities.

[(e) CONSIDERATIONS.—In awarding grants or contracts under this section, the eligible agency shall consider—

[(1) the degree to which the eligible provider will establish measurable goals for participant outcomes;

[(2) the past effectiveness of an eligible provider in improving the literacy skills of adults and families, and, after the 1-year period beginning with the adoption of an eligible agency's performance measures under section 212, the success of an eligible provider receiving funding under this subtitle in meeting

or exceeding such performance measures, especially with respect to those adults with the lowest levels of literacy;

[(3) the commitment of the eligible provider to serve individuals in the community who are most in need of literacy services, including individuals who are low-income or have minimal literacy skills;

[(4) whether or not the program—

[(A) is of sufficient intensity and duration for participants to achieve substantial learning gains; and

[(B) uses instructional practices, such as phonemic awareness, systematic phonics, fluency, and reading comprehension that research has proven to be effective in teaching individuals to read;

[(5) whether the activities are built on a strong foundation of research and effective educational practice;

[(6) whether the activities effectively employ advances in technology, as appropriate, including the use of computers;

[(7) whether the activities provide learning in real life contexts to ensure that an individual has the skills needed to compete in the workplace and exercise the rights and responsibilities of citizenship;

[(8) whether the activities are staffed by well-trained instructors, counselors, and administrators;

[(9) whether the activities coordinate with other available resources in the community, such as by establishing strong links with elementary schools and secondary schools, postsecondary educational institutions, one-stop centers, job training programs, and social service agencies;

[(10) whether the activities offer flexible schedules and support services (such as child care and transportation) that are necessary to enable individuals, including individuals with disabilities or other special needs, to attend and complete programs;

[(11) whether the activities maintain a high-quality information management system that has the capacity to report participant outcomes and to monitor program performance against the eligible agency performance measures; and

[(12) whether the local communities have a demonstrated need for additional English literacy programs.

[SEC. 232. LOCAL APPLICATION.

[Each eligible provider desiring a grant or contract under this subtitle shall submit an application to the eligible agency containing such information and assurances as the eligible agency may require, including—

[(1) a description of how funds awarded under this subtitle will be spent; and

[(2) a description of any cooperative arrangements the eligible provider has with other agencies, institutions, or organizations for the delivery of adult education and literacy activities.

[SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.

[(a) IN GENERAL.—Subject to subsection (b), of the amount that is made available under this subtitle to an eligible provider—

[(1) not less than 95 percent shall be expended for carrying out adult education and literacy activities; and

[(2) the remaining amount, not to exceed 5 percent, shall be used for planning, administration, personnel development, and interagency coordination.

[(b) SPECIAL RULE.—In cases where the cost limits described in subsection (a) are too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination, the eligible provider shall negotiate with the eligible agency in order to determine an adequate level of funds to be used for non-instructional purposes.

[CHAPTER 4—GENERAL PROVISIONS

[SEC. 241. ADMINISTRATIVE PROVISIONS.

[(a) SUPPLEMENT NOT SUPPLANT.—Funds made available for adult education and literacy activities under this subtitle shall supplement and not supplant other State or local public funds expended for adult education and literacy activities.

[(b) MAINTENANCE OF EFFORT.—

[(1) IN GENERAL.—

[(A) DETERMINATION.—An eligible agency may receive funds under this subtitle for any fiscal year if the Secretary finds that the fiscal effort per student or the aggregate expenditures of such eligible agency for adult education and literacy activities, in the second preceding fiscal year, was not less than 90 percent of the fiscal effort per student or the aggregate expenditures of such eligible agency for adult education and literacy activities, in the third preceding fiscal year.

[(B) PROPORTIONATE REDUCTION.—Subject to paragraphs (2), (3), and (4), for any fiscal year with respect to which the Secretary determines under subparagraph (A) that the fiscal effort or the aggregate expenditures of an eligible agency for the preceding program year were less than such effort or expenditures for the second preceding program year, the Secretary—

[(i) shall determine the percentage decreases in such effort or in such expenditures; and

[(ii) shall decrease the payment made under this subtitle for such program year to the agency for adult education and literacy activities by the lesser of such percentages.

[(2) COMPUTATION.—In computing the fiscal effort and aggregate expenditures under paragraph (1), the Secretary shall exclude capital expenditures and special one-time project costs.

[(3) DECREASE IN FEDERAL SUPPORT.—If the amount made available for adult education and literacy activities under this subtitle for a fiscal year is less than the amount made available for adult education and literacy activities under this subtitle for the preceding fiscal year, then the fiscal effort per student and the aggregate expenditures of an eligible agency required in order to avoid a reduction under paragraph (1)(B) shall be decreased by the same percentage as the percentage decrease in the amount so made available.

[(4) WAIVER.—The Secretary may waive the requirements of this subsection for 1 fiscal year only, if the Secretary determines that a waiver would be equitable due to exceptional or

uncontrollable circumstances, such as a natural disaster or an unforeseen and precipitous decline in the financial resources of the State or outlying area of the eligible agency. If the Secretary grants a waiver under the preceding sentence for a fiscal year, the level of effort required under paragraph (1) shall not be reduced in the subsequent fiscal year because of the waiver.

[SEC. 242. NATIONAL INSTITUTE FOR LITERACY.

[(a) PURPOSE.—The purpose of this section is to establish a National Institute for Literacy that—

[(1) provides national leadership regarding literacy;

[(2) coordinates literacy services and policy; and

[(3) serves as a national resource for adult education and literacy programs by—

[(A) providing the best and most current information available, including the work of the Eunice Kennedy Shriver National Institute of Child Health and Human Development in the area of phonemic awareness, systematic phonics, fluency, and reading comprehension, to all recipients of Federal assistance that focuses on reading, including programs under titles I and VII of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq. and 7401 et seq.), the Head Start Act (42 U.S.C. 9831 et seq.), the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), and this Act; and

[(B) supporting the creation of new ways to offer services of proven effectiveness.

[(b) ESTABLISHMENT.—

[(1) IN GENERAL.—There is established the National Institute for Literacy (in this section referred to as the "Institute"). The Institute shall be administered under the terms of an interagency agreement entered into by the Secretary of Education with the Secretary of Labor and the Secretary of Health and Human Services (in this section referred to as the "Interagency Group"). The Interagency Group may include in the Institute any research and development center, institute, or clearinghouse established within the Department of Education, the Department of Labor, or the Department of Health and Human Services the purpose of which is determined by the Interagency Group to be related to the purpose of the Institute.

[(2) OFFICES.—The Institute shall have offices separate from the offices of the Department of Education, the Department of Labor, and the Department of Health and Human Services.

[(3) RECOMMENDATIONS.—The Interagency Group shall consider the recommendations of the National Institute for Literacy Advisory Board (in this section referred to as the "Board") established under subsection (e) in planning the goals of the Institute and in the implementation of any programs to achieve the goals. If the Board's recommendations are not followed, the Interagency Group shall provide a written explanation to the Board concerning actions the Interagency Group takes that are inconsistent with the Board's recommendations, including the reasons for not following the Board's recommendations with respect to the actions. The Board may also

request a meeting of the Interagency Group to discuss the Board's recommendations.

[(4) DAILY OPERATIONS.—The daily operations of the Institute shall be administered by the Director of the Institute.

[(c) DUTIES.—

[(1) IN GENERAL.—In order to provide leadership for the improvement and expansion of the system for delivery of literacy services, the Institute is authorized—

[(A) to establish a national electronic data base of information that disseminates information to the broadest possible audience within the literacy and basic skills field, and that includes—

[(i) effective practices in the provision of literacy and basic skills instruction, including instruction in phonemic awareness, systematic phonics, fluency, and reading comprehension, and the integration of literacy and basic skills instruction with occupational skills training;

[(ii) public and private literacy and basic skills programs, and Federal, State, and local policies, affecting the provision of literacy services at the national, State, and local levels;

[(iii) opportunities for technical assistance, meetings, conferences, and other opportunities that lead to the improvement of literacy and basic skills services; and

[(iv) a communication network for literacy programs, providers, social service agencies, and students;

[(B) to coordinate support for the provision of literacy and basic skills services across Federal agencies and at the State and local levels;

[(C) to coordinate the support of reliable and replicable research and development on literacy and basic skills in families and adults across Federal agencies, especially with the Office of Educational Research and Improvement in the Department of Education, and to carry out basic and applied research and development on topics that are not being investigated by other organizations or agencies, such as the special literacy needs of individuals with learning disabilities;

[(D) to collect and disseminate information on methods of advancing literacy that show great promise, including phonemic awareness, systematic phonics, fluency, and reading comprehension based on the work of the Eunice Kennedy Shriver National Institute of Child Health and Human Development;

[(E) to provide policy and technical assistance to Federal, State, and local entities for the improvement of policy and programs relating to literacy;

[(F) to fund a network of State or regional adult literacy resource centers to assist State and local public and private nonprofit efforts to improve literacy by—

[(i) encouraging the coordination of literacy services;

[(ii) enhancing the capacity of State and local organizations to provide literacy services; and

[(iii) serving as a link between the Institute and providers of adult education and literacy activities for the purpose of sharing information, data, research, expertise, and literacy resources;

[(G) to coordinate and share information with national organizations and associations that are interested in literacy and workforce investment activities;

[(H) to advise Congress and Federal departments and agencies regarding the development of policy with respect to literacy and basic skills; and

[(I) to undertake other activities that lead to the improvement of the Nation's literacy delivery system and that complement other such efforts being undertaken by public and private agencies and organizations.

[(2) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The Institute may award grants to, or enter into contracts or cooperative agreements with, individuals, public or private institutions, agencies, organizations, or consortia of such institutions, agencies, or organizations to carry out the activities of the Institute.

[(d) LITERACY LEADERSHIP.—

[(1) IN GENERAL.—The Institute, in consultation with the Board, may award fellowships, with such stipends and allowances that the Director considers necessary, to outstanding individuals pursuing careers in adult education or literacy in the areas of instruction, management, research, or innovation.

[(2) FELLOWSHIPS.—Fellowships awarded under this subsection shall be used, under the auspices of the Institute, to engage in research, education, training, technical assistance, or other activities to advance the field of adult education or literacy, including the training of volunteer literacy providers at the national, State, or local level.

[(3) INTERNS AND VOLUNTEERS.—The Institute, in consultation with the Board, may award paid and unpaid internships to individuals seeking to assist the Institute in carrying out its mission. Notwithstanding section 1342 of title 31, United States Code, the Institute may accept and use voluntary and uncompensated services as the Institute determines necessary.

[(e) NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD.—

[(1) ESTABLISHMENT.—

[(A) IN GENERAL.—There shall be a National Institute for Literacy Advisory Board (in this section referred to as the "Board"), which shall consist of 10 individuals appointed by the President.

[(B) COMPOSITION.—The Board shall be comprised of individuals who are not otherwise officers or employees of the Federal Government and who are representative of entities such as—

[(i) literacy organizations and providers of literacy services, including nonprofit providers, providers of English literacy programs and services, social service organizations, and eligible providers receiving assistance under this subtitle;

[(ii) businesses that have demonstrated interest in literacy programs;

[(iii) literacy students, including literacy students with disabilities;

[(iv) experts in the area of literacy research;

[(v) State and local governments;

[(vi) State Directors of adult education; and

[(vii) representatives of employees, including representatives of labor organizations.

[(2) DUTIES.—The Board shall—

[(A) make recommendations concerning the appointment of the Director and staff of the Institute;

[(B) provide independent advice on the operation of the Institute; and

[(C) receive reports from the Interagency Group and the Director.

[(3) FEDERAL ADVISORY COMMITTEE ACT.—Except as otherwise provided, the Board established by this subsection shall be subject to the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).

[(4) APPOINTMENTS.—

[(A) IN GENERAL.—Each member of the Board shall be appointed for a term of 3 years, except that the initial terms for members may be 1, 2, or 3 years in order to establish a rotation in which one-third of the members are selected each year. Any such member may be appointed for not more than 2 consecutive terms.

[(B) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office.

[(5) QUORUM.—A majority of the members of the Board shall constitute a quorum but a lesser number may hold hearings. Any recommendation of the Board may be passed only by a majority of the Board's members present.

[(6) ELECTION OF OFFICERS.—The Chairperson and Vice Chairperson of the Board shall be elected by the members of the Board. The term of office of the Chairperson and Vice Chairperson shall be 2 years.

[(7) MEETINGS.—The Board shall meet at the call of the Chairperson or a majority of the members of the Board.

[(f) GIFTS, BEQUESTS, AND DEVISES.—

[(1) IN GENERAL.—The Institute may accept, administer, and use gifts or donations of services, money, or property, whether real or personal, tangible or intangible.

[(2) RULES.—The Board shall establish written rules setting forth the criteria to be used by the Institute in determining whether the acceptance of contributions of services, money, or property whether real or personal, tangible or intangible, would reflect unfavorably upon the ability of the Institute or any employee to carry out the responsibilities of the Institute or employee, or official duties, in a fair and objective manner, or would compromise the integrity or the appearance of the in-

tegrity of the Institute's programs or any official involved in those programs.

[(g) MAILS.—The Board and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

[(h) STAFF.—The Interagency Group, after considering recommendations made by the Board, shall appoint and fix the pay of a Director.

[(i) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Institute may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for level IV of the Executive Schedule.

[(j) EXPERTS AND CONSULTANTS.—The Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

[(k) REPORT.—The Institute shall submit a report biennially to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate. Each report submitted under this subsection shall include—

[(1) a comprehensive and detailed description of the Institute's operations, activities, financial condition, and accomplishments in the field of literacy for the period covered by the report;

[(2) a description of how plans for the operation of the Institute for the succeeding 2 fiscal years will facilitate achievement of the goals of the Institute and the goals of the literacy programs within the Department of Education, the Department of Labor, and the Department of Health and Human Services; and

[(3) any additional minority, or dissenting views submitted by members of the Board.

[(l) FUNDING.—Any amounts appropriated to the Secretary, the Secretary of Labor, the Secretary of Health and Human Services, or any other department that participates in the Institute for purposes that the Institute is authorized to perform under this section may be provided to the Institute for such purposes.

[SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.

[The Secretary shall establish and carry out a program of national leadership activities to enhance the quality of adult education and literacy programs nationwide. Such activities may include the following:

[(1) Technical assistance, including—

[(A) assistance provided to eligible providers in developing and using performance measures for the improvement of adult education and literacy activities, including family literacy services;

[(B) assistance related to professional development activities, and assistance for the purposes of developing, improving, identifying, and disseminating the most successful

methods and techniques for providing adult education and literacy activities, including family literacy services, based on scientific evidence where available; and

[(C) assistance in distance learning and promoting and improving the use of technology in the classroom.

[(2) Funding national leadership activities that are not described in paragraph (1), either directly or through grants, contracts, or cooperative agreements awarded on a competitive basis to or with postsecondary educational institutions, public or private organizations or agencies, or consortia of such institutions, organizations, or agencies, such as—

[(A) developing, improving, and identifying the most successful methods and techniques for addressing the education needs of adults, including instructional practices using phonemic awareness, systematic phonics, fluency, and reading comprehension, based on the work of the Eunice Kennedy Shriver National Institute of Child Health and Human Development;

[(B) increasing the effectiveness of, and improving the quality of, adult education and literacy activities, including family literacy services;

[(C) carrying out research, such as estimating the number of adults functioning at the lowest levels of literacy proficiency;

[(D)(i) carrying out demonstration programs;

[(ii) developing and replicating model and innovative programs, such as the development of models for basic skill certificates, identification of effective strategies for working with adults with learning disabilities and with individuals with limited English proficiency who are adults, and workplace literacy programs; and

[(iii) disseminating best practices information, including information regarding promising practices resulting from federally funded demonstration programs;

[(E) providing for the conduct of an independent evaluation and assessment of adult education and literacy activities through studies and analyses conducted independently through grants and contracts awarded on a competitive basis, which evaluation and assessment shall include descriptions of—

[(i) the effect of performance measures and other measures of accountability on the delivery of adult education and literacy activities, including family literacy services;

[(ii) the extent to which the adult education and literacy activities, including family literacy services, increase the literacy skills of adults (and of children, in the case of family literacy services), lead the participants in such activities to involvement in further education and training, enhance the employment and earnings of such participants, and, if applicable, lead to other positive outcomes, such as reductions in recidivism in the case of prison-based adult education and literacy activities;

[(iii) the extent to which the provision of support services to adults enrolled in adult education and family literacy programs increase the rate of enrollment in, and successful completion of, such programs; and

[(iv) the extent to which eligible agencies have distributed funds under section 231 to meet the needs of adults through community-based organizations;

[(F) supporting efforts aimed at capacity building at the State and local levels, such as technical assistance in program planning, assessment, evaluation, and monitoring of activities carried out under this subtitle;

[(G) collecting data, such as data regarding the improvement of both local and State data systems, through technical assistance and development of model performance data collection systems; and

[(H) other activities designed to enhance the quality of adult education and literacy activities nationwide.

[Subtitle B—Repeals

[SEC. 251. REPEALS.

[(a) REPEALS.—

[(1) ADULT EDUCATION ACT.—The Adult Education Act (20 U.S.C. 1201 et seq.) is repealed.

[(2) NATIONAL LITERACY ACT OF 1991.—The National Literacy Act of 1991 (20 U.S.C. 1201 note) is repealed.

[(b) CONFORMING AMENDMENTS.—

[(1) REFUGEE EDUCATION ASSISTANCE ACT.—Subsection (b) of section 402 of the Refugee Education Assistance Act of 1980 (8 U.S.C. 1522 note) is repealed.

[(2) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—

[(A) SECTION 1202 OF ESEA.—Section 1202(c)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6362(c)(1)) is amended by striking "Adult Education Act" and inserting "Adult Education and Family Literacy Act".

[(B) SECTION 1205 OF ESEA.—Section 1205(8)(B) of such Act (20 U.S.C. 6365(8)(B)) is amended by striking "Adult Education Act" and inserting "Adult Education and Family Literacy Act".

[(C) SECTION 1206 OF ESEA.—Section 1206(a)(1)(A) of such Act (20 U.S.C. 6366(a)(1)(A)) is amended by striking "an adult basic education program under the Adult Education Act" and inserting "adult education and literacy activities under the Adult Education and Family Literacy Act".

[(D) SECTION 3113 OF ESEA.—Section 3113(1) of such Act (20 U.S.C. 6813(1)) is amended by striking "section 312 of the Adult Education Act" and inserting "section 203 of the Adult Education and Family Literacy Act".

[(E) SECTION 9161 OF ESEA.—Section 9161(2) of such Act (20 U.S.C. 7881(2)) is amended by striking "section 312(2) of the Adult Education Act" and inserting "section 203 of the Adult Education and Family Literacy Act".

[(3) OLDER AMERICANS ACT OF 1965.—Section 203(b)(8) of the Older Americans Act of 1965 (42 U.S.C. 3013(b)(8)) is amended by striking "Adult Education Act" and inserting "Adult Education and Family Literacy Act".]

TITLE II—ADULT EDUCATION AND FAMILY LITERACY EDUCATION

SEC. 201. SHORT TITLE.

This title may be cited as the "Adult Education and Family Literacy Education Act".

SEC. 202. PURPOSE.

It is the purpose of this title to provide instructional opportunities for adults seeking to improve their literacy skills, including their basic reading, writing, speaking, and math skills, and support States and local communities in providing, on a voluntary basis, adult education and family literacy education programs, in order to—

(1) increase the literacy of adults, including the basic reading, writing, speaking, and math skills, to a level of proficiency necessary for adults to obtain employment and self-sufficiency and to successfully advance in the workforce;

(2) assist adults in the completion of a secondary school education (or its equivalent) and the transition to a postsecondary educational institution;

(3) assist adults who are parents to enable them to support the educational development of their children and make informed choices regarding their children's education including, through instruction in basic reading, writing, speaking, and math skills; and

(4) assist adults who are not proficient in English in improving their reading, writing, speaking, listening, comprehension, and math skills.

SEC. 203. DEFINITIONS.

In this title:

(1) ADULT EDUCATION AND FAMILY LITERACY EDUCATION PROGRAMS.—The term "adult education and family literacy education programs" means a sequence of academic instruction and educational services below the postsecondary level that increase an individual's ability to read, write, and speak English and perform mathematical computations leading to a level of proficiency equivalent to at least a secondary school completion that is provided for individuals—

(A) who are at least 16 years of age;

(B) who are not enrolled or required to be enrolled in secondary school under State law; and

(C) who—

(i) lack sufficient mastery of basic reading, writing, speaking, and math skills to enable the individuals to function effectively in society;

(ii) do not have a secondary school diploma or its equivalent and have not achieved an equivalent level of education; or

(iii) are English learners.

(2) ELIGIBLE AGENCY.—The term "eligible agency"—

(A) means the primary entity or agency in a State or an outlying area responsible for administering or supervising policy for adult education and family literacy education programs in the State or outlying area, respectively, consistent with the law of the State or outlying area, respectively; and

(B) may be the State educational agency, the State agency responsible for administering workforce investment activities, or the State agency responsible for administering community or technical colleges.

(3) ELIGIBLE PROVIDER.—The term "eligible provider" means an organization of demonstrated effectiveness which is—

(A) a local educational agency;

(B) a community-based or faith-based organization;

(C) a volunteer literacy organization;

(D) an institution of higher education;

(E) a public or private educational agency;

(F) a library;

(G) a public housing authority;

(H) an institution that is not described in any of subparagraphs (A) through (G) and has the ability to provide adult education, basic skills, and family literacy education programs to adults and families; or

(I) a consortium of the agencies, organizations, institutions, libraries, or authorities described in any of subparagraphs (A) through (H).

(4) ENGLISH LANGUAGE ACQUISITION PROGRAM.—The term "English language acquisition program" means a program of instruction—

(A) designed to help English learners achieve competence in reading, writing, speaking, and comprehension of the English language; and

(B) that may lead to—

(i) attainment of a secondary school diploma or its recognized equivalent;

(ii) transition to success in postsecondary education and training; and

(iii) employment or career advancement.

(5) FAMILY LITERACY EDUCATION PROGRAM.—The term "family literacy education program" means an educational program that—

(A) assists parents and students, on a voluntary basis, in achieving the purposes of this title as described in section 202; and

(B) is of sufficient intensity in terms of hours and of sufficient quality to make sustainable changes in a family, is evidence-based, and, for the purpose of substantially increasing the ability of parents and children to read, write, and speak English, integrates—

(i) interactive literacy activities between parents and their children;

(ii) training for parents regarding how to be the primary teacher for their children and full partners in the education of their children;

(iii) parent literacy training that leads to economic self-sufficiency; and

(iv) an age-appropriate education to prepare children for success in school and life experiences.

(6) GOVERNOR.—The term "Governor" means the chief executive officer of a State or outlying area.

(7) INDIVIDUAL WITH A DISABILITY.—

(A) IN GENERAL.—The term "individual with a disability" means an individual with any disability (as defined in section 3 of the Americans with Disabilities Act of 1990).

(B) INDIVIDUALS WITH DISABILITIES.—The term "individuals with disabilities" means more than one individual with a disability.

(8) ENGLISH LEARNER.—The term "English learner" means an adult or out-of-school youth who has limited ability in reading, writing, speaking, or understanding the English language, and—

(A) whose native language is a language other than English; or

(B) who lives in a family or community environment where a language other than English is the dominant language.

(9) INTEGRATED EDUCATION AND TRAINING.—The term "integrated education and training" means services that provide adult education and literacy activities contextually and concurrently with workforce preparation activities and workforce training for a specific occupation or occupational cluster. Such services may include offering adult education services concurrent with postsecondary education and training, including through co-instruction.

(10) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given the term in section 101 of the Higher Education Act of 1965.

(11) LITERACY.—The term "literacy" means an individual's ability to read, write, and speak in English, compute, and solve problems at a level of proficiency necessary to obtain employment and to successfully make the transition to postsecondary education.

(12) LOCAL EDUCATIONAL AGENCY.—The term "local educational agency" has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

(13) OUTLYING AREA.—The term "outlying area" has the meaning given the term in section 101 of this Act.

(14) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term "postsecondary educational institution" means—

(A) an institution of higher education that provides not less than a 2-year program of instruction that is acceptable for credit toward a bachelor's degree;

(B) a tribally controlled community college; or

(C) a nonprofit educational institution offering certificate or apprenticeship programs at the postsecondary level.

(15) SECRETARY.—The term "Secretary" means the Secretary of Education.

(16) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

(17) STATE EDUCATIONAL AGENCY.—The term "State educational agency" has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

(18) WORKPLACE LITERACY PROGRAM.—The term "workplace literacy program" means an educational program that is offered in collaboration between eligible providers and employers or employee organizations for the purpose of improving the productivity of the workforce through the improvement of reading, writing, speaking, and math skills.

SEC. 204. HOME SCHOOLS.

Nothing in this title shall be construed to affect home schools, whether or not a home school is treated as a home school or a private school under State law, or to compel a parent engaged in home schooling to participate in adult education and family literacy education activities under this title.

SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title, $606,294,933 for fiscal years 2014 and for each of the 6 succeeding fiscal years.

Subtitle A—Federal Provisions

SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE AGENCIES; ALLOTMENTS.

(a) RESERVATION OF FUNDS.—From the sums appropriated under section 205 for a fiscal year, the Secretary shall reserve 2.0 percent to carry out section 242.

(b) GRANTS TO ELIGIBLE AGENCIES.—

(1) IN GENERAL.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall award a grant to each eligible agency having a State plan approved under section 224 in an amount equal to the sum of the initial allotment under subsection (c)(1) and the additional allotment under subsection (c)(2) for the eligible agency for the fiscal year, subject to subsections (f) and (g).

(2) PURPOSE OF GRANTS.—The Secretary may award a grant under paragraph (1) only if the eligible agency involved agrees to expend the grant in accordance with the provisions of this title.

(c) ALLOTMENTS.—

(1) INITIAL ALLOTMENTS.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall allot to each eligible agency having a State plan approved under section 224—

(A) $100,000, in the case of an eligible agency serving an outlying area; and

(B) $250,000, in the case of any other eligible agency.

(2) ADDITIONAL ALLOTMENTS.—From the sums appropriated under section 205, not reserved under subsection (a), and not

allotted under paragraph (1), for a fiscal year, the Secretary shall allot to each eligible agency that receives an initial allotment under paragraph (1) an additional amount that bears the same relationship to such sums as the number of qualifying adults in the State or outlying area served by the eligible agency bears to the number of such adults in all States and outlying areas.

(d) QUALIFYING ADULT.—For the purpose of subsection (c)(2), the term "qualifying adult" means an adult who—

(1) is at least 16 years of age;

(2) is beyond the age of compulsory school attendance under the law of the State or outlying area;

(3) does not have a secondary school diploma or its recognized equivalent; and

(4) is not enrolled in secondary school.

(e) SPECIAL RULE.—

(1) IN GENERAL.—From amounts made available under subsection (c) for the Republic of Palau, the Secretary shall award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Republic of Palau to carry out activities described in this title in accordance with the provisions of this title as determined by the Secretary.

(2) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the Republic of Palau shall be eligible to receive a grant under this title until an agreement for the extension of United States education assistance under the Compact of Free Association for the Republic of Palau becomes effective.

(f) HOLD-HARMLESS PROVISIONS.—

(1) IN GENERAL.—Notwithstanding subsection (c) and subject to paragraph (2), for—

(A) fiscal year 2014, no eligible agency shall receive an allotment under this title that is less than 90 percent of the allotment the eligible agency received for fiscal year 2012 under this title; and

(B) fiscal year 2015 and each succeeding fiscal year, no eligible agency shall receive an allotment under this title that is less than 90 percent of the allotment the eligible agency received for the preceding fiscal year under this title.

(2) RATABLE REDUCTION.—If, for any fiscal year the amount available for allotment under this title is insufficient to satisfy the provisions of paragraph (1), the Secretary shall ratable reduce the payments to all eligible agencies, as necessary.

(g) REALLOTMENT.—The portion of any eligible agency's allotment under this title for a fiscal year that the Secretary determines will not be required for the period such allotment is available for carrying out activities under this title, shall be available for reallotment from time to time, on such dates during such period as the Secretary shall fix, to other eligible agencies in proportion to the original allotments to such agencies under this title for such year.

SEC. 212. PERFORMANCE ACCOUNTABILITY SYSTEM.

Programs and activities authorized under this title are subject to the performance accountability provisions described in paragraph (2)(A) and (3) of section 136(b) and may, at a State's discretion, in-

clude additional indicators identified in the State plan approved under section 224.

Subtitle B—State Provisions

SEC. 221. STATE ADMINISTRATION.

Each eligible agency shall be responsible for the following activities under this title:

(1) The development, submission, implementation, and monitoring of the State plan.

(2) Consultation with other appropriate agencies, groups, and individuals that are involved in, or interested in, the development and implementation of activities assisted under this title.

(3) Coordination and avoidance of duplication with other Federal and State education, training, corrections, public housing, and social service programs.

SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING REQUIREMENT.

(a) STATE DISTRIBUTION OF FUNDS.—Each eligible agency receiving a grant under this title for a fiscal year—

(1) shall use an amount not less than 82.5 percent of the grant funds to award grants and contracts under section 231 and to carry out section 225, of which not more than 10 percent of such amount shall be available to carry out section 225;

(2) shall use not more than 12.5 percent of the grant funds to carry out State leadership activities under section 223; and

(3) shall use not more than 5 percent of the grant funds, or $65,000, whichever is greater, for the administrative expenses of the eligible agency.

(b) MATCHING REQUIREMENT.—

(1) IN GENERAL.—In order to receive a grant from the Secretary under section 211(b), each eligible agency shall provide, for the costs to be incurred by the eligible agency in carrying out the adult education and family literacy education programs for which the grant is awarded, a non-Federal contribution in an amount that is not less than—

(A) in the case of an eligible agency serving an outlying area, 12 percent of the total amount of funds expended for adult education and family literacy education programs in the outlying area, except that the Secretary may decrease the amount of funds required under this subparagraph for an eligible agency; and

(B) in the case of an eligible agency serving a State, 25 percent of the total amount of funds expended for adult education and family literacy education programs in the State.

(2) NON-FEDERAL CONTRIBUTION.—An eligible agency's non-Federal contribution required under paragraph (1) may be provided in cash or in kind, fairly evaluated, and shall include only non-Federal funds that are used for adult education and family literacy education programs in a manner that is consistent with the purpose of this title.

SEC. 223. STATE LEADERSHIP ACTIVITIES.

(a) IN GENERAL.—Each eligible agency may use funds made available under section 222(a)(2) for any of the following adult education and family literacy education programs:

(1) The establishment or operation of professional development programs to improve the quality of instruction provided pursuant to local activities required under section 231(b).

(2) The provision of technical assistance to eligible providers of adult education and family literacy education programs, including for the development and dissemination of evidence based research instructional practices in reading, writing, speaking, math, and English language acquisition programs.

(3) The provision of assistance to eligible providers in developing, implementing, and reporting measurable progress in achieving the objectives of this title.

(4) The monitoring and evaluation of the quality of, and the improvement in, adult education and literacy activities.

(5) The provision of technology assistance, including staff training, to eligible providers of adult education and family literacy education programs, including distance education activities, to enable the eligible providers to improve the quality of such activities.

(6) The development and implementation of technology applications or distance education, including professional development to support the use of instructional technology.

(7) Coordination with other public programs, including programs under title I of this Act, and other welfare-to-work, workforce development, and job training programs.

(8) Coordination with existing support services, such as transportation, child care, and other assistance designed to increase rates of enrollment in, and successful completion of, adult education and family literacy education programs, for adults enrolled in such activities.

(9) The development and implementation of a system to assist in the transition from adult basic education to postsecondary education.

(10) Activities to promote workplace literacy programs.

(11) Other activities of statewide significance, including assisting eligible providers in achieving progress in improving the skill levels of adults who participate in programs under this title.

(12) Integration of literacy, instructional, and occupational skill training and promotion of linkages with employees.

(b) COORDINATION.—In carrying out this section, eligible agencies shall coordinate where possible, and avoid duplicating efforts, in order to maximize the impact of the activities described in subsection (a).

(c) STATE-IMPOSED REQUIREMENTS.—Whenever a State or outlying area implements any rule or policy relating to the administration or operation of a program authorized under this title that has the effect of imposing a requirement that is not imposed under Federal law (including any rule or policy based on a State or outlying area interpretation of a Federal statute, regulation, or guideline), the State or outlying area shall identify, to eligible providers, the rule or policy as being imposed by the State or outlying area.

SEC. 224. STATE PLAN.

(a) 3-YEAR PLANS.—

(1) IN GENERAL.—Each eligible agency desiring a grant under this title for any fiscal year shall submit to, or have on file with, the Secretary a 3-year State plan.

(2) STATE UNIFIED PLAN.—The eligible agency may submit the State plan as part of a State unified plan described in section 501.

(b) PLAN CONTENTS.—The eligible agency shall include in the State plan or any revisions to the State plan—

(1) an objective assessment of the needs of individuals in the State or outlying area for adult education and family literacy education programs, including individuals most in need or hardest to serve;

(2) a description of the adult education and family literacy education programs that will be carried out with funds received under this title;

(3) an assurance that the funds received under this title will not be expended for any purpose other than for activities under this title;

(4) a description of how the eligible agency will annually evaluate and measure the effectiveness and improvement of the adult education and family literacy education programs funded under this title using the indicators of performance described in section 136, including how the eligible agency will conduct such annual evaluations and measures for each grant received under this title;

(5) a description of how the eligible agency will fund local activities in accordance with the measurable goals described in section 231(d);

(6) an assurance that the eligible agency will expend the funds under this title only in a manner consistent with fiscal requirements in section 241;

(7) a description of the process that will be used for public participation and comment with respect to the State plan, which—

(A) shall include consultation with the State workforce investment board, the State board responsible for administering community or technical colleges, the Governor, the State educational agency, the State board or agency responsible for administering block grants for temporary assistance to needy families under title IV of the Social Security Act, the State council on disabilities, the State vocational rehabilitation agency, and other State agencies that promote the improvement of adult education and family literacy education programs, and direct providers of such programs; and

(B) may include consultation with the State agency on higher education, institutions responsible for professional development of adult education and family literacy education programs instructors, representatives of business and industry, refugee assistance programs, and faith-based organizations;

(8) a description of the eligible agency's strategies for serving populations that include, at a minimum—

(A) low-income individuals;

(B) individuals with disabilities;

(C) the unemployed;

(D) the underemployed; and

(E) individuals with multiple barriers to educational enhancement, including English learners;

(9) a description of how the adult education and family literacy education programs that will be carried out with any funds received under this title will be integrated with other adult education, career development, and employment and training activities in the State or outlying area served by the eligible agency;

(10) a description of the steps the eligible agency will take to ensure direct and equitable access, as required in section 231(c)(1), including—

(A) how the State will build the capacity of community-based and faith-based organizations to provide adult education and family literacy education programs; and

(B) how the State will increase the participation of business and industry in adult education and family literacy education programs;

(11) an assessment of the adequacy of the system of the State or outlying area to ensure teacher quality and a description of how the State or outlying area will use funds received under this subtitle to improve teacher quality, including evidence-based professional development to improve instruction; and

(12) a description of how the eligible agency will consult with any State agency responsible for postsecondary education to develop adult education that prepares students to enter postsecondary education without the need for remediation upon completion of secondary school equivalency programs.

(c) PLAN REVISIONS.—When changes in conditions or other factors require substantial revisions to an approved State plan, the eligible agency shall submit the revisions of the State plan to the Secretary.

(d) CONSULTATION.—The eligible agency shall—

(1) submit the State plan, and any revisions to the State plan, to the Governor, the chief State school officer, or the State officer responsible for administering community or technical colleges, or outlying area for review and comment; and

(2) ensure that any comments regarding the State plan by the Governor, the chief State school officer, or the State officer responsible for administering community or technical colleges, and any revision to the State plan, are submitted to the Secretary.

(e) PLAN APPROVAL.—The Secretary shall—

(1) approve a State plan within 90 days after receiving the plan unless the Secretary makes a written determination within 30 days after receiving the plan that the plan does not meet the requirements of this section or is inconsistent with specific provisions of this subtitle; and

(2) not finally disapprove of a State plan before offering the eligible agency the opportunity, prior to the expiration of the 30-day period beginning on the date on which the eligible agency received the written determination described in paragraph (3), to review the plan and providing technical assistance in order

to assist the eligible agency in meeting the requirements of this subtitle.

SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND OTHER INSTITUTIONALIZED INDIVIDUALS.

(a) PROGRAM AUTHORIZED.—From funds made available under section 222(a)(1) for a fiscal year, each eligible agency shall carry out corrections education and education for other institutionalized individuals.

(b) USES OF FUNDS.—The funds described in subsection (a) shall be used for the cost of educational programs for criminal offenders in correctional institutions and for other institutionalized individuals, including academic programs for—

(1) basic skills education;

(2) special education programs as determined by the eligible agency;

(3) reading, writing, speaking, and math programs;

(4) secondary school credit or diploma programs or their recognized equivalent; and

(5) integrated education and training.

(c) PRIORITY.—Each eligible agency that is using assistance provided under this section to carry out a program for criminal offenders within a correctional institution shall give priority to serving individuals who are likely to leave the correctional institution within 5 years of participation in the program.

(d) DEFINITIONS.—For purposes of this section:

(1) CORRECTIONAL INSTITUTION.—The term "correctional institution" means any—

(A) prison;

(B) jail;

(C) reformatory;

(D) work farm;

(E) detention center; or

(F) halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders.

(2) CRIMINAL OFFENDER.—The term "criminal offender" means any individual who is charged with, or convicted of, any criminal offense.

Subtitle C—Local Provisions

SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PROVIDERS.

(a) GRANTS AND CONTRACTS.—From grant funds made available under section 222(a)(1), each eligible agency shall award multi-year grants or contracts, on a competitive basis, to eligible providers within the State or outlying area that meet the conditions and requirements of this title to enable the eligible providers to develop, implement, and improve adult education and family literacy education programs within the State.

(b) LOCAL ACTIVITIES.—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to establish or operate—

(1) programs that provide adult education and literacy activities;

(2) programs that provide integrated employment and training activities; or

(3) credit-bearing postsecondary coursework.

(c) DIRECT AND EQUITABLE ACCESS; SAME PROCESS.—Each eligible agency receiving funds under this title shall ensure that—

(1) all eligible providers have direct and equitable access to apply for grants or contracts under this section; and

(2) the same grant or contract announcement process and application process is used for all eligible providers in the State or outlying area.

(d) MEASURABLE GOALS.—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to demonstrate—

(1) the eligible provider's measurable goals for participant outcomes to be achieved annually on the core indicators of performance described in section 136(b)(2)(A);

(2) the past effectiveness of the eligible provider in improving the basic academic skills of adults and, for eligible providers receiving grants in the prior year, the success of the eligible provider receiving funding under this title in exceeding its performance goals in the prior year;

(3) the commitment of the eligible provider to serve individuals in the community who are the most in need of basic academic skills instruction services, including individuals with disabilities and individuals who are low-income or have minimal reading, writing, speaking, and math skills, or are English learners;

(4) the program is of sufficient intensity and quality for participants to achieve substantial learning gains;

(5) educational practices are evidence-based;

(6) the activities of the eligible provider effectively employ advances in technology, and delivery systems including distance education;

(7) the activities provide instruction in real-life contexts, including integrated education and training when appropriate, to ensure that an individual has the skills needed to compete in the workplace and exercise the rights and responsibilities of citizenship;

(8) the activities are staffed by well-trained instructors, counselors, and administrators who meet minimum qualifications established by the State;

(9) the activities are coordinated with other available resources in the community, such as through strong links with elementary schools and secondary schools, postsecondary educational institutions, local workforce investment boards, one-stop centers, job training programs, community-based and faith-based organizations, and social service agencies;

(10) the activities offer flexible schedules and support services (such as child care and transportation) that are necessary to enable individuals, including individuals with disabilities or other special needs, to attend and complete programs;

(11) the activities include a high-quality information management system that has the capacity to report measurable participant outcomes (consistent with section 136) and to monitor program performance;

(12) the local communities have a demonstrated need for additional English language acquisition programs, and integrated education and training programs;

(13) the capacity of the eligible provider to produce valid information on performance results, including enrollments and measurable participant outcomes;

(14) adult education and family literacy education programs offer rigorous reading, writing, speaking, and math content that are evidence based; and

(15) applications of technology, and services to be provided by the eligible providers, are of sufficient intensity and duration to increase the amount and quality of learning and lead to measurable learning gains within specified time periods.

(e) SPECIAL RULE.—Eligible providers may use grant funds under this title to serve children participating in family literacy programs assisted under this part, provided that other sources of funds available to provide similar services for such children are used first.

SEC. 232. LOCAL APPLICATION.

Each eligible provider desiring a grant or contract under this title shall submit an application to the eligible agency containing such information and assurances as the eligible agency may require, including—

(1) a description of how funds awarded under this title will be spent consistent with the requirements of this title;

(2) a description of any cooperative arrangements the eligible provider has with other agencies, institutions, or organizations for the delivery of adult education and family literacy education programs; and

(3) each of the demonstrations required by section 231(d).

SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.

(a) IN GENERAL.—Subject to subsection (b), of the amount that is made available under this title to an eligible provider—

(1) at least 95 percent shall be expended for carrying out adult education and family literacy education programs; and

(2) the remaining amount shall be used for planning, administration, personnel and professional development, development of measurable goals in reading, writing, speaking, and math, and interagency coordination.

(b) SPECIAL RULE.—In cases where the cost limits described in subsection (a) are too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination, the eligible provider may negotiate with the eligible agency in order to determine an adequate level of funds to be used for noninstructional purposes.

Subtitle D—General Provisions

SEC. 241. ADMINISTRATIVE PROVISIONS.

Funds made available for adult education and family literacy education programs under this title shall supplement and not supplant other State or local public funds expended for adult education and family literacy education programs.

SEC. 242. NATIONAL ACTIVITIES.

The Secretary shall establish and carry out a program of national activities that may include the following:

(1) Providing technical assistance to eligible entities, on request, to—

(A) improve their fiscal management, research-based instruction, and reporting requirements to carry out the requirements of this title;

(B) improve its performance on the core indicators of performance described in section 136;

(C) provide adult education professional development; and

(D) use distance education and improve the application of technology in the classroom, including instruction in English language acquisition for English learners.

(2) Providing for the conduct of research on national literacy basic skill acquisition levels among adults, including the number of adult English learners functioning at different levels of reading proficiency.

(3) Improving the coordination, efficiency, and effectiveness of adult education and workforce development services at the national, State, and local levels.

(4) Determining how participation in adult education, English language acquisition, and family literacy education programs prepares individuals for entry into and success in postsecondary education and employment, and in the case of prison-based services, the effect on recidivism.

(5) Evaluating how different types of providers, including community and faith-based organizations or private for-profit agencies measurably improve the skills of participants in adult education, English language acquisition, and family literacy education programs.

(6) Identifying model integrated basic and workplace skills education programs, including programs for English learners coordinated literacy and employment services, and effective strategies for serving adults with disabilities.

(7) Initiating other activities designed to improve the measurable quality and effectiveness of adult education, English language acquisition, and family literacy education programs nationwide.

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TITLE V—GENERAL PROVISIONS

SEC. 501. STATE UNIFIED PLAN.

[(a) DEFINITION OF APPROPRIATE SECRETARY.—In this section, the term "appropriate Secretary" means the head of the Federal agency who exercises administrative authority over an activity or program described in subsection (b).

[(b) STATE UNIFIED PLAN.—

[(1) IN GENERAL.—A State may develop and submit to the appropriate Secretaries a State unified plan for 2 or more of the activities or programs set forth in paragraph (2), except that the State may include in the plan the activities described

in paragraph (2)(A) only with the prior approval of the legislature of the State. The State unified plan shall cover one or more of the activities set forth in subparagraphs (A) through (D) of paragraph (2) and may cover one or more of the activities set forth in subparagraphs (E) through (O) of paragraph (2). For purposes of this paragraph, the activities and programs described in subparagraphs (A) and (B) of paragraph (2) shall not be considered to be 2 or more activities or programs for purposes of the unified plan. Such activities or programs shall be considered to be 1 activity or program.

[(2) ACTIVITIES.—The activities and programs referred to in paragraph (1) are as follows:

[(A) career and technical education programs at the secondary level authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.).

[(B) career and technical education programs at the postsecondary level authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.).

[(C) Activities authorized under title I.

[(D) Activities authorized under title II.

[(E) Programs authorized under section 6(d) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)).

[(F) Work programs authorized under section 6(o) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(o)).

[(G) Activities authorized under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.).

[(H) Programs authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.).

[(I) Programs authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), other than section 112 of such Act (29 U.S.C. 732).

[(J) Activities authorized under chapter 41 of title 38, United States Code.

[(K) Programs authorized under State unemployment compensation laws (in accordance with applicable Federal law).

[(L) Programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

[(M) Programs authorized under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

[(N) Training activities carried out by the Department of Housing and Urban Development.

[(O) Programs authorized under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.).]

(a) GENERAL AUTHORITY.—The Secretary shall receive and approve State unified plans developed and submitted under this section.

(b) STATE UNIFIED PLAN.—

(1) IN GENERAL.—A State may develop and submit to the Secretary a State unified plan for 2 or more of the activities or programs set forth in paragraph (2). The State unified plan shall cover one or more of the activities set forth in subparagraphs (A) and (B) of paragraph (2) and may cover one or more of the

activities set forth in subparagraphs (C) through (N) of paragraph (2). For purposes of this paragraph, the activities and programs described in subparagraphs (A) and (B) of paragraph (2) shall not be considered to be 2 or more activities or programs for purposes of the unified plan. Such activities or programs shall be considered to be 1 activity or program.

(2) ACTIVITIES AND PROGRAMS.—The activities and programs referred to in paragraph (1) are as follows:

(A) Programs and activities authorized under title I.

(B) Programs and activities authorized under title II.

(C) Programs authorized under the Rehabilitation Act of 1973.

(D) Secondary career education programs authorized under the Carl D. Perkins Career and Applied Technology Education Act.

(E) Postsecondary career education programs authorized under the Carl D. Perkins Career and Applied Technology Education Act.

(F) Programs and activities authorized under title II of the Trade Act of 1974.

(G) National Apprenticeship Act of 1937.

(H) Programs authorized under the Community Services Block Grant Act.

(I) Programs authorized under the part A of title IV of the Social Security Act.

(J) Programs authorized under State unemployment compensation laws (in accordance with applicable Federal law).

(K) Work programs authorized under section 6(o) of the Food Stamp Act of 1977.

(L) Programs and activities authorized title I of the Housing and Community Development Act of 1974.

(M) Programs and activities authorized under the Public Workers and Economic Development Act of 1965.

(N) Activities as defined under chapter 41 of title 38, United States Code.

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[(d) APPROVAL BY THE APPROPRIATE SECRETARIES.—

[(1) JURISDICTION.—The appropriate Secretary shall have the authority to approve the portion of the State unified plan relating to the activity or program over which the appropriate Secretary exercises administrative authority. On the approval of the appropriate Secretary, the portion of the plan relating to the activity or program shall be implemented by the State pursuant to the applicable portion of the State unified plan.

[(2) APPROVAL.—

[(A) IN GENERAL.—A portion of the State unified plan covering an activity or program described in subsection (b) that is submitted to the appropriate Secretary under this section shall be considered to be approved by the appropriate Secretary at the end of the 90-day period beginning on the day the appropriate Secretary receives the portion, unless the appropriate Secretary makes a written determination, during the 90-day period, that the portion is not consistent with the requirements of the Federal statute

authorizing the activity or program including the criteria for approval of a plan or application, if any, under such statute or the plan is not consistent with the requirements of subsection (c)(3).

[(B) SPECIAL RULE.—In subparagraph (A), the term "criteria for approval of a State plan", relating to activities carried out under title I or II or under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.), includes a requirement for agreement between the State and the appropriate Secretary regarding State performance measures, including levels of performance.]

(d) APPROVAL.—

(1) JURISDICTION.—In approving a State unified plan under this section, the Secretary shall—

(A)submit the portion of the State unified plan covering an activity or program described in subsection (b)(2) to the head of the Federal agency who exercises administrative authority over the activity or program for the approval of such portion by such Federal agency head; or

(B)coordinate approval of the portion of the State unified plan covering an activity or program described in subsection (b)(2) with the head of the Federal agency who exercises administrative authority over the activity or program.

(2) TIMELINE.—A State unified plan shall be considered to be approved by the Secretary at the end of the 90-day period beginning on the day the Secretary receives the plan, unless the Secretary makes a written determination, during the 90-day period, that details how the plan is not consistent with the requirements of the Federal statute authorizing an activity or program described in subsection (b)(2) and covered under the plan or how the plan is not consistent with the requirements of subsection (c)(3).

(e) ADDITIONAL EMPLOYMENT AND TRAINING FUNDS.—

(1) PURPOSE.—It is the purpose of this subsection to reduce inefficiencies in the administration of federally-funded State and local employment and training programs.

(2) IN GENERAL.—In developing a State unified plan for the activities or programs described in subsection (b)(2) and subject to paragraph (4) and the State plan approval process under subsection (d), a State may propose to consolidate the amount, in whole or part, provided for the activities or programs dedicated to employment and training into the Workforce Investment Fund under section 132(b) to improve the administration of State and local employment and training programs.

(3) REQUIREMENTS.—A State with a State unified plan approved under subsection (d) for purposes of consolidation under paragraph (2) and that is carrying out such consolidation shall—

(A) continue to meet the program requirements, limitations, and prohibitions of any Federal statute authorizing the activity or program consolidated into the Workforce Investment Fund;

(B) meet the intent and purpose of the activity or program consolidated into the Workforce Investment Fund; and

(C) continue to make reservations and allotments under subsections (a) and (b) of section 133.

(4) EXCEPTIONS.—A State may not consolidate funds under paragraph (2) that are allocated to the State under—

(A) the Carl D. Perkins Career and Technical Education Act of 2006; or

(B) the Rehabilitation Act of 1973.

[SEC. 502. DEFINITIONS FOR INDICATORS OF PERFORMANCE.

[(a) IN GENERAL.—In order to ensure nationwide comparability of performance data, the Secretary of Labor and the Secretary of Education, after consultation with the representatives described in subsection (b), shall issue definitions for indicators of performance and levels of performance established under titles I and II.

[(b) REPRESENTATIVES.—The representatives referred to in subsection (a) are representatives of States (as defined in section 101) and political subdivisions, business and industry, employees, eligible providers of employment and training activities (as defined in section 101), educators, participants in activities carried out under this Act, State Directors of adult education, providers of adult education, providers of literacy services, individuals with expertise in serving the employment and training needs of eligible youth (as defined in section 101), parents, and other interested parties, with expertise regarding activities authorized under this Act.

[SEC. 503. INCENTIVE GRANTS.

[(a) IN GENERAL.—Beginning on July 1, 2000, the Secretary shall award a grant to each State that exceeds the State adjusted levels of performance for title I, the adjusted levels of performance for title II, and the levels of performance for programs under Public Law 105–332 (20 U.S.C. 2301 et seq.), for the purpose of carrying out an innovative program consistent with the requirements of any one or more of the programs within title I, title II, or such Public Law, respectively.

[(b) APPLICATION.—

[(1) IN GENERAL.—The Secretary may provide a grant to a State under subsection (a) only if the State submits an application to the Secretary for the grant that meets the requirements of paragraph (2).

[(2) REQUIREMENTS.—The Secretary may review an application described in paragraph (1) only to ensure that the application contains the following assurances:

[(A) The legislature of the State was consulted with respect to the development of the application.

[(B) The application was approved by the Governor, the eligible agency (as defined in section 203), and the State agency responsible for programs established under Public Law 105–332 (20 U.S.C. 2301 et seq.).

[(C) The State and the eligible agency, as appropriate, exceeded the State adjusted levels of performance for title I, the expected levels of performance for title II, and the levels of performance for programs under Public Law 105–332 (20 U.S.C. 2301 et seq.).

[(c) AMOUNT.—

[(1) MINIMUM AND MAXIMUM GRANT AMOUNTS.—Subject to paragraph (2), a grant provided to a State under subsection (a) shall be awarded in an amount that is not less than $750,000 and not more than $3,000,000.

[(2) PROPORTIONATE REDUCTION.—If the amount available for grants under this section for a fiscal year is insufficient to award a grant to each State or eligible agency that is eligible for a grant, the Secretary shall reduce the minimum and maximum grant amount by a uniform percentage.

[(d) Notwithstanding any other provision of this section, for fiscal year 2000, the Secretary shall not consider the expected levels of performance under Public Law 105–332 (20 U.S.C. 2301 et seq.) and shall not award a grant under subsection (a) based on the levels of performance for that Act.]

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[SEC. 506. TRANSITION PROVISIONS.

[(a) WORKFORCE INVESTMENT SYSTEMS.—The Secretary of Labor shall take such actions as the Secretary determines to be appropriate to provide for the orderly transition from any authority under the Job Training Partnership Act (29 U.S.C. 1501 et seq.) to the workforce investment systems established under title I of this Act. Such actions shall include the provision of guidance relating to the designation of State workforce investment boards, local workforce investment areas, and local workforce investment boards described in such title.

[(b) ADULT EDUCATION AND LITERACY PROGRAMS.—

[(1) IN GENERAL.—The Secretary of Education shall take such actions as the Secretary determines to be appropriate to provide for the transition from any authority under the Adult Education Act (20 U.S.C. 1201 et seq.) to any authority under the Adult Education and Family Literacy Act (as added by title II of this Act).

[(2) LIMITATION.—The authority to take actions under paragraph (1) shall apply only for the 1-year period beginning on the date of the enactment of this Act.

[(c) REGULATIONS.—

[(1) INTERIM FINAL REGULATIONS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Labor shall develop and publish in the Federal Register interim final regulations relating to the transition to, and implementation of, this Act.

[(2) FINAL REGULATIONS.—Not later than December 31, 1999, the Secretary shall develop and publish in the Federal Register final regulations relating to the transition to, and implementation of, this Act.

[(d) EXPENDITURE OF FUNDS DURING TRANSITION.—

[(1) IN GENERAL.—Subject to paragraph (2) and in accordance with regulations developed under subsection (c), States, grant recipients, administrative entities, and other recipients of financial assistance under the Job Training Partnership Act (29 U.S.C. 1501 et seq.) or under this Act may expend funds received under the Job Training Partnership Act or under this

Act, prior to July 1, 2000, in order to plan and implement programs and activities authorized under this Act.

[(2) ADDITIONAL REQUIREMENTS.—Not to exceed 2 percent of any allotment to any State from amounts appropriated under the Job Training Partnership Act or under this Act for fiscal year 1998 or 1999 may be made available to carry out planning authorized under paragraph (1) and not less than 50 percent of any such amount used to carry out planning authorized under paragraph (1) shall be made available to local entities for the planning purposes described in such paragraph.

[(e) REORGANIZATION.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Labor shall reorganize and align functions within the Department of Labor and within the Employment and Training Administration in order to carry out the duties and responsibilities required by this Act (and related laws) in an effective and efficient manner.]

* * * * * * *

WAGNER-PEYSER ACT

[SECTION 1. In order to promote the establishment and maintenance of a national system of public employment offices, the United States Employment Service shall be established and maintained within the Department of Labor.]

[SEC. 2. For purposes of this Act—

[(1) the term "chief elected official" has the same meaning given that term under the Workforce Investment Act of 1998;

[(2) the term "local workforce investment board" means a local workforce investment board established under section 117 of the Workforce Investment Act of 1998;

[(3) the term "one-stop delivery system" means a one-stop delivery system described in section 134(c) of the Workforce Investment Act of 1998;

[(4) the term "Secretary" means the Secretary of Labor; and

[(5) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

[SEC. 3. (a) The Secretary shall assist in coordinating the State public employment services throughout the country and in increasing their usefulness by developing and prescribing minimum standards of efficiency, assisting them in meeting problems peculiar to their localities, promoting uniformity in their administrative and statistical procedure, furnishing and publishing information as to opportunities for employment and other information of value in the operation of the system, and maintaining a system for clearing labor between the States.

[(b) It shall be the duty of the Secretary to assure that unemployment insurance and employment service offices in each State, as appropriate, upon request of a public agency administering or supervising the administration of a State program funded under part A of title IV of the Social Security Act, of a public agency charged with any duty or responsibility under any program or activity authorized or required under part D of title IV of such Act, or of a State agency charged with the administration of the supple-

mental nutrition assistance program in a State under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), shall (and, notwithstanding any other provision of law, is authorized to) furnish to such agency making the request, from any data contained in the files of any such office, information with respect to any individual specified in the request as to (1) whether such individual is receiving, has received, or has made application for, unemployment compensation, and the amount of any such compensation being received by such individual, (2) the current (or most recent) home address of such individual, and (3) whether such individual has refused an offer of employment and, if so, a description of the employment so offered and the terms, conditions, and rate of pay therefor.

[(c) The Secretary shall—

[(1) assist in the coordination and development of a nationwide system of public labor exchange services, provided as part of the one-stop customer service systems of the States;

[(2) assist in the development of continuous improvement models for such nationwide system that ensure private sector satisfaction with the system and meet the demands of jobseekers relating to the system; and

[(3) ensure, for individuals otherwise eligible to receive unemployment compensation, the provision of reemployment services and other activities in which the individuals are required to participate to receive the compensation.

[SEC. 4. In order to obtain the benefits of appropriations apportioned under section 5, a State shall, pursuant to State statute, accept the provisions of this Act and, in accordance with such State statute, the Governor shall designate or authorize the creation of a State agency vested with all powers necessary to cooperate with the Secretary under this Act.

[SEC. 5. (a) There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts from time to time as the Congress may deem necessary to carry out the purposes of this Act.

[(b) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State which—

[(1) except in the case of Guam, has an unemployment compensation law approved by the Secretary under the Federal Unemployment Tax Act and is found to be in compliance with section 303 of the Social Security Act, as amended,

[(2) is found to have coordinated the public employment services with the provision of unemployment insurance claimant services, and

[(3) is found to be in compliance with this Act,

such amounts as the Secretary determines to be necessary for allotment in accordance with section 6.

[(c)(1) Beginning with fiscal year 1985 and thereafter appropriations for any fiscal year for programs and activities assisted or conducted under this Act shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.

[(2) Funds obligated for any program year may be expended by the State during that program year and the two succeeding pro-

gram years and no amount shall be deobligated on account of a rate of expenditure which is consistent with the program plan.

[(3)(A) Appropriations for fiscal year 1984 shall be available both to fund activities for the period between October 1, 1983, and July 1, 1984, and for the program year beginning July 1, 1984.

[(B) There are authorized to be appropriated such additional sums as may be necessary to carry out the provisions of this paragraph for the transition to program year funding.

[SEC. 6. (a) From the amounts appropriated pursuant to section 5 for each fiscal year, the Secretary shall first allot to Guam and the Virgin Islands an amount which, in relation to the total amount available for the fiscal year, is equal to the allotment percentage which each received of amounts available under this Act in fiscal year 1983.

[(b)(1) Subject to paragraphs (2), (3), and (4) of this subsection, the Secretary shall allot the remainder of the sums appropriated and certified pursuant to section 5 of this Act for each fiscal year among the States as follows:

[(A) two-thirds of such sums shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State as compared to the total number of such individuals in all States; and

[(B) one-third of such sums shall be allotted on the basis of the relative number of unemployed individuals in each State as compared to the total number of such individuals in all States.

For purposes of this paragraph, the number of individuals in the civilian labor force and the number of unemployed individuals shall be based on data for the most recent calendar year available, as determined by the Secretary.

[(2) No State's allotment under this section for any fiscal year shall be less than 90 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made. For the purpose of this section, the Secretary shall determine the allotment percentage for each State (including Guam and the Virgin Islands) for fiscal year 1984 which is the percentage that the State received under this Act for fiscal year 1983 of the total amounts available for payments to all States for such fiscal year. For each succeeding fiscal year, the allotment percentage for each such State shall be the percentage that the State received under this Act for the preceding fiscal year of the total amounts available for allotments for all States for such fiscal year.

[(3) For each fiscal year, no State shall receive a total allotment under paragraphs (1) and (2) which is less than 0.28 percent of the total amount available for allotments for all States.

[(4) The Secretary shall reserve such amount, not to exceed 3 percent of the sums available for allotments under this section for each fiscal year, as shall be necessary to assure that each State will have a total allotment under this section sufficient to provide staff and other resources necessary to carry out employment service activities and related administrative and support functions on a statewide basis.

[(5) The Secretary shall, not later than March 15 of fiscal year 1983 and each succeeding fiscal year, provide preliminary planning estimates and shall, not later than May 15 of each such fiscal year,

provide final planning estimates, showing each State's projected allocation for the following year.

[SEC. 7. (a) Ninety percent of the sums allotted to each State pursuant to section 6 may be used—

[(1) for job search and placement services to job seekers including counseling, testing, occupational and labor market information, assessment, and referral to employers;

[(2) for appropriate recruitment services and special technical services for employers; and

[(3) for any of the following activities:

[(A) evaluation of programs;

[(B) developing linkages between services funded under this Act and related Federal or State legislation, including the provision of labor exchange services at education sites;

[(C) providing services for workers who have received notice of permanent layoff or impending layoff, or workers in occupations which are experiencing limited demand due to technological change, impact of imports, or plant closures;

[(D) developing and providing labor market and occupational information;

[(E) developing a management information system and compiling and analyzing reports therefrom; and

[(F) administering the work test for the State unemployment compensation system and providing job finding and placement services for unemployment insurance claimants.

[(b) Ten percent of the sums allotted to each State pursuant to section 6 shall be reserved for use in accordance with this subsection by the Governor of each such State to provide—

[(1) performance incentives for public employment service offices and programs, consistent with performance standards established by the Secretary, taking into account direct or indirect placements (including those resulting from self-directed job search or group job search activities assisted by such offices or programs), wages on entered employment, retention, and other appropriate factors;

[(2) services for groups with special needs, carried out pursuant to joint agreements between the employment service and the appropriate local workforce investment board and chief elected official or officials or other public agencies or private nonprofit organizations; and

[(3) the extra costs of exemplary models for delivering services of the types described in subsection (a).

[(c)(1) Funds made available to States under this section may be used to provide additional funds under an applicable program if—

[(A) such program otherwise meets the requirements of this Act and the requirements of the applicable program;

[(B) such program serves the same individuals that are served under this Act;

[(C) such program provides services in a coordinated manner with services provided under this Act; and

[(D) such funds would be used to supplement, and not supplant, funds provided from non-Federal sources.

[(2) For purposes of this subsection, the term "applicable program" means any workforce investment activity carried out under the Workforce Investment Act of 1998.

[(d) In addition to the services and activities otherwise authorized by this Act, the Secretary or any State agency designated under this Act may perform such other services and activities as shall be specified in contracts for payment or reimbursement of the costs thereof made with the Secretary or with any Federal, State, or local public agency, or administrative entity under the Workforce Investment Act of 1998, or private nonprofit organization.

[(e) All job search, placement, recruitment, labor employment statistics, and other labor exchange services authorized under subsection (a) shall be provided, consistent with the other requirements of this Act, as part of the one-stop delivery system established by the State.

[SEC. 8. (a) Any State desiring to receive assistance under this Act shall submit to the Secretary, as part of the State plan submitted under section 112 of the Workforce Investment Act of 1998, detailed plans for carrying out the provisions of this Act within such State.

[(b) Such plans shall include provision for the promotion and development of employment opportunities for handicapped persons and for job counseling and placement of such persons, and for the designation of at least one person in each State or Federal employment office, whose duties shall include the effectuation of such purposes. In those States where a State board, department, or agency exists which is charged with the administration of State laws for vocational rehabilitation of physically handicapped persons, such plans shall include provision for cooperation between such board, department, or agency and the agency designated to cooperate with the United States Employment Service under this Act.

[(c) The part of the State plan described in subsection (a) shall include the information described in paragraphs (8) and (14) of section 112(b) of the Workforce Investment Act of 1998.

[(d) If such detailed plans are in conformity with the provisions of this Act and reasonably appropriate and adequate to carry out its purposes, they shall be approved by the Secretary of Labor and due notice of such approval shall be given to the State agency.

[SEC. 9. (a)(1) Each State shall establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursal of, and accounting for, Federal funds paid to the recipient under this Act. The Director of the Office of Management and Budget, in consultation with the Comptroller General of the United States, shall establish guidance for the proper performance of audits. Such guidance shall include a review of fiscal controls and fund accounting procedures established by States under this section.

[(2) At least once every two years, the State shall prepare or have prepared an independent financial and compliance audit of funds received under this Act.

[(3) Each audit shall be conducted in accordance with applicable auditing standards set forth in the financial and compliance element of the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions issued by the Comptroller General of the United States.

[(b)(1) The Comptroller General of the United States shall evaluate the expenditures by States of funds received under this Act in order to assure that expenditures are consistent with the provisions of this Act and to determine the effectiveness of the State in accomplishing the purposes of this Act. The Comptroller General shall conduct evaluations whenever determined necessary and shall periodically report to the Congress on the findings of such evaluations.

[(2) Nothing in this Act shall be deemed to relieve the Inspector General of the Department of Labor of his responsibilities under the Inspector General Act.

[(3) For the purpose of evaluating and reviewing programs established or provided for by this Act, the Comptroller General shall have access to and the right to copy any books, accounts, records, correspondence, or other documents pertinent to such programs that are in the possession, custody, or control of the State.

[(c) Each State shall repay to the United States amounts found not to have been expended in accordance with this Act. No such finding shall be made except after notice and opportunity for a fair hearing. The Secretary may offset such amounts against any other amount to which the recipient is or may be entitled under this Act.

[SEC. 10. (a) Each State shall keep records that are sufficient to permit the preparation of reports required by this Act and to permit the tracing of funds to a level of expenditure adequate to insure that the funds have not been spent unlawfully.

[(b)(1) The Secretary may investigate such facts, conditions, practices, or other matters which the Secretary finds necessary to determine whether any State receiving funds under this Act or any official of such State has violated any provision of this Act.

[(2)(A) In order to evaluate compliance with the provisions of this Act, the Secretary shall conduct investigations of the use of funds received by States under this Act.

[(B) In order to insure compliance with the provisions of this Act, the Comptroller General of the United States may conduct investigations of the use of funds received under this Act by any State.

[(3) In conducting any investigation under this Act, the Secretary or the Comptroller General of the United States may not request new compilation of information not readily available to such State.

[(c) Each State receiving funds under this Act shall—

[(1) make such reports concerning its operations and expenditures in such form and containing such information as shall be prescribed by the Secretary, and

[(2) establish and maintain a management information system in accordance with guidelines established by the Secretary designed to facilitate the compilation and analysis of programmatic and financial data necessary for reporting, monitoring, and evaluating purposes.

[SEC. 11. In carrying out the provisions of this Act the Secretary is authorized and directed to provide for the giving of notice of strikes or lockouts to applicants before they are referred to employment.

[SEC. 12. The Secretary is hereby authorized to make such rules and regulations as may be necessary to carry out the provisions of this Act.

[SEC. 13. (a) The Secretary is authorized to establish performance standards for activities under this Act which shall take into account the differences in priorities reflected in State plans.

[(b)(1) Nothing in this Act shall be construed to prohibit the referral of any applicant to private agencies as long as the applicant is not charged a fee.

[(2) No funds paid under this Act may be used by any State for advertising in newspapers for high paying jobs unless such State submits an annual report to the Secretary beginning in December 1984 concerning such advertising and the justifications therefor, and the justification may include that such jobs are part of a State industrial development effort.

[SEC. 14. There are authorized to be appropriated such sums as may be necessary to enable the Secretary to provide funds through reimbursable agreements with the States to operate statistical programs which are essential for development of estimates of the gross national product and other national statistical series, including those related to employment and unemployment.

[SEC. 15. EMPLOYMENT STATISTICS.

[(a) SYSTEM CONTENT.—

[(1) IN GENERAL.—The Secretary, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide employment statistics system of employment statistics that includes—

[(A) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems that, taken together, enumerate, estimate, and project employment opportunities and conditions at national, State, and local levels in a timely manner, including statistics on—

[(i) employment and unemployment status of national, State, and local populations, including self-employed, part-time, and seasonal workers;

[(ii) industrial distribution of occupations, as well as current and projected employment opportunities, wages, benefits (where data is available), and skill trends by occupation and industry, with particular attention paid to State and local conditions;

[(iii) the incidence of, industrial and geographical location of, and number of workers displaced by, permanent layoffs and plant closings; and

[(iv) employment and earnings information maintained in a longitudinal manner to be used for research and program evaluation;

[(B) information on State and local employment opportunities, and other appropriate statistical data related to labor market dynamics, which—

[(i) shall be current and comprehensive;

[(ii) shall meet the needs identified through the consultations described in subparagraphs (A) and (B) of subsection (e)(2); and

[(iii) shall meet the needs for the information identified in section 134(d);

[(C) technical standards (which the Secretary shall publish annually) for data and information described in sub-

paragraphs (A) and (B) that, at a minimum, meet the criteria of chapter 35 of title 44, United States Code;

[(D) procedures to ensure compatibility and additivity of the data and information described in subparagraphs (A) and (B) from national, State, and local levels;

[(E) procedures to support standardization and aggregation of data from administrative reporting systems described in subparagraph (A) of employment-related programs;

[(F) analysis of data and information described in subparagraphs (A) and (B) for uses such as—

[(i) national, State, and local policymaking;

[(ii) implementation of Federal policies (including allocation formulas);

[(iii) program planning and evaluation; and

[(iv) researching labor market dynamics;

[(G) wide dissemination of such data, information, and analysis in a user-friendly manner and voluntary technical standards for dissemination mechanisms; and

[(H) programs of—

[(i) training for effective data dissemination;

[(ii) research and demonstration; and

[(iii) programs and technical assistance.

[(2) INFORMATION TO BE CONFIDENTIAL.—

[(A) IN GENERAL.—No officer or employee of the Federal Government or agent of the Federal Government may—

[(i) use any submission that is furnished for exclusively statistical purposes under the provisions of this section for any purpose other than the statistical purposes for which the submission is furnished;

[(ii) make any publication or media transmittal of the data contained in the submission described in clause (i) that permits information concerning individual subjects to be reasonably inferred by either direct or indirect means; or

[(iii) permit anyone other than a sworn officer, employee, or agent of any Federal department or agency, or a contractor (including an employee of a contractor) of such department or agency, to examine an individual submission described in clause (i);

without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission.

[(B) IMMUNITY FROM LEGAL PROCESS.—Any submission (including any data derived from the submission) that is collected and retained by a Federal department or agency, or an officer, employee, agent, or contractor of such a department or agency, for exclusively statistical purposes under this section shall be immune from the legal process and shall not, without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

[(C) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to provide immunity from the legal process for such submission (including any data derived from the submission) if the submission is in the possession of any person, agency, or entity other than the Federal Government or an officer, employee, agent, or contractor of the Federal Government, or if the submission is independently collected, retained, or produced for purposes other than the purposes of this Act.

[(b) SYSTEM RESPONSIBILITIES.—

[(1) IN GENERAL.—The employment statistics system described in subsection (a) shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and States.

[(2) DUTIES.—The Secretary, with respect to data collection, analysis, and dissemination of labor employment statistics for the system, shall carry out the following duties:

[(A) Assign responsibilities within the Department of Labor for elements of the employment statistics system described in subsection (a) to ensure that all statistical and administrative data collected is consistent with appropriate Bureau of Labor Statistics standards and definitions.

[(B) Actively seek the cooperation of other Federal agencies to establish and maintain mechanisms for ensuring complementarity and nonduplication in the development and operation of statistical and administrative data collection activities.

[(C) Eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority.

[(D) In collaboration with the Bureau of Labor Statistics and States, develop and maintain the elements of the employment statistics system described in subsection (a), including the development of consistent procedures and definitions for use by the States in collecting the data and information described in subparagraphs (A) and (B) of subsection (a)(1).

[(E) Establish procedures for the system to ensure that—

[(i) such data and information are timely;

[(ii) paperwork and reporting for the system are reduced to a minimum; and

[(iii) States and localities are fully involved in the development and continuous improvement of the system at all levels, including ensuring the provision, to such States and localities, of budget information necessary for carrying out their responsibilities under subsection (e).

[(c) ANNUAL PLAN.—The Secretary, working through the Bureau of Labor Statistics, and in cooperation with the States, and with the assistance of other appropriate Federal agencies, shall prepare an annual plan which shall be the mechanism for achieving cooperative management of the nationwide employment statistics system

described in subsection (a) and the statewide employment statistics systems that comprise the nationwide system. The plan shall—

[(1) describe the steps the Secretary has taken in the preceding year and will take in the following 5 years to carry out the duties described in subsection (b)(2);

[(2) include a report on the results of an annual consumer satisfaction review concerning the performance of the system, including the performance of the system in addressing the needs of Congress, States, localities, employers, jobseekers, and other consumers;

[(3) evaluate the performance of the system and recommend needed improvements, taking into consideration the results of the consumer satisfaction review, with particular attention to the improvements needed at the State and local levels;

[(4) justify the budget request for annual appropriations by describing priorities for the fiscal year succeeding the fiscal year in which the plan is developed and priorities for the 5 subsequent fiscal years for the system;

[(5) describe current (as of the date of the submission of the plan) spending and spending needs to carry out activities under this section, including the costs to States and localities of meeting the requirements of subsection (e)(2); and

[(6) describe the involvement of States in the development of the plan, through formal consultations conducted by the Secretary in cooperation with representatives of the Governors of every State, and with representatives of local workforce investment boards, pursuant to a process established by the Secretary in cooperation with the States.

[(d) COORDINATION WITH THE STATES.—The Secretary, working through the Bureau of Labor Statistics, and in cooperation with the States, shall—

[(1) develop the annual plan described in subsection (c) and address other employment statistics issues by holding formal consultations, at least once each quarter (beginning with the calendar quarter in which the Workforce Investment Act of 1998 is enacted) on the products and administration of the nationwide employment statistics system; and

[(2) hold the consultations with representatives from each of the 10 Federal regions of the Department of Labor, elected (pursuant to a process established by the Secretary) by and from the State employment statistics directors affiliated with the State agencies that perform the duties described in subsection (e)(2).

[(e) STATE RESPONSIBILITIES.—

[(1) DESIGNATION OF STATE AGENCY.—In order to receive Federal financial assistance under this section, the Governor of a State shall—

[(A) designate a single State agency to be responsible for the management of the portions of the employment statistics system described in subsection (a) that comprise a statewide employment statistics system and for the State's participation in the development of the annual plan; and

[(B) establish a process for the oversight of such system.

[(2) DUTIES.—In order to receive Federal financial assistance under this section, the State agency shall—

[(A) consult with State and local employers, participants, and local workforce investment boards about the labor market relevance of the data to be collected and disseminated through the statewide employment statistics system;

[(B) consult with State educational agencies and local educational agencies concerning the provision of employment statistics in order to meet the needs of secondary school and postsecondary school students who seek such information;

[(C) collect and disseminate for the system, on behalf of the State and localities in the State, the information and data described in subparagraphs (A) and (B) of subsection (a)(1);

[(D) maintain and continuously improve the statewide employment statistics system in accordance with this section;

[(E) perform contract and grant responsibilities for data collection, analysis, and dissemination for such system;

[(F) conduct such other data collection, analysis, and dissemination activities as will ensure an effective statewide employment statistics system;

[(G) actively seek the participation of other State and local agencies in data collection, analysis, and dissemination activities in order to ensure complementarity, compatibility, and usefulness of data;

[(H) participate in the development of the annual plan described in subsection (c); and

[(I) utilize the quarterly records described in section 136(f)(2) of the Workforce Investment Act of 1998 to assist the State and other States in measuring State progress on State performance measures.

[(3) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as limiting the ability of a State agency to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this section.

[(f) NONDUPLICATION REQUIREMENT.—None of the functions and activities carried out pursuant to this section shall duplicate the functions and activities carried out under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.).

[(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of the fiscal years 1999 through 2004.

[(h) DEFINITION.—In this section, the term "local area" means the smallest geographical area for which data can be produced with statistical reliability.]

SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.

(a) SYSTEM CONTENT.—

(1) IN GENERAL.—The Secretary of Labor, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide workforce and labor market information system that includes—

(A) statistical data from cooperative statistical survey and projection programs and data from administrative re-

porting systems that, taken together, enumerate, estimate, and project employment opportunities and conditions at national, State, and local levels in a timely manner, including statistics on—

(i) employment and unemployment status of national, State, and local populations, including self-employed, part-time, and seasonal workers;

(ii) industrial distribution of occupations, as well as current and projected employment opportunities, wages, benefits (where data is available), and skill trends by occupation and industry, with particular attention paid to State and local conditions;

(iii) the incidence of, industrial and geographical location of, and number of workers displaced by, permanent layoffs and plant closings; and

(iv) employment and earnings information maintained in a longitudinal manner to be used for research and program evaluation;

(B) information on State and local employment opportunities, and other appropriate statistical data related to labor market dynamics, which—

(i) shall be current and comprehensive;

(ii) shall meet the needs identified through the consultations described in subparagraphs (A) and (B) of subsection (e)(2); and

(iii) shall meet the needs for the information identified in section 121;

(C) technical standards (which the Secretary shall publish annually) for data and information described in subparagraphs (A) and (B) that, at a minimum, meet the criteria of chapter 35 of title 44, United States Code;

(D) procedures to ensure compatibility and additivity of the data and information described in subparagraphs (A) and (B) from national, State, and local levels;

(E) procedures to support standardization and aggregation of data from administrative reporting systems described in subparagraph (A) of employment-related programs;

(F) analysis of data and information described in subparagraphs (A) and (B) for uses such as—

(i) national, State, and local policymaking;

(ii) implementation of Federal policies (including allocation formulas);

(iii) program planning and evaluation; and

(iv) researching labor market dynamics;

(G) wide dissemination of such data, information, and analysis in a user-friendly manner and voluntary technical standards for dissemination mechanisms; and

(H) programs of—

(i) training for effective data dissemination;

(ii) research and demonstration; and

(iii) programs and technical assistance.

(2) INFORMATION TO BE CONFIDENTIAL.—

(A) IN GENERAL.—No officer or employee of the Federal Government or agent of the Federal Government may—

(i) use any submission that is furnished for exclusively statistical purposes under the provisions of this section for any purpose other than the statistical purposes for which the submission is furnished;

(ii) disclose to the public any publication or media transmittal of the data contained in the submission described in clause (i) that permits information concerning an individual subject to be reasonably inferred by either direct or indirect means; or

(iii) permit anyone other than a sworn officer, employee, or agent of any Federal department or agency, or a contractor (including an employee of a contractor) of such department or agency, to examine an individual submission described in clause (i),

without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission.

(B) IMMUNITY FROM LEGAL PROCESS.—Any submission (including any data derived from the submission) that is collected and retained by a Federal department or agency, or an officer, employee, agent, or contractor of such a department or agency, for exclusively statistical purposes under this section shall be immune from the legal process and shall not, without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

(C) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to provide immunity from the legal process for such submission (including any data derived from the submission) if the submission is in the possession of any person, agency, or entity other than the Federal Government or an officer, employee, agent, or contractor of the Federal Government, or if the submission is independently collected, retained, or produced for purposes other than the purposes of this Act.

(b) SYSTEM RESPONSIBILITIES.—

(1) IN GENERAL.—The workforce and labor market information system described in subsection (a) shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and States.

(2) DUTIES.—The Secretary, with respect to data collection, analysis, and dissemination of workforce and labor market information for the system, shall carry out the following duties:

(A) Assign responsibilities within the Department of Labor for elements of the workforce and labor market information system described in subsection (a) to ensure that all statistical and administrative data collected is consistent with appropriate Bureau of Labor Statistics standards and definitions.

(B) Actively seek the cooperation of other Federal agencies to establish and maintain mechanisms for ensuring complementarity and nonduplication in the development

and operation of statistical and administrative data collection activities.

(C) Eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority.

(D) In collaboration with the Bureau of Labor Statistics and States, develop and maintain the elements of the workforce and labor market information system described in subsection (a), including the development of consistent procedures and definitions for use by the States in collecting the data and information described in subparagraphs (A) and (B) of subsection (a)(1).

(E) Establish procedures for the system to ensure that—

(i) such data and information are timely;

(ii) paperwork and reporting for the system are reduced to a minimum; and

(iii) States and localities are fully involved in the development and continuous improvement of the system at all levels.

(c) NATIONAL ELECTRONIC TOOLS TO PROVIDE SERVICES.—The Secretary is authorized to assist in the development of national electronic tools that may be used to facilitate the delivery of work ready services described in section 134(c)(2) and to provide workforce information to individuals through the one-stop delivery systems described in section 121 and through other appropriate delivery systems.

(d) COORDINATION WITH THE STATES.—

(1) IN GENERAL.—The Secretary, working through the Bureau of Labor Statistics and the Employment and Training Administration, shall regularly consult with representatives of State agencies carrying out workforce information activities regarding strategies for improving the workforce and labor market information system.

(2) FORMAL CONSULTATIONS.—At least twice each year, the Secretary, working through the Bureau of Labor Statistics, shall conduct formal consultations regarding programs carried out by the Bureau of Labor Statistics with representatives of each of the Federal regions of the Bureau of Labor Statistics, elected (pursuant to a process established by the Secretary) from the State directors affiliated with State agencies that perform the duties described in subsection (e)(2).

(e) STATE RESPONSIBILITIES.—

(1) IN GENERAL.—In order to receive Federal financial assistance under this section, the Governor of a State shall—

(A) be responsible for the management of the portions of the workforce and labor market information system described in subsection (a) that comprise a statewide workforce and labor market information system and for the State's participation in the development of the annual plan;

(B) establish a process for the oversight of such system;

(C) consult with State and local employers, participants, and local workforce investment boards about the labor market relevance of the data to be collected and disseminated through the statewide workforce and labor market information system;

(D) consult with State educational agencies and local educational agencies concerning the provision of employment statistics in order to meet the needs of secondary school and postsecondary school students who seek such information;

(E) collect and disseminate for the system, on behalf of the State and localities in the State, the information and data described in subparagraphs (A) and (B) of subsection (a)(1);

(F) maintain and continuously improve the statewide workforce and labor market information system in accordance with this section;

(G) perform contract and grant responsibilities for data collection, analysis, and dissemination for such system;

(H) conduct such other data collection, analysis, and dissemination activities as will ensure an effective statewide workforce and labor market information system;

(I) actively seek the participation of other State and local agencies in data collection, analysis, and dissemination activities in order to ensure complementarity, compatibility, and usefulness of data;

(J) participate in the development of the annual plan described in subsection (c); and

(K) utilize the quarterly records described in section 136(f)(2) to assist the State and other States in measuring State progress on State performance measures.

(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as limiting the ability of a Governor to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this section.

(f) NONDUPLICATION REQUIREMENT.—None of the functions and activities carried out pursuant to this section shall duplicate the functions and activities carried out under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.).

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $63,473,000 for fiscal year 2014 and each of the 6 succeeding fiscal years.

(h) DEFINITION.—In this section, the term "local area" means the smallest geographical area for which data can be produced with statistical reliability.

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OLDER AMERICANS ACT OF 1965

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[TITLE V—COMMUNITY SERVICE SENIOR OPPORTUNITIES ACT

[SEC. 501. SHORT TITLE.

[This title may be cited as the "Community Service Senior Opportunities Act".

[SEC. 502. OLDER AMERICAN COMMUNITY SERVICE EMPLOYMENT PROGRAM.

[(a) IN GENERAL.—

[(1) ESTABLISHMENT OF PROGRAM.—To foster individual economic self-sufficiency and promote useful opportunities in community service activities (which shall include community service employment) for unemployed low-income persons who are age 55 or older, particularly persons who have poor employment prospects, and to increase the number of persons who may enjoy the benefits of unsubsidized employment in both the public and private sectors, the Secretary of Labor (referred to in this title as the "Secretary") may establish an older American community service employment program.

[(2) USE OF APPROPRIATED AMOUNTS.—Amounts appropriated to carry out this title shall be used only to carry out the provisions contained in this title.

[(b) GRANT AUTHORITY.—

[(1) PROJECTS.—To carry out this title, the Secretary may make grants to public and nonprofit private agencies and organizations, agencies of a State, and tribal organizations to carry out the program established under subsection (a). Such grants may provide for the payment of costs, as provided in subsection (c), of projects developed by such organizations and agencies in cooperation with the Secretary in order to make such program effective or to supplement such program. The Secretary shall make the grants from allotments made under section 506, and in accordance with section 514. No payment shall be made by the Secretary toward the cost of any project established or administered by such an organization or agency unless the Secretary determines that such project—

[(A) will provide community service employment only for eligible individuals except for necessary technical, administrative, and supervisory personnel, and such personnel will, to the fullest extent possible, be recruited from among eligible individuals;

[(B)(i) will provide community service employment and other authorized activities for eligible individuals in the community in which such individuals reside, or in nearby communities; or

[(ii) if such project is carried out by a tribal organization that receives a grant under this subsection or receives assistance from a State that receives a grant under this subsection, will provide community service employment and other authorized activities for such individuals, including those who are Indians residing on an Indian reservation, as defined in section 2601 of the Energy Policy Act of 1992 (25 U.S.C. 3501);

[(C) will comply with an average participation cap for eligible individuals (in the aggregate) of—

[(i) 27 months; or

[(ii) pursuant to the request of a grantee, an extended period of participation established by the Secretary for a specific project area for such grantee, up to a period of not more than 36 months, if the Secretary determines that extenuating circumstances

exist relating to the factors identified in section 513(a)(2)(D) that justify such an extended period for the program year involved;

[(D) will employ eligible individuals in service related to publicly owned and operated facilities and projects, or projects sponsored by nonprofit organizations (excluding political parties exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986), but excluding projects involving the construction, operation, or maintenance of any facility used or to be used as a place for sectarian religious instruction or worship;

[(E) will contribute to the general welfare of the community, which may include support for children, youth, and families;

[(F) will provide community service employment and other authorized activities for eligible individuals;

[(G)(i) will not reduce the number of employment opportunities or vacancies that would otherwise be available to individuals not participating in the program;

[(ii) will not displace currently employed workers (including partial displacement, such as a reduction in the hours of nonovertime work, wages, or employment benefits);

[(iii) will not impair existing contracts or result in the substitution of Federal funds for other funds in connection with work that would otherwise be performed; and

[(iv) will not employ or continue to employ any eligible individual to perform the same work or substantially the same work as that performed by any other individual who is on layoff;

[(H) will coordinate activities with training and other services provided under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.), including utilizing the one-stop delivery system of the local workforce investment areas involved to recruit eligible individuals to ensure that the maximum number of eligible individuals will have an opportunity to participate in the project;

[(I) will include such training (such as work experience, on-the-job training, and classroom training) as may be necessary to make the most effective use of the skills and talents of those individuals who are participating, and will provide for the payment of the reasonable expenses of individuals being trained, including a reasonable subsistence allowance equivalent to the wage described in subparagraph (J);

[(J) will ensure that safe and healthy employment conditions will be provided, and will ensure that participants employed in community service and other jobs assisted under this title will be paid wages that shall not be lower than whichever is the highest of—

[(i) the minimum wage that would be applicable to such a participant under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.), if section 6(a)(1) of such Act (29 U.S.C. 206(a)(1)) applied to the partici-

pant and if the participant were not exempt under section 13 of such Act (29 U.S.C. 213);

[(ii) the State or local minimum wage for the most nearly comparable covered employment; or

[(iii) the prevailing rates of pay for individuals employed in similar public occupations by the same employer;

[(K) will be established or administered with the advice of persons competent in the field of service in which community service employment or other authorized activities are being provided, and of persons who are knowledgeable about the needs of older individuals;

[(L) will authorize payment for necessary supportive services costs (including transportation costs) of eligible individuals that may be incurred in training in any project funded under this title, in accordance with rules issued by the Secretary;

[(M) will ensure that, to the extent feasible, such project will serve the needs of minority and Indian eligible individuals, eligible individuals with limited English proficiency, and eligible individuals with greatest economic need, at least in proportion to their numbers in the area served and take into consideration their rates of poverty and unemployment;

[(N)(i) will prepare an assessment of the participants' skills and talents and their needs for services, except to the extent such project has, for the participant involved, recently prepared an assessment of such skills and talents, and such needs, pursuant to another employment or training program (such as a program under the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.), the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.), or part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)) and will prepare a related service strategy;

[(ii) will provide training and employment counseling to eligible individuals based on strategies that identify appropriate employment objectives and the need for supportive services, developed as a result of the assessment and service strategy provided for in clause (i), and provide other appropriate information regarding such project; and

[(iii) will provide counseling to participants on their progress in meeting such objectives and satisfying their need for supportive services;

[(O) will provide appropriate services for participants, or refer the participants to appropriate services, through the one-stop delivery system of the local workforce investment areas involved as established under section 134(c) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(c)), and will be involved in the planning and operations of such system pursuant to a memorandum of understanding with the local workforce investment board in accordance with section 121(c) of such Act (29 U.S.C. 2841(c));

[(P) will post in such project workplace a notice, and will make available to each person associated with such project a written explanation—

[(i) clarifying the law with respect to political activities allowable and unallowable under chapter 15 of title 5, United States Code, applicable to the project and to each category of individuals associated with such project; and

[(ii) containing the address and telephone number of the Inspector General of the Department of Labor, to whom questions regarding the application of such chapter may be addressed;

[(Q) will provide to the Secretary the description and information described in—

[(i) paragraph (8), relating to coordination with other Federal programs, of section 112(b) of the Workforce Investment Act of 1998 (29 U.S.C. 2822(b)); and

[(ii) paragraph (14), relating to implementation of one-stop delivery systems, of section 112(b) of the Workforce Investment Act of 1998; and

[(R) will ensure that entities that carry out activities under the project (including State agencies, local entities, subgrantees, and subcontractors) and affiliates of such entities receive an amount of the administrative cost allocation determined by the Secretary, in consultation with grantees, to be sufficient.

[(2) REGULATIONS.—The Secretary may establish, issue, and amend such regulations as may be necessary to effectively carry out this title.

[(3) ASSESSMENT AND SERVICE STRATEGIES.—

[(A) PREPARED UNDER THIS ACT.—An assessment and service strategy required by paragraph (1)(N) to be prepared for an eligible individual shall satisfy any condition for an assessment and service strategy or individual employment plan for an adult participant under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.), in order to determine whether such eligible individual also qualifies for intensive or training services described in section 134(d) of such Act (29 U.S.C. 2864(d)).

[(B) PREPARED UNDER WORKFORCE INVESTMENT ACT OF 1998.—An assessment and service strategy or individual employment plan prepared under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.) for an eligible individual may be used to comply with the requirement specified in subparagraph (A).

[(c) FEDERAL SHARE AND USE OF FUNDS.—

[(1) FEDERAL SHARE.—The Secretary may pay a Federal share not to exceed 90 percent of the cost of any project for which a grant is made under subsection (b), except that the Secretary may pay all of such cost if such project is—

[(A) an emergency or disaster project; or

[(B) a project located in an economically depressed area, as determined by the Secretary in consultation with the Secretary of Commerce and the Secretary of Health and Human Services.

[(2) NON-FEDERAL SHARE.—The non-Federal share shall be in cash or in kind. In determining the amount of the non-Federal share, the Secretary may attribute fair market value to services and facilities contributed from non-Federal sources.

[(3) USE OF FUNDS FOR ADMINISTRATIVE COSTS.—Of the grant amount to be paid under this subsection by the Secretary for a project, not to exceed 13.5 percent shall be available for any fiscal year to pay the administrative costs of such project, except that—

[(A) the Secretary may increase the amount available to pay the administrative costs to an amount not to exceed 15 percent of the grant amount if the Secretary determines, based on information submitted by the grantee under subsection (b), that such increase is necessary to carry out such project; and

[(B) if the grantee under subsection (b) demonstrates to the Secretary that—

[(i) major administrative cost increases are being incurred in necessary program components, including liability insurance, payments for workers' compensation, costs associated with achieving unsubsidized placement goals, and costs associated with other operation requirements imposed by the Secretary;

[(ii) the number of community service employment positions in the project or the number of minority eligible individuals participating in the project will decline if the amount available to pay the administrative costs is not increased; or

[(iii) the size of the project is so small that the amount of administrative costs incurred to carry out the project necessarily exceeds 13.5 percent of the grant amount;

the Secretary shall increase the amount available for such fiscal year to pay the administrative costs to an amount not to exceed 15 percent of the grant amount.

[(4) ADMINISTRATIVE COSTS.—For purposes of this title, administrative costs are the costs, both personnel-related and nonpersonnel-related and both direct and indirect, associated with the following:

[(A) The costs of performing general administrative functions and of providing for the coordination of functions, such as the costs of—

[(i) accounting, budgeting, and financial and cash management;

[(ii) procurement and purchasing;

[(iii) property management;

[(iv) personnel management;

[(v) payroll functions;

[(vi) coordinating the resolution of findings arising from audits, reviews, investigations, and incident reports;

[(vii) audits;

[(viii) general legal services;

[(ix) developing systems and procedures, including information systems, required for administrative functions;

[(x) preparing administrative reports; and

[(xi) other activities necessary for the general administration of government funds and associated programs.

[(B) The costs of performing oversight and monitoring responsibilities related to administrative functions.

[(C) The costs of goods and services required for administrative functions of the project involved, including goods and services such as rental or purchase of equipment, utilities, office supplies, postage, and rental and maintenance of office space.

[(D) The travel costs incurred for official business in carrying out administrative activities or overall management.

[(E) The costs of information systems related to administrative functions (such as personnel, procurement, purchasing, property management, accounting, and payroll systems), including the purchase, systems development, and operating costs of such systems.

[(F) The costs of technical assistance, professional organization membership dues, and evaluating results obtained by the project involved against stated objectives.

[(5) NON-FEDERAL SHARE OF ADMINISTRATIVE COSTS.—To the extent practicable, an entity that carries out a project under this title shall provide for the payment of the expenses described in paragraph (4) from non-Federal sources.

[(6) USE OF FUNDS FOR WAGES AND BENEFITS AND PROGRAMMATIC ACTIVITY COSTS.—

[(A) IN GENERAL.—Amounts made available for a project under this title that are not used to pay for the administrative costs shall be used to pay for the costs of programmatic activities, including the costs of—

[(i) participant wages, such benefits as are required by law (such as workers' compensation or unemployment compensation), the costs of physical examinations, compensation for scheduled work hours during which an employer's business is closed for a Federal holiday, and necessary sick leave that is not part of an accumulated sick leave program, except that no amounts provided under this title may be used to pay the cost of pension benefits, annual leave, accumulated sick leave, or bonuses;

[(ii) participant training (including the payment of reasonable costs of instructors, classroom rental, training supplies, materials, equipment, and tuition), which may be provided prior to or subsequent to placement and which may be provided on the job, in a classroom setting, or pursuant to other appropriate arrangements;

[(iii) job placement assistance, including job development and job search assistance;

[(iv) participant supportive services to enable a participant to successfully participate in a project under

this title, which may include the payment of reasonable costs of transportation, health and medical services, special job-related or personal counseling, incidentals (such as work shoes, badges, uniforms, eyeglasses, and tools), child and adult care, temporary shelter, and follow-up services; and

[(v) outreach, recruitment and selection, intake, orientation, and assessments.

[(B) USE OF FUNDS FOR WAGES AND BENEFITS.—From the funds made available through a grant made under subsection (b), a grantee under this title—

[(i) except as provided in clause (ii), shall use not less than 75 percent of the grant funds to pay the wages, benefits, and other costs described in subparagraph (A)(i) for eligible individuals who are employed under projects carried out under this title; or

[(ii) that obtains approval for a request described in subparagraph (C) may use not less than 65 percent of the grant funds to pay the wages, benefits, and other costs described in subparagraph (A)(i).

[(C) REQUEST TO USE ADDITIONAL FUNDS FOR PROGRAMMATIC ACTIVITY COSTS.—

[(i) IN GENERAL.—A grantee may submit to the Secretary a request for approval—

[(I) to use not less than 65 percent of the grant funds to pay the wages, benefits, and other costs described in subparagraph (A)(i);

[(II) to use the percentage of grant funds described in paragraph (3) to pay for administrative costs, as specified in that paragraph;

[(III) to use not more than 10 percent of the grant funds for individual participants to provide activities described in clauses (ii) and (iv) of subparagraph (A), in which case the grantee shall provide (from the funds described in this subclause) the subsistence allowance described in subsection (b)(1)(I) for those individual participants who are receiving training described in that subsection from the funds described in this subclause, but may not use the funds described in this subclause to pay for any administrative costs; and

[(IV) to use the remaining grant funds to provide activities described in clauses (ii) through (v) of subparagraph (A).

[(ii) CONTENTS.—In submitting the request the grantee shall include in the request—

[(I) a description of the activities for which the grantee will spend the grant funds described in subclauses (III) and (IV) of clause (i), consistent with those subclauses;

[(II) an explanation documenting how the provision of such activities will improve the effectiveness of the project, including an explanation concerning whether any displacement of eligible indi-

viduals or elimination of positions for such individuals will occur, information on the number of such individuals to be displaced and of such positions to be eliminated, and an explanation concerning how the activities will improve employment outcomes for individuals served, based on the assessment conducted under subsection (b)(1)(N); and

[(III) a proposed budget and work plan for the activities, including a detailed description of the funds to be spent on the activities described in subclauses (III) and (IV) of clause (i).

[(iii) SUBMISSION.—The grantee shall submit a request described in clause (i) not later than 90 days before the proposed date of implementation contained in the request. Not later than 30 days before the proposed date of implementation, the Secretary shall approve, approve as modified, or reject the request, on the basis of the information included in the request as described in clause (ii).

[(D) REPORT.—Each grantee under subsection (b) shall annually prepare and submit to the Secretary a report documenting the grantee's use of funds for activities described in clauses (i) through (v) of subparagraph (A).

[(d) PROJECT DESCRIPTION.—Whenever a grantee conducts a project within a planning and service area in a State, such grantee shall conduct such project in consultation with the area agency on aging of the planning and service area and shall submit to the State agency and the area agency on aging a description of such project to be conducted in the State, including the location of the project, 90 days prior to undertaking the project, for review and public comment according to guidelines the Secretary shall issue to assure efficient and effective coordination of projects under this title.

[(e) PILOT, DEMONSTRATION, AND EVALUATION PROJECTS.—

[(1) IN GENERAL.—The Secretary, in addition to exercising any other authority contained in this title, shall use funds reserved under section 506(a)(1) to carry out demonstration projects, pilot projects, and evaluation projects, for the purpose of developing and implementing techniques and approaches, and demonstrating the effectiveness of the techniques and approaches, in addressing the employment and training needs of eligible individuals. The Secretary shall enter into such agreements with States, public agencies, nonprofit private organizations, or private business concerns, as may be necessary, to conduct the projects authorized by this subsection. To the extent practicable, the Secretary shall provide an opportunity, prior to the development of a demonstration or pilot project, for the appropriate area agency on aging to submit comments on such a project in order to ensure coordination of activities under this title.

[(2) PROJECTS.—Such projects may include—

[(A) activities linking businesses and eligible individuals, including activities providing assistance to partici-

pants transitioning from subsidized activities to private sector employment;

[(B) demonstration projects and pilot projects designed to—

[(i) attract more eligible individuals into the labor force;

[(ii) improve the provision of services to eligible individuals under one-stop delivery systems established under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.);

[(iii) enhance the technological skills of eligible individuals; and

[(iv) provide incentives to grantees under this title for exemplary performance and incentives to businesses to promote their participation in the program under this title;

[(C) demonstration projects and pilot projects, as described in subparagraph (B), for workers who are older individuals (but targeted to eligible individuals) only if such demonstration projects and pilot projects are designed to assist in developing and implementing techniques and approaches in addressing the employment and training needs of eligible individuals;

[(D) provision of training and technical assistance to support any project funded under this title;

[(E) dissemination of best practices relating to employment of eligible individuals; and

[(F) evaluation of the activities authorized under this title.

[(3) CONSULTATION.—To the extent practicable, entities carrying out projects under this subsection shall consult with appropriate area agencies on aging and with other appropriate agencies and entities to promote coordination of activities under this title.

[SEC. 503. ADMINISTRATION.

[(a) STATE PLAN.—

[(1) GOVERNOR.—For a State to be eligible to receive an allotment under section 506, the Governor of the State shall submit to the Secretary for consideration and approval, a single State plan (referred to in this title as the "State plan") that outlines a 4-year strategy for the statewide provision of community service employment and other authorized activities for eligible individuals under this title. The plan shall contain such provisions as the Secretary may require, consistent with this title, including a description of the process used to ensure the participation of individuals described in paragraph (2). Not less often than every 2 years, the Governor shall review the State plan and submit an update to the State plan to the Secretary for consideration and approval.

[(2) RECOMMENDATIONS.—In developing the State plan prior to its submission to the Secretary, the Governor shall seek the advice and recommendations of—

[(A) individuals representing the State agency and the area agencies on aging in the State, and the State and local workforce investment boards established under title

I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.);

[(B) individuals representing public and nonprofit private agencies and organizations providing employment services, including each grantee operating a project under this title in the State; and

[(C) individuals representing social service organizations providing services to older individuals, grantees under title III of this Act, affected communities, unemployed older individuals, community-based organizations serving the needs of older individuals, business organizations, and labor organizations.

[(3) COMMENTS.—Any State plan submitted by the Governor in accordance with paragraph (1) shall be accompanied by copies of public comments relating to the plan received pursuant to paragraph (7), and a summary of the comments.

[(4) PLAN PROVISIONS.—The State plan shall identify and address—

[(A) the relationship that the number of eligible individuals in each area bears to the total number of eligible individuals, respectively, in the State;

[(B) the relative distribution of eligible individuals residing in rural and urban areas in the State; and

[(C) the relative distribution of—

[(i) eligible individuals who are individuals with greatest economic need;

[(ii) eligible individuals who are minority individuals;

[(iii) eligible individuals who are limited English proficient; and

[(iv) eligible individuals who are individuals with greatest social need;

[(D) the current and projected employment opportunities in the State (such as by providing information available under section 15 of the Wagner-Peyser Act (29 U.S.C. 49l–2) by occupation), and the type of skills possessed by local eligible individuals;

[(E) the localities and populations for which projects of the type authorized by this title are most needed; and

[(F) plans for facilitating the coordination of activities of grantees in the State under this title with activities carried out in the State under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

[(5) GOVERNOR'S RECOMMENDATIONS.—Before a proposal for a grant under this title for any fiscal year is submitted to the Secretary, the Governor of the State in which projects are proposed to be conducted under such grant shall be afforded a reasonable opportunity to submit to the Secretary—

[(A) recommendations regarding the anticipated effect of each such proposal upon the overall distribution of enrollment positions under this title in the State (including such distribution among urban and rural areas), taking into account the total number of positions to be provided by all grantees in the State;

[(B) any recommendations for redistribution of positions to underserved areas as vacancies occur in previously encumbered positions in other areas; and

[(C) in the case of any increase in funding that may be available for use in the State under this title for the fiscal year, any recommendations for distribution of newly available positions in excess of those available during the preceding year to underserved areas.

[(6) DISRUPTIONS.—In developing a plan or considering a recommendation under this subsection, the Governor shall avoid disruptions in the provision of services for participants to the greatest possible extent.

[(7) DETERMINATION; REVIEW.—

[(A) DETERMINATION.—In order to effectively carry out this title, each State shall make the State plan available for public comment. The Secretary, in consultation with the Assistant Secretary, shall review the plan and make a written determination with findings and a decision regarding the plan.

[(B) REVIEW.—The Secretary may review, on the Secretary's own initiative or at the request of any public or private agency or organization or of any agency of the State, the distribution of projects and services under this title in the State, including the distribution between urban and rural areas in the State. For each proposed reallocation of projects or services in a State, the Secretary shall give notice and opportunity for public comment.

[(8) EXEMPTION.—The grantees that serve eligible individuals who are older Indians or Pacific Island and Asian Americans with funds reserved under section 506(a)(3) may not be required to participate in the State planning processes described in this section but shall collaborate with the Secretary to develop a plan for projects and services to eligible individuals who are Indians or Pacific Island and Asian Americans, respectively.

[(b) COORDINATION WITH OTHER FEDERAL PROGRAMS.—

[(1) IN GENERAL.—The Secretary and the Assistant Secretary shall coordinate the program carried out under this title with programs carried out under other titles of this Act, to increase employment opportunities available to older individuals.

[(2) PROGRAMS.—

[(A) IN GENERAL.—The Secretary shall coordinate programs carried out under this title with the program carried out under the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.), the Community Services Block Grant Act (42 U.S.C. 9901 et seq.), the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.), the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.), and the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.). The Secretary shall coordinate the administration of this title with the administration of other titles of this Act by the Assistant Secretary to increase the likelihood that eligible individuals for whom employment opportunities under this title are

available and who need services under such titles receive such services.

[(B) USE OF FUNDS.—

[(i) PROHIBITION.—Funds appropriated to carry out this title may not be used to carry out any program under the Workforce Investment Act of 1998, the Community Services Block Grant Act, the Rehabilitation Act of 1973, the Carl D. Perkins Career and Technical Education Act of 2006, the National and Community Service Act of 1990, or the Domestic Volunteer Service Act of 1973.

[(ii) JOINT ACTIVITIES.—Clause (i) shall not be construed to prohibit carrying out projects under this title jointly with programs, projects, or activities under any Act specified in clause (i), or from carrying out section 511.

[(3) INFORMATIONAL MATERIALS ON AGE DISCRIMINATION.—The Secretary shall distribute to grantees under this title, for distribution to program participants, and at no cost to grantees or participants, informational materials developed and supplied by the Equal Employment Opportunity Commission and other appropriate Federal agencies that the Secretary determines are designed to help participants identify age discrimination and to understand their rights under the Age Discrimination in Employment Act of 1967 (29 U.S.C. 621 et seq.).

[(c) USE OF SERVICES, EQUIPMENT, PERSONNEL, AND FACILITIES.—In carrying out this title, the Secretary may use the services, equipment, personnel, and facilities of Federal and other agencies, with their consent, with or without reimbursement, and on a similar basis cooperate with other public and nonprofit private agencies and organizations in the use of services, equipment, and facilities.

[(d) PAYMENTS.—Payments under this title may be made in advance or by way of reimbursement and in such installments as the Secretary may determine.

[(e) NO DELEGATION OF FUNCTIONS.—The Secretary shall not delegate any function of the Secretary under this title to any other Federal officer or entity.

[(f) COMPLIANCE.—

[(1) MONITORING.—The Secretary shall monitor projects for which grants are made under this title to determine whether the grantees are complying with rules and regulations issued to carry out this title (including the statewide planning, consultation, and coordination requirements of this title).

[(2) COMPLIANCE WITH UNIFORM COST PRINCIPLES AND ADMINISTRATIVE REQUIREMENTS.—Each grantee that receives funds under this title shall comply with the applicable uniform cost principles and appropriate administrative requirements for grants and contracts that are applicable to the type of entity that receives funds, as issued as circulars or rules of the Office of Management and Budget.

[(3) REPORTS.—Each grantee described in paragraph (2) shall prepare and submit a report in such manner and containing such information as the Secretary may require regarding activities carried out under this title.

[(4) RECORDS.—Each grantee described in paragraph (2) shall keep records that—

[(A) are sufficient to permit the preparation of reports required by this title;

[(B) are sufficient to permit the tracing of funds to a level of expenditure adequate to ensure that the funds have not been spent unlawfully; and

[(C) contain any other information that the Secretary determines to be appropriate.

[(g) EVALUATIONS.—The Secretary shall establish by rule and implement a process to evaluate, in accordance with section 513, the performance of projects carried out and services provided under this title. The Secretary shall report to Congress, and make available to the public, the results of each such evaluation and shall use such evaluation to improve services delivered by, or the operation of, projects carried out under this title.

[SEC. 504. PARTICIPANTS NOT FEDERAL EMPLOYEES.

[(a) INAPPLICABILITY OF CERTAIN PROVISIONS COVERING FEDERAL EMPLOYEES.—Eligible individuals who are participants in any project funded under this title shall not be considered to be Federal employees as a result of such participation and shall not be subject to part III of title 5, United States Code.

[(b) WORKERS' COMPENSATION.—No grant or subgrant shall be made and no contract or subcontract shall be entered into under this title with an entity who is, or whose employees are, under State law, exempted from operation of the State workers' compensation law, generally applicable to employees, unless the entity shall undertake to provide either through insurance by a recognized carrier or by self-insurance, as authorized by State law, that the persons employed under the grant, subgrant, contract, or subcontract shall enjoy workers' compensation coverage equal to that provided by law for covered employment.

[SEC. 505. INTERAGENCY COOPERATION.

[(a) CONSULTATION WITH THE ASSISTANT SECRETARY.—The Secretary shall consult with and obtain the written views of the Assistant Secretary before issuing rules and before establishing general policy in the administration of this title.

[(b) CONSULTATION WITH HEADS OF OTHER AGENCIES.—The Secretary shall consult and cooperate with the Secretary of Health and Human Services (acting through officers including the Director of the Office of Community Services), and the heads of other Federal agencies that carry out programs related to the program carried out under this title, in order to achieve optimal coordination of the program carried out under this title with such related programs. Each head of a Federal agency shall cooperate with the Secretary in disseminating information relating to the availability of assistance under this title and in promoting the identification and interests of individuals eligible for employment in projects assisted under this title.

[(c) COORDINATION.—

[(1) IN GENERAL.—The Secretary shall promote and coordinate efforts to carry out projects under this title jointly with programs, projects, or activities carried out under other Acts, especially activities provided under the Workforce Investment

Act of 1998 (29 U.S.C. 2801 et seq.), including activities provided through one-stop delivery systems established under section 134(c)) of such Act (29 U.S.C. 2864(c)), that provide training and employment opportunities to eligible individuals.

[(2) COORDINATION WITH CERTAIN ACTIVITIES.—The Secretary shall consult with the Secretary of Education to promote and coordinate efforts to carry out projects under this title jointly with activities in which eligible individuals may participate that are carried out under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.).

[SEC. 506. DISTRIBUTION OF ASSISTANCE.

[(a) RESERVATIONS.—

[(1) RESERVATION FOR PILOT DEMONSTRATION AND EVALUATION PROJECTS.—Of the funds appropriated to carry out this title for each fiscal year, the Secretary may first reserve not more than 1.5 percent to carry out demonstration projects, pilot projects, and evaluation projects under section 502(e).

[(2) RESERVATION FOR TERRITORIES.—Of the funds appropriated to carry out this title for each fiscal year, the Secretary shall reserve 0.75 percent, of which—

[(A) Guam, American Samoa, and the United States Virgin Islands shall each receive 30 percent of the funds so reserved; and

[(B) the Commonwealth of the Northern Mariana Islands shall receive 10 percent of the funds so reserved.

[(3) RESERVATION FOR ORGANIZATIONS.—Of the funds appropriated to carry out this title for each fiscal year, the Secretary shall reserve such amount as may be necessary to make national grants to public or nonprofit national Indian aging organizations with the ability to provide community service employment and other authorized activities for eligible individuals who are Indians and to national public or nonprofit Pacific Island and Asian American aging organizations with the ability to provide community service employment and other authorized activities for eligible individuals who are Pacific Island and Asian Americans.

[(b) STATE ALLOTMENTS.—The allotment for each State shall be the sum of the amounts allotted for national grants in such State under subsection (d) and for the grant to such State under subsection (e).

[(c) DIVISION BETWEEN NATIONAL GRANTS AND GRANTS TO STATES.—The funds appropriated to carry out this title for any fiscal year that remain after amounts are reserved under paragraphs (1), (2), and (3) of subsection (a) shall be divided by the Secretary between national grants and grants to States as follows:

[(1) RESERVATION OF FUNDS FOR FISCAL YEAR 2000 LEVEL OF ACTIVITIES.—

[(A) IN GENERAL.—The Secretary shall reserve the amount of funds necessary to maintain the fiscal year 2000 level of activities supported by grantees that operate under this title under national grants from the Secretary, and the fiscal year 2000 level of activities supported by State grantees under this title, in proportion to their respective fiscal year 2000 levels of activities.

[(B) INSUFFICIENT APPROPRIATIONS.—If in any fiscal year the funds appropriated to carry out this title are insufficient to satisfy the requirement specified in subparagraph (A), then the amount described in subparagraph (A) shall be reduced proportionally.

[(2) FUNDING IN EXCESS OF FISCAL YEAR 2000 LEVEL OF ACTIVITIES.—

[(A) UP TO $35,000,000.—The amount of funds remaining (if any) after the application of paragraph (1), but not to exceed $35,000,000, shall be divided so that 75 percent shall be provided to State grantees and 25 percent shall be provided to grantees that operate under this title under national grants from the Secretary.

[(B) OVER $35,000,000.—The amount of funds remaining (if any) after the application of subparagraph (A) shall be divided so that 50 percent shall be provided to State grantees and 50 percent shall be provided to grantees that operate under this title under national grants from the Secretary.

[(d) ALLOTMENTS FOR NATIONAL GRANTS.—From funds available under subsection (c) for national grants, the Secretary shall allot for public and nonprofit private agency and organization grantees that operate under this title under national grants from the Secretary in each State, an amount that bears the same ratio to such funds as the product of the number of individuals age 55 or older in the State and the allotment percentage of such State bears to the sum of the corresponding products for all States, except as follows:

[(1) MINIMUM ALLOTMENT.—No State shall be provided an amount under this subsection that is less than ½ of 1 percent of the amount provided under subsection (c) for public and nonprofit private agency and organization grantees that operate under this title under national grants from the Secretary in all of the States.

[(2) HOLD HARMLESS.—If such amount provided under subsection (c) is—

[(A) equal to or less than the amount necessary to maintain the fiscal year 2000 level of activities, allotments for grantees that operate under this title under national grants from the Secretary in each State shall be proportional to the amount necessary to maintain their fiscal year 2000 level of activities; or

[(B) greater than the amount necessary to maintain the fiscal year 2000 level of activities, no State shall be provided a percentage increase above the amount necessary to maintain the fiscal year 2000 level of activities for grantees that operate under this title under national grants from the Secretary in the State that is less than 30 percent of the percentage increase above the amount necessary to maintain the fiscal year 2000 level of activities for public and private nonprofit agency and organization grantees that operate under this title under national grants from the Secretary in all of the States.

[(3) REDUCTION.—Allotments for States not affected by paragraphs (1) and (2)(B) shall be reduced proportionally to satisfy the conditions in such paragraphs.

[(e) ALLOTMENTS FOR GRANTS TO STATES.—From the amount provided for grants to States under subsection (c), the Secretary shall allot for the State grantee in each State an amount that bears the same ratio to such amount as the product of the number of individuals age 55 or older in the State and the allotment percentage of such State bears to the sum of the corresponding products for all States, except as follows:

[(1) MINIMUM ALLOTMENT.—No State shall be provided an amount under this subsection that is less than ½ of 1 percent of the amount provided under subsection (c) for State grantees in all of the States.

[(2) HOLD HARMLESS.—If such amount provided under subsection (c) is—

[(A) equal to or less than the amount necessary to maintain the fiscal year 2000 level of activities, allotments for State grantees in each State shall be proportional to the amount necessary to maintain their fiscal year 2000 level of activities; or

[(B) greater than the amount necessary to maintain the fiscal year 2000 level of activities, no State shall be provided a percentage increase above the amount necessary to maintain the fiscal year 2000 level of activities for State grantees in the State that is less than 30 percent of the percentage increase above the amount necessary to maintain the fiscal year 2000 level of activities for State grantees in all of the States.

[(3) REDUCTION.—Allotments for States not affected by paragraphs (1) and (2)(B) shall be reduced proportionally to satisfy the conditions in such paragraphs.

[(f) ALLOTMENT PERCENTAGE.—For purposes of subsections (d) and (e) and this subsection—

[(1) the allotment percentage of each State shall be 100 percent less that percentage that bears the same ratio to 50 percent as the per capita income of such State bears to the per capita income of the United States, except that—

[(A) the allotment percentage shall be not more than 75 percent and not less than 33 percent; and

[(B) the allotment percentage for the District of Columbia and the Commonwealth of Puerto Rico shall be 75 percent;

[(2) the number of individuals age 55 or older in any State and in all States, and the per capita income in any State and in all States, shall be determined by the Secretary on the basis of the most satisfactory data available to the Secretary; and

[(3) for the purpose of determining the allotment percentage, the term "United States" means the 50 States, and the District of Columbia.

[(g) DEFINITIONS.—In this section:

[(1) COST PER AUTHORIZED POSITION.—The term "cost per authorized position" means the sum of—

[(A) the hourly minimum wage rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C.

206(a)(1)), multiplied by the number of hours equal to the product of 21 hours and 52 weeks;

[(B) an amount equal to 11 percent of the amount specified under subparagraph (A), for the purpose of covering Federal payments for fringe benefits; and

[(C) an amount determined by the Secretary, for the purpose of covering Federal payments for the remainder of all other program and administrative costs.

[(2) FISCAL YEAR 2000 LEVEL OF ACTIVITIES.—The term "fiscal year 2000 level of activities" means—

[(A) with respect to public and nonprofit private agency and organization grantees that operate under this title under national grants from the Secretary, their level of activities for fiscal year 2000; and

[(B) with respect to State grantees, their level of activities for fiscal year 2000.

[(3) GRANTS TO STATES.—The term "grants to States" means grants made under this title by the Secretary to the States.

[(4) LEVEL OF ACTIVITIES.—The term "level of activities" means the number of authorized positions multiplied by the cost per authorized position.

[(5) NATIONAL GRANTS.—The term "national grants" means grants made under this title by the Secretary to public and nonprofit private agency and organization grantees that operate under this title.

[(6) STATE.—The term "State" does not include Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the United States Virgin Islands.

[SEC. 507. EQUITABLE DISTRIBUTION.

[(a) INTERSTATE ALLOCATION.—In making grants under section 502(b) from allotments made under section 506, the Secretary shall ensure, to the extent feasible, an equitable distribution of activities under such grants, in the aggregate, among the States, taking into account the needs of underserved States.

[(b) INTRASTATE ALLOCATION.—The amount allocated for projects within each State under section 506 shall be allocated among areas in the State in an equitable manner, taking into consideration the State priorities set out in the State plan in effect under section 503(a).

[SEC. 508. REPORT.

[To carry out the Secretary's responsibilities for reporting in section 503(g), the Secretary shall require the State agency for each State that receives funds under this title to prepare and submit a report at the beginning of each fiscal year on such State's compliance with section 507(b). Such report shall include the names and geographic location of all projects assisted under this title and carried out in the State and the amount allocated to each such project under section 506.

[SEC. 509. EMPLOYMENT ASSISTANCE AND FEDERAL HOUSING AND FOOD STAMP PROGRAMS.

[Funds received by eligible individuals from projects carried out under the program established under this title shall not be considered to be income of such individuals for purposes of determining the eligibility of such individuals, or of any other individuals, to

participate in any housing program for which Federal funds may be available or for any income determination under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.).

[SEC. 510. ELIGIBILITY FOR WORKFORCE INVESTMENT ACTIVITIES.

[Eligible individuals under this title may be considered by local workforce investment boards and one-stop operators established under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.) to satisfy the requirements for receiving services under such title I that are applicable to adults.

[SEC. 511. COORDINATION WITH THE WORKFORCE INVESTMENT ACT OF 1998.

[(a) PARTNERS.—Grantees under this title shall be one-stop partners as described in subparagraphs (A) and (B)(vi) of section 121(b)(1) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(b)(1)) in the one-stop delivery system established under section 134(c) of such Act (29 U.S.C. 2864(c)) for the appropriate local workforce investment areas, and shall carry out the responsibilities relating to such partners.

[(b) COORDINATION.—In local workforce investment areas where more than 1 grantee under this title provides services, the grantees shall—

[(1) coordinate their activities related to the one-stop delivery systems; and

[(2) be signatories of the memorandum of understanding established under section 121(c) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(c)).

[SEC. 512. TREATMENT OF ASSISTANCE.

[Assistance provided under this title shall not be considered to be financial assistance described in section 245A(h)(1)(A) of the Immigration and Nationality Act (8 U.S.C. 1255a(h)(1)(A)).

[SEC. 513. PERFORMANCE.

[(a) MEASURES AND INDICATORS.—

[(1) ESTABLISHMENT AND IMPLEMENTATION OF MEASURES AND INDICATORS.—The Secretary shall establish and implement, after consultation with grantees, subgrantees, and host agencies under this title, States, older individuals, area agencies on aging, and other organizations serving older individuals, core measures of performance and additional indicators of performance for each grantee for projects and services carried out under this title. The core measures of performance and additional indicators of performance shall be applicable to each grantee under this title without regard to whether such grantee operates the program directly or through subcontracts, subgrants, or agreements with other entities.

[(2) CONTENT.—

[(A) COMPOSITION OF MEASURES AND INDICATORS.—

[(i) MEASURES.—The core measures of performance established by the Secretary in accordance with paragraph (1) shall consist of core indicators of performance specified in subsection (b)(1) and the expected levels of performance applicable to each core indicator of performance.

[(ii) ADDITIONAL INDICATORS.—The additional indicators of performance established by the Secretary in

accordance with paragraph (1) shall be the additional indicators of performance specified in subsection (b)(2).

[(B) CONTINUOUS IMPROVEMENT.—The measures described in subparagraph (A)(i) shall be designed to promote continuous improvement in performance.

[(C) EXPECTED LEVELS OF PERFORMANCE.—The Secretary and each grantee shall reach agreement on the expected levels of performance for each program year for each of the core indicators of performance specified in subparagraph (A)(i). The agreement shall take into account the requirement of subparagraph (B) and the factors described in subparagraph (D), and other appropriate factors as determined by the Secretary, and shall be consistent with the requirements of subparagraph (E). Funds may not be awarded under the grant until such agreement is reached. At the conclusion of negotiations concerning the levels with all grantees, the Secretary shall make available for public review the final negotiated expected levels of performance for each grantee, including any comments submitted by the grantee regarding the grantee's satisfaction with the negotiated levels.

[(D) ADJUSTMENT.—The expected levels of performance described in subparagraph (C) applicable to a grantee shall be adjusted after the agreement under subparagraph (C) has been reached only with respect to the following factors:

[(i) High rates of unemployment or of poverty or participation in the program of block grants to States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), in the areas served by a grantee, relative to other areas of the State involved or Nation.

[(ii) Significant downturns in the areas served by the grantee or in the national economy.

[(iii) Significant numbers or proportions of participants with 1 or more barriers to employment, including individuals described in subsection (a)(3)(B)(ii) or (b)(2) of section 518, served by a grantee relative to such numbers or proportions for grantees serving other areas of the State or Nation.

[(iv) Changes in Federal, State, or local minimum wage requirements.

[(v) Limited economies of scale for the provision of community service employment and other authorized activities in the areas served by the grantee.

[(E) PLACEMENT.—

[(i) LEVEL OF PERFORMANCE.—For all grantees, the Secretary shall establish an expected level of performance of not less than the percentage specified in clause (ii) (adjusted in accordance with subparagraph (D)) for the entry into unsubsidized employment core indicator of performance described in subsection (b)(1)(B).

[(ii) REQUIRED PLACEMENT PERCENTAGES.—The minimum percentage for the expected level of performance for the entry into unsubsidized employment core indi-

cator of performance described in subsection (b)(1)(B) is—

[(I) 21 percent for fiscal year 2007;
[(II) 22 percent for fiscal year 2008;
[(III) 23 percent for fiscal year 2009;
[(IV) 24 percent for fiscal year 2010; and
[(V) 25 percent for fiscal year 2011.

[(3) LIMITATION.—An agreement to be evaluated on the core measures of performance and to report information on the additional indicators of performance shall be a requirement for application for, and a condition of, all grants authorized by this title.

[(b) INDICATORS OF PERFORMANCE.—

[(1) CORE INDICATORS.—The core indicators of performance described in subsection (a)(2)(A)(i) shall consist of—

[(A) hours (in the aggregate) of community service employment;
[(B) entry into unsubsidized employment;
[(C) retention in unsubsidized employment for 6 months;
[(D) earnings; and
[(E) the number of eligible individuals served, including the number of participating individuals described in subsection (a)(3)(B)(ii) or (b)(2) of section 518.

[(2) ADDITIONAL INDICATORS.—The additional indicators of performance described in subsection (a)(2)(A)(ii) shall consist of—

[(A) retention in unsubsidized employment for 1 year;
[(B) satisfaction of the participants, employers, and their host agencies with their experiences and the services provided;
[(C) any other indicators of performance that the Secretary determines to be appropriate to evaluate services and performance.

[(3) DEFINITIONS OF INDICATORS.—The Secretary, after consultation with national and State grantees, representatives of business and labor organizations, and providers of services, shall, by regulation, issue definitions of the indicators of performance described in paragraphs (1) and (2).

[(c) EVALUATION.—The Secretary shall—

[(1) annually evaluate, and publish and make available for public review information on, the actual performance of each grantee with respect to the levels achieved for each of the core indicators of performance, compared to the expected levels of performance established under subsection (a)(2)(C) (including any adjustments to such levels made in accordance with subsection (a)(2)(D)); and

[(2) annually publish and make available for public review information on the actual performance of each grantee with respect to the levels achieved for each of the additional indicators of performance.

[(d) TECHNICAL ASSISTANCE AND CORRECTIVE EFFORTS.—

[(1) INITIAL DETERMINATIONS.—

[(A) IN GENERAL.—As soon as practicable after July 1, 2007, the Secretary shall determine if a grantee under this title has, for program year 2006—

[(i) met the expected levels of performance established under subsection (a)(2)(C) (including any adjustments to such levels made in accordance with subsection (a)(2)(D)) for the core indicators of performance described in subparagraphs (A), (C), (D), and (E) of subsection (b)(1); and

[(ii) achieved the applicable percentage specified in subsection (a)(2)(E)(ii) for the core indicator of performance described in subsection (b)(1)(B).

[(B) TECHNICAL ASSISTANCE.—If the Secretary determines that the grantee, for program year 2006—

[(i) failed to meet the expected levels of performance described in subparagraph (A)(i); or

[(ii) failed to achieve the applicable percentage described in subparagraph (A)(ii),

the Secretary shall provide technical assistance to assist the grantee to meet the expected levels of performance and achieve the applicable percentage.

[(2) NATIONAL GRANTEES.—

[(A) IN GENERAL.—Not later than 120 days after the end of each program year, the Secretary shall determine if a national grantee awarded a grant under section 502(b) in accordance with section 514 has met the expected levels of performance established under subsection (a)(2)(C) (including any adjustments to such levels made in accordance with subsection (a)(2)(D)) for the core indicators of performance described in subsection (b)(1).

[(B) TECHNICAL ASSISTANCE AND CORRECTIVE ACTION PLAN.—

[(i) IN GENERAL.—If the Secretary determines that a national grantee fails to meet the expected levels of performance described in subparagraph (A), the Secretary after each year of such failure, shall provide technical assistance and require such grantee to submit a corrective action plan not later than 160 days after the end of the program year.

[(ii) CONTENT.—The plan submitted under clause (i) shall detail the steps the grantee will take to meet the expected levels of performance in the next program year.

[(iii) RECOMPETITION.—Any grantee who has failed to meet the expected levels of performance for 4 consecutive years (beginning with program year 2007) shall not be allowed to compete in the subsequent grant competition under section 514 following the fourth consecutive year of failure but may compete in the next such grant competition after that subsequent competition.

[(3) STATE GRANTEES.—

[(A) IN GENERAL.—Not later than 120 days after the end of each program year, the Secretary shall determine if a State grantee allotted funds under section 506(e) has met the expected levels of performance established under subsection (a)(2)(C) (including any adjustments to such levels

made in accordance with subsection (a)(2)(D)) for the core indicators of performance described in subsection (b)(1).

[(B) TECHNICAL ASSISTANCE AND CORRECTIVE ACTION PLAN.—

[(i) IN GENERAL.—If the Secretary determines that a State fails to meet the expected levels of performance described in subparagraph (A), the Secretary, after each year of such failure, shall provide technical assistance and require the State to submit a corrective action plan not later than 160 days after the end of the program year.

[(ii) CONTENT.—The plan submitted under clause (i) shall detail the steps the State will take to meet the expected levels of performance in the next program year.

[(iii) COMPETITION.—If the Secretary determines that the State fails to meet the expected levels of performance described in subparagraph (A) for 3 consecutive program years (beginning with program year 2007), the Secretary shall provide for the conduct by the State of a competition to award the funds allotted to the State under section 506(e) for the first full program year following the Secretary's determination.

[(4) SPECIAL RULE FOR ESTABLISHMENT AND IMPLEMENTATION.—The Secretary shall establish and implement the core measures of performance and additional indicators of performance described in this section, including all required indicators described in subsection (b), not later than July 1, 2007.

[(e) IMPACT ON GRANT COMPETITION.—The Secretary may not publish a notice announcing a grant competition under this title, and solicit proposals for grants, until the day that is the later of—

[(1) the date on which the Secretary implements the core measures of performance and additional indicators of performance described in this section; and

[(2) January 1, 2010.

[SEC. 514. COMPETITIVE REQUIREMENTS RELATING TO GRANT AWARDS.

[(a) PROGRAM AUTHORIZED.—

[(1) INITIAL APPROVAL OF GRANT APPLICATIONS.—From the funds available for national grants under section 506(d), the Secretary shall award grants under section 502(b) to eligible applicants, through a competitive process that emphasizes meeting performance requirements, to carry out projects under this title for a period of 4 years, except as provided in paragraph (2). The Secretary may not conduct a grant competition under this title until the day described in section 513(e).

[(2) CONTINUATION OF APPROVAL BASED ON PERFORMANCE.—If the recipient of a grant made under paragraph (1) meets the expected levels of performance described in section 513(d)(2)(A) for each year of such 4-year period with respect to a project, the Secretary may award a grant under section 502(b) to such recipient to continue such project beyond such 4-year period for 1 additional year without regard to such process.

[(b) ELIGIBLE APPLICANTS.—An applicant shall be eligible to receive a grant under section 502(b) in accordance with subsections (a), (c), and (d).

[(c) CRITERIA.—For purposes of subsection (a)(1), the Secretary shall select the eligible applicants to receive grants based on the following:

[(1) The applicant's ability to administer a project that serves the greatest number of eligible individuals, giving particular consideration to individuals with greatest economic need, individuals with greatest social need, and individuals described in subsection (a)(3)(B)(ii) or (b)(2) of section 518.

[(2) The applicant's ability to administer a project that provides employment for eligible individuals in the communities in which such individuals reside, or in nearby communities, that will contribute to the general welfare of the communities involved.

[(3) The applicant's ability to administer a project that moves eligible individuals into unsubsidized employment.

[(4) The applicant's prior performance, if any, in meeting core measures of performance and addressing additional indicators of performance under this title and the applicant's ability to address core indicators of performance and additional indicators of performance under this title and under other Federal or State programs in the case of an applicant that has not previously received a grant under this title.

[(5) The applicant's ability to move individuals with multiple barriers to employment, including individuals described in subsection (a)(3)(B)(ii) or (b)(2) of section 518, into unsubsidized employment.

[(6) The applicant's ability to coordinate activities with other organizations at the State and local level.

[(7) The applicant's plan for fiscal management of the project to be administered with funds received in accordance with this section.

[(8) The applicant's ability to administer a project that provides community service.

[(9) The applicant's ability to minimize disruption in services for participants and in community services provided.

[(10) Any additional criteria that the Secretary considers to be appropriate in order to minimize disruption in services for participants.

[(d) RESPONSIBILITY TESTS.—

[(1) IN GENERAL.—Before final selection of a grantee, the Secretary shall conduct a review of available records to assess the applicant's overall responsibility to administer Federal funds.

[(2) REVIEW.—As part of the review described in paragraph (1), the Secretary may consider any information, including the applicant's history with regard to the management of other grants.

[(3) FAILURE TO SATISFY TEST.—The failure to satisfy a responsibility test with respect to any 1 factor that is listed in paragraph (4), excluding those listed in subparagraphs (A) and (B) of such paragraph, does not establish that the applicant is

not responsible unless such failure is substantial or persists for 2 or more consecutive years.

[(4) TEST.—The responsibility tests include review of the following factors:

[(A) Unsuccessful efforts by the applicant to recover debts, after 3 demand letters have been sent, that are established by final agency action, or a failure to comply with an approved repayment plan.

[(B) Established fraud or criminal activity of a significant nature within the organization or agency involved.

[(C) Serious administrative deficiencies identified by the Secretary, such as failure to maintain a financial management system as required by Federal rules or regulations.

[(D) Willful obstruction of the audit process.

[(E) Failure to provide services to participants for a current or recent grant or to meet applicable core measures of performance or address applicable indicators of performance.

[(F) Failure to correct deficiencies brought to the grantee's attention in writing as a result of monitoring activities, reviews, assessments, or other activities.

[(G) Failure to return a grant closeout package or outstanding advances within 90 days of the grant expiration date or receipt of the closeout package, whichever is later, unless an extension has been requested and granted.

[(H) Failure to submit required reports.

[(I) Failure to properly report and dispose of Government property as instructed by the Secretary.

[(J) Failure to have maintained effective cash management or cost controls resulting in excess cash on hand.

[(K) Failure to ensure that a subrecipient complies with its Office of Management and Budget Circular A–133 audit requirements specified at section 667.200(b) of title 20, Code of Federal Regulations.

[(L) Failure to audit a subrecipient within the required period.

[(M) Final disallowed costs in excess of 5 percent of the grant or contract award if, in the judgment of the grant officer, the disallowances are egregious.

[(N) Failure to establish a mechanism to resolve a subrecipient's audit in a timely fashion.

[(5) DETERMINATION.—Applicants that are determined to be not responsible shall not be selected as grantees.

[(6) DISALLOWED COSTS.—Interest on disallowed costs shall accrue in accordance with the Debt Collection Improvement Act of 1996, including the amendments made by that Act.

[(e) GRANTEES SERVING INDIVIDUALS WITH BARRIERS TO EMPLOYMENT.—

[(1) DEFINITION.—In this subsection, the term "individuals with barriers to employment" means minority individuals, Indian individuals, individuals with greatest economic need, and individuals described in subsection (a)(3)(B)(ii) or (b)(2) of section 518.

[(2) SPECIAL CONSIDERATION.—In areas where a substantial population of individuals with barriers to employment exists, a

grantee that receives a national grant in accordance with this section shall, in selecting subgrantees, give special consideration to organizations (including former recipients of such national grants) with demonstrated expertise in serving individuals with barriers to employment.

[(f) MINORITY-SERVING GRANTEES.—The Secretary may not promulgate rules or regulations affecting grantees in areas where a substantial population of minority individuals exists, that would significantly compromise the ability of the grantees to serve their targeted population of minority older individuals.

[SEC. 515. REPORT ON SERVICE TO MINORITY INDIVIDUALS.

[(a) IN GENERAL.—The Secretary shall annually prepare a report on the levels of participation and performance outcomes of minority individuals served by the program carried out under this title.

[(b) CONTENTS.—

[(1) ORGANIZATION AND DATA.—Such report shall present information on the levels of participation and the outcomes achieved by such minority individuals with respect to each grantee under this title, by service area, and in the aggregate, beginning with data that applies to program year 2005.

[(2) EFFORTS.—The report shall also include a description of each grantee's efforts to serve minority individuals, based on information submitted to the Secretary by each grantee at such time and in such manner as the Secretary determines to be appropriate.

[(3) RELATED MATTERS.—The report shall also include—

[(A) an assessment of individual grantees based on the criteria established under subsection (c);

[(B) an analysis of whether any changes in grantees have affected participation rates of such minority individuals;

[(C) information on factors affecting participation rates among such minority individuals; and

[(D) recommendations for increasing participation of minority individuals in the program.

[(c) CRITERIA.—The Secretary shall establish criteria for determining the effectiveness of grantees in serving minority individuals in accordance with the goals set forth in section 502(a)(1).

[(d) SUBMISSION.—The Secretary shall annually submit such a report to the appropriate committees of Congress.

[SEC. 516. SENSE OF CONGRESS.

[It is the sense of Congress that—

[(1) the older American community service employment program described in this title was established with the intent of placing older individuals in community service positions and providing job training; and

[(2) placing older individuals in community service positions strengthens the ability of the individuals to become self-sufficient, provides much-needed support to organizations that benefit from increased civic engagement, and strengthens the communities that are served by such organizations.

[SEC. 517. AUTHORIZATION OF APPROPRIATIONS.

[(a) IN GENERAL.—There are authorized to be appropriated to carry out this title such sums as may be necessary for fiscal years 2007, 2008, 2009, 2010, and 2011.

[(b) OBLIGATION.—Amounts appropriated under this section for any fiscal year shall be available for obligation during the annual period that begins on July 1 of the calendar year immediately following the beginning of such fiscal year and that ends on June 30 of the following calendar year. The Secretary may extend the period during which such amounts may be obligated or expended in the case of a particular organization or agency that receives funds under this title if the Secretary determines that such extension is necessary to ensure the effective use of such funds by such organization or agency.

[(c) RECAPTURING FUNDS.—At the end of the program year, the Secretary may recapture any unexpended funds for the program year, and reobligate such funds within the 2 succeeding program years for—

[(1) incentive grants to entities that are State grantees or national grantees under section 502(b);

[(2) technical assistance; or

[(3) grants or contracts for any other activity under this title.

[SEC. 518. DEFINITIONS AND RULE.

[(a) DEFINITIONS.—For purposes of this title:

[(1) COMMUNITY SERVICE.—The term "community service" means—

[(A) social, health, welfare, and educational services (including literacy tutoring), legal and other counseling services and assistance, including tax counseling and assistance and financial counseling, and library, recreational, and other similar services;

[(B) conservation, maintenance, or restoration of natural resources;

[(C) community betterment or beautification;

[(D) antipollution and environmental quality efforts;

[(E) weatherization activities;

[(F) economic development; and

[(G) such other services essential and necessary to the community as the Secretary determines by rule to be appropriate.

[(2) COMMUNITY SERVICE EMPLOYMENT.—The term "community service employment" means part-time, temporary employment paid with grant funds in projects described in section 502(b)(1)(D), through which eligible individuals are engaged in community service and receive work experience and job skills that can lead to unsubsidized employment.

[(3) ELIGIBLE INDIVIDUAL.—

[(A) IN GENERAL.—The term "eligible individual" means an individual who is age 55 or older and who has a low income (including any such individual whose income is not more than 125 percent of the poverty line), excluding any income that is unemployment compensation, a benefit received under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.), a payment made to or on behalf of veterans

or former members of the Armed Forces under the laws administered by the Secretary of Veterans Affairs, or 25 percent of a benefit received under title II of the Social Security Act (42 U.S.C. 401 et seq.), subject to subsection (b).

[(B) PARTICIPATION.—

[(i) EXCLUSION.—Notwithstanding any other provision of this paragraph, the term "eligible individual" does not include an individual who has participated in projects under this title for a period of 48 months in the aggregate (whether or not consecutive) after July 1, 2007, unless the period was increased as described in clause (ii).

[(ii) INCREASED PERIODS OF PARTICIPATION.—The Secretary shall authorize a grantee for a project to increase the period of participation described in clause (i), pursuant to a request submitted by the grantee, for individuals who—

[(I) have a severe disability;

[(II) are frail or are age 75 or older;

[(III) meet the eligibility requirements related to age for, but do not receive, benefits under title II of the Social Security Act (42 U.S.C. 401 et seq.);

[(IV) live in an area with persistent unemployment and are individuals with severely limited employment prospects; or

[(V) have limited English proficiency or low literacy skills.

[(4) INCOME.—In this section, the term "income" means income received during the 12-month period (or, at the option of the grantee involved, the annualized income for the 6-month period) ending on the date an eligible individual submits an application to participate in a project carried out under this title by such grantee.

[(5) PACIFIC ISLAND AND ASIAN AMERICANS.—The term "Pacific Island and Asian Americans" means Americans having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands.

[(6) PROGRAM.—The term "program" means the older American community service employment program established under this title.

[(7) SUPPORTIVE SERVICES.—The term "supportive services" means services, such as transportation, child care, dependent care, housing, and needs-related payments, that are necessary to enable an individual to participate in activities authorized under this title, consistent with the provisions of this title.

[(8) UNEMPLOYED.—The term "unemployed", used with respect to a person or individual, means an individual who is without a job and who wants and is available for work, including an individual who may have occasional employment that does not result in a constant source of income.

[(b) RULE.—Pursuant to regulations prescribed by the Secretary, an eligible individual shall have priority for the community service employment and other authorized activities provided under this title if the individual—

[(1) is 65 years of age or older; or

[(2)(A) has a disability;

[(B) has limited English proficiency or low literacy skills;

[(C) resides in a rural area;

[(D) is a veteran;

[(E) has low employment prospects;

[(F) has failed to find employment after utilizing services provided under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.); or

[(G) is homeless or at risk for homelessness.]

* * * * * * *

TWENTY-FIRST CENTURY WORKFORCE COMMISSION ACT

TITLE III—WORKFORCE INVESTMENT-RELATED ACTIVITIES

* * * * * * *

[Subtitle C—Twenty-First Century Workforce Commission

[SEC. 331. SHORT TITLE.

[This subtitle may be cited as the "Twenty-First Century Workforce Commission Act".

[SEC. 332. FINDINGS.

[Congress finds that—

[(1) information technology is one of the fastest growing areas in the United States economy;

[(2) the United States is a world leader in the information technology industry;

[(3) the continued growth and prosperity of the information technology industry is important to the continued prosperity of the United States economy;

[(4) highly skilled employees are essential for the success of business entities in the information technology industry and other business entities that use information technology;

[(5) employees in information technology jobs are highly paid;

[(6) as of the date of enactment of this Act, these employees are in high demand in all industries and all regions of the United States; and

[(7) through a concerted effort by business entities, the Federal Government, the governments of States and political subdivisions of States, and educational institutions, more individuals will gain the skills necessary to enter into a technology-based job market, ensuring that the United States remains the world leader in the information technology industry.

[SEC. 333. DEFINITIONS.

[In this subtitle:

[(1) BUSINESS ENTITY.—The term "business entity" means a firm, corporation, association, partnership, consortium, joint venture, or other form of enterprise.

[(2) COMMISSION.—The term "Commission" means the Twenty-First Century Workforce Commission established under section 334.

[(3) INFORMATION TECHNOLOGY.—The term "information technology" has the meaning given that term in section 5002 of the Information Technology Management Reform Act of 1996 (110 Stat. 679).

[(4) STATE.—The term "State" means each of the several States of the United States and the District of Columbia.

[SEC. 334. ESTABLISHMENT OF TWENTY-FIRST CENTURY WORKFORCE COMMISSION.

[(a) ESTABLISHMENT.—There is established a commission to be known as the Twenty-First Century Workforce Commission.

[(b) MEMBERSHIP.—

[(1) COMPOSITION.—

[(A) IN GENERAL.—The Commission shall be composed of 15 voting members, of which—

[(i) five members shall be appointed by the President;

[(ii) five members shall be appointed by the Majority Leader of the Senate; and

[(iii) five members shall be appointed by the Speaker of the House of Representatives.

[(B) GOVERNMENTAL REPRESENTATIVES.—Of the members appointed under this subsection, three members shall be representatives of the governments of States and political subdivisions of States, one of whom shall be appointed by the President, one of whom shall be appointed by the Majority Leader of the Senate, and one of whom shall be appointed by the Speaker of the House of Representatives.

[(C) EDUCATORS.—Of the members appointed under this subsection, three shall be educators who are selected from among elementary, secondary, vocational, and postsecondary educators—

[(i) one of whom shall be appointed by the President;

[(ii) one of whom shall be appointed by the Majority Leader of the Senate; and

[(iii) one of whom shall be appointed by the Speaker of the House of Representatives.

[(D) BUSINESS REPRESENTATIVES.—

[(i) IN GENERAL.—Of the members appointed under this subsection, eight shall be representatives of business entities (at least three of which shall be individuals who are employed by noninformation technology business entities), two of whom shall be appointed by the President, three of whom shall be appointed by the Majority Leader of the Senate, and three of whom shall be appointed by the Speaker of the House of Representatives.

[(ii) SIZE.—Members appointed under this subsection in accordance with clause (i) shall, to the ex-

tent practicable, include individuals from business entities of a size that is small or average.

[(E) LABOR REPRESENTATIVE.—Of the members appointed under this subsection, one shall be a representative of a labor organization who has been nominated by a national labor federation and who shall be appointed by the President.

[(F) EX OFFICIO MEMBERS.—The Commission shall include two nonvoting members, of which—

[(i) one member shall be an officer or employee of the Department of Labor, who shall be appointed by the President; and

[(ii) one member shall be an officer or employee of the Department of Education, who shall be appointed by the President.

[(2) DATE.—The appointments of the members of the Commission shall be made by February 1, 1999.

[(c) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

[(d) INITIAL MEETING.—No later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

[(e) MEETINGS.—The Commission shall meet at the call of the Chairperson.

[(f) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

[(g) CHAIRPERSON AND VICE CHAIRPERSON.—The Commission shall select by vote a chairperson and vice chairperson from among its voting members.

[SEC. 335. DUTIES OF THE COMMISSION.

[(a) STUDY.—

[(1) IN GENERAL.—The Commission shall conduct a thorough study of all matters relating to the information technology workforce in the United States.

[(2) MATTERS STUDIED.—The matters studied by the Commission shall include an examination of—

[(A) the skills necessary to enter the information technology workforce;

[(B) ways to expand the number of skilled information technology workers; and

[(C) the relative efficacy of programs in the United States and foreign countries to train information technology workers, with special emphasis on programs that provide for secondary education or postsecondary education in a program other than a 4-year baccalaureate program (including associate degree programs and graduate degree programs).

[(3) PUBLIC HEARINGS.—As part of the study conducted under this subsection, the Commission shall hold public hearings in each region of the United States concerning the issues referred to in subparagraphs (A) and (B) of paragraph (2).

[(4) EXISTING INFORMATION.—To the extent practicable, in carrying out the study under this subsection, the Commission shall identify and use existing information related to the issues referred to in subparagraphs (A) and (B) of paragraph (2).

[(5) CONSULTATION WITH CHIEF INFORMATION OFFICERS COUNCIL.—In carrying out the study under this subsection, the Commission shall consult with the Chief Information Officers Council established under Executive Order No. 13011.

[(b) REPORT.—Not later than 6 months after the first meeting of the Commission, the Commission shall submit a report to the President and the Congress that shall contain a detailed statement of the findings and conclusions of the Commission resulting from the study, together with its recommendations for such legislation and administrative actions as the Commission considers to be appropriate.

[(c) FACILITATION OF EXCHANGE OF INFORMATION.—In carrying out the study under subsection (a), the Commission shall, to the extent practicable, facilitate the exchange of information concerning the issues that are the subject of the study among—

[(1) officials of the Federal Government and the governments of States and political subdivisions of States; and

[(2) educators from Federal, State, and local institutions of higher education and secondary schools.

[SEC. 336. POWERS OF THE COMMISSION.

[(a) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out the purposes of this subtitle.

[(b) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this subtitle. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission.

[(c) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

[(d) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

[SEC. 337. COMMISSION PERSONNEL MATTERS.

[(a) COMPENSATION OF MEMBERS.—Except as provided in subsection (b), each member of the Commission who is not an officer or employee of the Federal Government shall serve without compensation. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

[(b) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

[(c) STAFF.—

[(1) IN GENERAL.—The Chairperson of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

[(2) COMPENSATION.—The Chairperson of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

[(d) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

[(e) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

[SEC. 338. TERMINATION OF THE COMMISSION.

[The Commission shall terminate on the date that is 90 days after the date on which the Commission submits its report under section 335(b).

[SEC. 339. AUTHORIZATION OF APPROPRIATIONS.

[(a) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary for fiscal year 1999 to the Commission to carry out the purposes of this subtitle.

[(b) AVAILABILITY.—Any sums appropriated under the authorization contained in this section shall remain available, without fiscal year limitation, until expended.

[Subtitle D—Application of Civil Rights and Labor-Management Laws to the Smithsonian Institution

[SEC. 341. APPLICATION OF CIVIL RIGHTS AND LABOR-MANAGEMENT LAWS TO THE SMITHSONIAN INSTITUTION.

[(a) PROHIBITION ON EMPLOYMENT DISCRIMINATION ON BASIS OF RACE, COLOR, RELIGION, SEX, AND NATIONAL ORIGIN.—Section 717(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000e–16(a)) is amended by inserting "in the Smithsonian Institution," before "and in the Government Printing Office,".

[(b) PROHIBITION ON EMPLOYMENT DISCRIMINATION ON BASIS OF AGE.—Section 15(a) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 633a(a)) is amended by inserting "in the Smithsonian Institution," before "and in the Government Printing Office,".

[(c) PROHIBITION ON EMPLOYMENT DISCRIMINATION ON BASIS OF DISABILITY.—Section 501 of the Rehabilitation Act of 1973 (29 U.S.C. 791) is amended—

[(1) in the fourth sentence of subsection (a), in paragraph (1), by inserting "and the Smithsonian Institution" after "Government";

[(2) in the first sentence of subsection (b)—

[(A) by inserting "and the Smithsonian Institution" after "in the executive branch"; and

[(B) by striking "such department, agency, or instrumentality" and inserting "such department, agency, instrumentality, or Institution"; and

[(3) in subsection (d), by inserting "and the Smithsonian Institution" after "instrumentality".

[(d) APPLICATION.—The amendments made by subsections (a), (b), and (c) shall take effect on the date of enactment of this Act and shall apply to and may be raised in any administrative or judicial claim or action brought before such date of enactment but pending on such date, and any administrative or judicial claim or action brought after such date regardless of whether the claim or action arose prior to such date, if the claim or action was brought within the applicable statute of limitations.

[(e) LABOR-MANAGEMENT LAWS.—Section 7103(a)(3) of title 5, United States Code, is amended—

[(1) by striking "and" after "Library of Congress,"; and

[(2) by inserting "and the Smithsonian Institution" after "Government Printing Office,".]

* * * * * * *

PUBLIC LAW 91–378

(Popularly known as the "Youth Conservation Corps Act of 1970)

[TITLE I—YOUTH CONSERVATION CORPS

POLICY AND PURPOSE

SECTION 101. The Congress finds that the Youth Conservation Corps has demonstrated a high degree of success as a pilot program wherein American youth, representing all segments of society, have benefited by gainful employment in the healthful outdoor atmosphere of the national park system, the national forest system, other public land and water areas of the United States and by their employment have developed, enhanced, and maintained the natural resources of the United States, and whereas in so doing the youth have gained an understanding and appreciation of the Nation's environrnent and heritage equal to one full academic year of study, it is accordingly the purpose of this title to expand and make permanent the Youth Conservation Corps and thereby further the development and maintenance of the natural resources by America's youth, and in so doing to prepare them for the ultimate responsibility of maintaining and managing these resources for the American people.

[YOUTH CONSERVATION CORPS

[SEC. 102. (a) To carry out the purposes of this title, there is established in the Department of the Interior and the Department of Agriculture a Youth Conservation Corps (hereinafter in this title referred to as the "Corps"). The Corps shall consist of young men and women who are permanent residents of the United States, its territories, possessions, trust territories, or Commonwealth of Puerto Rico who have attained age fifteen but have not attained age nineteen, and whom the Secretary of the Interior or the Secretary of Agriculture may employ without regard to the civil service or classification laws, rules, or regulations, for the purpose of developing, preserving,or maintaining lands and waters of the United States.

[(b) The Corps sliall be open to youth from all parts of the country of both sexes and youth of all social, economic, and racial classifications with all Corps members receiving compensation consistent with work accomplished, and with no person being employed as a member of the Corps for a term in excess of ninety days during any single year.

[SECRETARIAL DUTIES AND FUNCTIONS

[SEC. 103. (a) In carrying out this title, the Secretary of the Interior and the Secretary of Agriculture shall—

[(1) determine the areas under their administrative jurisdictions which are appropriate for carrying out programs using employees of the Corps;

[(2) determine with other Federal agencies the areas under the administrative jurisdiction of these agencies which are appropriate for carrying out programs using members of the Corps,and determine and select appropriate work and education programs and projects for participation by members of the Corps;

[(3) determine the rates of pay, hours, and other conditions of employlment in the Corps, except that members of the Corps shall not be deemed to be Federal employees other than for the purposes of chapter 171 of title 28, United States Code, and chapter 81 of title 5, United States Code;

[(4) provide for such transportation, lodging, subsisteace, and other services and equipment as they may deem necessary or appropriate for the needs of members of the Corps in their duties;

[(5) promulgate regulation to insure the safety, health, and welfare of the Corps members; and

[(6) provide to the extent possible, that permanent or semipermanent facilities used as Corps camps be made available to educational local schools, school districts, State junior colleges and universities, and other education institutions for use as environmental/ecological education camps during periods of nonuse by the Corps program.

Costs for operations maintenance, and staffing of Corps camp facilities during periods of use by non-Corps programs as well as any liability for personal injury or property damage stemming from such use shall be the responsibility of the entity or organization

using the facility and shall not be a responsibility of the Secretaries or the Corps.

[(b) Existing but unoccupied Federal facilities and surplus or unused equipment (or both), of all types including military facilities and equiptnent, shall be utilized for the purposes of the Corps, where appropriate and with the approval of the Federal agency involved. To minimize transportation costs, Corps members shall be employed on conservation projects as near to their places of residence as is feasible.

[(c) The Secretary of the Interior and the Secretary of Agriculture may contract with any public agency or organization or any private any nonprofit agency or organization which has been in existence for at least five years for the operation of any Youth Conservation Corps project.

[GRANT PROGRAM FOR STATE PROJECTS

[SEC. 104. (a) The Secretary of the Interior and the Secretary of Agriculture shall jointly establish a program under which grants shall be made to States to assist them in meeting the cost of projects for the enlployment of young men and omen to develop, preserve, and maintain non-Federal public lands and waters within the States. For purposes of this section, the term "States" includes the District of Columbia, the CommonWealth of Puerto Rico, the Virgin Islands,Guam, the Trust Territory of the Pacific Islands, and American Samoa.

[(b)(1) No grant may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary of the Interior and the Secretary of Agriculture. Such application shall be in such form, and submitted in such manner, as the Secretaries shall jointly by regulation prescribe, and shall contain—

[(A) assuraances satisfactory to the Secretaries that individuals employed under the project for which the application is submitted shall (i) have attained the age of fifteen but not attained the age of nineteen, (ii) be permanent residents of the United States or its territories, possessions, or the Trust Territory of the Pacific Islands, (iii) be employed without regard to the personnel laws,rules, and regulations applicable to full-time employees of the applicant,(iv) be employed for a period of not more than ninety days in any calendar year, and(v) be employed without regard to their sex or social, economic, or racial classification; and

[(B) such other information as the Secretaries may jointly by regulation prescribe.

[(2) The Secretaries may approve applications which they determine (A) to meet the requirements of paragraph (1), and (B) are for projects which will further the development, preservation, or maintenance of non-Federal public lands or waters within the jurisdiction of the applicant.

[(c)(1) The amount of any grant under this section shall be determined jointly by the Secretaries, except that no grant for any project may exceed 80 per centum of the cost (as determined by the Secretaries)of such project.

[(2) Payments under grants under this section may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretaries find necessary.

[(d) Thirty per centum of the sums appropriated under section 106 for any fiscal year shall be made available for grants under this section for such fiscal year.

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 106. There are authorized to be appropriated amounts not to exceed $60,000,000 for each fiscal year, which amounts shall be made available to the Secretary of the Interior and the Secretary of Agriculture to carry out the purposes of this title. Notwithstanding any other provision of law, funds appropriated for any fiscal year to carry out this title shall remain available for obligation and expenditure until the end of the fiscal year following the fiscal year for which appropriated.

[TITLE II—PUBLIC LANDS CORPS

[SEC. 201. SHORT TITLE.

[This title may be cited as the "Public Lands Corps Act of 1993".

[SEC. 202. CONGRESSIONAL FINDINGS AND PURPOSE.

[(a) FINDINGS.—The Congress finds the following:

[(1) Conserving or developing natural and cultural resources and enhancing and maintaining environmentally important lands and waters through the use of the Nation's young men and women in a Public Lands Corps can benefit those men and women by providing them with education and work opportunities, furthering their understanding and appreciation of the natural and cultural resources, and providing a means to pay for higher education or to repay indebtedness they have incurred to obtain higher education while at the same time benefiting the Nation's economy and its environment.

[(2) Many facilities and natural resources located on eligible service lands are in disrepair or degraded and in need of labor intensive rehabilitation, restoration, and enhancement work which cannot be carried out by Federal agencies at existing personnel levels.

[(3) Youth conservation corps have established a good record of restoring and maintaining these kinds of facilities and resources in a cost effective and efficient manner, especially when they have worked in partnership arrangements with government land management agencies.

[(b) PURPOSE.—It is the purpose of this title to—

[(1) perform, in a cost-effective manner, appropriate conservation projects on eligible service lands where such projects will not be performed by existing employees;

[(2) assist governments and Indian tribes in performing research and public education tasks associated with natural and cultural resources on eligible service lands;

[(3) expose young men and women to public service while furthering their understanding and appreciation of the Nation's natural and cultural resources;

[(4) expand educational opportunities by rewarding individuals who participate in national service with an increased ability to pursue higher education or job training; and

[(5) stimulate interest among the Nation's young men and women in conservation careers by exposing them to conservation professionals in land managing agencies.

[SEC. 203. DEFINITIONS.

[For purposes of this title:

[(1) APPROPRIATE CONSERVATION PROJECT.—The term "appropriate conservation project" means any project for the conservation, restoration, construction or rehabilitation of natural,cultural, historic, archaeological, recreational, or scenic resources.

[(2) CORPS AND PUBLIC LANDS CORPS.—The terms "Corps" and "Public Lands Corps" mean the Public Lands Corps established under section 204.

[(3) ELIGIBLE SERVICE LANDS.—The term "eligible service lands"means public lands, Indian lands, and Hawaiian home lands.

[(4) HAWAIIAN HOME LANDS.—The term "Hawaiian home lands" means all lands given the status of Hawaiian home lands under section 204 of the Hawaiian Homes Commission Act, 1920 (42 Stat. 1101, or under the corresponding provisjon of the Constitution of the State of Hawaii adopted under section 4 of the Act entitled "An Act to provide for the admission of the State of Hawaii into the Union", approved March 18,1959 (Public Law 863; 73 Stat. 5).

[(5) INDIAN.—The term "Indian" means a person who—

[(A) is a member of an Indian tribe; or

[(B) is a "Native", as defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

[(6) INDIAN LANDS.—The term "Indian lands" means—

[(A) any Indian reservation;

[(B) any public domain Indian allotments;

[(C) any former Indian reservation in the State of Oklahoma;

[(D) any land held by incorporated Native regional corporations, and village corporations under the Alaska Native Claims Settlement Act (43 U.S.C. 1701 et seq.); and

[(E) any land held by dependent Indian communities within the borders of the United States whether within the original or subsequently acquired territory thereof, and whether within or without the limits of a State.

[(7) INDIAN TRIBE.—The term "Indian tribe" means an Indian tribe, band, nation, or other organized group or community, including any Native village, Regional Corporation, or Village Corporation, as defined m subsection (c), (g), or (j),respectively, of section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602 (c), (g), or (j)), that is recognized as eligible for the special programs and services provided by the United States under federal law to Indians because of their status as Indians.

[(8) PRIORITY PROJECT.—The term "priority project" means an appropriate conservation project conducted on eligible service lands to further 1 or more of the purposes of the Healthy

Forests Restoration Act of 2003 (16 U.S.C. 6501 et seq.), as follows:

[(A) To reduce wildfire risk to a community, municipal water supply, or other at-risk Federal land.

[(B) To protect a watershed or address a threat to forest and rangeland health, including catastrophic wildfire.

[(C) To address the impact of insect or disease infestations or other damaging agents on forest and rangeland health.

[(D) To protect, restore, or enhance forest ecosystem components to—

[(i) promote the recovery of threatened or endangered species;

[(ii) improve biological diversity; or

[(iii) enhance productivity and carbon sequestration.

[(9) PUBLIC LANDS.—The term "public lands" means any lands or waters (or interest therein) owned or administered by the United States, except that such term does not include any Indian lands.

[(10) QUALIFIED YOUTH OR CONSERVATION CORPS.—The terrm"qualified outh or conservation corps" means any program established by a State or local government, by the governing body of any Indian tribe, or by a nonprofit organization that—

[(A) is capable of offering meaningful, full-time, productive work for individuals between the ages of 16 and 25,inclusive, in a natural or cultural resource setting;

[(B) gives participants a mix of work experience, basic and life skills, education, training, and support services;and

[(C) provides participants with the opportunity to develop citizenship values and skills through service to their community and the United States.

[(11) RESOURCE ASSISTANT.—The term "resource assistant" means a resource assistant selected under section 206.

[(12) SECRETARY.—The term "Secretary" means—

[(A) with respect to National Forest System land, the Secretary of Agriculture; and

[(B) with respect to Indian lands, Hawaiian home lands, or land administered by the Department of the Interior, the Secretary of the Interior.

[(13) STATE.—The term "State" means any State of the United States, the Distnct of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States,American Samoa, and the Commonwealth of the Northern Mariana Islands.

[SEC. 204. PUBLIC LANDS CORPS PROGRAM.

[(a) ESTABLISHMENT OF PUBLIC LANDS CORPS.—There is hereby established in the Department of the Interior and the Department of Agriculture a Public Lands Corps.

[(b) PARTICIPANTS.—The Corps shall consist of individuals between the ages of 16 and 25, inclusive, who are enrolled as participants in the Corps by the Secretary. To be eligible for enrollment in the Corps, an individual shall satisfy the criteria specified in section 137(b) of the National and Community Service Act of 1990.

The Secretary may enroll such individuals in the Corps without regard to the civil service and classification laws, rules, or regulations of the United States. The Secretary may establish a preference for the enrollment in the Corps of individuals who are economically, physically, or educationally disadvantaged.

[(c) QUALIFIED YOUTH OR CONSERVATION CORPS.—

[(1) IN GENERAL.—The Secretary is authorized to enter into contracts and cooperative agreements with any qualified youth or conservation corps to perform appropriate conservation projects referred to in subsection (d).

[(2) PREFERENCE.—

[(A) IN GENERAL.—For purposes of entering into contracts and cooperative agreements under paragraph (1), the Secretary may give preference to qualified youth or conservation corps located in a specific area that have a substantial portion of members who are economically, physically, or educationally disadvantaged to carry out projects within the area.

[(B) PRIORITY PROJECTS.—In carrying out priority projects in a specific area, the Secretary shall, to the maximum extent practicable, give preference to qualified youth or conservation corps located in that specific area that have a substantial portion of members who are economically, physically, or educationally disadvantaged.

[(d) PROJECTS TO BE CARRIED OUT.—

[(1) IN GENERAL.—The Secretary may utilize the Corps or any qualified youth or conservation corps to carry out appropriate conservation projects which the Secretary is authorized to carry out under other authority of law on public lands.

[(2) PROJECTS ON INDIAN LANDS.—Appropriate conservation projects may also be carried out under this title on Indian lands with the approval of the Indian tribe involved and on Hawaiian home lands with the approval of the Department of Hawaiian Home Lands of the State of Hawaii.

[(3) DISASTER PREVENTION OR RELIEF PROJECTS.—The Secretary may authorize appropriate conservation projects and other appropriate projects to be carried out on Federal, State, local, or private land as part of a Federal disaster prevention or relief effort.

[(e) PREFERENCE FOR CERTAIN PROJECTS.—In selecting appropriate conservation projects to be carried out under this title, the Secretary shall give preference to those projects which—

[(1) will provide long-term benefits to the public;

[(2) will instill in the enrollee involved a work ethic and a sense of public service;

[(3) will be labor intensive;

[(4) can be planned and initiated promptly; and

[(5) will provide academic, experiential, or environmental education opportunities.

[(f) CONSISTENCY.—Each appropriate conservation project carried out under this title on eligible service lands shall be consistent with the provisions of law and policies relating to the management and administration of such lands, with all other applicable provisions of law, and with all management, operational, and other plans and documents which govern the administration of the area.

[SEC. 205. CONSERVATION CENTERS AND PROGRAM SUPPORT.

[(a) ESTABLISHMENT AND USE.—

[(1) IN GENERAL.—The Secretary may establish and use conservation centers owned and operated by the Secretary for—

[(A) use by the Public Lands Corps; and

[(B) the conduct of appropriate conservation projects under this title.

[(2) ASSISTANCE FOR CONSERVATION CENTERS.—The Secretary may provide to a conservation center established under paragraph (1) any services, facilities, equipment, and supplies that the Secretary determines to be necessary for the conservation center.

[(3) STANDARDS FOR CONSERVATION CENTERS.—The Secretary shall—

[(A) establish basic standards of health, nutrition, sanitation, and safety for all conservation centers established under paragraph (1); and

[(B) ensure that the standards established under subparagraph (A) are enforced.

[(4) MANAGEMENT.—As the Secretary determines to be appropriate, the Secretary may enter into a contract or other appropriate arrangement with a State or local government agency or private organization to provide for the management of a conservation center.

[(b) LOGISTICAL SUPPORT.—The Secretary may make arrangements with the Secretary of Defense to have logistical support provided by the Armed Forces to the Corps and any conservation center established under this section, where feasible. Logistical support may include the provision of temporary tent shelters where needed, transportation, and residential supervision.

[(c) USE OF MILITARY INSTALLATIONS.—The Secretary may make arrangements with the Secretary of Defense to identify military installations and other facilities of the Department of Defense and, in consultation with the adjutant generals of the State National Guards, National Guard facilities that may be used, in whole or in part, by the Corps for training or housing Corps participants.

[(d) ASSISTANCE.—The Secretary may provide any services, facilities, equipment, supplies, technical assistance, oversight, monitoring, or evaluations that are appropriate to carry out this title.

[SEC. 206. RESOURCE ASSISTANTS.

[(a) AUTHORIZATION.—The Secretary is authorized to provide individual placements of resource assistants with any Federal land managing agency under the jurisdiction of the Secretary to carry out research or resource protection activities on behalf of the agency. To be eligible for selection as a resource assistant, an individual must be at least 17 years of age. The Secretary may select resource assistants without regard to the civil service and classification laws, rules, or regulations of the United States. The Secretary shall give a preference to the selection of individuals who are enrolled in an institution of higher education or are recent graduates from an institution of higher education, with particular attention given to ensure full representation of women and participants from historically black, Hispanic, and Native American schools.

[(b) USE OF EXISTING NONPROFIT ORGANIZATIONS.—Whenever one or more existing nonprofit organizations can provide, in the

judgment of the the Secretary, appropriate recruitment and placement services to fulfill the requirements of this section, the Secretary may implement this section through such existing organizations. Participating nonprofit organizations shall contribute to the expenses of providing and supporting the resource assistants, through private sources of funding, at a level equal to 25 percent of the total costs of each participant in the Resource Assistant program who has been recruited and placed through that organization. Any such participating nonprofit conservation service organization shall be required, by the respective land managing agency, to submit an annual report evaluating the scope, size, and quality of the program, including the value of work contributed by the Resource Assistants, to the mission of the agency.

[SEC. 207. LIVING ALLOWANCES AND TERMS OF SERVICE.

[(a) LIVING ALLOWANCES.—The Secretary shall provide each participant in the Public Lands Corps and each resource assistant with a living allowance in an amount established by the Secretary.

[(b) TERMS OF SERVICE.—Each participant in the Corps and each resource assistant shall agree to participate in the Corps or serve as a resource assistant, as the case may be, for such term of service as may be established by the Secretary enrolling or selecting the individual.

[(c) HIRING.—The Secretary may—

[(1) grant to a member of the Public Lands Corps credit for time served with the Public Lands Corps, which may be used toward future Federal hiring; and

[(2) provide to a former member of the Public Lands Corps noncompetitive hiring status for a period of not more than 120 days after the date on which the member's service with the Public Lands Corps is complete.

[SEC. 208. NATIONAL SERVICE EDUCATIONAL AWARDS.

[(a) EDUCATIONAL BENEFITS AND AWARDS.—If a participant in the Public Lands Corps or a resource assistant also serves in an approved national service position designated under subtitle C of title I of the National and Community Service Act of 1990, the participant or resource assistant shall be eligible for a national service educational award in the manner prescribed in subtitle D of such title upon successfully complying with the requirements for the award. The period during which the national service educational award may be used, the purposes for which the award may be used, and the amount of the award shall be determined as provided under such subtitle.

[(b) FORBEARANCE IN THE COLLECTION OF STAFFORD LOANS.—For purposes of section 428 of the Higher Education Act of 1965, in the case of borrowers who are either participants in the Corps or resource assistants, upon written request, a lender shall grant a borrower forbearance on such terms as are otherwise consistent with the regulations of the Secretary of Education, during periods in which the borrower is serving as such a participant or a resource assistant.

[SEC. 209. NONDISPLACEMENT.

[The nondisplacement requirements of section 177 of the National and Community Service Act of 1990 shall be applicable to all activities carried out by the Public Lands Corps, to all activities

carried out under this title by a qualified youth or conservation corps, and to the selection and service of resource assistants.

[SEC. 210. FUNDING.

[(a) COST SHARING.—

[(1) PROJECTS BY QUALIFIED YOUTH OR CONSERVATION CORPS.—The Secretary is authorized to pay not more than 75 percent of the costs of any appropriate conservation project carried out pursuant to this title on public lands by a qualified youth or conservation corps. The remaining 25 percent of the costs of such a project may be provided from nonfederal sources in the form of funds, services, facilities, materials, equipment, or any combination of the foregoing. No cost sharing shall be required in the case of any appropriate conservation project carried out on Indian lands or Hawaiian home lands under this title.

[(2) PUBLIC LANDS CORPS PROJECTS.—The Secretary is authorized to accept donations of funds, services, facilities, materials, or equipment for the purposes of operating the Public Lands Corps and carrying out appropriate conservation projects by the Corps. However, nothing in this title shall be construed to require any cost sharing for any project carried out directly by the Corps.

[(b) FUNDS AVAILABLE UNDER NATIONAL AND COMMUNITY SERVICE ACT.—In order to carry out the Public Lands Corps or to support resource assistants and qualified youth or conservation corps under this title, the Secretary shall be eligible to apply for and receive assistance under section 121(b) of the National and Community Service Act of 1990.

[(c) OTHER FUNDS.—Amounts appropriated pursuant to the authorization of appropriations under section 211 are in addition to amounts allocated to the Public Lands Corps through other Federal programs or projects.

[SEC. 211. AUTHORIZATION OF APPROPRIATIONS.

[(a) IN GENERAL.—There is authorized to be appropriated to carry out this title $12,000,000 for each fiscal year, of which $8,000,000 is authorized to carry out priority projects and $4,000,000 of which is authorized to carry out other appropriate conservation projects.

[(b) DISASTER RELIEF OR PREVENTION PROJECTS.—Notwithstanding subsection (a), any amounts made available under that subsection shall be available for disaster prevention or relief projects.

[(c) AVAILABILITY OF FUNDS.—Notwithstanding any other provision of law, amounts appropriated for any fiscal year to carry out this title shall remain available for obligation and expenditure until the end of the fiscal year following the fiscal year for which the amounts are appropriated.]

SECTION 821 OF THE HIGHER EDUCATION AMENDMENTS OF 1998

[SEC. 821. GRANTS TO STATES FOR WORKPLACE AND COMMUNITY TRANSITION TRAINING FOR INCARCERATED INDIVIDUALS.

[(a) DEFINITION.—In this section, the term "incarcerated individual" means a male or female offender who is—

[(1) 35 years of age or younger; and

[(2) incarcerated in a State prison, including a prerelease facility.

[(b) GRANT PROGRAM.—The Secretary of Education (in this section referred to as the "Secretary")—

[(1) shall establish a program in accordance with this section to provide grants to the State correctional education agencies in the States to assist and encourage incarcerated individuals who have obtained a secondary school diploma or its recognized equivalent to acquire educational and job skills through—

[(A) coursework to prepare such individuals to pursue a postsecondary education certificate, an associate's degree, or bachelor's degree while in prison;

[(B) the pursuit of a postsecondary education certificate, an associate's degree, or bachelor's degree while in prison; and

[(C) employment counseling and other related services, which start during incarceration and end not later than two years after release from incarceration; and

[(2) may establish such performance objectives and reporting requirements for State correctional education agencies receiving grants under this section as the Secretary determines are necessary to assess the effectiveness of the program under this section.

[(c) APPLICATION.—To be eligible for a grant under this section, a State correctional education agency shall submit to the Secretary a proposal for an incarcerated individual program that—

[(1) identifies the scope of the problem, including the number of incarcerated individuals in need of postsecondary education and career and technical training;

[(2) lists the accredited public or private educational institution or institutions that will provide postsecondary educational services;

[(3) lists the cooperating agencies, public and private, or businesses that will provide related services, such as counseling in the areas of career development, substance abuse, health, and parenting skills;

[(4) describes specific performance objectives and evaluation methods (in addition to, and consistent with, any objectives established by the Secretary under subsection (b)(2)) that the State correctional education agency will use in carrying out its proposal, including—

[(A) specific and quantified student outcome measures that are referenced to outcomes for non-program participants with similar demographic characteristics; and

[(B) measures, consistent with the data elements and definitions described in subsection (d)(1)(A), of—

[(i) program completion, including an explicit definition of what constitutes a program completion within the proposal;

[(ii) knowledge and skill attainment, including specification of instruments that will measure knowledge and skill attainment;

[(iii) attainment of employment both prior to and subsequent to release;

[(iv) success in employment indicated by job retention and advancement; and

[(v) recidivism, including such subindicators as time before subsequent offense and severity of offense;

[(5) describes how the proposed program is to be integrated with existing State correctional education programs (such as adult education, graduate education degree programs, and career and technical training) and State industry programs;

[(6) describes how the proposed program will—

[(A) deliver services under this section; and

[(B) utilize technology to deliver such services; and

[(7) describes how incarcerated individuals will be selected so that only those eligible under subsection (e) will be enrolled in postsecondary programs.

[(d) PROGRAM REQUIREMENTS.—Each State correctional education agency receiving a grant under this section shall—

[(1) annually report to the Secretary regarding—

[(A) the results of the evaluations conducted using data elements and definitions provided by the Secretary for the use of State correctional education programs;

[(B) any objectives or requirements established by the Secretary pursuant to subsection (b)(2);

[(C) the additional performance objectives and evaluation methods contained in the proposal described in subsection (c)(4) as necessary to document the attainment of project performance objectives;

[(D) how the funds provided under this section are being allocated among postsecondary preparatory education, postsecondary academic programs, and career and technical education programs; and

[(E) the service delivery methods being used for each course offering; and

[(2) provide for each student eligible under subsection (e) not more than—

[(A) $3,000 annually for tuition, books, and essential materials; and

[(B) $300 annually for related services such as career development, substance abuse counseling, parenting skills training, and health education.

[(e) STUDENT ELIGIBILITY.—An incarcerated individual who has obtained a secondary school diploma or its recognized equivalent shall be eligible for participation in a program receiving a grant under this section if such individual—

[(1) is eligible to be released within seven years (including an incarcerated individual who is eligible for parole within such time);

[(2) is 35 years of age or younger; and

[(3) has not been convicted of—

[(A) a "criminal offense against a victim who is a minor" or a "sexually violent offense", as such terms are defined in the Jacob Wetterling Crimes Against Children and Sexually Violent Offender Registration Act (42 U.S.C. 14071 et seq.); or

[(B) murder, as described insection 1111of title 18, United States Code.

[(f) LENGTH OF PARTICIPATION.—A State correctional education agency receiving a grant under this section shall provide educational and related services to each participating incarcerated individual for a period not to exceed seven years, not more than two years of which may be devoted to study in a graduate education degree program or to coursework to prepare such individuals to take college level courses. Educational and related services shall start during the period of incarceration in prison or prerelease, and the related services may continue for not more than two years after release from confinement.

[(g) EDUCATION DELIVERY SYSTEMS.—State correctional education agencies and cooperating institutions shall, to the extent practicable, use high-tech applications in developing programs to meet the requirements and goals of this section.

[(h) ALLOCATION OF FUNDS.—

[(1) FISCAL YEAR 2009.—From the funds appropriated pursuant to subsection (i) for fiscal year 2009, the Secretary shall allot to each State an amount that bears the same relationship to such funds as the total number of incarcerated individuals described in paragraphs (1) and (2) of subsection (e) in the State bears to the total number of such individuals in all States.

[(2) FUTURE FISCAL YEARS.—From the funds appropriated pursuant to subsection (i) for each fiscal year after fiscal year 2009, the Secretary shall allot to each State an amount that bears the same relationship to such funds as the total number of students eligible under subsection (e) in such State bears to the total number of such students in all States.

[(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal years 2009 through 2014.]

* * * * * * *

WOMEN IN APPRENTICESHIP AND NONTRADITIONAL OCCUPATIONS ACT

SECTION 1. SHORT TITLE.

[This Act shall be cited as the "Women in Apprenticeship and Nontraditional Occupations Act".

[SEC. 2. FINDINGS; STATEMENT OF PURPOSE.

[(a) FINDINGS.—The Congress finds that—

[(1) American businesses now and for the remainder of the 20th century will face a dramatically different labor market than the one to which they have become accustomed;

[(2) two in every three new entrants to the work force will be women, and to meet labor needs such women must work in all occupational areas including in apprenticeable occupations and nontraditional occupations;

[(3) women face significant barriers to their full and effective participation in apprenticeable occupations and nontraditional occupations;

[(4) the business community must be prepared to address the barriers that women have to such jobs, in order to successfully integrate them into the work force; and

[(5) few resources are available to employers and unions who need assistance in recruiting, training, and retaining women in apprenticeable occupations and other nontraditional occupations.

[(b) PURPOSE.—It is the purpose of this Act to provide technical assistance to employers and labor unions to encourage employment of women in apprenticeable occupations and nontraditional occupations. Such assistance will enable business to meet the challenge of Workforce 2000 by preparing employers to successfully recruit, train, and retain women in apprenticeable occupations and nontraditional occupations and will expand the employment and self-sufficiency options of women. This purpose will be achieved by—

[(1) promoting the program to employers and labor unions to inform them of the availability of technical assistance which will assist them in preparing the workplace to employ women in apprenticeable occupations and nontraditional occupations;

[(2) providing grants to community-based organizations to deliver technical assistance to employers and labor unions to prepare them to recruit, train, and employ women in apprenticeable occupations and nontraditional occupations;

[(3) authorizing the Department of Labor to serve as a liaison between employers, labor, and the community-based organizations providing technical assistance, through its national office and its regional administrators; and

[(4) conducting a comprehensive study to examine the barriers to the participation of women in apprenticeable occupations and nontraditional occupations and to develop recommendations for the workplace to eliminate such barriers.

[SEC. 3. OUTREACH TO EMPLOYERS AND LABOR UNIONS.

[(a) IN GENERAL.—With funds available to the Secretary of Labor to carry out the operations of the Department of Labor in fiscal year 1994 and subsequent fiscal years, the Secretary shall carry out an outreach program to inform employers of technical assistance available under section 4(a) to assist employers to prepare the workplace to employ women in apprenticeable occupations and other nontraditional occupations.

[(1) Under such program the Secretary shall provide outreach to employers through, but not limited to, the private industry councils in each service delivery area.

[(2) The Secretary shall provide outreach to labor unions through, but not limited to, the building trade councils, joint apprenticeable occupations councils, and individual labor unions.

[(b) PRIORITY.—The Secretary shall give priority to providing outreach to employers located in areas that have nontraditional employment and training programs specifically targeted to women.

[SEC. 4. TECHNICAL ASSISTANCE.

[(a) IN GENERAL.—With funds appropriated to carry out this section, the Secretary shall make grants to community-based organizations to provide technical assistance to employers and labor unions selected under subsection (b). Such technical assistance may include—

[(1) developing outreach and orientation sessions to recruit women into the employers' apprenticeable occupations and nontraditional occupations;

[(2) developing preapprenticeable occupations or nontraditional skills training to prepare women for apprenticeable occupations or nontraditional occupations;

[(3) providing ongoing orientations for employers, unions, and workers on creating a successful environment for women in apprenticeable occupations or nontraditional occupations;

[(4) setting up support groups and facilitating networks for women in nontraditional occupations on or off the job site to improve their retention;

[(5) setting up a local computerized data base referral system to maintain a current list of tradeswomen who are available for work;

[(6) serving as a liaison between tradeswomen and employers and tradeswomen and labor unions to address workplace issues related to gender; and

[(7) conducting exit interviews with tradeswomen to evaluate their on-the-job experience and to assess the effectiveness of the program.

[(b) SELECTION OF EMPLOYER AND LABOR UNIONS.—The Secretary shall select a total of 50 employers or labor unions to receive technical assistance provided with grants made under subsection (a).

[SEC. 5. COMPETITIVE GRANTS.

[(a) IN GENERAL.—Each community-based organization that desires to receive a grant to provide technical assistance under section 4(a) to employers and labor unions shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

[(b) PRIORITY.—In awarding grants under section 4(a), the Secretary shall give priority to applications from community-based organizations that—

[(1) demonstrate experience preparing women to gain employment in apprenticeable occupations or other nontraditional occupations;

[(2) demonstrate experience working with the business community to prepare them to place women in apprenticeable occupations or other nontraditional occupations;

[(3) have tradeswomen or women in nontraditional occupations as active members of the organization, as either employed staff or board members; and

[(4) have experience delivering technical assistance.

[SEC. 6. APPLICATIONS.

[To be eligible to be selected under section 4(b) to receive technical assistance provided with grants made under section 4(a), an employer or labor union shall submit an application to the Secretary at such time, in such manner and containing or accompanied by such information as the Secretary may reasonably require. At a minimum, the application should include—

[(1) a description of the need for technical assistance;

[(2) a description of the types of apprenticeable occupations or nontraditional occupations in which the employer or labor union would like to train or employ women;

[(3) assurances that there are or will be suitable and appropriate positions available in the apprenticeable occupations program or in the nontraditional occupations being targeted; and

[(4) commitments that reasonable efforts shall be made to place qualified women in apprenticeable occupations or nontraditional occupations.

[SEC. 7. LIAISON ROLE OF DEPARTMENT OF LABOR.

[The Department of Labor shall serve as a liaison among employers, labor unions, and community-based organizations. The liaison role may include—

[(1) coordination of employers, labor unions, and community-based organizations with respect to technical assistance provided under section 4(a);

[(2) conducting regular assessment meetings with representatives of employers, labor unions, and community-based organizations with respect to such technical assistance; and

[(3) seeking the input of employers and labor unions with respect to strategies and recommendations for improving such technical assistance.

[SEC. 8. STUDY OF THE BARRIERS TO THE PARTICIPATION OF WOMEN IN APPRENTICEABLE OCCUPATIONS AND NONTRADITIONAL OCCUPATIONS.

[(a) STUDY.—With funds available to the Secretary to carry out the operations of the Department of Labor in fiscal years 1994 and 1995, the Secretary shall conduct a study of the participation of women in apprenticeable occupations and nontraditional occupations. The study shall examine—

[(1) the barriers to participation of women in apprenticeable occupations and nontraditional occupations;

[(2) strategies for overcoming such barriers;

[(3) the retention rates for women in apprenticeable occupations and nontraditional occupations;

[(4) strategies for retaining women in apprenticeable occupations and nontraditional occupations;

[(5) the effectiveness of the technical assistance provided by the community-based organizations; and

[(6) other relevant issues affecting the participation of women in apprenticeable occupations and nontraditional occupations.

[(b) REPORT.—Not later than 2 years after the date of the enactment of this Act, the Secretary shall submit to the Congress a report containing a summary of the results of the study described in

subsection (a) and such recommendations as the Secretary determines to be appropriate.

[SEC. 9. DEFINITIONS.

[For purposes of this Act:

[(1) The term "community-based organization" means a community-based organization as defined in section 4(5) of the Job Training Partnership Act (29 U.S.C. 1501(5)), that has demonstrated experience administering programs that train women for apprenticeable occupations or other nontraditional occupations.

[(2) The term "nontraditional occupation" means jobs in which women make up 25 percent or less of the total number of workers in that occupation.

[(3) The term "Secretary" means the Secretary of Labor.

[SEC. 10. TECHNICAL ASSISTANCE PROGRAM AUTHORIZATION.

[There is authorized to be appropriated $1,000,000 to carry out section 4.]

TITLE 38, UNITED STATES CODE

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PART III—READJUSTMENT AND RELATED BENEFITS

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CHAPTER 36—ADMINISTRATION OF EDUCATIONAL BENEFITS

SUBCHAPTER I—STATE APPROVING AGENCIES

* * * * * * *

§ 3672. Approval of courses

(a) * * *

* * * * * * *

(d)(1) Pursuant to regulations prescribed by the Secretary in consultation with the Secretary of Labor, the Secretary and State approving agencies shall actively promote the development of apprenticeship and on the job training programs for the purposes of sections 3677 and 3687 of this title and shall utilize the services of [disabled veterans' outreach program specialists under section 4103A] *veteran employment specialists appointed under section 134(f) of the Workforce Investment Act of 1998* of this title to promote the development of such programs. The Secretary of Labor shall provide assistance and services to the Secretary, and to State approving agencies, to increase the use of apprenticeships.

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CHAPTER 41—JOB COUNSELING, TRAINING, AND PLACEMENT SERVICE FOR VETERANS

Sec.

4100. Findings.

* * * * * * *

[4103A. Disabled veterans' outreach program.]
[4104. Local veterans' employment representatives.]

* * * * * * *

§ 4102A. Assistant Secretary of Labor for Veterans' Employment and Training; program functions; Regional Administrators

(a) * * *

(b) PROGRAM FUNCTIONS.—The Secretary shall carry out the following functions:

(1) * * *

* * * * * * *

[(5) Subject to subsection (c), make available for use in each State by grant or contract such funds as may be necessary to support—

[(A) disabled veterans' outreach program specialists appointed under section 4103A(a)(1) of this title,

[(B) local veterans' employment representatives assigned under section 4104(b) of this title, and

[(C) the reasonable expenses of such specialists and representatives described in subparagraphs (A) and (B), respectively, for training, travel, supplies, and other business expenses, including travel expenses and per diem for attendance at the National Veterans' Employment and Training Services Institute established under section 4109 of this title.

[(6) Monitor and supervise on a continuing basis the distribution and use of funds provided for use in the States under paragraph (5).

[(7) Establish, and update as appropriate, a comprehensive performance accountability system (as described in subsection (f)) and carry out annual performance reviews of veterans employment, training, and placement services provided through employment service delivery systems, including through disabled veterans' outreach program specialists and through local veterans' employment representatives in States receiving grants, contracts, or awards under this chapter.]

[(8)] *(5)* With advice and assistance from the Advisory Committee on Veterans Employment, Training, and Employer Outreach established under section 4110 of this title, furnish information to employers (through meetings in person with hiring executives of corporations and otherwise) with respect to the training and skills of veterans and disabled veterans, and the advantages afforded employers by hiring veterans with such training and skills, and to facilitate employment of veterans and disabled veterans through participation in labor exchanges (Internet-based and otherwise), and other means.

[(c) CONDITIONS FOR RECEIPT OF FUNDS.—(1) The distribution and use of funds under subsection (b)(5) in order to carry out sections 4103A(a) and 4104(a) of this title shall be subject to the continuing supervision and monitoring of the Secretary and shall not be governed by the provisions of any other law, or any regulations

prescribed thereunder, that are inconsistent with this section or section 4103A or 4104 of this title.

[(2)(A) A State shall submit to the Secretary an application for a grant or contract under subsection (b)(5). The application shall contain the following information:

[(i) A plan that describes the manner in which the State shall furnish employment, training, and placement services required under this chapter for the program year, including a description of—

[(I) duties assigned by the State to disabled veterans' outreach program specialists and local veterans' employment representatives consistent with the requirements of sections 4103A and 4104 of this title;

[(II) the manner in which such specialists and representatives are integrated in the employment service delivery systems in the State; and

[(III) the program of performance incentive awards described in section 4112 of this title in the State for the program year.

[(ii) The veteran population to be served.

[(iii) For each employee of the State who is assigned to perform the duties of a disabled veterans' outreach program specialist or a local veterans' employment representative under this chapter—

[(I) the date on which the employee is so assigned; and

[(II) whether the employee has satisfactorily completed such training by the National Veterans' Employment and Training Services Institute as the Secretary requires for purposes of paragraph (8).

[(iv) Such additional information as the Secretary may require to make a determination with respect to awarding a grant or contract to the State.

[(B)(i) Subject to the succeeding provisions of this subparagraph, of the amount available under subsection (b)(5) for a fiscal year, the Secretary shall make available to each State with an application approved by the Secretary an amount of funding in proportion to the number of veterans seeking employment using such criteria as the Secretary may establish in regulation, including civilian labor force and unemployment data, for the State on an annual basis. The proportion of funding shall reflect the ratio of—

[(I) the total number of veterans residing in the State that are seeking employment; to

[(II) the total number of veterans seeking employment in all States.

[(ii) The Secretary shall phase in over the three fiscal-year period that begins on October 1, 2003, the manner in which amounts are made available to States under subsection (b)(5) and this subsection, as amended by the Jobs for Veterans Act.

[(iii) In carrying out this paragraph, the Secretary may establish minimum funding levels and hold-harmless criteria for States.

[(3)(A)(i) As a condition of a grant or contract under this section for a program year, in the case of a State that the Secretary determines has an entered-employment rate for veterans that is deficient for the preceding program year, the State shall develop a corrective action plan to improve that rate for veterans in the State.

[(ii) The State shall submit the corrective action plan to the Secretary for approval, and if approved, shall expeditiously implement the plan.

[(iii) If the Secretary does not approve a corrective action plan submitted by the State under clause (i), the Secretary shall take such steps as may be necessary to implement corrective actions in the State to improve the entered-employment rate for veterans in that State.

[(B) To carry out subparagraph (A), the Secretary shall establish in regulations a uniform national threshold entered-employment rate for veterans for a program year by which determinations of deficiency may be made under subparagraph (A).

[(C) In making a determination with respect to a deficiency under subparagraph (A), the Secretary shall take into account the applicable annual unemployment data for the State and consider other factors, such as prevailing economic conditions, that affect performance of individuals providing employment, training, and placement services in the State.

[(4) In determining the terms and conditions of a grant or contract under which funds are made available to a State in order to carry out section 4103A or 4104 of this title, the Secretary shall take into account—

[(A) the results of reviews, carried out pursuant to subsection (b)(7), of the performance of the employment, training, and placement service delivery system in the State, and

[(B) the monitoring carried out under this section.

[(5) Each grant or contract by which funds are made available to a State shall contain a provision requiring the recipient of the funds—

[(A) to comply with the provisions of this chapter; and

[(B) on an annual basis, to notify the Secretary of, and provide supporting rationale for, each nonveteran who is employed as a disabled veterans' outreach program specialist and local veterans' employment representative for a period in excess of 6 months.

[(6) Each State shall coordinate employment, training, and placement services furnished to veterans and eligible persons under this chapter with such services furnished with respect to such veterans and persons under the Workforce Investment Act of 1998 and the Wagner-Peyser Act.

[(7) Of the amount of a grant or contract under which funds are made available to a State in order to carry out section 4103A or 4104 of this title for any program year, one percent shall be for the purposes of making cash awards under the program of performance incentive awards described in section 4112 of this title in the State.

[(8)(A) As a condition of a grant or contract under which funds are made available to a State in order to carry out section 4103A or 4104 of this title, the Secretary shall require the State to require each employee hired by the State who is assigned to perform the duties of a disabled veterans' outreach program specialist or a local veterans' employment representative under this chapter to satisfactorily complete training provided by the National Veterans' Employment and Training Services Institute during the 18-month period that begins on the date on which the employee is so assigned.

[(B) For any employee described in subparagraph (A) who does not complete such training during such period, the Secretary may reduce by an appropriate amount the amount made available to the State employing that employee.

[(C) The Secretary may establish such reasonable exceptions to the completion of training otherwise required under subparagraph (A) as the Secretary considers appropriate.

[(9)(A) As a condition of a grant or contract under which funds are made available to a State in order to carry out section 4103A or 4104 of this title for any program year, the Secretary may require the State—

[(i) to demonstrate that when the State approves or denies a certification or license described in subparagraph (B) for a veteran the State takes into consideration any training received or experience gained by the veteran while serving on active duty in the Armed Forces; and

[(ii) to disclose to the Secretary in writing the following:

[(I) Criteria applicants must satisfy to receive a certification or license described in subparagraph (B) by the State.

[(II) A description of the standard practices of the State for evaluating training received by veterans while serving on active duty in the Armed Forces and evaluating the documented work experience of such veterans during such service for purposes of approving or denying a certification or license described in subparagraph (B).

[(III) Identification of areas in which training and experience described in subclause (II) fails to meet criteria described in subclause (I).

[(B) A certification or license described in this subparagraph is any of the following:

[(i) A license to be a nonemergency medical professional.

[(ii) A license to be an emergency medical professional.

[(iii) A commercial driver's license.

[(C) The Secretary shall share the information the Secretary receives under subparagraph (A)(ii) with the Secretary of Defense to help the Secretary of Defense improve training for military occupational specialties so that individuals who receive such training are able to receive a certification or license described in subparagraph (B) from a State.

[(D) The Secretary shall publish on the Internet website of the Department available to the public—

[(i) any guidance the Secretary gives the Secretary of Defense with respect to carrying out this section; and

[(ii) any information the Secretary receives from a State pursuant to subparagraph (A).]

[(d)] *(c)* PARTICIPATION IN OTHER FEDERALLY FUNDED JOB TRAINING PROGRAMS.—The Assistant Secretary of Labor for Veterans' Employment and Training shall promote and monitor participation of qualified veterans and eligible persons in employment and training opportunities under title I of the Workforce Investment Act of 1998 and other federally funded employment and training programs.

[(e)] *(d)* REGIONAL ADMINISTRATORS.—(1) The Secretary shall assign to each region for which the Secretary operates a regional of-

fice a representative of the Veterans' Employment and Training Service to serve as the Regional Administrator for Veterans' Employment and Training in such region.

* * * * * * *

[(f)] *(e)* ESTABLISHMENT OF PERFORMANCE STANDARDS AND OUTCOMES MEASURES.—(1) The Assistant Secretary of Labor for Veterans' Employment and Training shall establish and implement a comprehensive performance accountability system to measure the performance of employment service delivery systems[, including disabled veterans' outreach program specialists and local veterans' employment representatives providing employment, training, and placement services under this chapter in a State] to provide accountability of that State to the Secretary [for purposes of subsection (c)].

* * * * * * *

[(g)] *(f)* AUTHORITY TO PROVIDE TECHNICAL ASSISTANCE TO STATES.—The Secretary may provide such technical assistance as the Secretary determines appropriate to any State that the Secretary determines has, or may have, an entered-employment rate in the State that is deficient, as determined under subsection (c)(3) with respect to a program year, including assistance in the development of a corrective action plan under that subsection.

[(h) CONSOLIDATION OF DISABLED VETERANS' OUTREACH PROGRAM SPECIALISTS AND VETERANS' EMPLOYMENT REPRESENTATIVES.—The Secretary may allow the Governor of a State receiving funds under subsection (b)(5) to support specialists and representatives as described in such subsection to consolidate the functions of such specialists and representatives if—

[(1) the Governor determines, and the Secretary concurs, that such consolidation—

[(A) promotes a more efficient administration of services to veterans with a particular emphasis on services to disabled veterans; and

[(B) does not hinder the provision of services to veterans and employers; and

[(2) the Governor submits to the Secretary a proposal therefor at such time, in such manner, and containing such information as the Secretary may require.]

* * * * * * *

[§ 4103A. Disabled veterans' outreach program

[(a) REQUIREMENT FOR EMPLOYMENT BY STATES OF A SUFFICIENT NUMBER OF SPECIALISTS.—(1) Subject to approval by the Secretary, a State shall employ such full- or part-time disabled veterans' outreach program specialists as the State determines appropriate and efficient to carry out intensive services and facilitate placements under this chapter to meet the employment needs of eligible veterans with the following priority in the provision of services:

[(A) Special disabled veterans.

[(B) Other disabled veterans.

[(C) Other eligible veterans in accordance with priorities determined by the Secretary taking into account applicable rates

of unemployment and the employment emphases set forth in chapter 42 of this title.

[(2) In the provision of services in accordance with this subsection, maximum emphasis in meeting the employment needs of veterans shall be placed on assisting economically or educationally disadvantaged veterans.

[(3) In facilitating placement of a veteran under this program, a disabled veterans' outreach program specialist shall help to identify job opportunities that are appropriate for the veteran's employment goals and assist that veteran in developing a cover letter and resume that are targeted for those particular jobs.

[(b) REQUIREMENT FOR QUALIFIED VETERANS.—A State shall, to the maximum extent practicable, employ qualified veterans to carry out the services referred to in subsection (a). Preference shall be given in the appointment of such specialists to qualified disabled veterans.

[(c) PART-TIME EMPLOYEES.—A part-time disabled veterans' outreach program specialist shall perform the functions of a disabled veterans' outreach program specialist under this section on a half-time basis.

[(d) ADDITIONAL REQUIREMENT FOR FULL-TIME EMPLOYEES.—(1) A full-time disabled veterans' outreach program specialist shall perform only duties related to meeting the employment needs of eligible veterans, as described in subsection (a), and shall not perform other non-veteran-related duties that detract from the specialist's ability to perform the specialist's duties related to meeting the employment needs of eligible veterans.

[(2) The Secretary shall conduct regular audits to ensure compliance with paragraph (1). If, on the basis of such an audit, the Secretary determines that a State is not in compliance with paragraph (1), the Secretary may reduce the amount of a grant made to the State under section 4102A(b)(5) of this title.

[§ 4104. Local veterans' employment representatives

[(a) REQUIREMENT FOR EMPLOYMENT BY STATES OF A SUFFICIENT NUMBER OF REPRESENTATIVES.—Subject to approval by the Secretary, a State shall employ such full- and part-time local veterans' employment representatives as the State determines appropriate and efficient to carry out employment, training, and placement services under this chapter.

[(b) PRINCIPAL DUTIES.—As principal duties, local veterans' employment representatives shall—

[(1) conduct outreach to employers in the area to assist veterans in gaining employment, including conducting seminars for employers and, in conjunction with employers, conducting job search workshops and establishing job search groups; and

[(2) facilitate employment, training, and placement services furnished to veterans in a State under the applicable State employment service delivery systems.

[(c) REQUIREMENT FOR QUALIFIED VETERANS AND ELIGIBLE PERSONS.—A State shall, to the maximum extent practicable, employ qualified veterans or eligible persons to carry out the services referred to in subsection (a). Preference shall be accorded in the following order:

[(1) To qualified service-connected disabled veterans.

[(2) If no veteran described in paragraph (1) is available, to qualified eligible veterans.

[(3) If no veteran described in paragraph (1) or (2) is available, then to qualified eligible persons.

[(d) PART-TIME EMPLOYEES.—A part-time local veterans' employment representative shall perform the functions of a local veterans' employment representative under this section on a half-time basis.

[(e) ADDITIONAL REQUIREMENTS FOR FULL-TIME EMPLOYEES.—(1) A full-time local veterans' employment representative shall perform only duties related to the employment, training, and placement services under this chapter, and shall not perform other non-veteran-related duties that detract from the representative's ability to perform the representative's duties related to employment, training, and placement services under this chapter.

[(2) The Secretary shall conduct regular audits to ensure compliance with paragraph (1). If, on the basis of such an audit, the Secretary determines that a State is not in compliance with paragraph (1), the Secretary may reduce the amount of a grant made to the State under section 4102A(b)(5) of this title.

[(f) REPORTING.—Each local veterans' employment representative shall be administratively responsible to the manager of the employment service delivery system and shall provide reports, not less frequently than quarterly, to the manager of such office and to the Director for Veterans' Employment and Training for the State regarding compliance with Federal law and regulations with respect to special services and priorities for eligible veterans and eligible persons.]

§ 4104A. Collaborative veterans' training, mentoring, and placement program

(a) * * *

(b) COLLABORATION AND FACILITATION.—The Secretary shall ensure that the recipients of the grants—

(1) collaborate with—

[(A) the appropriate disabled veterans' outreach specialists (in carrying out the functions described in section 4103A(a)) and the appropriate local veterans' employment representatives (in carrying out the functions described in section 4104); and]

(A) the appropriate veteran employment specialist (in carrying out the functions described in section 134(f) of the Workforce Investment Act of 1998);

* * * * * * *

(c) APPLICATION.—To be eligible to receive a grant under this section, a nonprofit organization shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. At a minimum, the information shall include—

(1) information describing how the organization will—

[(A) collaborate with disabled veterans' outreach specialists and local veterans' employment representatives and the appropriate State boards and local boards (as such terms are defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801));]

(A) collaborate with the appropriate veteran employment specialist (as described in section 134(f)) and the appropriate State boards and local boards (as such terms are defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801));

* * * * * * *

§ 4109. National Veterans' Employment and Training Services Institute

(a) In order to provide for such training as the Secretary considers necessary and appropriate for the efficient and effective provision of employment, job-training, intensive services, placement, job-search, and related services to veterans, the Secretary shall establish and make available such funds as may be necessary to operate a National Veterans' Employment and Training Services Institute for the training of ⟦disabled veterans' outreach program specialists, local veterans' employment representatives⟧ *veteran employment specialists appointed under section 134(f) of the Workforce Investment Act of 1998*, Directors for Veterans' Employment and Training, and Assistant Directors for Veterans' Employment and Training, Regional Administrators for Veterans' Employment and Training, and such other personnel involved in the provision of employment, job-training, intensive services, placement, or related services to veterans as the Secretary considers appropriate, including travel expenses and per diem for attendance at the Institute.

* * * * * * *

(d)(1) The Secretary shall require that each ⟦disabled veterans' outreach program specialist and local veterans' employment representative⟧ *veteran employment specialists appointed under section 134(f) of the Workforce Investment Act of 1998* who receives training provided by the Institute, or its successor, is given a final examination to evaluate the specialist's or representative's performance in receiving such training.

* * * * * * *

§ 4112. Performance incentive awards for quality employment, training, and placement services

(a) * * *

* * * * * * *

(d) ELIGIBLE EMPLOYEE DEFINED.—In this section, the term "eligible employee" means any of the following:

(1) A ⟦disabled veterans' outreach program specialist⟧ *veteran employment specialist appointed under section 134(f) of the Workforce Investment Act of 1998*.

⟦(2) A local veterans' employment representative.⟧

⟦(3)⟧ *(2)* An individual providing employment, training, and placement services to veterans under the Workforce Investment Act of 1998 or through an employment service delivery system (as defined in section 4101(7) of this title).

* * * * * * *

COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT OF 1980

* * * * * * *

TITLE I—HAZARDOUS SUBSTANCES RELEASES, LIABILITY, COMPENSATION

* * * * * * *

RESPONSE AUTHORITIES

SEC. 104. (a) * * *

* * * * * * *

(k) BROWNFIELDS REVITALIZATION FUNDING.—

(1) * * *

* * * * * * *

(6) IMPLEMENTATION OF BROWNFIELDS PROGRAMS.—

(A) ESTABLISHMENT OF PROGRAM.—The Administrator may provide, or fund eligible entities or nonprofit organizations to provide**[**, training,**]** research, and technical assistance to individuals and organizations, as appropriate, to facilitate the inventory of brownfield sites, site assessments, remediation of brownfield sites, community involvement, or site preparation.

* * * * * * *

FOOD AND NUTRITION ACT OF 2008

* * * * * * *

DEFINITIONS

SEC. 3. As used in this Act, the term:

(a) * * *

* * * * * * *

(t) "State agency" means (1) the agency of State government, including the local offices thereof, which has the responsibility for the administration of the federally aided public assistance programs within such State, and in those States where such assistance programs are operated on a decentralized basis, the term shall include the counterpart local agencies administering such programs, **[**and (2)**]** *(2)* the tribal organization of an Indian tribe determined by the Secretary to be capable of effectively administering a food distribution program under section 4(b) of this Act or a supplemental nutrition assistance program under section 11(d) of this Act, *and (3) when referencing employment and training activities under section 6(d)(4), a State board as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801)*.

* * * * * * *

ELIGIBLE HOUSEHOLDS

SEC. 5. (a) * * *

* * * * * * *

(d) EXCLUSIONS FROM INCOME.—Household income for purposes of the supplemental nutrition assistance program shall include all income from whatever source excluding only—

(1) * * *

* * * * * * *

(14) any payment made to the household under [section 6(d)(4)(I)] *section 6(d)(4)(C)* for work related expenses or for dependent care;

* * * * * * *

(g) ALLOWABLE FINANCIAL RESOURCES.—

(1) * * *

* * * * * * *

(3) The Secretary shall exclude from financial resources the value of a burial plot for each member of a household and nonliquid resources necessary to allow the household to carry out a plan for self-sufficiency approved by the State agency that [constitutes adequate participation in an employment and training program under section 6(d)] *allows the individual to participate in employment and training activities under section 6(d)(4)*. The Secretary shall also exclude from financial resources any earned income tax credits received by any member of the household for a period of 12 months from receipt if such member was participating in the supplemental nutrition assistance program at the time the credits were received and participated in such program continuously during the 12-month period.

* * * * * * *

ELIGIBILITY DISQUALIFICATIONS

SEC. 6. (a) * * *

* * * * * * *

(d) CONDITIONS OF PARTICIPATION.—

(1) * * *

* * * * * * *

[(4) EMPLOYMENT AND TRAINING.—

[(A) IN GENERAL.—

[(i) IMPLEMENTATION.—Each State agency shall implement an employment and training program designed by the State agency and approved by the Secretary for the purpose of assisting members of households participating in the supplemental nutrition assistance program in gaining skills, training, work, or experience that will increase their ability to obtain regular employment.

[(ii) STATEWIDE WORKFORCE DEVELOPMENT SYSTEM.—Each component of an employment and training program carried out under this paragraph shall be delivered through a statewide workforce development system, unless the component is not available locally through such a system.

[(B) For purposes of this Act, an "employment and training program" means a program that contains one or more of the following

components, except that the State agency shall retain the option to apply employment requirements prescribed under this subparagraph to a program applicant at the time of application:

[(i) Job search programs.

[(ii) Job search training programs that include, to the extent determined appropriate by the State agency, reasonable job search training and support activities that may consist of jobs skills assessments, job finding clubs, training in techniques for employability, job placement services, or other direct training or support activities, including educational programs, determined by the State agency to expand the job search abilities or employability of those subject to the program.

[(iii) Workfare programs operated under section 20.

[(iv) Programs designed to improve the employability of household members through actual work experience or training, or both, and to enable individuals employed or trained under such programs to move promptly into regular public or private employment. An employment or training experience program established under this clause shall—

[(I) not provide any work that has the effect of replacing the employment of an individual not participating in the employment or training experience program; and

[(II) provide the same benefits and working conditions that are provided at the job site to employees performing comparable work for comparable hours.

[(v) Educational programs or activities to improve basic skills and literacy, or otherwise improve employability, including educational programs determined by the State agency to expand the job search abilities or employability of those subject to the program under this paragraph.

[(vi) Programs designed to increase the self-sufficiency of recipients through self-employment, including programs that provide instruction for self-employment ventures.

[(vii) Programs intended to ensure job retention by providing job retention services, if the job retention services are provided for a period of not more than 90 days after an individual who received employment and training services under this paragraph gains employment.

[(viii) As approved by the Secretary or the State under regulations issued by the Secretary, other employment, educational and training programs, projects, and experiments, such as a supported work program, aimed at accomplishing the purpose of the employment and training program.

[(C) The State agency may provide that participation in an employment and training program may supplement or supplant other employment-related requirements imposed on those subject to the program.

[(D)(i) Each State agency may exempt from any requirement for participation in any program under this paragraph categories of household members.

[(ii) Each State agency may exempt from any requirement for participation individual household members not included in any category designated as exempt under clause (i).

[(iii) Any exemption of a category or individual under this subparagraph shall be periodically evaluated to determine whether the exemption continues to be valid.

[(E) Each State agency shall establish requirements for participation by individuals not exempt under subparagraph (D) in one or more employment and training programs under this paragraph, including the extent to which any individual is required to participate. Such requirements may vary among participants.

[(F)(i) The total hours of work in an employment and training program carried out under this paragraph required of members of a household, together with the hours of work of such members in any program carried out under section 20, in any month collectively may not exceed a number of hours equal to the household's allotment for such month divided by the higher of the applicable State minimum wage or Federal minimum hourly rate under the Fair Labor Standards Act of 1938.

[(ii) The total hours of participation in such program required of any member of a household, individually, in any month, together with any hours worked in another program carried out under section 20 and any hours worked for compensation (in cash or in kind) in any other capacity, shall not exceed one hundred and twenty hours per month.

[(iii) Any individual voluntarily electing to participate in a program under this paragraph shall not be subject to the limitations described in clauses (i) and (ii).

[(G) The State agency may operate any program component under this paragraph in which individuals elect to participate.

[(H) Federal funds made available to a State agency for purposes of the component authorized under subparagraph (B)(v) shall not be used to supplant non-Federal funds used for existing services and activities that promote the purposes of this component.

[(I)(i) The State agency shall provide payments or reimbursements to participants in programs carried out under this paragraph, including individuals participating under subparagraph (G), for—

[(I) the actual costs of transportation and other actual costs (other than dependent care costs), that are reasonably necessary and directly related to participation in the program; and

[(II) the actual costs of such dependent care expenses that are determined by the State agency to be necessary for the participation of an individual in the program (other than an individual who is the caretaker relative of a dependent in a family receiving benefits under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in a local area where an employment, training, or education program under title IV of such Act is in operation), except that no such payment or reimbursement shall exceed the applicable local market rate. Individuals subject to the program under this paragraph may not be required to participate if dependent costs exceed the limit established by the State agency under this subclause or other actual costs exceed any limit established under subclause (I).

[(ii) In lieu of providing reimbursements or payments for dependent care expenses under clause (i), a State agency may, at its option, arrange for dependent care through providers by the use of

purchase of service contracts or vouchers or by providing vouchers to the household.

[(iii) The value of any dependent care services provided for or arranged under clause (ii), or any amount received as a payment or reimbursement under clause (i), shall—

[(I) not be treated as income for the purposes of any other Federal or federally assisted program that bases eligibility for, or the amount of benefits on, need; and

[(II) not be claimed as an employment-related expense for the purposes of the credit provided under section 21 of the Internal Revenue Code of 1986.

[(J) The Secretary shall promulgate guidelines that (i) enable State agencies, to the maximum extent practicable, to design and operate an employment and training program that is compatible and consistent with similar programs operated within the State, and (ii) ensure, to the maximum extent practicable, that employment and training programs are provided for Indians on reservations.

[(K) LIMITATION ON FUNDING.—Notwithstanding any other provision of this paragraph, the amount of funds a State agency uses to carry out this paragraph (including funds used to carry out subparagraph (I)) for participants who are receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall not exceed the amount of funds the State agency used in fiscal year 1995 to carry out this paragraph for participants who were receiving benefits in fiscal year 1995 under a State program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.).

[(L) The Secretary shall ensure that State agencies comply with the requirements of this paragraph and section 11(e)(19).

[(M) The facilities of the State public employment offices and other State agencies and providers carrying out activities under title I of the Workforce Investment Act of 1998 may be used to find employment and training opportunities for household members under the programs under this paragraph.]

(4) EMPLOYMENT AND TRAINING.—

(A) IMPLEMENTATION.—Each State agency shall provide employment and training services authorized under section 134 of the Workforce Investment Act of 1998 (29 U.S.C. 2864) to eligible members of households participating in the supplemental nutrition assistance program in gaining skills, training, work, or experience that will increase their ability to obtain regular employment.

(B) STATEWIDE WORKFORCE DEVELOPMENT SYSTEM.—Consistent with subparagraph (A), employment and training services shall be provided through the statewide workforce development system, including the One-Stop delivery system, authorized by the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

(C) REIMBURSEMENTS.—

(i) ACTUAL COSTS.—The State agency shall provide payments or reimbursement to participants served under this paragraph for—

(I) the actual costs of transportation and other actual costs (other than dependent care costs) that are reasonably necessary and directly related to the individual participating in employment and training activities; and

(II) the actual costs of such dependent care expenses that are determined by the State agency to be necessary for the individual to participate in employment and training activities (other than an individual who is the caretaker relative of a dependent in a family receiving benefits under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in a local area where an employment, training, or education program under title IV of such Act is in operation), except that no such payment or reimbursement shall exceed the applicable local market rate.

(ii) SERVICE CONTRACTS AND VOUCHERS.—In lieu of providing reimbursements or payments for dependent care expenses under clause (i), a State agency may, at its option, arrange for dependent care through providers by the use of purchase of service contracts or vouchers or by providing vouchers to the household.

(iii) VALUE OF REIMBURSEMENTS.—The value of any dependent care services provided for or arranged under clause (ii), or any amount received as a payment or reimbursement under clause (i), shall—

(I) not be treated as income for the purposes of any other Federal or federally assisted program that bases eligibility for, or the amount of benefits on, need; and

(II) not be claimed as an employment-related expense for the purposes of the credit provided under section 21 of the Internal Revenue Code of 1986 (26 U.S.C. 21).

* * * * * * *

SEC. 11. ADMINISTRATION.

(a) * * *

* * * * * * *

(e) The State plan of operation required under subsection (d) of this section shall provide, among such other provisions as may be required by regulation—

(1) * * *

* * * * * * *

[(19) the plans of the State agency for carrying out employment and training programs under section 6(d)(4), including the nature and extent of such programs, the geographic areas and households to be covered under such program, and the basis, including any cost information, for exemptions of categories and individuals and for the choice of employment and training program components reflected in the plans;]

(19) the plans of the State agency for providing employment and training services under section 6(d)(4);

* * * * * * *

ADMINISTRATIVE COST-SHARING AND QUALITY CONTROL

SEC. 16. (a) * * *

* * * * * * *

(h) FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.—

(1) IN GENERAL.—

(A) AMOUNTS.—To [carry out employment and training programs] *provide employment and training services to eligible households under section 6(d)(4)*, the Secretary shall reserve for allocation to State agencies, to remain available for 15 months, from funds made available for each fiscal year under section 18(a)(1), $90,000,000 for each fiscal year, except that for fiscal year 2013, the amount shall be $79,000,000.

* * * * * * *

(D) MINIMUM ALLOCATION.—Notwithstanding subparagraph (B), the Secretary shall ensure that each State agency [operating an employment and training program] *providing employment and training services consistent with section 6(d)(4)* shall receive not less than $50,000 for each fiscal year.

* * * * * * *

(3) The Secretary shall also reimburse each State agency in an amount equal to 50 per centum of the total amount of payments made or costs incurred by the State agency in connection with transportation costs and other expenses reasonably necessary and directly [related to participation in an employment and training program] *the individual participating in employment and training activities* under section 6(d)(4), except that the amount of the reimbursement for dependent care expenses shall not exceed an amount equal to the payment made under section 6(d)(4)(I)(i)(II) but not more than the applicable local market rate, and such reimbursement shall not be made out of funds allocated under paragraph (1).

(4) Funds provided to a State agency under this subsection may be used only [for operating an employment and training program] *to provide employment and training services* under section 6(d)(4), and may not be used for carrying out other provisions of this Act.

[(5) The Secretary shall monitor the employment and training programs carried out by State agencies under section 6(d)(4) to measure their effectiveness in terms of the increase in the numbers of household members who obtain employment and the numbers of such members who retain such employment as a result of their participation in such employment and training programs.]

(5) MONITORING.—The Secretary, in conjunction with the Secretary of Labor, shall monitor each State agency responsible for administering employment and training services under section 6(d)(4) to ensure funds are being spent effectively and effi-

ciently. Each program of employment and training receiving funds under section 6(d)(4) shall be subject to the requirements of the performance accountability system, including having to meet the state performance measures included in section 136 of the Workforce Investment Act (29 U.S.C. 2871).

* * * * * * *

RESEARCH, DEMONSTRATION, AND EVALUATIONS

SEC. 17. (a) * * *
(b)(1) * * *

* * * * * * *

[(3)(A) The Secretary may conduct demonstration projects to test improved consistency or coordination between the supplemental nutrition assistance program employment and training program and the Job Opportunities and Basic Skills program under title IV of the Social Security Act (42 U.S.C. 601 et seq.).

[(B) Notwithstanding paragraph (1), the Secretary may, as part of a project authorized under this paragraph, waive requirements under section 6(d) to permit a State to operate an employment and training program for supplemental nutrition assistance program recipients on the same terms and conditions under which the State operates its Job Opportunities and Basic Skills program for recipients of aid to families with dependent children under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.). Any work experience program conducted as part of the project shall be conducted in conformity with section 482(f) of such Act (42 U.S.C. 682(f)).

[(C) A State seeking such a waiver shall provide assurances that the resulting employment and training program shall meet the requirements of subsections (a)(19) and (g) of section 402 of such Act (42 U.S.C. 602) (but not including the provision of transitional benefits under clauses (ii) through (vii) of section 402(g)(1)(A)) and sections 481 through 487 of such Act (42 U.S.C. 681 through 687). Each reference to "aid to families with dependent children" in such sections shall be deemed to be a reference to supplemental nutrition assistance program benefits for purposes of the demonstration project.

[(D) Notwithstanding the other provisions of this paragraph, participation in an employment and training activity in which supplemental nutrition assistance program benefits are converted to cash shall occur only with the consent of the participant.

[(E) For the purposes of any project conducted under this paragraph, the provisions of this Act affecting the rights of recipients may be waived to the extent necessary to conform to the provisions of section 402, and sections 481 through 487, of the Social Security Act.

[(F) At least 60 days prior to granting final approval of a project under this paragraph, the Secretary shall publish the terms and conditions for any demonstration project conducted under the paragraph for public comment in the Federal Register and shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

[(G) Waivers may be granted under this paragraph to conduct projects at any one time in a total of up to 60 project areas (or parts of project areas), as such areas are defined in regulations in effect on January 1, 1990.

[(H) A waiver for a change in program rules may be granted under this paragraph only for a demonstration project that has been approved by the Secretary, that will be evaluated according to criteria prescribed by the Secretary, and that will be in operation for no more than 4 years.

[(I) The Secretary may not grant a waiver under this paragraph on or after the date of enactment of this subparagraph. Any reference in this paragraph to a provision of title IV of the Social Security Act shall be deemed to be a reference to such provision as in effect on the day before such date.]

* * * * * * *

(g) In order to assess the effectiveness of the employment and training [programs established] *activities provided to eligible households* under section 6(d) in placing individuals into the work force and withdrawing such individuals from the supplemental nutrition assistance program, the Secretary*, in conjunction with the Secretary of Labor,* is authorized to carry out studies comparing the pre- and post-program labor force participation, wage rates, family income, level of receipt of supplemental nutrition assistance program and other transfer payments, and other relevant information, for samples of participants in such employment and training programs as compared to the appropriate control or comparison groups that did not participate in such programs. Such studies shall, to the maximum extent possible—

(1) * * *

* * * * * * *

The results of such studies and reports shall be considered in developing or updating the performance standards required under section 6.

* * * * * * *

MINNESOTA FAMILY INVESTMENT PROJECT

SEC. 22. (a) * * *

(b) REQUIRED TERMS AND CONDITIONS OF THE PROJECT.—The application submitted by the State under subsection (a) shall provide an assurance that the Project shall satisfy all of the following requirements:

(1) * * *

* * * * * * *

(4) The Project shall include education, employment, and training services [equivalent to those offered under the employment and training program] described in section 6(d)(4) to families similar to participating families elsewhere in the State.

* * * * * * *

IMMIGRATION AND NATIONALITY ACT

* * * * * * *

TITLE IV—MISCELLANEOUS AND REFUGEE ASSISTANCE

* * * * * * *

CHAPTER 2—REFUGEE ASSISTANCE

* * * * * * *

AUTHORIZATION FOR PROGRAMS FOR DOMESTIC RESETTLEMENT OF AND ASSISTANCE TO REFUGEES

SEC. 412. (a) CONDITIONS AND CONSIDERATIONS.—(1)(A) In providing assistance under this section, the Director shall, to the extent of available appropriations, (i) [make available sufficient resources for employment training and placement] *provide refugees with the opportunity to access employment and training services, including job placement,* in order to achieve economic self-sufficiency among refugees as quickly as possible, (ii) provide refugees with the opportunity to acquire sufficient English language training to enable them to become effectively resettled as quickly as possible, (iii) insure that cash assistance is made available to refugees in such a manner as not to discourage their economic self-sufficiency, in accordance with subsection (e)(2), and (iv) insure that women have the same opportunities as men to participate in training and instruction.

(B) It is the intent of Congress that in providing refugee assistance under this section—

(i) * * *

(ii) social service funds should be focused on employment-related services, English-as-a-second-language training (in non-work hours where possible), and case-management [services;] *services provided through the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.);* and

* * * * * * *

(2)(A) * * *

* * * * * * *

(C) Such policies and strategies, to the extent practicable and except under such unusual circumstances as the Director may recognize, shall—

(i) * * *

* * * * * * *

(iii) take into account—

(I) * * *

(II) the availability of employment *and training* opportunities, affordable housing, and public and private resources (including educational, health care, and mental health services) for refugees in the area,

* * * * * * *

(6) As a condition for receiving assistance under this section, a State must—

(A) submit to the Director a plan which provides—

(i) * * *

(ii) a description of how the State will [insure] *ensure* that language training and employment *and training* services are made available *through the one-stop delivery system under section 121 of the Workforce Investment Act of 1998 (29 U.S.C. 2841)* to refugees receiving cash assistance,

* * * * * * *

(9) The Secretary, the Secretary of Education, *the Secretary of Labor,* the Attorney General, and the Secretary of State may issue such regulations as each deems appropriate to carry out this chapter.

* * * * * * *

(b) PROGRAM OF INITIAL RESETTLEMENT.—(1) * * *

(2) The Director is authorized to develop programs for such [orientation, instruction] *orientation and instruction* in English[, and job training for refugees, and such other education and training of refugees, as facilitates] *for refugees to facilitate* their resettlement in the United States. The Director is authorized to implement such programs, in accordance with the provisions of this section, with respect to refugees in the United States. The Secretary of State is authorized to implement such programs with respect to refugees awaiting entry into the United States.

* * * * * * *

(c) PROJECT GRANTS AND CONTRACTS FOR SERVICES FOR REFUGEES.—(1)(A) The Director is authorized to make grants to, and enter into contracts with, public or private nonprofit agencies for projects specifically designed—

(i) to assist refugees in obtaining the skills which are necessary for economic self-sufficiency, including projects for job training, employment *and training* services, day care, professional refresher training, and other recertification services;

* * * * * * *

[(C) Any limitation which the Director establishes on the proportion of funds allocated to a State under this paragraph that the State may use for services other than those described in subsection (a)(1)(B)(ii) shall not apply if the Director receives a plan (established by or in consultation with local governments) and determines that the plan provides for the maximum appropriate provision of employment-related services for, and the maximum placement of, employable refugees consistent with performance standards established under section 106 of the Job Training Partnership Act.]

(2)(A) * * *

(B) Grants shall be made available under this [paragraph—

[(i) primarily for the purpose of facilitating refugee employment and achievement of self-sufficiency,]

[(ii) in a manner] *paragraph in a manner* that does not supplant other refugee program funds and that assures that not less than 95 percent of the amount of the grant award is made available to the county or other local entity.

(3) In carrying out this section, the Director shall ensure that employment and training services are provided through the statewide

workforce development system, as appropriate, authorized by the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.). Such action may include—

(A) making employment and training services as described under section 134 of such Act (29 U.S.C. 2864) available to refugees; and

(B) providing refugees with access to a one-stop delivery system under section 121 of such Act (29 U.S.C. 2841).

* * * * * * *

(e) CASH ASSISTANCE AND MEDICAL ASSISTANCE TO REFUGEES.—(1) * * *

(2)(A) Cash assistance provided under this subsection to an employable refugee is conditioned, except for good cause shown—

(i) on the refugee's registration with an appropriate agency providing employment *and training* services described in subsection (c)(1)(A)(i), or, if there is no such agency available, with an appropriate State or local employment service;

* * * * * * *

(3) [The] *Consistent with subsection (c)(3), the* Director shall develop plans to provide English training and other appropriate services and training to refugees receiving cash assistance.

* * * * * * *

SECOND CHANCE ACT OF 2007

* * * * * * *

TITLE II—ENHANCED DRUG TREATMENT AND MENTORING GRANT PROGRAMS

* * * * * * *

Subtitle C—Administration of Justice Reforms

CHAPTER 1—IMPROVING FEDERAL OFFENDER REENTRY

SEC. 231. FEDERAL PRISONER REENTRY INITIATIVE.

(a) IN GENERAL.—The Attorney General, in coordination with the Director of the Bureau of Prisons, shall, subject to the availability of appropriations, conduct the following activities to establish a Federal prisoner reentry initiative:

(1) The establishment of a Federal prisoner reentry strategy to help prepare prisoners for release and successful reintegration into the community, including, at a minimum, that the Bureau of Prisons—

(A) * * *

* * * * * * *

(E) coordinate and collaborate with *the Department of Labor and* other Federal agencies and with State, Tribal, and local criminal justice agencies, community-based organizations, *State and local workforce investment boards,* and faith-based organizations to help effectuate a seamless reintegration of prisoners into communities;

* * * * * * *

(c) IMPROVED REENTRY PROCEDURES FOR FEDERAL PRISONERS.—The Attorney General shall take such steps as are necessary to modify the procedures and policies of the Department of Justice with respect to the transition of offenders from the custody of the Bureau of Prisons to the community—

(1) * * *

(2) to improve such transition to the community, including placement of such individuals in community corrections facilities; **[**and**]**

(3) to foster the development of collaborative partnerships with stakeholders at the national, State, and local levels to facilitate the exchange of information and the development of resources to enhance opportunities for successful offender reentry**[**.**]***; and*

(4) to coordinate reentry programs with the employment and training services provided through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.).

(d) DUTIES OF THE BUREAU OF PRISONS.—

(1) * * *

* * * * * * *

(6) INTERACTION WITH THE WORKFORCE INVESTMENT SYSTEM.—

(A) IN GENERAL.—In carrying out this section, the Director shall ensure that employment and training services, including such employment and services offered through reentry programs, are provided, as appropriate, through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.). Such action may include—

(i) making employment and training services available to prisoners prior to and immediately following the release of such prisoners; or

(ii) providing prisoners with access by remote means to a one-stop delivery system under section 121 of the Workforce Investment Act of 1998 (29 U.S.C. 2841) in the State in which the prison involved is located.

(B) SERVICE DEFINED.—In this paragraph, the term "employment and training services" means those services described in section 134 of the Workforce Investment Act of 1998 (29 U.S.C. 2864) offered by the Bureau of Prisons, including—

(i) the skills assessment described in subsection (a)(1)(A);

(ii) the skills development plan described in subsection (a)(1)(B); and

(iii) the enhancement, development, and implementation of reentry and skills development programs.

* * * * * * *

TITLE 18, UNITED STATES CODE

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PART III—PRISONS AND PRISONERS

* * * * * * *

CHAPTER 303—BUREAU OF PRISONS

* * * * * * *

§ 4042. Duties of Bureau of Prisons

(a) IN GENERAL.—The Bureau of Prisons, under the direction of the Attorney General, shall—

(1) * * *

* * * * * * *

(5) provide notice of release of prisoners in accordance with subsections (b) and (c);

(D) * * *

(E) establish reentry planning procedures that include providing Federal prisoners with information in the following areas:

(i) * * *

(ii) ⟦Employment⟧ *Employment and training services (as defined in paragraph (6) of section 231(d) of the Second Chance Act of 2007), including basic skills attainment, consistent with such paragraph*.

⟦(iii) Literacy and education.⟧

⟦(iv)⟧ *(iii)* Personal finance and consumer skills.

⟦(v)⟧ *(iv)* Community resources.

⟦(vi)⟧ *(v)* Personal growth and development.

⟦(vii)⟧ *(vi)* Release requirements and procedures.

* * * * * * *

OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968

* * * * * * *

TITLE I—JUSTICE SYSTEM IMPROVEMENT

* * * * * * *

PART FF—OFFENDER REENTRY AND COMMUNITY SAFETY

SEC. 2976. ADULT AND JUVENILE OFFENDER STATE AND LOCAL REENTRY DEMONSTRATION PROJECTS.

(a) * * *

(b) ADULT OFFENDER REENTRY DEMONSTRATION PROJECTS.—Funds for adult offender demonstration projects may be expended for—

(1) providing offenders in prisons, jails, or juvenile facilities with educational, literacy, [vocational] *career and technical education (as defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302)) and training*, and job placement services to facilitate re-entry into the community;

* * * * * * *

(4) coordinating employment and training services provided through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.), including a one-stop delivery system under section 121 of such Act (29 U.S.C. 2841), for offenders upon release from prison, jail, or a juvenile facility, as appropriate;

[(4)] *(5)* providing programs that—

(A) encourage offenders to develop safe, healthy, and responsible family relationships and parent-child relationships; and

(B) involve the entire family unit in comprehensive reentry services (as appropriate to the safety, security, and well-being of the family and child);

[(5)] *(6)* encouraging the involvement of prison, jail, or juvenile facility mentors in the reentry process and enabling those mentors to remain in contact with offenders while in custody and after reentry into the community;

[(6)] *(7)* providing victim-appropriate services, encouraging the timely and complete payment of restitution and fines by offenders to victims, and providing services such as security and counseling to victims upon release of offenders; and

[(7)] *(8)* protecting communities against dangerous offenders by using validated assessment tools to assess the risk factors of returning inmates and developing or adopting procedures to ensure that dangerous felons are not released from prison prematurely.

* * * * * * *

(d) APPLICATIONS.—A State, unit of local government, territory, or Indian Tribe, or combination thereof, desiring a grant under this section shall submit an application to the Attorney General that—

(1) * * *

(2) identifies the local government role and the role of governmental agencies and nonprofit organizations*, including local workforce investment boards established under section 117 of the Workforce Investment Act of 1998 (29 U.S.C. 2832),* that will be coordinated by, and that will collaborate on, the of-

fender reentry strategy of the applicant, and certifies the involvement of such agencies and organizations;

* * * * * * *

(e) REQUIREMENTS.—The Attorney General may make a grant to an applicant under this section only if the application—

(1) * * *

* * * * * * *

(3) provides extensive evidence of collaboration with State and local government agencies overseeing health, housing, child welfare, education, substance abuse, victims services, and employment services, and with local law enforcement agencies;

(4) provides employment and training services through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.), including a one-stop delivery system under section 121 of such Act (29 U.S.C. 2841); and

[(4)**]** *(5)* provides a plan for analysis of the statutory, regulatory, rules-based, and practice-based hurdles to reintegration of offenders into the community; and

[(5)**]** *(6)* includes the use of a State, local, territorial, or Tribal task force, described in subsection (i), to carry out the activities funded under the grant.

* * * * * * *

(k) PERFORMANCE MEASUREMENT.—

(1) IN GENERAL.—The Attorney General, in consultation with grantees under this section, shall—

(A) identify primary and secondary sources of information to support the measurement of the performance indicators identified under this section*, in accordance with paragraph (2)*;

* * * * * * *

(2) EMPLOYMENT AND TRAINING.—The Attorney General shall require each grantee under this section to measure the core indicators of performance as described in section 136(b)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(b)(2)(A)) with respect to the program of such grantee funded with a grant under this section.

[(2)**]** *(3)* COORDINATION.—The Attorney General shall coordinate with other Federal agencies to identify national and other sources of information to support performance measurement of grantees.

[(3)**]** *(4)* STANDARDS FOR ANALYSIS.—Any statistical analysis of population data conducted pursuant to this section shall be conducted in accordance with the Federal Register Notice dated October 30, 1997, relating to classification standards.

* * * * * * *

REHABILITATION ACT OF 1973

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) * * *

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings; purpose; policy.
Sec. 3. Rehabilitation Services Administration.
Sec. 4. Advance funding.
Sec. 5. Joint funding.
Sec. 7. Definitions.
Sec. 8. Allotment percentage.
Sec. 10. Nonduplication.
Sec. 11. Application of other laws.
Sec. 12. Administration of the Act.
Sec. 13. Reports.
Sec. 14. Evaluation.
Sec. 15. Information clearinghouse.
Sec. 16. Transfer of funds.
Sec. 17. State administration.
Sec. 18. Review of applications.
Sec. 19. Carryover.
Sec. 20. Client assistance information.
Sec. 21. Traditionally underserved populations.

TITLE I—VOCATIONAL REHABILITATION SERVICES

PART A—GENERAL PROVISIONS

Sec. 100. Declaration of policy; authorization of appropriations.
Sec. 101. State plans.
Sec. 102. Eligibility and individualized plan for employment.
Sec. 103. Vocational rehabilitation services.
Sec. 104. Non-Federal share for establishment of program.
Sec. 105. State Rehabilitation Council.
Sec. 106. Evaluation standards and performance indicators.
Sec. 107. Monitoring and review.
Sec. 108. Expenditure of certain amounts.
Sec. 109. Training of employers with respect to Americans with Disabilities Act of 1990.
Sec. 109A. Collaboration with industry.

PART B—BASIC VOCATIONAL REHABILITATION SERVICES

Sec. 110. State allotments.
Sec. 110A. Reservation for expanded transition services.
Sec. 111. Payments to States.
Sec. 112. Client assistance program.
Sec. 121. Vocational rehabilitation services grants.
Sec. 131. Data sharing.
Sec. 200. Declaration of purpose.
Sec. 201. Authorization of appropriations.
Sec. 202. National Institute on Disability and Rehabilitation Research.
Sec. 203. Interagency Committee.
Sec. 204. Research and other covered activities.
Sec. 205. Rehabilitation Research Advisory Council.

TITLE III—PROFESSIONAL DEVELOPMENT AND SPECIAL PROJECTS AND DEMONSTRATIONS

Sec. 301. Declaration of purpose and competitive basis of grants and contracts.
Sec. 302. Training.
Sec. 303. Demonstration and training programs.
[Sec. 304. Migrant and seasonal farmworkers.]
Sec. 304. Measuring of project outcomes and performance.
[Sec. 305. Recreational programs.
Sec. 306. Measuring of project outcomes and performance.]

* * * * * * *

[TITLE VI—EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES

[Sec. 601. Short title.

[PART A—PROJECTS WITH INDUSTRY

[Sec. 611. Projects with industry.
[Sec. 612. Authorization of appropriations.

[PART B—SUPPORTED EMPLOYMENT SERVICES FOR INDIVIDUALS WITH THE MOST SIGNIFICANT DISABILITIES

[Sec. 621. Purpose.
[Sec. 622. Allotments.
[Sec. 623. Availability of services.
[Sec. 624. Eligibility.
[Sec. 625. State plan.
[Sec. 626. Restriction.
[Sec. 627. Savings provision.
[Sec. 628. Authorization of appropriations.]

* * * * * * *

SEC. 2. FINDINGS; PURPOSE; POLICY.

(a) FINDINGS.—Congress finds that—

(1) * * *

* * * * * * *

(5) individuals with disabilities continually encounter various forms of discrimination in such critical areas as employment, housing, public accommodations, education, transportation, communication, recreation, institutionalization, health services, voting, and public services; [and]

(6) the goals of the Nation properly include the goal of providing individuals with disabilities with the tools necessary to—

(A) * * *

(B) achieve equality of opportunity, full inclusion and integration in society, employment, independent living, and economic and social self-sufficiency, for such individuals[.]*; and*

(7) there is a substantial need to improve and expand services for students with disabilities under this Act.

* * * * * * *

REHABILITATION SERVICES ADMINISTRATION

SEC. 3. (a) There is established in the [Office of the Secretary] *Department of Education* a Rehabilitation Services Administration which shall be headed by a [Commissioner] *Director* (hereinafter in this Act referred to as the "[Commissioner] *Director*") appointed by the [President by and with the advice and consent of the Senate] *Secretary*. Except for titles IV and V and as otherwise specifically provided in this Act, such Administration shall be the principal agency[, and the Commissioner shall be the principal officer,] of such Department for carrying out this Act. The [Commissioner] *Director* shall be an individual with substantial experience in rehabilitation and in rehabilitation program management. In the performance of the functions of the office, the [Commissioner] *Director* shall be directly responsible to the Secretary or to the Under Secretary or an appropriate Assistant Secretary of such Department, as designated by the Secretary. The functions of the [Commissioner] *Director* shall not be delegated to any officer not directly responsible, both with respect to program operation and administration, to the [Commissioner] *Director*. Any reference in this Act to duties to be carried out by the [Commissioner] *Director*

shall be considered to be a reference to duties to be carried out by the Secretary acting through the [Commissioner] *Director*. In carrying out any of the functions of the office under this Act, the [Commissioner] *Director* shall be guided by general policies of the National Council on Disability established under title IV of this Act.

* * * * * * *

SEC. 7. DEFINITIONS.

For the purposes of this Act:

(1) * * *

* * * * * * *

(12) ESTABLISHMENT OF A COMMUNITY REHABILITATION PROGRAM.—The term "establishment of a community rehabilitation program" includes the acquisition, expansion, remodeling, or alteration of existing buildings necessary to adapt them to community rehabilitation program purposes or to increase their effectiveness for such purposes (subject, however, to such limitations as the Secretary may determine, in accordance with regulations the Secretary shall prescribe, in order to prevent impairment of the objectives of, or duplication of, other Federal laws providing Federal assistance in the construction of facilities for community rehabilitation programs), and may include such additional equipment and staffing as the [Commissioner] *Director* considers appropriate.

* * * * * * *

(34) STATEWIDE WORKFORCE INVESTMENT SYSTEM.—The term "statewide workforce investment system" means a system described in section 111(d)(2) of the Workforce Investment Act of 1998.

* * * * * * *

(35)(A) The term "student with a disability" means an individual with a disability who—

(i) is not younger than 16 and not older than 21;

(ii) has been determined to be eligible under section 102(a) for assistance under this title; and

(iii)(I) is eligible for, and is receiving, special education under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); or

(II) is an individual with a disability, for purposes of section 504.

(B) The term "students with disabilities" means more than 1 student with a disability.

[(35)] *(36)* SUPPORTED EMPLOYMENT.—

(A) IN GENERAL.—The term "supported employment" means competitive work in integrated work settings, or employment in integrated work settings in which individuals are working toward competitive work, consistent with the strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice of the individuals, for individuals with the most significant disabilities—

(i) * * *

(ii) who, because of the nature and severity of their disability, need intensive supported employment serv-

ices for the period, and any extension, described in [paragraph (36)(C)] *paragraph (37)(C)* and extended services after the transition described in paragraph (13)(C) in order to perform such work.

* * * * * * *

[(36)] *(37)* SUPPORTED EMPLOYMENT SERVICES.—The term "supported employment services" means ongoing support services and other appropriate services needed to support and maintain an individual with a most significant disability in supported employment, that—

(A) * * *

* * * * * * *

[(37)] *(38)* TRANSITION SERVICES.—The term "transition services" means a coordinated set of activities for a student, designed within an outcome-oriented process, that promotes movement from school to post school activities, including post-secondary education, vocational training, integrated employment (including supported employment), continuing and adult education, adult services, independent living, or community participation. The coordinated set of activities shall be based upon the individual student's needs, taking into account the student's preferences and interests, and shall include instruction, community experiences, the development of employment and other post school adult living objectives, and, when appropriate, acquisition of daily living skills and functional vocational evaluation.

[(38)] *(39)* VOCATIONAL REHABILITATION SERVICES.—The term "vocational rehabilitation services" means those services identified in section 103 which are provided to individuals with disabilities under this Act.

[(39)] *(40)* WORKFORCE INVESTMENT ACTIVITIES.—The term "workforce investment activities" means workforce investment activities, as defined in section 101 of the Workforce Investment Act of 1998, that are carried out under that Act.

* * * * * * *

ADMINISTRATION OF THE ACT

SEC. 12. (a) In carrying out the purposes of this Act, the [Commissioner] *Director* may—

(1) * * *

* * * * * * *

(b)(1) In carrying out the duties under this Act, the [Commissioner] *Director* may utilize the services and facilities of any agency of the Federal Government and of any other public or nonprofit agency or organization, in accordance with agreements between the [Commissioner] *Director* and the head thereof, and may pay therefor, in advance or by way of reimbursement, as may be provided in the agreement.

(2) In carrying out the provisions of this Act, the [Commissioner] *Director* shall appoint such task forces as may be necessary to collect and disseminate information in order to improve the ability of the [Commissioner] *Director* to carry out the provisions of this Act.

(c) The [Commissioner] *Director* may promulgate such regulations as are considered appropriate to carry out the [Commissioner's] *Director's* duties under this Act.

* * * * * * *

REPORTS

SEC. 13. (a) Not later than one hundred and eighty days after the close of each fiscal year, the [Commissioner] *Director* shall prepare and submit to the President and to the Congress a full and complete report on the activities carried out under this Act, including the activities and staffing of the information clearinghouse under section 15.

(b) The [Commissioner] *Director* shall collect information to determine whether the purposes of this Act are being met and to assess the performance of programs carried out under this Act. The [Commissioner] *Director* shall take whatever action is necessary to assure that the identity of each individual for which information is supplied under this section is kept confidential, except as otherwise required by law (including regulation).

(c) In preparing the report, the [Commissioner] *Director* shall annually collect and include in the report information based on the information submitted by States in accordance with section 101(a)(10), including information on administrative costs as required by section 101(a)(10)(D). The [Commissioner] *Director* shall, to the maximum extent appropriate, include in the report all information that is required to be submitted in the reports described in section 136(d) of the Workforce Investment Act of 1998 and that pertains to the employment of individuals with disabilities.

EVALUATION

SEC. 14. (a) For the purpose of improving program management and effectiveness, the Secretary, in consultation with the [Commissioner] *Director*, shall evaluate all the programs authorized by this Act, their general effectiveness in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services, using appropriate methodology and evaluative research designs. The Secretary shall establish and use standards for the evaluations required by this subsection. Such an evaluation shall be conducted by a person not immediately involved in the administration of the program evaluated.

* * * * * * *

(f)(1) The [Commissioner] *Director* shall identify and disseminate information on exemplary practices concerning vocational rehabilitation.

(2) To facilitate compliance with paragraph (1), the [Commissioner] *Director* shall conduct studies and analyses that identify exemplary practices concerning vocational rehabilitation, including studies in areas relating to providing informed choice in the rehabilitation process, promoting consumer satisfaction, promoting job placement and retention, providing supported employment, providing services to particular disability populations, financing personal assistance services, providing assistive technology devices and assistive technology services, entering into cooperative agreements, establishing standards and certification for community re-

habilitation programs, converting from nonintegrated to integrated employment, and providing caseload management.

* * * * * * *

INFORMATION CLEARINGHOUSE

SEC. 15. (a) * * *

(b) The [Commissioner] *Director* may assist the Secretary to develop within the Department of Education a coordinated system of information and data retrieval, which will have the capacity and responsibility to provide information regarding the information and data referred to in subsection (a) of this section to the Congress, public and private agencies and organizations, individuals with disabilities and their families, professionals in fields serving such individuals, and the general public.

* * * * * * *

SEC. 21. TRADITIONALLY UNDERSERVED POPULATIONS.

(a) * * *

(b) OUTREACH TO MINORITIES.—

(1) IN GENERAL.—For each fiscal year, the [Commissioner] *Director of the Rehabilitation Services Administration* and the Director of the National Institute on Disability and Rehabilitation Research [(referred to in this subsection as the "Director")] shall reserve 1 percent of the funds appropriated for the fiscal year for programs authorized under titles II, III, VI, and VII to carry out this subsection. [The Commissioner and the Director] *Both such Directors* shall use the reserved funds to carry out one or more of the activities described in paragraph (2) through a grant, contract, or cooperative agreement.

(2) ACTIVITIES.—The activities carried out by [the Commissioner and the Director] *both such Directors* shall include one or more of the following:

(A) * * *

* * * * * * *

(4) REPORT.—In each fiscal year, [the Commissioner and the Director] *both such Directors* shall prepare and submit to Congress a report that describes the activities funded under this subsection for the preceding fiscal year.

* * * * * * *

(c) DEMONSTRATION.—In awarding grants, or entering into contracts or cooperative agreements under titles I, II, III, VI, and VII, and section 509, [the Commissioner and the Director] *both such Directors*, in appropriate cases, shall require applicants to demonstrate how the applicants will address, in whole or in part, the needs of individuals with disabilities from minority backgrounds.

TITLE I—VOCATIONAL REHABILITATION SERVICES

PART A—GENERAL PROVISIONS

SEC. 100. DECLARATION OF POLICY; AUTHORIZATION OF APPROPRIATIONS.

(a) * * *

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—For the purpose of making grants to States under part B to assist States in meeting the costs of vocational rehabilitation services provided in accordance with State plans under section 101, there are authorized to be appropriated [such sums as may be necessary for fiscal years 1999 through 2003] *$3,121,712,000 for fiscal year 2014 and each of the 6 succeeding fiscal years*, except that the amount to be appropriated for a fiscal year shall not be less than the amount of the appropriation under this paragraph for the immediately preceding fiscal year, increased by the percentage change in the Consumer Price Index determined under subsection (c) for the immediately preceding fiscal year.

* * * * * * *

(d) EXTENSION.—

(1) * * *

(2) CONSTRUCTION.—

(A) * * *

(B) ACTS OR DETERMINATIONS OF [COMMISSIONER] *DIRECTOR*.—In any case where the [Commissioner] *Director* is required under an applicable statute to carry out certain acts or make certain determinations which are necessary for the continuation of the program authorized by this title, if such acts or determinations are required during the terminal year of such program, such acts and determinations shall be required during any fiscal year in which the extension described in that part of paragraph (1) that follows clause (ii) of paragraph (1)(A) is in effect.

SEC. 101. STATE PLANS.

(a) PLAN REQUIREMENTS.—

(1) IN GENERAL.—

(A) SUBMISSION.—To be eligible to participate in programs under this title, a State shall submit to the [Commissioner] *Director* a State plan for vocational rehabilitation services that meets the requirements of this section, on the same date that the State submits a State plan under section 112 of the Workforce Investment Act of 1998.

(B) NONDUPLICATION.—The State shall not be required to submit, in the State plan for vocational rehabilitation services, policies, procedures, or descriptions required under this title that have been previously submitted to the [Commissioner] *Director* and that demonstrate that such State meets the requirements of this title, including any policies, procedures, or descriptions submitted under this

title as in effect on the day before the effective date of the Rehabilitation Act Amendments of 1998.

(C) DURATION.—The State plan shall remain in effect subject to the submission of such modifications as the State determines to be necessary or as the [Commissioner] *Director* may require based on a change in State policy, a change in Federal law (including regulations), an interpretation of this Act by a Federal court or the highest court of the State, or a finding by the [Commissioner] *Director* of State noncompliance with the requirements of this Act, until the State submits and receives approval of a new State plan.

(2) DESIGNATED STATE AGENCY; DESIGNATED STATE UNIT.—

(A) DESIGNATED STATE AGENCY.—The State plan shall designate a State agency as the sole State agency to administer the plan, or to supervise the administration of the plan by a local agency, except that—

(i) * * *

(ii) the [Commissioner] *Director*, on the request of a State, may authorize the designated State agency to share funding and administrative responsibility with another agency of the State or with a local agency in order to permit the agencies to carry out a joint program to provide services to individuals with disabilities, and may waive compliance, with respect to vocational rehabilitation services furnished under the joint program, with the requirement of paragraph (4) that the plan be in effect in all political subdivisions of the State; and

* * * * * * *

(4) STATEWIDENESS.—The State plan shall provide that the plan shall be in effect in all political subdivisions of the State, except that—

(A) in the case of any activity that, in the judgment of the [Commissioner] *Director*, is likely to assist in promoting the vocational rehabilitation of substantially larger numbers of individuals with disabilities or groups of individuals with disabilities, the [Commissioner] *Director* may waive compliance with the requirement that the plan be in effect in all political subdivisions of the State to the extent and for such period as may be provided in accordance with regulations prescribed by the [Commissioner] *Director*, but only if the non-Federal share of the cost of the vocational rehabilitation services involved is met from funds made available by a local agency (including funds contributed to such agency by a private agency, organization, or individual); and

(B) in a case in which earmarked funds are used toward the non-Federal share and such funds are earmarked for particular geographic areas within the State, the earmarked funds may be used in such areas if the State notifies the [Commissioner] *Director* that the State cannot provide the full non-Federal share without such funds.

* * * * * * *

(6) METHODS FOR ADMINISTRATION.—

(A) IN GENERAL.—The State plan shall provide for such methods of administration as are found by the [Commissioner] *Director* to be necessary for the proper and efficient administration of the plan.

* * * * * * *

(10) REPORTING REQUIREMENTS.—

(A) IN GENERAL.—The State plan shall include an assurance that the designated State agency will submit reports in the form and level of detail and at the time required by the [Commissioner] *Director* regarding applicants for, and eligible individuals receiving, services under this title.

(B) ANNUAL REPORTING.—In specifying the information to be submitted in the reports, the [Commissioner] *Director* shall require annual reporting [on the eligible individuals receiving the services, on those specific data elements described in section 136(d)(2)] *of information necessary to assess the State's performance on the core indicators of performance described in section 136(b)(2)(A)* of the Workforce Investment Act of 1998 that are determined by the Secretary to be relevant in assessing the performance of designated State units in carrying out the vocational rehabilitation program established under this title.

(C) ADDITIONAL DATA.—In specifying the information required to be submitted in the reports, the [Commissioner] *Director* shall require additional data with regard to applicants and eligible individuals related to—

(i) * * *

* * * * * * *

(iii) of those applicants and eligible recipients who are individuals with significant disabilities—

(I) * * *

(II) the number who ended their participation in the program and who were employed 6 months and 12 months after securing or regaining employment, or, in the case of individuals whose employment outcome was to retain or advance in employment, who were employed 6 months and 12 months after achieving their employment outcome, including—

(aa) the number who earned the minimum wage rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or another wage level set by the [Commissioner] *Director*, during such employment; and

* * * * * * *

(iv) of those applicants and eligible recipients who are not individuals with significant disabilities—

(I) * * *

(II) the number who ended their participation in the program and who were employed 6 months and 12 months after securing or regaining employ-

ment, or, in the case of individuals whose employment outcome was to retain or advance in employment, who were employed 6 months and 12 months after achieving their employment outcome, including—

(aa) the number who earned the minimum wage rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or another wage level set by the [Commissioner] *Director*, during such employment; and

* * * * * * *

(D) COSTS AND RESULTS.—The [Commissioner] *Director* shall also require that the designated State agency include in the reports information on—

(i) * * *

* * * * * * *

(E) ADDITIONAL INFORMATION.—The [Commissioner] *Director* shall require that each designated State unit include in the reports additional information related to the applicants and eligible individuals, obtained either through a complete count or sampling, including—

(i) * * *

* * * * * * *

(11) COOPERATION, COLLABORATION, AND COORDINATION.—

(A) * * *

* * * * * * *

(D) COORDINATION WITH EDUCATION OFFICIALS.—The State plan shall contain plans, policies, and procedures for coordination between the designated State agency and education officials responsible for the public education of students with disabilities, that are designed to facilitate the transition of the students with disabilities from the receipt of educational services in school to the receipt of vocational rehabilitation services under this title, including information on a formal interagency agreement with the State educational agency that, at a minimum, provides for—

(i) consultation and technical assistance to assist educational agencies in planning for the transition of students with disabilities from school to post-school activities, including vocational rehabilitation services, *which may be provided using alternative means of meeting participation (such as video conferences and conference calls)*;

* * * * * * *

(G) COORDINATION WITH ASSISTIVE TECHNOLOGY PROGRAMS.—The State plan shall include an assurance that the designated State unit and the lead agency or implementing entity responsible for carrying out duties under the Assistive Technology Act of 1998 (29 U.S.C. 3001 et seq.)

have developed working relationships and coordinate their activities.

* * * * * * *

(15) ANNUAL STATE GOALS AND REPORTS OF PROGRESS.—

(A) ASSESSMENTS AND ESTIMATES.—The State plan shall—

(i) include the results of a comprehensive, statewide assessment, jointly conducted by the designated State unit and the State Rehabilitation Council (if the State has such a Council) every 3 years, describing the rehabilitation needs of individuals with disabilities residing within the State, particularly the vocational rehabilitation services needs of—

(I) * * *

(II) individuals with disabilities who are minorities and individuals with disabilities who have been unserved or underserved by the vocational rehabilitation program carried out under this title; **[**and**]**

(III) individuals with disabilities served through other components of the statewide workforce investment system (other than the vocational rehabilitation program), as identified by such individuals and personnel assisting such individuals through the components; *and*

(IV) students with disabilities, including their need for transition services;

(ii) include an assessment of the transition services provided under this Act, and coordinated with transition services under the Individuals with Disabilities Education Act, as to those services meeting the needs of individuals with disabilities;

[(ii)**]** *(iii)* include an assessment of the need to establish, develop, or improve community rehabilitation programs within the State; and

[(iii)**]** *(iv)* provide that the State shall submit to the **[**Commissioner**]** *Director* a report containing information regarding updates to the assessments, for any year in which the State updates the assessments.

(B) ANNUAL ESTIMATES.—The State plan shall include, and shall provide that the State shall annually submit a report to the **[**Commissioner**]** *Director* that includes, State estimates of—

(i) * * *

* * * * * * *

(C) GOALS AND PRIORITIES.—

(i) IN GENERAL.—The State plan shall identify the goals and priorities of the State in carrying out the program. The goals and priorities shall be jointly developed, agreed to, and reviewed annually by the designated State unit and the State Rehabilitation Council, if the State has such a Council. Any revisions to the goals and priorities shall be jointly agreed to by the designated State unit and the State Rehabilitation

Council, if the State has such a Council. The State plan shall provide that the State shall submit to the [Commissioner] *Director* a report containing information regarding revisions in the goals and priorities, for any year in which the State revises the goals and priorities.

* * * * * * *

(D) STRATEGIES.—The State plan shall contain a description of the strategies the State will use to address the needs identified in the assessment conducted under subparagraph (A) and achieve the goals and priorities identified in subparagraph (C), including—

(i) * * *

* * * * * * *

(iii) the methods to be used to improve and expand vocational rehabilitation services for students with disabilities, including the coordination of services designed to facilitate the transition of such students from the receipt of educational services in school to the receipt of vocational rehabilitation services under this title or to postsecondary education or employment;

[(iii)] *(iv)* where necessary, the plan of the State for establishing, developing, or improving community rehabilitation programs;

[(iv)] *(v)* strategies to improve the performance of the State with respect to the evaluation standards and performance indicators established pursuant to section 106; and

[(v)] *(vi)* strategies for assisting entities carrying out other components of the statewide workforce investment system (other than the vocational rehabilitation program) in assisting individuals with disabilities.

(E) EVALUATION AND REPORTS OF PROGRESS.—The State plan shall—

(i) include the results of an evaluation of the effectiveness of the vocational rehabilitation program, and a joint report by the designated State unit and the State Rehabilitation Council, if the State has such a Council, to the [Commissioner] *Director* on the progress made in improving the effectiveness from the previous year, which evaluation and report shall include—

(I) * * *

* * * * * * *

(ii) provide that the designated State unit and the State Rehabilitation Council, if the State has such a Council, shall jointly submit to the [Commissioner] *Director* an annual report that contains the information described in clause (i).

* * * * * * *

(17) USE OF FUNDS FOR CONSTRUCTION OF FACILITIES.—The State plan shall provide that if, under special circumstances,

the State plan includes provisions for the construction of facilities for community rehabilitation programs—

(A) * * *

* * * * * * *

(C) there shall be compliance with regulations the [Commissioner] *Director* shall prescribe designed to assure that no State will reduce its efforts in providing other vocational rehabilitation services (other than for the establishment of facilities for community rehabilitation programs) because the plan includes such provisions for construction.

(18) INNOVATION AND EXPANSION ACTIVITIES.—The State plan shall—

(A) * * *

* * * * * * *

(C) provide that the State shall submit to the [Commissioner] *Director* an annual report containing a description of how the reserved funds were utilized during the preceding year.

* * * * * * *

(22) SUPPORTED EMPLOYMENT STATE PLAN SUPPLEMENT.—The State plan shall include an assurance that the State has an acceptable plan for [carrying out part B of title VI, including] the use of funds under [that part to supplement funds made available under part B of] this title to pay for the cost of services leading to supported employment.

(23) ANNUAL UPDATES.—The plan shall include an assurance that the State will submit to the [Commissioner] *Director* reports containing annual updates of the information required under paragraph (7) (relating to a comprehensive system of personnel development) and any other updates of the information required under this section that are requested by the [Commissioner] *Director*, and annual reports as provided in paragraphs (15) (relating to assessments, estimates, goals and priorities, and reports of progress) and (18) (relating to innovation and expansion), at such time and in such manner as the Secretary may determine to be appropriate.

(24) CERTAIN CONTRACTS AND COOPERATIVE AGREEMENTS.—

(A) CONTRACTS WITH FOR-PROFIT ORGANIZATIONS.—The State plan shall provide that the designated State agency has the authority to enter into contracts with for-profit organizations for the purpose of providing, as vocational rehabilitation services, on-the-job training and related programs for individuals with disabilities under [part A of title VI] *section 109A*, upon a determination by such agency that such for-profit organizations are better qualified to provide such rehabilitation services than nonprofit agencies and organizations.

* * * * * * *

(25) COLLABORATION WITH INDUSTRY.—The State plan shall describe how the designated State agency will carry out the provisions of section 109A, including—

(A) the criteria such agency will use to award grants under such section; and

(B) how the activities carried out under such grants will be coordinated with other services provided under this title.

(26) SERVICES FOR STUDENTS WITH DISABILITIES.—The State plan shall provide an assurance satisfactory to the Secretary that the State—

(A) has developed and implemented strategies to address the needs identified in the assessment described in paragraph (15), and achieve the goals and priorities identified by the State, to improve and expand vocational rehabilitation services for students with disabilities on a statewide basis in accordance with paragraph (15); and

(B) from funds reserved under section 110A, shall carry out programs or activities designed to improve and expand vocational rehabilitation services for students with disabilities that—

(i) facilitate the transition of students with disabilities from the receipt of educational services in school, to the receipt of vocational rehabilitation services under this title, including, at a minimum, those services specified in the interagency agreement required in paragraph (11)(D);

(ii) improve the achievement of post-school goals of students with disabilities, including improving the achievement through participation (as appropriate when career goals are discussed) in meetings regarding individualized education programs developed under section 614 of the Individuals with Disabilities Education Act (20 U.S.C. 1414);

(iii) provide career guidance, career exploration services, job search skills and strategies, and technical assistance to students with disabilities;

(iv) support the provision of training and technical assistance to State and local educational agencies and designated State agency personnel responsible for the planning and provision of services to students with disabilities; and

(v) support outreach activities to students with disabilities who are eligible for, and need, services under this title.

(b) APPROVAL; DISAPPROVAL OF THE STATE PLAN.—

(1) APPROVAL.—The [Commissioner] *Director* shall approve any plan that the [Commissioner] *Director* finds fulfills the conditions specified in this section, and shall disapprove any plan that does not fulfill such conditions.

(2) DISAPPROVAL.—Prior to disapproval of the State plan, the [Commissioner] *Director* shall notify the State of the intention to disapprove the plan and shall afford the State reasonable notice and opportunity for a hearing.

SEC. 102. ELIGIBILITY AND INDIVIDUALIZED PLAN FOR EMPLOYMENT.

(a) * * *

* * * * * * *

(c) PROCEDURES.—

(1) * * *

* * * * * * *

(8) INFORMATION COLLECTION AND REPORT.—

(A) IN GENERAL.—The Director of the designated State unit shall collect information described in subparagraph (B) and prepare and submit to the [Commissioner] *Director* a report containing such information. The [Commissioner] *Director* shall prepare a summary of the information furnished under this paragraph and include the summary in the annual report submitted under section 13. The [Commissioner] *Director* shall also collect copies of the final decisions of impartial hearing officers conducting hearings under this subsection and State officials conducting reviews under this subsection.

* * * * * * *

(C) CONFIDENTIALITY.—The confidentiality of records of applicants and eligible individuals maintained by the designated State unit shall not preclude the access of the [Commissioner] *Director* to those records for the purposes described in subparagraph (A).

* * * * * * *

SEC. 103. VOCATIONAL REHABILITATION SERVICES.

(a) VOCATIONAL REHABILITATION SERVICES FOR INDIVIDUALS.—Vocational rehabilitation services provided under this title are any services described in an individualized plan for employment necessary to assist an individual with a disability in preparing for, securing, retaining, or regaining an employment outcome that is consistent with the strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice of the individual, including—

(1) * * *

* * * * * * *

[(15) transition services for students with disabilities, that facilitate the achievement of the employment outcome identified in the individualized plan for employment;]

(15) transition services for students with disabilities, that facilitate the achievement of the employment outcome identified in the individualized plan for employment, including services described in clauses (i) through (iii) of section 101(a)(26)(B);

* * * * * * *

(b) VOCATIONAL REHABILITATION SERVICES FOR GROUPS OF INDIVIDUALS.—Vocational rehabilitation services provided for the benefit of groups of individuals with disabilities may also include the following:

(1) * * *

* * * * * * *

[(6) Consultative and technical assistance services to assist educational agencies in planning for the transition of students with disabilities from school to post-school activities, including employment.]

(6)(A)(i) Consultation and technical assistance services to assist State and local educational agencies in planning for the transition of students with disabilities from school to post-school activities, including employment.

(ii) Training and technical assistance described in section 101(a)(26)(B)(iv).

(B) Services for groups of individuals with disabilities who meet the requirements of clauses (i) and (iii) of section 7(35)(A), including services described in clauses (i), (ii), (iii), and (v) of section 101(a)(26)(B), to assist in the transition from school to post-school activities.

(7) The establishment, development, or improvement of assistive technology demonstration, loan, reutilization, or financing programs in coordination with activities authorized under the Assistive Technology Act of 1998 (29 U.S.C. 3001) to promote access to assistive technology for individuals with disabilities and employers.

SEC. 104. NON-FEDERAL SHARE FOR ESTABLISHMENT OF PROGRAM OR CONSTRUCTION.

For the purpose of determining the amount of payments to States for carrying out part B (or to an Indian tribe under part C), the non-Federal share, subject to such limitations and conditions as may be prescribed in regulations by the [Commissioner] *Director*, shall include contributions of funds made by any private agency, organization, or individual to a State or local agency to assist in meeting the costs of establishment of a community rehabilitation program or construction, under special circumstances, of a facility for such a program, which would be regarded as State or local funds except for the condition, imposed by the contributor, limiting use of such funds to establishment of such a program or construction of such a facility.

SEC. 105. STATE REHABILITATION COUNCIL.

(a) * * *

* * * * * * *

(c) FUNCTIONS OF COUNCIL.—The Council shall, after consulting with the State workforce investment board—

(1) * * *

(2) in partnership with the designated State unit—

(A) * * *

(B) evaluate the effectiveness of the vocational rehabilitation program and submit reports of progress to the [Commissioner] *Director* in accordance with section 101(a)(15)(E);

* * * * * * *

(5) prepare and submit an annual report to the Governor and the [Commissioner] *Director* on the status of vocational rehabilitation programs operated within the State, and make the report available to the public;

* * * * * * *

SEC. 106. EVALUATION STANDARDS AND PERFORMANCE INDICATORS.

[(a) ESTABLISHMENT.—

[(1) IN GENERAL.—

[(A) ESTABLISHMENT OF STANDARDS AND INDICATORS.—The Commissioner shall, not later than July 1, 1999, establish and publish evaluation standards and performance

indicators for the vocational rehabilitation program carried out under this title.

[(B) REVIEW AND REVISION.—Effective July 1, 1999, the Commissioner shall review and, if necessary, revise the evaluation standards and performance indicators every 3 years. Any revisions of the standards and indicators shall be developed with input from State vocational rehabilitation agencies, related professional and consumer organizations, recipients of vocational rehabilitation services, and other interested parties. Any revisions of the standards and indicators shall be subject to the publication, review, and comment provisions of paragraph (3).

[(C) BASES.—Effective July 1, 1999, to the maximum extent practicable, the standards and indicators shall be consistent with the core indicators of performance established under section 136(b) of the Workforce Investment Act of 1998.

[(2) MEASURES.—The standards and indicators shall include outcome and related measures of program performance that facilitate the accomplishment of the purpose and policy of this title.

[(3) COMMENT.—The standards and indicators shall be developed with input from State vocational rehabilitation agencies, related professional and consumer organizations, recipients of vocational rehabilitation services, and other interested parties. The Commissioner shall publish in the Federal Register a notice of intent to regulate regarding the development of proposed standards and indicators. Proposed standards and indicators shall be published in the Federal Register for review and comment. Final standards and indicators shall be published in the Federal Register.]

(a) STANDARDS AND INDICATORS.—The performance standards and indicators for the vocational rehabilitation program carried out under this title—

(1) shall be subject to paragraphs (2)(A) and (3) of section 136(b) of the Workforce Investment Act of 1998; and

(2) may, at a State's discretion, include additional indicators identified in the State plan submitted under section 101.

(b) COMPLIANCE.—

(1) STATE REPORTS.—In accordance with regulations established by the Secretary, each State shall report to the [Commissioner] *Director* after the end of each fiscal year the extent to which the State is in compliance with the standards and indicators.

(2) PROGRAM IMPROVEMENT.—

(A) PLAN.—If the [Commissioner] *Director* determines that the performance of any State is below established standards, the [Commissioner] *Director* shall provide technical assistance to the State, and the State and the [Commissioner] *Director* shall jointly develop a program improvement plan outlining the specific actions to be taken by the State to improve program performance.

(B) REVIEW.—The [Commissioner] *Director* shall—

[(i) review the program improvement efforts of the State on a biannual basis and, if necessary, request

the State to make further revisions to the plan to improve performance; and]

(i) on a biannual basis, review the program improvement efforts of the State and, if the State has not improved its performance to acceptable levels, as determined by the Director, direct the State to make revisions to the plan to improve performance; and

* * * * * * *

(c) WITHHOLDING.—If the [Commissioner] *Director* determines that a State whose performance falls below the established standards has failed to enter into a program improvement plan, or is not complying substantially with the terms and conditions of such a program improvement plan, the [Commissioner] *Director* shall, consistent with subsections (c) and (d) of section 107, reduce or make no further payments to the State under this program, until the State has entered into an approved program improvement plan, or satisfies the [Commissioner] *Director* that the State is complying substantially with the terms and conditions of such a program improvement plan, as appropriate.

(d) REPORT TO CONGRESS.—Beginning in fiscal year 1999, the [Commissioner] *Director* shall include in each annual report to the Congress under section 13 an analysis of program performance, including relative State performance, based on the standards and indicators.

SEC. 107. MONITORING AND REVIEW.

(a) IN GENERAL.—

(1) DUTIES.—In carrying out the duties of the [Commissioner] *Director* under this title, the [Commissioner] *Director* shall—

(A) * * *

* * * * * * *

(2) PROCEDURES FOR REVIEWS.—In conducting reviews under this section the [Commissioner] *Director* shall consider, at a minimum—

(A) * * *

* * * * * * *

(3) PROCEDURES FOR MONITORING.—In conducting monitoring under this section the [Commissioner] *Director* shall conduct—

(A) * * *

* * * * * * *

(4) AREAS OF INQUIRY.—In conducting the review and monitoring, the [Commissioner] *Director* shall examine—

(A) * * *

* * * * * * *

(D) such other areas of inquiry as the [Commissioner] *Director* may consider appropriate.

(5) REPORTS.—If the [Commissioner] *Director* issues a report detailing the findings of an annual review or onsite monitoring conducted under this section, the report shall be made available to the State Rehabilitation Council, if the State has such

a Council, for use in the development and modification of the State plan described in section 101.

(b) TECHNICAL ASSISTANCE.—The [Commissioner] *Director* shall—

(1) * * *

(2) provide technical assistance and establish a corrective action plan for a program under this title if the [Commissioner] *Director* finds that the program fails to comply substantially with the provisions of the State plan, or with evaluation standards or performance indicators established under section 106, in order to ensure that such failure is corrected as soon as practicable.

(c) FAILURE TO COMPLY WITH PLAN.—

(1) WITHHOLDING PAYMENTS.—Whenever the [Commissioner] *Director*, after providing reasonable notice and an opportunity for a hearing to the State agency administering or supervising the administration of the State plan approved under section 101, finds that—

(A) * * *

* * * * * * *

the [Commissioner] *Director* shall notify such State agency that no further payments will be made to the State under this title (or, in the discretion of the [Commissioner] *Director*, that such further payments will be reduced, in accordance with regulations the [Commissioner] *Director* shall prescribe, or that further payments will not be made to the State only for the projects under the parts of the State plan affected by such failure), until the [Commissioner] *Director* is satisfied there is no longer any such failure.

(2) PERIOD.—Until the [Commissioner] *Director* is so satisfied, the [Commissioner] *Director* shall make no further payments to such State under this title (or shall reduce payments or limit payments to projects under those parts of the State plan in which there is no such failure).

(3) DISBURSAL OF WITHHELD FUNDS.—The [Commissioner] *Director* may, in accordance with regulations the Secretary shall prescribe, disburse any funds withheld from a State under paragraph (1) to any public or nonprofit private organization or agency within such State or to any political subdivision of such State submitting a plan meeting the requirements of section 101(a). The [Commissioner] *Director* may not make any payment under this paragraph unless the entity to which such payment is made has provided assurances to the [Commissioner] *Director* that such entity will contribute, for purposes of carrying out such plan, the same amount as the State would have been obligated to contribute if the State received such payment.

(d) REVIEW.—

(1) PETITION.—Any State that is dissatisfied with a final determination of the [Commissioner] *Director* under section 101(b) or subsection (c) may file a petition for judicial review of such determination in the United States Court of Appeals for the circuit in which the State is located. Such a petition may be filed only within the 30-day period beginning on the date that notice of such final determination was received by

the State. The clerk of the court shall transmit a copy of the petition to the [Commissioner] *Director* or to any officer designated by the [Commissioner] *Director* for that purpose. In accordance with section 2112 of title 28, United States Code, the [Commissioner] *Director* shall file with the court a record of the proceeding on which the [Commissioner] *Director* based the determination being appealed by the State. Until a record is so filed, the [Commissioner] *Director* may modify or set aside any determination made under such proceedings.

(2) SUBMISSIONS AND DETERMINATIONS.—If, in an action under this subsection to review a final determination of the [Commissioner] *Director* under section 101(b) or subsection (c), the petitioner or the [Commissioner] *Director* applies to the court for leave to have additional oral submissions or written presentations made respecting such determination, the court may, for good cause shown, order the [Commissioner] *Director* to provide within 30 days an additional opportunity to make such submissions and presentations. Within such period, the [Commissioner] *Director* may revise any findings of fact, modify or set aside the determination being reviewed, or make a new determination by reason of the additional submissions and presentations, and shall file such modified or new determination, and any revised findings of fact, with the return of such submissions and presentations. The court shall thereafter review such new or modified determination.

* * * * * * *

SEC. 109A. COLLABORATION WITH INDUSTRY.

(a) AUTHORITY.—A State shall use not less than one-half of one percent of the payment the State receives under section 111 for a fiscal year to award grants to eligible entities to create practical job and career readiness and training programs, and to provide job placements and career advancement.

(b) APPLICATION.—To receive a grant under this section, an eligible entity shall submit an application to a designated State agency at such time, in such manner, and containing such information as such agency shall require. Such application shall include, at a minimum—

(1) a plan for evaluating the effectiveness of the program;

(2) a plan for collecting and reporting the data and information described under subparagraphs (A) through (C) of section 101(a)(10), as determined appropriate by the designated State agency; and

(3) a plan for providing for the non-Federal share of the costs of the program.

(c) ACTIVITIES.—An eligible entity receiving a grant under this section shall use the grant funds to carry out a program that provides one or more of the following:

(1) Job development, job placement, and career advancement services for individuals with disabilities.

(2) Training in realistic work settings in order to prepare individuals with disabilities for employment and career advancement in the competitive market.

(3) Providing individuals with disabilities with such support services as may be required in order to maintain the employ-

ment and career advancement for which the individuals have received training.

(d) AWARDS.—Grants under this section shall—

(1) be awarded for a period not to exceed 5 years; and

(2) be awarded competitively.

(e) ELIGIBLE ENTITY DEFINED.—For the purposes of this section, the term "eligible entity" means a for-profit business, alone or in partnership with one or more of the following:

(1) Community rehabilitation program providers.

(2) Indian tribes.

(3) Tribal organizations.

(f) FEDERAL SHARE.—The Federal share of a program under this section shall not exceed 80 percent of the costs of the program.

(g) ELIGIBILITY FOR SERVICES.—An individual shall be eligible for services provided under a program under this section if the individual is determined under section 102(a)(1) to be eligible for assistance under this title.

PART B—BASIC VOCATIONAL REHABILITATION SERVICES

STATE ALLOTMENTS

SEC. 110. (a) * * *

(b)(1) Not later than 45 days prior to the end of the fiscal year, the [Commissioner] *Director* shall determine, after reasonable opportunity for the submission to the [Commissioner] *Director* of comments by the State agency administering or supervising the program established under this title, that any payment of an allotment to a State under section 111(a) for any fiscal year will not be utilized by such State in carrying out the purposes of this title.

(2) As soon as practicable but not later than the end of the fiscal year, the [Commissioner] *Director* shall make such amount available for carrying out the purposes of this title to one or more other States to the extent the [Commissioner] *Director* determines such other State will be able to use such additional amount during that fiscal year or the subsequent fiscal year for carrying out such purposes. The [Commissioner] *Director* shall make such amount available only if such other State will be able to make sufficient payments from non-Federal sources to pay for the non-Federal share of the cost of vocational rehabilitation services under the State plan for the fiscal year for which the amount was appropriated.

* * * * * * *

(c)(1) For fiscal year 1987 and for each subsequent fiscal year, the [Commissioner] *Director* shall reserve from the amount appropriated under section 100(b)(1) for allotment under this section a sum, determined under paragraph (2), to carry out the purposes of part C.

[(2) The sum referred to in paragraph (1) shall be, as determined by the Secretary—

[(A) not less than three-quarters of 1 percent and not more than 1.5 percent of the amount referred to in paragraph (1), for fiscal year 1999; and

[(B) not less than 1 percent and not more than 1.5 percent of the amount referred to in paragraph (1), for each of fiscal years 2000 through 2003.]

(2) The sum referred to in paragraph (1) shall be, as determined by the Secretary, not less than 1 percent and not more than 1.5 percent of the amount referred to in paragraph (1) for each of fiscal years 2014 through 2020.

SEC. 110A. RESERVATION FOR EXPANDED TRANSITION SERVICES.

Each State shall reserve not less than 10 percent of the funds allotted to the State under section 110(a) to carry out programs and activities under sections 101(a)(26)(B) and 103(b)(6).

PAYMENTS TO STATES

SEC. 111. (a)(1) Except as provided in paragraph (2), from each State's allotment under this part for any fiscal year, the ⟦Commissioner⟧ *Director* shall pay to a State an amount equal to the Federal share of the cost of vocational rehabilitation services under the plan for that State approved under section 101, including expenditures for the administration of the State plan.

(2)(A) * * *

* * * * * * *

(C) The ⟦Commissioner⟧ *Director* may waive or modify any requirement or limitation under subparagraph (B) or section 101(a)(17) if the ⟦Commissioner⟧ *Director* determines that a waiver or modification is an equitable response to exceptional or uncontrollable circumstances affecting the State.

(3)(A) * * *

(B) If the Federal share with respect to rehabilitation facilities in such State is determined pursuant to section 645(b)(2) of such Act (42 U.S.C. 291o(b)(2)), the percentage of the cost for purposes of this section shall be determined in accordance with regulations prescribed by the ⟦Commissioner⟧ *Director* designed to achieve as nearly as practicable results comparable to the results obtained under such section.

(b) The method of computing and paying amounts pursuant to subsection (a) shall be as follows:

(1) The ⟦Commissioner⟧ *Director* shall, prior to the beginning of each calendar quarter or other period prescribed by the ⟦Commissioner⟧ *Director*, estimate the amount to be paid to each State under the provisions of such subsection for such period, such estimate to be based on such records of the State and information furnished by it, and such other investigation as the ⟦Commissioner⟧ *Director* may find necessary.

(2) The ⟦Commissioner⟧ *Director* shall pay, from the allotment available therefor, the amount so estimated by the ⟦Commissioner⟧ *Director* for such period, reduced or increased, as the case may be, by any sum (not previously adjusted under this paragraph) by which the ⟦Commissioner⟧ *Director* finds that the estimate of the amount to be paid the State for any prior period under such subsection was greater or less than the amount which should have been paid to the State for such prior period under such subsection. Such payment shall be made prior to audit or settlement by the General Accounting Office, shall be made through the disbursing facilities of the Treasury Department, and shall be made in such installments as the ⟦Commissioner⟧ *Director* may determine.

CLIENT ASSISTANCE PROGRAM

SEC. 112. (a) * * *

* * * * * * *

(c)(1)(A) * * *

(B)(i) The Governor may not redesignate the agency designated under subparagraph (A) without good cause and unless—

(I) * * *

* * * * * * *

(III) the agency has the opportunity to appeal to the [Commissioner] *Director* on the basis that the redesignation was not for good cause.

* * * * * * *

(e)(1)(A) * * *

* * * * * * *

(D) The Secretary shall make grants to the protection and advocacy system serving the American Indian Consortium to provide services in accordance with this section. The amount of such grants shall be the same as provided to territories under this subsection.

[(D)] *(E)*(i) * * *

* * * * * * *

(h) There are authorized to be appropriated [such sums as may be necessary for fiscal years 1999 through 2003] *$12,240,000 for fiscal year 2014 and each of the 6 succeeding fiscal years* to carry out the provisions of this section.

PART C—AMERICAN INDIAN VOCATIONAL REHABILITATION SERVICES

VOCATIONAL REHABILITATION SERVICES GRANTS

SEC. 121. (a) The [Commissioner] *Director*, in accordance with the provisions of this part, may make grants to the governing bodies of Indian tribes located on Federal and State reservations (and consortia of such governing bodies) to pay 90 percent of the costs of vocational rehabilitation services for American Indians who are individuals with disabilities residing on or near such reservations. The non-Federal share of such costs may be in cash or in kind, fairly valued, and the [Commissioner] *Director* may waive such non-Federal share requirement in order to carry out the purposes of this Act.

(b)(1) No grant may be made under this part for any fiscal year unless an application therefor has been submitted to and approved by the [Commissioner] *Director*. The [Commissioner] *Director* may not approve an application unless the application—

(A) is made at such time, in such manner, and contains such information as the [Commissioner] *Director* may require;

* * * * * * *

(2) The provisions of sections 5, 6, 7, and 102(a) of the Indian Self-Determination and Education Assistance Act shall be applicable to any application submitted under this part. For purposes of this paragraph, any reference in any such provision to the Sec-

retary of Education or to the Secretary of the Interior shall be considered to be a reference to the [Commissioner] *Director*.

(3) Any application approved under this part shall be effective for not more than 60 months, except as determined otherwise by the [Commissioner] *Director* pursuant to prescribed regulations. The State shall continue to provide vocational rehabilitation services under its State plan to American Indians residing on or near a reservation whenever such State includes any such American Indians in its State population under section 110(a)(1).

* * * * * * *

PART D—VOCATIONAL REHABILITATION SERVICES CLIENT INFORMATION

SEC. 131. DATA SHARING.

(a) IN GENERAL.—

(1) * * *

(2) EMPLOYMENT STATISTICS.—The Secretary of Labor shall provide the [Commissioner] *Director* with employment statistics specified in section 15 of the Wagner-Peyser Act, that facilitate evaluation by the [Commissioner] *Director* of the program carried out under part B, and allow the [Commissioner] *Director* to compare the progress of individuals with disabilities who are assisted under the program in securing, retaining, regaining, and advancing in employment with the progress made by individuals who are assisted under title I of the Workforce Investment Act of 1998.

* * * * * * *

TITLE II—RESEARCH AND TRAINING

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. [(a) There are authorized to be appropriated—

[(1) for the purpose of providing for the expenses of the National Institute on Disability and Rehabilitation Research under section 202, which shall include the expenses of the Rehabilitation Research Advisory Council under section 205, and shall not include the expenses of such Institute to carry out section 204, such sums as may be necessary for each of fiscal years 1999 through 2003; and

[(2) to carry out section 204, such sums as may be necessary for each of fiscal years 1999 through 2003.] *(a) There are authorized to be appropriated $108,817,000 for fiscal year 2014 and each of the 6 succeeding fiscal years to carry out this title.*

NATIONAL INSTITUTE ON DISABILITY AND REHABILITATION RESEARCH

SEC. 202. (a)(1) * * *

(2) In the performance of the functions of the office, the Director shall be directly responsible to the Secretary or to the same Under Secretary or Assistant Secretary of the Department of Education to whom the [Commissioner] *Director* is responsible under section 3(a).

* * * * * * *

(h)(1) * * *

(2) Such plan shall—

(A) * * *

* * * * * * *

(D) be developed by the Director—

(i) * * *

(ii) in coordination with the [Commissioner] *Director*;

* * * * * * *

INTERAGENCY COMMITTEE

SEC. 203. (a)(1) In order to promote coordination and cooperation among Federal departments and agencies conducting rehabilitation research programs, including programs relating to assistive technology research and research that incorporates the principles of universal design, there is established within the Federal Government an Interagency Committee on Disability Research (hereinafter in this section referred to as the "Committee"), chaired by the Director and comprised of such members as the President may designate, including the following (or their designees): the Director, the [Commissioner] *Director* of the Rehabilitation Services Administration, the Assistant Secretary for Special Education and Rehabilitative Services, the Secretary of Education, the Secretary of Veterans Affairs, the Director of the National Institutes of Health, the Director of the National Institute of Mental Health, the Administrator of the National Aeronautics and Space Administration, the Secretary of Transportation, the Assistant Secretary of the Interior for Indian Affairs, the Director of the Indian Health Service, and the Director of the National Science Foundation.

* * * * * * *

TITLE III—PROFESSIONAL DEVELOPMENT AND SPECIAL PROJECTS AND DEMONSTRATIONS

SEC. 301. DECLARATION OF PURPOSE AND COMPETITIVE BASIS OF GRANTS AND CONTRACTS.

(a) PURPOSE.—It is the purpose of this title to authorize grants and contracts to—

(1) * * *

(2) conduct special projects and demonstrations that expand and improve the provision of rehabilitation and other services (including those services provided through community rehabilitation programs) authorized under this Act, or that otherwise further the purposes of this Act, including related research and evaluation; *and*

[(3) provide vocational rehabilitation services to individuals with disabilities who are migrant or seasonal farmworkers;

[(4) initiate recreational programs to provide recreational activities and related experiences for individuals with disabilities to aid such individuals in employment, mobility, socialization, independence, and community integration; and]

[(5)] *(3)* provide training and information to individuals with disabilities and the individuals' representatives, and other ap-

propriate parties to develop the skills necessary for individuals with disabilities to gain access to the rehabilitation system and statewide workforce investment systems and to become active decisionmakers in the rehabilitation process.

* * * * * * *

SEC. 302. TRAINING.

(a) GRANTS AND CONTRACTS FOR PERSONNEL TRAINING.—

(1) AUTHORITY.—The [Commissioner] *Director* shall make grants to, and enter into contracts with, States and public or nonprofit agencies and organizations (including institutions of higher education) to pay part of the cost of projects to provide training, traineeships, and related activities, including the provision of technical assistance, that are designed to assist in increasing the numbers of, and upgrading the skills of, qualified personnel (especially rehabilitation counselors) who are trained in providing vocational, medical, social, and psychological rehabilitation services, who are trained to assist individuals with communication and related disorders, who are trained to provide other services provided under this Act, to individuals with disabilities, and who may include—

(A) * * *

* * * * * * *

(3) RELATED FEDERAL STATUTES.—In carrying out this subsection, the [Commissioner] *Director* may make grants to and enter into contracts with States and public or nonprofit agencies and organizations, including institutions of higher education, to furnish training regarding provisions of Federal statutes, including section 504, title I of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111 et seq.), and the provisions of titles II and XVI of the Social Security Act (42 U.S.C. 401 et seq. and 1381 et seq.), that are related to work incentives for individuals with disabilities.

(4) TRAINING FOR STATEWIDE WORKFORCE SYSTEMS PERSONNEL.—The [Commissioner] *Director* may make grants to and enter into contracts under this subsection with States and public or nonprofit agencies and organizations, including institutions of higher education, to furnish training to personnel providing services to individuals with disabilities under title I of the Workforce Investment Act of 1998. Under this paragraph, personnel may be trained—

(A) * * *

* * * * * * *

(b) GRANTS AND CONTRACTS FOR ACADEMIC DEGREES AND ACADEMIC CERTIFICATE GRANTING TRAINING PROJECTS.—

(1) AUTHORITY.—

(A) IN GENERAL.—The [Commissioner] *Director* may make grants to, and enter into contracts with, States and public or nonprofit agencies and organizations (including institutions of higher education) to pay part of the costs of academic training projects to provide training that leads to an academic degree or academic certificate. In making such grants or entering into such contracts, the [Commissioner] *Director* shall target funds to areas determined

under subsection (e) to have shortages of qualified personnel.

* * * * * * *

(2) APPLICATION.—No grant shall be awarded or contract entered into under this subsection unless the applicant has submitted to the [Commissioner] *Director* an application at such time, in such form, in accordance with such procedures, and including such information as the Secretary may require, including—

(A) * * *

* * * * * * *

(5) AGREEMENTS.—

(A) CONTENTS.—A recipient of a grant or contract under this subsection shall provide assurances to the [Commissioner] *Director* that each individual who receives a scholarship, for any academic year beginning after June 1, 1992, utilizing funds provided under such grant or contract shall enter into an agreement with the recipient under which the individual shall—

(i) * * *

* * * * * * *

except as the [Commissioner] *Director* by regulation may provide for repayment exceptions and deferrals.

(B) ENFORCEMENT.—The [Commissioner] *Director* shall be responsible for the enforcement of each agreement entered into under subparagraph (A) upon completion of the training involved under such subparagraph.

(c) GRANTS TO HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.—The [Commissioner] *Director*, in carrying out this section, shall make grants to historically Black colleges and universities and other institutions of higher education whose minority student enrollment is at least 50 percent of the total enrollment of the institution.

(d) APPLICATION.—A grant may not be awarded to a State or other organization under this section unless the State or organization has submitted an application to the [Commissioner] *Director* at such time, in such form, in accordance with such procedures, and containing such information as the [Commissioner] *Director* may require. Any such application shall include a detailed description of strategies that will be utilized to recruit and train individuals so as to reflect the diverse populations of the United States as part of the effort to increase the number of individuals with disabilities, and individuals who are from linguistically and culturally diverse backgrounds, who are available to provide rehabilitation services.

(e) EVALUATION AND COLLECTION OF DATA.—The [Commissioner] *Director* shall evaluate the impact of the training programs conducted under this section, and collect information on the training needs of, and data on shortages of qualified personnel necessary to provide services to individuals with disabilities. The [Commissioner] *Director* shall prepare and submit to Congress, by September 30 of each fiscal year, a report setting forth and justifying in detail how the funds made available for training under

this section for the fiscal year prior to such submission are allocated by professional discipline and other program areas. The report shall also contain findings on such personnel shortages, how funds proposed for the succeeding fiscal year will be allocated under the President's budget proposal, and how the findings on personnel shortages justify the allocations.

(f) GRANTS FOR THE TRAINING OF INTERPRETERS.—

(1) AUTHORITY.—

(A) IN GENERAL.—For the purpose of training a sufficient number of qualified interpreters to meet the communications needs of individuals who are deaf or hard of hearing, and individuals who are deaf-blind, the [Commissioner] *Director*, acting through a Federal office responsible for deafness and communicative disorders, may award grants to public or private nonprofit agencies or organizations to pay part of the costs—

(i) * * *

* * * * * * *

(B) GEOGRAPHIC AREAS.—The [Commissioner] *Director* shall award grants under this subsection for programs in geographic areas throughout the United States that the [Commissioner] *Director* considers appropriate to best carry out the objectives of this section.

(C) PRIORITY.—In awarding grants under this subsection, the [Commissioner] *Director* shall give priority to public or private nonprofit agencies or organizations with existing programs that have a demonstrated capacity for providing interpreter training services.

(D) FUNDING.—The [Commissioner] *Director* may award grants under this subsection through the use of—

(i) * * *

* * * * * * *

(2) APPLICATION.—A grant may not be awarded to an agency or organization under paragraph (1) unless the agency or organization has submitted an application to the [Commissioner] *Director* at such time, in such form, in accordance with such procedures, and containing such information as the [Commissioner] *Director* may require, including—

(A) * * *

* * * * * * *

(C) assurances that any interpreter trained or retrained under a program funded under the grant will meet such minimum standards of competency as the [Commissioner] *Director* may establish for purposes of this subsection; and

(D) such other information as the [Commissioner] *Director* may require.

(g) TECHNICAL ASSISTANCE [AND IN-SERVICE TRAINING].—

(1) TECHNICAL ASSISTANCE.—The [Commissioner] *Director* is authorized to provide technical assistance to State designated agencies and community rehabilitation programs, directly or through contracts with State designated agencies or nonprofit organizations.

(2) COMPENSATION.—An expert or consultant appointed or serving under contract pursuant to this section shall be compensated at a rate, subject to approval of the [Commissioner] *Director*, that shall not exceed the daily equivalent of the rate of pay for level 4 of the Senior Executive Service Schedule under section 5382 of title 5, United States Code. Such an expert or consultant may be allowed travel and transportation expenses in accordance with section 5703 of title 5, United States Code.

[(3) IN-SERVICE TRAINING OF REHABILITATION PERSONNEL.—

[(A) PROJECTS.—Subject to subparagraph (B), at least 15 percent of the sums appropriated to carry out this section shall be allocated to designated State agencies to be used, directly or indirectly, for projects for in-service training for rehabilitation personnel, consistent with the needs identified through the comprehensive system for personnel development required by section 101(a)(7), including projects designed—

[(i) to address recruitment and retention of qualified rehabilitation professionals;

[(ii) to provide for succession planning;

[(iii) to provide for leadership development and capacity building; and

[(iv) for fiscal years 1999 and 2000, to provide training regarding the Workforce Investment Act of 1998 and the amendments to this Act made by the Rehabilitation Act Amendments of 1998.

[(B) LIMITATION.—If the allocation to designated State agencies required by subparagraph (A) would result in a lower level of funding for projects being carried out on the date of enactment of the Rehabilitation Act Amendments of 1998 by other recipients of funds under this section, the Commissioner may allocate less than 15 percent of the sums described in subparagraph (A) to designated State agencies for such in-service training.]

(h) PROVISION OF INFORMATION.—The [Commissioner] *Director*, subject to the provisions of section 306, may require that recipients of grants or contracts under this section provide information, including data, with regard to the impact of activities funded under this section.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section [such sums as may be necessary for each of the fiscal years 1999 through 2003] *$35,515,000 for fiscal year 2014 and each of the 6 succeeding fiscal years*.

SEC. 303. DEMONSTRATION AND TRAINING PROGRAMS.

(a) DEMONSTRATION PROJECTS TO INCREASE CLIENT CHOICE.—

(1) GRANTS.—The [Commissioner] *Director* may make grants to States and public or nonprofit agencies and organizations to pay all or part of the costs of projects to demonstrate ways to increase client choice in the rehabilitation process, including the selection of providers of vocational rehabilitation services.

* * * * * * *

(3) APPLICATION.—Any eligible entity that desires to receive a grant under this subsection shall submit an application at such time, in such manner, and containing such information and assurances as the [Commissioner] *Director* may require, including—

(A) * * *

* * * * * * *

(4) AWARD OF GRANTS.—In selecting entities to receive grants under paragraph (1), the [Commissioner] *Director* shall take into consideration—

(A) * * *

* * * * * * *

(5) RECORDS.—Entities that receive grants under paragraph (1) shall maintain such records as the [Commissioner] *Director* may require and comply with any request from the [Commissioner] *Director* for such records.

* * * * * * *

(7) EVALUATION.—The [Commissioner] *Director* may conduct an evaluation of the demonstration projects with respect to the services provided, clients served, client outcomes obtained, implementation issues addressed, the cost-effectiveness of the project, and the effects of increased choice on clients and service providers. The [Commissioner] *Director* may reserve funds for the evaluation for a fiscal year from the amounts appropriated to carry out projects under this section for the fiscal year.

* * * * * * *

(b) SPECIAL DEMONSTRATION PROGRAMS.—

(1) GRANTS; CONTRACTS.—The [Commissioner] *Director*, subject to the provisions of section 306, may provide grants to, or enter into contracts with, eligible entities to pay all or part of the cost of programs that expand and improve the provision of rehabilitation and other services authorized under this Act or that further the purposes of the Act, including related research and evaluation activities.

(2) ELIGIBLE ENTITIES; TERMS AND CONDITIONS.—

(A) ELIGIBLE ENTITIES.—To be eligible to receive a grant, or enter into a contract, under paragraph (1), an entity shall be a State vocational rehabilitation agency, community rehabilitation program, Indian tribe or tribal organization, or other public or nonprofit agency or organization, or as the [Commissioner] *Director* determines appropriate, a for-profit organization. The [Commissioner] *Director* may limit competitions to one or more types of organizations described in this subparagraph.

(B) TERMS AND CONDITIONS.—A grant or contract under paragraph (1) shall contain such terms and conditions as the [Commissioner] *Director* may require.

(3) APPLICATION.—An eligible entity that desires to receive a grant, or enter into a contract, under paragraph (1) shall submit an application to the Secretary at such time, in such form, and containing such information and assurances as the [Commissioner] *Director* may require, including, if the [Commis-

sioner] *Director* determines appropriate, a description of how the proposed project or demonstration program—

(A) * * *

* * * * * * *

(5) PRIORITY FOR COMPETITIONS.—

(A) IN GENERAL.—In announcing competitions for grants and contracts under this subsection, the [Commissioner] *Director* shall give priority consideration to—

(i) * * *

* * * * * * *

(B) ADDITIONAL COMPETITIONS.—In announcing competitions for grants and contracts under this subsection, the [Commissioner] *Director* may require that applicants address one or more of the following:

(i) * * *

* * * * * * *

(6) USE OF FUNDS FOR CONTINUATION AWARDS.—The [Commissioner] *Director* may use funds made available to carry out this section for continuation awards for projects that were funded under sections 12 and 311 (as such sections were in effect on the day before the date of the enactment of the Rehabilitation Act Amendments of 1998).

(c) PARENT INFORMATION AND TRAINING PROGRAM.—

(1) GRANTS.—The [Commissioner] *Director* is authorized to make grants to private nonprofit organizations for the purpose of establishing programs to provide training and information to enable individuals with disabilities, and the parents, family members, guardians, advocates, or other authorized representatives of the individuals to participate more effectively with professionals in meeting the vocational, independent living, and rehabilitation needs of individuals with disabilities. Such grants shall be designed to meet the unique training and information needs of the individuals described in the preceding sentence, who live in the area to be served, particularly those who are members of populations that have been unserved or underserved by programs under this Act.

* * * * * * *

(3) AWARD OF GRANTS.—The [Commissioner] *Director* shall ensure that grants under this subsection—

(A) * * *

* * * * * * *

(4) ELIGIBLE ORGANIZATIONS.—In order to receive a grant under this subsection, an organization—

(A) shall submit an application to the [Commissioner] *Director* at such time, in such manner, and containing such information as the [Commissioner] *Director* may require, including information demonstrating the capacity and expertise of the organization—

(i) * * *

(ii) to coordinate and work closely with the parent training and information centers established pursuant to section 671 of the Individuals with Disabilities Edu-

cation Act, the community parent resource centers established pursuant to section 672 of such Act, and the eligible entities receiving awards under section 673 of such Act; and

* * * * * * *

(C) shall serve*, and demonstrate the capacity for serving,* individuals with a full range of disabilities, and the parents, family members, guardians, advocates, or authorized representatives of the individuals.

* * * * * * *

* * * * * * *

(6) COORDINATION.—The [Commissioner] *Director* shall provide coordination and technical assistance by grant or cooperative agreement for establishing, developing, and coordinating the training and information programs. To the extent practicable, such assistance shall be provided by the parent training and information centers established pursuant to section 671 of the Individuals with Disabilities Education Act.

(7) REVIEW.—

(A) * * *

(B) REVIEW FOR GRANT RENEWAL.—If a nonprofit private organization requests the renewal of a grant under this subsection, the board of directors or the special governing committee shall prepare and submit to the [Commissioner] *Director* a written review of the training and information program conducted by the organization during the preceding fiscal year.

(8) RESERVATION.—From the amount appropriated to carry out this subsection for a fiscal year, 20 percent of such amount or $500,000, whichever is less, shall be reserved to carry out paragraph (6).

(d) BRAILLE TRAINING PROGRAMS.—

(1) ESTABLISHMENT.—The [Commissioner] *Director* shall make grants to, and enter into contracts with, States and public or nonprofit agencies and organizations, including institutions of higher education, to pay all or part of the cost of training in the use of braille for personnel providing vocational rehabilitation services or educational services to youth and adults who are blind.

* * * * * * *

(3) APPLICATION.—To be eligible to receive a grant, or enter into a contract, under paragraph (1), an agency or organization shall submit an application to the [Commissioner] *Director* at such time, in such manner, and containing such information as the [Commissioner] *Director* may require.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section [such sums as may be necessary for each of the fiscal years 1999 through 2003] *$5,325,000 for fiscal year 2014 and each of the 6 succeeding fiscal years*.

[SEC. 304. MIGRANT AND SEASONAL FARMWORKERS.

[(a) GRANTS.—

[(1) AUTHORITY.—The Commissioner, subject to the provisions of section 306, may make grants to eligible entities to pay up to 90 percent of the cost of projects or demonstration programs for the provision of vocational rehabilitation services to individuals with disabilities who are migrant or seasonal farmworkers, as determined in accordance with rules prescribed by the Secretary of Labor, and to the family members who are residing with such individuals (whether or not such family members are individuals with disabilities).

[(2) ELIGIBLE ENTITIES.—To be eligible to receive a grant under paragraph (1), an entity shall be—

[(A) a State designated agency;

[(B) a nonprofit agency working in collaboration with a State agency described in subparagraph (A); or

[(C) a local agency working in collaboration with a State agency described in subparagraph (A).

[(3) MAINTENANCE AND TRANSPORTATION.—

[(A) IN GENERAL.—Amounts provided under a grant under this section may be used to provide for the maintenance of and transportation for individuals and family members described in paragraph (1) as necessary for the rehabilitation of such individuals.

[(B) REQUIREMENT.—Maintenance payments under this paragraph shall be provided in a manner consistent with any maintenance payments provided to other individuals with disabilities in the State under this Act.

[(4) ASSURANCE OF COOPERATION.—To be eligible to receive a grant under this section an entity shall provide assurances (satisfactory to the Commissioner) that in the provision of services under the grant there will be appropriate cooperation between the grantee and other public or nonprofit agencies and organizations having special skills and experience in the provision of services to migrant or seasonal farmworkers or their families.

[(5) COORDINATION WITH OTHER PROGRAMS.—The Commissioner shall administer this section in coordination with other programs serving migrant and seasonal farmworkers, including programs under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.), section 330 of the Public Health Service Act (42 U.S.C. 254b), the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1801 et seq.), and the Workforce Investment Act of 1998.

[(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section, for each of the fiscal years 1999 through 2003.

[SEC. 305. RECREATIONAL PROGRAMS.

[(a) GRANTS.—

[(1) AUTHORITY.—

[(A) IN GENERAL.—The Commissioner, subject to the provisions of section 306, shall make grants to States, public agencies, and nonprofit private organizations to pay the Federal share of the cost of the establishment and operation of recreation programs to provide individuals with disabilities with recreational activities and related experiences to aid in the employment, mobility, socialization,

independence, and community integration of such individuals.

[(B) RECREATION PROGRAMS.—The recreation programs that may be funded using assistance provided under a grant under this section may include vocational skills development, leisure education, leisure networking, leisure resource development, physical education and sports, scouting and camping, 4–H activities, construction of facilities for aquatic rehabilitation therapy, music, dancing, handicrafts, art, and homemaking. When possible and appropriate, such programs and activities should be provided in settings with peers who are not individuals with disabilities.

[(C) DESIGN OF PROGRAM.—Programs and activities carried out under this section shall be designed to demonstrate ways in which such programs assist in maximizing the independence and integration of individuals with disabilities.

[(2) MAXIMUM TERM OF GRANT.—A grant under this section shall be made for a period of not more than 3 years.

[(3) AVAILABILITY OF NONGRANT RESOURCES.—

[(A) IN GENERAL.—A grant may not be made to an applicant under this section unless the applicant provides assurances that, with respect to costs of the recreation program to be carried out under the grant, the applicant, to the maximum extent practicable, will make available non-Federal resources (in cash or in-kind) to pay the non-Federal share of such costs.

[(B) FEDERAL SHARE.—The Federal share of the costs of the recreation programs carried out under this section shall be—

[(i) with respect to the first year in which assistance is provided under a grant under this section, 100 percent;

[(ii) with respect to the second year in which assistance is provided under a grant under this section, 75 percent; and

[(iii) with respect to the third year in which assistance is provided under a grant under this section, 50 percent.

[(4) APPLICATION.—To be eligible to receive a grant under this section, a State, agency, or organization shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require, including a description of—

[(A) the manner in which the findings and results of the project to be funded under the grant, particularly information that facilitates the replication of the results of such projects, will be made generally available; and

[(B) the manner in which the service program funded under the grant will be continued after Federal assistance ends.

[(5) LEVEL OF SERVICES.—Recreation programs funded under this section shall maintain, at a minimum, the same level of services over a 3-year project period.

[(6) REPORTS BY GRANTEES.—

[(A) REQUIREMENT.—The Commissioner shall require that each recipient of a grant under this section annually prepare and submit to the Commissioner a report concerning the results of the activities funded under the grant.

[(B) LIMITATION.—The Commissioner may not make financial assistance available to a grant recipient for a subsequent year until the Commissioner has received and evaluated the annual report of the recipient under subparagraph (A) for the current year.

[(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, such sums as may be necessary for each of the fiscal years 1999 through 2003.]

SEC. [306.] *304.* MEASURING OF PROJECT OUTCOMES AND PERFORMANCE.

The [Commissioner] *Director* may require that recipients of grants under this title submit information, including data, as determined by the [Commissioner] *Director* to be necessary to measure project outcomes and performance, including any data needed to comply with the Government Performance and Results Act.

TITLE IV—NATIONAL COUNCIL ON DISABILITY

DUTIES OF NATIONAL COUNCIL

SEC. 401. (a) The National Council shall—

(1) * * *

(2) provide advice to the [Commissioner] *Director* with respect to the policies of and conduct of the Rehabilitation Services Administration;

(3) advise the President, the Congress, the [Commissioner] *Director*, the appropriate Assistant Secretary of the Department of Education, and the Director of the National Institute on Disability and Rehabilitation Research on the development of the programs to be carried out under this Act;

* * * * * * *

AUTHORIZATION OF APPROPRIATIONS

SEC. 405. There are authorized to be appropriated to carry out this title [such sums as may be necessary for each of the fiscal years 1999 through 2003] *$3,258,000 for fiscal year 2014 and each of the 6 succeeding fiscal years.*

TITLE V—RIGHTS AND ADVOCACY

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SEC. 502. (a) * * *

* * * * * * *

(j) There are authorized to be appropriated for the purpose of carrying out the duties and functions of the Access Board under this section [such sums as may be necessary for each of the fiscal years 1999 through 2003] *$7,400,000 for fiscal year 2014 and each of the 6 succeeding fiscal years.*

SEC. 509. PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS.

(a) * * *

(b) APPROPRIATIONS LESS THAN $5,500,000.—For any fiscal year in which the amount appropriated to carry out this section is less than $5,500,000, the [Commissioner] *Director* may make grants from such amount to eligible systems within States to plan for, develop outreach strategies for, and carry out protection and advocacy programs authorized under this section for individuals with disabilities who meet the requirements of subparagraphs (A) and (B) of subsection (a)(1).

(c) APPROPRIATIONS OF $5,500,000 OR MORE.—

(1) RESERVATIONS.—

(A) TECHNICAL ASSISTANCE.—For any fiscal year in which the amount appropriated to carry out this section equals or exceeds $5,500,000, the [Commissioner] *Director* shall set aside not less than 1.8 percent and not more than 2.2 percent of the amount to provide training and technical assistance to the systems established under this section.

(B) GRANT FOR THE ELIGIBLE SYSTEM SERVING THE AMERICAN INDIAN CONSORTIUM.—For any fiscal year in which the amount appropriated to carry out this section equals or exceeds $10,500,000, the [Commissioner] *Director* shall reserve a portion, and use the portion to make a grant for the eligible system serving the American Indian consortium. The Commission shall make the grant in an amount of not less than $50,000 for the fiscal year.

(2) ALLOTMENTS.—For any such fiscal year, after the reservations required by paragraph (1) have been made, the [Commissioner] *Director* shall make allotments from the remainder of such amount in accordance with paragraph (3) to eligible systems within States to enable such systems to carry out protection and advocacy programs authorized under this section for individuals referred to in subsection (b).

(3) SYSTEMS WITHIN STATES.—

(A) POPULATION BASIS.—Except as provided in subparagraph (B), from such remainder for each such fiscal year, the [Commissioner] *Director* shall make an allotment to the eligible system within a State of an amount bearing the same ratio to such remainder as the population of the State bears to the population of all States.

* * * * * * *

(5) ADJUSTMENT FOR INFLATION.—For any fiscal year, beginning in fiscal year 1999, in which the total amount appropriated to carry out this section exceeds the total amount appropriated to carry out this section for the preceding fiscal year, the [Commissioner] *Director* shall increase each of the minimum grants or allotments under paragraphs (1)(B), (3)(B), and (4)(B) by a percentage that shall not exceed the percentage increase in the total amount appropriated to carry out this section between the preceding fiscal year and the fiscal year involved.

(d) PROPORTIONAL REDUCTION.—To provide minimum allotments to systems within States (as increased under subsection (c)(5)) under subsection (c)(3)(B), or to provide minimum allotments to systems within States (as increased under subsection (c)(5)) under

subsection (c)(4)(B), the [Commissioner] *Director* shall proportionately reduce the allotments of the remaining systems within States under subsection (c)(3), with such adjustments as may be necessary to prevent the allotment of any such remaining system within a State from being reduced to less than the minimum allotment for a system within a State (as increased under subsection (c)(5)) under subsection (c)(3)(B), or the minimum allotment for a State (as increased under subsection (c)(5)) under subsection (c)(4)(B), as appropriate.

(e) REALLOTMENT.—Whenever the [Commissioner] *Director* determines that any amount of an allotment to a system within a State for any fiscal year described in subsection (c)(1) will not be expended by such system in carrying out the provisions of this section, the [Commissioner] *Director* shall make such amount available for carrying out the provisions of this section to one or more of the systems that the [Commissioner] *Director* determines will be able to use additional amounts during such year for carrying out such provisions. Any amount made available to a system for any fiscal year pursuant to the preceding sentence shall, for the purposes of this section, be regarded as an increase in the allotment of the system (as determined under the preceding provisions of this section) for such year.

(f) APPLICATION.—In order to receive assistance under this section, an eligible system shall submit an application to the [Commissioner] *Director*, at such time, in such form and manner, and containing such information and assurances as the [Commissioner] *Director* determines necessary to meet the requirements of this section, including assurances that the eligible system will—

(1) * * *

* * * * * * *

(7) provide assurances to the [Commissioner] *Director* that funds made available under this section will be used to supplement and not supplant the non-Federal funds that would otherwise be made available for the purpose for which Federal funds are provided.

(g) CARRYOVER AND DIRECT PAYMENT.—

(1) DIRECT PAYMENT.—Notwithstanding any other provision of law, the [Commissioner] *Director* shall pay directly to any system that complies with the provisions of this section, the amount of the allotment of the State or the grant for the eligible system that serves the American Indian consortium involved under this section, unless the State or American Indian consortium provides otherwise.

* * * * * * *

(h) LIMITATION ON DISCLOSURE REQUIREMENTS.—For purposes of any audit, report, or evaluation of the performance of the program established under this section, the [Commissioner] *Director* shall not require such a program to disclose the identity of, or any other personally identifiable information related to, any individual requesting assistance under such program.

* * * * * * *

(j) DELEGATION.—The [Commissioner] *Director* may delegate the administration of this program to the [Commissioner] *Director* of

the Administration on Developmental Disabilities within the Department of Health and Human Services.

(k) REPORT.—The [Commissioner] *Director* shall annually prepare and submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate a report describing the types of services and activities being undertaken by programs funded under this section, the total number of individuals served under this section, the types of disabilities represented by such individuals, and the types of issues being addressed on behalf of such individuals.

(l) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section [such sums as may be necessary for each of the fiscal years 1999 through 2003] *$18,031,000 for fiscal year 2014 and each of the 6 succeeding fiscal years*.

* * * * * * *

SEC. 510. ESTABLISHMENT OF STANDARDS FOR ACCESSIBLE MEDICAL DIAGNOSTIC EQUIPMENT.

(a) STANDARDS.—Not later than 24 months after the date of enactment of the Affordable Health Choices Act, the Architectural and Transportation Barriers Compliance Board shall, in consultation with the [Commissioner] *Director* of the Food and Drug Administration, promulgate regulatory standards in accordance with the Administrative Procedure Act (2 U.S.C. 551 et seq.) setting forth the minimum technical criteria for medical diagnostic equipment used in (or in conjunction with) physician's offices, clinics, emergency rooms, hospitals, and other medical settings. The standards shall ensure that such equipment is accessible to, and usable by, individuals with accessibility needs, and shall allow independent entry to, use of, and exit from the equipment by such individuals to the maximum extent possible.

* * * * * * *

(c) REVIEW AND AMENDMENT.—The Architectural and Transportation Barriers Compliance Board, in consultation with the [Commissioner] *Director* of the Food and Drug Administration, shall periodically review and, as appropriate, amend the standards in accordance with the Administrative Procedure Act (2 U.S.C. 551 et seq.).

[TITLE VI—EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES

[SHORT TITLE

[SEC. 601. This title may be cited as the "Employment Opportunities for Individuals With Disabilities Act".

[PART A—PROJECTS WITH INDUSTRY

[PROJECTS WITH INDUSTRY

[SEC. 611. (a)(1) The purpose of this part is to create and expand job and career opportunities for individuals with disabilities in the competitive labor market by engaging the talent and leadership of private industry as partners in the rehabilitation process, to identify competitive job and career opportunities and the skills needed

to perform such jobs, to create practical job and career readiness and training programs, and to provide job placements and career advancement.

[(2) The Commissioner, in consultation with the Secretary of Labor and with designated State units, may award grants to individual employers, community rehabilitation program providers, labor unions, trade associations, Indian tribes, tribal organizations, designated State units, and other entities to establish jointly financed Projects With Industry to create and expand job and career opportunities for individuals with disabilities, which projects shall—

[(A) provide for the establishment of business advisory councils, that shall—

[(i) be comprised of—

[(I) representatives of private industry, business concerns, and organized labor;

[(II) individuals with disabilities and representatives of individuals with disabilities; and

[(III) a representative of the appropriate designated State unit;

[(ii) identify job and career availability within the community, consistent with the current and projected local employment opportunities identified by the local workforce investment board for the community under section 118(b)(1)(B) of the Workforce Investment Act of 1998;

[(iii) identify the skills necessary to perform the jobs and careers identified; and

[(iv) prescribe training programs designed to develop appropriate job and career skills, or job placement programs designed to identify and develop job placement and career advancement opportunities, for individuals with disabilities in fields related to the job and career availability identified under clause (ii);

[(B) provide job development, job placement, and career advancement services;

[(C) to the extent appropriate, provide for—

[(i) training in realistic work settings in order to prepare individuals with disabilities for employment and career advancement in the competitive market; and

[(ii) to the extent practicable, the modification of any facilities or equipment of the employer involved that are used primarily by individuals with disabilities, except that a project shall not be required to provide for such modification if the modification is required as a reasonable accommodation under the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.); and

[(D) provide individuals with disabilities with such support services as may be required in order to maintain the employment and career advancement for which the individuals have received training under this part.

[(3)(A) An individual shall be eligible for services described in paragraph (2) if the individual is determined to be an individual described in section 102(a)(1), and if the determination is made in a manner consistent with section 102(a).

[(B) Such a determination may be made by the recipient of a grant under this part, to the extent the determination is appropriate and available and consistent with the requirements of section 102(a).

[(4) The Commissioner shall enter into an agreement with the grant recipient regarding the establishment of the project. Any agreement shall be jointly developed by the Commissioner, the grant recipient, and, to the extent practicable, the appropriate designated State unit and the individuals with disabilities (or the individuals' representatives) involved. Such agreements shall specify the terms of training and employment under the project, provide for the payment by the Commissioner of part of the costs of the project (in accordance with subsection (c)), and contain the items required under subsection (b) and such other provisions as the parties to the agreement consider to be appropriate.

[(5) Any agreement shall include a description of a plan to annually conduct a review and evaluation of the operation of the project in accordance with standards developed by the Commissioner under subsection (d), and, in conducting the review and evaluation, to collect data and information of the type described in subparagraphs (A) through (C) of section 101(a)(10), as determined to be appropriate by the Commissioner.

[(6) The Commissioner may include, as part of agreements with grant recipients, authority for such grant recipients to provide technical assistance to—

[(A) assist employers in hiring individuals with disabilities; or

[(B) improve or develop relationships between—

[(i) grant recipients or prospective grant recipients; and

[(ii) employers or organized labor; or

[(C) assist employers in understanding and meeting the requirements of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) as the Act relates to employment of individuals with disabilities.

[(b) No payment shall be made by the Commissioner under any agreement with a grant recipient entered into under subsection (a) unless such agreement—

[(1) provides an assurance that individuals with disabilities placed under such agreement shall receive at least the applicable minimum wage;

[(2) provides an assurance that any individual with a disability placed under this part shall be afforded terms and benefits of employment equal to terms and benefits that are afforded to the similarly situated nondisabled co-workers of the individual, and that such individuals with disabilities shall not be segregated from their co-workers; and

[(3) provides an assurance that an annual evaluation report containing information specified under subsection (a)(5) shall be submitted as determined to be appropriate by the Commissioner.

[(c) Payments under this section with respect to any project may not exceed 80 per centum of the costs of the project.

[(d)(1) The Commissioner shall develop standards for the evaluation described in subsection (a)(5) and shall review and revise the evaluation standards as necessary, subject to paragraph (2).

[(2) In revising the standards for evaluation to be used by the grant recipients, the Commissioner shall obtain and consider recommendations for such standards from State vocational rehabilitation agencies, current and former grant recipients, professional organizations representing business and industry, organizations representing individuals with disabilities, individuals served by grant recipients, organizations representing community rehabilitation program providers, and labor organizations.

[(e)(1)(A) A grant may be awarded under this section for a period of up to 5 years and such grant may be renewed.

[(B) Grants under this section shall be awarded on a competitive basis. To be eligible to receive such a grant, a prospective grant recipient shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require.

[(2) The Commissioner shall, to the extent practicable, ensure an equitable distribution of payments made under this section among the States. To the extent funds are available, the Commissioner shall award grants under this section to new projects that will serve individuals with disabilities in States, portions of States, Indian tribes, or tribal organizations, that are currently unserved or underserved by projects.

[(f)(1) The Commissioner shall, as necessary, develop and publish in the Federal Register, in final form, indicators of what constitutes minimum compliance consistent with the evaluation standards under subsection (d)(1).

[(2) Each grant recipient shall report to the Commissioner at the end of each project year the extent to which the grant recipient is in compliance with the evaluation standards.

[(3)(A) The Commissioner shall annually conduct onsite compliance reviews of at least 15 percent of grant recipients. The Commissioner shall select grant recipients for review on a random basis.

[(B) The Commissioner shall use the indicators in determining compliance with the evaluation standards.

[(C) The Commissioner shall ensure that at least one member of a team conducting such a review shall be an individual who—

[(i) is not an employee of the Federal Government; and

[(ii) has experience or expertise in conducting projects.

[(D) The Commissioner shall ensure that—

[(i) a representative of the appropriate designated State unit shall participate in the review; and

[(ii) no person shall participate in the review of a grant recipient if—

[(I) the grant recipient provides any direct financial benefit to the reviewer; or

[(II) participation in the review would give the appearance of a conflict of interest.

[(4) In making a determination concerning any subsequent grant under this section, the Commissioner shall consider the past performance of the applicant, if applicable. The Commissioner shall use compliance indicators developed under this subsection that are consistent with program evaluation standards developed under subsection (d) to assess minimum project performance for purposes of making continuation awards in the third, fourth, and fifth years.

[(5) Each fiscal year the Commissioner shall include in the annual report to Congress required by section 13 an analysis of the extent to which grant recipients have complied with the evaluation standards. The Commissioner may identify individual grant recipients in the analysis. In addition, the Commissioner shall report the results of onsite compliance reviews, identifying individual grant recipients.

[(g) The Commissioner may provide, directly or by way of grant, contract, or cooperative agreement, technical assistance to—

[(1) entities conducting projects for the purpose of assisting such entities in—

[(A) the improvement of or the development of relationships with private industry or labor; or

[(B) the improvement of relationships with State vocational rehabilitation agencies; and

[(2) entities planning the development of new projects.

[(h) As used in this section:

[(1) The term "agreement" means an agreement described in subsection (a)(4).

[(2) The term "project" means a Project With Industry established under subsection (a)(2).

[(3) The term "grant recipient" means a recipient of a grant under subsection (a)(2).

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 612. There are authorized to be appropriated to carry out the provisions of this part, such sums as may be necessary for each of fiscal years 1999 through 2003.

[PART B—SUPPORTED EMPLOYMENT SERVICES FOR INDIVIDUALS WITH THE MOST SIGNIFICANT DISABILITIES

[SEC. 621. PURPOSE.

[It is the purpose of this part to authorize allotments, in addition to grants for vocational rehabilitation services under title I, to assist States in developing collaborative programs with appropriate entities to provide supported employment services for individuals with the most significant disabilities to enable such individuals to achieve the employment outcome of supported employment.

[SEC. 622. ALLOTMENTS.

[(a) IN GENERAL.—

[(1) STATES.—The Secretary shall allot the sums appropriated for each fiscal year to carry out this part among the States on the basis of relative population of each State, except that—

[(A) no State shall receive less than $250,000, or ⅓ of 1 percent of the sums appropriated for the fiscal year for which the allotment is made, whichever is greater; and

[(B) if the sums appropriated to carry out this part for the fiscal year exceed by $1,000,000 or more the sums appropriated to carry out this part in fiscal year 1992, no State shall receive less than $300,000, or ⅓ of 1 percent of the sums appropriated for the fiscal year for which the allotment is made, whichever is greater.

[(2) CERTAIN TERRITORIES.—

[(A) IN GENERAL.—For the purposes of this subsection, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands shall not be considered to be States.

[(B) ALLOTMENT.—Each jurisdiction described in subparagraph (A) shall be allotted not less than one-eighth of one percent of the amounts appropriated for the fiscal year for which the allotment is made.

[(b) REALLOTMENT.—Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be expended by such State for carrying out the provisions of this part, the Commissioner shall make such amount available for carrying out the provisions of this part to one or more of the States that the Commissioner determines will be able to use additional amounts during such year for carrying out such provisions. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purposes of this section, be regarded as an increase in the allotment of the State (as determined under the preceding provisions of this section) for such year.

[SEC. 623. AVAILABILITY OF SERVICES.

[Funds provided under this part may be used to provide supported employment services to individuals who are eligible under this part. Funds provided under this part, or title I, may not be used to provide extended services to individuals who are eligible under this part or title I.

[SEC. 624. ELIGIBILITY.

[An individual shall be eligible under this part to receive supported employment services authorized under this Act if—

[(1) the individual is eligible for vocational rehabilitation services;

[(2) the individual is determined to be an individual with a most significant disability; and

[(3) a comprehensive assessment of rehabilitation needs of the individual described in section 7(2)(B), including an evaluation of rehabilitation, career, and job needs, identifies supported employment as the appropriate employment outcome for the individual.

[SEC. 625. STATE PLAN.

[(a) STATE PLAN SUPPLEMENTS.—To be eligible for an allotment under this part, a State shall submit to the Commissioner, as part of the State plan under section 101, a State plan supplement for providing supported employment services authorized under this Act to individuals who are eligible under this Act to receive the services. Each State shall make such annual revisions in the plan supplement as may be necessary.

[(b) CONTENTS.—Each such plan supplement shall—

[(1) designate each designated State agency as the agency to administer the program assisted under this part;

[(2) summarize the results of the comprehensive, statewide assessment conducted under section 101(a)(15)(A)(i), with respect to the rehabilitation needs of individuals with significant disabilities and the need for supported employment services, including needs related to coordination;

[(3) describe the quality, scope, and extent of supported employment services authorized under this Act to be provided to individuals who are eligible under this Act to receive the services and specify the goals and plans of the State with respect to the distribution of funds received under section 622;

[(4) demonstrate evidence of the efforts of the designated State agency to identify and make arrangements (including entering into cooperative agreements) with other State agencies and other appropriate entities to assist in the provision of supported employment services;

[(5) demonstrate evidence of the efforts of the designated State agency to identify and make arrangements (including entering into cooperative agreements) with other public or nonprofit agencies or organizations within the State, employers, natural supports, and other entities with respect to the provision of extended services;

[(6) provide assurances that—

[(A) funds made available under this part will only be used to provide supported employment services authorized under this Act to individuals who are eligible under this part to receive the services;

[(B) the comprehensive assessments of individuals with significant disabilities conducted under section 102(b)(1) and funded under title I will include consideration of supported employment as an appropriate employment outcome;

[(C) an individualized plan for employment, as required by section 102, will be developed and updated using funds under title I in order to—

[(i) specify the supported employment services to be provided;

[(ii) specify the expected extended services needed; and

[(iii) identify the source of extended services, which may include natural supports, or to the extent that it is not possible to identify the source of extended services at the time the individualized plan for employment is developed, a statement describing the basis for concluding that there is a reasonable expectation that such sources will become available;

[(D) the State will use funds provided under this part only to supplement, and not supplant, the funds provided under title I, in providing supported employment services specified in the individualized plan for employment;

[(E) services provided under an individualized plan for employment will be coordinated with services provided under other individualized plans established under other Federal or State programs;

[(F) to the extent jobs skills training is provided, the training will be provided on site; and

[(G) supported employment services will include placement in an integrated setting for the maximum number of hours possible based on the unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and in-

formed choice of individuals with the most significant disabilities;

[(7) provide assurances that the State agencies designated under paragraph (1) will expend not more than 5 percent of the allotment of the State under this part for administrative costs of carrying out this part; and

[(8) contain such other information and be submitted in such manner as the Commissioner may require.

[SEC. 626. RESTRICTION.

[Each State agency designated under section 625(b)(1) shall collect the information required by section 101(a)(10) separately for eligible individuals receiving supported employment services under this part and for eligible individuals receiving supported employment services under title I.

[SEC. 627. SAVINGS PROVISION.

[(a) SUPPORTED EMPLOYMENT SERVICES.—Nothing in this Act shall be construed to prohibit a State from providing supported employment services in accordance with the State plan submitted under section 101 by using funds made available through a State allotment under section 110.

[(b) POSTEMPLOYMENT SERVICES.—Nothing in this part shall be construed to prohibit a State from providing discrete postemployment services in accordance with the State plan submitted under section 101 by using funds made available through a State allotment under section 110 to an individual who is eligible under this part.

[SEC. 628. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated to carry out this part such sums as may be necessary for each of fiscal years 1999 through 2003.]

TITLE VII—INDEPENDENT LIVING SERVICES AND CENTERS FOR INDEPENDENT LIVING

CHAPTER 1—INDIVIDUALS WITH SIGNIFICANT DISABILITIES

PART A—GENERAL PROVISIONS

SEC. 701. PURPOSE.

The purpose of this chapter is to promote a philosophy of independent living, including a philosophy of consumer control, peer support, self-help, self-determination, equal access, and individual and system advocacy, in order to maximize the leadership, empowerment, independence, and productivity of individuals with disabilities, and the integration and full inclusion of individuals with disabilities into the mainstream of American society, by—

(1) * * *

* * * * * * *

SEC. 702. DEFINITIONS.

As used in this chapter:

(1) * * *

* * * * * * *

SEC. 703. ELIGIBILITY FOR RECEIPT OF SERVICES.

Services may be provided under this chapter to any individual with a significant disability, as defined in section 7(21)(B).

SEC. 704. STATE PLAN.

(a) IN GENERAL.—

(1) REQUIREMENT.—To be eligible to receive financial assistance under this chapter, a State shall submit to the [Commissioner] *Director*, and obtain approval of, a State plan containing such provisions as the [Commissioner] *Director* may require, including, at a minimum, the provisions required in this section.

* * * * * * *

(4) DATE OF SUBMISSION.—The State shall submit the plan to the [Commissioner] *Director* 90 days before the completion date of the preceding plan. If a State fails to submit such a plan that complies with the requirements of this section, the [Commissioner] *Director* may withhold financial assistance under this chapter until such time as the State submits such a plan.

* * * * * * *

(c) DESIGNATION OF STATE UNIT.—The plan shall designate the designated State unit of such State as the agency that, on behalf of the State, shall—

(1) * * *

* * * * * * *

(3) keep such records and afford such access to such records as the [Commissioner] *Director* finds to be necessary with respect to the programs; and

(4) submit such additional information or provide such assurances as the [Commissioner] *Director* may require with respect to the programs.

* * * * * * *

(m) REQUIREMENTS.—The plan shall provide satisfactory assurances that all recipients of financial assistance under this chapter will—

(1) * * *

* * * * * * *

(4)(A) * * *

(B) maintain such other records as the [Commissioner] *Director* determines to be appropriate to facilitate an effective audit;

(C) afford such access to records maintained under subparagraphs (A) and (B) as the [Commissioner] *Director* determines to be appropriate; and

(D) submit such reports with respect to such records as the [Commissioner] *Director* determines to be appropriate;

(5) provide access to the [Commissioner] *Director* and the Comptroller General or any of their duly authorized representatives, for the purpose of conducting audits and examinations, of any books, documents, papers, and records of the recipients that are pertinent to the financial assistance received under this chapter; and

* * * * * * *

SEC. 705. STATEWIDE INDEPENDENT LIVING COUNCIL.

(a) * * *

(b) COMPOSITION AND APPOINTMENT.—

(1) * * *

* * * * * * *

[(5) CHAIRPERSON.—

[(A) IN GENERAL.—Except as provided in subparagraph (B), the Council shall select a chairperson from among the voting membership of the Council.

[(B) DESIGNATION BY CHIEF EXECUTIVE OFFICER.—In States in which the Governor does not have veto power pursuant to State law, the appointing authority described in paragraph (3) shall designate a voting member of the Council to serve as the chairperson of the Council or shall require the Council to so designate such a voting member.]

(5) CHAIRPERSON.—The Council shall select a chairperson from among the voting membership of the Council.

* * * * * * *

(c) DUTIES.—The Council shall—

(1) * * *

* * * * * * *

(5) submit to the [Commissioner] *Director* such periodic reports as the [Commissioner] *Director* may reasonably request, and keep such records, and afford such access to such records, as the [Commissioner] *Director* finds necessary to verify such reports.

* * * * * * *

SEC. 706. RESPONSIBILITIES OF THE [COMMISSIONER] *DIRECTOR*.

(a) APPROVAL OF STATE PLANS.—

(1) IN GENERAL.—The [Commissioner] *Director* shall approve any State plan submitted under section 704 that the [Commissioner] *Director* determines meets the requirements of section 704, and shall disapprove any such plan that does not meet such requirements, as soon as practicable after receiving the plan. Prior to such disapproval, the [Commissioner] *Director* shall notify the State of the intention to disapprove the plan, and shall afford such State reasonable notice and opportunity for a hearing.

(2) PROCEDURES.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the provisions of subsections (c) and (d) of section 107 shall apply to any State plan submitted to the [Commissioner] *Director* under section 704.

(B) APPLICATION.—For purposes of the application described in subparagraph (A), all references in such provisions—

(i) to the Secretary shall be deemed to be references to the [Commissioner] *Director*; and

* * * * * * *

(b) INDICATORS.—Not later than October 1, 1993, the [Commissioner] *Director* shall develop and publish in the Federal Register indicators of minimum compliance consistent with the standards set forth in section 725.

(c) ONSITE COMPLIANCE REVIEWS.—

(1) REVIEWS.—The [Commissioner] *Director* shall annually conduct onsite compliance reviews of at least 15 percent of the centers for independent living that receive funds under section 722 and shall periodically conduct such a review of each such center. The [Commissioner] *Director* shall annually conduct onsite compliance reviews of at least one-third of the designated State units that receive funding under section 723, and, to the extent necessary to determine the compliance of such a State unit with subsections (f) and (g) of section 723, centers that receive funding under section 723 in such State. The [Commissioner] *Director* shall select the centers and State units described in this paragraph for review on a random basis.

(2) QUALIFICATIONS OF EMPLOYEES CONDUCTING REVIEWS.—The [Commissioner] *Director* shall—

(A) * * *

* * * * * * *

(d) REPORTS.—The [Commissioner] *Director* shall include, in the annual report required under section 13, information on the extent to which centers for independent living receiving funds under part C have complied with the standards and assurances set forth in section 725. The [Commissioner] *Director* may identify individual centers for independent living in the analysis. The [Commissioner] *Director* shall report the results of onsite compliance reviews, identifying individual centers for independent living and other recipients of assistance under this chapter.

PART B—INDEPENDENT LIVING SERVICES

SEC. 711. ALLOTMENTS.

(a) IN GENERAL.—

(1) STATES.—

(A) POPULATION BASIS.—Except as provided in subparagraphs (B) and (C), from sums appropriated for each fiscal year to carry out this part, the [Commissioner] *Director* shall make an allotment to each State whose State plan has been approved under section 706 of an amount bearing the same ratio to such sums as the population of the State bears to the population of all States.

* * * * * * *

(3) ADJUSTMENT FOR INFLATION.—For any fiscal year, beginning in fiscal year 1999, in which the total amount appro-

priated to carry out this part exceeds the total amount appropriated to carry out this part for the preceding fiscal year, the [Commissioner] *Director* shall increase the minimum allotment under paragraph (1)(C) by a percentage that shall not exceed the percentage increase in the total amount appropriated to carry out this part between the preceding fiscal year and the fiscal year involved.

(b) PROPORTIONAL REDUCTION.—To provide allotments to States in accordance with subsection (a)(1)(B), to provide minimum allotments to States (as increased under subsection (a)(3)) under subsection (a)(1)(C), or to provide minimum allotments to States under subsection (a)(2)(B), the [Commissioner] *Director* shall proportionately reduce the allotments of the remaining States under subsection (a)(1)(A), with such adjustments as may be necessary to prevent the allotment of any such remaining State from being reduced to less than the amount required by subsection (a)(1)(B).

(c) REALLOTMENT.—Whenever the [Commissioner] *Director* determines that any amount of an allotment to a State for any fiscal year will not be expended by such State in carrying out the provisions of this part, the [Commissioner] *Director* shall make such amount available for carrying out the provisions of this part to one or more of the States that the [Commissioner] *Director* determines will be able to use additional amounts during such year for carrying out such provisions. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purposes of this section, be regarded as an increase in the allotment of the State (as determined under the preceding provisions of this section) for such year.

SEC. 712. PAYMENTS TO STATES FROM ALLOTMENTS.

(a) PAYMENTS.—From the allotment of each State for a fiscal year under section 711, the State shall be paid the Federal share of the expenditures incurred during such year under its State plan approved under section 706. Such payments may be made (after necessary adjustments on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments and on such conditions as the [Commissioner] *Director* may determine.

* * * * * * *

SEC. 713. AUTHORIZED USES OF FUNDS.

The State may use funds received under this part to provide the resources described in section 705(e), relating to the Statewide Independent Living Council, and may use funds received under this part—

(1) * * *

* * * * * * *

SEC. 714. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this part [such sums as may be necessary for each of the fiscal years 1999 through 2003] *$23,359,000 for fiscal year 2014 and each of the 6 succeeding fiscal years*.

PART C—CENTERS FOR INDEPENDENT LIVING

SEC. 721. PROGRAM AUTHORIZATION.

(a) IN GENERAL.—From the funds appropriated for fiscal year 1999 and for each subsequent fiscal year to carry out this part, the [Commissioner] *Director* shall allot such sums as may be necessary to States and other entities in accordance with subsections (b) through (d).

(b) TRAINING.—

(1) GRANTS; CONTRACTS; OTHER ARRANGEMENTS.—For any fiscal year in which the funds appropriated to carry out this part exceed the funds appropriated to carry out this part for fiscal year 1993, the [Commissioner] *Director* shall first reserve from such excess, to provide training and technical assistance to eligible agencies, centers for independent living, and Statewide Independent Living Councils for such fiscal year, not less than 1.8 percent, and not more than 2 percent, of the funds appropriated to carry out this part for the fiscal year involved.

(2) ALLOCATION.—From the funds reserved under paragraph (1), the [Commissioner] *Director* shall make grants to, and enter into contracts and other arrangements with, entities that have experience in the operation of centers for independent living to provide such training and technical assistance with respect to planning, developing, conducting, administering, and evaluating centers for independent living.

(3) FUNDING PRIORITIES.—The [Commissioner] *Director* shall conduct a survey of Statewide Independent Living Councils and centers for independent living regarding training and technical assistance needs in order to determine funding priorities for such grants, contracts, and other arrangements.

(4) REVIEW.—To be eligible to receive a grant or enter into a contract or other arrangement under this subsection, such an entity shall submit an application to the [Commissioner] *Director* at such time, in such manner, and containing a proposal to provide such training and technical assistance, and containing such additional information as the [Commissioner] *Director* may require. The [Commissioner] *Director* shall provide for peer review of grant applications by panels that include persons who are not government employees and who have experience in the operation of centers for independent living.

(5) PROHIBITION ON COMBINED FUNDS.—No funds reserved by the [Commissioner] *Director* under this subsection may be combined with funds appropriated under any other Act or part of this Act if the purpose of combining funds is to make a single discretionary grant or a single discretionary payment, unless such funds appropriated under this chapter are separately identified in such grant or payment and are used for the purposes of this chapter.

(c) IN GENERAL.—

(1) STATES.—

(A) POPULATION BASIS.—After the reservation required by subsection (b) has been made, and except as provided in subparagraphs (B) and (C), from the remainder of the amounts appropriated for each such fiscal year to carry out this part, the [Commissioner] *Director* shall make an al-

lotment to each State whose State plan has been approved under section 706 of an amount bearing the same ratio to such remainder as the population of the State bears to the population of all States.

* * * * * * *

(3) ADJUSTMENT FOR INFLATION.—For any fiscal year, beginning in fiscal year 1999, in which the total amount appropriated to carry out this part exceeds the total amount appropriated to carry out this part for the preceding fiscal year, the [Commissioner] *Director* shall increase the minimum allotment under paragraph (1)(C) by a percentage that shall not exceed the percentage increase in the total amount appropriated to carry out this part between the preceding fiscal year and the fiscal year involved.

(4) PROPORTIONAL REDUCTION.—To provide allotments to States in accordance with paragraph (1)(B), to provide minimum allotments to States (as increased under paragraph (3)) under paragraph (1)(C), or to provide minimum allotments to States under paragraph (2)(B), the [Commissioner] *Director* shall proportionately reduce the allotments of the remaining States under paragraph (1)(A), with such adjustments as may be necessary to prevent the allotment of any such remaining State from being reduced to less than the amount required by paragraph (1)(B).

(d) REALLOTMENT.—Whenever the [Commissioner] *Director* determines that any amount of an allotment to a State for any fiscal year will not be expended by such State for carrying out the provisions of this part, the [Commissioner] *Director* shall make such amount available for carrying out the provisions of this part to one or more of the States that the [Commissioner] *Director* determines will be able to use additional amounts during such year for carrying out such provisions. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purposes of this section, be regarded as an increase in the allotment of the State (as determined under the preceding provisions of this section) for such year.

SEC. 722. GRANTS TO CENTERS FOR INDEPENDENT LIVING IN STATES IN WHICH FEDERAL FUNDING EXCEEDS STATE FUNDING.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Unless the director of a designated State unit awards grants under section 723 to eligible agencies in a State for a fiscal year, the [Commissioner] *Director* shall award grants under this section to such eligible agencies for such fiscal year from the amount of funds allotted to the State under subsection (c) or (d) of section 721 for such year.

(2) GRANTS.—The [Commissioner] *Director* shall award such grants, from the amount of funds so allotted, to such eligible agencies for the planning, conduct, administration, and evaluation of centers for independent living that comply with the standards and assurances set forth in section 725.

(b) ELIGIBLE AGENCIES.—In any State in which the [Commissioner] *Director* has approved the State plan required by section 704, the [Commissioner] *Director* may make a grant under this section to any eligible agency that—

(1) * * *

(2) is determined by the [Commissioner] *Director* to be able to plan, conduct, administer, and evaluate a center for independent living consistent with the standards and assurances set forth in section 725; and

(3) submits an application to the [Commissioner] *Director* at such time, in such manner, and containing such information as the [Commissioner] *Director* may require.

(c) EXISTING ELIGIBLE AGENCIES.—In the administration of the provisions of this section, the [Commissioner] *Director* shall award grants to any eligible agency that has been awarded a grant under this part by September 30, 1997, unless the [Commissioner] *Director* makes a finding that the agency involved fails to meet program and fiscal standards and assurances set forth in section 725.

(d) NEW CENTERS FOR INDEPENDENT LIVING.—

(1) IN GENERAL.—If there is no center for independent living serving a region of the State or a region is underserved, and the increase in the allotment of the State is sufficient to support an additional center for independent living in the State, the [Commissioner] *Director* may award a grant under this section to the most qualified applicant proposing to serve such region, consistent with the provisions in the State plan setting forth the design of the State for establishing a statewide network of centers for independent living.

(2) SELECTION.—In selecting from among applicants for a grant under this section for a new center for independent living, the [Commissioner] *Director*—

(A) * * *

* * * * * * *

(e) ORDER OF PRIORITIES.—The [Commissioner] *Director* shall be guided by the following order of priorities in allocating funds among centers for independent living within a State, to the extent funds are available:

(1) The [Commissioner] *Director* shall support existing centers for independent living, as described in subsection (c), that comply with the standards and assurances set forth in section 725, at the level of funding for the previous year.

(2) The [Commissioner] *Director* shall provide for a cost-of-living increase for such existing centers for independent living.

(3) The [Commissioner] *Director* shall fund new centers for independent living, as described in subsection (d), that comply with the standards and assurances set forth in section 725.

* * * * * * *

(g) REVIEW.—

(1) IN GENERAL.—The [Commissioner] *Director* shall periodically review each center receiving funds under this section to determine whether such center is in compliance with the standards and assurances set forth in section 725. If the [Commissioner] *Director* determines that any center receiving funds under this section is not in compliance with the standards and assurances set forth in section 725, the [Commissioner] *Director* shall immediately notify such center that it is out of compliance.

(2) ENFORCEMENT.—The [Commissioner] *Director* shall terminate all funds under this section to such center 90 days after the date of such notification unless the center submits a plan to achieve compliance within 90 days of such notification and such plan is approved by the [Commissioner] *Director*.

SEC. 723. GRANTS TO CENTERS FOR INDEPENDENT LIVING IN STATES IN WHICH STATE FUNDING EQUALS OR EXCEEDS FEDERAL FUNDING.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—

(A) INITIAL YEAR.—

(i) DETERMINATION.—The director of a designated State unit, as provided in paragraph (2), or the [Commissioner] *Director*, as provided in paragraph (3), shall award grants under this section for an initial fiscal year if the [Commissioner] *Director* determines that the amount of State funds that were earmarked by a State for a preceding fiscal year to support the general operation of centers for independent living meeting the requirements of this part equaled or exceeded the amount of funds allotted to the State under subsection (c) or (d) of section 721 for such year.

(ii) GRANTS.—The director or the [Commissioner] *Director*, as appropriate, shall award such grants, from the amount of funds so allotted for the initial fiscal year, to eligible agencies in the State for the planning, conduct, administration, and evaluation of centers for independent living that comply with the standards and assurances set forth in section 725.

(iii) REGULATION.—The [Commissioner] *Director* shall by regulation specify the preceding fiscal year with respect to which the [Commissioner] *Director* will make the determinations described in clause (i) and subparagraph (B), making such adjustments as may be necessary to accommodate State funding cycles such as 2-year funding cycles or State fiscal years that do not coincide with the Federal fiscal year.

(B) SUBSEQUENT YEARS.—For each year subsequent to the initial fiscal year described in subparagraph (A), the director of the designated State unit shall continue to have the authority to award such grants under this section if the [Commissioner] *Director* determines that the State continues to earmark the amount of State funds described in subparagraph (A)(i). If the State does not continue to earmark such an amount for a fiscal year, the State shall be ineligible to make grants under this section after a final year following such fiscal year, as defined in accordance with regulations established by the [Commissioner] *Director*, and for each subsequent fiscal year.

(2) GRANTS BY DESIGNATED STATE UNITS.—In order for the designated State unit to be eligible to award the grants described in paragraph (1) and carry out this section for a fiscal year with respect to a State, the designated State agency shall submit an application to the [Commissioner] *Director* at such time, and in such manner as the [Commissioner] *Director* may

require, including information about the amount of State funds described in paragraph (1) for the preceding fiscal year. If the [Commissioner] *Director* makes a determination described in subparagraph (A)(i) or (B), as appropriate, of paragraph (1), the [Commissioner] *Director* shall approve the application and designate the director of the designated State unit to award the grant and carry out this section.

(3) GRANTS BY [COMMISSIONER] *DIRECTOR*.—If the designated State agency of a State described in paragraph (1) does not submit and obtain approval of an application under paragraph (2), the [Commissioner] *Director* shall award the grant described in paragraph (1) to eligible agencies in the State in accordance with section 722.

(b) ELIGIBLE AGENCIES.—In any State in which the [Commissioner] *Director* has approved the State plan required by section 704, the director of the designated State unit may award a grant under this section to any eligible agency that—

(1) * * *

* * * * * * *

(g) REVIEW.—

(1) * * *

(2) ENFORCEMENT.—The director of the designated State unit shall terminate all funds under this section to such center 90 days after—

(A) * * *

* * * * * * *

unless the center submits a plan to achieve compliance within 90 days and such plan is approved by the director, or if appealed, by the [Commissioner] *Director*.

(h) ONSITE COMPLIANCE REVIEW.—The director of the designated State unit shall annually conduct onsite compliance reviews of at least 15 percent of the centers for independent living that receive funding under this section in the State. Each team that conducts onsite compliance review of centers for independent living shall include at least one person who is not an employee of the designated State agency, who has experience in the operation of centers for independent living, and who is jointly selected by the director of the designated State unit and the chairperson of or other individual designated by the Council acting on behalf of and at the direction of the Council. A copy of this review shall be provided to the [Commissioner] *Director*.

(i) ADVERSE ACTIONS.—If the director of the designated State unit proposes to take a significant adverse action against a center for independent living, the center may seek mediation and conciliation to be provided by an individual or individuals who are free of conflicts of interest identified by the chairperson of or other individual designated by the Council. If the issue is not resolved through the mediation and conciliation, the center may appeal the proposed adverse action to the [Commissioner] *Director* for a final decision.

SEC. 724. CENTERS OPERATED BY STATE AGENCIES.

A State that receives assistance for fiscal year 1993 with respect to a center in accordance with subsection (a) of this section (as in effect on the day before the date of enactment of the Rehabilitation

Act Amendments of 1998) may continue to receive assistance under this part for fiscal year 1994 or a succeeding fiscal year if, for such fiscal year—

(1) no nonprofit private agency—

(A) submits an acceptable application to operate a center for independent living for the fiscal year before a date specified by the [Commissioner] *Director*; and

* * * * * * *

(2) after funding all applications so submitted and approved, the [Commissioner] *Director* determines that funds remain available to provide such assistance.

SEC. 725. STANDARDS AND ASSURANCES FOR CENTERS FOR INDEPENDENT LIVING.

(a) * * *

* * * * * * *

(c) ASSURANCES.—The eligible agency shall provide at such time and in such manner as the [Commissioner] *Director* may require, such satisfactory assurances as the [Commissioner] *Director* may require, including satisfactory assurances that—

(1) * * *

* * * * * * *

(13) the center will prepare and submit a report to the designated State unit or the [Commissioner] *Director*, as the case may be, at the end of each fiscal year that contains the information described in paragraph (8) and information regarding the extent to which the center is in compliance with the standards set forth in subsection (b); and

* * * * * * *

SEC. 726. DEFINITIONS.

As used in this part, the term "eligible agency" means a consumer-controlled, community-based, cross-disability, nonresidential private nonprofit agency.

SEC. 727. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this part [such sums as may be necessary for each of the fiscal years 1999 through 2003] *$79,953,000 for fiscal year 2014 and each of the 6 succeeding fiscal years*.

CHAPTER 2—INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND

SEC. 751. DEFINITION.

For purposes of this chapter, the term "older individual who is blind" means an individual age 55 or older whose significant visual impairment makes competitive employment extremely difficult to attain but for whom independent living goals are feasible.

SEC. 752. PROGRAM OF GRANTS.

(a) IN GENERAL.—

(1) AUTHORITY FOR GRANTS.—Subject to subsections (b) and (c), the [Commissioner] *Director* may make grants to States for the purpose of providing the services described in subsection (d) to older individuals who are blind.

(2) DESIGNATED STATE AGENCY.—The [Commissioner] *Director* may not make a grant under subsection (a) unless the State involved agrees that the grant will be administered solely by the agency described in section 101(a)(2)(A)(i).

* * * * * * *

(c) CONTINGENT FORMULA GRANTS.—

(1) * * *

(2) ALLOTMENTS.—For grants under subsection (a) for a fiscal year described in paragraph (1), the [Commissioner] *Director* shall make an allotment to each State in an amount determined in accordance with subsection (j), and shall make a grant to the State of the allotment made for the State if the State submits to the [Commissioner] *Director* an application in accordance with subsection (i).

(d) SERVICES GENERALLY.—The [Commissioner] *Director* may not make a grant under subsection (a) unless the State involved agrees that the grant will be expended only for purposes of—

(1) * * *

* * * * * * *

(f) MATCHING FUNDS.—

(1) IN GENERAL.—The [Commissioner] *Director* may not make a grant under subsection (a) unless the State involved agrees, with respect to the costs of the program to be carried out by the State pursuant to such subsection, to make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount that is not less than $1 for each $9 of Federal funds provided in the grant.

* * * * * * *

(h) REQUIREMENT REGARDING STATE PLAN.—The [Commissioner] *Director* may not make a grant under subsection (a) unless the State involved agrees that, in carrying out subsection (d)(1), the State will seek to incorporate into the State plan under section 704 any new methods and approaches relating to independent living services for older individuals who are blind.

(i) APPLICATION FOR GRANT.—

(1) IN GENERAL.—The [Commissioner] *Director* may not make a grant under subsection (a) unless an application for the grant is submitted to the [Commissioner] *Director* and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the [Commissioner] *Director* determines to be necessary to carry out this section (including agreements, assurances, and information with respect to any grants under subsection (j)(4)).

(2) CONTENTS.—An application for a grant under this section shall contain—

(A) an assurance that the agency described in subsection (a)(2) will prepare and submit to the [Commissioner] *Director* a report, at the end of each fiscal year, with respect to each project or program the agency operates or administers under this section, whether directly or through a grant or contract, which report shall contain, at a minimum, information on—

(i) * * *

* * * * * * *

(j) AMOUNT OF FORMULA GRANT.—

(1) * * *

* * * * * * *

(4) DISPOSITION OF CERTAIN AMOUNTS.—

(A) GRANTS.—From the amounts specified in subparagraph (B), the [Commissioner] *Director* may make grants to States whose population of older individuals who are blind has a substantial need for the services specified in subsection (d) relative to the populations in other States of older individuals who are blind.

(B) AMOUNTS.—The amounts referred to in subparagraph (A) are any amounts that are not paid to States under subsection (a) as a result of—

(i) * * *

* * * * * * *

(iii) any State informing the [Commissioner] *Director* that the State does not intend to expend the full amount of the allotment made for the State under subsection (a).

(C) CONDITIONS.—The [Commissioner] *Director* may not make a grant under subparagraph (A) unless the State involved agrees that the grant is subject to the same conditions as grants made under subsection (a).

SEC. 753. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this chapter [such sums as may be necessary for each of the fiscal years 1999 through 2003] *$34,018,000 for fiscal year 2014 and each of the 6 succeeding fiscal years*.

* * * * * * *

MINORITY VIEWS

INTRODUCTION

Reauthorization of the Workforce Investment Act (WIA) should be an opportunity to address some of the significant challenges of the 21st century economy, including how to educate and train America's diverse workforce with the skills required to compete in a global market. Regrettably, the Republican proposal, H.R. 803, abandons the federal commitment to job training and shifts responsibility to the states without meaningful accountability. H.R. 803 fails to ensure equitable access to training services for disadvantaged workers and fails to adequately respond to the economic challenges Americans face.

The Majority's process is broken. For almost 40 years, job training legislation had been bipartisan. But, in recent years, the Majority has walked away from bipartisanship. And as a result, job training program support has languished. Committee Democrats repeatedly sought to work with the Majority, during this and the prior Congress, but were rebuffed. During the Committee's sole hearing this Congress on WIA reauthorization, Higher Education and Workforce Training Subcommittee Senior Democrat Ruben Hinojosa and Reps. McCarthy and Tierney each asked for bipartisan discussions and were refused. Committee Senior Democrat George Miller and Representatives Hinojosa and Tierney wrote to Chairmen Kline and Foxx asking for member-to-member negotiations to attempt to reach a bipartisan bill and did not receive any response.

H.R. 803 is nearly identical to another bill reported by the Majority just nine months ago, during a markup in which amendment after amendment was rejected on party-line votes. That partisan bill went nowhere. The present bill has been placed on the same trajectory. After making repeated gestures to try something different, work together, and get something done for the American people, and having those requests rejected or ignored, Committee Democrats found it necessary to refuse to participate in the markup of H.R. 803. This partisan bill is a political exercise. It has been rushed through Committee on a timeline set by a political agenda. It is not an exercise in successful policymaking. That is unfortunate for American workers and businesses.

The Committee should have seized every opportunity to work together and draft bipartisan legislation that would both reduce unemployment and improve our country's global competitiveness. Unfortunately, H.R. 803 does not put us on a path to bipartisanship; it places ideological positions over practical solutions. The Republican approach to reauthorize WIA does not rise to meet the challenges our economy faces, and, for that reason, we strongly oppose H.R. 803.

21ST CENTURY SKILLS STRATEGY INTEGRAL TO ECONOMIC RECOVERY

When the bipartisan Workforce Investment Act was signed into law in 1998, the unemployment rate was 4.5 percent.[1] More than a decade later, the economy has changed, as has the composition of the workforce, including through greater participation by older workers, people of color, women with children, persons with disabilities, and other groups with relatively low historic labor force participation.[2] And while African American, Latinos and other minority groups continue to comprise a growing share of the U.S. labor force, aggregate numbers show that as a whole, these populations have exhibited poorer labor market outcomes when compared to other American workers.

By 2007, our nation's financial and housing markets suffered significant loses and the U.S. economy entered into an 18-month recession that officially ended in June 2009.[3] During that time, more than 8 million jobs were lost.[4]

Aggressive stimulus measures were taken by the Obama Administration in 2009. Since then, the unemployment rate has dropped over 2 percentage points since it peaked at 10 percent, adding roughly 6.1 million jobs in the last 35 months.[5] While the economy is recovering, more than 40 percent of the 12 million unemployed have been seeking employment for at least 6 months or longer.[6] Communities of color and disadvantaged workers including youth, low-income adults, people with disabilities and disadvantaged workers generally have been disproportionately affected by this recession. The February 2013 unemployment rates for African Americans, Latinos, and young people were 13.8 percent, 9.6 percent, and 25.1 percent respectively compared to 6.8 percent among Whites.[7] Among adults with less than a high school diploma, the unemployment rate is 11.2 percent compared to 3.8 percent for those with a bachelor's degree and higher.[8] Unemployment remains at 12.3 percent for people with disabilities in contrast to those without a disability at 7.9 percent.[9] More needs to be done to create addi-

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[1] Bureau of Labor Statistics, United States Department of Labor. (2012). Available at: http://data.bls.gov/cgi-bin/surveymost?ln.

[2] Karoly, L.A., Panis, C.W.A. (2004). The 21st Century at Work: Forces Shaping the Future Workforce and Workplace in the United States. Available at: http://www.rand.org/pubs/monographs/2004/RAND___MG164.pdf.

[3] National Bureau of Economic Research. (2012). U.S. Business Cycle Expansions and Contractions. Available at: http://www.nber.org/cycles.html.

[4] Economic Policy Institute. (2012). The State of Working America, The Great Recession. Available at: http://stateofworkingamerica.org/great-recession/.

[13] Krantz, J. and Mayne, C., Is Job Training Justified? An Analysis of Job Training Services as Administered by Utah's Department of Workforce Services. Salt Lake City, Utah: Utah Department of Workforce Services (2011).

[14] Written testimony of Todd Gustafson, Executive Director of Michigan Works! Berriern-Cass-Van Buren. House Subcommittee on Higher Education and Workforce Training Hearing on "Putting America Back to Work: Reforming the Nation's Workforce Investment System," February 26, 2013.

[15] Written testimony of Todd Gustafson, Executive Director of Michigan Works! Berriern-Cass-Van Buren. House Subcommittee on Higher Education and Workforce Training Hearing on "Putting America Back to Work: Reforming the Nation's Workforce Investment System," February 26, 2013.

[16] Bird, K. (2012). *Workforce Reauthorization: Amendments and Impacts for Youth.* Washington, DC: Center for Law and Social Policy. Retrieved from http://www.clasp.org/issues/pages?type=youth&id=0050.

[17] *Ibid.*

tional jobs. Yet, a reported 3.6 million jobs remain unfilled.[10] The majority of these available jobs are in growing industries such as health care, which has risen by 320,000 over the year.[11] The industry sectors experiencing growth demand different skills than the sectors that have been shedding jobs, creating a skills mismatch between the unemployed and available jobs. Even though the bulk of the evidence points to the rise in the unemployment rate since 2007 as more cyclical than structural, the structural component still represents millions of workers without jobs.[12] In other words, cyclical unemployment can evolve into structural unemployment. Not only must we do more to create good jobs, it is equally important to bring a wide range of people through a diversity of pathways into the skilled labor market.

A sustainable growth strategy should aim to create new jobs while increasing the supply of highly qualified workers who can meet emerging industry demands. The Republican plan accomplishes neither goal. Committee Democrats have repeatedly offered proposals to create good jobs now and have pressed for a reauthorization that extends opportunity to all Americans and aims to close the mismatch between employers' skills demand and workers' skills supply. But rather than working together on bipartisan solutions to support a stronger economic recovery, the Majority has failed to act on job creation measures and advanced H.R. 803, a bill that threatens to widen the American skills gap.

ONE-SIZED WORKFORCE FUND DOES NOT FIT ALL

Committee Republicans claim their approach builds on the work of some state workforce systems, including Utah, which among its policy recommendations for WIA reauthorization charges that "[n]ot all training is the same".[13] But H.R. 803 overlooks the demographic and economic factors such as age, English language proficiency, and participation in other assistance programs that may significantly impact how training should vary to help individuals successfully obtain employment and career advancement. Far too many of our nation's job seekers experience barriers to employment that make entering and advancing in the labor market challenging.

Under the guise of reducing duplication, H.R. 803 combines dozens of programs into a single Workforce Investment Fund (WIF). Under this approach, Committee Republicans effectively eliminate, consolidate and cede completely to Governors, individual programs designed to serve returning veterans, low-income adults, disadvantaged youth, migrant and seasonal farmworkers, those with fewer skills and education, people with disabilities, chronically unemployed and people of color who are disproportionately reflected in

[13] Krantz, J. and Mayne, C., Is Job Training Justified? An Analysis of Job Training Services as Administered by Utah's Department of Workforce Services. Salt Lake City, Utah: Utah Department of Workforce Services (2011).

[14] Written testimony of Todd Gustafson, Executive Director of Michigan Works! Berriern-Cass-Van Buren. House Subcommittee on Higher Education and Workforce Training Hearing on "Putting America Back to Work: Reforming the Nation's Workforce Investment System," February 26, 2013.

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[16] Bird, K. (2012). *Workforce Reauthorization: Amendments and Impacts for Youth.* Wash-

unemployment figures that are far higher than national averages. Contrary to the Republican approach, there is actually little evidence of potential benefits of consolidation. Eliminating the programs that are tailored toward targeted populations "could potentially undermine program efficacy that arises from the specialized knowledge and familiarity targeted programs have developed with the populations they serve," says Anthony Carnevale, the director and research professor at the Georgetown University Center on Education and the Workforce.[14]

The bill also allows Governors to consolidate additional funds from other training-related programs covered in a unified plan, including Adult Education, Temporary Assistance for Needy Families (TANF), Trade Adjustment Assistance (TAA) and the Community Services Block Grant into the newly created Workforce Investment Fund. Specifically, H.R. 803 would allow governors to treat the "employment and training" funds for these programs as if the funds were allotted to the state under WIA. However, it must also "continue to meet the program requirements, limitations, and prohibitions of any Federal statute authorizing the activity or program consolidated into the Workforce Investment Fund. It is unclear whether, in practice, States will realize any actual cost-savings.

Committee Republicans are also misleading when they say that so few participants completed instruction and found jobs. Last year, more than 8 million jobseekers utilized WIA programs. And, 61 percent of WIA Dislocated Workers and 57 percent of WIA Adults, many of whom were low-income, found jobs. For those WIA Adult participants who received training services, 71.2% found jobs, and for WIA Dislocated Workers who received training, 80.6% found jobs. All of this occurred at a time when there were 3.3 jobseekers for every available job.

Further, H.R. 803 disregards the importance of local decision-making by allowing state boards to designate local areas. While State Workforce Investment Boards (WIB) must consult with the governor to determine economic boundaries, they do not have to check with their local boards. In his testimony, Republican witness Todd[15] Gustafson writes, "[r]edesignation is potentially the most controversial concept. . . " in H.R. 803. He goes on to say that increasing governors' authority to redesignate workforce areas ". . . should not be at the expense of local input." H.R. 803 fails to maintain the critical balance between states and local areas. Committee Democrats believe that it is imperative that there be a collaborative process between the states and local areas to designate workforce areas. A hallmark of the Workforce Investment Act is its emphasis on flexibility for states and local areas to innovate and be responsive to local economic conditions. The Republican bill ignores the differences between local and regional economies by re-

[14] Written testimony of Todd Gustafson, Executive Director of Michigan Works! Berriern-Cass-Van Buren. House Subcommittee on Higher Education and Workforce Training Hearing on "Putting America Back to Work: Reforming the Nation's Workforce Investment System," February 26, 2013.

[15] Written testimony of Todd Gustafson, Executive Director of Michigan Works! Berriern-Cass-Van Buren. House Subcommittee on Higher Education and Workforce Training Hearing on "Putting America Back to Work: Reforming the Nation's Workforce Investment System," February 26, 2013.

routing workforce decisions to the state level without sufficient local area involvement.

The Majority noted a 2011 Government Accountability Office (GAO) report that found overlap amongst many federal education programs. Committee Democrats support better coordination of programs. However, the Majority's approach of merely reducing the total number of programs for the sake of reducing the number of programs will not improve program efficiency. Moreover, merely shifting management responsibilities and administrative costs from the federal government to each of the fifty states and thousands of local governments will unlikely increase effectiveness or reduce administrative and other costs. Essentially, the bill consolidates over two dozen programs and replaces them with fifty different state-level programs.

Simply combining funding streams does not guarantee that workers or businesses will be any better served if those investments are not guided by the effective practices developed by the workforce field over the past 15 years and measured to ensure accountability. Instead, the adoption of a broad consolidation under H.R. 803 puts employment opportunities and training services at risk for large, vulnerable segments of our workforce. Moreover, H.R. 803 does not go far enough to ensure states adopt documented, effective practices. Under current law, many states have already implemented effective strategies, including career pathways systems that bring a wide range of people into the skilled labor market through strategic partnerships. Rather than promote continuous innovation, the bill eliminates key policy provisions that support the development of career pathways and other innovative approaches. Without minimum standards and accountability, Governors will serve favored groups and those easiest to serve. The Republican bill erodes the ability of American families to remain in or move into the middle class and stifles our nation's economic competitiveness.

THE WORKFORCE INVESTMENT ACT OF 2013 (H.R. 798)—DEMOCRATIC ALTERNATIVE

Committee Democrats have introduced an alternative bill, the Workforce Investment Act of 2013 (H.R. 798) that represents a reasoned best practices reauthorization of WIA. Led by Representatives Tierney and Hinojosa, the Democratic alternative updates the current workforce investment system by strengthening accountability measures, streamlining existing programs, and creating new initiatives for innovative practices. The Democratic alternative reflects a commitment to employment opportunities for all workers and a commitment to the career advancement of our nation's most vulnerable and disadvantaged jobseekers.

Among other provisions, the Democratic alternative would streamline and coordinate the operation of job training, adult education, and postsecondary education programs through unified planning. The bill would improve cross-program alignment through flexible implementation of career pathways strategies and initiatives that offer career advancement to all workers, as well as increase engagement with employers on a regional and sectoral basis where appropriate.

The alternative would ensure all Americans have access to high-quality services, including individuals with the most significant barriers to employment, by establishing a common One-Stop delivery identifier and co-locating Employment Services and the One-Stop Center offices. It would also improve accountability by establishing common reporting and performance measures across all job training, adult education, Wagner-Peyser, and Vocational Rehabilitation programs.

In addition, the Democratic alternative would promote the search for successful practices across programs, continuous innovation, and adoption of the most effective approaches. Under a new Workforce Innovation Fund, the bill would support the exploration of new or promising service models and rigorous evaluation to identify successful strategies.

The Democratic alternative also promotes partnerships like those that fully engage community colleges, so local areas can leverage resources, respond more effectively to economic challenges, and meet future industry needs. Of particular note, the substitute amendment would establish an authorization of the $8 billion Community College to Career Fund as proposed by President Obama to expand capacity to train workers in high-growth industries, such as health care, transportation, and advanced manufacturing.

In contrast to what is proposed in H.R. 803, Committee Democrats believe that a WIA reauthorization bill must expand opportunities for all workers, help businesses staff high-skilled and other open positions, and assure that tax-payer dollars are spent wisely, efficiently and effectively.

WIA SHOULD PROVIDE CAREER OPPORTUNITIES FOR ALL AMERICANS

Beyond the programs H.R. 803 would eliminate through consolidation, Committee Republicans further risk reducing access to education and training services for our nation's most vulnerable workers by setting aside about 2 percent of the governor's state-set aside for services for individuals with barriers to employment, which include disadvantaged youth.

The provision under H.R. 803 to provide states an option to consolidate Adult Education, TANF, TAA and other federal programs that serve our most vulnerable into one generic funding stream could result in significantly fewer resources for adults with low-levels of literacy, women and their families, and workers dislocated from trade impacted industries.

The Republican bill also provides no priority of service for low-income adults or out-of-school youth under the Workforce Investment Fund and fails to ensure that each local area receives funding for youth activities. Committee Republicans argue that such a provision impedes employers' ability to find skilled workers quickly and that eliminating the priority of service requirement better serves all job-seekers. However, striking priority of services for low-income workers for training and intensive services when funds are limited in local areas will not boost the recruitment of skilled workers; it will instead, almost certainly reduce access to education and training services for our nation's most vulnerable populations. Without a priority of service provision as provided under current law, dislocated workers, youth, older workers, and those in areas

of highest unemployment would continue to be at a disadvantage under the bill.

Unfortunately, H.R. 803 is especially detrimental to young people because it eliminates dedicated training funds for youth programs. Without a designated youth funding stream, youth will have to compete against adults for Workforce Investment Fund funding. Youth ages 16 to 24 have had unemployment rates hovering around 16 percent for 38 consecutive months and continue to be adversely affected as the economy continues to recover.[16] Just 15 percent of teens had a job in May 2012.[17]

H.R. 803 WEAKENS ACCOUNTABILITY AND CONSUMER GOVERNANCE ROLE

H.R. 803 eliminates WIA's longstanding requirement that labor, community-based organizations, community colleges, or people who work with youth, veterans, or workers with disabilities have a seat at the table on state and local WIBs. The WIBs play a central role in analyzing local needs and allocating local resources for workforce development. Simply increasing the percentage of employers serving on WIBs will do little to increase the number of employers already involved in the planning or design of related training and employment strategies. At the same time, by decreasing the role of other community stakeholders' participation on the WIBs, H.R. 803 will reduce the valuable input of community organizations and other stakeholders with expertise and interest in serving vulnerable populations.

Essentially, the Republican bill restructures the workforce system in a way that locks out key stakeholders and leaves the system vulnerable to favoritism. These are key stakeholders who can recognize when a program is or isn't working. They provide a voice for workers who need training and jobs. H.R. 803 silences that voice.

Under current law, business makes up a majority of each WIB and chairs each board. H.R. 803, however, guarantees business ⅔ of the seats on a board, and up to 100 percent of those seats. It gives these businesses nearly unchecked power to spend government funds. Moreover, this provision would discourage the workforce system from leveraging the expertise and resources of community organizations and those who represent the training of diverse communities.

H.R. 803 FREEZES WIA FUNDS OVER THE NEXT SIX YEARS

The federal government spends nearly $3 billion on Workforce Investment Act formula programs, not $18 billion as the Republicans claim Republicans are using an outdated number that reflected peak of funding under the Recovery Act. Under H.R. 803, the authorized funding levels are capped over the next six years at current levels with no inflation increases. In other words, the bill limits the funding authorization irrespective of increases in the costs of providing services or the needs for those services that may result from future economic circumstances. This freeze will lead to

[16] Bird, K. (2012). *Workforce Reauthorization: Amendments and Impacts for Youth.* Washington, DC: Center for Law and Social Policy. Retrieved from http://www.clasp.org/issues/pages?type=youth&id=0050.

[17] *Ibid.*

real cuts at a time when the need for quality services is greatest. Last Congress, the Republican majority proposed cutting roughly $2.97 billion in WIA funds, dismantling the national commitment to the millions of Americans seeking job assistance, skills assessment, career counseling, and job training programs. H.R. 803 underfunds job training services leaving tens of thousands of the unemployed without the skills they need to find jobs.

CONSUMER GROUPS HAVE EXPRESSED CONCERNS AND OPPOSITION TO H.R. 803

Over 40 groups, including labor organizations, civil rights groups, disability advocates, youth groups and workforce investment organizations wrote letters of opposition or concern regarding H.R. 803. Some of the groups in opposition include: the American Federation of Labor and Congress of Industrial Organizations, American Federation of State, County and Municipal Employees, Association of Farm Worker Opportunity Programs, National Youth Employment Coalition, Center for Law and Social Policy, Council of State Administrator of Vocational Rehabilitation, Easter Seals, the Leadership Conference on Civil and Human Rights, National Association of Counties, National League of Cities, National Council on La Raza, National Council of State Directors of Adult Education, National Skills Coalition, and the United Steel Workers. These organizations agree that the Republican bill does not move our workforce into the future.

Additionally, last year, Labor Secretary Hilda Solis and Education Secretary Arne Duncan wrote a letter in strong opposition to the Republican bill citing "it does not succeed in" addressing the Administration's reform principles. The letter goes on to state, "[W]e are concerned that the bill's approach fails to ensure that vulnerable populations, especially those with the most significant barriers to employment (including veterans, individuals with disabilities, low-income individuals and families, and low-skilled adults and youth), will receive the range of assistance they need." While they "strongly oppose the current version of H.R. 4297," the Departments of Labor and Education expressed their interest in working with the Committee to develop bipartisan legislation that is consistent with the Administration's reform principles, which consist of providing "[a]ll Americans, including individuals with the most significant barriers to employment . . . have access to high-quality services One-Stop Career Centers that connect them with the full range of services available in their communities."

REHABILITATION ACT

While the Great Recession has been widespread, affecting a wide variety of individuals, people with disabilities continue to face formidable hurdles in reconnecting to the labor market. The labor force participation rate of workers with disabilities is shockingly low. According to the Bureau of Labor Statistics (BLS) employment report for February 2013, there are nearly 30 million adults with

disabilities in the United States between the ages of 16 and 64.[18] Of this group, only about 20 percent of individuals with a disability are participating in the labor force compared to nearly 70 percent of people with no disability.[19] The unemployment rate for persons with a disability is 12.3 percent, well above the 7.9 percent for those with no disability.[20]

Committee Democrats believe revisions to the Rehabilitation Act must be made in concert with WIA reauthorization to ensure that individuals with disabilities continue to have access to the high quality job training and employment services and supports tailored to the unique and individualized needs of the disability community. Increasing opportunities for competitive integrated employment for all individuals with disabilities and improving youth transition advances opportunities for economic self-sufficiency, employment, and full inclusion in society.

Developing a job training and employment system that reflects the accessibility needs of America's diverse workforce and business community is central to this reauthorization. However, H.R. 803 fails to meet this need by failing to comprehensively reauthorize the Rehabilitation Act and update programs that currently serve about 1 million individuals with disabilities each year. Of this population, 92 percent have significant disabilities. H.R. 803 instead focuses on eliminating programs and services rather than ensuring high quality transition services and employment opportunities for people with disabilities. The bill strikes Title VI of the Rehabilitation Act, including the Supported Employment Program for individuals with the most significant disabilities. This program provides critical support to develop and establish successful supported employment programs for those individuals with the most significant disabilities who might not be traditionally considered appropriate for competitive employment.

H.R. 803 also eliminates the in-service training program for rehabilitation personnel. To ensure that consumers have access to qualified staff who are trained to address the unique vocational rehabilitation and counseling needs of individuals with the most significant disabilities, to assist business in attracting highly qualified employees with disabilities, and to ensure positive employment outcomes requires the recruitment and retention of qualified rehabilitation professionals and paraprofessionals. Without such investments, the long-term result will be declining numbers of rehabilitation professionals and a negative impact on the employment of people with disabilities.

Also problematic, H.R. 803 removes State Vocational Rehabilitation (VR) representation from WIBs. Under current law, State VR Directors are mandatory partners of the workforce system, representing the unique needs of individuals with the most significant disabilities. The Republican bill weakens a critical voice needed at the state and local levels to ensure the employment needs of the disability community are adequately represented.

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[18] Bureau of Labor Statistics, United States Department of Labor. (2013). The Employment Situation—February 2013. Retrieved from http://www.bls.gov/news.release/empsit.t06.htm

[19] *Ibid.*

[20] *Ibid.*

In addition, H.R. 803 keeps the current funding authorization flat in each year and makes only modest changes to areas concerning transitioning youth. Without significant improvements to the bill on programmatic accessibility, many individuals with the most significant disabilities who require specialized services and supports to go to work will continue to face tremendous challenges in securing gainful employment.

Among the hundreds of stakeholder groups that weighed in on the bill, numerous organizations sent letters in opposition or expressing concern with specific issues to the Rehabilitation Act changes under H.R. 4297, the predecessor to H.R. 803 that was proposed by Republicans in the 112th Congress, including: Consortium for Citizens with Disabilities Employment and Training Task Force, Council of State Administrators of Vocational Rehabilitation, Easter Seals, The Arc, The Pacer Center, and National Disability Rights Network.

Committee Democrats remain committed to improving current law by fully reauthorizing one of the nation's most comprehensive and longest serving employment programs for people with disabilities. During Full Committee deliberation of H.R. 4297, the predecessor to H.R. 803 that was proposed by Republicans in the 112th Congress, Representatives Holt and Woolsey offered an amendment to strike Title V of H.R. 4297 and replace it with the Rehabilitation Act Reauthorization, Title IV of the Workforce Investment Act of 2012 (H.R. 4227). The amendment would increase transition services by requiring States to assess the needs of and serve transitioning youth with disabilities including through job exploration and mentoring. It would increase dissemination and applicability of disability research, including research to maximize full inclusion in society, competitive integrated employment and economic self-sufficiency. The Holt-Woolsey amendment would extend supported employment services to include services for youth with the most significant disabilities, increase focus on underserved populations under the Independent Living Centers Program, and improve employer outreach on employment opportunities for individuals with disabilities. This amendment failed by a party line vote of 15–23.

In 2011, state Vocational Rehabilitation agencies reported that as many as 78,000 individuals with disabilities were on waiting lists for services during the year. Unfortunately, H.R. 803 fails to provide a comprehensive reauthorization for the Rehabilitation Act, threatening services at a time when the needs of individuals with disabilities are great. Rather than join the disability community's call for a comprehensive reauthorization of the Rehabilitation Act, including calls from the National Centers for Independent Living, National Disability Rights Network, Collaboration to Promote Self-Determination: Association of Persons for Supported Employment, Autistic Self-Advocacy Network, Institute for Educational Leadership, Jay Nolan Community Services, National Disability Institute, National Down Syndrome Congress, National Down Syndrome Society, National Organization of Nurses with Disabilities, TASH, and the National Center for Learning Disabilities, the Republican bill largely overlooks this important law, rejecting the opportunity

to continue key policies and programs that assist people with disabilities to find employment.

CONCLUSION

With increasing global competition and the deep impact of the Great Recession on our workforce, many individuals and their families have been hit hard with employment loss. There is bipartisan consensus that the nation's job training law needs updating to efficiently and effectively ensure job training and employment services reflect market demands and more importantly, help the people who need them. A modern workforce system requires investments in individuals for both short-term reemployment needs and for long-term skills attainment and credentialing. We can do this by supporting and fostering innovation in the system, engaging sector partners and leveraging community resources. Now more than ever, we need to put people onto career pathways through smart investments in our nation's workforce. H.R. 803 fails to achieve these goals.

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