111TH CONGRESS
1ST SESSION
H. R. 1855

To promote industry growth and competitiveness and to improve worker training, retention, and advancement, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES
APRIL 1, 2009

Mr. LOEBSACK (for himself and Mr. PLATTS) introduced the following bill; which was referred to the Committee on Education and Labor, and in addition to the Committees on Ways and Means and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL
To promote industry growth and competitiveness and to improve worker training, retention, and advancement, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Strengthening Employment Clusters to Organize Regional Success Act of 2009” or the “SECTORS Act of 2009”.

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SEC. 2. INDUSTRY OR SECTOR PARTNERSHIP GRANT.

Subtitle D of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2911 et seq.) is amended by inserting after section 174 the following:

“SEC. 174A. INDUSTRY OR SECTOR PARTNERSHIP GRANT PROGRAM.

“(a) PURPOSE.—It is the purpose of this section to create designated capacity to promote industry or sector partnerships that lead collaborative planning, resource alignment, and training efforts across multiple firms for a range of workers employed or potentially employed by a targeted industry cluster, in order to encourage industry growth and competitiveness and to improve worker training, retention, and advancement in targeted industry clusters, including by developing—

“(1) immediate strategies for regions and communities to fulfill pressing skilled workforce needs;

“(2) long-term plans to grow targeted industry clusters with better training and a more productive workforce;

“(3) core competencies and competitive advantages for regions and communities undergoing structural economic redevelopment; and

“(4) cross-firm skill standards, career ladders, job redefinitions, employer practices, and shared
training and support capacities that facilitate the
advancement of workers at all skill levels.

“(b) DEFINITIONS.—In this section:

“(1) CAREER LADDER.—The term ‘career ladder’ means an identified series of positions, work experiences, and educational benchmarks or credentials that offer occupational and financial advancement within a specified career field or related fields over time.

“(2) ECONOMIC SELF-SUFFICIENCY.—The term ‘economic self-sufficiency’ means, with respect to a worker, earning a wage sufficient to support a family adequately over time, based on factors such as—

“(A) family size;

“(B) the number and ages of children in the family;

“(C) the cost of living in the worker’s community; and

“(D) other factors that may vary by region.

“(3) ELIGIBLE ENTITY.—The term ‘eligible entity’ means—

“(A) an industry or sector partnership; or

“(B) an eligible State agency.
“(4) Eligible State agency.—The term ‘eligible State agency’ means a State agency designated by the Governor of the State for the purposes of the grant program under this section.

“(5) High-priority occupation.—The term ‘high-priority occupation’ means an occupation that—

“(A) has a significant presence in an industry cluster;

“(B) is in demand by employers;

“(C) pays family-sustaining wages that enable workers to achieve economic self-sufficiency, or can reasonably be expected to lead to such wages;

“(D) has a documented career ladder; and

“(E) has a significant impact on a region’s economic development strategy.

“(6) Industry cluster.—The term ‘industry cluster’ means a concentration of interconnected businesses, suppliers, research and development, service providers, and associated institutions in a particular field that are linked by common workforce needs.
“(7) INDUSTRY OR SECTOR PARTNERSHIP.—

The term ‘industry or sector partnership’ means a workforce collaborative that—

“(A) organizes key stakeholders in a targeted industry cluster into a working group that focuses on the human capital needs of a targeted industry cluster and that includes, at the appropriate stage of development of the partnership—

“(i) representatives of multiple firms or employers, including workers, in a targeted industry cluster, including small- and medium-sized employers when practicable;

“(ii) 1 or more representatives of State labor organizations, central labor coalitions, or other labor organizations;

“(iii) 1 or more representatives of local boards;

“(iv) 1 or more representatives of postsecondary educational institutions or other training providers; and

“(v) 1 or more representatives of State workforce agencies or other entities providing employment services; and

“(B) may include representatives of—
“(i) State or local government;

“(ii) State or local economic development agencies;

“(iii) other State or local agencies;

“(iv) chambers of commerce;

“(v) nonprofit organizations;

“(vi) philanthropic organizations;

“(vii) economic development organizations;

“(viii) industry associations; and

“(ix) other organizations, as determined necessary by the members comprising the industry or sector partnership.

“(8) TARGETED INDUSTRY CLUSTER.—The term ‘targeted industry cluster’ means an industry cluster that has—

“(A) economic impact in a local or regional area;

“(B) immediate workforce development needs; and

“(C) documented career opportunities.

“(c) GRANTS AUTHORIZED.—

“(1) IN GENERAL.—From amounts appropriated under subsection (i), the Secretary shall award, on a competitive basis, planning grants de-
scribed in paragraph (3) and implementation grants described in paragraph (4) to eligible entities, to en-
able the eligible entities to plan and implement, re-
spectively, the eligible entities’ strategic objectives in accordance with subsection (f).

“(2) MAXIMUM AMOUNT.—

“(A) PLANNING GRANTS.—A planning grant awarded under paragraph (3) shall not exceed $250,000.

“(B) IMPLEMENTATION GRANTS.—An im-
plementation grant awarded under paragraph (4)(A) shall not exceed a total of $2,500,000 for a 3-year period.

“(C) RENEWAL GRANTS.—A renewal grant awarded under paragraph (4)(C) shall not ex-
ceed a total of $1,500,000 for a 3-year period.

“(3) PLANNING GRANTS.—

“(A) IN GENERAL.—The Secretary may award a planning grant under this section to an eligible entity that—

“(i) is a newly formed industry or sec-
tor partnership; and

“(ii) has not received a grant under
this section.
“(B) DURATION.—A planning grant shall be for a duration of 1 year.

“(4) IMPLEMENTATION GRANTS.—

“(A) IN GENERAL.—The Secretary may award an implementation grant under this section to—

“(i) an eligible entity that has already received a planning grant under this section; or

“(ii) an eligible entity that is an established industry or sector partnership.

“(B) DURATION.—An implementation grant shall be for a duration of not more than 3 years, and may be renewed in accordance with subparagraph (C).

“(C) RENEWAL.—The Secretary may renew an implementation grant for not more than 3 years. A renewal of such grant shall be subject to the requirements of this section, except that the Secretary shall—

“(i) prioritize renewals to eligible entities that can demonstrate the long-term sustainability of an industry or sector partnership funded under this section;
“(ii) as a condition of renewing the grant, and notwithstanding subsection (d), decrease the amount of the Federal share and increase the amount of the non-Federal share required for the grant, which must include at least a 25 percent cash match from the State, the industry cluster, or some combination thereof; and

“(iii) require assurances that the eligible entity will leverage, each year, additional funding sources in accordance with subparagraph (D)(ii) than the eligible entity provided for the preceding year of the grant.

“(D) FEDERAL AND NON-FEDERAL SHARE.—

“(i) FEDERAL SHARE.—Except as provided in subparagraph (C)(ii) and (D)(iii), the Federal share of an implementation grant under this section shall be—

“(I) 90 percent of the costs of the activities described in subsection (g), in the first year of the grant;

“(II) 80 percent of such costs in the second year of the grant; and
“(III) 70 percent of such costs in the third year of the grant.

“(ii) NON-FEDERAL.—The non-Federal share of an implementation grant under this section may be in cash or in-kind, and may come from State, local, philanthropic, private, or other sources.

“(iii) EXCEPTION.—The Secretary may require the Federal share of an implementation grant under this section to be 100 percent if an eligible entity receiving such grant is located in a State or local area that is receiving a national emergency grant under section 173.

“(5) FISCAL AGENT.—Each eligible entity receiving a grant under this section that is an industry or sector partnership shall designate an entity in the partnership as the fiscal agent for purposes of this grant.

“(6) USE OF GRANT FUNDS DURING GRANT PERIODS.—An eligible entity receiving grant funds under a planning grant, implementation grant, or a renewal grant under this section shall expend grant funds or obligate grant funds to be expended by the last day of the grant period.
“(d) Application Process.—

“(1) Identification of a Targeted Industry Cluster.—In order to qualify for a grant under this section, an eligible entity shall identify a targeted industry cluster that could benefit from such grant by—

“(A) working with businesses, industry associations and organizations, labor organizations, State boards, local boards, economic development agencies, and other organizations that the eligible entity determines necessary, to identify an appropriate targeted industry cluster based on criteria that include, at a minimum—

“(i) data showing the competitiveness of the industry cluster;

“(ii) the importance of the industry cluster to the economic development of the area served by the eligible entity;

“(iii) the identification of supply and distribution chains within the industry cluster; and

“(iv) research studies on industry clusters; and
“(B) working with appropriate employment agencies, workforce investment boards, economic development agencies, community organizations, and other organizations that the eligible entity determines necessary to ensure that the targeted industry cluster identified under subparagraph (A) should be targeted for investment, based primarily on the following criteria:

“(i) Demonstrated demand for job growth potential.

“(ii) Measurable evidence of competitiveness.

“(iii) Employment base.

“(iv) Wages and benefits.

“(v) Demonstrated importance of the targeted industry cluster to the area’s economy.

“(vi) Workforce development needs.

“(2) APPLICATION.—An eligible entity desiring to receive a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. An application submitted under this paragraph shall contain, at a minimum, the following:
“(A) A description of the eligible entity, evidence of the eligible entity’s capacity to carry out activities in support of the strategic objectives identified in the application under subparagraph (D), and, if the eligible entity is an industry or sector partnership, a description of the expected participation and responsibilities of each of the mandatory partners described in subsection (b)(8)(A).

“(B) A description of the targeted industry cluster for which the eligible entity intends to carry out activities through a grant under this section, and a description of how such targeted industry cluster was identified in accordance with paragraph (1).

“(C) A description of the workers that will be targeted or recruited by the partnership, including an analysis of the existing labor market, a description of potential barriers to employment for targeted workers, and a description of strategies that will be employed to help workers overcome such barriers.

“(D) A description of the strategic objectives that the eligible entity intends to carry out
for the targeted industry cluster, which objectives shall include—

“(i) recruiting key stakeholders in the targeted industry cluster, such as businesses and employers, labor organizations, industry associations, local boards, State boards, and education and training providers, and regularly convening the stakeholders in a collaborative structure that supports the sharing of information, ideas, and challenges common to the targeted industry cluster;

“(ii) identifying the training needs of multiple businesses, especially skill gaps critical to competitiveness and innovation to the targeted industry cluster;

“(iii) facilitating economies of scale by aggregating training and education needs of multiple employers;

“(iv) helping postsecondary educational institutions, training institutions, and registered apprenticeship programs align curricula entrance requirements and programs to industry demand, particularly
for higher skill, high-priority occupations validated by the industry;

“(v) ensuring that the State agency, including services provided by State merit staff authorized under the Wagner-Peyser Act program, shall inform recipients of unemployment insurance and trade adjustment assistance under chapter 2 or 6 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq., 2401 et seq.) of the job and training opportunities that may result from the implementation of this grant;

“(vi) informing and collaborating with organizations such as youth councils, business-education partnerships, apprenticeship programs, secondary schools, and postsecondary educational institutions, and with parents and career counselors, for the purpose of addressing the challenges of connecting disadvantaged adults as defined in section 132(b)(1)(B)(v) and disadvantaged youth as defined in section 127(b) to careers;

“(vii) helping companies identify, and work together to address, common organi-
izational and human resource challenges, such as—

“(I) recruiting new workers;

“(II) implementing effective workplace practices;

“(III) retaining dislocated and incumbent workers;

“(IV) implementing a high-performance work organization;

“(V) recruiting and retaining women in nontraditional occupations;

“(VI) adopting new technologies;

and

“(VII) fostering experiential and contextualized on-the-job learning;

“(viii) developing and strengthening career ladders within and across companies (in cooperation with labor organizations if the labor organizations represent employees engaged in similar work in the industry cluster), in order to enable dislocated, incumbent and entry-level workers to improve skills and advance to higher-wage jobs;
“(ix) improving job quality through improving wages, benefits, and working conditions;

“(x) helping partner companies in industry or sector partnerships to attract potential employees from a diverse job seeker base, including individuals with barriers to employment (such as job seekers who are low income, youth, older workers, and individuals who have completed a term of imprisonment), by identifying such barriers through analysis of the existing labor market and implementing strategies to help such workers overcome such barriers; and

“(xi) strengthening connections among businesses in the targeted industry cluster, leading to cooperation beyond workforce issues that will improve competitiveness and job quality, such as joint purchasing, market research, or centers for technology and innovation.

“(E) A description of the manner in which the eligible entity intends to make sustainable progress toward the strategic objectives described in subparagraph (D).
“(F) Performance measures, including quantifiable interim performance, for measuring progress toward the strategic objectives. Such measures shall consider, at a minimum, the benefits provided by the grant activities funded under this section for—

“(i) workers employed in the targeted industry cluster, disaggregated by gender and race, including—

“(I) the number of workers receiving portable industry-recognized credentials;

“(II) the number of workers with increased wages, the percentage of workers with increased wages, and the average wage increase; and

“(III) for dislocated or non-incumbent workers, the number of workers placed in sector-related jobs; and

“(ii) firms and industries in the targeted industry cluster, including—

“(I) the creation or updating of an industry plan to meet current and future workforce demand;
“(II) the creation or updating of published industry-wide skill standards or career pathways;

“(III) the creation or updating of portable, industry-recognized credentials, or where there is not such a credential, the creation or updating of a training curriculum that can lead to the development of such a credential;

“(IV) in the case of an eligible entity that is an industry or sector partnership, the number of firms, and the percentage of the local industry, participating in the industry or sector partnership; and

“(V) the number of firms, and the percentage of the local industry, receiving workers or services through the grant funded under this section.

“(G) A timeline for achieving progress toward the strategic objectives.

“(H) In the case of an eligible entity desiring an implementation grant under this section, an assurance that the eligible entity will leverage other funding sources, in addition to the
amount required for the non-Federal share
under subsection (d), to provide training or
supportive services to workers under the grant
program. Such additional funding sources may
include—

“(i) funding under this title used for
such training and supportive services;

“(ii) funding under the Adult Edu-
cation and Family Literacy Act of 1998
(20 U.S.C. 9201 et seq.);

“(iii) funding under chapter 2 or 6 of
title II of the Trade Act of 1974 (19
U.S.C. 2271 et seq.);

“(iv) economic development funding;

“(v) employer contributions to train-
ing initiatives; or

“(vi) providing employees with em-
ployee release time for such training or
supportive services.

“(e) Award Basis.—

“(1) Geographic Distribution.—The Sec-
retary shall award grants under this section in a
manner to ensure geographic diversity.
“(2) PRIORITIES.—In awarding grants under this section, the Secretary shall give priority to eligible entities that—

“(A) work with employers within a targeted industry cluster to retain and expand employment in high wage, high growth areas;

“(B) focus on helping workers move toward economic self-sufficiency and ensuring the workers have access to adequate supportive services;

“(C) address the needs of firms with limited human resources or in-house training capacity, including small- and medium-sized firms; and

“(D) coordinate with entities carrying out State and local workforce investment, economic development, and education activities.

“(f) ACTIVITIES.—

“(1) IN GENERAL.—An eligible entity receiving a grant under this section shall carry out the activities necessary to meet the strategic objectives described in the entity’s application in a manner that—
“(A) integrates services and funding sources in a way that enhances the effectiveness of the activities; and

“(B) uses grant funds awarded under this section efficiently.

“(2) ADMINISTRATIVE COSTS.—An eligible entity may retain a portion of a grant awarded under this section for a fiscal year to carry out the administration of this section in an amount not to exceed 10 percent of the grant amount.

“(g) EVALUATION AND PROGRESS REPORTS.—

“(1) ANNUAL ACTIVITY REPORT AND EVALUATION.—Not later than 1 year after receiving a grant under this section, and annually thereafter, an eligible entity shall—

“(A) report to the Secretary, and to the Governor of the State that the eligible entity serves, on the activities funded pursuant to a grant under this section; and

“(B) evaluate the progress the eligible entity has made toward the strategic objectives identified in the application under subsection (d)(2)(D), and measure the progress using the performance measures identified in the application under subsection (d)(2)(F).
“(2) Report to the Secretary.—An eligible entity receiving a grant under this section shall submit to the Secretary a report containing the results of the evaluation described in subparagraph (B) at such time and in such manner as the Secretary may require.

“(h) Administration by the Secretary.—

“(1) Administrative costs.—The Secretary may retain not more than 10 percent of the funds appropriated pursuant to the authorization of appropriations under subsection (j) for each fiscal year to administer this section.

“(2) Technical assistance and oversight.—The Secretary shall provide technical assistance and oversight to assist the eligible State and local agencies or eligible entities in applying for and administering grants awarded under this section. The Secretary shall also provide technical assistance to eligible entities in the form of conferences and through the collection and dissemination of information on best practices developed by eligible partnerships. The Secretary may award a grant or contract to 1 or more national or State organizations to provide technical assistance to foster the planning, for-
information, and implementation of industry cluster partnerships.

“(3) GEOGRAPHIC EQUALITY.—The Secretary shall ensure that, to the extent practicable, grants are awarded on a geographically equal basis.

“(4) PERFORMANCE MEASURES.—The Secretary shall issue a range of performance measures, with quantifiable benchmarks, and methodologies that eligible entities may use to evaluate the effectiveness of each type of activity in making progress toward the strategic objectives described in subsection (d)(2)(D). Such measures shall consider the benefits of the industry or sector partnership and its activities for workers, firms, industries, and communities.

“(5) DISSEMINATION OF INFORMATION.—The Secretary shall—

“(A) coordinate the annual review of each eligible entity receiving a grant under this section and produce an overview report that, at a minimum, includes—

“(i) the critical learning of each industry or sector partnership, such as—

“(I) the training that was most effective;
“(II) the human resource challenges that were most common;

“(III) how technology is changing the targeted industry cluster; and

“(IV) the changes that may impact the targeted industry cluster over the next 5 years; and

“(ii) a description of what eligible entities serving similar targeted industry clusters consider exemplary practices, such as—

“(I) how to work effectively with postsecondary educational institutions;

“(II) the use of internships;

“(III) coordinating with apprenticeships and cooperative education programs;

“(IV) how to work effectively with schools providing vocational education;

“(V) how to work effectively with adult populations, including—

“(aa) dislocated workers;

“(bb) women in nontraditional occupations; and
“(cc) individuals with barriers to employment, such as job seekers who—

“(AA) are economically disadvantaged;

“(BB) have limited English proficiency;

“(CC) require remedial education;

“(DD) are older workers;

“(EE) are individuals who have completed a sentence for a criminal offense; and

“(FF) have other barriers to employment;

“(VI) employer practices that are most effective;

“(VII) the types of training that are most effective; and

“(VIII) other areas where industry or sector partnerships can assist each other;
“(B) make resource materials, including all reports published and all data collected under this section, available on the Internet; and

“(C) conduct conferences and seminars to—

“(i) disseminate information on best practices developed by eligible entities receiving a grant under this section; and

“(ii) provide information to the communities of eligible entities.

“(6) REPORT.—Not later than 18 months after the date of enactment of this Act and on an annual basis, the Secretary shall transmit a report to Congress on the industry or sector partnership grant program established by this section. The report shall include a description of—

“(A) the eligible entities receiving funding;

“(B) the activities carried out by the eligible entities;

“(C) how the eligible entities were selected to receive funding under this section; and

“(D) an assessment of the results achieved by the grant program including findings from the annual reviews described in paragraph (4)(A).
“(i) Authorization of Appropriations.—

“(1) In General.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2010 and for each succeeding fiscal year.

“(2) Availability.—Amounts appropriated pursuant to the authorization of appropriations under paragraph (1) for the fiscal year shall remain available until the end of the second fiscal year following the fiscal year in which such amounts were first appropriated.”.

SEC. 3. FEDERAL AGENCY COORDINATION.

(a) Interagency Cooperation.—The head of each Federal department or agency whose funding, regulations, or other policies impact workers shall cooperate with the Secretary of Labor to—

(1) maintain up-to-date information on jobs, wages, benefits, skills, and careers of workers impacted by the actions of such agency or department;

(2) develop and implement policies that would improve the jobs and careers of workers impacted by the actions of such agency or department; and

(3) report the department or agency’s job creation and economic development strategies to the Secretary.
(b) ALIGNMENT.—Notwithstanding any other provision of law, the Secretary and the heads of other Federal departments or agencies shall work together to align existing education and training programs with the demonstrated needs of industry or sector partnerships, as defined in section 174A(b) of the Workforce Investment Act. These collaborative efforts shall include the following:

(1) DEPARTMENT OF COMMERCE.—The Secretary of Commerce shall advise the Secretary of Labor of the Department of Commerce’s workforce and economic development strategies, programs, and initiatives.

(2) JUSTICE DEPARTMENT.—The Attorney General shall—

(A) align federally funded programs offering training for inmates with industry clusters (as defined in section 174A(b) of the Workforce Investment Act) and high-priority occupations, and annually review these training programs to assure that the training programs prepare individuals for high-priority occupations; and

(B) align federally funded reentry programs to take advantage of information and career opportunities provided by industry and sector partnerships.
(3) Department of Education.—The Secretary of Education shall—

(A) develop and support career ladders for high-priority occupations critical to targeted industry clusters served by a grant under section 174A of the Workforce Investment Act;

(B) develop and support innovative programs to address literacy (including English as a second language) and numeracy shortcomings, especially in those occupations critical to such targeted industry clusters;

(C) develop and support programs and strategies to reduce barriers to adult education;

(D) develop and support career education initiatives in middle and high schools; and

(E) support initiatives to develop industry-recognized credentials and new credit-bearing programs in public and private postsecondary educational institutions, especially in occupations critical to such targeted industry clusters.

(4) Department of Health and Human Services.—The Secretary of Health and Human Services shall—

(A) develop and support innovative programs that connect qualified individuals receiv-
...ing assistance under the State temporary assistance for needy families program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) with employment opportunities in the targeted industry clusters served by a grant under section 174A of the Workforce Investment Act;

(B) develop and support strategies to prepare individuals receiving assistance under the State temporary assistance for needy families programs funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) for success in postsecondary education and training programs; and

(C) develop and support career education initiatives that provide such individuals with information to guide the clients' education and training plans.