

112TH CONGRESS
1ST SESSION

H. R. 2295

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.

IN THE HOUSE OF REPRESENTATIVES

JUNE 22, 2011

Mr. McKEON (for himself, Mr. GUTHRIE, Mr. ROE of Tennessee, and Mr. THOMPSON of Pennsylvania) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

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.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Workforce Investment
5 Improvement Act of 2011”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. References.

TITLE I—AMENDMENTS TO TITLE I OF THE WORKFORCE
INVESTMENT ACT OF 1998

- Sec. 101. Definitions.
- 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 systems.
- Sec. 109. Eligible providers of training services.
- Sec. 110. Eligible providers of Youth Activities.
- Sec. 111. Youth Activities.
- Sec. 112. Programs for adults and Dislocated Workers.
- Sec. 113. Performance accountability system.
- Sec. 114. Authorization of appropriations.
- Sec. 115. Job Corps.
- Sec. 116. Native American programs.
- Sec. 117. Migrant and seasonal farm worker programs.
- Sec. 118. Veterans' workforce investment programs.
- Sec. 119. Youth challenge grants.
- Sec. 120. Technical assistance.
- Sec. 121. Demonstration, pilot, multiservice, research and multi-state projects.
- Sec. 122. Restoring State and local flexibility to create energy efficiency and renewable energy jobs.
- Sec. 123. Evaluations.
- Sec. 124. National dislocated worker grants.
- Sec. 125. Authorization of appropriations for national activities.
- Sec. 126. Requirements and restrictions.
- Sec. 127. Nondiscrimination.
- Sec. 128. Administrative provisions.
- Sec. 129. State legislative authority.
- Sec. 130. Workforce innovation in regional economic development.
- Sec. 131. General program requirements.

TITLE II—ADULT EDUCATION AND FAMILY LITERACY
EDUCATION

- Sec. 201. Table of contents.
- Sec. 202. Amendment.

TITLE III—AMENDMENTS TO THE WAGNER-PEYSER ACT

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

TITLE IV—AMENDMENTS TO THE REHABILITATION ACT OF 1973

- Sec. 401. Findings.
- Sec. 402. Rehabilitation Services Administration.
- Sec. 403. Director.
- Sec. 404. Definitions.
- Sec. 405. State plan.
- Sec. 406. Scope of services.
- Sec. 407. Standards and indicators.
- Sec. 408. Reservation for expanded transition services.
- Sec. 409. Client assistance program.

Sec. 410. Protection and advocacy of individual rights.
 Sec. 411. Chairperson.
 Sec. 412. Authorizations of appropriations.
 Sec. 413. Conforming amendment.
 Sec. 414. Helen Keller National Center Act.

TITLE V—TRANSITION AND EFFECTIVE DATE

Sec. 501. Transition provisions.
 Sec. 502. Effective date.

1 **SEC. 3. REFERENCES.**

2 Except as otherwise expressly provided, wherever in
 3 this Act an amendment or repeal is expressed in terms
 4 of an amendment to, or repeal of, a section or other provi-
 5 sion, the amendment or repeal shall be considered to be
 6 made to a section or other provision of the Workforce In-
 7 vestment Act of 1998 (20 U.S.C. 9201 et seq.).

8 **TITLE I—AMENDMENTS TO** 9 **TITLE I OF THE WORKFORCE** 10 **INVESTMENT ACT OF 1998**

11 **SEC. 101. DEFINITIONS.**

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

13 (1) by striking paragraphs (13) and (24) and
 14 redesignating paragraphs (1) through (12) as para-
 15 graphs (3) through (14), and paragraphs (14)
 16 through (23) as paragraphs (15) through (24), re-
 17 spectively;

18 (2) by inserting after “In this title:” the fol-
 19 lowing new paragraphs:

20 “(1) ACCRUED EXPENDITURES.—The term ‘ac-
 21 crued expenditures’ means charges incurred by re-

1 recipients of funds under this title for a given period
2 requiring the provision of funds for goods or other
3 tangible property received; services performed by
4 employees, contractors, subgrantees, subcontractors,
5 and other payees; and other amounts becoming owed
6 under programs assisted under this title for which
7 no current services or performance is required, such
8 as annuities, insurance claims, and other benefit
9 payments.

10 “(2) ADMINISTRATIVE COSTS.—The term ‘ad-
11 ministrative costs’ means expenditures incurred by
12 State and local workforce investment boards, direct
13 recipients (including State grant recipients under
14 subtitle B and recipients of awards under subtitle
15 D), local grant recipients, local fiscal agents or local
16 grant subrecipients, and one-stop operators in the
17 performance of administrative functions and in car-
18 rying out activities under this title which are not re-
19 lated to the direct provision of workforce investment
20 services (including services to participants and em-
21 ployers). Such costs include both personnel and non-
22 personnel and both direct and indirect.”;

23 (3) by amending paragraph (5) (as so redesign-
24 nated) to read as follows:

1 “(5) AREA CAREER AND TECHNICAL EDU-
2 CATION SCHOOL.—The term ‘area career and tech-
3 nical education school’ has the meaning given the
4 term in section 3(3) of the Carl D. Perkins Career
5 and Technical Education Act of 2006 (20 U.S.C.
6 2302(3)).”.

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

10 (5) in paragraph (10)(C) (as so redesignated),
11 by striking “not less than 50 percent of the cost of
12 the training” and inserting “a significant portion of
13 the cost of training, as determined by the local
14 board (or, in the case of an employer in multiple
15 local areas in the State, as determined by the Gov-
16 ernor), taking into account the size of the employer
17 and such other factors as the local board determines
18 to be appropriate”;

19 (6) in paragraph (11) (as so redesignated)—

20 (A) in subparagraph (A)(ii)(II), by striking
21 “section 134(c)” and inserting “section
22 121(e)”;

23 (B) in subparagraph (B)(iii), by striking
24 “intensive services described in section

1 134(d)(3)” and inserting “work ready services
2 described in section 134(e)(2)”;

3 (C) in subparagraph (C), by striking “or”
4 after the semicolon;

5 (D) in subparagraph (D), by striking the
6 period and inserting “; or”; and

7 (E) by adding at the end the following:

8 “(E)(i) is the spouse of a member of the
9 Armed Forces on active duty for a period of
10 more than 30 days (as defined in section
11 101(d)(2) of title 10, United States Code) who
12 has experienced a loss of employment as a di-
13 rect result of relocation to accommodate a per-
14 manent change in duty station of such member;
15 or

16 “(ii) is the spouse of a member of the
17 Armed Forces on active duty who meets the cri-
18 teria described in paragraph (12)(B).”;

19 (7) in paragraph (12)(A) (as redesignated)—

20 (A) by striking “and” after the semicolon
21 and inserting “or”;

22 (B) by striking “(A)” and inserting
23 “(A)(i)”; and

24 (C) by adding at the end the following:

1 “(ii) is the dependent spouse of a member
2 of the Armed Forces on active duty for a period
3 of more than 30 days (as defined in section
4 101(d)(2) of title 10, United States Code)
5 whose family income is significantly reduced be-
6 cause of a deployment (as defined in section
7 991(b) of title 10, United States Code, or pur-
8 suant to paragraph (4) of such section), a call
9 or order to active duty pursuant to a provision
10 of law referred to in section 101(a)(13)(B) of
11 title 10, United States Code, a permanent
12 change of station, or the service-connected (as
13 defined in section 101(16) of title 38, United
14 States Code) death or disability of the member;
15 and”;

16 (8) in paragraph (13) (as so redesignated), by
17 inserting “or regional” after “local” each place it
18 appears;

19 (9) in paragraph (14) (as so redesignated)—

20 (A) in subparagraph (A), by striking “sec-
21 tion 122(e)(3)” and inserting “section 122”;
22 and

23 (B) by striking subparagraph (B), and in-
24 serting the following:

1 “(B) work ready services, means a provider
2 who is identified or awarded a contract as de-
3 scribed in section 134(c)(2);”;

4 (10) in paragraph (25)—

5 (A) in subparagraph (B), by striking
6 “higher of—” and all that follows through
7 clause (ii) and inserting “poverty line for an
8 equivalent period;”; and

9 (B) by redesignating subparagraphs (D)
10 through (F) as subparagraphs (E) through (G),
11 respectively, and inserting after subparagraph
12 (C) the following:

13 “(D) receives or is eligible to receive free
14 or reduced price lunch under the Richard B.
15 Russell National School Lunch Act (42 U.S.C.
16 1751 et seq.);”;

17 (11) in paragraph (32) by striking “the Repub-
18 lic of the Marshall Islands, the Federated States of
19 Micronesia,”;

20 (12) by striking paragraph (33) and redesign-
21 ating paragraphs (34) through (53) as paragraphs
22 (33) through (52), respectively;

23 (13) by amending paragraph (48) (as so redesi-
24 gnated) to read as follows:

1 “(48) VETERAN.—The term ‘veteran’ has the
2 same meaning given the term in section 2108(1) of
3 title 5, United States Code.”; and

4 (14) by amending paragraph (49) (as so reded-
5 ignated) to read as follows:

6 “(49) CAREER AND TECHNICAL EDUCATION.—
7 The term ‘career and technical education’ has the
8 meaning given the term in section 3 of the Carl D.
9 Perkins Career and Technical Education Act of
10 2006 (20 U.S.C. 2302).”.

11 **SEC. 102. PURPOSE.**

12 Section 106 (29 U.S.C. 2811) is amended by insert-
13 ing at the end the following: “It is also the purpose of
14 this subtitle to provide workforce investment activities in
15 a manner that promotes the informed choice of partici-
16 pants and actively involves participants in obtaining train-
17 ing services that will increase their skills and improve their
18 employment outcomes.”.

19 **SEC. 103. STATE WORKFORCE INVESTMENT BOARDS.**

20 (a) MEMBERSHIP.—

21 (1) IN GENERAL.—Section 111(b) (29 U.S.C.
22 2821(b)) is amended—

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

1 “(C) representatives appointed by the Gov-
2 ernor, who are—

3 “(i)(I) the lead State agency officials
4 with responsibility for the programs and
5 activities that are described in section
6 121(b) and carried out by one-stop part-
7 ners;

8 “(II) in any case in which no lead
9 State agency official has responsibility for
10 such a program or activity, a representa-
11 tive in the State with expertise relating to
12 such program or activity; and

13 “(III) if not included under subclause
14 (I), the director of the designated State
15 unit, as defined in section 7(8)(B) of the
16 Rehabilitation Act of 1973 (29 U.S.C.
17 705(8)(B)), except that in a State that has
18 established 2 or more designated State
19 units to administer the vocational rehabili-
20 tation program, the board representative
21 shall be the director of the designated
22 State unit that serves the most individuals
23 with disabilities in the State;

24 “(ii) the State agency officials respon-
25 sible for economic development;

1 “(iii) representatives of business in
2 the State who—

3 “(I) are owners of businesses,
4 chief executive or operating officers of
5 businesses, and other business execu-
6 tives or employers with optimum pol-
7 icy making or hiring authority, includ-
8 ing members of local boards described
9 in section 117(b)(2)(A)(i);

10 “(II) represent businesses with
11 employment opportunities that reflect
12 employment opportunities in the
13 State; and

14 “(III) are appointed from among
15 individuals nominated by State busi-
16 ness organizations and business trade
17 associations;

18 “(iv) chief elected officials (rep-
19 resenting both cities and counties, where
20 appropriate);

21 “(v) one or more representatives of
22 labor organizations, who have been nomi-
23 nated by State labor federations or labor
24 organizations within the State; and

1 “(vi) such other representatives and
2 State agency officials as the Governor may
3 designate.”;

4 (B) in paragraph (3), by striking “para-
5 graph (1)(C)(i)” and inserting “paragraph
6 (1)(C)(iii)”;

7 (C) by adding at the end the following:

8 “(4) QUORUM.—A majority of the members of
9 the State Board who are representatives described in
10 paragraph (1)(C)(iii) shall be present to constitute a
11 quorum. The Board may hold hearings without a
12 quorum, but any recommendation of the Board may
13 be passed only at a meeting for which there is a
14 quorum present.”.

15 (2) CONFORMING AMENDMENT.—Section
16 111(c) (29 U.S.C. 2811(c)) is amended by striking
17 “subsection (b)(1)(C)(i)” and inserting “subsection
18 (b)(1)(C)(iii)”.

19 (b) FUNCTIONS.—Section 111(d) (29 U.S.C.
20 2811(d)) is amended—

21 (1) in paragraph (2), by striking “section
22 134(c)” and inserting “section 121(e)”;

23 (2) by amending paragraph (3) to read as fol-
24 lows:

1 “(3) development and review of statewide poli-
2 cies affecting the integrated provision of services
3 through the one-stop delivery system described in
4 section 121 within the State, including—

5 “(A) the development of objective criteria
6 and procedures for, and the issuance of, certifi-
7 cations of one-stop centers;

8 “(B) the criteria for the allocation of one-
9 stop center infrastructure funding under section
10 121(h) and oversight of the use of such funds;

11 “(C) policies relating to the appropriate
12 roles and contributions of one-stop partner pro-
13 grams within the one-stop delivery system, in-
14 cluding approaches to facilitating equitable and
15 efficient cost allocation in the one-stop delivery
16 system, consistent with section 121;

17 “(D) strategies for providing effective out-
18 reach to individuals and employers who could
19 benefit from services provided through the one-
20 stop delivery system;

21 “(E) strategies for technology improve-
22 ments to facilitate access to services provided
23 through the one-stop delivery system in remote
24 areas and for individuals with disabilities, which
25 may be utilized throughout the State;

1 “(F) identification and dissemination of in-
2 formation on best practices for effective oper-
3 ation of one-stop centers, including use of inno-
4 vative business outreach, partnerships, and
5 service delivery strategies, including for hard-to-
6 serve populations; and

7 “(G) carrying out of such other matters as
8 may promote statewide objectives for, and en-
9 hance the performance of, the one-stop delivery
10 system;”;

11 (3) in paragraph (5), by striking “128(b)(3)(B)
12 and 133(b)(3)(B)” and inserting “sections 128(b)(3)
13 and 133(b)(3)”;

14 (4) in paragraph (8)—

15 (A) by striking “employment statistics sys-
16 tem” and inserting “workforce and labor mar-
17 ket information system”; and

18 (B) by striking “and” after the semicolon;

19 (5) in paragraph (9)—

20 (A) by striking “section 503” and insert-
21 ing “section 136(i)”;

22 (B) by striking the period and inserting “;
23 and”; and

24 (6) by inserting the following new paragraph
25 after paragraph (9):

1 “(10) reviewing and providing comment on the
2 State plans of all one-stop partner programs, where
3 applicable, in order to provide effective strategic
4 leadership in the development of a high-quality, com-
5 prehensive statewide workforce investment system.”.

6 (c) ALTERNATIVE ENTITY.—Section 111(e) (29
7 U.S.C. 2821(e)) is amended—

8 (1) in paragraph (1)—

9 (A) in the matter preceding subparagraph
10 (A), by striking “For” and inserting “Subject
11 to paragraph (3), for”; and

12 (B) in subparagraph (C), by inserting “one
13 or more” after “State and”; and

14 (2) by adding at the end the following:

15 “(3) FAILURE TO MEET PERFORMANCE MEAS-
16 URES.—If a State fails to have performed success-
17 fully, as defined in section 116(a)(2), the Secretary
18 may require the State to establish a State board in
19 accordance with subsections (a), (b), and (c) in lieu
20 of the alternative entity established under paragraph
21 (1).”.

22 (d) CONFLICT OF INTEREST.—Section 111(f)(1) (29
23 U.S.C. 2821(f)(1)) is amended by inserting “or participate
24 in action taken” after “vote”.

1 (e) SUNSHINE PROVISION.—Section 111(g) (29
2 U.S.C. 2821(g)) is amended—

3 (1) by inserting “, and modifications to the
4 State plan,” after “State plan”; and

5 (2) by inserting “, and modifications to the
6 State plan” after “the plan”.

7 (f) AUTHORITY TO HIRE STAFF.—Section 111 (29
8 U.S.C. 2821) is further amended by inserting at the end
9 the following:

10 “(h) AUTHORITY TO HIRE STAFF.—The State Board
11 may hire staff to assist in carrying out the functions de-
12 scribed in subsection (d).”.

13 **SEC. 104. STATE PLAN.**

14 (a) PLANNING CYCLE.—Section 112(a) (29 U.S.C.
15 2822(a)) is amended by striking “5-year strategy” and in-
16 serting “2-year strategy”.

17 (b) CONTENTS.—Section 112(b) (29 U.S.C. 2822(b))
18 is amended—

19 (1) by amending paragraph (7) to read as fol-
20 lows:

21 “(7) a description of the State criteria for de-
22 termining the eligibility of training providers in ac-
23 cordance with section 122, including how the State
24 will take into account the performance of providers

1 and whether the training programs relate to occupa-
2 tions that are in demand;”;

3 (2) in paragraph (8)—

4 (A) in subparagraph (A)—

5 (i) in clause (ix), by striking “and”
6 after the semicolon; and

7 (ii) by adding the following new clause
8 after clause (x):

9 “(xi) programs authorized under title
10 II of the Social Security Act (42 U.S.C.
11 401 et seq.) (related to Federal old-age,
12 survivors, and disability insurance bene-
13 fits), title XVI of such Act (42 U.S.C.
14 1381 et seq.) (relating to supplemental se-
15 curity income), title XIX of such Act (42
16 U.S.C. 1396 et seq.) (relating to Med-
17 icaid), and title XX of such Act (42 U.S.C.
18 1397 et seq.) (relating to block grants to
19 States for social services), programs au-
20 thorized under title VII of the Rehabilita-
21 tion Act of 1973 (29 U.S.C. 796 et seq.),
22 and programs carried out by State agen-
23 cies relating to mental retardation and de-
24 velopmental disabilities; and”;

1 (B) by amending subparagraph (B) to read
2 as follows:

3 “(B) a description of common data collec-
4 tion and reporting processes used for the pro-
5 grams and activities described in subparagraph
6 (A) that are one-stop partners, including assur-
7 ances that such processes utilize quarterly wage
8 records for performance measures relating to
9 entry into employment, retention in employ-
10 ment, and average earnings that are applicable
11 to such programs or activities, or, if such
12 records are not being used, an identification of
13 the barriers to such use and a description of
14 how the State will address such barriers within
15 one year of the approval of the plan;”;

16 (3) in paragraph (11), by inserting “, including
17 controls and procedures to ensure that the limita-
18 tions on the costs of administration are not exceed-
19 ed”;

20 (4) in paragraph (12)(A)—

21 (A) by striking “sections 128(b)(3)(B) and
22 133(b)(3)(B)” and inserting “sections
23 128(b)(3) and 133(b)(3)”; and

24 (B) by inserting “and” at the end of clause
25 (ii);

1 (5) in paragraph (12)(B), by striking “and” at
2 the end;

3 (6) by striking paragraph (12)(C);

4 (7) in paragraph (14), by striking “section
5 134(c)” and inserting “section 121(e)”;

6 (8) in paragraph (17)(A)—

7 (A) in clause (iii) by striking “and”;

8 (B) by amending clause (iv) to read as fol-
9 lows:

10 “(iv) how the State will serve the em-
11 ployment and training needs of dislocated
12 workers (including displaced homemakers),
13 low income individuals (including recipients
14 of public assistance), individuals with lim-
15 ited English proficiency, homeless individ-
16 uals, individuals training for nontraditional
17 employment, and other individuals with
18 multiple barriers to employment (including
19 older individuals); and”;

20 (C) by inserting after clause (iv) the fol-
21 lowing:

22 “(v) how the State will serve the em-
23 ployment and training needs of individuals
24 with disabilities, consistent with section
25 188 and Executive Order 13217 (42

1 U.S.C. 12131 note; relating to community-
2 based alternatives for individuals with dis-
3 abilities) including the provision of out-
4 reach, intake, assessments, and service de-
5 livery, the development of performance
6 measures established under section 136,
7 the training of staff, and other aspects of
8 accessibility to program services, consistent
9 with sections 504 and 508 of the Rehabili-
10 tation Act of 1973; and”;

11 (9) in paragraph (17)(B), by striking “to the
12 extent practicable” and inserting “in accordance
13 with the requirements of the Jobs for Veterans Act
14 (Public Law 107–288)”;

15 (10) in paragraph (18)(D), by striking “youth
16 opportunity grants” and inserting “youth challenge
17 grants”; and

18 (11) by adding at the end the following new
19 paragraphs:

20 “(19) a description of the process and method-
21 ology for determining one-stop partner program con-
22 tributions for the cost of the infrastructure of one-
23 stop centers under section 121(h)(1) and of the for-
24 mula for allocating such infrastructure funds to local
25 areas under section 121(h)(3);

1 “(20) a description of the strategies and pro-
2 grams providing outreach to businesses, identifying
3 workforce needs of businesses in the State, and en-
4 suring that such needs will be met (including the
5 needs of small businesses), which may include—

6 “(A) implementing innovative programs
7 and strategies designed to meet the needs of all
8 businesses in the State, including small busi-
9 nesses, which may include incumbent worker
10 training programs, sectoral and industry cluster
11 strategies, regional skills alliances, career ladder
12 programs, utilization of effective business inter-
13 mediaries, and other business services and
14 strategies that better engage employers in
15 workforce investment activities and make the
16 statewide workforce investment system more
17 relevant to the needs of State and local busi-
18 nesses, consistent with the objectives of this
19 title; and

20 “(B) providing incentives and technical as-
21 sistance to assist local areas in more fully en-
22 gaging all employers, including small employers,
23 in local workforce investment activities, to make
24 the workforce investment system more relevant
25 to the needs of area businesses, and to better

1 coordinate workforce investment, economic de-
2 velopment, and post-secondary education and
3 training efforts to contribute to the economic
4 well-being of the local area and region, as deter-
5 mined appropriate by the local board;

6 “(21) a description of how the State will utilize
7 technology to facilitate access to services in remote
8 areas, which may be utilized throughout the State;

9 “(22) a description of the State strategy and
10 assistance to be provided for encouraging regional
11 cooperation within the State and across State bor-
12 ders as appropriate; and

13 “(23) a description of the actions that will be
14 taken by the State to foster communication and
15 partnerships with non-profit organizations (including
16 community, faith-based, and philanthropic organiza-
17 tions) that provide employment-related, training,
18 and complementary services, in order to enhance the
19 quality and comprehensiveness of services available
20 to participants under this title.”.

21 (c) PLAN SUBMISSION AND APPROVAL.—Section
22 112(c) (29 U.S.C. 2822(c)) is amended by striking “pe-
23 riod, that” and all that follows through paragraph (2) and
24 inserting “period, that the plan is inconsistent with the
25 provisions of this title”.

1 (d) MODIFICATION TO PLAN.—Section 112(d) (29
2 U.S.C. 2822(d)) is amended by striking “5-year period”
3 and inserting “2-year period”.

4 **SEC. 105. LOCAL WORKFORCE INVESTMENT AREAS.**

5 (a) DESIGNATION OF AREAS.—

6 (1) CONSIDERATIONS.—Section 116(a)(1) (29
7 U.S.C. 2831(a)(1)) is amended—

8 (A) in subparagraph (A), by striking
9 “paragraphs (2), (3), and (4)” and inserting
10 “paragraphs (2) and (3)”; and

11 (B) in subparagraph (B), by adding at the
12 end the following:

13 “(vi) The extent to which such local
14 areas will promote maximum effectiveness
15 in the administration and provision of serv-
16 ices.”.

17 (2) AUTOMATIC DESIGNATION.—Section
18 116(a)(2) (29 U.S.C. 2831(a)(2)) is amended to
19 read as follows:

20 “(2) AUTOMATIC DESIGNATION.—

21 “(A) IN GENERAL.—The Governor shall
22 approve a request for designation as a local
23 area that is submitted prior to the submission
24 of the State plan, or of a modification to the

1 State plan relating to area designation, from
2 any area that—

3 “(i) is a unit of general local govern-
4 ment with a population of 500,000 or
5 more, except that after the initial 2-year
6 period following such designation pursuant
7 to this clause that occurs after the date of
8 enactment of the Workforce Investment
9 Improvement Act of 2011, the Governor
10 shall only be required to approve a request
11 for designation from such area if such
12 area—

13 “(I) performed successfully; and

14 “(II) sustained fiscal integrity;

15 “(ii) was a local area under this title
16 for the preceding 2-year period, if such
17 local area—

18 “(I) performed successfully; and

19 “(II) sustained fiscal integrity;

20 “(iii) is served by a rural concentrated
21 employment program grant recipient, ex-
22 cept that after the initial 2-year period fol-
23 lowing any such designation under the ini-
24 tial State plan submitted after the date of
25 enactment of the Workforce Investment

1 Improvement Act of 2011, the Governor
2 shall only be required to approve a request
3 for designation under this clause for such
4 area if such area—

5 “(I) performed successfully; and

6 “(II) sustained fiscal integrity; or

7 “(iv) was a local area under section
8 116(a)(2)(C) (as in effect on the day be-
9 fore the date of enactment of the Work-
10 force Investment Improvement Act of
11 2011), except that after the initial 2-year
12 period following such designation pursuant
13 to this clause that occurs after that date of
14 enactment, the Governor shall only be re-
15 quired to approve a request for designation
16 under this clause for such area if such
17 area—

18 “(I) performed successfully; and

19 “(II) sustained fiscal integrity.

20 “(B) DEFINITIONS.—For purposes of this
21 paragraph:

22 “(i) PERFORMED SUCCESSFULLY.—

23 The term ‘performed successfully’, when
24 used with respect to a local area, means
25 the local area performed at 80 percent or

1 more of the adjusted level of performance
2 for core indicators of performance de-
3 scribed in section 136(b)(2)(A) for 2 con-
4 secutive years.

5 “(ii) SUSTAINED FISCAL INTEG-
6 RITY.—The term ‘sustained fiscal integ-
7 rity’, used with respect to an area, means
8 that the Secretary has not made a formal
9 determination during the preceding 2-year
10 period that either the grant recipient or
11 the administrative entity of the area mis-
12 expended funds provided under this title
13 due to willful disregard of the requirements
14 of the Act involved, gross negligence, or
15 failure to comply with accepted standards
16 of administration.”.

17 (3) CONFORMING AMENDMENTS.—Section
18 116(a) (29 U.S.C. 2831(a)) is amended—

19 (A) by striking paragraph (3); and

20 (B) by redesignating paragraphs (4) and

21 (5) as paragraph (3) and (4), respectively.

22 (b) SINGLE LOCAL AREA STATES.—Section 116(b)
23 (29 U.S.C. 2831(b)) is amended to read as follows:

24 “(b) SINGLE LOCAL AREA STATES.—

1 “(1) CONTINUATION OF PREVIOUS DESIGNA-
2 TION.—Notwithstanding subsection (a), the Gov-
3 ernor of any State that was a single local area for
4 purposes of this title as of January 1, 2011, may
5 continue to designate the State as a single local area
6 for purposes of this title if the Governor identifies
7 the State as a local area in the State plan under sec-
8 tion 112(b)(5).

9 “(2) NEW DESIGNATION.—The Governor of a
10 State not described in paragraph (1) may designate
11 the State as a single local area if, prior to the sub-
12 mission of the State plan or modification to such
13 plan so designating the State, no local area meeting
14 the requirements for automatic designation under
15 subsection (a) requests such designation as a sepa-
16 rate local area.

17 “(3) EFFECT ON LOCAL PLAN.—In any case in
18 which the local area is the State pursuant to this
19 subsection, the local plan under section 118 shall be
20 submitted to the Secretary for approval as part of
21 the State plan under section 112.”.

22 (c) REGIONAL PLANNING.—Section 116(c) (29
23 U.S.C. 2831(c)) is amended—

24 (1) in paragraph (1), by adding at the end the
25 following: “The State may require the local boards

1 for the designated region to prepare a single regional
2 plan that incorporates the elements of the local plan
3 under section 118 and that is submitted and ap-
4 proved in lieu of separate local plans under such sec-
5 tion.”; and

6 (2) in paragraph (2), by striking “employment
7 statistics” and inserting “workforce and labor mar-
8 ket information”.

9 **SEC. 106. LOCAL WORKFORCE INVESTMENT BOARDS.**

10 (a) COMPOSITION.—Section 117(b)(2) (29 U.S.C.
11 2832(b)(2)) is amended—

12 (1) in subparagraph (A)—

13 (A) in clause (i)(II), by inserting “, busi-
14 nesses that are in the leading industries in the
15 local area, and large and small businesses in
16 the local area” after “local area”;

17 (B) by amending clause (ii) to read as fol-
18 lows:

19 “(ii) a superintendent of the local sec-
20 ondary school system, the president or
21 chief executive officer of a post-secondary
22 educational institution (including commu-
23 nity colleges, where such entities exist),
24 and an administrator of local entities pro-

1 viding adult education and literacy activi-
2 ties;”;

3 (C) in clause (iii)—

4 (i) by striking “representatives” and
5 inserting “one or more representatives”;
6 and

7 (ii) by inserting “or by labor organiza-
8 tions in the local area” after “federations”;

9 (D) in clause (iv)—

10 (i) by striking “representatives” and
11 inserting “one or more representatives”;
12 and

13 (ii) by striking the semicolon and in-
14 serting “and faith-based organizations;
15 and”;

16 (E) in clause (v) by inserting “one or
17 more” before “representatives”; and

18 (F) by striking clause (vi);

19 (2) in subparagraph (B), by striking the period
20 and inserting “; and”; and

21 (3) by adding at the end the following subpara-
22 graph:

23 “(C) except for the individuals described in
24 subparagraph (A)(ii), shall not include any indi-
25 vidual who is employed by an entity receiving

1 funds for the provision of services under chap-
2 ters 4 or 5.”.

3 (b) **AUTHORITY OF BOARD MEMBERS.**—Section
4 117(b)(3) (29 U.S.C. 2832(b) is amended—

5 (1) in the heading, by inserting “**AND REP-**
6 **RESENTATION**” after “**MEMBERS**”; and

7 (2) by adding at the end the following:

8 “(6) **QUORUM.**—A majority of the members of
9 the local board who are representatives described in
10 paragraph (1)(A)(i) shall be present to constitute a
11 quorum. The Board may hold hearings without a
12 quorum, but any recommendation of the Board may
13 be passed only at a meeting for which there is a
14 quorum present.”.

15 (c) **FUNCTIONS.**—Section 117(d) (29 U.S.C.
16 2832(d) is amended—

17 (1) in paragraph (2)(B), by striking “by award-
18 ing grants” and all that follows through “youth
19 council”;

20 (2) by striking paragraph (2)(D) and inserting
21 the following:

22 “(D) **IDENTIFICATION OF ELIGIBLE PRO-**
23 **VIDERS OF WORK READY SERVICES.**—If the
24 one-stop operator does not provide the work
25 ready services described in section 134(c)(2) in

1 the local area, the local board shall identify eli-
2 gible providers of such services in the local area
3 by awarding contracts.”;

4 (3) in paragraph (3)(B) by striking clause (ii)
5 and inserting the following:

6 “(ii) STAFF.—The local board may
7 employ staff to assist in carrying out the
8 functions described in this subsection.”;

9 (4) in paragraph (4) by inserting “, and ensure
10 the appropriate use and management of the funds
11 provided under this title for such programs, activi-
12 ties, and system” after “area”;

13 (5) in paragraph (6)—

14 (A) by striking “EMPLOYMENT STATISTICS
15 SYSTEM” and inserting “WORKFORCE AND
16 LABOR MARKET INFORMATION SYSTEM”; and

17 (B) by striking “employment statistics sys-
18 tem” and inserting “workforce and labor mar-
19 ket information system”;

20 (6) by amending paragraph (8) to read as fol-
21 lows:

22 “(8) CONVENING, BROKERING, AND
23 LEVERAGING.—The local board shall support a com-
24 prehensive workforce investment system for the local
25 area and promote the participation by private sector

1 employers, service providers, and other stakeholders
2 in such system. The Board shall ensure the effective
3 provision, through the system, of convening,
4 brokering, and leveraging activities, through inter-
5 mediaries such as the one-stop operator in the local
6 area or through other organizations, to assist such
7 employers in meeting hiring needs. Such activities
8 may include—

9 “(A) convening private sector employers,
10 including small employers, labor, economic de-
11 velopment, and education leaders in the area to
12 align system missions and services, and to iden-
13 tify and meet the employment, education, and
14 skills training needs of the local area in support
15 of regional and local economic growth strate-
16 gies;

17 “(B) providing leadership in the design
18 and implementation of a comprehensive work-
19 force development system that extends beyond
20 those programs authorized under title I of this
21 Act (including programs identified in section
22 121(b)) for the local area;

23 “(C) brokering relationships and service
24 arrangements across system stakeholders and
25 partners; and

1 “(D) leveraging resources other than those
2 provided under title I of this Act, including
3 public and private resources, to significantly ex-
4 pand resources available for employment and
5 training activities identified as necessary in the
6 local area.”; and

7 (7) by adding at the end the following:

8 “(9) TECHNOLOGY IMPROVEMENTS.—The local
9 board shall develop strategies for technology im-
10 provements to facilitate access to services, in remote
11 areas, for services authorized under this subtitle and
12 carried out in the local area.”.

13 (d) LIMITATIONS.—Section 117(f) (29 U.S.C.
14 2832(f)) is amended by striking paragraph (2) and insert-
15 ing the following:

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

23 (e) CONFLICT OF INTEREST.—Section 117(g)(1) (29
24 U.S.C. 2832(g)(1)) is amended by inserting “or partici-
25 pate in action taken” after “vote”.

1 (f) AUTHORITY TO ESTABLISH COUNCILS AND
2 ELIMINATION OF REQUIREMENT FOR YOUTH COUN-
3 CILS.—Section 117(h) (29 U.S.C. 2832(h)) is amended to
4 read as follows:

5 “(h) ESTABLISHMENT OF COUNCILS.—The local
6 board may establish councils to provide information and
7 advice to assist the local board in carrying out activities
8 under this title. Such councils may include a council com-
9 posed of one-stop partners to advise the local board on
10 the operation of the one-stop delivery system, a youth
11 council composed of experts and stakeholders in youth
12 programs to advise the local board on activities for youth,
13 and such other councils as the local board determines are
14 appropriate.”.

15 (g) ALTERNATIVE ENTITY PROVISION.—Section 117
16 (29 U.S.C. 2832) is amended—

17 (1) in subsection (e)(1)(C), by striking “section
18 116(a)(2)(B)” and inserting “section
19 116(a)(2)(A)(iii)”;

20 (2) in subsection (f)(1)(A), by striking “section
21 134(d)(4)” and inserting “section 134(c)(4)”;

22 (3) in subsection (i)(1)—

23 (A) in the matter preceding subparagraph
24 (A), by striking “, and paragraphs (1) and (2)
25 of subsection (h),”;

1 (B) by striking subparagraph (B) and in-
2 serting the following:

3 “(B) was in existence on August 7, 1998,
4 pursuant to State law; and”;

5 (C) by striking subparagraph (C);

6 (D) by redesignating subparagraph (D) as
7 subparagraph (C); and

8 (E) in subparagraph (C) (as redesignated),
9 by inserting “one or more” before “representa-
10 tives”.

11 **SEC. 107. LOCAL PLAN.**

12 (a) **PLANNING CYCLE.**—Section 118(a) (29 U.S.C.
13 2833(a)) is amended by striking “5-year” and inserting
14 “2-year”.

15 (b) **CONTENTS.**—Section 118(b) (29 U.S.C. 2833(b))
16 is amended—

17 (1) by amending paragraph (2) to read as fol-
18 lows:

19 “(2) a description of the one-stop delivery sys-
20 tem to be established or designated in the local area,
21 including a description of how the local board will
22 ensure the continuous improvement of eligible pro-
23 viders of services through the system and ensure
24 that such providers meet the employment needs of
25 local employers and participants;”;

1 (2) in paragraph (4), by inserting before the
2 semicolon “, including a description of how the local
3 area will implement the requirements of section
4 134(c)(4)(G) relating to ensuring that training serv-
5 ices are linked to occupations that are in demand”;

6 (3) in paragraph (5), by striking “statewide
7 rapid response activities” and inserting “statewide
8 activities”;

9 (4) in paragraph (9), by striking “; and” and
10 inserting a semicolon; and

11 (5) by redesignating paragraph (10) as para-
12 graph (13) and inserting after paragraph (9) the fol-
13 lowing:

14 “(10) a description of the strategies and serv-
15 ices that will be initiated in the local area to more
16 fully engage all employers, including small employ-
17 ers, in workforce investment activities, to make the
18 workforce investment system more relevant to the
19 needs of area businesses, and to better coordinate
20 workforce investment and economic development ef-
21 forts, which may include the implementation of inno-
22 vative initiatives such as incumbent worker training
23 programs, sectoral and industry cluster strategies,
24 regional skills alliance initiatives, career ladder pro-
25 grams, utilization of effective business inter-

1 mediaries, and other business services and strategies
2 designed to meet the needs of area employers and
3 contribute to the economic well-being of the local
4 area, as determined appropriate by the local board,
5 consistent with the objectives of this title;

6 “(11) a description of how the local board will
7 facilitate access to services provided through the
8 one-stop delivery system involved in remote areas,
9 including facilitating access through the use of tech-
10 nology, as appropriate;

11 “(12) how the local area will serve the employ-
12 ment and training needs of individuals with disabil-
13 ities, consistent with section 188 and Executive
14 Order 13217 (42 U.S.C. 12131 note) including the
15 provision of outreach, intake, assessments, and serv-
16 ice delivery, the development of performance meas-
17 ures, the training of staff, and other aspects of ac-
18 cessibility to program services, consistent with sec-
19 tions 504 and 508 of the Rehabilitation Act of 1973;
20 and”.

21 **SEC. 108. ESTABLISHMENT OF ONE-STOP DELIVERY SYS-**

22 **TEMS.**

23 (a) ONE-STOP PARTNERS.—

24 (1) REQUIRED PARTNERS.—Section 121(b)(1)

25 (29 U.S.C. 2841(b)(1)) is amended—

1 (A) by striking subparagraph (A) and in-
2 serting the following:

3 “(A) ROLES AND RESPONSIBILITIES OF
4 ONE-STOP PARTNERS.—Each entity that carries
5 out a program or activities described in sub-
6 paragraph (B) shall—

7 “(i) provide access through the one-
8 stop delivery system to the programs and
9 activities carried out by the entity, includ-
10 ing making the work ready services de-
11 scribed in section 134(c)(2) that are appli-
12 cable to the program of the entity available
13 at the one-stop centers (in addition to any
14 other appropriate locations);

15 “(ii) use a portion of the funds avail-
16 able to the program of the entity to main-
17 tain the one-stop delivery system, including
18 payment of the infrastructure costs of one-
19 stop centers in accordance with subsection
20 (h);

21 “(iii) enter into a local memorandum
22 of understanding with the local board re-
23 lating to the operation of the one-stop sys-
24 tem that meets the requirements of sub-
25 section (c);

1 “(iv) participate in the operation of
2 the one-stop system consistent with the
3 terms of the memorandum of under-
4 standing, the requirements of this title,
5 and the requirements of the Federal laws
6 authorizing the programs carried out by
7 the entity; and

8 “(v) provide representation on the
9 State board to the extent provided under
10 section 111.”;

11 (B) in subparagraph (B)—

12 (i) by striking clauses (ii) and (v);

13 (ii) by redesignating clauses (iii) and
14 (iv) as clauses (ii) and (iii), respectively,
15 and by redesignating clauses (vi) through
16 (xii) as clauses (iv) through (x), respec-
17 tively;

18 (iii) in clause (ix) (as so redesign-
19 ated), by striking “and” at the end;

20 (iv) in clause (x) (as so redesignated),
21 by striking the period and inserting “;
22 and”;

23 (v) by inserting after clause (x)(as so
24 redesignated) the following:

1 “(xi) programs authorized under part
2 A of title IV of the Social Security Act (42
3 U.S.C. 601 et seq.), subject to subpara-
4 graph (C); and

5 “(xii) programs authorized under sec-
6 tion 6(d)(4) of the Food Stamp Act of
7 1977 (7 U.S.C. 2015(d)(4)), subject to
8 subparagraph (C).”; and

9 (C) by adding after subparagraph (B) the
10 following:

11 “(C) DETERMINATION BY THE GOV-
12 ERNOR.—The program referred to in clauses
13 (xi) and (xii) of subparagraph (B) shall be in-
14 cluded as a required partner for purposes of
15 this title in a State unless the Governor of the
16 State notifies the Secretary and the Secretary
17 of Health and Human Services (in the case of
18 the program referred to in clause (xi) of sub-
19 paragraph (B)), or the Secretary and the Sec-
20 retary of Agriculture (in the case of the pro-
21 gram referred to in clause (xii) of subparagraph
22 (B)) in writing of a determination by the Gov-
23 ernor not to include such programs as required
24 partners for purposes of this title in the
25 State.”.

1 (2) ADDITIONAL PARTNERS.—Section 121(b)(2)
2 (29 U.S.C. 2841(b)(2)) is amended—

3 (A) in subparagraph (A)(i), by striking
4 “section 134(d)(2)” and inserting “section
5 134(c)(2)”; and

6 (B) by amending subparagraph (B) to read
7 as follows:

8 “(B) PROGRAMS.—The programs referred
9 to in subparagraph (A) may include—

10 “(i) employment and training pro-
11 grams administered by the Social Security
12 Administration, including the Ticket to
13 Work and Self-Sufficiency Program under
14 section 1148 of the Social Security Act (42
15 U.S.C. 1320b–19);

16 “(ii) employment and training pro-
17 grams carried out by the Small Business
18 Administration;

19 “(iii) programs under part D of title
20 IV of the Social Security Act (42 U.S.C.
21 451 et seq.) (relating to child support en-
22 forcement);

23 “(iv) employment, training, and lit-
24 eracy services carried out by public librar-
25 ies;

1 “(v) programs carried out in the local
2 area for individuals with disabilities, in-
3 cluding programs carried out by State
4 agencies relating to mental health, mental
5 retardation, and developmental disabilities,
6 State Medicaid agencies, State Inde-
7 pendent Living Councils, and Independent
8 Living Centers;

9 “(vi) programs authorized under the
10 National and Community Service Act of
11 1990 (42 U.S.C. 1250 et seq.);

12 “(vii) cooperative extension programs
13 carried out by the Department of Agri-
14 culture; and

15 “(viii) other appropriate Federal,
16 State, or local programs, including pro-
17 grams in the private sector.”.

18 (b) LOCAL MEMORANDUM OF UNDERSTANDING.—

19 Section 121(c)(2)(A) (29 U.S.C. 2841(c)(2)(A)) is amend-
20 ed to read as follows:

21 “(A) provisions describing—

22 “(i) the services to be provided
23 through the one-stop delivery system con-
24 sistent with the requirements of this sec-
25 tion, including the manner in which the

1 services will be coordinated through such
2 system;

3 “(ii) how the costs of such services
4 and the operating costs of such system will
5 be funded, through cash and in-kind con-
6 tributions, to provide a stable and equi-
7 table funding stream for ongoing one-stop
8 system operations, including the funding of
9 the infrastructure costs of one-stop centers
10 in accordance with subsection (h);

11 “(iii) methods of referral of individ-
12 uals between the one-stop operator and the
13 one-stop partners for appropriate services
14 and activities; and

15 “(iv) the duration of the memo-
16 randum of understanding and the proce-
17 dures for amending the memorandum dur-
18 ing the term of the memorandum, and as-
19 surances that such memorandum shall be
20 reviewed not less than once every 2-year
21 period to ensure appropriate funding and
22 delivery of services; and”.

23 (c) PROVISION OF SERVICES.—Section 121 (29
24 U.S.C. 2841) is further amended—

25 (1) in subsection (d)—

1 (A) in paragraph (2), by striking “section
2 134(c)” and inserting “subsection (e)”; and

3 (B) in paragraph (3), by striking “voca-
4 tional” and inserting “career and technical”;
5 and

6 (2) by amending subsection (e) to read as fol-
7 lows:

8 “(e) ESTABLISHMENT OF ONE-STOP DELIVERY SYS-
9 TEM.—

10 “(1) IN GENERAL.—There shall be established
11 in a State that receives an allotment under section
12 132(b) a one-stop delivery system, which—

13 “(A) shall provide the work ready services
14 described in section 134(e)(2);

15 “(B) shall provide access to training serv-
16 ices as described in section 134(e), including
17 serving as the point of access to career en-
18 hancement accounts for training services to
19 participants in accordance with paragraph
20 (4)(G) of such section;

21 “(C) shall provide access to the activities
22 carried out under section 134(d), if any;

23 “(D) shall provide access to programs and
24 activities carried out by one-stop partners and
25 described in subsection (b); and

1 “(E) shall provide access to the informa-
2 tion described in section 15(e) of the Wagner-
3 Peyser Act (29 U.S.C. 49l-2(e)).

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

6 “(A) shall make each of the programs,
7 services, and activities described in paragraph
8 (1) accessible at not less than one physical cen-
9 ter in each local area of the State; and

10 “(B) may also make programs, services,
11 and activities described in paragraph (1) avail-
12 able—

13 “(i) through a network of affiliated
14 sites that can provide one or more of the
15 programs, services, and activities to indi-
16 viduals; and (ii) through a network of eligi-
17 ble one-stop partners—

18 “(I) in which each partner pro-
19 vides one or more of the programs,
20 services, and activities to such individ-
21 uals and is accessible at an affiliated
22 site that consists of a physical loca-
23 tion or an electronically or techno-
24 logically linked access point; and

1 “(II) that assures individuals
2 that information on the availability of
3 the work ready services will be avail-
4 able regardless of where the individ-
5 uals initially enter the statewide work-
6 force investment system, including in-
7 formation made available through an
8 access point described in subclause
9 (I).

10 “(3) SPECIALIZED CENTERS.—The centers and
11 sites described in paragraph (2) may have a speciali-
12 zation in addressing special needs, such as the needs
13 of dislocated workers.”.

14 (d) CERTIFICATION AND FUNDING OF ONE-STOP
15 CENTERS.—Section 121 (as amended by subsections (b)
16 and (c)) is further amended by adding at the end the fol-
17 lowing new subsections:

18 “(g) CERTIFICATION OF ONE-STOP CENTERS.—

19 “(1) IN GENERAL.—

20 “(A) IN GENERAL.—The State board shall
21 establish objective procedures and criteria for
22 periodically certifying one-stop centers for the
23 purpose of awarding the one-stop infrastructure
24 funding described in subsection (h).

1 “(B) CRITERIA.—The criteria for certifi-
2 cation under this subsection shall include—

3 “(i) meeting all of the expected levels
4 of performance for each of the core indica-
5 tors of performance as outlined in the
6 State plan, according to section 112;

7 “(ii) meeting minimum standards re-
8 lating to the scope and degree of service
9 integration achieved by the centers involv-
10 ing the programs provided by the one-stop
11 partners; and

12 “(iii) meeting minimum standards re-
13 lating to how the centers ensure that pro-
14 viders meet the employment needs of local
15 employers and participants.

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

20 “(2) LOCAL BOARDS.—Consistent with the cri-
21 teria developed by the State, the local board may de-
22 velop additional criteria of higher standards to re-
23 spond to local labor market and demographic condi-
24 tions and trends.

25 “(h) ONE-STOP INFRASTRUCTURE FUNDING.—

1 “(1) PARTNER CONTRIBUTIONS.—

2 “(A) PROVISION OF FUNDS.—Notwith-
3 standing any other provision of law, as deter-
4 mined under subparagraph (B), a portion of the
5 Federal funds provided to the State and areas
6 within the State under the Federal laws author-
7 izing the one-stop partner programs described
8 in subsection (b)(1)(B) and participating addi-
9 tional partner programs described in (b)(2)(B)
10 for a fiscal year shall be provided to the Gov-
11 ernor by such programs to carry out this sub-
12 section.

13 “(B) DETERMINATION OF GOVERNOR.—

14 “(i) IN GENERAL.—Subject to sub-
15 subparagraph (C), the Governor, in consulta-
16 tion with the State board, shall determine
17 the portion of funds to be provided under
18 subparagraph (A) by each one-stop partner
19 and in making such determination shall
20 consider the proportionate use of the one-
21 stop centers by each partner, the costs of
22 administration for purposes not related to
23 one-stop centers for each partner, and
24 other relevant factors described in para-
25 graph (3).

1 “(ii) SPECIAL RULE.—In those States
2 where the State constitution places policy-
3 making authority that is independent of
4 the authority of the Governor in an entity
5 or official with respect to the funds pro-
6 vided for adult education and literacy ac-
7 tivities authorized under title II of this Act
8 and for post-secondary career education
9 activities authorized under the Carl D.
10 Perkins Career and Technical Education
11 Act, the determination described in clause
12 (i) with respect to such programs shall be
13 made by the Governor with the appropriate
14 entity or official with such independent
15 policy-making authority.

16 “(iii) APPEAL BY ONE-STOP PART-
17 NERS.—The Governor shall establish a
18 procedure for the one-stop partner admin-
19 istering a program described in subsection
20 (b) to appeal a determination regarding
21 the portion of funds to be contributed
22 under this paragraph on the basis that
23 such determination is inconsistent with the
24 criteria described in the State plan or with
25 the requirements of this paragraph. Such

1 procedure shall ensure prompt resolution
2 of the appeal.

3 “(C) LIMITATIONS.—

4 “(i) PROVISION FROM ADMINISTRA-
5 TIVE FUNDS.—The funds provided under
6 this paragraph by each one-stop partner
7 shall be provided only from funds available
8 for the costs of administration under the
9 program administered by such partner,
10 and shall be subject to the limitations with
11 respect to the portion of funds under such
12 programs that may be used for administra-
13 tion.

14 “(ii) FEDERAL DIRECT SPENDING
15 PROGRAMS.—Programs that are Federal
16 direct spending under section 250(c)(8) of
17 the Balanced Budget and Emergency Def-
18 icit Control Act of 1985 (2 U.S.C.
19 900(c)(8)) shall not, for purposes of this
20 paragraph, be required to provide an
21 amount in excess of the amount deter-
22 mined to be equivalent to the proportionate
23 use of the one-stop centers by such pro-
24 grams in the State.

1 “(iii) NATIVE AMERICAN PRO-
2 GRAMS.—Native American programs estab-
3 lished under section 166 shall not be sub-
4 ject to the provisions of this subsection.
5 The method for determining the appro-
6 priate portion of funds to be provided by
7 such Native American programs to pay for
8 the costs of infrastructure of a one-stop
9 center certified under subsection (g) shall
10 be determined as part of the development
11 of the memorandum of understanding
12 under subsection (c) for the one-stop cen-
13 ter and shall be stated in the memo-
14 randum.

15 “(2) ALLOCATION BY GOVERNOR.—From the
16 funds provided under paragraph (1), the Governor
17 shall allocate funds to local areas in accordance with
18 the formula established under paragraph (3) for the
19 purposes of assisting in paying the costs of the in-
20 frastructure of one-stop centers certified under sub-
21 section (g).

22 “(3) ALLOCATION FORMULA.—The State board
23 shall develop a formula to be used by the Governor
24 to allocate the funds described in paragraph (1).
25 The formula shall include such factors as the State

1 board determines are appropriate, which may in-
2 clude factors such as the number of centers in the
3 local area that have been certified, the population
4 served by such centers, and the performance of such
5 centers.

6 “(4) COSTS OF INFRASTRUCTURE.—For pur-
7 poses of this subsection, the term ‘costs of infra-
8 structure’ means the nonpersonnel costs that are
9 necessary for the general operation of a one-stop
10 center, including the rental costs of the facilities, the
11 costs of utilities and maintenance, and equipment
12 (including adaptive technology for individuals with
13 disabilities).

14 “(i) OTHER FUNDS.—

15 “(1) IN GENERAL.—In addition to the funds
16 provided to carry out subsection (h), a portion of
17 funds made available under Federal law authorizing
18 the one-stop partner programs described in sub-
19 section (b)(1)(B) and participating partner pro-
20 grams described in subsection (b)(2)(B), or the
21 noncash resources available under such programs
22 shall be used to pay the costs relating to the oper-
23 ation of the one-stop delivery system that are not
24 paid for from the funds provided under subsection

1 (h), to the extent not inconsistent with the Federal
2 law involved including—

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

5 “(B) common costs that are in addition to
6 the costs of infrastructure; and

7 “(C) the costs of the provision of work
8 ready services applicable to each program.

9 “(2) DETERMINATION AND GUIDANCE.—The
10 method for determining the appropriate portion of
11 funds and noncash resources to be provided by each
12 program under paragraph (1) shall be determined as
13 part of the memorandum of understanding under
14 subsection (c). The State board shall provide guid-
15 ance to facilitate the determination of appropriate
16 allocation of the funds and noncash resources in
17 local areas.”.

18 **SEC. 109. ELIGIBLE PROVIDERS OF TRAINING SERVICES.**

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

21 **“SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF
22 TRAINING SERVICES.**

23 “(a) ELIGIBILITY.—

24 “(1) IN GENERAL.—The Governor, after con-
25 sultation with the State board, shall establish cri-

1 teria and procedures regarding the eligibility of pro-
2 viders of training services described in section
3 134(c)(4) to receive funds provided under section
4 133(b) for the provision of such training services.

5 “(2) PROVIDERS.—Subject to the provisions of
6 this section, to be eligible to receive the funds pro-
7 vided under section 133(b) for the provision of train-
8 ing services, the provider shall be—

9 “(A) a post-secondary educational institu-
10 tion that—

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

14 “(ii) provides a program that leads to
15 an associate degree, baccalaureate degree,
16 or industry-recognized certification;

17 “(B) an entity that carries out programs
18 under the Act of August 16, 1937 (commonly
19 known as the ‘National Apprenticeship Act’; 50
20 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.);
21 or

22 “(C) another public or private provider of
23 a program of training services.

24 “(3) INCLUSION IN LIST OF ELIGIBLE PRO-
25 VIDERS.—A provider described in subparagraph (A)

1 or (C) of paragraph (2) shall comply with the cri-
2 teria and procedures established under this section
3 to be included on the list of eligible providers of
4 training services described in subsection (d)(1). A
5 provider described in paragraph (2)(B) shall be in-
6 cluded on the list of eligible providers of training
7 services described in subsection (d)(1) for so long as
8 the provider remains certified by the Department of
9 Labor to carry out the programs described in para-
10 graph (2)(B).

11 “(b) CRITERIA.—

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

14 “(A) the performance of providers of train-
15 ing services with respect to the performance
16 measures described in section 136 and other
17 matters for which information is required under
18 paragraph (2) and other appropriate measures
19 of performance outcomes for those participants
20 receiving training services under this subtitle
21 (taking into consideration the characteristics of
22 the population served and relevant economic
23 conditions);

1 “(B) whether the training programs of
2 such providers relate to occupations that are in
3 demand;

4 “(C) the need to ensure access to training
5 services throughout the State, including any
6 rural areas;

7 “(D) the ability of providers to offer pro-
8 grams that lead to a degree or an industry-rec-
9 ognized certification, certificate, or mastery;

10 “(E) the information such providers are
11 required to report to State agencies with re-
12 spect to other Federal and State programs
13 (other than the program carried out under this
14 subtitle), including one-stop partner programs;
15 and

16 “(F) such other factors as the Governor
17 determines are appropriate to ensure the qual-
18 ity of services provided, the accountability of
19 providers, that the one-stop centers will ensure
20 that such providers meet the needs of local em-
21 ployers and participants, and the informed
22 choice of participants under chapter 5.

23 “(2) INFORMATION.—The criteria established
24 by the Governor shall require that a provider of
25 training services submit appropriate, accurate, and

1 timely information to the State for purposes of car-
2 rying out subsection (d), with respect to participants
3 receiving training services under this subtitle in the
4 applicable program, including—

5 “(A) information on degrees and industry-
6 recognized certifications received by such par-
7 ticipants;

8 “(B) information on costs of attendance
9 for such participants;

10 “(C) information on the program comple-
11 tion rate for such participants; and

12 “(D) information on the performance of
13 the provider with respect to the performance
14 measures described in section 136 for such par-
15 ticipants (taking into consideration the charac-
16 teristics of the population served and relevant
17 economic conditions), which may include infor-
18 mation specifying the percentage of such par-
19 ticipants who entered unsubsidized employment
20 in an occupation related to the program.

21 “(3) RENEWAL.—The criteria established by
22 the Governor shall also provide for biennial review
23 and renewal of eligibility under this section for pro-
24 viders of training services.

1 “(4) LOCAL CRITERIA.—A local board in the
2 State may establish criteria in addition to the cri-
3 teria established by the Governor, or may require
4 higher levels of performance than required under the
5 criteria established by the Governor, for purposes of
6 determining the eligibility of providers of training
7 services to receive funds described in subsection (a)
8 to provide the services in the local area involved.

9 “(5) LIMITATION.—In carrying out the require-
10 ments of this subsection, no personally identifiable
11 information regarding a student, including Social
12 Security number, student identification number, or
13 other identifier, may be disclosed without the prior
14 written consent of the parent or eligible student in
15 compliance with section 444 of the General Edu-
16 cation Provisions Act (20 U.S.C. 1232g).

17 “(c) PROCEDURES.—The procedures established
18 under subsection (a) shall identify the application process
19 for a provider of training services to become eligible to
20 receive funds under section 133(b) for the provision of
21 training services, and identify the respective roles of the
22 State and local areas in receiving and reviewing applica-
23 tions and in making determinations of eligibility based on
24 the criteria established under this section. The procedures
25 shall also establish a process for a provider of training

1 services to appeal a denial or termination of eligibility
2 under this section that includes an opportunity for a hear-
3 ing and prescribes appropriate time limits to ensure
4 prompt resolution of the appeal.

5 “(d) INFORMATION TO ASSIST PARTICIPANTS IN
6 CHOOSING PROVIDERS.—In order to facilitate and assist
7 participants under chapter 5 in choosing providers of
8 training services, the Governor shall ensure that an appro-
9 priate list or lists of providers determined eligible under
10 this section in the State, including information regarding
11 the occupations in demand that relate to the training pro-
12 grams of such providers, is provided to the local boards
13 in the State to be made available to such participants and
14 to members of the public through the one-stop delivery
15 system in the State. The accompanying information shall
16 consist of information provided by providers described in
17 subparagraphs (A) and (C) of subsection (a)(2) in accord-
18 ance with subsection (b) (including information on receipt
19 of degrees and industry-recognized certifications, and
20 costs of attendance, for participants receiving training
21 services under this subtitle in applicable programs) and
22 such other information as the Secretary determines is ap-
23 propriate. The list and the accompanying information
24 shall be made available to such participants and to mem-

1 bers of the public through the one-stop delivery system
2 in the State.

3 “(e) ENFORCEMENT.—

4 “(1) IN GENERAL.—The criteria and proce-
5 dures established under this section shall provide the
6 following:

7 “(A) INTENTIONALLY SUPPLYING INAC-
8 CURATE INFORMATION.—Upon a determination,
9 by an individual or entity specified in the cri-
10 teria or procedures, that a provider of training
11 services, or individual providing information on
12 behalf of the provider, intentionally supplied in-
13 accurate information under this section, the eli-
14 gibility of such provider to receive funds under
15 chapter 5 shall be terminated for a period of
16 time that is not less than 2 years.

17 “(B) SUBSTANTIAL VIOLATIONS.—Upon a
18 determination, by an individual or entity speci-
19 fied in the criteria or procedures, that a pro-
20 vider of training services substantially violated
21 any requirement under this title, the eligibility
22 of such provider to receive funds under the pro-
23 gram involved may be terminated, or other ap-
24 propriate action may be taken.

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

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

11 “(f) AGREEMENTS WITH OTHER STATES.—States
12 may enter into agreements, on a reciprocal basis, to per-
13 mit eligible providers of training services to accept career
14 enhancement accounts provided in another State.

15 “(g) RECOMMENDATIONS.—In developing the cri-
16 teria, procedures, and information required under this sec-
17 tion, the Governor shall solicit and take into consideration
18 the recommendations of local boards and providers of
19 training services within the State.

20 “(h) OPPORTUNITY TO SUBMIT COMMENTS.—Dur-
21 ing the development of the criteria, procedures, require-
22 ments for information, and the list of eligible providers
23 required under this section, the Governor shall provide an
24 opportunity for interested members of the public, includ-
25 ing representatives of business and labor organizations, to

1 submit comments regarding such criteria, procedures, and
2 information.

3 “(i) ON-THE-JOB TRAINING OR CUSTOMIZED TRAIN-
4 ING EXCEPTION.—

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

8 “(2) COLLECTION AND DISSEMINATION OF IN-
9 FORMATION.—A one-stop operator in a local area
10 shall collect such performance information from on-
11 the-job training and customized training providers
12 as the Governor may require, determine whether the
13 providers meet such performance criteria as the Gov-
14 ernor may require, and disseminate information
15 identifying providers that meet the criteria as eligi-
16 ble providers, and the performance information,
17 through the one-stop delivery system. Providers de-
18 termined to meet the criteria shall be considered to
19 be identified as eligible providers of training serv-
20 ices.”.

21 **SEC. 110. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.**

22 (a) ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.—
23 Section 123 (29 U.S.C. 2843) is amended to read as fol-
24 lows:

1 **“SEC. 123. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.**

2 “(a) IN GENERAL.—From the funds allocated under
3 section 128(b) to a local area, the local board for such
4 area shall award grants or contracts on a competitive basis
5 to providers of youth activities identified based on the cri-
6 teria in the State plan and shall conduct oversight with
7 respect to such providers.

8 “(b) EXCEPTIONS.—A local board may award grants
9 or contracts on a sole-source basis if such board deter-
10 mines there are an insufficient number of eligible pro-
11 viders of training services in the local area involved (such
12 as rural areas) for grants to be awarded on a competitive
13 basis under subsection (a).”

14 (b) CLERICAL AMENDMENT.—The table of contents
15 in section 1(b) is amended by amending the item related
16 to section 123 to read as follows:

“Sec. 123. Eligible providers of youth activities.”

17 **SEC. 111. YOUTH ACTIVITIES.**

18 (a) STATE ALLOTMENTS.—Section 127 (29 U.S.C.
19 2852(a)) is amended—

20 (1) in subsection (a)(1), by striking “oppor-
21 tunity” and inserting “challenge”; and

22 (2) by striking subsection (b) and inserting the
23 following:

24 “(b) ALLOTMENT AMONG STATES.—

25 “(1) YOUTH ACTIVITIES.—

1 “(A) YOUTH CHALLENGE GRANTS.—

2 “(i) RESERVATION OF FUNDS.—Of
3 the amount appropriated under section
4 137(a) for each fiscal year, the Secretary
5 shall reserve 25 percent to provide youth
6 challenge grants under section 169.

7 “(ii) LIMITATION.—Notwithstanding
8 clause (i), if the amount appropriated
9 under section 137(a) for a fiscal year ex-
10 ceeds \$1,000,000,000, the Secretary shall
11 reserve \$250,000,000 to provide youth
12 challenge grants under section 169.

13 “(B) OUTLYING AREAS AND NATIVE AMER-
14 ICANS.—

15 “(i) IN GENERAL.—After determining
16 the amount to be reserved under subpara-
17 graph (A), of the remainder of the amount
18 appropriated under section 137(a) for each
19 fiscal year the Secretary shall—

20 “(I) reserve not more than $\frac{1}{4}$ of
21 one percent of such amount to provide
22 assistance to the outlying areas to
23 carry out youth activities and state-
24 wide workforce investment activities;
25 and

1 “(II) reserve not more than 1
2 and 1/2 percent of such amount to
3 provide youth activities under section
4 166 (relating to Native Americans).

5 “(ii) RESTRICTION.—The Republic of
6 Palau shall cease to be eligible to receive
7 funding under this subparagraph upon en-
8 tering into an agreement for extension of
9 United States educational assistance under
10 the Compact of Free Association (approved
11 by the Compact of Free Association
12 Amendments Act of 2003 (Public Law
13 108–188)) after the date of enactment of
14 the Workforce Investment Improvement
15 Act of 2011.

16 “(C) STATES.—

17 “(i) IN GENERAL.—Of the remainder
18 of the amount appropriated under section
19 137(a) for a fiscal year that is available
20 after determining the amounts to be re-
21 served under subparagraphs (A) and (B),
22 the Secretary shall allot—

23 “(I) the amount of the remainder
24 that is less than or equal to the total
25 amount that was allotted to States for

1 fiscal year 2012 under section
2 127(b)(1)(C) of this Act (as in effect
3 on the day before the date of enact-
4 ment of the Workforce Investment
5 Improvement Act of 2011) in accord-
6 ance with the requirements of such
7 section 127(b)(1)(C); and

8 “(II) the amount of the remain-
9 der, if any, in excess of the amount
10 referred to in subclause (I) in accord-
11 ance with clause (ii).

12 “(ii) FORMULAS FOR EXCESS
13 FUNDS.—Subject to clauses (iii) and (iv),
14 of the amounts described in clause
15 (i)(II)—

16 “(I) $33\frac{1}{3}$ percent shall be allot-
17 ted on the basis of the relative num-
18 ber of individuals in the civilian labor
19 force who are ages 16 through 19 in
20 each State, compared to the total
21 number of individuals in the civilian
22 labor force who are ages 16 through
23 19 in all States;

24 “(II) $33\frac{1}{3}$ percent shall be allot-
25 ted on the basis of the relative num-

1 ber of unemployed individuals in each
2 State, compared to the total number
3 of unemployed individuals in all
4 States; and

5 “(III) $33\frac{1}{3}$ percent shall be allot-
6 ted on the basis of the relative num-
7 ber of disadvantaged youth who are
8 ages 16 through 21 in each State,
9 compared to the total number of dis-
10 advantaged youth who are ages 16
11 through 21 in all States.

12 “(iii) MINIMUM AND MAXIMUM PER-
13 CENTAGES.—The Secretary shall ensure
14 that no State shall receive an allotment for
15 a fiscal year that is less than 90 percent
16 or greater than 130 percent of the allot-
17 ment percentage of that State for the pre-
18 ceding fiscal year.

19 “(iv) SMALL STATE MINIMUM ALLOT-
20 MENT.—Subject to clause (iii), the Sec-
21 retary shall ensure that no State shall re-
22 ceive an allotment under this paragraph
23 that is less than $\frac{3}{10}$ of 1 percent of the
24 amount available under subparagraph (A).

1 “(2) DEFINITIONS.—For the purposes of para-
2 graph (1), the following definitions apply:

3 “(A) ALLOTMENT PERCENTAGE.—The
4 term ‘allotment percentage’, used with respect
5 to fiscal year 2013 or a subsequent fiscal year,
6 means a percentage of the remainder described
7 in paragraph (1)(C)(i) that is received through
8 an allotment made under this subsection for the
9 fiscal year. The term, with respect to fiscal year
10 2012, means the percentage of the amounts al-
11 lotted to States under this chapter (as in effect
12 on the day before the date of enactment of the
13 Workforce Investment Improvement Act of
14 2011) that is received by the State involved for
15 fiscal year 2012.

16 “(B) DISADVANTAGED YOUTH.—The term
17 ‘disadvantaged youth’ means an individual who
18 is age 16 through 21 who received an income,
19 or is a member of a family that received a total
20 family income, that, in relation to family size,
21 does not exceed the poverty line.

22 “(3) SPECIAL RULE.—For purposes of the for-
23 mulas specified in paragraph (1)(C), the Secretary
24 shall, as appropriate and to the extent practicable,
25 exclude college students and members of the Armed

1 Forces from the determination of the number of dis-
2 advantaged youth.”;

3 (3) in subsection (c)—

4 (A) by amending paragraph (2) to read as
5 follows:

6 “(2) AMOUNT.—The amount available for real-
7 lotment for a program year is equal to the amount
8 by which the unexpended balance at the end of the
9 program year prior to the program year for which
10 the determination is made exceeds 30 percent of the
11 total amount of funds available to the State under
12 this section during such prior program year (includ-
13 ing amounts allotted to the State in all prior pro-
14 gram years that remained available). For purposes
15 of this paragraph, the expended balance is the
16 amount that is the difference between—

17 “(A) the total amount of funds available to
18 the State under this section during the program
19 year prior to the program year for which the
20 determination is made (including amounts allot-
21 ted to the State in all prior program years that
22 remained available); and

23 “(B) the accrued expenditures during such
24 prior program year.”;

25 (B) in paragraph (3)—

1 (i) by striking “for the prior program
2 year” and inserting “for the program year
3 in which the determination is made”; and

4 (ii) by striking “such prior program
5 year” and inserting “such program year”;

6 (C) by amending paragraph (4) to read as
7 follows:

8 “(4) ELIGIBILITY.—For purposes of this sub-
9 section, an eligible State means a State which does
10 not have an amount available for reallocation under
11 paragraph (2) for the program year for which the
12 determination under paragraph (2) is made.”; and

13 (D) in paragraph (5), by striking “obliga-
14 tion” and inserting “accrued expenditure”.

15 (b) WITHIN STATE ALLOCATIONS.—

16 (1) RESERVATION FOR STATEWIDE ACTIVI-
17 TIES.—Section 128(a) is amended to read as follows:

18 “(a) RESERVATION FOR STATEWIDE ACTIVITIES.—

19 “(1) IN GENERAL.—The Governor of a State
20 shall reserve not more than 10 percent of the
21 amount allotted to the State under section
22 127(a)(1)(C) for a fiscal year for statewide activi-
23 ties.

24 “(2) USE OF FUNDS.—Regardless of whether
25 the amounts are allotted under section 127(a)(1)(C)

1 and reserved under paragraph (1) or allotted under
2 section 132 and reserved under section 133(a), the
3 Governor may use the reserved amounts to carry out
4 statewide youth activities under section 129(b) or
5 statewide employment and training activities under
6 section 133.”.

7 (2) WITHIN STATE ALLOCATIONS.—Section
8 128(b) is amended to read as follows:

9 “(b) WITHIN STATE ALLOCATION.—

10 “(1) IN GENERAL.—Of the amounts allotted to
11 the State under section 127(a)(1)(C) and not re-
12 served under subsection (a)(1)—

13 “(A) not less than 80 percent of such
14 amounts shall be allocated by the Governor to
15 local areas in accordance with paragraph (2);
16 and

17 “(B) not more than 20 percent of such
18 amounts shall be allocated by the Governor to
19 local areas in accordance with paragraph (3).

20 “(2) ESTABLISHED FORMULA.—

21 “(A) IN GENERAL.—Of the amounts de-
22 scribed in paragraph (1)(A), the Governor shall
23 allocate—

24 “(i) $33\frac{1}{3}$ percent shall be allotted on
25 the basis of the relative number of individ-

1 uals in the civilian labor force who are ages
2 16 through 19 in each local area, com-
3 pared to the total number of individuals in
4 the civilian labor force who are ages 16
5 through 19 in all local areas in the State;

6 “(ii) 33 $\frac{1}{3}$ percent shall be allotted on
7 the basis of the relative number of unem-
8 ployed individuals in each local area, com-
9 pared to the total number of unemployed
10 individuals in all local areas in the State;
11 and

12 “(iii) 33 $\frac{1}{3}$ percent on the basis of the
13 relative number of disadvantaged youth
14 who are ages 16 through 21 in each local
15 area, compared to the total number of dis-
16 advantaged youth who are ages 16 through
17 21 in all local areas in the State.

18 “(B) MINIMUM AND MAXIMUM PERCENT-
19 AGES.—The Governor shall ensure that no local
20 area shall receive an allocation for a fiscal year
21 under this paragraph that is less than 90 per-
22 cent or greater than 130 percent of the alloca-
23 tion percentage of the local area for the pre-
24 ceding fiscal year.

25 “(C) DEFINITIONS.—

1 “(i) ALLOCATION PERCENTAGE.—For
2 purposes of this paragraph, the term ‘allo-
3 cation percentage’, used with respect to fis-
4 cal year 2013 or a subsequent fiscal year,
5 means a percentage of the amount de-
6 scribed in paragraph (1)(A) that is re-
7 ceived through an allocation made under
8 this paragraph for the fiscal year. The
9 term, with respect to fiscal year 2012,
10 means the percentage of the amounts allo-
11 cated to local areas under this chapter (as
12 in effect on the day before the date of en-
13 actment of the Workforce Investment Im-
14 provement Act of 2011) that is received by
15 the local area involved for fiscal year 2012.

16 “(ii) DISADVANTAGED YOUTH.—The
17 term ‘disadvantaged youth’ means an indi-
18 vidual who is age 16 through 21 who re-
19 ceived an income, or is a member of a fam-
20 ily that received a total family income,
21 that, in relation to family size, does not ex-
22 ceed the poverty line.

23 “(3) YOUTH DISCRETIONARY ALLOCATION.—
24 The Governor shall allocate to local areas the
25 amounts described in paragraph (1)(B) in accord-

1 ance with such demographic and economic factors as
2 the Governor, after consultation with the State
3 board and local boards, determines are appropriate.

4 “(4) LOCAL ADMINISTRATIVE COST LIMIT.—

5 “(A) IN GENERAL.—Of the amounts allo-
6 cated to a local area under this subsection for
7 a fiscal year, not more than 10 percent of the
8 amount may be used by the local boards for the
9 administrative costs of carrying out local work-
10 force investment activities under this chapter or
11 chapter 5.

12 “(B) USE OF FUNDS.—Funds made avail-
13 able for administrative costs under subpara-
14 graph (A) may be used for the administrative
15 costs of any of the local workforce investment
16 activities described in this chapter or chapter 5,
17 regardless of whether the funds were allocated
18 under this subsection or section 133(b).”.

19 (3) REALLOCATION.—Section 128(c) (29
20 U.S.C. 2853(c)) is amended—

21 (A) in paragraph (1), by striking “para-
22 graph (2)(A) or (3) of”;

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

1 “(2) AMOUNT.—The amount available for re-
2 allocation for a program year is equal to the amount
3 by which the unexpended balance at the end of the
4 program year prior to the program year for which
5 the determination is made exceeds 30 percent of the
6 total amount of funds available to the local area
7 under this section during such prior program year,
8 (including amounts allotted to the local area in prior
9 program years that remain available). For purposes
10 of this paragraph, the unexpended balance is the
11 amount that is the difference between—

12 “(A) the total amount of funds available to
13 the local area under this section during the pro-
14 gram year prior to the program year for which
15 the determination is made (including amounts
16 allocated to the local area in all prior program
17 years that remained available); and

18 “(B) the accrued expenditures during such
19 prior program year.”;

20 (C) in paragraph (3)—

21 (i) by striking “subsection (b)(3)” the
22 first two places it appears and inserting
23 “subsection (b)”;

1 (ii) by striking “the prior program
2 year” and inserting “the program year in
3 which the determination is made”;

4 (iii) by striking “such prior program
5 year” and inserting “such program year”;
6 and

7 (iv) by striking the last sentence; and
8 (D) by amending paragraph (4) to read as
9 follows:

10 “(4) ELIGIBILITY.—For purposes of this sub-
11 section, an eligible local area means a local area
12 which does not have an amount available for re-
13 allocation under paragraph (2) for the program year
14 for which the determination under paragraph (2) is
15 made.”.

16 (c) YOUTH PARTICIPANT ELIGIBILITY.—Section
17 129(a) (29 U.S.C. 2854(a)) is amended to read as follows:

18 “(a) YOUTH PARTICIPANT ELIGIBILITY.—

19 “(1) IN GENERAL.—The individuals partici-
20 pating in activities carried out under this chapter by
21 a local area during any program year shall be indi-
22 viduals who, at the time the eligibility determination
23 is made, are—

24 “(A) not younger than age 16 or older
25 than age 24; and

1 “(B) one or more of the following:

2 “(i) school dropouts;

3 “(ii) recipients of a secondary school
4 diploma, General Educational Development
5 credential (GED), or other State-recog-
6 nized equivalent (including recognized al-
7 ternative standards for individuals with
8 disabilities) who are deficient in basic skills
9 and not attending any school;

10 “(iii) court-involved youth attending
11 an alternative school;

12 “(iv) youth in foster care or who have
13 been in foster care; or

14 “(v) in school youth who are low-in-
15 come individuals and one or more of the
16 following:

17 “(I) Deficient in literacy skills.

18 “(II) Homeless, runaway, or fos-
19 ter children.

20 “(III) Pregnant or parents.

21 “(IV) Offenders.

22 “(V) Individuals who require ad-
23 ditional assistance to complete an edu-
24 cational program, or to secure and
25 hold employment.

1 “(2) PRIORITY FOR SCHOOL DROPOUTS.—A
2 priority in the provision of services under this chap-
3 ter shall be given to individuals who are school drop-
4 outs.

5 “(3) CONSISTENCY WITH COMPULSORY SCHOOL
6 ATTENDANCE LAWS.—In providing assistance under
7 this section to an individual who is required to at-
8 tend school under applicable State compulsory school
9 attendance laws, the priority in providing such as-
10 sistance shall be for the individual to attend school
11 regularly.”.

12 (d) STATEWIDE YOUTH ACTIVITIES.—Section 129(b)
13 (29 U.S.C. 2854(b)) is amended to read as follows:

14 “(b) STATEWIDE ACTIVITIES.—

15 “(1) IN GENERAL.—Funds reserved by a Gov-
16 ernor for a State as described in sections 128(a) and
17 133(a)(1) may be used for statewide activities in-
18 cluding—

19 “(A) additional assistance to local areas
20 that have high concentrations of eligible youth,
21 including out-of-school youth;

22 “(B) supporting the provision of work
23 ready services described in section 134(e)(2) in
24 the one-stop delivery system;

1 “(C) conducting evaluations under section
2 136(e) of activities authorized under this chap-
3 ter and chapter 5 in coordination with evalua-
4 tions carried out by the Secretary under section
5 172, research, and demonstration projects;

6 “(D) providing incentive grants to local
7 areas for regional cooperation among local
8 boards (including local boards in a designated
9 region as described in section 116(c)), for local
10 coordination of activities carried out under this
11 Act, and for exemplary performance by local
12 areas on the local performance measures;

13 “(E) providing technical assistance and ca-
14 pacity building to local areas, one-stop opera-
15 tors, one-stop partners, and eligible providers,
16 including the development and training of staff,
17 the development of exemplary program activi-
18 ties, and the provision of technical assistance to
19 local areas that fail to meet local performance
20 measures;

21 “(F) operating a fiscal and management
22 accountability system under section 136(f); and

23 “(G) carrying out monitoring and over-
24 sight of activities under this chapter and chap-
25 ter 5.

1 “(2) LIMITATION.—Not more than 5 percent of
2 the funds allotted under section 127(b) shall be used
3 by the State for administrative activities carried out
4 under this subsection and section 133(a).

5 “(3) PROHIBITION.—No funds described in this
6 subsection or in section 134(a) may be used to de-
7 velop or implement education curricula for school
8 systems in the State.”.

9 (e) LOCAL ELEMENTS AND REQUIREMENTS.—

10 (1) PROGRAM DESIGN.—Section 129(c)(1) (29
11 U.S.C. 2854(c)(1)) is amended—

12 (A) in the matter preceding subparagraph
13 (A), by striking “paragraph (2)(A) or (3), as
14 appropriate, of”;

15 (B) in subparagraph (B), by inserting “are
16 directly linked to one or more of the perform-
17 ance measures relating to this chapter under
18 section 136, and that” after “for each partici-
19 pant that”; and

20 (C) in subparagraph (C)—

21 (i) by redesignating clauses (i)
22 through (iv) as clauses (ii) through (v), re-
23 spectively;

24 (ii) by inserting before clause (ii) (as
25 so redesignated) the following:

1 “(i) activities leading to the attain-
2 ment of a secondary school diploma, Gen-
3 eral Educational Development credential
4 (GED), or other State-recognized equiva-
5 lent (including recognized alternative
6 standards for individuals with disabil-
7 ities);”;

8 (iii) in clause (ii) (as so redesignated),
9 by inserting “and advanced training” after
10 “opportunities”;

11 (iv) in clause (iii) (as so redesign-
12 ated), by inserting “that lead to the at-
13 tainment of recognized credentials” after
14 “learning”; and

15 (v) by amending clause (v) (as so re-
16 designated) to read as follows:

17 “(v) effective connections to employ-
18 ers, including small employers, in sectors
19 of the local and regional labor markets ex-
20 periencing high growth in employment op-
21 portunities.”; and

22 (D) provide assistance and support to out-
23 of-school youth who lack the skill level to obtain
24 employment.

1 (2) PROGRAM ELEMENTS.—Section 129(c)(2)
2 (29 U.S.C. 2854(c)(2)) is amended—

3 (A) in subparagraph (A), by striking “sec-
4 ondary school, including dropout prevention
5 strategies” and inserting “secondary school di-
6 ploma, General Educational Development cre-
7 dential (GED), or other State-recognized equiv-
8 alent (including recognized alternative stand-
9 ards for individuals with disabilities), including
10 dropout prevention strategies”;

11 (B) in subparagraph (I), by striking “and”
12 at the end;

13 (C) in subparagraph (J), by striking the
14 period at the end and inserting a semicolon;
15 and

16 (D) by adding at the end the following:

17 “(K) on-the-job training opportunities; and

18 “(L) financial literacy skills.”.

19 (3) ADDITIONAL REQUIREMENTS.—Section
20 129(c)(3)(A) (29 U.S.C. 2854(c)(3)(A)) is amended
21 in the matter preceding clause (i) by striking “or ap-
22 plicant who meets the minimum income criteria to
23 be considered an eligible youth”.

24 (4) PRIORITY AND EXCEPTIONS.—Section
25 129(c) (29 U.S.C. 2854(c)) is further amended—

1 (A) by striking paragraphs (4) and (5) and
2 redesignating paragraphs (6) through (8) as
3 paragraphs (4) through (6), respectively; and

4 (B) in paragraph (5) (as so redesignated),
5 by striking “youth councils” and inserting
6 “local boards”.

7 **SEC. 112. PROGRAMS FOR ADULTS AND DISLOCATED**
8 **WORKERS.**

9 (a) TITLE AMENDMENT.—

10 (1) The title heading of chapter 5 is amended
11 to read as follows:

12 **“CHAPTER 5—EMPLOYMENT AND TRAIN-**
13 **ING ACTIVITIES FOR ADULTS AND DIS-**
14 **CLOSED WORKERS”.**

15 (2) CLERICAL AMENDMENT.—The table of con-
16 tents in section 1(b) is amended by amending the
17 item related to the heading for chapter 5 to read as
18 follows:

“CHAPTER 5—EMPLOYMENT AND TRAINING ACTIVITIES FOR ADULTS AND
DISLOCATED WORKERS”.

19 (b) GENERAL AUTHORIZATION.—Section 131 (29
20 U.S.C. 2861) is amended by striking “paragraphs (1)(B)
21 and (2)(B) of”.

22 (c) STATE ALLOTMENTS.—Section 132 (29 U.S.C.
23 2862) is amended—

1 (1) by amending subsection (a) to read as fol-
2 lows:

3 “(a) IN GENERAL.—The Secretary shall—

4 “(1) reserve 5 percent of the amount appro-
5 priated under section 137 for a fiscal year, of
6 which—

7 “(A) not less than 85 percent shall be used
8 for national dislocated worker grants under sec-
9 tion 173;

10 “(B) not more than 10 percent may be
11 used for demonstration projects under section
12 171; and

13 “(C) not more than 5 percent may be used
14 to provide technical assistance under section
15 170; and

16 “(2) make allotments from 95 percent of the
17 amount appropriated under section 137 for a fiscal
18 year in accordance with subsection (b).”;

19 (2) by amending subsection (b) to read as fol-
20 lows:

21 “(b) ALLOTMENT AMONG STATES FOR EMPLOYMENT
22 AND TRAINING ACTIVITIES FOR ADULT AND DISLOCATED
23 WORKERS.—

24 “(1) RESERVATION FOR OUTLYING AREAS.—

1 “(A) IN GENERAL.—From the amount
2 made available under subsection (a)(2) for a
3 fiscal year, the Secretary shall reserve not more
4 than $\frac{1}{4}$ of 1 percent to provide assistance to
5 outlying areas to carry out employment and
6 training activities for adults, dislocated workers,
7 and statewide workforce investment activities.

8 “(B) RESTRICTION.—The Republic of
9 Palau shall cease to be eligible to receive fund-
10 ing under this paragraph upon entering into an
11 agreement for extension of United States edu-
12 cational assistance under the Compact of Free
13 Association (approved by the Compact of Free
14 Association Amendments Act of 2003 (Public
15 Law 108–188)) after the date of enactment of
16 the Workforce Investment Improvement Act of
17 2011.

18 “(2) STATES.—Subject to paragraph (5), of the
19 remainder of the amount referred to under sub-
20 section (a)(2) for a fiscal year that is available after
21 determining the amount to be reserved under para-
22 graph (1), the Secretary shall allot to the States for
23 employment and training activities for adults, dis-
24 located workers, and statewide workforce investment
25 activities—

1 “(A) 26 percent in accordance with para-
2 graph (3); and

3 “(B) 74 percent in accordance with para-
4 graph (4).

5 “(3) BASE FORMULA.—

6 “(A) FISCAL YEAR 2013.—

7 “(i) IN GENERAL.—Subject to clause
8 (ii), the amount referred to in paragraph
9 (2)(A) shall be allotted for fiscal year 2013
10 on the basis of allotment percentage of
11 each State under section 6 of the Wagner-
12 Peyser Act for fiscal year 2012.

13 “(ii) EXCESS AMOUNTS.—If the
14 amount referred to in paragraph (2)(A) for
15 fiscal year 2013 exceeds the amount that
16 was available for allotment to the States
17 under the Wagner-Peyser Act for fiscal
18 year 2012, such excess amount shall be al-
19 lotted on the basis of the relative number
20 of individuals in the civilian labor force in
21 each State, compared to the total number
22 of individuals in the civilian labor force in
23 all States, adjusted to ensure that no State
24 receives less than $\frac{3}{10}$ of one percent of
25 such excess amount.

1 “(iii) DEFINITION.—For purposes of
2 this subparagraph, the term ‘allotment
3 percentage’ means the percentage of the
4 amounts allotted to States under section 6
5 of the Wagner-Peyser Act that is received
6 by the State involved for fiscal year 2012.

7 “(B) FISCAL YEARS 2014 AND THERE-
8 AFTER.—

9 “(i) IN GENERAL.—Subject to clause
10 (ii), the amount referred to in paragraph
11 (2)(A) shall be allotted for fiscal year 2014
12 and each fiscal year thereafter on the basis
13 of the allotment percentage of each State
14 under this paragraph for the preceding fis-
15 cal year.

16 “(ii) EXCESS AMOUNTS.—If the
17 amount referred to in paragraph (2)(A) for
18 fiscal year 2014 or any fiscal year there-
19 after exceeds the amount that was avail-
20 able for allotment under this paragraph for
21 the prior fiscal year, such excess amount
22 shall be allotted on the basis of the relative
23 number of individuals in the civilian labor
24 force in each State, compared to the total
25 number of individuals in the civilian labor

1 force in all States, adjusted to ensure that
2 no State receives less than $\frac{3}{10}$ of one per-
3 cent of such excess amount.

4 “(iii) DEFINITION.—For purposes of
5 this subparagraph, the term ‘allotment
6 percentage’ means the percentage of the
7 amounts allotted to States under this para-
8 graph in a fiscal year that is received by
9 the State involved for such fiscal year.

10 “(4) FORMULA.—

11 “(A) IN GENERAL.—Subject to subpara-
12 graphs (B) and (C), of the amount referred to
13 in paragraph (2)(B)—

14 “(i) 60 percent shall be allotted on the
15 basis of the relative number of unemployed
16 individuals in each State, compared to the
17 total number of unemployed individuals in
18 all States;

19 “(ii) 25 percent shall be allotted on
20 the basis of the relative excess number of
21 unemployed individuals in each State, com-
22 pared to the total excess number of unem-
23 ployed individuals in all States; and

24 “(iii) 15 percent shall be allotted on
25 the basis of the relative number of dis-

1 advantaged adults in each State, compared
2 to the total number of disadvantaged
3 adults in all States.

4 “(B) MINIMUM AND MAXIMUM PERCENT-
5 AGES.—

6 “(i) MINIMUM PERCENTAGE.—The
7 Secretary shall ensure that no State shall
8 receive an allotment under this paragraph
9 for a fiscal year that is less than 90 per-
10 cent of the allotment percentage of the
11 State under this paragraph for the pre-
12 ceding fiscal year.

13 “(ii) MAXIMUM PERCENTAGE.—Sub-
14 ject to clause (i), the Secretary shall en-
15 sure that no State shall receive an allot-
16 ment for a fiscal year under this para-
17 graph that is more than 130 percent of the
18 allotment of the State under this para-
19 graph for the preceding fiscal year.

20 “(C) SMALL STATE MINIMUM ALLOT-
21 MENT.—Subject to subparagraph (B), the Sec-
22 retary shall ensure that no State shall receive
23 an allotment under this paragraph that is less
24 than $\frac{2}{10}$ of 1 percent of the amount available
25 under subparagraph (A).

1 “(D) DEFINITIONS.—For the purposes of
2 this paragraph:

3 “(i) ALLOTMENT PERCENTAGE.—The
4 term ‘allotment percentage’, used with re-
5 spect to fiscal year 2013 or a subsequent
6 fiscal year, means a percentage of the
7 amounts described in paragraph (2)(B)
8 that is received through an allotment made
9 under this paragraph for the fiscal year.
10 The term, with respect to fiscal year 2012,
11 means the percentage of the amounts allot-
12 ted to States under this chapter (as in ef-
13 fect on the day before the date of enact-
14 ment of the Workforce Investment Im-
15 provement Act of 2011) and under reem-
16 ployment service grants received by the
17 State involved for fiscal year 2012.

18 “(ii) DISADVANTAGED ADULT.—The
19 term ‘disadvantaged adult’ means an indi-
20 vidual who is age 22 through 72 who re-
21 ceived an income, or is a member of a fam-
22 ily that received a total family income,
23 that, in relation to family size, does not ex-
24 ceed the poverty line.

1 “(iii) EXCESS NUMBER.—The term
2 ‘excess number’ means, used with respect
3 to the excess number of unemployed indi-
4 viduals within a State, the number that
5 represents the number of unemployed indi-
6 viduals in excess of 4½ percent of the ci-
7 vilian labor force in the State.

8 “(5) ADJUSTMENTS IN ALLOTMENTS BASED ON
9 DIFFERENCES WITH UNCONSOLIDATED FOR-
10 MULAS.—

11 “(A) IN GENERAL.—The Secretary shall
12 ensure that for any fiscal year no State has an
13 allotment difference, as defined in subpara-
14 graph (C), that is less than zero. The Secretary
15 shall adjust the amounts allotted to the States
16 under this subsection in accordance with sub-
17 paragraph (B) if necessary to carry out this
18 subparagraph.

19 “(B) ADJUSTMENTS IN ALLOTMENTS.—

20 “(i) REDISTRIBUTION OF EXCESS
21 AMOUNTS.—

22 “(I) IN GENERAL.—If necessary
23 to carry out subparagraph (A), the
24 Secretary shall reduce the amounts
25 that would be allotted under para-

1 graphs (3) and (4) to States that have
2 an excess allotment difference, as de-
3 fined in subclause (II), by the amount
4 of such excess, and use such amounts
5 to increase the allotments to States
6 that have an allotment difference less
7 than zero.

8 “(II) EXCESS AMOUNTS.—For
9 purposes of subclause (I), the term
10 ‘excess’ allotment difference means an
11 allotment difference for a State that
12 is—

13 “(aa) in excess of 3 percent
14 of the amount described in sub-
15 paragraph (C)(i)(II); or

16 “(bb) in excess of a percent-
17 age established by the Secretary
18 that is greater than 3 percent of
19 the amount described in subpara-
20 graph (C)(i)(II) if the Secretary
21 determines that such greater per-
22 centage is sufficient to carry out
23 subparagraph (A).

24 “(ii) USE OF AMOUNTS AVAILABLE
25 UNDER NATIONAL RESERVE ACCOUNT.—If

1 the funds available under clause (i) are in-
2 sufficient to carry out subparagraph (A),
3 the Secretary shall use funds reserved
4 under section 132(a) in such amounts as
5 are necessary to increase the allotments to
6 States to meet the requirements of sub-
7 paragraph (A). Such funds shall be used in
8 the same manner as the States use the
9 other funds allotted under this subsection.

10 “(C) DEFINITION OF ALLOTMENT DIF-
11 FERENCE.—

12 “(i) IN GENERAL.—For purposes of
13 this paragraph, the term ‘allotment dif-
14 ference’ means the difference between—

15 “(I) the total amount a State
16 would receive of the amounts available
17 for allotment under subsection (b)(2)
18 for a fiscal year pursuant to para-
19 graphs (3) and (4); and

20 “(II) the total amount the State
21 would receive of the amounts available
22 for allotment under subsection (b)(2)
23 for the fiscal year if such amounts
24 were allotted pursuant to the uncon-
25 solidated formulas (applied as de-

1 scribed in clause (iii)) that were used
2 in allotting funds for fiscal year 2012.

3 “(ii) UNCONSOLIDATED FORMULAS.—

4 For purposes of clause (i), the unconsoli-
5 dated formulas are:

6 “(I) The requirements for the al-
7 lotment of funds to the States con-
8 tained in section 132(b)(1)(B) of this
9 Act (as in effect on the day before the
10 date of enactment of the Workforce
11 Investment Improvement Act of 2011)
12 that were applicable to the allotment
13 of funds under such section for fiscal
14 year 2012.

15 “(II) The requirements for the
16 allotment of funds to the States con-
17 tained in section 132(b)(2)(B) of this
18 Act (as in effect on the day before the
19 date of enactment of the Workforce
20 Investment Improvement Act of 2011)
21 that were applicable to the allotment
22 of funds under such section for fiscal
23 year 2012.

24 “(III) The requirements for the
25 allotment of funds to the States that

1 were contained in section 6 of the
2 Wagner-Peyser Act (as in effect on
3 the day before the date of enactment
4 of the Workforce Investment Improve-
5 ment Act of 2011) that were applica-
6 ble to the allotment of funds under
7 such Act for fiscal year 2012.

8 “(IV) The requirements for the
9 allotment of funds to the States that
10 were established by the Secretary for
11 Reemployment Services Grants that
12 were applicable to the allotment of
13 funds for such grants for fiscal year
14 2012.

15 “(iii) PROPORTIONATE APPLICATION
16 OF UNCONSOLIDATED FORMULAS BASED
17 ON FISCAL YEAR 2012.—In calculating the
18 amount under clause (i)(II), each of the
19 unconsolidated formulas identified in
20 clause (ii) shall be applied, respectively,
21 only to the proportionate share of the total
22 amount of funds available for allotment
23 under subsection (b)(2) for a fiscal year
24 that is equal to the proportionate share to
25 which each of the unconsolidated formulas

1 applied with respect to the total amount of
2 funds allotted to the States under all of
3 the unconsolidated formulas in fiscal year
4 2012.

5 “(iv) RULE OF CONSTRUCTION.—The
6 amounts used to adjust the allotments to a
7 State under subparagraph (B) for a fiscal
8 year shall not be included in the calcula-
9 tion of the amounts under clause (i) for a
10 subsequent fiscal year, including the cal-
11 culation of allocation percentages for a
12 preceding fiscal year applicable to para-
13 graphs (3) and (4) and to the unconsoli-
14 dated formulas described in clause (ii).”;
15 and

16 (3) in subsection (c)—

17 (A) by amending paragraph (2) to read as
18 follows:

19 “(2) AMOUNT.—The amount available for real-
20 lotment for a program year is equal to the amount
21 by which the unexpended balance at the end of the
22 program year prior to the program year for which
23 the determination is made exceeds 30 percent of the
24 total amount of funds available to the State under
25 this section during such prior program year (includ-

1 ing amounts allotted to the State in all prior pro-
2 gram years that remained available). For purposes
3 of this paragraph, the expended balance is the
4 amount that is the difference between—

5 “(A) the total amount of funds available to
6 the State under this section during the program
7 year prior to the program year for which the
8 determination is made (including amounts allot-
9 ted to the State in all prior program years that
10 remained available); and

11 “(B) the accrued expenditures during such
12 prior program year.”;

13 (B) in paragraph (3)—

14 (i) by striking “for the prior program
15 year” and inserting “for the program year
16 in which the determination is made”; and

17 (ii) by striking “such prior program
18 year” and inserting “such program year”;

19 (C) by amending paragraph (4) to read as
20 follows:

21 “(4) ELIGIBILITY.—For purposes of this sub-
22 section, an eligible State means a State that does
23 not have an amount available for reallocation under
24 paragraph (2) for the program year for which the
25 determination under paragraph (2) is made.”; and

1 (D) in paragraph (5), by striking “obliga-
2 tion” and inserting “accrued expenditure”.

3 (d) WITHIN STATE ALLOCATIONS.—Section 133 (29
4 U.S.C. 2863) is amended—

5 (1) by amending subsection (a) to read as fol-
6 lows:

7 “(a) RESERVATION FOR STATEWIDE ACTIVITIES.—
8 The Governor of a State may reserve up to 40 percent
9 of the total amount allotted to the State under section 132
10 for a fiscal year to carry out the statewide activities de-
11 scribed in section 134(a).”;

12 (2) by amending subsection (b) to read as fol-
13 lows:

14 “(b) ALLOCATIONS TO LOCAL AREAS.—

15 “(1) IN GENERAL.—Of the amounts allotted to
16 the State under section 132(b)(2) and not reserved
17 under subsection (a)—

18 “(A) 85 percent of such amounts shall be
19 allocated by the Governor to local areas in ac-
20 cordance with paragraph (2); and

21 “(B) 15 percent of such amounts shall be
22 allocated by the Governor to local areas in ac-
23 cordance with paragraph (3).

24 “(2) ESTABLISHED FORMULA.—

1 “(A) IN GENERAL.—Of the amounts de-
2 scribed in paragraph (1)(A), the Governor shall
3 allocate—

4 “(i) 60 percent on the basis of the rel-
5 ative number of unemployed individuals in
6 each local area, compared to the total
7 number of unemployed individuals in all
8 local areas in the State;

9 “(ii) 25 percent on the basis of the
10 relative excess number of unemployed indi-
11 viduals in each local area, compared to the
12 total excess number of unemployed individ-
13 uals in all local areas in the State; and

14 “(iii) 15 percent shall be allotted on
15 the basis of the relative number of dis-
16 advantaged adults in each local area, com-
17 pared to the total number of disadvantaged
18 adults in all local areas in the State.

19 “(B) MINIMUM AND MAXIMUM PERCENT-
20 AGES.—The Governor shall ensure that no local
21 area shall receive an allocation for a fiscal year
22 under this paragraph that is less than 90 per-
23 cent or greater than 130 percent of the alloca-
24 tion percentage of the local area for the pre-
25 ceding fiscal year.

1 “(C) DEFINITIONS.—

2 “(i) ALLOCATION PERCENTAGE.—The
3 term ‘allocation percentage’, used with re-
4 spect to fiscal year 2013 or a subsequent
5 fiscal year, means a percentage of the
6 amount described in paragraph (1)(A) that
7 is received through an allocation made
8 under this paragraph for the fiscal year.
9 The term, with respect to fiscal year 2012,
10 means the percentage of the amounts allo-
11 cated to local areas under this chapter (as
12 in effect on the day before the date of en-
13 actment of the Workforce Investment Im-
14 provement Act of 2011) that is received by
15 the local area involved for fiscal year 2012.

16 “(ii) DISADVANTAGED ADULT.—The
17 term ‘disadvantaged adult’ means an indi-
18 vidual who is age 22 through 72 who re-
19 ceived an income, or is a member of a fam-
20 ily that received a total family income,
21 that, in relation to family size, does not ex-
22 ceed the poverty line.

23 “(iii) EXCESS NUMBER.—The term
24 ‘excess number’ means, used with respect
25 to the excess number of unemployed indi-

1 viduals within a local area, the number
2 that represents the number of unemployed
3 individuals in excess of 4.5 percent of the
4 civilian labor force in the local area.

5 “(3) DISCRETIONARY ALLOCATION.—The Gov-
6 ernor shall allocate to local areas the amounts de-
7 scribed in paragraph (1)(B) based on a formula de-
8 veloped in consultation with the State board and
9 local boards. Such formula shall be objective and
10 geographically equitable and may include such demo-
11 graphic and economic factors as the Governor, after
12 consultation with the State board and local boards,
13 determines are appropriate.

14 “(4) LOCAL ADMINISTRATIVE COST LIMIT.—

15 “(A) IN GENERAL.—Of the amounts allo-
16 cated to a local area under this subsection and
17 section 128(b) for a fiscal year, not more than
18 10 percent of the amount may be used by the
19 local boards for the administrative costs of car-
20 rying out local workforce investment activities
21 under this chapter or chapter 4.

22 “(B) USE OF FUNDS.—Funds made avail-
23 able for administrative costs under subpara-
24 graph (A) may be used for the administrative
25 costs of any of the local workforce investment

1 activities described in this chapter or chapter 4,
2 regardless of whether the funds were allocated
3 under this subsection or section 128(b).”;

4 (3) in subsection (c)—

5 (A) in paragraph (1), by striking “para-
6 graph (2)(A) or (3) of”;

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

9 “(2) AMOUNT.—The amount available for re-
10 allocation for a program year is equal to the amount
11 by which the unexpended balance at the end of the
12 program year prior to the program year for which
13 the determination is made exceeds 30 percent of the
14 total amount of funds available to the local area
15 under this section during such prior program year
16 (including amounts allotted to the local area in prior
17 program years that remain available). For purposes
18 of this paragraph, the unexpended balance is the
19 amount that is the difference between—

20 “(A) the total amount of funds available to
21 the local area under this section during the pro-
22 gram year prior to the program year for which
23 the determination is made (including amounts
24 allocated to the local area in all prior program
25 years that remained available); and

1 “(B) the accrued expenditures during such
2 prior program year.”;

3 (C) by amending paragraph (3)—

4 (i) by striking “subsection (b)(3)” the
5 first two places it appears and inserting
6 “subsection (b)”;

7 (ii) by striking “the prior program
8 year” and inserting “the program year in
9 which the determination is made”;

10 (iii) by striking “such prior program
11 year” and inserting “such program year”;

12 and

13 (iv) by striking the last sentence; and

14 (D) by amending paragraph (4) to read as
15 follows:

16 “(4) ELIGIBILITY.—For purposes of this sub-
17 section, an eligible local area means a local area
18 which does not have an amount available for re-
19 allocation under paragraph (2) for the program year
20 for which the determination under paragraph (2) is
21 made.”.

22 (e) USE OF FUNDS FOR EMPLOYMENT AND TRAIN-
23 ING ACTIVITIES.—

1 (1) STATEWIDE EMPLOYMENT AND TRAINING
2 ACTIVITIES.—Section 134(a) (29 U.S.C. 2864(a)) is
3 amended to read as follows:

4 “(1) IN GENERAL.—

5 “(A) REQUIRED USE OF FUNDS.—Not less
6 than 60 percent of the funds reserved by a Gov-
7 ernor under section 133(a) shall be used to sup-
8 port one-stop delivery systems and the provision
9 of work ready services, and, in addition, may be
10 used to support the provision of discretionary
11 one-step delivery services, in local areas, con-
12 sistent with the local plan, through one-stop de-
13 livery systems by distributing funds to local
14 areas in accordance with subparagraph (B).
15 Such funds may be used by States to employ
16 State personnel to provide such services in des-
17 ignated local areas in consultation with local
18 boards.

19 “(B) METHOD OF DISTRIBUTING
20 FUNDS.—The method of distributing funds
21 under this paragraph shall be developed in con-
22 sultation with the State board and local boards.
23 Such method of distribution, which may include
24 the formula established under section
25 121(h)(3), shall be objective and geographically

1 equitable, and may include factors such as the
2 number of centers in the local area that have
3 been certified, the population served by such
4 centers, and the performance of such centers.

5 “(C) OTHER USE OF FUNDS.—Funds re-
6 served by a Governor for a State—

7 “(i) under section 133(a) and not
8 used under subparagraph (A), may be used
9 for statewide activities described in para-
10 graph (2); and

11 “(ii) under section 133(a) and not
12 used under subparagraph (A), and under
13 section 128(a) may be used to carry out
14 any of the statewide employment and
15 training activities described in paragraph
16 (3).

17 “(2) STATEWIDE RAPID RESPONSE ACTIVI-
18 TIES.—A State shall carry out statewide rapid re-
19 sponse activities using funds reserved as described in
20 section 133(a). Such activities shall include—

21 “(A) provision of rapid response activities,
22 carried out in local areas by the State or by an
23 entity designated by the State, working in con-
24 junction with the local boards and the chief
25 elected officials in the local areas; and

1 “(B) provision of additional assistance to
2 local areas that experience disasters, mass lay-
3 offs or plant closings, or other events that pre-
4 cipitate substantial increases in the number of
5 unemployed individuals, carried out in local
6 areas by the State, working in conjunction with
7 the local boards and the chief elected officials in
8 the local areas.

9 “(3) STATEWIDE ACTIVITIES.—Funds reserved
10 by a Governor for a State as described in sections
11 133(a) and 128(a) may be used for statewide activi-
12 ties including—

13 “(A) supporting the provision of work
14 ready services described in section 134(c)(2) in
15 the one-stop delivery system;

16 “(B) implementing innovative programs
17 and strategies designed to meet the needs of all
18 businesses in the State, including small busi-
19 nesses, which may include incumbent worker
20 training programs, sectoral and industry cluster
21 strategies and partnerships, including regional
22 skills alliances, sectoral skills partnerships (in
23 which representatives of multiple employers for
24 a specific industry sector or group of related oc-
25 cupations, economic development agencies, pro-

1 viders of training services described in sub-
2 section (c)(4), labor federations, and other enti-
3 ties that can provide needed supportive services
4 tailored to the needs of workers in that sector
5 or group, for a local area or region, identify
6 gaps between the current and expected demand
7 and supply of labor and skills in that sector or
8 group for that area or region and develop a
9 strategic skills gap action plan), career ladder
10 programs, micro-enterprise and entrepreneurial
11 training and support programs, utilization of ef-
12 fective business intermediaries, activities to im-
13 prove linkages between the one-stop delivery
14 system in the State and all employers (includ-
15 ing small employers) in the State, and other
16 business services and strategies that better en-
17 gage employers in workforce investment activi-
18 ties and make the workforce investment system
19 more relevant to the needs of State and local
20 businesses, consistent with the objectives of this
21 title;

22 “(C) conducting evaluations under section
23 136(e) of activities authorized under this chap-
24 ter and chapter 4 in coordination with evalua-

1 tions carried out by the Secretary under section
2 172, research, and demonstration projects;

3 “(D) providing incentive grants to local
4 areas for regional cooperation among local
5 boards (including local boards in a designated
6 region as described in section 116(c)), for local
7 coordination of activities carried out under this
8 Act, and for exemplary performance by local
9 areas on the local performance measures;

10 “(E) providing technical assistance and ca-
11 pacity building to local areas, one-stop opera-
12 tors, one-stop partners, and eligible providers,
13 including the development and training of staff,
14 the development of exemplary program activi-
15 ties, and the provision of technical assistance to
16 local areas that fail to meet local performance
17 measures;

18 “(F) operating a fiscal and management
19 accountability system under section 136(f);

20 “(G) carrying out monitoring and over-
21 sight of activities carried out under this chapter
22 and chapter 4;

23 “(H) implementing innovative programs,
24 such as incumbent worker training programs,
25 programs and strategies designed to meet the

1 needs of businesses in the State, including small
2 businesses, and engage employers in workforce
3 activities, and programs serving individuals
4 with disabilities consistent with section 188;

5 “(I) developing strategies for effectively
6 serving hard-to-serve populations and for inte-
7 grating programs and services among one-stop
8 partners; and

9 “(J) carrying out activities to facilitate re-
10 mote access to services provided through a one-
11 stop delivery system, including facilitating ac-
12 cess through the use of technology.

13 “(4) LIMITATION.—Not more than 5 percent of
14 the funds allotted under section 132(b) shall be used
15 by the State for administrative activities carried out
16 under this subsection and section 128(a).”.

17 (2) LOCAL EMPLOYMENT AND TRAINING AC-
18 TIVITIES.—Section 134(b) (29 U.S.C. 2864(b)) is
19 amended—

20 (A) by striking “under paragraph (2)(A)”
21 and all that follows through “section
22 133(b)(2)(B)” and inserting “under section
23 133(b)”; and

1 (B) in paragraphs (1) and (2), by striking
2 “or dislocated workers, respectively” and insert-
3 ing “and dislocated workers”.

4 (3) CONFORMING AMENDMENT.—Section 134
5 (29 U.S.C. 2864) is further amended—

6 (A) by striking subsection (c); and

7 (B) by redesignating subsections (d) and
8 (e) as subsections (c) and (d), respectively.

9 (4) REQUIRED LOCAL EMPLOYMENT AND
10 TRAINING ACTIVITIES.—

11 (A) ALLOCATED FUNDS.—Section
12 134(c)(1) (29 U.S.C. 2864(c)(1)) (as so reded-
13 ignated) is amended to read as follows:

14 “(1) IN GENERAL.—Funds allocated to a local
15 area for adults under section 133(b) shall be used—

16 “(A) to establish a one-stop delivery sys-
17 tem as described in section 121(e);

18 “(B) to provide the work ready services de-
19 scribed in paragraph (2) through the one-stop
20 delivery system in accordance with such para-
21 graph;

22 “(C) to provide training services described
23 in paragraph (4) to adults described in such
24 paragraph; and

1 “(D) to designate a dedicated business liai-
2 son in the local area who may be funded with
3 funds provided under this title or from other
4 sources to establish and develop relationships
5 and networks with large and small employers
6 and their intermediaries.”.

7 (B) WORK READY SERVICES.—Section
8 134(c)(2) (29 U.S.C. 2864(c)(2)) (as so reded-
9 ignated) is amended—

10 (i) in the heading, by striking “CORE
11 SERVICES” and inserting “WORK READY
12 SERVICES”;

13 (ii) by striking “core services” and in-
14 serting “work ready services”;

15 (iii) by striking “who are adults or
16 dislocated workers”;

17 (iv) in subparagraph (A), by inserting
18 “and assistance in obtaining eligibility de-
19 terminations under the other one-stop
20 partner programs through such activities
21 as assisting in the submission of applica-
22 tions, the provision of information on the
23 results of such applications, the provision
24 of intake services and information, and,
25 where appropriate and consistent with the

1 authorizing statute of the one-stop partner
2 program, determinations of eligibility”
3 after “subtitle”;

4 (v) by amending subparagraph (D) to
5 read as follows:

6 “(D) labor exchange services, including—

7 “(i) job search and placement assist-
8 ance, and where appropriate career coun-
9 seling;

10 “(ii) appropriate recruitment services
11 for employers, including small employers,
12 in the local area, which may include serv-
13 ices described in this subsection, including
14 information and referral to specialized
15 business services not traditionally offered
16 through the one-stop delivery system; and

17 “(iii) reemployment services provided
18 to unemployment claimants, including
19 claimants identified as in need of such
20 services under the worker profiling system
21 established under section 303(j) of the So-
22 cial Security Act (42 U.S.C. 503(j));”;

23 (vi) in subparagraph (E), by striking
24 “employment statistics” and inserting
25 “workforce and labor market information”;

1 (vii) in subparagraph (I), by inserting
2 “and the administration of the work test
3 for the unemployment compensation sys-
4 tem” after “compensation”;

5 (viii) by amending subparagraph (J)
6 to read as follows:

7 “(J) assistance in establishing eligibility
8 for programs of financial aid assistance for
9 training and education programs that are not
10 funded under this Act and are available in the
11 local area; and”;

12 (ix) by redesignating subparagraph
13 (K) as subparagraph (V); and

14 (x) by inserting the following new sub-
15 paragraphs after subparagraph (J):

16 “(K) the provision of information from of-
17 ficial publications of the Internal Revenue Serv-
18 ice, regarding Federal tax credits available to
19 individuals relating to education, job training
20 and employment, including the Hope Scholar-
21 ship Credit and the Lifetime Learning Credit
22 (26 U.S.C. 25A), and the Earned Income Tax
23 Credit (26 U.S.C. 32);

24 “(L) services relating to the Work Oppor-
25 tunity Tax Credit (26 U.S.C. 51);

1 “(M) comprehensive and specialized assess-
2 ments of the skill levels and service needs of
3 adults and dislocated workers, which may in-
4 clude—

5 “(i) diagnostic testing and use of
6 other assessment tools; and

7 “(ii) in-depth interviewing and evalua-
8 tion to identify employment barriers and
9 appropriate employment goals;

10 “(N) development of an individual employ-
11 ment plan, to identify the employment goals,
12 appropriate achievement objectives, and appro-
13 priate combination of services for the participa-
14 tion to achieve the employment goals;

15 “(O) group counseling;

16 “(P) individual counseling and career plan-
17 ning;

18 “(Q) case management;

19 “(R) short-term pre-vocational services, in-
20 cluding development of learning skills, commu-
21 nications skills, interviewing skills, punctuality,
22 personal maintenance skills, and professional
23 conduct, to prepare individuals for unsubsidized
24 employment or training;

25 “(S) internships and work experience;

1 “(T) literacy activities relating to basic
2 work readiness, information and communication
3 technology literacy activities, and financial lit-
4 eracy activities, if such activities are not avail-
5 able to participants in the local area under pro-
6 grams administered under the Adult Education
7 and Family Literacy Act (20 U.S.C. 2901 et
8 seq.);

9 “(U) out-of-area job search assistance and
10 relocation assistance; and”.

11 (C) DELIVERY OF SERVICES.—Section
12 134(c)(3) (29 U.S.C. 2864(c)(3)) (as so redes-
13 igned) is amended to read as follows:

14 “(3) DELIVERY OF SERVICES.—The work ready
15 services described in section 132(c)(2) shall be pro-
16 vided through the one-stop delivery system and may
17 be provided through contracts with public, private
18 for-profit, and private nonprofit service providers,
19 approved by the local board.”.

20 (D) TRAINING SERVICES.—Section
21 134(c)(4) (29 U.S.C. 2864(c)(4)) (as so redes-
22 igned) is amended—

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

1 “(A) IN GENERAL.—Funds allocated to a
2 local area under section 133(b) shall be used to
3 provide training services to adults who—

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

8 “(I) be in need of training serv-
9 ices to obtain or retain suitable em-
10 ployment; and

11 “(II) have the skills and quali-
12 fications to successfully participate in
13 the selected program of training serv-
14 ices;

15 “(ii) select programs of training serv-
16 ices that are directly linked to the employ-
17 ment opportunities in the local area in-
18 volved or in another area in which the
19 adults receiving such services are willing to
20 commute or relocate;

21 “(iii) who meet the requirements of
22 subparagraph (B); and

23 “(iv) who are determined eligible in
24 accordance with the priority system in ef-
25 fect under subparagraph (E).”;

1 (ii) in subparagraph (B)(i), by strik-
2 ing “Except” and inserting “Notwith-
3 standing section 479B of the Higher Edu-
4 cation Act of 1965 (20 U.S.C. 1087uu)
5 and except”;

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

8 “(D) TRAINING SERVICES.—Training serv-
9 ices authorized under this paragraph may in-
10 clude—

11 “(i) occupational skills training;

12 “(ii) on-the-job training;

13 “(iii) skill upgrading and retraining;

14 “(iv) entrepreneurial training;

15 “(v) education activities leading to a
16 high school diploma or its equivalent, in-
17 cluding a General Educational Develop-
18 ment credential, in combination with, con-
19 currently or subsequently, occupational
20 skills training;

21 “(vi) adult education and literacy ac-
22 tivities provided in conjunction with other
23 training authorized under this subpara-
24 graph;

1 “(vii) workplace training combined
2 with related instruction; and

3 “(viii) occupational skills training that
4 incorporates English language acqui-
5 sition.”;

6 (iv) by amending subparagraph (E) to
7 read as follows:

8 “(E) PRIORITY.—

9 “(i) IN GENERAL.—A priority shall be
10 given to unemployed individuals and em-
11 ployed workers who need training services
12 to retain employment or to advance in a
13 career for the provision of work ready and
14 training services under this subsection.

15 “(ii) DETERMINATIONS.—The Gov-
16 ernor and the appropriate local board shall
17 direct the one-stop operators in the local
18 area with regard to making determinations
19 with respect to the priority of service under
20 this subparagraph.”;

21 (v) in subparagraph (F)—

22 (I) in clause (ii)—

23 (aa) in the matter preceding
24 clause (I), by striking “sub-

1 section (c)” and inserting “sec-
2 tion 121”; and

3 (bb) in clause (II), by strik-
4 ing “subsections (e) and (h)” and
5 inserting “subsection (i)”; and

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

8 “(iii) CAREER ENHANCEMENT AC-
9 COUNTS.—An individual who seeks train-
10 ing services and who is eligible pursuant to
11 subparagraph (A), may, in consultation
12 with a case manager, select an eligible pro-
13 vider of training services from the list or
14 identifying information for providers de-
15 scribed in clause (ii)(I). Upon such selec-
16 tion, the one-stop operator involved shall,
17 to the extent practicable, refer such indi-
18 vidual to the eligible provider of training
19 services, and arrange for payment for such
20 services through a career enhancement ac-
21 count.

22 “(iv) COORDINATION.—Each local
23 board may, through one-stop centers, co-
24 ordinate career enhancement accounts with
25 other Federal, State, local, or private job

1 training programs or sources to assist the
2 individual in obtaining training services.

3 “(v) ENHANCED CAREER ENHANCE-
4 MENT ACCOUNTS.—Each local board may,
5 through one-stop centers, assist individuals
6 receiving career enhancement accounts
7 through the establishment of such accounts
8 that include, in addition to the funds pro-
9 vided under this paragraph, funds from
10 other programs and sources that will assist
11 the individual in obtaining training serv-
12 ices.”; and

13 (vi) in subparagraph (G)—

14 (I) in the subparagraph heading,
15 by striking “INDIVIDUAL TRAINING
16 ACCOUNTS” and inserting “CAREER
17 ENHANCEMENT ACCOUNTS”;

18 (II) in clause (i) by striking “in-
19 dividual training accounts” and in-
20 serting “career enhancement ac-
21 counts”;

22 (III) in clause (ii)—

23 (aa) by striking “an indi-
24 vidual training account” and in-

1 serting “a career enhancement
2 account”;

3 (bb) in subclause (II), by
4 striking “individual training ac-
5 counts” and inserting “career en-
6 hancement accounts”;

7 (cc) in subclause (II) by
8 striking “or” after the semicolon;

9 (dd) in subclause (III) by
10 striking the period and inserting
11 “; or”; and

12 (ee) by adding at the end of
13 the following:

14 “(IV) the local board determines
15 that it would be most appropriate to
16 award a contract to an institution of
17 higher education in order to facilitate
18 the training of multiple individuals in
19 high-demand occupations, if such con-
20 tract does not limit customer choice.”.

21 (IV) in clause (iv)—

22 (aa) by redesignating sub-
23 clause (IV) as subclause (V) and
24 inserting after subclause (III) the
25 following:

1 “(IV) Individuals with disabil-
2 ities.”.

3 (5) PERMISSIBLE ACTIVITIES.—Section 134(d)
4 (as so redesignated) (29 U.S.C. 2864(d)) is amend-
5 ed—

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

8 “(1) DISCRETIONARY ONE-STOP DELIVERY AC-
9 TIVITIES.—

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

13 “(i) customized screening and referral
14 of qualified participants in training serv-
15 ices to employers;

16 “(ii) customized employment-related
17 services to employers on a fee-for-service
18 basis;

19 “(iii) customer support to navigate
20 among multiple services and activities for
21 special participant populations that face
22 multiple barriers to employment, including
23 individuals with disabilities;

24 “(iv) employment and training assist-
25 ance provided in coordination with child

1 support enforcement activities of the State
2 agency carrying out subtitle D of title IV
3 of the Social Security Act (42 U.S.C. 651
4 et seq.);

5 “(v) activities to improve services to
6 local employers, including small employers
7 in the local area, and increase linkages be-
8 tween the local workforce investment sys-
9 tem and employers;

10 “(vi) activities to facilitate remote ac-
11 cess to services provided through a one-
12 stop delivery system, including facilitating
13 access through the use of technology; and

14 “(vii) activities to carry out business
15 services and strategies that meet the work-
16 force investment needs of local area em-
17 ployers, as determined by the local board,
18 consistent with the local plan under section
19 118, which services—

20 “(I) may be provided through ef-
21 fective business intermediaries work-
22 ing in conjunction with the local
23 board, and may also be provided on a
24 fee-for-service basis or through the
25 leveraging of economic development

1 and other resources as determined ap-
2 propriate by the local board; and

3 “(II) may include—

4 “(aa) identifying and dis-
5 seminating to business, edu-
6 cators, and job seekers, informa-
7 tion related to the workforce, eco-
8 nomic and community develop-
9 ment needs, and opportunities of
10 the local economy;

11 “(bb) development and deliv-
12 ery of innovative workforce in-
13 vestment services and strategies
14 for area businesses, which may
15 include sectoral, industry cluster,
16 regional skills alliances, career
17 ladder, skills upgrading, skill
18 standard development and certifi-
19 cation, apprenticeship, and other
20 effective initiatives for meeting
21 the workforce investment needs
22 of area employers and workers;

23 “(cc) participation in semi-
24 nars and classes offered in part-
25 nership with relevant organiza-

1 tions focusing on the workforce-
2 related needs of area employers
3 and job seekers;

4 “(dd) training consulting,
5 needs analysis, and brokering
6 services for area businesses, in-
7 cluding the organization and ag-
8 gregation of training (which may
9 be paid for with funds other than
10 those provided under this title),
11 for individual employers and coa-
12 litions of employers with similar
13 interests, products, or workforce
14 needs;

15 “(ee) assistance to area em-
16 ployers in the aversion of layoffs
17 and in managing reductions in
18 force in coordination with rapid
19 response activities;

20 “(ff) the marketing of busi-
21 ness services offered under this
22 title, to appropriate area employ-
23 ers, including small and mid-
24 sized employers;

1 “(gg) information referral
2 on concerns affecting local em-
3 ployers; and

4 “(hh) other business services
5 and strategies designed to better
6 engage employers in workforce
7 investment activities and to make
8 the workforce investment system
9 more relevant to the workforce
10 investment needs of area busi-
11 nesses, as determined by the local
12 board to be consistent with the
13 objectives of this title.

14 “(B) WORK SUPPORT ACTIVITIES FOR
15 LOW-WAGE WORKERS.—

16 “(i) IN GENERAL.—Funds allocated to
17 a local area under 133(b) may be used to
18 provide, through the one-stop delivery sys-
19 tem and in collaboration with the appro-
20 priate programs and resources of the one-
21 stop partners, work support activities de-
22 signed to assist low-wage workers in re-
23 taining and enhancing employment. The
24 one stop partners shall coordinate the ap-
25 propriate programs and resources of the

1 partners with the activities and resources
2 provided under this subparagraph.

3 “(ii) ACTIVITIES.—The activities de-
4 scribed in clause (i) may include assistance
5 in accessing financial supports for which
6 such workers may be eligible and the provi-
7 sion of activities available through the one-
8 stop delivery system in a manner that en-
9 hances the opportunities of such workers
10 to participate, such as the provision of em-
11 ployment and training activities during
12 nontraditional hours and the provision of
13 on-site child care while such activities are
14 being provided.”;

15 (B) in subparagraph 3(A), by striking
16 “Funds allocated” and all that follows through
17 “section 133(b)(2)(B)” and insert “Funds allo-
18 cated to a local area under section 133(b)”;

19 (C) by adding at the end the following:

20 “(4) INCUMBENT WORKER TRAINING PRO-
21 GRAMS.—

22 “(A) IN GENERAL.—The local board may
23 use up to 10 percent of the funds allocated to
24 a local area under section 133(b) to carry out

1 incumbent worker training programs in accord-
2 ance with this paragraph.

3 “(B) TRAINING ACTIVITIES.—The training
4 programs for incumbent workers under this
5 paragraph shall be carried out by the local area
6 in conjunction with the employers of such work-
7 ers for the purpose of assisting such workers in
8 obtaining the skills necessary to retain employ-
9 ment and avert layoffs.

10 “(C) EMPLOYER MATCH REQUIRED.—

11 “(i) IN GENERAL.—Employers partici-
12 pating in programs under this paragraph
13 shall be required to pay a proportion of the
14 costs of providing the training to the in-
15 cumbent workers of the employers. The
16 State board, in consultation with the local
17 board as appropriate, shall establish the
18 required portion of such costs, which may
19 include in-kind contributions. The required
20 portion shall not be less than—

21 “(I) 10 percent of the costs, for
22 employers with 50 or fewer employees;

23 “(II) 25 percent of the costs, for
24 employers with more than 50 employ-

1 ees but fewer than 100 employees;
2 and

3 “(III) 50 percent of the costs, for
4 employers with 100 or more employ-
5 ees.

6 “(ii) CALCULATION OF MATCH.—The
7 wages paid by an employer to a worker
8 while they are attending training may be
9 included as part of the requirement pay-
10 ment of the employer.”.

11 (6) PRIORITY FOR PLACEMENT IN PRIVATE
12 SECTOR JOBS.—Section 134 (29 U.S.C. 2864) is
13 further amended by adding at the end the following:

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

19 **SEC. 113. PERFORMANCE ACCOUNTABILITY SYSTEM.**

20 (a) STATE PERFORMANCE MEASURES.—

21 (1) IN GENERAL.—Section 136(b)(1) (29
22 U.S.C. 2871(b)(1)) is amended—

23 (A) in subparagraph (A)(i), by striking
24 “and the customer satisfaction indicator of per-
25 formance described in paragraph (2)(B)”;

1 (B) in subparagraph (A)(ii), by striking
2 “paragraph (2)(C)” and inserting “paragraph
3 (2)(B)”.

4 (2) INDICATORS OF PERFORMANCE.—Section
5 136(b)(2) (29 U.S.C. 2871(b)(2)) is amended—

6 (A) in subparagraph (A)(i)—

7 (i) by striking “(except for self-service
8 and information activities) and (for partici-
9 pants who are eligible youth age 19
10 through 21) for youth activities authorized
11 under section 129”;

12 (ii) in subclause (II), by striking “6
13 months after entry into the employment”
14 and inserting “and” after the semicolon;
15 and

16 (iii) by striking subclause (III), and
17 inserting the following:

18 “(III) average earnings from un-
19 subsidized employment.”;

20 (B) by striking subclause (IV) of subpara-
21 graph (A)(i);

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

24 “(ii) CORE INDICATORS FOR ELIGIBLE
25 YOUTH.—The core indicators of perform-

1 ance for youth activities authorized under
2 section 129 shall consist of—

3 “(I) entry into employment, edu-
4 cation or advanced training, or mili-
5 tary service;

6 “(II) attainment of secondary
7 school diploma, General Educational
8 Development credential (GED), or
9 other State-recognized equivalent or
10 certificate (including recognized alter-
11 native standards for individuals with
12 disabilities); and

13 “(III) literacy or numeracy
14 gains.”;

15 (D) by striking subparagraph (B); and

16 (E) by redesignating subparagraph (C) as
17 subparagraph (B), and by adding at the end of
18 such subparagraph the following new sentence:
19 “Such indicators may include customer satisfac-
20 tion of employers and participants with services
21 received from the workforce investment activi-
22 ties authorized under this subtitle.”.

23 (3) LEVELS OF PERFORMANCE.—Section
24 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amend-
25 ed—

1 (A) in clause (i), by striking “and the cus-
2 tomer satisfaction indicator described in para-
3 graph (2)(B)”;

4 (B) in clause (ii), by striking “and the cus-
5 tomer satisfaction indicator of performance, for
6 the first 3” and inserting “for the 2”;

7 (C) in clause (iii)—

8 (i) in the heading, by striking “**FOR**
9 **FIRST 3 YEARS**”; and

10 (ii) by striking “and the customer sat-
11 isfaction indicator of performance, for the
12 first 3” and inserting “for the 2”;

13 (D) in clause (iv)—

14 (i) by striking subclause (I);

15 (ii) by redesignating subclauses (II)
16 and (III) as subclauses (I) and (II), re-
17 spectively; and

18 (iii) in subclause (I) (as so redesign-
19 nated)—

20 (I) by striking “taking into ac-
21 count” and inserting “which shall be
22 adjusted based on”;

23 (II) by inserting “, such as un-
24 employment rates and job losses or

1 gains in particular industries” after
2 “economic conditions”; and

3 (III) by inserting “, such as indi-
4 cators of poor work history, lack of
5 work experience, dislocation from
6 high-wage employment, low levels of
7 literacy or English proficiency, dis-
8 ability status, including the number of
9 veterans with disabilities, and welfare
10 dependency” after “program”;

11 (E) by striking clause (v) and redesign-
12 ating clause (vi) as clause (v); and

13 (F) in clause (vi) (as so redesignated)—

14 (i) by striking “clause (iv)(II)” and
15 inserting “subclause (iv)(I)”; and

16 (ii) striking “or (v)”.

17 (4) ADDITIONAL INDICATORS.—Section
18 136(b)(3)(B) is amended by striking “paragraph
19 (2)(C)” and inserting “paragraph (2)(B)”.

20 (b) LOCAL PERFORMANCE MEASURES.—Section
21 136(e) (29 U.S.C. 2871(e)) is amended—

22 (1) in paragraph (1)(A)(i), by striking “, and
23 the customer satisfaction indicator of performance
24 described in subsection (b)(2)(B),”;

1 (2) in paragraph (1)(A)(ii), by striking “sub-
2 section (b)(2)(C)” and inserting “subsection
3 (b)(2)(B)”; and

4 (3) by amending paragraph (3) to read as fol-
5 lows:

6 “(3) DETERMINATIONS.—In determining such
7 local levels of performance, the local board, the chief
8 elected official, and the Governor shall ensure such
9 levels are adjusted based on the specific economic
10 characteristics (such as unemployment rates and job
11 losses or gains in particular industries), demographic
12 characteristics, or other characteristics of the popu-
13 lation to be served in the local area, such as poor
14 work history, lack of work experience, dislocation
15 from high-wage employment, low levels of literacy or
16 English proficiency, disability status, including the
17 number of veterans with disabilities, and welfare de-
18 pendency.”.

19 (c) REPORT.—Section 136(d) (29 U.S.C. 2871(d)) is
20 amended—

21 (1) in paragraph (1), by striking “and the cus-
22 tomer satisfaction indicator” in both places that it
23 appears;

24 (2) in paragraph (2)—

1 (A) in subparagraph (A), by striking “sec-
2 tion 134(d)(4)” and inserting “section
3 134(c)(4)”;

4 (B) in subparagraph (E), by striking “(ex-
5 cluding participants who received only self-serv-
6 ice and informational activities); and” and in-
7 serting a semicolon;

8 (C) in subparagraph (F), by striking the
9 period and inserting “; and”; and

10 (D) by adding at the end the following:

11 “(G) the number of participants who have
12 received services other than followup services,
13 authorized under this title, in the form of work
14 ready services described in section 134(c)(2),
15 and training services described in section
16 134(c)(4), respectively;

17 “(H) the number of participants who have
18 received followup services authorized under this
19 title; and

20 “(I) the cost per participant for services
21 authorized under this title.”; and

22 (3) by adding at the end the following:

23 “(4) DATA VALIDATION.—In preparing the re-
24 ports described in this subsection, the States shall
25 establish procedures, consistent with guidelines

1 issued by the Secretary, to ensure the information
2 contained in the report is valid and reliable.”.

3 (d) SANCTIONS FOR STATE.—Section 136(g) (29
4 U.S.C. 2871(g)) is amended—

5 (1) in paragraph (1)(A), by striking “or (B)”;
6 and

7 (2) in paragraph (2), by striking “section 503”
8 and inserting “section 136(i)”.

9 (e) SANCTIONS FOR LOCAL AREAS.—Section 136(h)
10 (29 U.S.C. 2871(h)) is amended—

11 (1) in paragraph (1), by striking “or (B)”;

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

14 “(B) APPEAL TO GOVERNOR.—A local area
15 that is subject to a reorganization plan under
16 subparagraph (A) may, not later than 30 days
17 after receiving notice of the reorganization plan,
18 appeal to the Governor to rescind or revise such
19 plan. In such case, the Governor shall make a
20 final decision not later than 30 days after the
21 receipt of the appeal.”.

22 (f) INCENTIVE GRANTS.—Section 136(i) (29 U.S.C.
23 2871(i)) is amended to read as follows:

24 “(i) INCENTIVE GRANTS FOR STATES AND LOCAL
25 AREAS.—

1 “(1) INCENTIVE GRANTS FOR STATES.—

2 “(A) IN GENERAL.—From funds appro-
3 priated under section 174, the Secretary may
4 award incentive grants to States for exemplary
5 performance in carrying programs under chap-
6 ters 4 and 5 of this subtitle. Such awards may
7 be based on States meeting or exceeding the
8 performance measures established under this
9 section, on the performance of the State in
10 serving special populations, including the levels
11 of service provided and the performance out-
12 comes, and such other factors relating to the
13 performance of the State under this title as the
14 Secretary determines is appropriate.

15 “(B) USE OF FUNDS.—The funds awarded
16 to a State under this paragraph may be used to
17 carry out any activities authorized under chap-
18 ters 4 and 5 of this title, including—

19 “(i) activities that provide technical
20 assistance to local areas to replicate best
21 practices for workforce and education pro-
22 grams;

23 “(ii) activities that support the needs
24 of businesses, especially for incumbent

1 workers and enhancing opportunities for
2 retention and advancement;

3 “(iii) activities that support linkages
4 between the workforce and education pro-
5 grams, and secondary, post-secondary, or
6 career and technical education programs,
7 including activities under the Carl D. Per-
8 kins Career and Technical Education Act
9 (20 U.S.C. 2301 et seq.), the Adult Edu-
10 cation and Family Literacy Act (20 U.S.C.
11 9201 et seq.), and the Rehabilitation Act
12 of 1973 (29 U.S.C. 701 et seq.);

13 “(iv) activities that support regional
14 economic development plans that support
15 high-wage, high-skill, or high-demand occu-
16 pations leading to self-sufficiency;

17 “(v) activities that coordinate the
18 workforce and education programs with
19 other Federal and State programs related
20 to the workforce and education programs;

21 “(vi) activities that support the devel-
22 opment of an integrated performance in-
23 formation system that includes common
24 measures for one-stop partner programs
25 described in section 121;

1 “(vii) activities that support activities
2 to improve performance in workforce and
3 education programs and program coordina-
4 tion of workforce and education programs;
5 or

6 “(viii) activities that leverage addi-
7 tional training resources, other than those
8 provided through workforce and education
9 programs, for adults and youth.

10 “(2) INCENTIVE GRANTS FOR LOCAL AREAS.—

11 “(A) IN GENERAL.—From funds reserved
12 under sections 128(a) and 133(a), the Governor
13 may award incentive grants to local areas for
14 exemplary performance with respect to the
15 measures established under this section and
16 with the performance of the local area in serv-
17 ing special populations, including the levels of
18 service and the performance outcomes.

19 “(B) USE OF FUNDS.—The funds awarded
20 to a local area may be used to carry out activi-
21 ties authorized for local areas under chapters 4
22 and 5 of this title, the Adult Education and
23 Family Literacy Act, and the Rehabilitation Act
24 of 1973 (referred to in this subsection as ‘work-
25 force and education programs’), and such inno-

1 vative projects or programs that increase co-
2 ordination and enhance service to participants
3 in such programs, particularly hard-to-serve
4 populations, as may be approved by the Gov-
5 ernor, including—

6 “(i) activities that support the needs
7 of businesses, especially for incumbent
8 workers and enhancing opportunities for
9 retention and advancement;

10 “(ii) activities that support linkages
11 between the workforce and education pro-
12 grams, and secondary, post-secondary, or
13 career and technical education programs,
14 including activities under the Carl D. Per-
15 kins Career and Technical Education Act
16 (20 U.S.C. 2301 et seq.), the Adult Edu-
17 cation and Family Literacy Act (20 U.S.C.
18 9201 et seq.), and the Rehabilitation Act
19 of 1973 (29 U.S.C. 701 et seq.);

20 “(iii) activities that support regional
21 economic development plans that support
22 high-wage, high-skill, or high-demand occu-
23 pations leading to self-sufficiency;

24 “(iv) activities that coordinate the
25 workforce and education programs with

1 other Federal and State programs related
2 to the workforce and education programs;

3 “(v) activities that support the devel-
4 opment of an integrated performance in-
5 formation system that includes common
6 measures for one-stop partner programs
7 described in section 121;

8 “(vi) activities that support activities
9 to improve performance in workforce and
10 education programs and program coordina-
11 tion of workforce and education programs;

12 or

13 “(vii) activities that leverage addi-
14 tional training resources, other than those
15 provided through workforce and education
16 programs, for adults and youth.”.

17 (g) USE OF CORE INDICATORS FOR OTHER PRO-
18 GRAMS.—Section 136 (29 U.S.C. 2871) is further amend-
19 ed by adding at the end the following subsection:

20 “(j) USE OF CORE INDICATORS FOR OTHER PRO-
21 GRAMS.—In addition to the programs carried out under
22 chapters 4 and 5, and consistent with the requirements
23 of the applicable authorizing laws, the Secretary shall use
24 the core indicators of performance described in subsection
25 (b)(2)(A) to assess the effectiveness of the programs de-

1 scribed under section 121(b)(1)(B) that are carried out
2 by the Secretary.”.

3 (h) REPEAL OF DEFINITIONS.—Sections 502 and
4 503 (and the items related to such sections in the table
5 of contents) are repealed.

6 **SEC. 114. AUTHORIZATION OF APPROPRIATIONS.**

7 (a) YOUTH ACTIVITIES.—Section 137(a) (29 U.S.C.
8 2872(a)) is amended by striking “such sums as may be
9 necessary for each of fiscal years 1999 through 2003” and
10 inserting “such sums as may be necessary for each of fis-
11 cal year 2013 through 2017”.

12 (b) ADULT EMPLOYMENT AND TRAINING ACTIVI-
13 TIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by
14 striking “section 132(a)(1), such sums as may be nec-
15 essary for each of fiscal years 1999 through 2003” and
16 inserting “section 132(a), such sums as may be necessary
17 for each of fiscal years 2013 through 2017”.

18 (c) DISLOCATED WORKER EMPLOYMENT AND
19 TRAINING ACTIVITIES.—Section 137 is further amended
20 by striking subsection (c).

21 **SEC. 115. JOB CORPS.**

22 (a) JOB CORPS CENTERS.—Section 147(a)(1)(A) (29
23 U.S.C. 2887 (a)(1)(A)) is amended—

24 (1) by striking “vocational education” and in-
25 serting “career and technical education”; and

1 (2) by striking “vocational school” and insert-
2 ing “career and technical school”.

3 (b) PROGRAM ACTIVITIES.—Section 148 (29 U.S.C.
4 2888) is amended—

5 (1) in subsection (a)—

6 (A) by striking paragraph (1) and insert-
7 ing the following:

8 “(1) IN GENERAL.—Each Job Corps center
9 shall provide enrollees with an intensive, well orga-
10 nized, and fully supervised program of education, ca-
11 reer training, work experience, recreational activities,
12 physical rehabilitation and development, and coun-
13 seling. Each Job Corps center shall provide enrollees
14 assigned to the center with access to work ready
15 services described in section 134(c)(2).”;

16 (B) in subparagraph (2)(A), by striking
17 “vocational” and inserting “career”; and

18 (2) in subsection (b)—

19 (A) in the header, by striking “VOCA-
20 TIONAL” and inserting “CAREER AND TECH-
21 NICAL”;

22 (B) by striking “vocational training” and
23 inserting “career and technical training”; and

1 (C) by striking “, vocational educational
2 institutions, or technical institutes” and insert-
3 ing “or career and technical institutions”.

4 (c) INDUSTRY COUNCILS.—Section 154(b) (29
5 U.S.C. 2894(b)) is amended—

6 (1) in paragraph (1)(A), by striking “local and
7 distant”; and

8 (2) by adding after paragraph (2) the following:

9 “(3) EMPLOYERS OUTSIDE OF LOCAL AREAS.—

10 The industry council may include, or otherwise pro-
11 vide for consultation with, employers from outside
12 the local area who are likely to hire a significant
13 number of enrollees from the Job Corps center.

14 “(4) SPECIAL RULE FOR SINGLE LOCAL AREA
15 STATES.—In the case of a single local area State
16 designated under section 116(b), the industry coun-
17 cil shall include a representative of the State
18 Board.”.

19 (d) INDICATORS OF PERFORMANCE AND ADDITIONAL
20 INFORMATION.—Section 159(e) (29 U.S.C. 2893(e)) is
21 amended—

22 (1) by amending paragraph (1) to read as fol-
23 lows:

24 “(1) CORE INDICATORS.—The Secretary shall
25 annually establish expected levels of performance for

1 Job Corps centers and the Job Corps program relat-
2 ing to each of the following core indicators of per-
3 formance for youth—

4 “(A) entry into education, employment,
5 military service or advanced training;

6 “(B) attainment of a secondary school di-
7 ploma, General Educational Development cre-
8 dential (GED), or other State-recognized equiv-
9 alent; and

10 “(C) literacy or numeracy gains.”; and

11 (2) in paragraph (2), by striking “measures”
12 each place it appears and inserting “indicators”.

13 (e) AUTHORIZATION OF APPROPRIATIONS.—Section
14 161 (29 U.S.C. 2901) is amended by striking “1999
15 through 2003” and inserting “2013 through 2017”.

16 (f) REPEAL OF REQUIREMENT RELATING TO FED-
17 ERAL ADMINISTRATION.—Section 102 of the Departments
18 of Labor, Health and Human Services, and Education,
19 and Related Agencies Appropriations Act, 2006 (Public
20 Law 109–149) is repealed.

21 **SEC. 116. NATIVE AMERICAN PROGRAMS.**

22 (a) ADVISORY COUNCIL.—Section 166(h)(4)(C) (29
23 U.S.C. 2911(h)(4)(C)) is amended to read as follows:

24 “(C) DUTIES.—The Council shall advise
25 the Secretary on the operation and administra-

1 tion of the programs assisted under this sec-
2 tion.”.

3 (b) ASSISTANCE TO AMERICAN SAMOANS IN HA-
4 WAI.—Section 166 (29 U.S.C. 2911) is further amended
5 by striking subsection (j).

6 **SEC. 117. MIGRANT AND SEASONAL FARM WORKER PRO-**
7 **GRAMS.**

8 Section 167(d) is amended by inserting “(including
9 permanent housing)” after “housing”.

10 **SEC. 118. VETERANS’ WORKFORCE INVESTMENT PRO-**
11 **GRAMS.**

12 Section 168(a)(3)(C) (29 U.S.C. 2913(a)(3)(C)) is
13 amended by striking “section 134(c)” and inserting “sec-
14 tion 121(e)”.

15 **SEC. 119. YOUTH CHALLENGE GRANTS.**

16 (a) IN GENERAL.—Section 169 (29 U.S.C. 2914) is
17 amended to read as follows:

18 **“SEC. 169. YOUTH CHALLENGE GRANTS.**

19 “(a) IN GENERAL.—Of the amounts reserved by the
20 Secretary under section 127(a)(1)(A) for a fiscal year—

21 “(1) the Secretary shall use not less than 80
22 percent to award competitive grants under sub-
23 section (b); and

1 “(2) the Secretary may use not more than 20
2 percent to award discretionary grants under sub-
3 section (c).

4 “(b) COMPETITIVE GRANTS TO STATES AND LOCAL
5 AREAS.—

6 “(1) ESTABLISHMENT.—From the funds de-
7 scribed in subsection (a)(1), the Secretary shall
8 award competitive grants to eligible entities to carry
9 out activities authorized under this section to assist
10 eligible youth in acquiring the skills, credentials and
11 employment experience necessary to succeed in the
12 labor market.

13 “(2) ELIGIBLE ENTITIES.—Grants under this
14 subsection may be awarded to States, local boards,
15 recipients of grants under section 166 (relating to
16 Native American programs), and public or private
17 entities (including consortia of such entities) apply-
18 ing in conjunction with local boards.

19 “(3) GRANT PERIOD.—The Secretary may
20 make a grant under this section for a period of 1
21 year and may renew the grants for each of the 4
22 succeeding years.

23 “(4) AUTHORITY TO REQUIRE MATCH.—The
24 Secretary may require that grantees under this sub-
25 section provide a non-Federal share of the cost of

1 activities carried out under a grant awarded under
2 this subsection.

3 “(5) PARTICIPANT ELIGIBILITY.—Youth ages
4 14 through 19 as of the time the eligibility deter-
5 mination is made may be eligible to participate in
6 activities provided under this subsection.

7 “(6) USE OF FUNDS.—Funds under this sub-
8 section may be used for activities that are designed
9 to assist youth in acquiring the skills, credentials
10 and employment experience that are necessary to
11 succeed in the labor market, including the activities
12 identified in section 129. The activities may include
13 activities such as—

14 “(A) training and internships for out-of-
15 school youth in sectors of the economy experi-
16 encing or projected to experience high growth;

17 “(B) after-school dropout prevention activi-
18 ties for in-school youth;

19 “(C) activities designed to assist special
20 youth populations, such as court-involved youth
21 and youth with disabilities; and

22 “(D) activities combining remediation of
23 academic skills, work readiness training, and
24 work experience, and including linkages to post-

1 secondary education, apprenticeships, and ca-
2 reer-ladder employment.

3 “(7) APPLICATIONS.—To be eligible to receive a
4 grant under this subsection, an eligible entity shall
5 submit an application to the Secretary at such time,
6 in such manner, and containing such information as
7 the Secretary may require, including—

8 “(A) a description of the activities the eli-
9 gible entity will provide to eligible youth under
10 this subsection and how the eligible entity will
11 collaborate with State and local workforce in-
12 vestment systems established under this title in
13 the provisions of such activities;

14 “(B) a description of the programs of dem-
15 onstrated effectiveness on which the provision
16 of the activities under subparagraph (A) are
17 based, and a description of how such activities
18 will expand the base of knowledge relating to
19 the provision of activities for youth;

20 “(C) a description of the private and pub-
21 lic, and local and State resources that will be le-
22 veraged to provide the activities described under
23 subparagraph (A) in addition to the funds pro-
24 vided under this subsection and a description of

1 the extent of the involvement of employers in
2 the activities; and

3 “(D) the levels of performance the eligible
4 entity expects to achieve with respect to the in-
5 dicators of performance for youth specified in
6 section 136(b)(2)(A)(ii).

7 “(8) FACTORS FOR AWARD.—

8 “(A) IN GENERAL.—In awarding grants
9 under this subsection the Secretary shall con-
10 sider—

11 “(i) the quality of the proposed activi-
12 ties;

13 “(ii) the goals to be achieved;

14 “(iii) the likelihood of successful im-
15 plementation;

16 “(iv) the extent to which the proposed
17 activities are based on proven strategies or
18 the extent to which the proposed activities
19 will expand the base of knowledge relating
20 to the provision of activities for eligible
21 youth;

22 “(v) the extent of collaboration with
23 the State and local workforce investment
24 systems in carrying out the proposed ac-
25 tivities;

1 “(vi) the extent of employer involve-
2 ment in the proposed activities;

3 “(vii) whether there are other Federal
4 and non-Federal funds available for similar
5 activities to the proposed activities, and the
6 additional State, local, and private re-
7 sources that will be provided to carry out
8 the proposed activities;

9 “(viii) the quality of the proposed ac-
10 tivities in meeting the needs of the eligible
11 youth to be served; and

12 “(ix) the extent to which the proposed
13 activities will expand on services provided
14 under section 127.

15 “(B) **EQUITABLE GEOGRAPHIC DISTRIBUTION.**—In awarding grants under this sub-
16 section the Secretary shall ensure an equitable
17 distribution of such grants across geographi-
18 cally diverse areas.

19
20 “(9) **EVALUATION.**—The Secretary may reserve
21 up to 5 percent of the funds described in subsection
22 (a)(1) to provide technical assistance to, and conduct
23 evaluations of the projects funded under this sub-
24 section (using appropriate techniques as described in
25 section 172(c)).

1 “(c) DISCRETIONARY GRANTS FOR YOUTH ACTIVI-
2 TIES.—

3 “(1) IN GENERAL.—From the funds described
4 in subsection(a)(2), the Secretary may award grants
5 to eligible entities to provide activities that will as-
6 sist youth in preparing for, and entering and retain-
7 ing, employment.

8 “(2) ELIGIBLE ENTITIES.—Grants under this
9 subsection may be awarded to public or private enti-
10 ties that the Secretary determines would effectively
11 carry out activities relating to youth under this sub-
12 section.

13 “(3) PARTICIPANT ELIGIBILITY.—Youth ages
14 14 through 19 at the time the eligibility determina-
15 tion is made may be eligible to participate in activi-
16 ties under this subsection.

17 “(4) USE OF FUNDS.—Funds provided under
18 this subsection may be used for activities that will
19 assist youth in preparing for, and entering and re-
20 taining, employment, including activities to assist
21 out-of-school youth, activities designed to assist in-
22 school youth to stay in school and gain work experi-
23 ence, and such other activities that the Secretary de-
24 termines are appropriate.

1 “(5) APPLICATIONS.—To be eligible to receive a
2 grant under this subsection, an eligible entity shall
3 submit an application to the Secretary at such time,
4 in such manner, and containing such information as
5 the Secretary may require.

6 “(6) ADDITIONAL REQUIREMENTS.—The Sec-
7 retary may require the provision of a non-Federal
8 share for projects funded under this subsection and
9 may require participation of grantees in evaluations
10 of such projects, including evaluations using the
11 techniques as described in section 172(e).”.

12 (b) CLERICAL AMENDMENT.—The table of contents
13 in section 1(b) is amended by amending the item related
14 to section 169 to read as follows:

 “Sec. 169. Youth challenge grants.”.

15 **SEC. 120. TECHNICAL ASSISTANCE.**

16 Section 170 (29 U.S.C. 2915) is amended—

17 (1) by striking subsection (b);

18 (2) by striking:

19 “(a) GENERAL TECHNICAL ASSISTANCE.—”;

20 (3) by redesignating paragraphs (1), (2), and
21 (3) as subsections (a), (b), and (c) respectively, and
22 moving such subsections 2 ems to the left;

23 (4) in subsection (a) (as so redesignated)—

24 (A) by inserting “the training of staff pro-
25 viding rapid response services, the training of

1 other staff of recipients of funds under this
2 title, peer review activities under this title, as-
3 sistance regarding accounting and program op-
4 eration practices (when such assistance would
5 not be duplicative to assistance provided by the
6 State), technical assistance to States that do
7 not meet State performance measures described
8 in section 136,” after “localities,”; and

9 (B) by striking “from carrying out activi-
10 ties” and all that follows up to the period and
11 inserting “to implement the amendments made
12 by the Workforce Investment Improvement Act
13 of 2011”; and

14 (5) by inserting, after subsection (c) (as reded-
15 igned by paragraph (3)), the following:

16 “(d) BEST PRACTICES COORDINATION.—The Sec-
17 retary shall—

18 “(1) establish a system through which States
19 may share information regarding best practices with
20 regard to the operation of workforce investment ac-
21 tivities under this Act;

22 “(2) evaluate and disseminate information re-
23 garding best practices and identify knowledge gaps;
24 and

1 “(3) commission research under section 171(c)
2 to address knowledge gaps identified under para-
3 graph (2).”.

4 **SEC. 121. DEMONSTRATION, PILOT, MULTISERVICE, RE-**
5 **SEARCH AND MULTI-STATE PROJECTS.**

6 (a) DEMONSTRATION AND PILOT PROJECTS.—Sec-
7 tion 171(b) (29 U.S.C. 2916(b)) is amended—

8 (1) in paragraph (1)—

9 (A) by striking “Under a” and inserting
10 “Consistent with the priorities specified in the”;

11 (B) by amending subparagraphs (A)
12 through (D) to read as follows:

13 “(A) projects that assist national employ-
14 ers in connecting with the workforce investment
15 system established under this title in order to
16 facilitate the recruitment and employment of
17 needed workers and to provide information to
18 such system on skills and occupations in de-
19 mand;

20 “(B) projects that promote the develop-
21 ment of systems that will improve the effective-
22 ness and efficiency of programs carried out
23 under this title;

24 “(C) projects that focus on opportunities
25 for employment in industries and sectors of in-

1 dustries that are experiencing or are likely to
2 experience high rates of growth, including those
3 relating to information technology and energy
4 efficiency and renewable energy;

5 “(D) projects carried out by States and
6 local areas to test innovative approaches to de-
7 livering employment-related services;”;

8 (C) by striking subparagraph (E);

9 (D) by redesignating subparagraphs (F)
10 and (G) as subparagraphs (E) and (F), respec-
11 tively;

12 (E) in subparagraph (F) (as so redesign-
13 ated, by striking “; and” and inserting a semi-
14 colon;

15 (F) by inserting after subparagraph (F)
16 (as so redesignated) the following:

17 “(G) projects carried out by States and
18 local areas to assist adults or out of school
19 youth in starting a small business, including
20 training and assistance in business or financial
21 management or in developing other skills nec-
22 essary to operate a business;”;

23 (G) by amending subparagraph (H) to
24 read as follows:

1 “(H) projects that focus on opportunities
2 for employment in industries and sectors of in-
3 dustries that are being transformed by tech-
4 nology and innovation requiring new knowledge
5 or skill sets for workers, including advanced
6 manufacturing; and”;

7 (2) in paragraph (2)—

8 (A) by striking subparagraph (B); and

9 (B) by redesignating subparagraph (C) as
10 subparagraph (B).

11 (b) MULTISERVICE PROJECTS.—Section
12 171(e)(2)(B) (29 U.S.C. 2916(e)(2)(B)) is amended to
13 read as follows:

14 “(B) NET IMPACT STUDIES AND RE-
15 PORTS.—The Secretary shall conduct studies to
16 determine the net impacts of programs, serv-
17 ices, and activities carried out under this title.
18 The Secretary shall prepare and disseminate to
19 Congress and the public reports containing the
20 results of such studies.”.

21 **SEC. 122. RESTORING STATE AND LOCAL FLEXIBILITY TO**
22 **CREATE ENERGY EFFICIENCY AND RENEW-**
23 **ABLE ENERGY JOBS.**

24 Section 171(e) is repealed.

1 **SEC. 123. EVALUATIONS.**

2 (a) **IMPACT ANALYSIS.**—Section 172(a)(4) (29
3 U.S.C. 2917(a)(4)) is amended to read as follows:

4 “(4) the impact of receiving services and not re-
5 ceiving services under such programs and activities
6 on the community, businesses, and individuals;”.

7 (b) **TECHNIQUES.**—Section 172(c) (29 U.S.C.
8 2917(c)) is amended to read as follows:

9 “(c) **TECHNIQUES.**—Evaluations conducted under
10 this section shall utilize appropriate and rigorous method-
11 ology and research designs, including the use of control
12 groups chosen by scientific random assignment methodolo-
13 gies, quasi-experimental methods, impact analysis and the
14 use of administrative data. The Secretary shall conduct
15 an impact analysis, as described in subsection (a)(4), of
16 the formula grant programs under subtitle B not later
17 than 2014, and thereafter shall conduct such an analysis
18 not less than once every four years.”.

19 (c) **REPORTS TO CONGRESS.**—Section 172(e) (29
20 U.S.C. 2917(e)) is amended by striking “the Committee
21 on Labor and Human Resources of the Senate” and in-
22 serting “the Committee on Health, Education, Labor, and
23 Pensions of the Senate”.

24 **SEC. 124. NATIONAL DISLOCATED WORKER GRANTS.**

25 (a) **IN GENERAL.**—Section 173 (29 U.S.C. 2916) is
26 amended—

1 (1) by amending the designation and heading to
2 read as follows:

3 **“SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.”;**

4 (2) in subsection (a)—

5 (A) by striking “national emergency
6 grants” in the matter preceding paragraph (1)
7 and inserting “national dislocated worker
8 grants”;

9 (B) in paragraph (1), by striking “sub-
10 section (c)” and inserting “subsection (b)”; and

11 (C) in paragraph (4)—

12 (i) in subparagraph (A)—

13 (I) by striking “section
14 173(c)(1)(B)” and inserting “section
15 173(h)(1)(B)”; and

16 (II) by striking “subsection (f)”
17 and inserting “subsection (d)”; and

18 (ii) in subparagraph (B), by striking
19 “subsection (g)” and inserting “subsection
20 (e)”;

21 (3) by striking subsections (b) and (e) and re-
22 designating subsections (c), (d), (f), and (g) as sub-
23 sections (b) through (e), respectively;

1 (4) in subsection (b)(1)(B) as so redesignated),
2 by striking “, and other entities” and all that follows
3 and inserting a period;

4 (5) in subsection (b)(2)(A) (as so redesignated)—
5 nated)—

6 (A) in the matter preceding clause (i), by
7 striking “national emergency grant” and insert-
8 ing “national dislocated worker grant”;

9 (B) in clause (iii), by striking “; or” and
10 inserting a semicolon;

11 (C) in clause (iv)(IV) by striking the pe-
12 riod and inserting “; or”; and

13 (D) by inserting at the end the following:

14 “(v) is the spouse of a member of the
15 Armed Forces who is on active duty or
16 full-time National Guard duty, or who was
17 recently separated from such duties, and
18 such spouse is in need of employment and
19 training assistance to obtain or retain em-
20 ployment.”;

21 (6) in subsection (b)(2)(C) (as so redesignated),
22 by striking “national emergency grant” and insert-
23 ing “national dislocated worker grants”;

1 (7) in subsection (d)(2) (as so redesignated), by
2 striking “subsection (g)” and inserting “subsection
3 (e)”;

4 (8) in subsection (d)(5) (as so redesignated), by
5 striking “subsection (g)” and inserting “subsection
6 (e)”;

7 (9) in subsection (d)(6) (as so redesignated), by
8 striking “subsection (g)” and inserting “subsection
9 (e)”; and

10 (10) in subsection (e)(1)(A) (as so redesignated), by striking “subsection (f)(1)(A)” and inserting “subsection (d)(1)(A)”.

13 (b) CONFORMING AMENDMENT.—The table of contents in section 1(b) is amended by amending the item
14 related to section 173 to read as follows:

“Sec. 173. National dislocated worker grants.”.

16 **SEC. 125. AUTHORIZATION OF APPROPRIATIONS FOR NA-**
17 **TIONAL ACTIVITIES.**

18 (a) IN GENERAL.—Section 174(a)(1) (29 U.S.C.
19 2919(a)(1)) is amended by striking “1999 through 2003”
20 and inserting “2013 through 2017”.

21 (b) RESERVATIONS.—Section 174(b) is amended to
22 read as follows:

23 “(b) TECHNICAL ASSISTANCE; DEMONSTRATION AND
24 PILOT PROJECTS; EVALUATIONS; INCENTIVE GRANTS.—

1 “(1) DEMONSTRATION AND PILOT PROJECTS.—
2 There are authorized to be appropriated to carry out
3 section 171, such sums as may be necessary for fis-
4 cal years 2013 through 2017.

5 “(2) TECHNICAL ASSISTANCE, EVALUATIONS.—
6 There are authorized to be appropriated to carry out
7 section 170, section 172, and section 136 such sums
8 as may be necessary for each of fiscal years 2013
9 through 2017.”.

10 **SEC. 126. REQUIREMENTS AND RESTRICTIONS.**

11 (a) IN GENERAL.—Section 181(c)(2)(A) (29 U.S.C.
12 2931(c)(2)(A)) is amended in the matter preceding clause
13 (i) by striking “shall” and inserting “may”.

14 (b) LIMITATIONS.—Section 181(e) (29 U.S.C.
15 2931(e)) is amended by striking “training for” and insert-
16 ing “the entry into employment, retention in employment,
17 or increases in earnings of”.

18 (c) SALARY CAP.—Section 181 (29 U.S.C. 2931) is
19 further amended by adding at the end the following new
20 subsection:

21 “(g) SALARY AND BONUS LIMITATION.—No funds
22 provided under this title shall be used by a recipient or
23 subrecipient of such funds to pay the salary and bonuses
24 of an individual, either as direct costs or indirect costs,
25 at a rate in excess of Level II of the Federal Executive

1 Pay Schedule (5 U.S.C. 5313). This limitation shall not
2 apply to vendors providing goods and services as defined
3 in OMB Circular A-133. Where States are recipients of
4 such funds, States may establish a lower limit for salaries
5 and bonuses of those receiving salaries and bonuses from
6 subrecipients of such funds, taking into account factors
7 including the relative cost-of-living in the State, the com-
8 pensation levels for comparable State or local government
9 employees, and the size of the organizations that admin-
10 ister the programs.”.

11 (d) GENERAL AUTHORITY.—Section 181 is further
12 amended by adding at the end the following new sub-
13 section:

14 “(h) GENERAL AUTHORITY.—

15 “(1) IN GENERAL.—The Employment and
16 Training Administration of the U.S. Department of
17 Labor (hereinafter in this Act referred to as the ‘Ad-
18 ministration’) shall administer all programs author-
19 ized under title I and III of this Act. The Adminis-
20 tration shall be headed by an Assistant Secretary
21 appointed by the President by and with the advice
22 and consent of the Senate. Except for titles II and
23 IV, the Administration shall be the principal agency,
24 and the Assistant Secretary shall be the principal of-
25 ficer, of such Department for carrying out this Act.

1 “(2) QUALIFICATIONS.—The Assistant Sec-
2 retary shall be an individual with substantial experi-
3 ence in workforce development and in workforce de-
4 velopment management. The Assistant Secretary
5 shall also, to the maximum extent possible, possess
6 knowledge and have worked in or with the State or
7 local workforce investment system or have been a
8 member of the business community. In the perform-
9 ance of the functions of the office, the Assistant Sec-
10 retary shall be directly responsible to the Secretary
11 or the Under Secretary as designed by the Sec-
12 retary. The functions of the Assistant Secretary
13 shall not be delegated to any officer not directly re-
14 sponsible, both with respect to program operation
15 and administration, to the Assistant Secretary. Any
16 reference in this Act to duties to be carried out by
17 the Assistant Secretary shall be considered to be a
18 reference to duties to be carried out by the Secretary
19 acting through the Assistant Secretary.”.

20 (e) FISCAL CONTROLS; SANCTIONS.—Section
21 184(a)(2)(B) (29 U.S.C. 2934(a)(2)(B)) is amended by
22 striking “in accordance with section 134(a)(3)(B)”.

23 (f) REPORTS TO CONGRESS.—Section 185 (29 U.S.C.
24 2935) is amended—

25 (1) in subsection (c)—

1 (A) in paragraph (2), by striking “and”
2 after the semicolon;

3 (B) in paragraph (3), by striking the pe-
4 riod and inserting “; and”; and

5 (C) by adding at the end the following:

6 “(4) shall have the option to submit or dissemi-
7 nate electronically any reports, records, plans, or any
8 other data that are required to be collected or dis-
9 seminated under this title.”; and

10 (2) in paragraph (e)(2), by inserting “and the
11 Secretary shall submit to the Committee on Edu-
12 cation and the Workforce of the House of Rep-
13 resentatives and the Committee on Health, Edu-
14 cation, Labor, and Pensions of the Senate,” after
15 “Secretary,”.

16 **SEC. 127. NONDISCRIMINATION.**

17 Section 188(a)(2) (29 U.S.C. 2938(a)(2)) is amended
18 to read as follows:

19 “(2) PROHIBITION OF DISCRIMINATION RE-
20 GARDING PARTICIPATION, BENEFITS, AND EMPLOY-
21 MENT.—

22 “(A) IN GENERAL.—Except as provided in
23 subparagraph (B), no individual shall be ex-
24 cluded from participation in, denied the benefits
25 of, subjected to discrimination under, or denied

1 employment in the administration of or in con-
2 nection with, any such program or activity be-
3 cause of race, color, religion, sex (except as oth-
4 erwise permitted under title IX of the Edu-
5 cation Amendments of 1972), national origin,
6 age, disability, or political affiliation or belief.

7 “(B) EXEMPTION FOR RELIGIOUS ORGANI-
8 ZATIONS.—Subparagraph (A) shall not apply to
9 a recipient of financial assistance under this
10 title that is a religious corporation, association,
11 educational institution, or society, with respect
12 to the employment of individuals of a particular
13 religion to perform work connected with the
14 carrying on by such corporation, association,
15 educational institution, or society of its activi-
16 ties. Such recipients shall comply with the other
17 requirements contained in subparagraph (A).”.

18 **SEC. 128. ADMINISTRATIVE PROVISIONS.**

19 (a) PROGRAM YEAR.—Section 189(g)(1) (29 U.S.C.
20 2939(g)(1)) is amended to read as follows:

21 “(1) IN GENERAL.—Appropriations for any fis-
22 cal year for programs and activities carried out
23 under this title shall be available for obligation only
24 on the basis of a program year. The program year

1 shall begin on July 1 in the fiscal year for which the
2 appropriation is made.”.

3 (b) AVAILABILITY.—Section 189(g)(2) (29 U.S.C.
4 2939(g)(2)) is amended by striking “each State” and in-
5 serting “each recipient”.

6 (c) GENERAL WAIVERS.—Section 189(i)(4) (29
7 U.S.C. 2939(i)(4)) is amended—

8 (1) in subparagraph (A)—

9 (A) in the matter preceding clause (i), by
10 inserting “, or in accordance with subparagraph
11 (D)” after “subparagraph (B)”; and

12 (B) by striking clause (ii), the clause (i)
13 designation and the dash preceding such des-
14 ignation, and moving the remaining text flush
15 with the preceding matter; and

16 (2) by adding the following subparagraph:

17 “(D) EXPEDITED PROCESS FOR EXTEND-
18 ING APPROVED WAIVERS TO ADDITIONAL
19 STATES.—In lieu of the requirements of sub-
20 paragraphs (B) and (C), the Secretary may es-
21 tablish an expedited procedure for the purpose
22 of extending to additional States the waiver of
23 statutory or regulatory requirements that have
24 been approved for a State pursuant to a request
25 under subparagraph (B). Such procedure shall

1 ensure that the extension of such waivers to ad-
2 ditional States are accompanied by appropriate
3 conditions relating the implementation of such
4 waivers.”.

5 **SEC. 129. STATE LEGISLATIVE AUTHORITY.**

6 Section 191 is amended—

7 (1) in subsection (a), by striking “consistent
8 with the provisions of this title” and inserting “con-
9 sistent with State law and the provisions of this
10 title”; and

11 (2) in subsection (a), by striking “consistent
12 with the terms and conditions required under this
13 title” and inserting “consistent with State law and
14 the terms and conditions required under this title”.

15 **SEC. 130. WORKFORCE INNOVATION IN REGIONAL ECO-**
16 **NOMIC DEVELOPMENT.**

17 (a) WORKFORCE INNOVATION IN REGIONAL ECO-
18 NOMIC DEVELOPMENT.—Section 192 (29 U.S.C. 2942) is
19 amended to read as follows:

20 **“SEC. 192. WORKFORCE INNOVATION IN REGIONAL ECO-**
21 **NOMIC DEVELOPMENT.**

22 **“(a) WORKFORCE INNOVATION IN REGIONAL ECO-**
23 **NOMIC DEVELOPMENT PLANS.—**

24 **“(1) IN GENERAL.—**The Secretary, in coopera-
25 tion with other Federal agency heads responsible for

1 the administration of programs included in plans
2 submitted under this subsection, may approve Work-
3 force Innovation in Regional Economic Development
4 (in this subsection referred to as WIRED) plans
5 submitted by a State or local workforce investment
6 board or boards pursuant to paragraph (2) to sup-
7 port the development of regional economies in order
8 to foster economic development, expand employment,
9 and advancement opportunities for workers and to
10 promote the creation of high-skill and high-wage op-
11 portunities.

12 “(2) CONTENTS OF PLAN.—To have a WIRED
13 plan approved under this subsection, a State or local
14 workforce investment board or boards and the region
15 or regions identified in subparagraph (A) shall joint-
16 ly submit a plan to the Secretary at such time, in
17 such manner, and containing such information as
18 the Secretary may require, including—

19 “(A) the identification of the multi-county
20 region or regions that is to be the focus of the
21 activities provided under the plan, including
22 identification of the communities in the region
23 that share common characteristics, and a de-
24 scription of why the selected area comprises a
25 regional economy;

1 “(B) a description of the broad-based re-
2 gional partnership that has been created for the
3 region identified in subparagraph (A) rep-
4 resenting the major assets of the region, con-
5 sistent with the requirements of paragraph (3),
6 and that will assist in developing the economic
7 vision described in subparagraph (D), the strat-
8 egies described in subparagraph (E), and pro-
9 vide a forum for regional economic decision-
10 making, including a description of the partner-
11 ship’s involvement, particularly that of rep-
12 resentatives of affected local boards and chief
13 elected officials, in the development of the plan;

14 “(C) a description of the assets of the re-
15 gion identified in subparagraph (A), based on a
16 regional assessment, and identification of the
17 strengths, weaknesses, opportunities, and risks
18 based on those assets;

19 “(D) a description of an economic vision
20 for the region identified in subparagraph (A),
21 based on the identified strengths and assets de-
22 scribed in subparagraph (C), and evidence of
23 support for that vision from the broad-based re-
24 gional partnership described in subparagraph
25 (B);

1 “(E) a description of the talent develop-
2 ment and related strategies that provide a blue-
3 print for how to achieve the economic vision for
4 the region as described in subparagraph (D),
5 including the activities to be carried out under
6 this subsection, consistent with paragraphs (5)
7 and (6), and the identification of specific goals
8 associated with those strategies;

9 “(F) information on the workforce develop-
10 ment programs to be integrated in the region,
11 in accordance with the requirements of para-
12 graph (4), into an integrated workforce develop-
13 ment program, including—

14 “(i) identification of the programs to
15 be integrated;

16 “(ii) the amount and proportion of the
17 resources available to the region under
18 each of the integrated programs to carry
19 out the strategies described in subpara-
20 graph (E);

21 “(iii) a description of how these re-
22 sources will be used to accomplish the vi-
23 sion identified in subparagraph (D), in-
24 cluding the services to be provided and
25 how such services will be provided, con-

1 sistent with clause (iv) and paragraph (5);
2 and

3 “(iv) assurances that in carrying out
4 the wired plan—

5 “(I) the region, through the inte-
6 grated workforce development pro-
7 gram, will maintain a local workforce
8 investment board, or a regional work-
9 force investment board, that is sub-
10 stantially similar to the local work-
11 force investment boards required
12 under section 117 of this Act, that
13 such board will carry out functions
14 that are substantially similar to those
15 described under section 117(d), and,
16 that such region shall submit to the
17 State for approval a local plan for the
18 region that is substantially similar to
19 the local plans required under section
20 118 of this Act;

21 “(II) the region, through the in-
22 tegrated workforce development pro-
23 gram, will maintain a one-stop deliv-
24 ery system that is consistent with the

1 requirements of section 121 of this
2 Act;

3 “(III) the region, through the in-
4 tegrated workforce development pro-
5 gram, will serve populations consistent
6 with the populations served by the
7 programs being integrated, and will
8 provide universal access to work ready
9 services as described in section
10 134(c)(2) of this Act;

11 “(IV) the region, in carrying out
12 the integrated workforce development
13 program, will comply with the vet-
14 erans’ priority of service requirement
15 under section 4215 of title 38, United
16 States Code;

17 “(V) of the funds expended
18 under the integrated workforce devel-
19 opment program each year, not more
20 than 10 percent of such funds will be
21 expended on the costs of administra-
22 tion (as defined by the Secretary);

23 “(VI) the services provided under
24 the integrated workforce development
25 program will be coordinated with em-

1 employment-related programs not in-
2 cluded under the integrated workforce
3 program; and

4 “(VII) the region, in carrying out
5 the integrated workforce development
6 program, will comply with require-
7 ments under this title relating to wage
8 and labor standards (including non-
9 displacement provisions), grievance
10 procedures and judicial review, and
11 nondiscrimination;

12 “(G) an assurance that each local work-
13 force board and chief elected official included in
14 the region that will carry out the integrated
15 workforce development plan has approved the
16 plan;

17 “(H) information on the community and
18 economic development programs, if any, that
19 will provide a portion of funds that will be inte-
20 grated to carry out the strategies described in
21 subparagraph (E), in accordance with the re-
22 quirements of paragraph (6), including—

23 “(i) identification of the included com-
24 community and economic development pro-
25 grams;

1 “(ii) the amount and proportion of the
2 resources available to the State or local
3 workforce investment board or boards
4 under each such program that will be used
5 in the region to carry out the strategies de-
6 scribed in subparagraph (E); and

7 “(iii) a description of how these re-
8 sources will be used to assist in accom-
9 plishing the vision identified in subpara-
10 graph (D), including the activities to be
11 carried out; and

12 “(I) in addition to the resources described
13 under subparagraphs (F) and (H), identifica-
14 tion of other resources that will be used to sup-
15 port the strategies of the region described in
16 subparagraph (E), from a wide range of
17 sources, including foundations, private invest-
18 ment such as venture capital, and Federal,
19 State, and local governments.

20 “(3) BROAD-BASED REGIONAL PARTNERSHIP.—

21 For purposes of this subsection, a broad-based re-
22 gional partnership—

23 “(A) shall include—

24 “(i) representatives from each of the
25 local workforce investment systems in the

1 region identified under paragraph (2)(A),
2 such as the chairpersons or executive direc-
3 tors of affected local workforce investment
4 boards in such region;

5 “(ii) representatives of the education
6 system in the region identified under para-
7 graph (2)(A), including representatives
8 from each of the following:

9 “(I) The K–12 public school sys-
10 tems;

11 “(II) Community colleges; and

12 “(III) Four-year educational in-
13 stitutions;

14 “(iii) representatives of businesses
15 and industry associations in the region
16 identified under paragraph (2)(A);

17 “(iv) the chief elected officials from
18 each of the affected local areas identified
19 under paragraph (2)(A); and

20 “(v) representatives of local and re-
21 gional economic development agencies in
22 the region identified under paragraph
23 (2)(A); and

24 “(B) may include—

1 “(i) representatives of the philan-
2 thropic community;

3 “(ii) representatives of post-secondary
4 education and training providers in addi-
5 tion to those described in subparagraph
6 (A)(ii);

7 “(iii) representatives of private invest-
8 ment entities such as seed and venture
9 capital organizations; investor networks;
10 and entrepreneurs;

11 “(iv) representatives of faith and com-
12 munity-based organizations; and

13 “(v) representatives of such other
14 Federal, State or local entities and organi-
15 zations that may enhance the carrying out
16 of the activities of the partnership.

17 “(4) INTEGRATION OF WORKFORCE DEVELOP-
18 MENT SERVICES AUTHORIZED.—

19 “(A) AUTHORIZATION FOR INTEGRA-
20 TION.—In carrying out this subsection, the Sec-
21 retary, in cooperation with the Federal agency
22 heads responsible for the administration of the
23 workforce development programs described in
24 subparagraph (D) that are included in the
25 WIRED plan submitted by the State or local

1 workforce investment board or boards, shall,
2 upon the approval of the plan submitted under
3 paragraph (2), authorize the State or local
4 workforce investment board or boards to inte-
5 grate programs as described in subparagraph
6 (B).

7 “(B) INTEGRATION.—The authorization
8 shall give the State or local workforce invest-
9 ment board or boards the authority to inte-
10 grate, in accordance with such approved plan,
11 the federally funded programs described in sub-
12 paragraph (D) that are included in the ap-
13 proved plan, in a manner that integrates those
14 programs into a single, coordinated, comprehen-
15 sive workforce development program to achieve
16 the economic vision identified in such plan for
17 the region.

18 “(C) EFFECT ON PROGRAM REQUIRE-
19 MENTS.—The provisions of the approved grant
20 application and the requirements of this sub-
21 section shall supersede the requirements of the
22 statutes authorizing the programs included for
23 integration in such approved plan, except as
24 otherwise specified in this subsection.

1 “(D) INCLUDED WORKFORCE DEVELOP-
2 MENT PROGRAMS.—

3 “(i) MANDATORY PROGRAMS.—A
4 WIRED plan authorized under this sub-
5 section shall include the workforce invest-
6 ment activities for adults authorized under
7 chapter 5 of subtitle B.

8 “(ii) ADDITIONAL PROGRAMS.—In ad-
9 dition to the integration of the programs
10 described in clause (i) into a single pro-
11 gram, a WIRED plan may include integra-
12 tion of one or more of the following pro-
13 grams as part of such single program—

14 “(I) the program of workforce in-
15 vestment activities for youth author-
16 ized under chapter 4 of subtitle B; or

17 “(II) any of the other required
18 one-stop partner programs and activi-
19 ties described in section 121(b)(1)(B)
20 of this Act.

21 “(5) WORKFORCE DEVELOPMENT ACTIVITIES
22 TO BE CARRIED OUT UNDER WIRED PLAN.—The
23 workforce development activities carried out under a
24 WIRED plan may include—

1 “(A) job training and related activities for
2 workers to assist them in gaining the skills and
3 competencies needed to obtain or upgrade em-
4 ployment in industries or economic sectors pro-
5 jected to experience significant growth in the
6 region identified in paragraph (2)(A), includ-
7 ing—

8 “(i) activities supporting talent devel-
9 opment related to entrepreneurship and
10 small business development; and

11 “(ii) the purchase of equipment to
12 train job seekers and workers for high-
13 growth occupations;

14 “(B) activities to enhance the training and
15 related activities described in subparagraph (A)
16 and to promote workforce development in the
17 region identified in paragraph (2)(A), includ-
18 ing—

19 “(i) the development and implementa-
20 tion of model activities, such as developing
21 appropriate curricula to build core com-
22 petencies and train workers in the region;

23 “(ii) identifying and disseminating ca-
24 reer and skill information relating to the
25 region;

1 “(iii) developing or purchasing re-
2 gional data tools or systems to deepen un-
3 derstanding of the regional economy and
4 labor market; and

5 “(iv) integrated regional planning,
6 such as increasing the integration of com-
7 munity and technical college activities with
8 activities of businesses and the public
9 workforce investment system to meet the
10 training needs of high growth industries in
11 the region; and

12 “(C) appropriate employment-related ac-
13 tivities and services authorized under the work-
14 force development programs that are integrated
15 under the plan in accordance with paragraphs
16 (2)(F) and (4) that will assist achieving the
17 economic vision described in paragraph (2)(D)
18 and in implementing the strategies described in
19 paragraph (2)(E).

20 “(6) INTEGRATION OF COMMUNITY AND ECO-
21 NOMIC DEVELOPMENT FUNDS AUTHORIZED.—

22 “(A) AUTHORIZATION FOR INTEGRATION
23 OF FUNDS.—In carrying out this subsection,
24 the Secretary, in cooperation with the Federal
25 agency heads responsible for the administration

1 of the community and economic development
2 programs described in subparagraph (D) that
3 are included in the WIRED plan submitted by
4 the State or local workforce investment board
5 or boards, shall, upon the approval of the plan
6 submitted under paragraph (2), authorize the
7 State or local workforce investment board or
8 boards to integrate the portion of the funds
9 from such programs to assist in implementing
10 such plans.

11 “(B) INTEGRATION.—The authorization
12 shall give the State or local workforce invest-
13 ment board or boards the authority to inte-
14 grate, in accordance with such approved plan,
15 funds provided under programs identified from
16 subparagraph (D) to carry out the community
17 and economic development activities described
18 in paragraph (2)(H).

19 “(C) EFFECT ON PROGRAM REQUIRE-
20 MENTS.—The integrated funds may be used,
21 consistent with the description contained in
22 paragraph (2)(H), to carry out any of the ac-
23 tivities authorized under any the programs de-
24 scribed in subparagraph (D) that are included
25 in the plan.

1 “(D) INCLUDED COMMUNITY AND ECO-
2 NOMIC DEVELOPMENT PROGRAMS.—The funds
3 that may be integrated under this paragraph
4 are funds provided under—

5 “(i) Community Development Block
6 Grants authorized under title I of the
7 Housing and Community Development Act
8 of 1974 (42 U.S.C. 5301–5321);

9 “(ii) grants authorized under the
10 Community Services Block Grant Act (42
11 U.S.C. 9901 et seq.);

12 “(iii) Public Works and Economic De-
13 velopment Grants authorized under section
14 201 of the Public Works and Economic
15 Development Act of 1965 (42 U.S.C.
16 3141);

17 “(iv) Rural Business Enterprise
18 Grants authorized under the Consolidated
19 Farm and Rural Development Act (7
20 U.S.C. 1932);

21 “(v) Rural Business Opportunity
22 Grants authorized under section
23 741(a)(11) of the Federal Agriculture Im-
24 provement and Reform Act of 1996 (42
25 U.S.C. 1926(a)(11));

1 “(vi) grants authorized under the
2 Brownfields Economic Development Initia-
3 tive; and

4 “(vii) Rural Housing and Economic
5 Development grants.

6 “(7) PERFORMANCE MEASURES AND REPORT-
7 ING.—

8 “(A) PERFORMANCE MEASURES.—The
9 Secretary shall establish performance measures
10 that will be used to evaluate the effectiveness of
11 activities carried out under this subsection and
12 shall require such entities to report to the Sec-
13 retary on the employment outcomes obtained by
14 individuals receiving training under this sub-
15 section using those core indicators of perform-
16 ance described in section 136(b)(2).

17 “(B) REPORTING.—Each State or local
18 workforce investment board or boards with an
19 approved plan under this subsection shall en-
20 sure that records are maintained and reports
21 are submitted, in such form and containing
22 such information, as the Secretary may require
23 regarding the performance of programs and ac-
24 tivities carried out under this subsection.

1 “(8) TECHNICAL ASSISTANCE AND EVALUA-
2 TION.—

3 “(A) TECHNICAL ASSISTANCE.—The Sec-
4 retary shall provide such staff training, tech-
5 nical assistance, and other activities as the Sec-
6 retary deems appropriate to support the imple-
7 mentation of this subsection.

8 “(B) EVALUATION.—The Secretary may
9 require that States with an approved plan
10 under this subsection to participate in an eval-
11 uation of activities carried out under this sub-
12 section, including an evaluation using the tech-
13 niques described in section 172(c).

14 “(9) PLAN REVIEW.—Upon receipt of a
15 WIRED plan from the State or local workforce in-
16 vestment board or boards, the Secretary shall con-
17 sult with the Federal agency head responsible for
18 the administration of any of the programs included
19 in the plan pursuant to paragraph (4) or (6).

20 “(10) FEDERAL RESPONSIBILITIES.—

21 “(A) INTERAGENCY MEMORANDUM OF UN-
22 DERSTANDING.—Within 90 days following the
23 date of enactment of this subsection, the Sec-
24 retary and the Federal agency heads respon-
25 sible for programs that could be included in a

1 plan approved under this subsection pursuant
2 to paragraph (4) or (6) shall enter into an
3 interdepartmental memorandum of agreement
4 providing for the implementation of WIRED
5 plans with respect to the integration of pro-
6 grams and funds administered by each Sec-
7 retary.

8 “(B) INTERAGENCY FUNDS TRANSFERS
9 AUTHORIZED.—The Secretary and the Federal
10 agency heads responsible for the programs that
11 are included in a plan approved under para-
12 graph (4) or (6) are authorized to take such ac-
13 tion as may be necessary to provide for intra-
14 agency or interagency transfers of funds other-
15 wise available to a State or local workforce in-
16 vestment board or boards in order to further
17 the purposes of this subsection.

18 “(11) ADMINISTRATION OF FUNDS.—

19 “(A) SEPARATE RECORDS NOT RE-
20 QUIRED.—Nothing in this subsection shall be
21 construed as requiring the region to maintain
22 separate records tracing any services or activi-
23 ties conducted under an approved WIRED plan
24 to the programs under which funds were origi-
25 nally authorized, nor shall the State or local

1 workforce investment board or boards be re-
2 quired to allocate expenditures among such pro-
3 grams.

4 “(B) SINGLE AUDIT ACT.—Nothing in this
5 section shall be construed to interfere with the
6 ability of the Secretary to fulfill the responsibil-
7 ities for the safeguarding of Federal funds pur-
8 suant to the Single Audit Act of 1984.

9 “(b) AUTHORITY TO CARRY OUT ADDITIONAL
10 WIRED ACTIVITIES UNDER WIA.—

11 “(1) AUTHORIZATION FOR USE OF CERTAIN
12 FUNDS UNDER WIA.—Funds available under sections
13 128, 133, and 171 of this Act may be used by re-
14 cipients and subrecipients of those funds for
15 WIRED activities, as defined in paragraph (2), in
16 addition to the other activities for which such funds
17 are authorized to be used.

18 “(2) DEFINITION.—For purposes of this sub-
19 section, WIRED activities include—

20 “(A) WIRED planning activities, includ-
21 ing—

22 “(i) defining the regional economy;

23 “(ii) creating a broad-based regional
24 partnership that assists in developing the
25 economic vision described in clause (iv),

1 the strategies described in clause (v), and
2 that provides a forum for regional eco-
3 nomic decisionmaking;

4 “(iii) conducting an assessment of the
5 regional economy to map the assets of a
6 region and identify the strengths, weak-
7 nesses, opportunities and risks based on
8 those assets;

9 “(iv) developing an economic vision
10 based on those strengths and assets;

11 “(v) developing strategies and cor-
12 responding implementation plans that
13 identify specific goals and tasks and pro-
14 vides a blueprint for how to achieve the
15 economic vision for the region; and

16 “(vi) identifying resources to support
17 the plan of the region;

18 “(B) job training and related activities for
19 workers to assist them in gaining the skills and
20 competencies needed to obtain or upgrade em-
21 ployment in industries or economic sectors pro-
22 jected to experience significant growth in the
23 region, including—

24 “(i) activities supporting talent devel-
25 opment related to entrepreneurship and

1 small business development in the region;
2 and

3 “(ii) the purchase of equipment to
4 train job seekers and workers for high-
5 growth occupations in the region; and

6 “(C) activities to enhance training and re-
7 lated activities and to promote workforce devel-
8 opment in the region, including—

9 “(i) the development and implementa-
10 tion of model activities, such as developing
11 appropriate curricula to build core com-
12 petencies and train workers in the region;

13 “(ii) identifying and disseminating ca-
14 reer and skill information relating to the
15 region;

16 “(iii) developing or purchasing re-
17 gional data tools or systems to deepen un-
18 derstanding of the regional economy and
19 labor market; and

20 “(iv) integrated regional planning,
21 such as increasing the integration of com-
22 munity and technical college activities with
23 activities of businesses and the public
24 workforce investment system to meet the

1 training needs of businesses in the re-
2 gion.”.

3 **SEC. 131. GENERAL PROGRAM REQUIREMENTS.**

4 Section 195 (29 U.S.C. 2945) is amended—

5 (1) in paragraph (7) by inserting at the end the
6 following:

7 “(D) Funds received by a public or private
8 nonprofit entity that are not described in para-
9 graph (B), such as funds privately raised from
10 philanthropic foundations, businesses, or other
11 private entities, shall not be considered to be in-
12 come under this title and shall not be subject
13 to the requirements of this section.”; and

14 (2) by adding at the end the following new
15 paragraphs:

16 “(14) Funds provided under this title shall not
17 be used to establish or operate stand-alone fee-for-
18 service enterprises that compete with private sector
19 employment agencies within the meaning of section
20 701(c) of the Civil Rights Act of 1964 (42 U.S.C.
21 2000e(c)). For purposes of this paragraph, such an
22 enterprise does not include one-stop centers.

23 “(15) Any report required to be submitted to
24 Congress, or to a Committee of Congress, under this
25 title shall be submitted to both the chairmen and

1 ranking minority members of the Committee on
 2 Education and the Workforce of the House of Rep-
 3 resentatives and the Committee on Health, Edu-
 4 cation, Labor, and Pensions of the Senate.”.

5 **TITLE II—ADULT EDUCATION**
 6 **AND FAMILY LITERACY EDU-**
 7 **CATION**

8 **SEC. 201. TABLE OF CONTENTS.**

9 The table of contents in section 1(b) is amended by
 10 amending the items relating to title II to read as follows:

“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.

“CHAPTER 1—FEDERAL PROVISIONS

- “Sec. 211. Reservation of funds; grants to eligible agencies; allotments.
- “Sec. 212. Performance accountability system.
- “Sec. 213. Incentive grants for States.

“CHAPTER 2—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.

“CHAPTER 3—LOCAL PROVISIONS

- “Sec. 231. Grants and contracts for eligible providers.
- “Sec. 232. Local application.
- “Sec. 233. Local administrative cost limits.

“CHAPTER 4—GENERAL PROVISIONS

- “Sec. 241. Administrative provisions.
- “Sec. 242. National leadership activities.”.

1 **SEC. 202. AMENDMENT.**

2 Title II (29 U.S.C. 2901 et seq.) is amended to read
3 as follows:

4 **“TITLE II—ADULT EDUCATION**
5 **AND FAMILY LITERACY EDU-**
6 **CATION**

7 **“SEC. 201. SHORT TITLE.**

8 “This title may be cited as the ‘Adult Education and
9 Family Literacy Education Act’.

10 **“SEC. 202. PURPOSE.**

11 “It is the purpose of this title to provide instructional
12 opportunities for adults seeking to improve their literacy
13 skills, including their basic reading, writing, speaking, and
14 math skills, and support States and local communities in
15 providing, on a voluntary basis, adult education and family
16 literacy education programs, in order to—

17 “(1) increase the literacy of adults, including
18 the basic reading, writing, speaking, and math skills,
19 to a level of proficiency necessary for adults to ob-
20 tain employment and self-sufficiency and to success-
21 fully advance in the workforce;

22 “(2) assist adults in the completion of a sec-
23 ondary school education (or its equivalent) and the
24 transition to a post-secondary educational institu-
25 tion;

1 “(3) assist adults who are parents to enable
2 them to support the educational development of their
3 children and make informed choices regarding their
4 children’s education including, through instruction in
5 basic reading, writing, speaking, and math skills;
6 and

7 “(4) assist adults who are not proficient in
8 English in improving their reading, writing, speak-
9 ing, listening, comprehension, and math skills and
10 acquiring an understanding of the American free en-
11 terprise system, individual freedom, and the respon-
12 sibilities of citizenship.

13 **“SEC. 203. DEFINITIONS.**

14 “In this title:

15 “(1) ADULT EDUCATION AND FAMILY LITERACY
16 EDUCATION PROGRAMS.—The term ‘adult education
17 and family literacy education programs’ means a se-
18 quence of academic instruction and educational serv-
19 ices below the post-secondary level that increase an
20 individual’s ability to read, write, and speak in
21 English and perform mathematical computations
22 leading to a level of proficiency equivalent to at least
23 a secondary school completion that is provided for
24 individuals—

25 “(A) who are at least 16 years of age;

1 “(B) who are not enrolled or required to be
2 enrolled in secondary school under State law;
3 and

4 “(C) who—

5 “(i) lack sufficient mastery of basic
6 reading, writing, speaking, and math skills
7 to enable the individuals to function effec-
8 tively in society;

9 “(ii) do not have a secondary school
10 diploma, General Educational Development
11 credential (GED), or other State-recog-
12 nized equivalent and have not achieved an
13 equivalent level of education; or

14 “(iii) are unable to read, write, or
15 speak the English language.

16 “(2) ELIGIBLE AGENCY.—The term ‘eligible
17 agency’—

18 “(A) means the primary entity or agency
19 in a State or an outlying area responsible for
20 administering or supervising policy for adult
21 education and family literacy education pro-
22 grams in the State or outlying area, respec-
23 tively, consistent with the law of the State or
24 outlying area, respectively; and

1 “(B) may be the State educational agency,
2 the State agency responsible for administering
3 workforce investment activities, or the State
4 agency responsible for administering community
5 or technical colleges.

6 “(3) ELIGIBLE PROVIDER.—The term ‘eligible
7 provider’ means—

8 “(A) a local educational agency;

9 “(B) a community-based or faith-based or-
10 ganization of demonstrated effectiveness;

11 “(C) a volunteer literacy organization of
12 demonstrated effectiveness;

13 “(D) an institution of higher education;

14 “(E) a public or private educational agen-
15 cy;

16 “(F) a library;

17 “(G) a public housing authority;

18 “(H) an institution that is not described in
19 any of subparagraphs (A) through (G) and has
20 the ability to provide adult education, basic
21 skills, and family literacy education programs to
22 adults and families; or

23 “(I) a consortium of the agencies, organi-
24 zations, institutions, libraries, or authorities de-

1 scribed in any of subparagraphs (A) through
2 (H).

3 “(4) ENGLISH LANGUAGE ACQUISITION PRO-
4 GRAM.—The term ‘English language acquisition pro-
5 gram’ means a program of instruction designed to
6 help individuals with limited English proficiency
7 achieve competence in reading, writing, and speaking
8 the English language.

9 “(5) ESSENTIAL COMPONENTS OF READING IN-
10 STRUCTION.—The term ‘essential components of
11 reading instruction’ has the meaning given the term
12 in section 1208 of the Elementary and Secondary
13 Education Act of 1965.

14 “(6) FAMILY LITERACY EDUCATION PRO-
15 GRAM.—The term ‘family literacy education pro-
16 gram’ means an educational program that—

17 “(A) assists parents and students, on a
18 voluntary basis, in achieving the purposes of
19 this title as described in section 202; and

20 “(B) is of sufficient intensity in terms of
21 hours and of sufficient duration to make sus-
22 tainable changes in a family, is based upon sci-
23 entifically based research, and, for the purpose
24 of substantially increasing the ability of parents

1 and children to read, write, and speak English,
2 integrates—

3 “(i) interactive literacy activities be-
4 tween parents and their children;

5 “(ii) training for parents regarding
6 how to be the primary teacher for their
7 children and full partners in the education
8 of their children;

9 “(iii) parent literacy training that
10 leads to economic self-sufficiency; and

11 “(iv) an age-appropriate education to
12 prepare children for success in school and
13 life experiences.

14 “(7) GOVERNOR.—The term ‘Governor’ means
15 the chief executive officer of a State or outlying
16 area.

17 “(8) INDIVIDUAL WITH A DISABILITY.—

18 “(A) IN GENERAL.—The term ‘individual
19 with a disability’ means an individual with any
20 disability (as defined in section 3 of the Ameri-
21 cans with Disabilities Act of 1990).

22 “(B) INDIVIDUALS WITH DISABILITIES.—
23 The term ‘individuals with disabilities’ means
24 more than one individual with a disability.

1 “(9) INDIVIDUAL WITH LIMITED ENGLISH PRO-
2 FICIENCY.—The term ‘individual with limited
3 English proficiency’ means an adult or out-of-school
4 youth who has limited ability in reading, writing,
5 speaking, or understanding the English language,
6 and—

7 “(A) whose native language is a language
8 other than English; or

9 “(B) who lives in a family or community
10 environment where a language other than
11 English is the dominant language.

12 “(10) INSTITUTION OF HIGHER EDUCATION.—
13 The term ‘institution of higher education’ has the
14 meaning given the term in section 101 of the Higher
15 Education Act of 1965.

16 “(11) LITERACY.—The term ‘literacy’ means an
17 individual’s ability to read, write, and speak in
18 English, compute, and solve problems at a level of
19 proficiency necessary to obtain employment and to
20 successfully make the transition to post-secondary
21 education.

22 “(12) LOCAL EDUCATIONAL AGENCY.—The
23 term ‘local educational agency’ has the meaning
24 given the term in section 9101 of the Elementary
25 and Secondary Education Act of 1965.

1 “(13) OUTLYING AREA.—The term ‘outlying
2 area’ has the meaning given the term in section 101
3 of this Act.

4 “(14) POST-SECONDARY EDUCATIONAL INSTI-
5 TUTION.—The term ‘post-secondary educational in-
6 stitution’ means—

7 “(A) an institution of higher education
8 that provides not less than a 2-year program of
9 instruction that is acceptable for credit toward
10 a bachelor’s degree;

11 “(B) a tribally controlled community col-
12 lege; or

13 “(C) a nonprofit educational institution of-
14 fering certificate or apprenticeship programs at
15 the post-secondary level.

16 “(15) READING.—The term ‘reading’ has the
17 meaning given the term in section 1208 of the Ele-
18 mentary and Secondary Education Act of 1965.

19 “(16) SCIENTIFICALLY BASED RESEARCH.—
20 The term ‘scientifically based research’ has the
21 meaning given the term in section 9101 of the Ele-
22 mentary and Secondary Education Act of 1965.

23 “(17) SECRETARY.—The term ‘Secretary’
24 means the Secretary of Education.

1 “(18) STATE.—The term ‘State’ means each of
2 the several States of the United States, the District
3 of Columbia, and the Commonwealth of Puerto Rico.

4 “(19) STATE EDUCATIONAL AGENCY.—The
5 term ‘State educational agency’ has the meaning
6 given the term in section 9101 of the Elementary
7 and Secondary Education Act of 1965.

8 “(20) WORKPLACE LITERACY PROGRAM.—The
9 term ‘workplace literacy program’ means an edu-
10 cational program that is offered in collaboration be-
11 tween eligible providers and employers or employee
12 organizations for the purpose of improving the pro-
13 ductivity of the workforce through the improvement
14 of reading, writing, speaking, and math skills.

15 **“SEC. 204. HOME SCHOOLS.**

16 “Nothing in this title shall be construed to affect
17 home schools, whether or not a home school is treated as
18 a home school or a private school under State law, or to
19 compel a parent engaged in home schooling to participate
20 in an English language acquisition program, a family lit-
21 eracy education program, or an adult education and family
22 literacy education program.

1 **“SEC. 205. AUTHORIZATION OF APPROPRIATIONS.**

2 “There are authorized to be appropriated to carry out
3 this title such sums as may be necessary for fiscal years
4 2013 through 2017.

5 **“CHAPTER 1—FEDERAL PROVISIONS**

6 **“SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE**
7 **AGENCIES; ALLOTMENTS.**

8 “(a) RESERVATION OF FUNDS.—From the sums ap-
9 propriated under section 205 for a fiscal year, the Sec-
10 retary—

11 “(1) shall reserve up to 1.72 percent for incen-
12 tive grants under section 213;

13 “(2) shall reserve 1.75 percent to carry out sec-
14 tion 242; and

15 “(3) shall reserve up to 1.55 percent to carry
16 out section 243.

17 “(b) GRANTS TO ELIGIBLE AGENCIES.—

18 “(1) IN GENERAL.—From the sums appro-
19 priated under section 205 and not reserved under
20 subsection (a) for a fiscal year, the Secretary shall
21 award a grant to each eligible agency having a State
22 plan approved under section 224 in an amount equal
23 to the sum of the initial allotment under subsection
24 (c)(1) and the additional allotment under subsection
25 (c)(2) for the eligible agency for the fiscal year, sub-
26 ject to subsections (f) and (g).

1 “(2) PURPOSE OF GRANTS.—The Secretary
2 may award a grant under paragraph (1) only if the
3 eligible agency involved agrees to expend the grant
4 in accordance with the provisions of this title.

5 “(c) ALLOTMENTS.—

6 “(1) INITIAL ALLOTMENTS.—From the sums
7 appropriated under section 205 and not reserved
8 under subsection (a) for a fiscal year, the Secretary
9 shall allot to each eligible agency having a State
10 plan approved under section 224—

11 “(A) \$100,000, in the case of an eligible
12 agency serving an outlying area; and

13 “(B) \$250,000, in the case of any other el-
14 igible agency.

15 “(2) ADDITIONAL ALLOTMENTS.—From the
16 sums appropriated under section 205, not reserved
17 under subsection (a), and not allotted under para-
18 graph (1), for a fiscal year, the Secretary shall allot
19 to each eligible agency that receives an initial allot-
20 ment under paragraph (1) an additional amount
21 that bears the same relationship to such sums as the
22 number of qualifying adults in the State or outlying
23 area served by the eligible agency bears to the num-
24 ber of such adults in all States and outlying areas.

1 “(d) QUALIFYING ADULT.—For the purpose of sub-
2 section (c)(2), the term ‘qualifying adult’ means an adult
3 who—

4 “(1) is at least 16 years of age;

5 “(2) is beyond the age of compulsory school at-
6 tendance under the law of the State or outlying
7 area;

8 “(3) does not have a secondary school diploma,
9 General Educational Development credential (GED),
10 or other State-recognized equivalent; and

11 “(4) is not enrolled in secondary school.

12 “(e) SPECIAL RULE.—

13 “(1) IN GENERAL.—From amounts made avail-
14 able under subsection (c) for the Republic of Palau,
15 the Secretary shall award grants to Guam, American
16 Samoa, the Commonwealth of the Northern Mariana
17 Islands, or the Republic of Palau to carry out activi-
18 ties described in this title in accordance with the
19 provisions of this title as determined by the Sec-
20 retary.

21 “(2) TERMINATION OF ELIGIBILITY.—Notwith-
22 standing any other provision of law, the Republic of
23 Palau shall be eligible to receive a grant under this
24 title until an agreement for the extension of United
25 States education assistance under the Compact of

1 Free Association for the Republic of Palau becomes
2 effective.

3 “(3) ADMINISTRATIVE COSTS.—The Secretary
4 may provide not more than 5 percent of the funds
5 made available for grants under this subsection to
6 pay the administrative costs of the Pacific Region
7 Educational Laboratory regarding activities assisted
8 under this subsection.

9 “(f) HOLD-HARMLESS PROVISIONS.—

10 “(1) IN GENERAL.—Notwithstanding subsection
11 (c), and subject to paragraphs (2) and (3), for fiscal
12 year 2012 and each succeeding fiscal year, no eligi-
13 ble agency shall receive an allotment under this title
14 that is less than 90 percent of the allotment the eli-
15 gible agency received for the preceding fiscal year
16 under this title.

17 “(2) EXCEPTION.—An eligible agency that re-
18 ceives for the preceding fiscal year only an initial al-
19 lotment under subsection (c)(1) (and no additional
20 allotment under subsection (c)(2)) shall receive an
21 allotment equal to 100 percent of the initial allot-
22 ment.

23 “(3) RATABLE REDUCTION.—If for any fiscal
24 year the amount available for allotment under this
25 title is insufficient to satisfy the provisions of para-

1 graph (1), the Secretary shall ratably reduce the
2 payments to all eligible agencies, as necessary.

3 “(g) REALLOTMENT.—The portion of any eligible
4 agency’s allotment under this title for a fiscal year that
5 the Secretary determines will not be required for the pe-
6 riod such allotment is available for carrying out activities
7 under this title, shall be available for reallocation from
8 time to time, on such dates during such period as the Sec-
9 retary shall fix, to other eligible agencies in proportion to
10 the original allotments to such agencies under this title
11 for such year.

12 **“SEC. 212. PERFORMANCE ACCOUNTABILITY SYSTEM.**

13 “(a) PURPOSE.—The purpose of this section is to es-
14 tablish a comprehensive performance accountability sys-
15 tem, composed of the activities described in this section,
16 to assess the effectiveness of eligible agencies in achieving
17 continuous improvement of adult education and family lit-
18 eracy education programs funded under this title, in order
19 to optimize the return on investment of Federal funds in
20 adult education and family literacy education programs.

21 “(b) ELIGIBLE AGENCY PERFORMANCE MEAS-
22 URES.—

23 “(1) IN GENERAL.—For each eligible agency,
24 the eligible agency performance measures shall con-
25 sist of—

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

3 “(ii) employment performance indicators
4 identified by the eligible agency under para-
5 graph (2)(B); and

6 “(B) an eligible agency adjusted level of
7 performance for each indicator described in
8 subparagraph (A).

9 “(2) INDICATORS OF PERFORMANCE.—

10 “(A) CORE INDICATORS OF PERFORM-
11 ANCE.—The core indicators of performance
12 shall include the following:

13 “(i) Measurable improvements in lit-
14 eracy, including basic skill levels in read-
15 ing, writing, and speaking the English lan-
16 guage and basic math, leading to pro-
17 ficiency in each skill.

18 “(ii) Receipt of a secondary school di-
19 ploma, General Educational Development
20 credential (GED), or other State-recog-
21 nized equivalent.

22 “(iii) Placement in post-secondary
23 education or other training programs.

24 “(B) EMPLOYMENT PERFORMANCE INDI-
25 CATORS.—Consistent with applicable Federal

1 and State privacy laws, an eligible agency shall
2 identify in the State plan the following indi-
3 vidual participant employment performance in-
4 dicators:

5 “(i) Entry into employment.

6 “(ii) Retention in employment.

7 “(iii) Increase in earnings.

8 “(3) LEVELS OF PERFORMANCE.—

9 “(A) ELIGIBLE AGENCY ADJUSTED LEVELS
10 OF PERFORMANCE FOR CORE INDICATORS.—

11 “(i) IN GENERAL.—For each eligible
12 agency submitting a State plan, there shall
13 be established, in accordance with this sub-
14 paragraph, levels of performance for each
15 of the core indicators of performance de-
16 scribed in paragraph (2)(A) for adult edu-
17 cation and family literacy education pro-
18 grams authorized under this title. The lev-
19 els of performance established under this
20 subparagraph shall, at a minimum—

21 “(I) be expressed in an objective,
22 quantifiable, and measurable form;
23 and

24 “(II) show the progress of the el-
25 ible agency toward continuously and

1 significantly improving the agency's
2 performance outcomes in an objective,
3 quantifiable, and measurable form.

4 “(ii) IDENTIFICATION IN STATE
5 PLAN.—Each eligible agency shall identify,
6 in the State plan submitted under section
7 224, expected levels of performance for
8 each of the core indicators of performance
9 for the first 3 program years covered by
10 the State plan.

11 “(iii) AGREEMENT ON ELIGIBLE
12 AGENCY ADJUSTED LEVELS OF PERFORM-
13 ANCE FOR FIRST 3 YEARS.—In order to en-
14 sure an optimal return on the investment
15 of Federal funds in adult education and
16 family literacy education programs author-
17 ized under this title, the Secretary and
18 each eligible agency shall reach agreement
19 on levels of student performance for each
20 of the core indicators of performance, for
21 the first 3 program years covered by the
22 State plan, taking into account the levels
23 identified in the State plan under clause
24 (ii) and the factors described in clause (iv).
25 The levels agreed to under this clause shall

1 be considered to be the eligible agency ad-
2 justed levels of performance for the eligible
3 agency for such years and shall be incor-
4 porated into the State plan prior to the ap-
5 proval of such plan.

6 “(iv) FACTORS.—The agreement de-
7 scribed in clause (iii) or (v) shall take into
8 account—

9 “(I) how the levels involved com-
10 pare with the eligible agency’s ad-
11 justed levels of performance, taking
12 into account factors including the
13 characteristics of participants when
14 the participants entered the program;
15 and

16 “(II) the extent to which such
17 levels promote continuous and signifi-
18 cant improvement in performance on
19 the student proficiency measures used
20 by such eligible agency and ensure op-
21 timal return on the investment of
22 Federal funds.

23 “(v) AGREEMENT ON ELIGIBLE AGEN-
24 CY ADJUSTED LEVELS OF PERFORMANCE
25 FOR SECOND 3 YEARS.—Prior to the fourth

1 program year covered by the State plan,
2 the Secretary and each eligible agency
3 shall reach agreement on levels of student
4 performance for each of the core indicators
5 of performance for the fourth, fifth, and
6 sixth program years covered by the State
7 plan, taking into account the factors de-
8 scribed in clause (iv). The levels agreed to
9 under this clause shall be considered to be
10 the eligible agency adjusted levels of per-
11 formance for the eligible agency for such
12 years and shall be incorporated into the
13 State plan.

14 “(vi) REVISIONS.—If unanticipated
15 circumstances arise in a State resulting in
16 a significant change in the factors de-
17 scribed in clause (iv)(I), the eligible agency
18 may request that the eligible agency ad-
19 justed levels of performance agreed to
20 under clause (iii) or (v) be revised.

21 “(B) LEVELS OF EMPLOYMENT PERFORM-
22 ANCE.—The eligible agency shall identify, in the
23 State plan, eligible agency levels of performance
24 for each of the employment performance indica-
25 tors described in paragraph (2)(B). Such levels

1 shall be considered to be eligible agency ad-
2 justed levels of performance for purposes of this
3 title.

4 “(c) DEFINITIONS FOR INDICATORS OF PERFORM-
5 ANCE.—In order to ensure comparability of performance
6 data across States, the Secretary shall issue definitions for
7 the indicators of performance under paragraph (2).

8 “(d) REPORT.—

9 “(1) IN GENERAL.—Each eligible agency that
10 receives a grant under section 211(b) shall annually
11 prepare and submit to the Secretary, the Governor,
12 the State legislature, and eligible providers a report
13 on the progress of the eligible agency in achieving el-
14 igible agency performance measures, including the
15 following:

16 “(A) Information on the levels of perform-
17 ance achieved by the eligible agency with re-
18 spect to the core indicators of performance and
19 employment performance indicators.

20 “(B) The number and type of each eligible
21 provider that receives funding under such
22 grant.

23 “(2) INFORMATION DISSEMINATION.—The Sec-
24 retary—

1 “(A) shall make the information contained
2 in such reports available to the general public
3 through publication (including on the Internet
4 site of the Department of Education) and other
5 appropriate methods;

6 “(B) shall disseminate State-by-State com-
7 parisons of the information; and

8 “(C) shall provide the appropriate commit-
9 tees of the Congress with copies of such re-
10 ports.

11 **“SEC. 213. INCENTIVE GRANTS FOR STATES.**

12 “(a) IN GENERAL.—From funds appropriated under
13 section 211(a)(1), the Secretary may award grants to
14 States for exemplary performance in carrying out pro-
15 grams under this title. Such awards shall be based on
16 States exceeding the core indicators of performance estab-
17 lished under section 212(b)(2)(A) and may be based on
18 the performance of the State in serving populations, such
19 as those described in section 224(b)(10), including the lev-
20 els of service provided and the performance outcomes, and
21 such other factors relating to the performance of the State
22 under this title as the Secretary determines appropriate.

23 “(b) USE OF FUNDS.—The funds awarded to a State
24 under this paragraph may be used to carry out any activi-

1 ties authorized under this title, including demonstrations
2 and innovative programs for hard-to-serve populations.

3 **“CHAPTER 2—STATE PROVISIONS**

4 **“SEC. 221. STATE ADMINISTRATION.**

5 “Each eligible agency shall be responsible for the fol-
6 lowing activities under this title:

7 “(1) The development, submission, implementa-
8 tion, and monitoring of the State plan.

9 “(2) Consultation with other appropriate agen-
10 cies, groups, and individuals that are involved in, or
11 interested in, the development and implementation
12 of activities assisted under this title.

13 “(3) Coordination and avoidance of duplication
14 with other Federal and State education, training,
15 corrections, public housing, and social service pro-
16 grams.

17 **“SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING RE-**
18 **QUIREMENT.**

19 “(a) STATE DISTRIBUTION OF FUNDS.—Each eligi-
20 ble agency receiving a grant under this title for a fiscal
21 year—

22 “(1) shall use an amount not less than 82.5
23 percent of the grant funds to award grants and con-
24 tracts under section 231 and to carry out section

1 225, of which not more than 10 percent of such
2 amount shall be available to carry out section 225;

3 “(2) shall use not more than 12.5 percent of
4 the grant funds to carry out State leadership activi-
5 ties under section 223; and

6 “(3) shall use not more than 5 percent of the
7 grant funds, or \$75,000, whichever is greater, for
8 the administrative expenses of the eligible agency.

9 “(b) MATCHING REQUIREMENT.—

10 “(1) IN GENERAL.—In order to receive a grant
11 from the Secretary under section 211(b), each eligi-
12 ble agency shall provide, for the costs to be incurred
13 by the eligible agency in carrying out the adult edu-
14 cation and family literacy education programs for
15 which the grant is awarded, a non-Federal contribu-
16 tion in an amount at least equal to—

17 “(A) in the case of an eligible agency serv-
18 ing an outlying area, 12 percent of the total
19 amount of funds expended for adult education
20 and family literacy education programs in the
21 outlying area, except that the Secretary may
22 decrease the amount of funds required under
23 this subparagraph for an eligible agency; and

24 “(B) in the case of an eligible agency serv-
25 ing a State, 25 percent of the total amount of

1 funds expended for adult education and family
2 literacy education programs in the State.

3 “(2) NON-FEDERAL CONTRIBUTION.—An eligi-
4 ble agency’s non-Federal contribution required under
5 paragraph (1) may be provided in cash or in kind,
6 fairly evaluated, and shall include only non-Federal
7 funds that are used for adult education and family
8 literacy education programs in a manner that is con-
9 sistent with the purpose of this title.

10 **“SEC. 223. STATE LEADERSHIP ACTIVITIES.**

11 “(a) IN GENERAL.—Each eligible agency may use
12 funds made available under section 222(a)(2) for any of
13 the following adult education and family literacy education
14 programs:

15 “(1) The establishment or operation of profes-
16 sional development programs to improve the quality
17 of instruction provided pursuant to local activities
18 required under section 231(b), including instruction
19 incorporating the essential components of reading
20 instruction and instruction provided by volunteers or
21 by personnel of a State or outlying area.

22 “(2) The provision of technical assistance to eli-
23 gible providers of adult education and family literacy
24 education programs, including for the development
25 and dissemination of scientifically based research in-

1 instructional practices in reading, writing, speaking,
2 math, and English language acquisition programs.

3 “(3) The provision of assistance to eligible pro-
4 viders in developing, implementing, and reporting
5 measurable progress in achieving the objectives of
6 this title.

7 “(4) The provision of technology assistance, in-
8 cluding staff training, to eligible providers of adult
9 education and family literacy education programs,
10 including distance learning activities, to enable the
11 eligible providers to improve the quality of such ac-
12 tivities.

13 “(5) The development and implementation of
14 technology applications or distance learning, includ-
15 ing professional development to support the use of
16 instructional technology.

17 “(6) Coordination with other public programs,
18 including welfare-to-work, workforce development,
19 and job training programs.

20 “(7) Coordination with existing support serv-
21 ices, such as transportation, child care, and other
22 assistance designed to increase rates of enrollment
23 in, and successful completion of, adult education and
24 family literacy education programs, for adults en-
25 rolled in such activities.

1 “(8) The development and implementation of a
2 system to assist in the transition from adult basic
3 education to post-secondary education.

4 “(9) Activities to promote workplace literacy
5 programs.

6 “(10) Activities to promote and complement
7 local outreach initiatives described in section 243(7).

8 “(11) Other activities of statewide significance,
9 including assisting eligible providers in achieving
10 progress in improving the skill levels of adults who
11 participate in programs under this title.

12 “(12) Integration of literacy, instructional, and
13 occupational skill training and promotion of linkages
14 with employees.

15 “(b) COORDINATION.—In carrying out this section,
16 eligible agencies shall coordinate where possible, and avoid
17 duplicating efforts, in order to maximize the impact of the
18 activities described in subsection (a).

19 “(c) STATE-IMPOSED REQUIREMENTS.—Whenever a
20 State or outlying area implements any rule or policy relat-
21 ing to the administration or operation of a program au-
22 thorized under this title that has the effect of imposing
23 a requirement that is not imposed under Federal law (in-
24 cluding any rule or policy based on a State or outlying
25 area interpretation of a Federal statute, regulation, or

1 guideline), the State or outlying area shall identify, to eli-
2 gible providers, the rule or policy as being imposed by the
3 State or outlying area.

4 **“SEC. 224. STATE PLAN.**

5 “(a) 5-YEAR PLANS.—

6 “(1) IN GENERAL.—Each eligible agency desir-
7 ing a grant under this title for any fiscal year shall
8 submit to, or have on file with, the Secretary a 5-
9 year State plan.

10 “(2) COMPREHENSIVE PLAN OR APPLICA-
11 TION.—The eligible agency may submit the State
12 plan as part of a comprehensive plan or application
13 for Federal education assistance.

14 “(b) PLAN CONTENTS.—The eligible agency shall in-
15 clude in the State plan or any revisions to the State plan—

16 “(1) an objective assessment of the needs of in-
17 dividuals in the State or outlying area for adult edu-
18 cation and family literacy education programs, in-
19 cluding individuals most in need or hardest to serve;

20 “(2) a description of the adult education and
21 family literacy education programs that will be car-
22 ried out with funds received under this title;

23 “(3) a description of how the eligible agency
24 will evaluate and measure annually the effectiveness
25 and improvement of the adult education and family

1 literacy education programs based on the perform-
2 ance measures described in section 212 including—

3 “(A) how the eligible agency will evaluate
4 and measure annually such effectiveness on a
5 grant-by-grant basis; and

6 “(B) how the eligible agency—

7 “(i) will hold eligible providers ac-
8 countable regarding the progress of such
9 providers in improving the academic
10 achievement of participants in adult edu-
11 cation programs under this title and re-
12 garding the core indicators of performance
13 described in section 212(b)(2)(A); and

14 “(ii) will use technical assistance,
15 sanctions, and rewards (including alloca-
16 tion of grant funds based on performance
17 and termination of grant funds based on
18 nonperformance);

19 “(4) a description of the performance measures
20 described in section 212 and how such performance
21 measures have significantly improved adult edu-
22 cation and family literacy education programs in the
23 State or outlying area;

24 “(5) an assurance that the eligible agency will,
25 in addition to meeting all of the other requirements

1 of this title, award not less than one grant under
2 this title to an eligible provider that—

3 “(A) offers flexible schedules and necessary
4 support services (such as child care and trans-
5 portation) to enable individuals, including indi-
6 viduals with disabilities, or individuals with
7 other special needs, to participate in adult edu-
8 cation and family literacy education programs;
9 and

10 “(B) attempts to coordinate with support
11 services that are not provided under this title
12 prior to using funds for adult education and
13 family literacy education programs provided
14 under this title for support services;

15 “(6) an assurance that the funds received under
16 this title will not be expended for any purpose other
17 than for activities under this title;

18 “(7) a description of how the eligible agency
19 will fund local activities in accordance with the
20 measurable goals described in section 231(d);

21 “(8) an assurance that the eligible agency will
22 expend the funds under this title only in a manner
23 consistent with fiscal requirements in section 241;

1 “(9) a description of the process that will be
2 used for public participation and comment with re-
3 spect to the State plan, which process—

4 “(A) shall include consultation with the
5 State workforce investment board, the State
6 board responsible for administering community
7 or technical colleges, the Governor, the State
8 educational agency, the State board or agency
9 responsible for administering block grants for
10 temporary assistance to needy families under
11 title IV of the Social Security Act, the State
12 council on disabilities, the State vocational re-
13 habilitation agency, other State agencies that
14 promote the improvement of adult education
15 and family literacy education programs, and di-
16 rect providers of such programs; and

17 “(B) may include consultation with the
18 State agency on higher education, institutions
19 responsible for professional development of
20 adult education and family literacy education
21 programs instructors, representatives of busi-
22 ness and industry, refugee assistance programs,
23 and faith-based organizations;

1 “(10) a description of the eligible agency’s
2 strategies for serving populations that include, at a
3 minimum—

4 “(A) low-income individuals;

5 “(B) individuals with disabilities;

6 “(C) the unemployed;

7 “(D) the underemployed; and

8 “(E) individuals with multiple barriers to
9 educational enhancement, including individuals
10 with limited English proficiency;

11 “(11) a description of how the adult education
12 and family literacy education programs that will be
13 carried out with any funds received under this title
14 will be integrated with other adult education, career
15 development, and employment and training activities
16 in the State or outlying area served by the eligible
17 agency;

18 “(12) a description of the steps the eligible
19 agency will take to ensure direct and equitable ac-
20 cess, as required in section 231(c)(1), including—

21 “(A) how the State will build the capacity
22 of community-based and faith-based organiza-
23 tions to provide adult education and family lit-
24 eracy education programs; and

1 “(B) how the State will increase the par-
2 ticipation of business and industry in adult edu-
3 cation and family literacy education programs;

4 “(13) an assessment of the adequacy of the sys-
5 tem of the State or outlying area to ensure teacher
6 quality and a description of how the State or out-
7 lying area will use funds received under this subtitle
8 to improve teacher quality, including professional de-
9 velopment on the use of scientifically based research
10 to improve instruction; and

11 “(14) a description of how the eligible agency
12 will consult with any State agency responsible for
13 post-secondary education to develop adult education
14 that prepares students to enter post-secondary edu-
15 cation without the need for remediation upon com-
16 pletion of secondary school equivalency programs.

17 “(c) PLAN REVISIONS.—When changes in conditions
18 or other factors require substantial revisions to an ap-
19 proved State plan, the eligible agency shall submit the re-
20 visions of the State plan to the Secretary.

21 “(d) CONSULTATION.—The eligible agency shall—

22 “(1) submit the State plan, and any revisions to
23 the State plan, to the Governor, the chief State
24 school officer, or the State officer responsible for ad-

1 ministering community or technical colleges, or out-
2 lying area for review and comment; and

3 “(2) ensure that any comments regarding the
4 State plan by the Governor, the chief State school
5 officer, or the State officer responsible for admin-
6 istering community or technical colleges, and any re-
7 vision to the State plan, are submitted to the Sec-
8 retary.

9 “(e) PLAN APPROVAL.—The Secretary shall—

10 “(1) establish a peer review process to assist in
11 the review and approval of State plans;

12 “(2) appoint individuals representing the range
13 of stakeholders to the peer-review process, includ-
14 ing—

15 “(A) representatives of adult learners,
16 adult education, and literacy providers, eligible
17 agencies, State educational agencies, institu-
18 tions of higher education, representatives of
19 local or State workforce investment boards; and

20 “(B) experts in the fields of adult edu-
21 cation and literacy;

22 “(3) approve a State plan within 120 days after
23 receiving the plan unless the Secretary makes a writ-
24 ten determination within 30 days after receiving the
25 plan that the plan does not meet the requirements

1 of this section or is inconsistent with specific provi-
2 sions of this subtitle; and

3 “(4) not finally disapprove of a State plan be-
4 fore offering the eligible agency the opportunity,
5 prior to the expiration of the 30-day period begin-
6 ning on the date on which the eligible agency re-
7 ceived the written determination described in para-
8 graph (3), to review the plan and providing technical
9 assistance in order to assist the eligible agency in
10 meeting the requirements of this subtitle.

11 **“SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND**
12 **OTHER INSTITUTIONALIZED INDIVIDUALS.**

13 “(a) PROGRAM AUTHORIZED.—From funds made
14 available under section 222(a)(1) for a fiscal year, each
15 eligible agency shall carry out corrections education and
16 education for other institutionalized individuals.

17 “(b) USES OF FUNDS.—The funds described in sub-
18 section (a) shall be used for the cost of educational pro-
19 grams for criminal offenders in correctional institutions
20 and for other institutionalized individuals, including aca-
21 demic programs for—

22 “(1) basic skills education;

23 “(2) special education programs as determined
24 by the eligible agency;

1 “(3) reading, writing, speaking, and math pro-
2 grams; and

3 “(4) secondary school credit or diploma pro-
4 grams or their recognized equivalent.

5 “(c) PRIORITY.—Each eligible agency that is using
6 assistance provided under this section to carry out a pro-
7 gram for criminal offenders within a correctional institu-
8 tion shall give priority to serving individuals who are likely
9 to leave the correctional institution within 5 years of par-
10 ticipation in the program.

11 “(d) DEFINITIONS.—For purposes of this section:

12 “(1) CORRECTIONAL INSTITUTION.—The term
13 ‘correctional institution’ means any—

14 “(A) prison;

15 “(B) jail;

16 “(C) reformatory;

17 “(D) work farm;

18 “(E) detention center; or

19 “(F) halfway house, community-based re-
20 habilitation center, or any other similar institu-
21 tion designed for the confinement or rehabilita-
22 tion of criminal offenders.

23 “(2) CRIMINAL OFFENDER.—The term ‘crimi-
24 nal offender’ means any individual who is charged
25 with, or convicted of, any criminal offense.

1 **“CHAPTER 3—LOCAL PROVISIONS**

2 **“SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PRO-**
3 **VIDERS.**

4 “(a) GRANTS AND CONTRACTS.—From grant funds
5 made available under section 211(b), each eligible agency
6 shall award multi year grants or contracts, on a competi-
7 tive basis, to eligible providers within the State or outlying
8 area that meet the conditions and requirements of this
9 title to enable the eligible providers to develop, implement,
10 and improve adult education and family literacy education
11 programs within the State.

12 “(b) LOCAL ACTIVITIES.—The eligible agency shall
13 require eligible providers receiving a grant or contract
14 under subsection (a) to establish or operate one or more
15 programs of instruction that provide services or instruc-
16 tion in one or more of the following categories:

17 “(1) Adult education and family literacy edu-
18 cation programs (including proficiency in reading,
19 writing, speaking, and math).

20 “(2) Workplace literacy programs.

21 “(3) English language acquisition programs.

22 “(4) Family literacy education programs.

23 “(c) DIRECT AND EQUITABLE ACCESS; SAME PROC-
24 ESS.—Each eligible agency receiving funds under this title
25 shall ensure that—

1 “(1) all eligible providers have direct and equi-
2 table access to apply for grants or contracts under
3 this section; and

4 “(2) the same grant or contract announcement
5 process and application process is used for all eligi-
6 ble providers in the State or outlying area.

7 “(d) MEASURABLE GOALS.—The eligible agency shall
8 require eligible providers receiving a grant or contract
9 under subsection (a) to demonstrate—

10 “(1) the eligible provider’s measurable goals for
11 participant outcomes to be achieved annually on the
12 core indicators of performance and employment per-
13 formance indicators described in section 212(b)(2);

14 “(2) the past effectiveness of the eligible pro-
15 vider in improving the basic academic skills of adults
16 and, for eligible providers receiving grants in the
17 prior year, the success of the eligible provider receiv-
18 ing funding under this title in exceeding its perform-
19 ance goals in the prior year;

20 “(3) the commitment of the eligible provider to
21 serve individuals in the community who are the most
22 in need of basic academic skills instruction services,
23 including individuals who are low-income or have
24 minimal reading, writing, speaking, and math skills,
25 or limited English proficiency;

1 “(4) the program—

2 “(A) is of sufficient intensity and duration
3 for participants to achieve substantial learning
4 gains; and

5 “(B) uses instructional practices that in-
6 clude the essential components of reading in-
7 struction;

8 “(5) educational practices are based on scientif-
9 ically based research;

10 “(6) the activities of the eligible provider effec-
11 tively employ advances in technology, as appropriate,
12 including the use of computers;

13 “(7) the activities provide instruction in real-life
14 contexts, when appropriate, to ensure that an indi-
15 vidual has the skills needed to compete in the work-
16 place and exercise the rights and responsibilities of
17 citizenship;

18 “(8) the activities are staffed by well-trained in-
19 structors, counselors, and administrators;

20 “(9) the activities are coordinated with other
21 available resources in the community, such as
22 through strong links with elementary schools and
23 secondary schools, post-secondary educational insti-
24 tutions, one-stop centers, job training programs,

1 community-based and faith-based organizations, and
2 social service agencies;

3 “(10) the activities offer flexible schedules and
4 support services (such as child care and transpor-
5 tation) that are necessary to enable individuals, in-
6 cluding individuals with disabilities or other special
7 needs, to attend and complete programs;

8 “(11) the activities include a high-quality infor-
9 mation management system that has the capacity to
10 report measurable participant outcomes and to mon-
11 itor program performance against the performance
12 measures established by the eligible agency;

13 “(12) the local communities have a dem-
14 onstrated need for additional English language ac-
15 quisition programs;

16 “(13) the capacity of the eligible provider to
17 produce valid information on performance results,
18 including enrollments and measurable participant
19 outcomes;

20 “(14) adult education and family literacy edu-
21 cation programs offer rigorous reading, writing,
22 speaking, and math content that are based on sci-
23 entifically based research; and

24 “(15) applications of technology, and services to
25 be provided by the eligible providers, are of sufficient

1 intensity and duration to increase the amount and
2 quality of learning and lead to measurable learning
3 gains within specified time periods.

4 “(e) SPECIAL RULE.—Eligible providers may use
5 grant funds under this title to serve children participating
6 in family literacy programs assisted under this part, pro-
7 vided that other sources of funds available to provide simi-
8 lar services for such children are used first.

9 **“SEC. 232. LOCAL APPLICATION.**

10 “Each eligible provider desiring a grant or contract
11 under this title shall submit an application to the eligible
12 agency containing such information and assurances as the
13 eligible agency may require, including—

14 “(1) a description of how funds awarded under
15 this title will be spent consistent with the require-
16 ments of this title;

17 “(2) a description of any cooperative arrange-
18 ments the eligible provider has with other agencies,
19 institutions, or organizations for the delivery of
20 adult education and family literacy education pro-
21 grams; and

22 “(3) each of the demonstrations required by
23 section 231(d).

1 **“SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.**

2 “(a) IN GENERAL.—Subject to subsection (b), of the
3 amount that is made available under this title to an eligi-
4 ble provider—

5 “(1) at least 95 percent shall be expended for
6 carrying out adult education and family literacy edu-
7 cation programs; and

8 “(2) the remaining amount shall be used for
9 planning, administration, personnel and professional
10 development, development of measurable goals in
11 reading, writing, speaking, and math, and inter-
12 agency coordination.

13 “(b) SPECIAL RULE.—In cases where the cost limits
14 described in subsection (a) are too restrictive to allow for
15 adequate planning, administration, personnel develop-
16 ment, and interagency coordination, the eligible provider
17 may negotiate with the eligible agency in order to deter-
18 mine an adequate level of funds to be used for noninstruc-
19 tional purposes.

20 **“CHAPTER 4—GENERAL PROVISIONS**

21 **“SEC. 241. ADMINISTRATIVE PROVISIONS.**

22 “(a) SUPPLEMENT NOT SUPPLANT.—Funds made
23 available for adult education and family literacy education
24 programs under this title shall supplement and not sup-
25 plant other State or local public funds expended for adult
26 education and family literacy education programs.

1 “(b) MAINTENANCE OF EFFORT.—

2 “(1) IN GENERAL.—

3 “(A) DETERMINATION.—An eligible agency
4 may receive funds under this title for any fiscal
5 year if the Secretary finds that the fiscal effort
6 per student or the aggregate expenditures of
7 such eligible agency for activities under this
8 title, in the second preceding fiscal year, were
9 not less than 90 percent of the fiscal effort per
10 student or the aggregate expenditures of such
11 eligible agency for adult education and family
12 literacy education programs, in the third pre-
13 ceding fiscal year.

14 “(B) PROPORTIONATE REDUCTION.—Sub-
15 ject to paragraphs (2), (3), and (4), for any fis-
16 cal year with respect to which the Secretary de-
17 termines under subparagraph (A) that the fiscal
18 effort or the aggregate expenditures of an eligi-
19 ble agency for the preceding program year were
20 less than such effort or expenditures for the
21 second preceding program year, the Secretary—

22 “(i) shall determine the percentage
23 decreases in such effort or in such expendi-
24 tures; and

1 “(ii) shall decrease the payment made
2 under this title for such program year to
3 the agency for adult education and family
4 literacy education programs by the lesser
5 of such percentages.

6 “(2) COMPUTATION.—In computing the fiscal
7 effort and aggregate expenditures under paragraph
8 (1), the Secretary shall exclude capital expenditures
9 and special one-time project costs.

10 “(3) DECREASE IN FEDERAL SUPPORT.—If the
11 amount made available for adult education and fam-
12 ily literacy education programs under this title for a
13 fiscal year is less than the amount made available
14 for adult education and family literacy education
15 programs under this title for the preceding fiscal
16 year, then the fiscal effort per student and the ag-
17 gregate expenditures of an eligible agency required
18 in order to avoid a reduction under paragraph
19 (1)(B) shall be decreased by the same percentage as
20 the percentage decrease in the amount so made
21 available.

22 “(4) WAIVER.—The Secretary may waive the
23 requirements of this subsection for not more than 1
24 fiscal year, if the Secretary determines that a waiver
25 would be equitable due to exceptional or uncontrol-

1 lable circumstances, such as a natural disaster or an
2 unforeseen and precipitous decline in the financial
3 resources of the State or outlying area of the eligible
4 agency. If the Secretary grants a waiver under the
5 preceding sentence for a fiscal year, the level of ef-
6 fort required under paragraph (1) shall not be re-
7 duced in the subsequent fiscal year because of the
8 waiver.

9 **“SEC. 242. NATIONAL LEADERSHIP ACTIVITIES.**

10 “The Secretary shall establish and carry out a pro-
11 gram of national leadership activities that may include the
12 following:

13 “(1) Technical assistance, on request, including
14 assistance—

15 “(A) on request to volunteer community-
16 and faith-based organizations, including but not
17 limited to, improving their fiscal management,
18 research-based instruction, and reporting re-
19 quirements, and the development of measurable
20 objectives to carry out the requirements of this
21 title;

22 “(B) in developing valid, measurable, and
23 reliable performance data, and using perform-
24 ance information for the improvement of adult

1 education, English language acquisition, and
2 family literacy education programs;

3 “(C) on adult education professional devel-
4 opment; and

5 “(D) in using distance learning and im-
6 proving the application of technology in the
7 classroom, including instruction in English lan-
8 guage acquisition for individuals who have lim-
9 ited English proficiency.

10 “(2) Providing for the conduct of research on
11 national literacy basic skill acquisition levels among
12 adults, including the number of limited English pro-
13 ficient adults functioning at different levels of read-
14 ing proficiency.

15 “(3) Improving the coordination, efficiency, and
16 effectiveness of adult education and workforce devel-
17 opment services at the national, State, and local lev-
18 els.

19 “(4) Determining how participation in adult
20 education, English language acquisition, and family
21 literacy education programs prepares individuals for
22 entry into and success in post-secondary education
23 and employment, and in the case of prison-based
24 services, the effect on recidivism.

1 “(5) Evaluating how different types of pro-
2 viders, including community and faith-based organi-
3 zations or private for-profit agencies measurably im-
4 prove the skills of participants in adult education,
5 English language acquisition, and family literacy
6 education programs.

7 “(6) Identifying model integrated basic and
8 workplace skills education programs, including pro-
9 grams for individuals with limited English pro-
10 ficiency coordinated literacy and employment serv-
11 ices, and effective strategies for serving adults with
12 disabilities.

13 “(7) Initiating other activities designed to im-
14 prove the measurable quality and effectiveness of
15 adult education, English language acquisition, and
16 family literacy education programs nationwide.”.

17 **TITLE III—AMENDMENTS TO**
18 **THE WAGNER-PEYSER ACT**

19 **SEC. 301. AMENDMENTS TO THE WAGNER-PEYSER ACT.**

20 The Wagner-Peyser Act (29 U.S.C. 49 et seq.) is
21 amended—

22 (1) by striking sections 1 through 13;

23 (2) in section 14 by inserting “of Labor” after
24 “Secretary”; and

25 (3) by amending section 15 to read as follows:

1 **“SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION**
2 **SYSTEM.**

3 “(a) SYSTEM CONTENT.—

4 “(1) IN GENERAL.—The Secretary of Labor, in
5 accordance with the provisions of this section, shall
6 oversee the development, maintenance, and contin-
7 uous improvement of a nationwide workforce and
8 labor market information system that includes—

9 “(A) statistical data from cooperative sta-
10 tistical survey and projection programs and
11 data from administrative reporting systems
12 that, taken together, enumerate, estimate, and
13 project employment opportunities and condi-
14 tions at national, State, and local levels in a
15 timely manner, including statistics on—

16 “(i) employment and unemployment
17 status of national, State, and local popu-
18 lations, including self-employed, part-time,
19 and seasonal workers;

20 “(ii) industrial distribution of occupa-
21 tions, as well as current and projected em-
22 ployment opportunities, wages, benefits
23 (where data is available), and skill trends
24 by occupation and industry, with particular
25 attention paid to State and local condi-
26 tions;

1 “(iii) the incidence of, industrial and
2 geographical location of, and number of
3 workers displaced by, permanent layoffs
4 and plant closings; and

5 “(iv) employment and earnings infor-
6 mation maintained in a longitudinal man-
7 ner to be used for research and program
8 evaluation;

9 “(B) information on State and local em-
10 ployment opportunities, and other appropriate
11 statistical data related to labor market dynam-
12 ics, which—

13 “(i) shall be current and comprehen-
14 sive;

15 “(ii) shall meet the needs identified
16 through the consultations described in sub-
17 paragraphs (A) and (B) of subsection
18 (e)(2); and

19 “(iii) shall meet the needs for the in-
20 formation identified in section 134(c);

21 “(C) technical standards (which the Sec-
22 retary shall publish annually) for data and in-
23 formation described in subparagraphs (A) and
24 (B) that, at a minimum, meet the criteria of
25 chapter 35 of title 44, United States Code;

1 “(D) procedures to ensure compatibility
2 and additivity of the data and information de-
3 scribed in subparagraphs (A) and (B) from na-
4 tional, State, and local levels;

5 “(E) procedures to support standardization
6 and aggregation of data from administrative re-
7 porting systems described in subparagraph (A)
8 of employment-related programs;

9 “(F) analysis of data and information de-
10 scribed in subparagraphs (A) and (B) for uses
11 such as—

12 “(i) national, State, and local policy-
13 making;

14 “(ii) implementation of Federal poli-
15 cies (including allocation formulas);

16 “(iii) program planning and evalua-
17 tion; and

18 “(iv) researching labor market dynam-
19 ics;

20 “(G) wide dissemination of such data, in-
21 formation, and analysis in a user-friendly man-
22 ner and voluntary technical standards for dis-
23 semination mechanisms; and

24 “(H) programs of—

1 “(i) training for effective data dis-
2 semination;

3 “(ii) research and demonstration; and

4 “(iii) programs and technical assist-
5 ance.

6 “(2) INFORMATION TO BE CONFIDENTIAL.—

7 “(A) IN GENERAL.—No officer or em-
8 ployee of the Federal Government or agent of
9 the Federal Government may—

10 “(i) use any submission that is fur-
11 nished for exclusively statistical purposes
12 under the provisions of this section for any
13 purpose other than the statistical purposes
14 for which the submission is furnished;

15 “(ii) disclose to the public any publi-
16 cation or media transmittal of the data
17 contained in the submission described in
18 clause (i) that permits information con-
19 cerning an individual subject to be reason-
20 ably inferred by either direct or indirect
21 means; or

22 “(iii) permit anyone other than a
23 sworn officer, employee, or agent of any
24 Federal department or agency, or a con-
25 tractor (including an employee of a con-

1 tractor) of such department or agency, to
2 examine an individual submission described
3 in clause (i),
4 without the consent of the individual, agency, or
5 other person who is the subject of the submis-
6 sion or provides that submission.

7 “(B) IMMUNITY FROM LEGAL PROCESS.—
8 Any submission (including any data derived
9 from the submission) that is collected and re-
10 tained by a Federal department or agency, or
11 an officer, employee, agent, or contractor of
12 such a department or agency, for exclusively
13 statistical purposes under this section shall be
14 immune from the legal process and shall not,
15 without the consent of the individual, agency, or
16 other person who is the subject of the submis-
17 sion or provides that submission, be admitted
18 as evidence or used for any purpose in any ac-
19 tion, suit, or other judicial or administrative
20 proceeding.

21 “(C) RULE OF CONSTRUCTION.—Nothing
22 in this section shall be construed to provide im-
23 munity from the legal process for such submis-
24 sion (including any data derived from the sub-
25 mission) if the submission is in the possession

1 of any person, agency, or entity other than the
2 Federal Government or an officer, employee,
3 agent, or contractor of the Federal Government,
4 or if the submission is independently collected,
5 retained, or produced for purposes other than
6 the purposes of this Act.

7 “(b) SYSTEM RESPONSIBILITIES.—

8 “(1) IN GENERAL.—The workforce and labor
9 market information system described in subsection
10 (a) shall be planned, administered, overseen, and
11 evaluated through a cooperative governance struc-
12 ture involving the Federal Government and States.

13 “(2) DUTIES.—The Secretary, with respect to
14 data collection, analysis, and dissemination of work-
15 force and labor market information for the system,
16 shall carry out the following duties:

17 “(A) Assign responsibilities within the De-
18 partment of Labor for elements of the work-
19 force and labor market information system de-
20 scribed in subsection (a) to ensure that all sta-
21 tistical and administrative data collected is con-
22 sistent with appropriate Bureau of Labor Sta-
23 tistics standards and definitions.

24 “(B) Actively seek the cooperation of other
25 Federal agencies to establish and maintain

1 mechanisms for ensuring complementarity and
2 nonduplication in the development and oper-
3 ation of statistical and administrative data col-
4 lection activities.

5 “(C) Eliminate gaps and duplication in
6 statistical undertakings, with the systemization
7 of wage surveys as an early priority.

8 “(D) In collaboration with the Bureau of
9 Labor Statistics and States, develop and main-
10 tain the elements of the workforce and labor
11 market information system described in sub-
12 section (a), including the development of con-
13 sistent procedures and definitions for use by the
14 States in collecting the data and information
15 described in subparagraphs (A) and (B) of sub-
16 section (a)(1).

17 “(E) Establish procedures for the system
18 to ensure that—

19 “(i) such data and information are
20 timely;

21 “(ii) paperwork and reporting for the
22 system are reduced to a minimum; and

23 “(iii) States and localities are fully in-
24 volved in the development and continuous
25 improvement of the system at all levels.

1 “(c) NATIONAL ELECTRONIC TOOLS TO PROVIDE
2 SERVICES.—The Secretary is authorized to assist in the
3 development of national electronic tools that may be used
4 to facilitate the delivery of work ready services described
5 in section 134 and to provide workforce information to in-
6 dividuals through the one-stop delivery systems described
7 in section 121 and through other appropriate delivery sys-
8 tems.

9 “(d) COORDINATION WITH THE STATES.—

10 “(1) IN GENERAL.—The Secretary, working
11 through the Bureau of Labor Statistics and the Em-
12 ployment and Training Administration, shall regu-
13 larly consult with representatives of State agencies
14 carrying out workforce information activities regard-
15 ing strategies for improving the workforce and labor
16 market information system.

17 “(2) FORMAL CONSULTATIONS.—At least twice
18 each year, the Secretary, working through the Bu-
19 reau of Labor Statistics, shall conduct formal con-
20 sultations regarding programs carried out by the
21 Bureau of Labor Statistics with representatives of
22 each of the 6 Federal regions of the Bureau of
23 Labor Statistics, elected (pursuant to a process es-
24 tablished by the Secretary) from the State directors

1 affiliated with State agencies that perform the duties
2 described in subsection (e)(2).

3 “(e) STATE RESPONSIBILITIES.—

4 “(1) IN GENERAL.—In order to receive Federal
5 financial assistance under this section, the Governor
6 of a State shall—

7 “(A) be responsible for the management of
8 the portions of the workforce and labor market
9 information system described in subsection (a)
10 that comprise a statewide workforce and labor
11 market information system and for the State’s
12 participation in the development of the annual
13 plan;

14 “(B) establish a process for the oversight
15 of such system;

16 “(C) consult with State and local employ-
17 ers, participants, and local workforce invest-
18 ment boards about the labor market relevance
19 of the data to be collected and disseminated
20 through the statewide workforce and labor mar-
21 ket information system;

22 “(D) consult with State educational agen-
23 cies and local educational agencies concerning
24 the provision of employment statistics in order
25 to meet the needs of secondary school and post-

1 secondary school students who seek such infor-
2 mation;

3 “(E) collect and disseminate for the sys-
4 tem, on behalf of the State and localities in the
5 State, the information and data described in
6 subparagraphs (A) and (B) of subsection
7 (a)(1);

8 “(F) maintain and continuously improve
9 the statewide workforce and labor market infor-
10 mation system in accordance with this section;

11 “(G) perform contract and grant respon-
12 sibilities for data collection, analysis, and dis-
13 semination for such system;

14 “(H) conduct such other data collection,
15 analysis, and dissemination activities as will en-
16 sure an effective statewide workforce and labor
17 market information system;

18 “(I) actively seek the participation of other
19 State and local agencies in data collection, anal-
20 ysis, and dissemination activities in order to en-
21 sure complementarity, compatibility, and useful-
22 ness of data;

23 “(J) participate in the development of the
24 annual plan described in subsection (c); and

1 “(K) utilize the quarterly records described
2 in section 136(f)(2) of the Workforce Invest-
3 ment Act of 1998 to assist the State and other
4 States in measuring State progress on State
5 performance measures.

6 “(2) RULE OF CONSTRUCTION.—Nothing in
7 this section shall be construed as limiting the ability
8 of a Governor to conduct additional data collection,
9 analysis, and dissemination activities with State
10 funds or with Federal funds from sources other than
11 this section.

12 “(f) NONDUPLICATION REQUIREMENT.—None of the
13 functions and activities carried out pursuant to this sec-
14 tion shall duplicate the functions and activities carried out
15 under the Carl D. Perkins Career and Technical Edu-
16 cation Act of 2006 (20 U.S.C. 2301 et seq.).

17 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
18 are authorized to be appropriated to carry out this section
19 such sums as may be necessary for each of the fiscal years
20 2013 through 2017.

21 “(h) DEFINITION.—In this section, the term ‘local
22 area’ means the smallest geographical area for which data
23 can be produced with statistical reliability.”.

1 **TITLE IV—AMENDMENTS TO THE**
2 **REHABILITATION ACT OF 1973**

3 **SEC. 401. FINDINGS.**

4 Section 2(a) of the Rehabilitation Act of 1973 (29
5 U.S.C. 701(a)) is amended—

6 (1) in paragraph (5), by striking “and” at the
7 end;

8 (2) in paragraph (6), by striking the period and
9 inserting “; and”; and

10 (3) by adding at the end the following:

11 “(7) there is a substantial need to improve and
12 expand services for students with disabilities under
13 this Act.”.

14 **SEC. 402. REHABILITATION SERVICES ADMINISTRATION.**

15 Section 3(a) of the Rehabilitation Act of 1973 (29
16 U.S.C. 702(a)) is amended—

17 (1) by striking “Office of the Secretary” and
18 inserting “Department of Education”;

19 (2) by striking “President by and with the ad-
20 vice and consent of the Senate” and inserting “Sec-
21 retary, except that the Commissioner appointed
22 under the authority existing on the day prior to the
23 date of enactment of the Workforce Investment Im-
24 provement Act of 2011 may continue to serve in the
25 former capacity”; and

1 (3) by striking “, and the Commissioner shall
2 be the principal officer,”.

3 **SEC. 403. DIRECTOR.**

4 (a) IN GENERAL.—The Rehabilitation Act of 1973
5 (29 U.S.C. 701 et seq.) is amended—

6 (1) by striking “Commissioner” each place it
7 appears, except in sections 3(a) (as amended by sec-
8 tion 402) and 21, and inserting “Director”;

9 (2) in section 100(d)(2)(B), by striking “**COM-**
10 **MISSIONER**” and inserting “**DIRECTOR**”;

11 (3) in section 706, by striking “**COMMIS-**
12 **SIONER**” and inserting “**DIRECTOR**”; and

13 (4) in section 723(a)(3), by striking “**COMMIS-**
14 **SIONER**” and inserting “**DIRECTOR**”.

15 (b) EXCEPTION.—Section 21 of the Rehabilitation
16 Act of 1973 (29 U.S.C. 718) is amended—

17 (1) in subsection (b)(1)—

18 (A) by striking “Commissioner” the first
19 place it appears and inserting “Director of the
20 Rehabilitation Services Administration”; and

21 (B) by striking “(referred to in this sub-
22 section as the ‘Director’)”; and

23 (2) by striking “Commissioner and the Direc-
24 tor” each place it appears and inserting “both such
25 Directors”.

1 **SEC. 404. DEFINITIONS.**

2 Section 7 of the Rehabilitation Act of 1973 (29
3 U.S.C. 705) is amended—

4 (1) by redesignating paragraphs (35) through
5 (39) as paragraphs (36), (37), (38), (40), and (41),
6 respectively;

7 (2) in subparagraph (A)(ii) of paragraph (36)
8 (as redesignated by paragraph (1)), by striking
9 “paragraph (36)(C)” and inserting “paragraph
10 (37)(C)”;

11 (3) by inserting after paragraph (34) the fol-
12 lowing:

13 “(35)(A) The term ‘student with a disability’
14 means an individual with a disability who—

15 “(i) is not younger than 16 and not older
16 than 21;

17 “(ii) has been determined to be eligible
18 under section 102(a) for assistance under this
19 title; and

20 “(iii)(I) is eligible for, and is receiving,
21 special education under part B of the Individ-
22 uals with Disabilities Education Act (20 U.S.C.
23 1411 et seq.); or

24 “(II) is an individual with a disability, for
25 purposes of section 504.

1 “(B) The term ‘students with disabilities’
2 means more than 1 student with a disability.”; and

3 (4) by inserting after paragraph (38) (as reded-
4 igned by paragraph (1)) the following:

5 “(39) The term ‘transition services expansion
6 year’ means—

7 “(A) the first fiscal year for which the
8 amount appropriated under section 100(b) ex-
9 ceeds the amount appropriated under section
10 100(b) for fiscal year 2012 by not less than
11 \$100,000,000; and

12 “(B) each fiscal year subsequent to that
13 first fiscal year.”.

14 **SEC. 405. STATE PLAN.**

15 (a) **COORDINATION WITH EDUCATION OFFICIALS**
16 **AND ASSISTIVE TECHNOLOGY PROGRAMS.**—Section
17 101(a)(11) of the Rehabilitation Act of 1973 (29 U.S.C.
18 721(a)(11)) is amended—

19 (1) in subparagraph (D)(i) by inserting “,
20 which may be provided using alternative means of
21 meeting participation (such as video conferences and
22 conference calls)” before the semicolon; and

23 (2) by adding at the end the following:

24 “(G) **COORDINATION WITH ASSISTIVE**
25 **TECHNOLOGY PROGRAMS.**—The State plan shall

1 include an assurance that the designated State
2 unit and the lead agency responsible for car-
3 rying out duties under the Assistive Technology
4 Act of 1998 (29 U.S.C. 3001 et seq.), as
5 amended, have developed working relationships
6 and coordinate their activities.”.

7 (b) ASSESSMENT AND STRATEGIES.—Section
8 101(a)(15) of the Rehabilitation Act of 1973 (29 U.S.C.
9 721(a)(15)) is amended—

10 (1) in subparagraph (A)—

11 (A) in clause (i)—

12 (i) in subclause (II), by striking
13 “and” at the end;

14 (ii) in subclause (III), by adding
15 “and” at the end; and

16 (iii) by adding at the end the fol-
17 lowing:

18 “(IV) in a transition services ex-
19 pansion year, students with disabil-
20 ities, including their need for transi-
21 tion services;”; and

22 (B) by redesignating clauses (ii) and (iii)
23 as clauses (iii) and (iv), respectively, and insert-
24 ing after clause (i) the following:

1 “(ii) include an assessment of the
2 transition services provided under this Act,
3 and coordinated with transition services
4 under the Individuals with Disabilities
5 Education Act, as to those services meet-
6 ing the needs of individuals with disabil-
7 ities;” and

8 (2) in subparagraph (D)—

9 (A) by redesignating clauses (iii), (iv), and
10 (v) as clauses (iv), (v), and (vi), respectively;
11 and

12 (B) by inserting after clause (ii) the fol-
13 lowing:

14 “(iii) in a transition services expan-
15 sion year, the methods to be used to im-
16 prove and expand vocational rehabilitation
17 services for students with disabilities, in-
18 cluding the coordination of services de-
19 signed to facilitate the transition of such
20 students from the receipt of educational
21 services in school to the receipt of voca-
22 tional rehabilitation services under this
23 title or to post-secondary education or em-
24 ployment;”.

1 (c) SERVICES FOR STUDENTS WITH DISABILITIES.—
2 Section 101(a) of the Rehabilitation Act of 1973 (29
3 U.S.C. 721(a)) is further amended by adding at the end
4 the following:

5 “(25) SERVICES FOR STUDENTS WITH DISABIL-
6 ITIES.—The State plan for a transition services ex-
7 pansion year shall provide an assurance satisfactory
8 to the Secretary that the State—

9 “(A) has developed and implemented strat-
10 egies to address the needs identified in the as-
11 sessment described in paragraph (15), and
12 achieve the goals and priorities identified by the
13 State, to improve and expand vocational reha-
14 bilitation services for students with disabilities
15 on a statewide basis in accordance with para-
16 graph (15); and

17 “(B) from funds reserved under section
18 110A, shall carry out programs or activities de-
19 signed to improve and expand vocational reha-
20 bilitation services for students with disabilities
21 that—

22 “(i) facilitate the transition of the stu-
23 dents with disabilities from the receipt of
24 educational services in school, to the re-
25 ceipt of vocational rehabilitation services

1 under this title, including, at a minimum,
2 those services specified in the interagency
3 agreement required in paragraph (11)(D);

4 “(ii) improve the achievement of post-
5 school goals of students with disabilities,
6 including improving the achievement
7 through participation (as appropriate when
8 career goals are discussed) in meetings re-
9 garding individualized education programs
10 developed under section 614 of the Individ-
11 uals with Disabilities Education Act (20
12 U.S.C. 1414);

13 “(iii) provide career guidance, career
14 exploration services, and job search skills
15 and strategies and technical assistance to
16 students with disabilities;

17 “(iv) support the provision of training
18 and technical assistance to State and local
19 educational agency and designated State
20 agency personnel responsible for the plan-
21 ning and provision of services to students
22 with disabilities; and

23 “(v) support outreach activities to stu-
24 dents with disabilities who are eligible for,
25 and need, services under this title.”.

1 **SEC. 406. SCOPE OF SERVICES.**

2 Section 103 of the Rehabilitation Act of 1973 (29
3 U.S.C. 723) is amended—

4 (1) in subsection (a), by striking paragraph
5 (15) and inserting the following:

6 “(15) transition services for students with dis-
7 abilities, that facilitate the achievement of the em-
8 ployment outcome identified in the individualized
9 plan for employment, including, in a transition serv-
10 ices expansion year, services described in clauses (i)
11 through (iii) of section 101(a)(25)(B);”;

12 (2) in subsection (b), by striking paragraph (6)
13 and inserting the following:

14 “(6)(A)(i) Consultation and technical assistance
15 services to assist State and local educational agen-
16 cies in planning for the transition of students with
17 disabilities from school to post-school activities, in-
18 cluding employment.

19 “(ii) In a transition services expansion year,
20 training and technical assistance described in section
21 101(a)(25)(B)(iv).

22 “(B) In a transition services expansion year,
23 services for groups of individuals with disabilities
24 who meet the requirements of clauses (i) and (iii) of
25 section 7(35)(A), including services described in
26 clauses (i), (ii), (iii), and (v) of section

1 101(a)(25)(B), to assist in the transition from
2 school to post-school activities.”; and

3 (3) in subsection (b) by inserting at the end,
4 the following:

5 “(7) The establishment, development, or im-
6 provement of assistive technology demonstration,
7 loan, reutilization, or financing programs in coordi-
8 nation with activities authorized under the Assistive
9 Technology Act of 1998 (29 U.S.C. 3001), as
10 amended, to promote access to assistive technology
11 for individuals with disabilities and employers.”.

12 **SEC. 407. STANDARDS AND INDICATORS.**

13 Section 106(a) of the Rehabilitation Act of 1973 (29
14 U.S.C. 726(a)) is amended by striking paragraph (1)(C)
15 and all that follows through paragraph (2) and inserting
16 the following:

17 “(2) MEASURES.—The standards and indica-
18 tors shall include outcome and related measures of
19 program performance that—

20 “(A) facilitate the accomplishment of the
21 purpose and policy of this title;

22 “(B) to the maximum extent practicable,
23 are consistent with the core indicators of per-
24 formance, and corresponding State adjusted lev-

1 els of performance, established under section
2 136(b); and

3 “(C) include measures of the program’s
4 performance with respect to the transition to
5 post-school career activities, and achievement of
6 the post-school career goals, of students with
7 disabilities served under the program.”.

8 **SEC. 408. RESERVATION FOR EXPANDED TRANSITION**
9 **SERVICES.**

10 The Rehabilitation Act of 1973 is amended by insert-
11 ing after section 110 (29 U.S.C. 730) the following:

12 **“SEC. 110A. RESERVATION FOR EXPANDED TRANSITION**
13 **SERVICES.**

14 “(a) RESERVATION.—From the State allotment
15 under section 110 in a transition services expansion year,
16 each State shall reserve an amount calculated by the Di-
17 rector under subsection (b) to carry out programs and ac-
18 tivities under sections 101(a)(25)(B) and 103(b)(6).

19 “(b) CALCULATION.—The Director shall calculate the
20 amount to be reserved for such programs and activities
21 for a fiscal year by each State by multiplying \$50,000,000
22 by the percentage determined by dividing—

23 “(1) the amount allotted to that State under
24 section 110 for the prior fiscal year, by

1 “(2) the total amount allotted to all States
2 under section 110 for that prior fiscal year.”.

3 **SEC. 409. CLIENT ASSISTANCE PROGRAM.**

4 Section 112(e)(1) of the Rehabilitation Act of 1973
5 (29 U.S.C. 732(e)(1)) is amended by redesignating sub-
6 paragraph (D) as subparagraph (E) and inserting after
7 subparagraph (C) the following:

8 “(D) The Secretary shall make grants to the protec-
9 tion and advocacy system serving the American Indian
10 Consortium to provide services in accordance with this sec-
11 tion. The amount of such grants shall be the same as pro-
12 vided to territories under this subsection.”.

13 **SEC. 410. PROTECTION AND ADVOCACY OF INDIVIDUAL**
14 **RIGHTS.**

15 Section 509(g)(2) of the Rehabilitation Act of 1973
16 (29 U.S.C. 794e(g)(2)) is amended by striking “was paid”
17 and inserting “was paid, except that program income gen-
18 erated from such amount shall remain available to such
19 system for one additional fiscal year”.

20 **SEC. 411. CHAIRPERSON.**

21 Section 705(b)(5) of the Rehabilitation Act of 1973
22 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

23 “(5) CHAIRPERSON.—The Council shall select a
24 chairperson from among the voting membership of
25 the Council.”.

1 **SEC. 412. AUTHORIZATIONS OF APPROPRIATIONS.**

2 The Rehabilitation Act of 1973 (29 U.S.C. 701 et
3 seq.) is further amended—

4 (1) in section 100(b)(1) by striking “fiscal
5 years 1999 through 2003” and inserting “fiscal
6 years 2013 through 2017”;

7 (2) in section 100(d)(1)(B) by striking “fiscal
8 year 2003” and inserting “fiscal year 2017”;

9 (3) in section 110(c) by amending paragraph
10 (2) to read as follows:

11 “(2) The sum referred to in paragraph (1) shall
12 be, as determined by the Secretary, not less than 1
13 percent and not more than 1.5 percent of the
14 amount referred to in paragraph (1) for each of fis-
15 cal years 2013 through 2017.”;

16 (4) in section 112(h) by striking “fiscal years
17 1999 through 2003” and inserting “fiscal years
18 2013 through 2017”;

19 (5) in section 201(a) by striking “fiscal years
20 1999 through 2003” each place it appears and in-
21 serting “fiscal years 2013 through 2017”;

22 (6) in section 302(i) by striking “fiscal years
23 1999 through 2003” and inserting “fiscal years
24 2013 through 2017”;

1 (7) in section 303(e) by striking “fiscal years
2 1999 through 2003” and inserting “fiscal years
3 2013 through 2017”;

4 (8) in section 304(b) by striking “fiscal years
5 1999 through 2003” and inserting “fiscal years
6 2013 through 2017”;

7 (9) in section 305(b) by striking “fiscal years
8 1999 through 2003” and inserting “fiscal years
9 2013 through 2017”;

10 (10) in section 405 by striking “fiscal years
11 1999 through 2003” and inserting “fiscal years
12 2013 through 2017”;

13 (11) in section 502(j) by striking “fiscal years
14 1999 through 2003” and inserting “fiscal years
15 2013 through 2017”;

16 (12) in section 509(l) by striking “fiscal years
17 1999 through 2003” and inserting “fiscal years
18 2013 through 2017”;

19 (13) in section 612 by striking “fiscal years
20 1999 through 2003” and inserting “fiscal years
21 2013 through 2017”;

22 (14) in section 628 by striking “fiscal years
23 1999 through 2003” and inserting “fiscal years
24 2013 through 2017”;

1 (15) in section 714 by striking “fiscal years
2 1999 through 2003” and inserting “fiscal years
3 2013 through 2017”;

4 (16) in section 727 by striking “fiscal years
5 1999 through 2003” and inserting “fiscal years
6 2013 through 2017”; and

7 (17) in section 753 by striking “fiscal years
8 1999 through 2003” and inserting “fiscal years
9 2013 through 2017”.

10 **SEC. 413. CONFORMING AMENDMENT.**

11 Section 1(b) of the Rehabilitation Act of 1973 is
12 amended by inserting after the item relating to section
13 110 the following:

“Sec. 110A. Reservation for expanded transition services.”.

14 **SEC. 414. HELEN KELLER NATIONAL CENTER ACT.**

15 (a) GENERAL AUTHORIZATION OF APPROPRIA-
16 TIONS.—The first sentence of section 205(a) of the Helen
17 Keller National Center Act (29 U.S.C. 1904(a)) is amend-
18 ed by striking “1999 through 2003” and inserting “2013
19 through 2017”.

20 (b) HELEN KELLER NATIONAL CENTER FEDERAL
21 ENDOWMENT FUND.—The first sentence of section
22 208(h) of such Act (29 U.S.C. 1907(h)) is amended by
23 striking “1999 through 2003” and inserting “2013
24 through 2017”.

1 **TITLE V—TRANSITION AND**
2 **EFFECTIVE DATE**

3 **SEC. 501. TRANSITION PROVISIONS.**

4 The Secretary of Labor shall take such actions as the
5 Secretary determines to be appropriate to provide for the
6 orderly implementation of this Act.

7 **SEC. 502. EFFECTIVE DATE.**

8 Except as otherwise provided in this Act, this Act and
9 the amendments made by this Act, shall take effect on
10 the date of enactment of this Act.

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