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.

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 “Workforce Investment Improvement Act of 2011”.

SEC. 2. TABLE OF CONTENTS.
The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. References.
TITLE I—AMENDMENTS TO TITLE I OF THE WORKFORCE INVESTMENT ACT OF 1998

Sec. 101. Definitions.
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Sec. 103. State workforce investment boards.
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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.

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Workforce Investment Act of 1998 (20 U.S.C. 9201 et seq.).

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

SEC. 101. DEFINITIONS.

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

(1) by striking paragraphs (13) and (24) and redesignating paragraphs (1) through (12) as paragraphs (3) through (14), and paragraphs (14) through (23) as paragraphs (15) through (24), respectively;

(2) by inserting after “In this title:” the following new paragraphs:

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

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

(3) by amending paragraph (5) (as so redesignated) to read as follows:
“(5) AREA CAREER AND TECHNICAL EDUCATION SCHOOL.—The term ‘area career and technical education school’ has the meaning given the term in section 3(3) of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302(3)).”.

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

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

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

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

(B) in subparagraph (B)(iii), by striking “intensive services described in section
134(d)(3)” and inserting “work ready services
described in section 134(e)(2)”;

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

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

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

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

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

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

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

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

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

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

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

(B) by striking subparagraph (B), and inserting the following:
“(B) work ready services, means a provider who is identified or awarded a contract as described in section 134(c)(2);”;

(10) in paragraph (25)—

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

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

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

(11) in paragraph (32) by striking “the Republic of the Marshall Islands, the Federated States of Micronesia,”;

(12) by striking paragraph (33) and redesignating paragraphs (34) through (53) as paragraphs (33) through (52), respectively;

(13) by amending paragraph (48) (as so redesignated) to read as follows:
“(48) VETERAN.—The term ‘veteran’ has the same meaning given the term in section 2108(1) of title 5, United States Code.”; and

(14) by amending paragraph (49) (as so redesignated) to read as follows:

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

SEC. 102. PURPOSE.

Section 106 (29 U.S.C. 2811) is amended by inserting at the end the following: “It is also the purpose of this subtitle to provide workforce investment activities in a manner that promotes the informed choice of participants and actively involves participants in obtaining training services that will increase their skills and improve their employment outcomes.”.

SEC. 103. STATE WORKFORCE INVESTMENT BOARDS.

(a) Membership.—

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

(A) by amending paragraph (1)(C) to read as follows:
“(C) representatives appointed by the Governor, who are—

“(i)(I) the lead State agency officials with responsibility for the programs and activities that are described in section 121(b) and carried out by one-stop partners;

“(II) in any case in which no lead State agency official has responsibility for such a program or activity, a representative in the State with expertise relating to such program or activity; and

“(III) if not included under subclause (I), the director of the designated State unit, as defined in section 7(8)(B) of the Rehabilitation Act of 1973 (29 U.S.C. 705(8)(B)), except that in a State that has established 2 or more designated State units to administer the vocational rehabilitation program, the board representative shall be the director of the designated State unit that serves the most individuals with disabilities in the State;

“(ii) the State agency officials responsible for economic development;
“(iii) representatives of business in the State who—

“(I) are owners of businesses, chief executive or operating officers of businesses, and other business executives or employers with optimum policy making or hiring authority, including members of local boards described in section 117(b)(2)(A)(i);

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

“(III) are appointed from among individuals nominated by State business organizations and business trade associations;

“(iv) chief elected officials (representing both cities and counties, where appropriate);

“(v) one or more representatives of labor organizations, who have been nominated by State labor federations or labor organizations within the State; and
“(vi) such other representatives and State agency officials as the Governor may designate.”;

(B) in paragraph (3), by striking “paragraph (1)(C)(i)” and inserting “paragraph (1)(C)(iii)”;

(C) by adding at the end the following:

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

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

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

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

(2) by amending paragraph (3) to read as follows:
“(3) development and review of statewide policies affecting the integrated provision of services through the one-stop delivery system described in section 121 within the State, including—

“(A) the development of objective criteria and procedures for, and the issuance of, certifications of one-stop centers;

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

“(C) policies relating to the appropriate roles and contributions of one-stop partner programs within the one-stop delivery system, including approaches to facilitating equitable and efficient cost allocation in the one-stop delivery system, consistent with section 121;

“(D) strategies for providing effective outreach to individuals and employers who could benefit from services provided through the one-stop delivery system;

“(E) strategies for technology improvements to facilitate access to services provided through the one-stop delivery system in remote areas and for individuals with disabilities, which may be utilized throughout the State;
“(F) identification and dissemination of information on best practices for effective operation of one-stop centers, including use of innovative business outreach, partnerships, and service delivery strategies, including for hard-to-serve populations; and

“(G) carrying out of such other matters as may promote statewide objectives for, and enhance the performance of, the one-stop delivery system;”;

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

(4) in paragraph (8)—

(A) by striking “employment statistics system” and inserting “workforce and labor market information system”; and

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

(5) in paragraph (9)—

(A) by striking “section 503” and inserting “section 136(i)”; and

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

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

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

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

(1) in paragraph (1)—

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

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

(2) by adding at the end the following:

“(3) FAILURE TO MEET PERFORMANCE MEASURES.—If a State fails to have performed successfully, as defined in section 116(a)(2), the Secretary may require the State to establish a State board in accordance with subsections (a), (b), and (e) in lieu of the alternative entity established under paragraph (1).”.

(d) CONFLICT OF INTEREST.—Section 111(f)(1) (29 U.S.C. 2821(f)(1)) is amended by inserting “or participate in action taken” after “vote”.
(c) **Sunshine Provision.**—Section 111(g) (29 U.S.C. 2821(g)) is amended—

1. by inserting “, and modifications to the State plan,” after “State plan”; and
2. by inserting “, and modifications to the State plan” after “the plan”.

(f) **Authority To Hire Staff.**—Section 111 (29 U.S.C. 2821) is further amended by inserting at the end the following:

“(h) **Authority To Hire Staff.**—The State Board may hire staff to assist in carrying out the functions described in subsection (d).”.

**SEC. 104. STATE PLAN.**

(a) **Planning Cycle.**—Section 112(a) (29 U.S.C. 2822(a)) is amended by striking “5-year strategy” and inserting “2-year strategy”.

(b) **Contents.**—Section 112(b) (29 U.S.C. 2822(b)) is amended—

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

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

(2) in paragraph (8)—

(A) in subparagraph (A)—

(i) in clause (ix), by striking ‘‘and’’ after the semicolon; and

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

‘‘(xi) programs authorized under title II of the Social Security Act (42 U.S.C. 401 et seq.) (related to Federal old-age, survivors, and disability insurance benefits), title XVI of such Act (42 U.S.C. 1381 et seq.) (relating to supplemental security income), title XIX of such Act (42 U.S.C. 1396 et seq.) (relating to Medicaid), and title XX of such Act (42 U.S.C. 1397 et seq.) (relating to block grants to States for social services), programs authorized under title VII of the Rehabilitation Act of 1973 (29 U.S.C. 796 et seq.), and programs carried out by State agencies relating to mental retardation and developmental disabilities; and’’; and
(B) by amending subparagraph (B) to read as follows:

“(B) a description of common data collection and reporting processes used for the programs and activities described in subparagraph (A) that are one-stop partners, including assurances that such processes utilize quarterly wage records for performance measures relating to entry into employment, retention in employment, and average earnings that are applicable to such programs or activities, or, if such records are not being used, an identification of the barriers to such use and a description of how the State will address such barriers within one year of the approval of the plan;”;

(3) in paragraph (11), by inserting “, including controls and procedures to ensure that the limitations on the costs of administration are not exceeded”;

(4) in paragraph (12)(A)—

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

and

(B) by inserting “and” at the end of clause (ii);
(5) in paragraph (12)(B), by striking “and” at the end;

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

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

(8) in paragraph (17)(A)—

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

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

“(iv) how the State will serve the employment and training needs of dislocated workers (including displaced homemakers), low income individuals (including recipients of public assistance), individuals with limited English proficiency, homeless individuals, individuals training for nontraditional employment, and other individuals with multiple barriers to employment (including older individuals); and”;

(C) by inserting after clause (iv) the following:

“(v) how the State will serve the employment and training needs of individuals with disabilities, consistent with section 188 and Executive Order 13217 (42
U.S.C. 12131 note; relating to community-based alternatives for individuals with disabilities) including the provision of outreach, intake, assessments, and service delivery, the development of performance measures established under section 136, the training of staff, and other aspects of accessibility to program services, consistent with sections 504 and 508 of the Rehabilitation Act of 1973; and”;

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

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

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

“(19) a description of the process and methodology for determining one-stop partner program contributions for the cost of the infrastructure of one-stop centers under section 121(h)(1) and of the formula for allocating such infrastructure funds to local areas under section 121(h)(3);
“(20) a description of the strategies and programs providing outreach to businesses, identifying workforce needs of businesses in the State, and ensuring that such needs will be met (including the needs of small businesses), which may include—

“(A) implementing innovative programs and strategies designed to meet the needs of all businesses in the State, including small businesses, which may include incumbent worker training programs, sectoral and industry cluster strategies, regional skills alliances, career ladder programs, utilization of effective business intermediaries, and other business services and strategies that better engage employers in workforce investment activities and make the statewide workforce investment system more relevant to the needs of State and local businesses, consistent with the objectives of this title; and

“(B) providing incentives and technical assistance to assist local areas in more fully engaging all employers, including small employers, in local workforce investment activities, to make the workforce investment system more relevant to the needs of area businesses, and to better
coordinate workforce investment, economic development, and post-secondary education and training efforts to contribute to the economic well-being of the local area and region, as determined appropriate by the local board;

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

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

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

(c) PLAN SUBMISSION AND APPROVAL.—Section 112(c) (29 U.S.C. 2822(c)) is amended by striking “period, that” and all that follows through paragraph (2) and inserting “period, that the plan is inconsistent with the provisions of this title”.
(d) Modification to Plan.—Section 112(d) (29 U.S.C. 2822(d)) is amended by striking “5-year period” and inserting “2-year period”.

SEC. 105. LOCAL WORKFORCE INVESTMENT AREAS.

(a) Designation of Areas.—

(1) Considerations.—Section 116(a)(1) (29 U.S.C. 2831(a)(1)) is amended—

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

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

“(vi) The extent to which such local areas will promote maximum effectiveness in the administration and provision of services.”.

(2) Automatic designation.—Section 116(a)(2) (29 U.S.C. 2831(a)(2)) is amended to read as follows:

“(2) Automatic designation.—

“(A) In general.—The Governor shall approve a request for designation as a local area that is submitted prior to the submission of the State plan, or of a modification to the
State plan relating to area designation, from any area that—

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

“(I) performed successfully; and

“(II) sustained fiscal integrity;

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

“(I) performed successfully; and

“(II) sustained fiscal integrity;

“(iii) is served by a rural concentrated employment program grant recipient, except that after the initial 2-year period following any such designation under the initial State plan submitted after the date of enactment of the Workforce Investment Improvement Act of 2011, the Governor shall only be required to approve a request for designation from such area if such area—

“(I) performed successfully; and

“(II) sustained fiscal integrity;
Improvement Act of 2011, the Governor shall only be required to approve a request for designation under this clause for such area if such area—

“(I) performed successfully; and

“(II) sustained fiscal integrity; or

“(iv) was a local area under section 116(a)(2)(C) (as in effect on the day before the date of enactment of the Workforce Investment Improvement Act of 2011), except that after the initial 2-year period following such designation pursuant to this clause that occurs after that date of enactment, the Governor shall only be required to approve a request for designation under this clause for such area if such area—

“(I) performed successfully; and

“(II) sustained fiscal integrity.

“(B) Definitions.—For purposes of this paragraph:

“(i) performed successfully.—The term ‘performed successfully’, when used with respect to a local area, means the local area performed at 80 percent or
more of the adjusted level of performance
for core indicators of performance de-
scribed in section 136(b)(2)(A) for 2 con-
secutive years.

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

(3) CONFORMING AMENDMENTS.—Section
116(a) (29 U.S.C. 2831(a)) is amended—
(A) by striking paragraph (3); and
(B) by redesignating paragraphs (4) and
(5) as paragraph (3) and (4), respectively.

(b) SINGLE LOCAL AREA STATES.—Section 116(b)
(29 U.S.C. 2831(b)) is amended to read as follows:
“(b) SINGLE LOCAL AREA STATES.—
“(1) Continuation of previous designation.—Notwithstanding subsection (a), the Governor of any State that was a single local area for purposes of this title as of January 1, 2011, may continue to designate the State as a single local area for purposes of this title if the Governor identifies the State as a local area in the State plan under section 112(b)(5).

“(2) New designation.—The Governor of a State not described in paragraph (1) may designate the State as a single local area if, prior to the submission of the State plan or modification to such plan so designating the State, no local area meeting the requirements for automatic designation under subsection (a) requests such designation as a separate local area.

“(3) Effect on local plan.—In any case in which the local area is the State pursuant to this subsection, the local plan under section 118 shall be submitted to the Secretary for approval as part of the State plan under section 112.”.

(c) Regional Planning.—Section 116(e) (29 U.S.C. 2831(e)) is amended—

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

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

SEC. 106. LOCAL WORKFORCE INVESTMENT BOARDS.

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

(1) in subparagraph (A)—

(A) in clause (i)(II), by inserting “, businesses that are in the leading industries in the local area, and large and small businesses in the local area” after “local area”;

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

“(ii) a superintendent of the local secondary school system, the president or chief executive officer of a post-secondary educational institution (including community colleges, where such entities exist), and an administrator of local entities pro-
viding adult education and literacy activi-
ties;”;

(C) in clause (iii)—

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

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

(D) in clause (iv)—

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

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

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

(F) by striking clause (vi);

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

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

“(C) except for the individuals described in
subparagraph (A)(ii), shall not include any indi-
vidual who is employed by an entity receiving
funds for the provision of services under chapters 4 or 5.’’.

(b) Authority of Board Members.—Section 117(b)(3) (29 U.S.C. 2832(b) is amended—

(1) in the heading, by inserting “AND REPRESENTATION” after “MEMBERS”; and

(2) by adding at the end the following:

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

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

(1) in paragraph (2)(B), by striking “by awarding grants” and all that follows through “youth council”;

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

“(D) IDENTIFICATION OF ELIGIBLE PROVIDERS OF WORK READY SERVICES.—If the one-stop operator does not provide the work ready services described in section 134(c)(2) in
the local area, the local board shall identify eli-
gible providers of such services in the local area
by awarding contracts.”;
(3) in paragraph (3)(B) by striking clause (ii)
and inserting the following:
“(ii) STAFF.—The local board may
employ staff to assist in carrying out the
functions described in this subsection.”;
(4) in paragraph (4) by inserting “, and ensure
the appropriate use and management of the funds
provided under this title for such programs, activi-
ties, and system” after “area”;
(5) in paragraph (6)—
(A) by striking “EMPLOYMENT STATISTICS
SYSTEM” and inserting “WORKFORCE AND
LABOR MARKET INFORMATION SYSTEM”; and
(B) by striking “employment statistics sys-
tem” and inserting “workforce and labor mar-
et information system”;
(6) by amending paragraph (8) to read as fol-
lows:
“(8) CONVENING, BROKERING, AND
LEVERAGING.—The local board shall support a com-
prehensive workforce investment system for the local
area and promote the participation by private sector
employers, service providers, and other stakeholders in such system. The Board shall ensure the effective provision, through the system, of convening, brokering, and leveraging activities, through intermediaries such as the one-stop operator in the local area or through other organizations, to assist such employers in meeting hiring needs. Such activities may include—

“(A) convening private sector employers, including small employers, labor, economic development, and education leaders in the area to align system missions and services, and to identify and meet the employment, education, and skills training needs of the local area in support of regional and local economic growth strategies;

“(B) providing leadership in the design and implementation of a comprehensive workforce development system that extends beyond those programs authorized under title I of this Act (including programs identified in section 121(b)) for the local area;

“(C) brokering relationships and service arrangements across system stakeholders and partners; and
“(D) leveraging resources other than those provided under title I of this Act, including public and private resources, to significantly expand resources available for employment and training activities identified as necessary in the local area.”; and

(7) by adding at the end the following:

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

(d) LIMITATIONS.—Section 117(f) (29 U.S.C. 2832(f)) is amended by striking paragraph (2) and inserting the following:

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

(e) CONFLICT OF INTEREST.—Section 117(g)(1) (29 U.S.C. 2832(g)(1)) is amended by inserting “or participate in action taken” after “vote”.
(f) Authority To Establish Councils and Elimination of Requirement for Youth Councils.—Section 117(h) (29 U.S.C. 2832(h)) is amended to read as follows:

“(h) Establishment of Councils.—The local board may establish councils to provide information and advice to assist the local board in carrying out activities under this title. Such councils may include a council composed of one-stop partners to advise the local board on the operation of the one-stop delivery system, a youth council composed of experts and stakeholders in youth programs to advise the local board on activities for youth, and such other councils as the local board determines are appropriate.”.

(g) Alternative Entity Provision.—Section 117 (29 U.S.C. 2832) is amended—

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

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

(3) in subsection (i)(1)—

(A) in the matter preceding subparagraph (A), by striking “, and paragraphs (1) and (2) of subsection (h),”;
(B) by striking subparagraph (B) and inserting the following:

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

(C) by striking subparagraph (C);

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

(E) in subparagraph (C) (as redesignated), by inserting “one or more” before “representatives”.

SEC. 107. LOCAL PLAN.

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

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

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

“(2) a description of the one-stop delivery system to be established or designated in the local area, including a description of how the local board will ensure the continuous improvement of eligible providers of services through the system and ensure that such providers meet the employment needs of local employers and participants;”;

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

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

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

(5) by redesignating paragraph (10) as paragraph (13) and inserting after paragraph (9) the following:

“(10) a description of the strategies and services that will be initiated in the local area to more fully engage all employers, including small employers, in workforce investment activities, to make the workforce investment system more relevant to the needs of area businesses, and to better coordinate workforce investment and economic development efforts, which may include the implementation of innovative initiatives such as incumbent worker training programs, sectoral and industry cluster strategies, regional skills alliance initiatives, career ladder programs, utilization of effective business inter-
mediaries, and other business services and strategies designed to meet the needs of area employers and contribute to the economic well-being of the local area, as determined appropriate by the local board, consistent with the objectives of this title;

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

“(12) how the local area will serve the employment and training needs of individuals with disabilities, consistent with section 188 and Executive Order 13217 (42 U.S.C. 12131 note) including the provision of outreach, intake, assessments, and service delivery, the development of performance measures, the training of staff, and other aspects of accessibility to program services, consistent with sections 504 and 508 of the Rehabilitation Act of 1973; and”.

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

(a) One-Stop Partners.—

(1) Required partners.—Section 121(b)(1)

(29 U.S.C. 2841(b)(1)) is amended—
(A) by striking subparagraph (A) and inserting the following:

“(A) Roles and responsibilities of one-stop partners.—Each entity that carries out a program or activities described in subparagraph (B) shall—

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

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

“(iii) enter into a local memorandum of understanding with the local board relating to the operation of the one-stop system that meets the requirements of subsection (c);
“(iv) participate in the operation of the one-stop system consistent with the terms of the memorandum of understanding, the requirements of this title, and the requirements of the Federal laws authorizing the programs carried out by the entity; and

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

(B) in subparagraph (B)—

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

(ii) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively, and by redesignating clauses (vi) through (xii) as clauses (iv) through (x), respectively;

(iii) in clause (ix) (as so redesignated), by striking “and” at the end;

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

(v) by inserting after clause (x)(as so redesignated) the following:
“(xi) programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), subject to subparagraph (C); and

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

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

“(C) Determination by the Governor.—The program referred to in clauses (xi) and (xii) of subparagraph (B) shall be included as a required partner for purposes of this title in a State unless the Governor of the State notifies the Secretary and the Secretary of Health and Human Services (in the case of the program referred to in clause (xi) of subparagraph (B)), or the Secretary and the Secretary of Agriculture (in the case of the program referred to in clause (xii) of subparagraph (B)) in writing of a determination by the Governor not to include such programs as required partners for purposes of this title in the State.”.
(2) ADDITIONAL PARTNERS.—Section 121(b)(2) (29 U.S.C. 2841(b)(2)) is amended—

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

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

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

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

“(ii) employment and training programs carried out by the Small Business Administration;

“(iii) programs under part D of title IV of the Social Security Act (42 U.S.C. 451 et seq.) (relating to child support enforcement);

“(iv) employment, training, and literacy services carried out by public libraries;
“(v) programs carried out in the local area for individuals with disabilities, including programs carried out by State agencies relating to mental health, mental retardation, and developmental disabilities, State Medicaid agencies, State Independent Living Councils, and Independent Living Centers;

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

“(vii) cooperative extension programs carried out by the Department of Agriculture; and

“(viii) other appropriate Federal, State, or local programs, including programs in the private sector.”.

(b) Local Memorandum of Understanding.—Section 121(c)(2)(A) (29 U.S.C. 2841(c)(2)(A)) is amended to read as follows:

“(A) provisions describing—

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

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

“(iii) methods of referral of individuals between the one-stop operator and the one-stop partners for appropriate services and activities; and

“(iv) the duration of the memorandum of understanding and the procedures for amending the memorandum during the term of the memorandum, and assurances that such memorandum shall be reviewed not less than once every 2-year period to ensure appropriate funding and delivery of services; and”.

(e) Provision of Services.—Section 121 (29 U.S.C. 2841) is further amended—

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

(B) in paragraph (3), by striking “vocational” and inserting “career and technical”; and

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

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

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

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

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

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

“(D) shall provide access to programs and activities carried out by one-stop partners and described in subsection (b); and
“(E) shall provide access to the information described in section 15(e) of the Wagner-Peyser Act (29 U.S.C. 491–2(e)).

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

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

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

“(i) through a network of affiliated sites that can provide one or more of the programs, services, and activities to individuals; and (ii) through a network of eligible one-stop partners—

“(I) in which each partner provides one or more of the programs, services, and activities to such individuals and is accessible at an affiliated site that consists of a physical location or an electronically or technologically linked access point; and
“(II) that assures individuals
that information on the availability of
the work ready services will be avail-
able regardless of where the individ-
uals initially enter the statewide work-
force investment system, including in-
formation made available through an
access point described in subclause
(I).

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

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

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

“(1) IN GENERAL.—

“(A) IN GENERAL.—The State board shall
establish objective procedures and criteria for
periodically certifying one-stop centers for the
purpose of awarding the one-stop infrastructure
funding described in subsection (h).
“(B) CRITERIA.—The criteria for certification under this subsection shall include—

“(i) meeting all of the expected levels of performance for each of the core indicators of performance as outlined in the State plan, according to section 112;

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

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

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

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

“(h) ONE-STOP INFRASTRUCTURE FUNDING.—
“(1) Partner Contributions.—

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

“(B) Determination of Governor.—

“(i) In general.—Subject to subparagraph (C), the Governor, in consultation with the State board, shall determine the portion of funds to be provided under subparagraph (A) by each one-stop partner and in making such determination shall consider the proportionate use of the one-stop centers by each partner, the costs of administration for purposes not related to one-stop centers for each partner, and other relevant factors described in paragraph (3).
“(ii) Special rule.—In those States where the State constitution places policy-making authority that is independent of the authority of the Governor in an entity or official with respect to the funds provided for adult education and literacy activities authorized under title II of this Act and for post-secondary career education activities authorized under the Carl D. Perkins Career and Technical Education Act, the determination described in clause (i) with respect to such programs shall be made by the Governor with the appropriate entity or official with such independent policy-making authority.

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

“(C) LIMITATIONS.—

“(i) Provision from Administrative Funds.—The funds provided under
this paragraph by each one-stop partner
shall be provided only from funds available
for the costs of administration under the
program administered by such partner,
and shall be subject to the limitations with
respect to the portion of funds under such
programs that may be used for administration.

“(ii) Federal Direct Spending
Programs.—Programs that are Federal
direct spending under section 250(c)(8) of
the Balanced Budget and Emergency Def-
cit Control Act of 1985 (2 U.S.C.
900(c)(8)) shall not, for purposes of this
paragraph, be required to provide an
amount in excess of the amount deter-
mined to be equivalent to the proportionate
use of the one-stop centers by such pro-
grams in the State.
“(iii) Native American programs.—Native American programs established under section 166 shall not be subject to the provisions of this subsection. The method for determining the appropriate portion of funds to be provided by such Native American programs to pay for the costs of infrastructure of a one-stop center certified under subsection (g) shall be determined as part of the development of the memorandum of understanding under subsection (c) for the one-stop center and shall be stated in the memorandum.

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

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

“(4) Costs of Infrastructure.—For purposes of this subsection, the term ‘costs of infrastructure’ means the nonpersonnel costs that are necessary for the general operation of a one-stop center, including the rental costs of the facilities, the costs of utilities and maintenance, and equipment (including adaptive technology for individuals with disabilities).

“(i) Other Funds.—

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

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

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

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

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

SEC. 109. ELIGIBLE PROVIDERS OF TRAINING SERVICES.

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

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

“(a) ELIGIBILITY.—

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

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

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

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

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

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

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

“(3) INCLUSION IN LIST OF ELIGIBLE PRO-
VIDERS.—A provider described in subparagraph (A)
or (C) of paragraph (2) shall comply with the criteria and procedures established under this section to be included on the list of eligible providers of training services described in subsection (d)(1). A provider described in paragraph (2)(B) shall be included on the list of eligible providers of training services described in subsection (d)(1) for so long as the provider remains certified by the Department of Labor to carry out the programs described in paragraph (2)(B).

“(b) CRITERIA.—

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

“(A) the performance of providers of training services with respect to the performance measures described in section 136 and other matters for which information is required under paragraph (2) and other appropriate measures of performance outcomes for those participants receiving training services under this subtitle (taking into consideration the characteristics of the population served and relevant economic conditions);
“(B) whether the training programs of such providers relate to occupations that are in demand;

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

“(D) the ability of providers to offer programs that lead to a degree or an industry-recognized certification, certificate, or mastery;

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

“(F) such other factors as the Governor determines are appropriate to ensure the quality of services provided, the accountability of providers, that the one-stop centers will ensure that such providers meet the needs of local employers and participants, and the informed choice of participants under chapter 5.

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

“(A) information on degrees and industry-recognized certifications received by such participants;

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

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

“(D) information on the performance of the provider with respect to the performance measures described in section 136 for such participants (taking into consideration the characteristics of the population served and relevant economic conditions), which may include information specifying the percentage of such participants who entered unsubsidized employment in an occupation related to the program.

“(3) RENEWAL.—The criteria established by the Governor shall also provide for biennial review and renewal of eligibility under this section for providers of training services.
“(4) LOCAL CRITERIA.—A local board in the State may establish criteria in addition to the criteria established by the Governor, or may require higher levels of performance than required under the criteria established by the Governor, for purposes of determining the eligibility of providers of training services to receive funds described in subsection (a) to provide the services in the local area involved.

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

“(c) PROCEDURES.—The procedures established under subsection (a) shall identify the application process for a provider of training services to become eligible to receive funds under section 133(b) for the provision of training services, and identify the respective roles of the State and local areas in receiving and reviewing applications and in making determinations of eligibility based on the criteria established under this section. The procedures shall also establish a process for a provider of training
services to appeal a denial or termination of eligibility under this section that includes an opportunity for a hearing and prescribes appropriate time limits to ensure prompt resolution of the appeal.

“(d) INFORMATION TO ASSIST PARTICIPANTS IN CHOOSING PROVIDERS.—In order to facilitate and assist participants under chapter 5 in choosing providers of training services, the Governor shall ensure that an appropriate list or lists of providers determined eligible under this section in the State, including information regarding the occupations in demand that relate to the training programs of such providers, is provided to the local boards in the State to be made available to such participants and to members of the public through the one-stop delivery system in the State. The accompanying information shall consist of information provided by providers described in subparagraphs (A) and (C) of subsection (a)(2) in accordance with subsection (b) (including information on receipt of degrees and industry-recognized certifications, and costs of attendance, for participants receiving training services under this subtitle in applicable programs) and such other information as the Secretary determines is appropriate. The list and the accompanying information shall be made available to such participants and to mem-
bers of the public through the one-stop delivery system in the State.

“(e) ENFORCEMENT.—

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

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

“(B) SUBSTANTIAL VIOLATIONS.—Upon a determination, by an individual or entity specified in the criteria or procedures, that a provider of training services substantially violated any requirement under this title, the eligibility of such provider to receive funds under the program involved may be terminated, or other appropriate action may be taken.
“(C) Repayment.—A provider of training services whose eligibility is terminated under subparagraph (A) or (B) shall be liable for the repayment of funds received under chapter 5 during a period of noncompliance described in such subparagraph.

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

“(f) Agreements With Other States.—States may enter into agreements, on a reciprocal basis, to permit eligible providers of training services to accept career enhancement accounts provided in another State.

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

“(h) Opportunity To Submit Comments.—During the development of the criteria, procedures, requirements for information, and the list of eligible providers required under this section, the Governor shall provide an opportunity for interested members of the public, including representatives of business and labor organizations, to
submit comments regarding such criteria, procedures, and information.

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

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

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

SEC. 110. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

(a) ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.—

Section 123 (29 U.S.C. 2843) is amended to read as follows:
“SEC. 123. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

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

“(b) EXCEPTIONS.—A local board may award grants or contracts on a sole-source basis if such board determines there are an insufficient number of eligible providers of training services in the local area involved (such as rural areas) for grants to be awarded on a competitive basis under subsection (a).”.

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

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

SEC. 111. YOUTH ACTIVITIES.

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

(1) in subsection (a)(1), by striking “opportunity” and inserting “challenge”; and

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

“(b) ALLOTMENT AMONG STATES.—

“(1) YOUTH ACTIVITIES.—
“(A) Youth Challenge Grants.—

“(i) Reservation of Funds.—Of the amount appropriated under section 137(a) for each fiscal year, the Secretary shall reserve 25 percent to provide youth challenge grants under section 169.

“(ii) Limitation.—Notwithstanding clause (i), if the amount appropriated under section 137(a) for a fiscal year exceeds $1,000,000,000, the Secretary shall reserve $250,000,000 to provide youth challenge grants under section 169.

“(B) Outlying Areas and Native Americans.—

“(i) In General.—After determining the amount to be reserved under subparagraph (A), of the remainder of the amount appropriated under section 137(a) for each fiscal year the Secretary shall—

“(I) reserve not more than 1/4 of one percent of such amount to provide assistance to the outlying areas to carry out youth activities and statewide workforce investment activities; and
“(II) reserve not more than 1
and 1/2 percent of such amount to
provide youth activities under section
166 (relating to Native Americans).

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

“(C) STATES.—

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

“(I) the amount of the remainder
that is less than or equal to the total
amount that was allotted to States for
fiscal year 2012 under section 127(b)(1)(C) of this Act (as in effect on the day before the date of enactment of the Workforce Investment Improvement Act of 2011) in accordance with the requirements of such section 127(b)(1)(C); and

“(II) the amount of the remainder, if any, in excess of the amount referred to in subclause (I) in accordance with clause (ii).

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

“(I) 33 1⁄3 percent shall be allotted on the basis of the relative number of individuals in the civilian labor force who are ages 16 through 19 in each State, compared to the total number of individuals in the civilian labor force who are ages 16 through 19 in all States;

“(II) 33 1⁄3 percent shall be allotted on the basis of the relative num-
ber of unemployed individuals in each
State, compared to the total number
of unemployed individuals in all
States; and

“(III) 33\(\frac{1}{3}\)\ percent shall be allotted on the basis of the relative num-
ber of disadvantaged youth who are
ages 16 through 21 in each State,
compared to the total number of dis-
advantaged youth who are ages 16
through 21 in all States.

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

“(iv) SMALL STATE MINIMUM ALLOT-
MENT.—Subject to clause (iii), the Sec-
retary shall ensure that no State shall re-
ceive an allotment under this paragraph
that is less than \(\frac{3}{10}\) of 1 percent of the
amount available under subparagraph (A).
“(2) DEFINITIONS.—For the purposes of paragraph (1), the following definitions apply:

“(A) ALLOTMENT PERCENTAGE.—The term ‘allotment percentage’, used with respect to fiscal year 2013 or a subsequent fiscal year, means a percentage of the remainder described in paragraph (1)(C)(i) that is received through an allotment made under this subsection for the fiscal year. The term, with respect to fiscal year 2012, means the percentage of the amounts allotted to States under this chapter (as in effect on the day before the date of enactment of the Workforce Investment Improvement Act of 2011) that is received by the State involved for fiscal year 2012.

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

“(3) SPECIAL RULE.—For purposes of the formulas specified in paragraph (1)(C), the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed
Forces from the determination of the number of disad- 
advantaged youth.”;

(3) in subsection (c)—

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

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

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

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

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

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

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

“(4) Eligibility.—For purposes of this subsection, an eligible State means a State which does not have an amount available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made.”; and

(D) in paragraph (5), by striking “obligation” and inserting “accrued expenditure”.

(b) Within State Allocations.—

(1) Reservation for statewide activities.—Section 128(a) is amended to read as follows:

“(a) Reservation for statewide activities.—

“(1) In general.—The Governor of a State shall reserve not more than 10 percent of the amount allotted to the State under section 127(a)(1)(C) for a fiscal year for statewide activities.

“(2) Use of funds.—Regardless of whether the amounts are allotted under section 127(a)(1)(C)
and reserved under paragraph (1) or allotted under section 132 and reserved under section 133(a), the Governor may use the reserved amounts to carry out statewide youth activities under section 129(b) or statewide employment and training activities under section 133.”.

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

“(b) WITHIN STATE ALLOCATION.—

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

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

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

“(2) ESTABLISHED FORMULA.—

“(A) IN GENERAL.—Of the amounts de- 

allocate—

“(i) 33⅓ percent shall be allotted on the basis of the relative number of individ-
uals in the civilian labor force who are ages
16 through 19 in each local area, com-
pared to the total number of individuals in
the civilian labor force who are ages 16
through 19 in all local areas in the State;

“(ii) 33 1/3 percent shall be allotted on
the basis of the relative number of unem-
ployed individuals in each local area, com-
pared to the total number of unemployed
individuals in all local areas in the State;
and

“(iii) 33 1/3 percent on the basis of the
relative number of disadvantaged youth
who are ages 16 through 21 in each local
area, compared to the total number of dis-
advantaged youth who are ages 16 through
21 in all local areas in the State.

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

“(C) DEFINITIONS.—
“(i) Allocation percentage.—For purposes of this paragraph, the term ‘allocation percentage’, used with respect to fiscal year 2013 or a subsequent fiscal year, means a percentage of the amount described in paragraph (1)(A) that is received through an allocation made under this paragraph for the fiscal year. The term, with respect to fiscal year 2012, means the percentage of the amounts allocated to local areas under this chapter (as in effect on the day before the date of enactment of the Workforce Investment Improvement Act of 2011) that is received by the local area involved for fiscal year 2012.

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

“(3) Youth discretionary allocation.—The Governor shall allocate to local areas the amounts described in paragraph (1)(B) in accord-
ance with such demographic and economic factors as the Governor, after consultation with the State board and local boards, determines are appropriate.

“(4) LOCAL ADMINISTRATIVE COST LIMIT.—

“(A) IN GENERAL.—Of the amounts allocated to a local area under this subsection for a fiscal year, not more than 10 percent of the amount may be used by the local boards for the administrative costs of carrying out local workforce investment activities under this chapter or chapter 5.

“(B) USE OF FUNDS.—Funds made available for administrative costs under subparagraph (A) may be used for the administrative costs of any of the local workforce investment activities described in this chapter or chapter 5, regardless of whether the funds were allocated under this subsection or section 133(b).”.

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

(A) in paragraph (1), by striking “paragraph (2)(A) or (3) of”;

(B) by amending paragraph (2) to read as follows:
“(2) AMOUNT.—The amount available for re-
allocation for a program year is equal to the amount
by which the unexpended balance at the end of the
program year prior to the program year for which
the determination is made exceeds 30 percent of the
total amount of funds available to the local area
under this section during such prior program year,
(including amounts allotted to the local area in prior
program years that remain available). For purposes
of this paragraph, the unexpended balance is the
amount that is the difference between—

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

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

(C) in paragraph (3)—

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

“subsection (b)”;

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

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

(iv) by striking the last sentence; and

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

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

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

“(a) YOUTH PARTICIPANT ELIGIBILITY.—

“(1) IN GENERAL.—The individuals participating in activities carried out under this chapter by a local area during any program year shall be individuals who, at the time the eligibility determination is made, are—

“(A) not younger than age 16 or older than age 24; and
“(B) one or more of the following:

“(i) school dropouts;

“(ii) recipients of a secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent (including recognized alternative standards for individuals with disabilities) who are deficient in basic skills and not attending any school;

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

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

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

“(I) Deficient in literacy skills.

“(II) Homeless, runaway, or foster children.

“(III) Pregnant or parents.

“(IV) Offenders.

“(V) Individuals who require additional assistance to complete an educational program, or to secure and hold employment.
“(2) Priority for school dropouts.—A priority in the provision of services under this chapter shall be given to individuals who are school dropouts.

“(3) Consistency with compulsory school attendance laws.—In providing assistance under this section to an individual who is required to attend school under applicable State compulsory school attendance laws, the priority in providing such assistance shall be for the individual to attend school regularly.”.

(d) Statewide Youth Activities.—Section 129(b) (29 U.S.C. 2854(b)) is amended to read as follows:

“(b) Statewide Activities.—

“(1) In general.—Funds reserved by a Governor for a State as described in sections 128(a) and 133(a)(1) may be used for statewide activities including—

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

“(B) supporting the provision of work ready services described in section 134(c)(2) in the one-stop delivery system;
“(C) conducting evaluations under section 136(e) of activities authorized under this chapter and chapter 5 in coordination with evaluations carried out by the Secretary under section 172, research, and demonstration projects;

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

“(E) providing technical assistance and capacity building to local areas, one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the development of exemplary program activities, and the provision of technical assistance to local areas that fail to meet local performance measures;

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

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

“(3) PROHIBITION.—No funds described in this subsection or in section 134(a) may be used to develop or implement education curricula for school systems in the State.”

(e) LOCAL ELEMENTS AND REQUIREMENTS.—

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

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

(B) in subparagraph (B), by inserting “are directly linked to one or more of the performance measures relating to this chapter under section 136, and that” after “for each participant that”; and

(C) in subparagraph (C)—

(i) by redesignating clauses (i) through (iv) as clauses (ii) through (v), respectively;

(ii) by inserting before clause (ii) (as so redesignated) the following:
“(i) activities leading to the attainment of a secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent (including recognized alternative standards for individuals with disabilities);”;

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

(iv) in clause (iii) (as so redesignated), by inserting “that lead to the attainment of recognized credentials” after “learning”; and

(v) by amending clause (v) (as so redesignated) to read as follows:

“(v) effective connections to employers, including small employers, in sectors of the local and regional labor markets experiencing high growth in employment opportunities.”; and

(D) provide assistance and support to out-of-school youth who lack the skill level to obtain employment.
(2) Program Elements.—Section 129(c)(2) (29 U.S.C. 2854(e)(2)) is amended—

(A) in subparagraph (A), by striking “secondary school, including dropout prevention strategies” and inserting “secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent (including recognized alternative standards for individuals with disabilities), including dropout prevention strategies”;

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

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

(D) by adding at the end the following:

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

“(L) financial literacy skills.”.

(3) Additional Requirements.—Section 129(c)(3)(A) (29 U.S.C. 2854(e)(3)(A)) is amended in the matter preceding clause (i) by striking “or applicant who meets the minimum income criteria to be considered an eligible youth”.

(4) Priority and Exceptions.—Section 129(e) (29 U.S.C. 2854(e)) is further amended—
(A) by striking paragraphs (4) and (5) and redesignating paragraphs (6) through (8) as paragraphs (4) through (6), respectively; and

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

SEC. 112. PROGRAMS FOR ADULTS AND DISLOCATED WORKERS.

(a) TITLE AMENDMENT.—

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

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

(2) CLERICAL AMENDMENT.—The table of contents in section 1(b) is amended by amending the item related to the heading for chapter 5 to read as follows:

“Chapter 5—Employment and Training Activities for Adults and Dislocated Workers”.

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

(c) STATE ALLOTMENTS.—Section 132 (29 U.S.C. 2862) is amended—
(1) by amending subsection (a) to read as follows:

“(a) IN GENERAL.—The Secretary shall—

“(1) reserve 5 percent of the amount appropriated under section 137 for a fiscal year, of which—

“(A) not less than 85 percent shall be used for national dislocated worker grants under section 173;

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

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

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

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

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

“(1) RESERVATION FOR OUTLYING AREAS.—
“(A) IN GENERAL.—From the amount made available under subsection (a)(2) for a fiscal year, the Secretary shall reserve not more than 1⁄4 of 1 percent to provide assistance to outlying areas to carry out employment and training activities for adults, dislocated workers, and statewide workforce investment activities.

“(B) RESTRICTION.—The Republic of Palau shall cease to be eligible to receive funding under this paragraph upon entering into an agreement for extension of United States educational assistance under the Compact of Free Association (approved by the Compact of Free Association Amendments Act of 2003 (Public Law 108–188)) after the date of enactment of the Workforce Investment Improvement Act of 2011.

“(2) STATES.—Subject to paragraph (5), of the remainder of the amount referred to under subsection (a)(2) for a fiscal year that is available after determining the amount to be reserved under paragraph (1), the Secretary shall allot to the States for employment and training activities for adults, dislocated workers, and statewide workforce investment activities—
“(A) 26 percent in accordance with paragraph (3); and

“(B) 74 percent in accordance with paragraph (4).

“(3) BASE FORMULA.—

“(A) FISCAL YEAR 2013.—

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

“(ii) EXCESS AMOUNTS.—If the amount referred to in paragraph (2)(A) for fiscal year 2013 exceeds the amount that was available for allotment to the States under the Wagner-Peyser Act for fiscal year 2012, such excess amount shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of individuals in the civilian labor force in all States, adjusted to ensure that no State receives less than \(\frac{3}{10}\) of one percent of such excess amount.
“(iii) Definition.—For purposes of this subparagraph, the term ‘allotment percentage’ means the percentage of the amounts allotted to States under section 6 of the Wagner-Peyser Act that is received by the State involved for fiscal year 2012.

“(B) Fiscal years 2014 and thereafter.—

“(i) In general.—Subject to clause (ii), the amount referred to in paragraph (2)(A) shall be allotted for fiscal year 2014 and each fiscal year thereafter on the basis of the allotment percentage of each State under this paragraph for the preceding fiscal year.

“(ii) Excess amounts.—If the amount referred to in paragraph (2)(A) for fiscal year 2014 or any fiscal year thereafter exceeds the amount that was available for allotment under this paragraph for the prior fiscal year, such excess amount shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of individuals in the civilian labor
force in all States, adjusted to ensure that no State receives less than \( \frac{3}{10} \) of one percent of such excess amount.

“(iii) DEFINITION.—For purposes of this subparagraph, the term ‘allotment percentage’ means the percentage of the amounts allotted to States under this paragraph in a fiscal year that is received by the State involved for such fiscal year.

“(4) FORMULA.—

“(A) IN GENERAL.—Subject to subparagraphs (B) and (C), of the amount referred to in paragraph (2)(B)—

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

“(ii) 25 percent shall be allotted on the basis of the relative excess number of unemployed individuals in each State, compared to the total excess number of unemployed individuals in all States; and

“(iii) 15 percent shall be allotted on the basis of the relative number of dis-
advantaged adults in each State, compared
to the total number of disadvantaged
adults in all States.

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

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

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

“(C) SMALL STATE MINIMUM ALLOT-
MENT.—Subject to subparagraph (B), the Sec-
retary shall ensure that no State shall receive
an allotment under this paragraph that is less
than $\frac{3}{10}$ of 1 percent of the amount available
under subparagraph (A).
“(D) DEFINITIONS.—For the purposes of this paragraph:

“(i) ALLOTMENT PERCENTAGE.—The term ‘allotment percentage’, used with respect to fiscal year 2013 or a subsequent fiscal year, means a percentage of the amounts described in paragraph (2)(B) that is received through an allotment made under this paragraph for the fiscal year. The term, with respect to fiscal year 2012, means the percentage of the amounts allotted to States under this chapter (as in effect on the day before the date of enactment of the Workforce Investment Improvement Act of 2011) and under reemployment service grants received by the State involved for fiscal year 2012.

“(ii) DISADVANTAGED ADULT.—The term ‘disadvantaged adult’ means an individual who is age 22 through 72 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.
“(iii) EXCESS NUMBER.—The term ‘excess number’ means, used with respect to the excess number of unemployed individuals within a State, the number that represents the number of unemployed individuals in excess of 4 1/2 percent of the civilian labor force in the State.

“(5) ADJUSTMENTS IN ALLOTMENTS BASED ON DIFFERENCES WITH UNCONSOLIDATED FORMULAS.—

“(A) IN GENERAL.—The Secretary shall ensure that for any fiscal year no State has an allotment difference, as defined in subparagraph (C), that is less than zero. The Secretary shall adjust the amounts allotted to the States under this subsection in accordance with subparagraph (B) if necessary to carry out this subparagraph.

“(B) ADJUSTMENTS IN ALLOTMENTS.—

“(i) REDISTRIBUTION OF EXCESS AMOUNTS.—

“(I) IN GENERAL.—If necessary to carry out subparagraph (A), the Secretary shall reduce the amounts that would be allotted under para-
graphs (3) and (4) to States that have
an excess allotment difference, as de-
fined in subclause (II), by the amount
of such excess, and use such amounts
to increase the allotments to States
that have an allotment difference less
than zero.

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

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

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

“(ii) USE OF AMOUNTS AVAILABLE
UNDER NATIONAL RESERVE ACCOUNT.—If
the funds available under clause (i) are insufficient to carry out subparagraph (A), the Secretary shall use funds reserved under section 132(a) in such amounts as are necessary to increase the allotments to States to meet the requirements of subparagraph (A). Such funds shall be used in the same manner as the States use the other funds allotted under this subsection.

“(C) DEFINITION OF ALLOTMENT DIFFERENCE.—

“(i) IN GENERAL.—For purposes of this paragraph, the term ‘allotment difference’ means the difference between—

“(I) the total amount a State would receive of the amounts available for allotment under subsection (b)(2) for a fiscal year pursuant to paragraphs (3) and (4); and

“(II) the total amount the State would receive of the amounts available for allotment under subsection (b)(2) for the fiscal year if such amounts were allotted pursuant to the unconsolidated formulas (applied as de-
scribed in clause (iii)) that were used
in allotting funds for fiscal year 2012.

“(ii) UNCONSOLIDATED FORMULAS.—
For purposes of clause (i), the unconsoli-
dated formulas are:

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

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

“(III) The requirements for the
allotment of funds to the States that
were contained in section 6 of the Wagner-Peyser Act (as in effect on the day before the date of enactment of the Workforce Investment Improvement Act of 2011) that were applicable to the allotment of funds under such Act for fiscal year 2012.

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

“(iii) Proportionate Application of Unconsolidated Formulas Based on Fiscal Year 2012.—In calculating the amount under clause (i)(II), each of the unconsolidated formulas identified in clause (ii) shall be applied, respectively, only to the proportionate share of the total amount of funds available for allotment under subsection (b)(2) for a fiscal year that is equal to the proportionate share to which each of the unconsolidated formulas
applied with respect to the total amount of funds allotted to the States under all of the unconsolidated formulas in fiscal year 2012.

“(iv) Rule of Construction.—The amounts used to adjust the allotments to a State under subparagraph (B) for a fiscal year shall not be included in the calculation of the amounts under clause (i) for a subsequent fiscal year, including the calculation of allocation percentages for a preceding fiscal year applicable to paragraphs (3) and (4) and to the unconsolidated formulas described in clause (ii).”; and

(3) in subsection (e)—

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

“(2) Amount.—The amount available for reallocation for a program year is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the State under this section during such prior program year (includ-
ing amounts allotted to the State in all prior pro-
gram years that remained available). For purposes
of this paragraph, the expended balance is the
amount that is the difference between—

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

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

(B) in paragraph (3)—

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

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

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

“(4) ELIGIBILITY.—For purposes of this sub-
section, an eligible State means a State that does
not have an amount available for reallocation under
paragraph (2) for the program year for which the
determination under paragraph (2) is made.”; and
(D) in paragraph (5), by striking “obliga-
tion” and inserting “accrued expenditure”.

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

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

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

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

“(b) ALLOCATIONS TO LOCAL AREAS.—

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

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

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

“(2) ESTABLISHED FORMULA.—
“(A) IN GENERAL.—Of the amounts described in paragraph (1)(A), the Governor shall allocate—

“(i) 60 percent on the basis of the relative number of unemployed individuals in each local area, compared to the total number of unemployed individuals in all local areas in the State;

“(ii) 25 percent on the basis of the relative excess number of unemployed individuals in each local area, compared to the total excess number of unemployed individuals in all local areas in the State; and

“(iii) 15 percent shall be allotted on the basis of the relative number of disadvantaged adults in each local area, compared to the total number of disadvantaged adults in all local areas in the State.

“(B) MINIMUM AND MAXIMUM PERCENTAGES.—The Governor shall ensure that no local area shall receive an allocation for a fiscal year under this paragraph that is less than 90 percent or greater than 130 percent of the allocation percentage of the local area for the preceding fiscal year.
“(C) Definitions.—

“(i) Allocation percentage.—The term ‘allocation percentage’, used with respect to fiscal year 2013 or a subsequent fiscal year, means a percentage of the amount described in paragraph (1)(A) that is received through an allocation made under this paragraph for the fiscal year. The term, with respect to fiscal year 2012, means the percentage of the amounts allocated to local areas under this chapter (as in effect on the day before the date of enactment of the Workforce Investment Improvement Act of 2011) that is received by the local area involved for fiscal year 2012.

“(ii) Disadvantaged adult.—The term ‘disadvantaged adult’ means an individual who is age 22 through 72 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.

“(iii) Excess number.—The term ‘excess number’ means, used with respect to the excess number of unemployed indi-
viduals within a local area, the number
that represents the number of unemployed
individuals in excess of 4.5 percent of the
civilian labor force in the local area.

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

“(4) LOCAL ADMINISTRATIVE COST LIMIT.—

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

“(B) USE OF FUNDS.—Funds made avail-
able for administrative costs under subpara-
graph (A) may be used for the administrative
costs of any of the local workforce investment
activities described in this chapter or chapter 4, regardless of whether the funds were allocated under this subsection or section 128(b).”;

(3) in subsection (c)—

(A) in paragraph (1), by striking “paragraph (2)(A) or (3) of”;

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

“(2) AMOUNT.—The amount available for reallocation for a program year is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the local area under this section during such prior program year (including amounts allotted to the local area in prior program years that remain available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

“(A) the total amount of funds available to the local area under this section during the program year prior to the program year for which the determination is made (including amounts allocated to the local area in all prior program years that remained available); and
“(B) the accrued expenditures during such prior program year.”;

(C) by amending paragraph (3)—

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

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

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

(iv) by striking the last sentence; and

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

“(4) ELIGIBILITY.—For purposes of this subsection, an eligible local area means a local area which does not have an amount available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made.”.

(e) USE OF FUNDS FOR EMPLOYMENT AND TRAINING ACTIVITIES.—
(1) **Statewide employment and training activities.**—Section 134(a) (29 U.S.C. 2864(a)) is amended to read as follows:

“(1) **In general.**—

“(A) **Required use of funds.**—Not less than 60 percent of the funds reserved by a Governor under section 133(a) shall be used to support one-stop delivery systems and the provision of work ready services, and, in addition, may be used to support the provision of discretionary one-step delivery services, in local areas, consistent with the local plan, through one-stop delivery systems by distributing funds to local areas in accordance with subparagraph (B).

Such funds may be used by States to employ State personnel to provide such services in designated local areas in consultation with local boards.

“(B) **Method of distributing funds.**—The method of distributing funds under this paragraph shall be developed in consultation with the State board and local boards.

Such method of distribution, which may include the formula established under section 121(h)(3), shall be objective and geographically
equitable, and may include factors such as the number of centers in the local area that have been certified, the population served by such centers, and the performance of such centers.

“(C) Other use of funds.—Funds reserved by a Governor for a State—

“(i) under section 133(a) and not used under subparagraph (A), may be used for statewide activities described in paragraph (2); and

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

“(2) Statewide rapid response activities.—A State shall carry out statewide rapid response activities using funds reserved as described in section 133(a). Such activities shall include—

“(A) provision of rapid response activities, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials in the local areas; and
“(B) provision of additional assistance to local areas that experience disasters, mass layoffs or plant closings, or other events that precipitate substantial increases in the number of unemployed individuals, carried out in local areas by the State, working in conjunction with the local boards and the chief elected officials in the local areas.

“(3) STATEWIDE ACTIVITIES.—Funds reserved by a Governor for a State as described in sections 133(a) and 128(a) may be used for statewide activities including—

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

“(B) implementing innovative programs and strategies designed to meet the needs of all businesses in the State, including small businesses, which may include incumbent worker training programs, sectoral and industry cluster strategies and partnerships, including regional skills alliances, sectoral skills partnerships (in which representatives of multiple employers for a specific industry sector or group of related occupations, economic development agencies, pro-
providers of training services described in subsection (c)(4), labor federations, and other entities that can provide needed supportive services tailored to the needs of workers in that sector or group, for a local area or region, identify gaps between the current and expected demand and supply of labor and skills in that sector or group for that area or region and develop a strategic skills gap action plan), career ladder programs, micro-enterprise and entrepreneurial training and support programs, utilization of effective business intermediaries, activities to improve linkages between the one-stop delivery system in the State and all employers (including small employers) in the State, and other business services and strategies that better engage employers in workforce investment activities and make the workforce investment system more relevant to the needs of State and local businesses, consistent with the objectives of this title;

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

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

“(E) providing technical assistance and capacity building to local areas, one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the development of exemplary program activities, and the provision of technical assistance to local areas that fail to meet local performance measures;

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

“(G) carrying out monitoring and oversight of activities carried out under this chapter and chapter 4;

“(H) implementing innovative programs, such as incumbent worker training programs, programs and strategies designed to meet the
needs of businesses in the State, including small
businesses, and engage employers in workforce
activities, and programs serving individuals
with disabilities consistent with section 188;
“(I) developing strategies for effectively
serving hard-to-serve populations and for inte-
grating programs and services among one-stop
partners; and
“(J) carrying out activities to facilitate re-
 mote access to services provided through a one-
 stop delivery system, including facilitating ac-
 cess through the use of technology.
“(4) LIMITATION.—Not more than 5 percent of
the funds allotted under section 132(b) shall be used
by the State for administrative activities carried out
under this subsection and section 128(a).”.
(2) LOCAL EMPLOYMENT AND TRAINING AC-
TIVITIES.—Section 134(b) (29 U.S.C. 2864(b)) is
amended—
(A) by striking “under paragraph (2)(A)”
and all that follows through “section
133(b)(2)(B)” and inserting “under section
133(b)”; and
(B) in paragraphs (1) and (2), by striking “or dislocated workers, respectively” and inserting “and dislocated workers”.

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

(A) by striking subsection (c); and

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

(4) REQUIRED LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—

(A) ALLOCATED FUNDS.—Section 134(c)(1) (29 U.S.C. 2864(c)(1)) (as so redesignated) is amended to read as follows:

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

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

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

“(C) to provide training services described in paragraph (4) to adults described in such paragraph; and
“(D) to designate a dedicated business liaison in the local area who may be funded with funds provided under this title or from other sources to establish and develop relationships and networks with large and small employers and their intermediaries.”.

(B) WORK READY SERVICES.—Section 134(c)(2) (29 U.S.C. 2864(c)(2)) (as so redesignated) is amended—

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

(ii) by striking “core services” and inserting “work ready services”;  

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

(iv) in subparagraph (A), by inserting “and assistance in obtaining eligibility determinations under the other one-stop partner programs through such activities as assisting in the submission of applications, the provision of information on the results of such applications, the provision of intake services and information, and, where appropriate and consistent with the
authorizing statute of the one-stop partner program, determinations of eligibility” after “subtitle”; 

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

“(D) labor exchange services, including—

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

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

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

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


(vii) in subparagraph (I), by inserting “and the administration of the work test for the unemployment compensation system” after “compensation”;

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

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

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

(x) by inserting the following new subparagraphs after subparagraph (J):

“(K) the provision of information from official publications of the Internal Revenue Service, regarding Federal tax credits available to individuals relating to education, job training and employment, including the Hope Scholarship Credit and the Lifetime Learning Credit (26 U.S.C. 25A), and the Earned Income Tax Credit (26 U.S.C. 32);

“(L) services relating to the Work Opportunity Tax Credit (26 U.S.C. 51);
“(M) comprehensive and specialized assessments of the skill levels and service needs of adults and dislocated workers, which may include—

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

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

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

“(O) group counseling;

“(P) individual counseling and career planning;

“(Q) case management;

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

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

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

(C) Delivery of services.—Section 134(c)(3) (29 U.S.C. 2864(c)(3)) (as so redesignated) is amended to read as follows:

“(3) Delivery of services.—The work ready services described in section 132(c)(2) shall be provided through the one-stop delivery system and may be provided through contracts with public, private for-profit, and private nonprofit service providers, approved by the local board.”.

(D) Training services.—Section 134(c)(4) (29 U.S.C. 2864(c)(4)) (as so redesignated) is amended—

(i) by amending subparagraph (A) to read as follows:
“(A) IN GENERAL.—Funds allocated to a local area under section 133(b) shall be used to provide training services to adults who—

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

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

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

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

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

“(iv) who are determined eligible in accordance with the priority system in effect under subparagraph (E).”;}
(ii) in subparagraph (B)(i), by striking “Except” and inserting “Notwithstanding section 479B of the Higher Education Act of 1965 (20 U.S.C. 1087uu) and except”;

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

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

“(i) occupational skills training;

“(ii) on-the-job training;

“(iii) skill upgrading and retraining;

“(iv) entrepreneurial training;

“(v) education activities leading to a high school diploma or its equivalent, including a General Educational Development credential, in combination with, concurrently or subsequently, occupational skills training;

“(vi) adult education and literacy activities provided in conjunction with other training authorized under this subparagraph;
“(vii) workplace training combined with related instruction; and

“(viii) occupational skills training that incorporates English language acquisition.”;

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

“(E) PRIORITY.—

“(i) IN GENERAL.—A priority shall be given to unemployed individuals and employed workers who need training services to retain employment or to advance in a career for the provision of work ready and training services under this subsection.

“(ii) DETERMINATIONS.—The Governor and the appropriate local board shall direct the one-stop operators in the local area with regard to making determinations with respect to the priority of service under this subparagraph.”;

(v) in subparagraph (F)—

(I) in clause (ii)—

(aa) in the matter preceding clause (I), by striking “sub-
section (c)” and inserting “section 121”; and

(bb) in clause (II), by striking “subsections (e) and (h)” and inserting “subsection (i)”;

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

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

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

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

(vi) in subparagraph (G)—

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

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

(III) in clause (ii)—

(aa) by striking “an indi-

dividual training account” and in-
serting “a career enhancement account”;

(bb) in subclause (II), by striking “individual training accounts” and inserting “career enhancement accounts”;

(ce) in subclause (II) by striking “or” after the semicolon;

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

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

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

(IV) in clause (iv)—

(aa) by redesignating subclause (IV) as subclause (V) and inserting after subclause (III) the following:
“(IV) Individuals with disabilities.”.

(5) PERMISSIBLE ACTIVITIES.—Section 134(d) (as so redesignated) (29 U.S.C. 2864(d)) is amended—

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

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

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

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

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

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

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

“(v) activities to improve services to local employers, including small employers in the local area, and increase linkages between the local workforce investment system and employers;

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

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

“(I) may be provided through effective business intermediaries working in conjunction with the local board, and may also be provided on a fee-for-service basis or through the leveraging of economic development
and other resources as determined ap-
propriate by the local board; and

“(II) may include—

“(aa) identifying and dis-
seminating to business, edu-
cators, and job seekers, informa-
tion related to the workforce, eco-
omic and community develop-
ment needs, and opportunities of
the local economy;

“(bb) development and deliv-
ery of innovative workforce in-
vestment services and strategies
for area businesses, which may
include sectoral, industry cluster,
regional skills alliances, career
ladder, skills upgrading, skill
standard development and certifi-
cation, apprenticeship, and other
effective initiatives for meeting
the workforce investment needs
of area employers and workers;

“(cc) participation in semi-
nars and classes offered in part-
nership with relevant organiza-
tions focusing on the workforce-related needs of area employers and job seekers;

“(dd) training consulting, needs analysis, and brokering services for area businesses, including the organization and aggregation of training (which may be paid for with funds other than those provided under this title), for individual employers and coalitions of employers with similar interests, products, or workforce needs;

“(ee) assistance to area employers in the aversion of layoffs and in managing reductions in force in coordination with rapid response activities;

“(ff) the marketing of business services offered under this title, to appropriate area employers, including small and mid-sized employers;
“(gg) information referral on concerns affecting local employers; and

“(hh) other business services and strategies designed to better engage employers in workforce investment activities and to make the workforce investment system more relevant to the workforce investment needs of area businesses, as determined by the local board to be consistent with the objectives of this title.

“(B) Work support activities for low-wage workers.—

“(i) In general.—Funds allocated to a local area under 133(b) may be used to provide, through the one-stop delivery system and in collaboration with the appropriate programs and resources of the one-stop partners, work support activities designed to assist low-wage workers in retaining and enhancing employment. The one stop partners shall coordinate the appropriate programs and resources of the
partners with the activities and resources
provided under this subparagraph.

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

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

(C) by adding at the end the following:

“(4) Incumbent Worker Training Pro-
grams.—

“(A) In general.—The local board may
use up to 10 percent of the funds allocated to
a local area under section 133(b) to carry out
incumbent worker training programs in accordance with this paragraph.

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

“(C) EMPLOYER MATCH REQUIRED.—

“(i) IN GENERAL.—Employers participating in programs under this paragraph shall be required to pay a proportion of the costs of providing the training to the incumbent workers of the employers. The State board, in consultation with the local board as appropriate, shall establish the required portion of such costs, which may include in-kind contributions. The required portion shall not be less than—

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

“(II) 25 percent of the costs, for employers with more than 50 employ-
ees but fewer than 100 employees;

and

“(III) 50 percent of the costs, for employers with 100 or more employees.

“(ii) Calculation of match.—The wages paid by an employer to a worker while they are attending training may be included as part of the requirement payment of the employer.”.

(6) Priority for placement in private sector jobs.—Section 134 (29 U.S.C. 2864) is further amended by adding at the end the following:

“(e) Priority for placement in private sector jobs.—In providing employment and training activities authorized under this section, the State and local board shall give priority to placing participants in jobs in the private sector.”.

SEC. 113. PERFORMANCE ACCOUNTABILITY SYSTEM.

(a) State Performance Measures.—

(1) In general.—Section 136(b)(1) (29 U.S.C. 2871(b)(1)) is amended—

(A) in subparagraph (A)(i), by striking “and the customer satisfaction indicator of performance described in paragraph (2)(B)”;

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

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

(A) in subparagraph (A)(i)—

(i) by striking “(except for self-service and information activities) and (for participants who are eligible youth age 19 through 21) for youth activities authorized under section 129”;

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

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

“(III) average earnings from unsubsidized employment.”;

(B) by striking subclause (IV) of subparagraph (A)(i);

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

“(ii) CORE INDICATORS FOR ELIGIBLE YOUTH.—The core indicators of perform-
ance for youth activities authorized under section 129 shall consist of—

“(I) entry into employment, education or advanced training, or military service;

“(II) attainment of secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent or certificate (including recognized alternative standards for individuals with disabilities); and

“(III) literacy or numeracy gains.”;

(D) by striking subparagraph (B); and

(E) by redesignating subparagraph (C) as subparagraph (B), and by adding at the end of such subparagraph the following new sentence:

“Such indicators may include customer satisfaction of employers and participants with services received from the workforce investment activities authorized under this subtitle.”.

(3) LEVELS OF PERFORMANCE.—Section 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amended—
(A) in clause (i), by striking “and the cus-
tomer satisfaction indicator described in para-
graph (2)(B)”;

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

(C) in clause (iii)—

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

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

(D) in clause (iv)—

(i) by striking subclause (I);

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

(iii) in subclause (I) (as so redesig-
nated)—

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

(II) by inserting “, such as un-
employment rates and job losses or
gains in particular industries” after “economic conditions”; and

(III) by inserting “, such as indicators of poor work history, lack of work experience, dislocation from high-wage employment, low levels of literacy or English proficiency, disability status, including the number of veterans with disabilities, and welfare dependency” after “program”; 

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

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

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

(ii) striking “or (v)”.

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

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

(1) in paragraph (1)(A)(i), by striking “, and the customer satisfaction indicator of performance described in subsection (b)(2)(B),”;
(2) in paragraph (1)(A)(ii), by striking “sub-
section (b)(2)(C)” and inserting “subsection
(b)(2)(B)”; and

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

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

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

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

(2) in paragraph (2)—
(A) in subparagraph (A), by striking “section 134(d)(4)” and inserting “section 134(c)(4)”;

(B) in subparagraph (E), by striking “(excluding participants who received only self-service and informational activities); and” and inserting a semicolon;

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

(D) by adding at the end the following:

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

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

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

(3) by adding at the end the following:

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

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

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

and

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

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

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

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

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

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

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

“(A) IN GENERAL.—From funds appropriated under section 174, the Secretary may award incentive grants to States for exemplary performance in carrying programs under chapters 4 and 5 of this subtitle. Such awards may be based on States meeting or exceeding the performance measures established under this section, on the performance of the State in serving special populations, including the levels of service provided and the performance outcomes, and such other factors relating to the performance of the State under this title as the Secretary determines is appropriate.

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

“(i) activities that provide technical assistance to local areas to replicate best practices for workforce and education programs;

“(ii) activities that support the needs of businesses, especially for incumbent
workers and enhancing opportunities for retention and advancement;

“(iii) activities that support linkages between the workforce and education programs, and secondary, post-secondary, or career and technical education programs, including activities under the Carl D. Perkins Career and Technical Education Act (20 U.S.C. 2301 et seq.), the Adult Education and Family Literacy Act (20 U.S.C. 9201 et seq.), and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

“(iv) activities that support regional economic development plans that support high-wage, high-skill, or high-demand occupations leading to self-sufficiency;

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

“(vi) activities that support the development of an integrated performance information system that includes common measures for one-stop partner programs described in section 121;
“(vii) activities that support activities to improve performance in workforce and education programs and program coordination of workforce and education programs; or

“(viii) activities that leverage additional training resources, other than those provided through workforce and education programs, for adults and youth.

“(2) INCENTIVE GRANTS FOR LOCAL AREAS.—

“(A) IN GENERAL.—From funds reserved under sections 128(a) and 133(a), the Governor may award incentive grants to local areas for exemplary performance with respect to the measures established under this section and with the performance of the local area in serving special populations, including the levels of service and the performance outcomes.

“(B) USE OF FUNDS.—The funds awarded to a local area may be used to carry out activities authorized for local areas under chapters 4 and 5 of this title, the Adult Education and Family Literacy Act, and the Rehabilitation Act of 1973 (referred to in this subsection as ‘workforce and education programs’), and such inno-
operative projects or programs that increase coordination and enhance service to participants in such programs, particularly hard-to-serve populations, as may be approved by the Governor, including—

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

“(ii) activities that support linkages between the workforce and education programs, and secondary, post-secondary, or career and technical education programs, including activities under the Carl D. Perkins Career and Technical Education Act (20 U.S.C. 2301 et seq.), the Adult Education and Family Literacy Act (20 U.S.C. 9201 et seq.), and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

“(iii) activities that support regional economic development plans that support high-wage, high-skill, or high-demand occupations leading to self-sufficiency;

“(iv) activities that coordinate the workforce and education programs with
other Federal and State programs related
to the workforce and education programs;

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

“(vi) activities that support activities
to improve performance in workforce and
education programs and program coordina-
tion of workforce and education programs;
or

“(vii) activities that leverage addi-
tional training resources, other than those
provided through workforce and education
programs, for adults and youth.”.

(g) Use of Core Indicators for Other Pro-
grams.—Section 136 (29 U.S.C. 2871) is further amend-
ed by adding at the end the following subsection:

“(j) Use of Core Indicators for Other Pro-
grams.—In addition to the programs carried out under
chapters 4 and 5, and consistent with the requirements
of the applicable authorizing laws, the Secretary shall use
the core indicators of performance described in subsection
(b)(2)(A) to assess the effectiveness of the programs de-
scribed under section 121(b)(1)(B) that are carried out by the Secretary.”.

(h) Repeal of Definitions.—Sections 502 and 503 (and the items related to such sections in the table of contents) are repealed.

SEC. 114. AUTHORIZATION OF APPROPRIATIONS.

(a) Youth Activities.—Section 137(a) (29 U.S.C. 2872(a)) is amended by striking “such sums as may be necessary for each of fiscal years 1999 through 2003” and inserting “such sums as may be necessary for each of fiscal year 2013 through 2017”.

(b) Adult Employment and Training Activities.—Section 137(b) (29 U.S.C. 2872(b)) is amended by striking “section 132(a)(1), such sums as may be necessary for each of fiscal years 1999 through 2003” and inserting “section 132(a), such sums as may be necessary for each of fiscal years 2013 through 2017”.

(c) Dislocated Worker Employment and Training Activities.—Section 137 is further amended by striking subsection (e).

SEC. 115. JOB CORPS.

(a) Job Corps Centers.—Section 147(a)(1)(A) (29 U.S.C. 2887 (a)(1)(A)) is amended—

(1) by striking “vocational education” and inserting “career and technical education”; and
(2) by striking “vocational school” and inserting “career and technical school”.

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

(1) in subsection (a)—

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

“(1) IN GENERAL.—Each Job Corps center shall provide enrollees with an intensive, well organized, and fully supervised program of education, career training, work experience, recreational activities, physical rehabilitation and development, and counseling. Each Job Corps center shall provide enrollees assigned to the center with access to work ready services described in section 134(c)(2).”; and

(B) in subparagraph (2)(A), by striking “vocational” and inserting “career”; and

(2) in subsection (b)—

(A) in the header, by striking “VOCATIONAL” and inserting “CAREER AND TECHNICAL”;

(B) by striking “vocational training” and inserting “career and technical training”; and
(C) by striking “, vocational educational institutions, or technical institutes” and inserting “or career and technical institutions.”

(e) INDUSTRY COUNCILS.—Section 154(b) (29 U.S.C. 2894(b)) is amended—

(1) in paragraph (1)(A), by striking “local and distant”; and

(2) by adding after paragraph (2) the following:

“(3) EMPLOYERS OUTSIDE OF LOCAL AREAS.—The industry council may include, or otherwise provide for consultation with, employers from outside the local area who are likely to hire a significant number of enrollees from the Job Corps center.

“(4) SPECIAL RULE FOR SINGLE LOCAL AREA STATES.—In the case of a single local area State designated under section 116(b), the industry council shall include a representative of the State Board.”.

(d) INDICATORS OF PERFORMANCE AND ADDITIONAL INFORMATION.—Section 159(c) (29 U.S.C. 2893(c)) is amended—

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

“(1) CORE INDICATORS.—The Secretary shall annually establish expected levels of performance for
Job Corps centers and the Job Corps program relating to each of the following core indicators of performance for youth—

“(A) entry into education, employment, military service or advanced training;

“(B) attainment of a secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent; and

“(C) literacy or numeracy gains.”; and

(2) in paragraph (2), by striking “measures” each place it appears and inserting “indicators”.


(f) Repeal of Requirement Relating to Federal Administration.—Section 102 of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 (Public Law 109–149) is repealed.

SEC. 116. NATIVE AMERICAN PROGRAMS.

(a) Advisory Council.—Section 166(h)(4)(C) (29 U.S.C. 2911(h)(4)(C)) is amended to read as follows:

“(C) Duties.—The Council shall advise the Secretary on the operation and administra-
tion of the programs assisted under this section.”.

(b) ASSISTANCE TO AMERICAN SAMOANS IN HAWAII.—Section 166 (29 U.S.C. 2911) is further amended by striking subsection (j).

SEC. 117. MIGRANT AND SEASONAL FARM WORKER PROGRAMS.

Section 167(d) is amended by inserting “(including permanent housing)” after “housing”.

SEC. 118. VETERANS’ WORKFORCE INVESTMENT PROGRAMS.

Section 168(a)(3)(C) (29 U.S.C. 2913(a)(3)(C)) is amended by striking “section 134(c)” and inserting “section 121(e)”.

SEC. 119. YOUTH CHALLENGE GRANTS.

(a) In General.—Section 169 (29 U.S.C. 2914) is amended to read as follows:

“SEC. 169. YOUTH CHALLENGE GRANTS.

“(a) In General.—Of the amounts reserved by the Secretary under section 127(a)(1)(A) for a fiscal year—

“(1) the Secretary shall use not less than 80 percent to award competitive grants under subsection (b); and
“(2) the Secretary may use not more than 20
percent to award discretionary grants under sub-
section (c).
“(b) COMPETITIVE GRANTS TO STATES AND LOCAL
AREAS.—
“(1) ESTABLISHMENT.—From the funds de-
scribed in subsection (a)(1), the Secretary shall
award competitive grants to eligible entities to carry
out activities authorized under this section to assist
eligible youth in acquiring the skills, credentials and
employment experience necessary to succeed in the
labour market.
“(2) ELIGIBLE ENTITIES.—Grants under this
subsection may be awarded to States, local boards,
recipients of grants under section 166 (relating to
Native American programs), and public or private
entities (including consortia of such entities) apply-
ing in conjunction with local boards.
“(3) GRANT PERIOD.—The Secretary may
make a grant under this section for a period of 1
year and may renew the grants for each of the 4
succeeding years.
“(4) AUTHORITY TO REQUIRE MATCH.—The
Secretary may require that grantees under this sub-
section provide a non-Federal share of the cost of
activities carried out under a grant awarded under this subsection.

“(5) PARTICIPANT ELIGIBILITY.—Youth ages 14 through 19 as of the time the eligibility determination is made may be eligible to participate in activities provided under this subsection.

“(6) USE OF FUNDS.—Funds under this subsection may be used for activities that are designed to assist youth in acquiring the skills, credentials and employment experience that are necessary to succeed in the labor market, including the activities identified in section 129. The activities may include activities such as—

“(A) training and internships for out-of-school youth in sectors of the economy experiencing or projected to experience high growth;

“(B) after-school dropout prevention activities for in-school youth;

“(C) activities designed to assist special youth populations, such as court-involved youth and youth with disabilities; and

“(D) activities combining remediation of academic skills, work readiness training, and work experience, and including linkages to post-
secondary education, apprenticeships, and career-ladder employment.

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

“(A) a description of the activities the eligible entity will provide to eligible youth under this subsection and how the eligible entity will collaborate with State and local workforce investment systems established under this title in the provisions of such activities;

“(B) a description of the programs of demonstrated effectiveness on which the provision of the activities under subparagraph (A) are based, and a description of how such activities will expand the base of knowledge relating to the provision of activities for youth;

“(C) a description of the private and public, and local and State resources that will be leveraged to provide the activities described under subparagraph (A) in addition to the funds provided under this subsection and a description of
the extent of the involvement of employers in
the activities; and

“(D) the levels of performance the eligible
entity expects to achieve with respect to the in-
dicators of performance for youth specified in

“(8) FACTORS FOR AWARD.—

“(A) IN GENERAL.—In awarding grants
under this subsection the Secretary shall con-
sider—

“(i) the quality of the proposed activi-
ties;

“(ii) the goals to be achieved;

“(iii) the likelihood of successful im-
plementation;

“(iv) the extent to which the proposed
activities are based on proven strategies or
the extent to which the proposed activities
will expand the base of knowledge relating
to the provision of activities for eligible
youth;

“(v) the extent of collaboration with
the State and local workforce investment
systems in carrying out the proposed ac-
tivities;
“(vi) the extent of employer involvement in the proposed activities;

“(vii) whether there are other Federal and non-Federal funds available for similar activities to the proposed activities, and the additional State, local, and private resources that will be provided to carry out the proposed activities;

“(viii) the quality of the proposed activities in meeting the needs of the eligible youth to be served; and

“(ix) the extent to which the proposed activities will expand on services provided under section 127.

“(B) Equitable geographic distribution.—In awarding grants under this subsection the Secretary shall ensure an equitable distribution of such grants across geographically diverse areas.

“(9) Evaluation.—The Secretary may reserve up to 5 percent of the funds described in subsection (a)(1) to provide technical assistance to, and conduct evaluations of the projects funded under this subsection (using appropriate techniques as described in section 172(e)).
“(c) Discretionary Grants for Youth Activities.—

“(1) In general.—From the funds described in subsection (a)(2), the Secretary may award grants to eligible entities to provide activities that will assist youth in preparing for, and entering and retaining, employment.

“(2) Eligible entities.—Grants under this subsection may be awarded to public or private entities that the Secretary determines would effectively carry out activities relating to youth under this subsection.

“(3) Participant eligibility.—Youth ages 14 through 19 at the time the eligibility determination is made may be eligible to participate in activities under this subsection.

“(4) Use of funds.—Funds provided under this subsection may be used for activities that will assist youth in preparing for, and entering and retaining, employment, including activities to assist out-of-school youth, activities designed to assist in-school youth to stay in school and gain work experience, and such other activities that the Secretary determines are appropriate.
“(5) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

“(6) ADDITIONAL REQUIREMENTS.—The Secretary may require the provision of a non-Federal share for projects funded under this subsection and may require participation of grantees in evaluations of such projects, including evaluations using the techniques as described in section 172(c).”.

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) is amended by amending the item related to section 169 to read as follows:

“Sec. 169. Youth challenge grants.”.

SEC. 120. TECHNICAL ASSISTANCE.

Section 170 (29 U.S.C. 2915) is amended—

(1) by striking subsection (b);

(2) by striking:

“(a) GENERAL TECHNICAL ASSISTANCE.—”;

(3) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c) respectively, and moving such subsections 2 ems to the left;

(4) in subsection (a) (as so redesignated)—

(A) by inserting “the training of staff providing rapid response services, the training of
other staff of recipients of funds under this title, peer review activities under this title, assistance regarding accounting and program operation practices (when such assistance would not be duplicative to assistance provided by the State), technical assistance to States that do not meet State performance measures described in section 136,” after “localities,”; and

(B) by striking “from carrying out activities” and all that follows up to the period and inserting “to implement the amendments made by the Workforce Investment Improvement Act of 2011”; and

(5) by inserting, after subsection (e) (as redesignated by paragraph (3)), the following:

“(d) BEST PRACTICES COORDINATION.—The Secretary shall—

“(1) establish a system through which States may share information regarding best practices with regard to the operation of workforce investment activities under this Act;

“(2) evaluate and disseminate information regarding best practices and identify knowledge gaps; and

...
“(3) commission research under section 171(c) to address knowledge gaps identified under paragraph (2).”.

SEC. 121. DEMONSTRATION, PILOT, MULTISERVICE, RESEARCH AND MULTI-STATE PROJECTS.

(a) Demonstration and Pilot Projects.—Section 171(b) (29 U.S.C. 2916(b)) is amended—

(1) in paragraph (1)—

(A) by striking “Under a” and inserting “Consistent with the priorities specified in the”;

(B) by amending subparagraphs (A) through (D) to read as follows:

“(A) projects that assist national employers in connecting with the workforce investment system established under this title in order to facilitate the recruitment and employment of needed workers and to provide information to such system on skills and occupations in demand;

“(B) projects that promote the development of systems that will improve the effectiveness and efficiency of programs carried out under this title;

“(C) projects that focus on opportunities for employment in industries and sectors of in-
dustries that are experiencing or are likely to experience high rates of growth, including those relating to information technology and energy efficiency and renewable energy;

“(D) projects carried out by States and local areas to test innovative approaches to delivering employment-related services;”;

(C) by striking subparagraph (E);

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

(E) in subparagraph (F) (as so redesignated, by striking ‘‘; and’’ and inserting a semi-colon;

(F) by inserting after subparagraph (F) (as so redesignated) the following:

“(G) projects carried out by States and local areas to assist adults or out of school youth in starting a small business, including training and assistance in business or financial management or in developing other skills necessary to operate a business;”; and

(G) by amending subparagraph (H) to read as follows:
“(H) projects that focus on opportunities for employment in industries and sectors of industries that are being transformed by technology and innovation requiring new knowledge or skill sets for workers, including advanced manufacturing; and”;

(2) in paragraph (2)—

(A) by striking subparagraph (B); and

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

(b) **Multiservice Projects.**—Section 171(c)(2)(B) (29 U.S.C. 2916(c)(2)(B)) is amended to read as follows:

“(B) **Net Impact Studies and Reports.**—The Secretary shall conduct studies to determine the net impacts of programs, services, and activities carried out under this title. The Secretary shall prepare and disseminate to Congress and the public reports containing the results of such studies.”.

**SEC. 122. RESTORING STATE AND LOCAL FLEXIBILITY TO CREATE ENERGY EFFICIENCY AND RENEWABLE ENERGY JOBS.**

Section 171(e) is repealed.
SEC. 123. EVALUATIONS.

(a) IMPACT ANALYSIS.—Section 172(a)(4) (29 U.S.C. 2917(a)(4)) is amended to read as follows:

“(4) the impact of receiving services and not receiving services under such programs and activities on the community, businesses, and individuals;”.

(b) TECHNIQUES.—Section 172(c) (29 U.S.C. 2917(c)) is amended to read as follows:

“(c) TECHNIQUES.—Evaluations conducted under this section shall utilize appropriate and rigorous methodology and research designs, including the use of control groups chosen by scientific random assignment methodologies, quasi-experimental methods, impact analysis and the use of administrative data. The Secretary shall conduct an impact analysis, as described in subsection (a)(4), of the formula grant programs under subtitle B not later than 2014, and thereafter shall conduct such an analysis not less than once every four years.”.

(c) REPORTS TO CONGRESS.—Section 172(e) (29 U.S.C. 2917(e)) is amended by striking “the Committee on Labor and Human Resources of the Senate” and inserting “the Committee on Health, Education, Labor, and Pensions of the Senate”.

SEC. 124. NATIONAL DISLOCATED WORKER GRANTS.

(a) IN GENERAL.—Section 173 (29 U.S.C. 2916) is amended—
(1) by amending the designation and heading to read as follows:

“SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.”;

(2) in subsection (a)—

(A) by striking “national emergency grants” in the matter preceding paragraph (1) and inserting “national dislocated worker grants”;

(B) in paragraph (1), by striking “subsection (c)” and inserting “subsection (b)”;

(C) in paragraph (4)—

(i) in subparagraph (A)—

(I) by striking “section 173(c)(1)(B)” and inserting “section 173(h)(1)(B)”;

(II) by striking “subsection (f)” and inserting “subsection (d)”;

(ii) in subparagraph (B), by striking “subsection (g)” and inserting “subsection (e)”;

(3) by striking subsections (b) and (e) and redesignating subsections (c), (d), (f), and (g) as subsections (b) through (e), respectively;
(4) in subsection (b)(1)(B) as so redesignated),
by striking “, and other entities” and all that follows
and inserting a period;
(5) in subsection (b)(2)(A) (as so redesign-
ated)—
(A) in the matter preceding clause (i), by
striking “national emergency grant” and insert-
ing “national dislocated worker grant”;
(B) in clause (iii), by striking “; or” and
inserting a semicolon;
(C) in clause (iv)(IV) by striking the pe-
riod and inserting “; or”; and
(D) by inserting at the end the following:
“(v) is the spouse of a member of the
Armed Forces who is on active duty or
full-time National Guard duty, or who was
recently separated from such duties, and
such spouse is in need of employment and
training assistance to obtain or retain em-
ployment.”;
(6) in subsection (b)(2)(C) (as so redesignated),
by striking “national emergency grant” and insert-
ing “national dislocated worker grants”;

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(7) in subsection (d)(2) (as so redesignated), by striking “subsection (g)” and inserting “subsection (e)”;

(8) in subsection (d)(5) (as so redesignated), by striking “subsection (g)” and inserting “subsection (e)”;

(9) in subsection (d)(6) (as so redesignated), by striking “subsection (g)” and inserting “subsection (e)”;

and

(10) in subsection (e)(1)(A) (as so redesignated), by striking “subsection (f)(1)(A)” and inserting “subsection (d)(1)(A)”.

(b) CONFORMING AMENDMENT.—The table of contents in section 1(b) is amended by amending the item related to section 173 to read as follows:

“Sec. 173. National dislocated worker grants.”.

SEC. 125. AUTHORIZATION OF APPROPRIATIONS FOR NATIONAL ACTIVITIES.

(a) In General.—Section 174(a)(1) (29 U.S.C. 2919(a)(1)) is amended by striking “1999 through 2003” and inserting “2013 through 2017”.

(b) Reservations.—Section 174(b) is amended to read as follows:

“(b) Technical Assistance; Demonstration and Pilot Projects; Evaluations; Incentive Grants.—
“(1) **DEMONSTRATION AND PILOT PROJECTS.**—

There are authorized to be appropriated to carry out section 171, such sums as may be necessary for fiscal years 2013 through 2017.

“(2) **TECHNICAL ASSISTANCE, EVALUATIONS.**—

There are authorized to be appropriated to carry out section 170, section 172, and section 136 such sums as may be necessary for each of fiscal years 2013 through 2017.”.

**SEC. 126. REQUIREMENTS AND RESTRICTIONS.**

(a) **IN GENERAL.**—Section 181(c)(2)(A) (29 U.S.C. 2931(c)(2)(A)) is amended in the matter preceding clause (i) by striking “shall” and inserting “may”.

(b) **LIMITATIONS.**—Section 181(e) (29 U.S.C. 2931(e)) is amended by striking “training for” and inserting “the entry into employment, retention in employment, or increases in earnings of”.

(c) **SALARY CAP.**—Section 181 (29 U.S.C. 2931) is further amended by adding at the end the following new subsection:

“(g) **SALARY AND BONUS LIMITATION.**—No funds provided under this title shall be used by a recipient or subrecipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of Level II of the Federal Executive
Pay Schedule (5 U.S.C. 5313). This limitation shall not apply to vendors providing goods and services as defined in OMB Circular A–133. Where States are recipients of such funds, States may establish a lower limit for salaries and bonuses of those receiving salaries and bonuses from subrecipients of such funds, taking into account factors including the relative cost-of-living in the State, the compensation levels for comparable State or local government employees, and the size of the organizations that administer the programs.”.

(d) GENERAL AUTHORITY.—Section 181 is further amended by adding at the end the following new subsection:

“(h) GENERAL AUTHORITY.—

“(1) IN GENERAL.—The Employment and Training Administration of the U.S. Department of Labor (hereinafter in this Act referred to as the ‘Administration’) shall administer all programs authorized under title I and III of this Act. The Administration shall be headed by an Assistant Secretary appointed by the President by and with the advice and consent of the Senate. Except for titles II and IV, the Administration shall be the principal agency, and the Assistant Secretary shall be the principal officer, of such Department for carrying out this Act.
“(2) QUALIFICATIONS.—The Assistant Secretary shall be an individual with substantial experience in workforce development and in workforce development management. The Assistant Secretary shall also, to the maximum extent possible, possess knowledge and have worked in or with the State or local workforce investment system or have been a member of the business community. In the performance of the functions of the office, the Assistant Secretary shall be directly responsible to the Secretary or the Under Secretary as designed by the Secretary. The functions of the Assistant Secretary shall not be delegated to any officer not directly responsible, both with respect to program operation and administration, to the Assistant Secretary. Any reference in this Act to duties to be carried out by the Assistant Secretary shall be considered to be a reference to duties to be carried out by the Secretary acting through the Assistant Secretary.”.

(e) FISCAL CONTROLS; SANCTIONS.—Section 184(a)(2)(B) (29 U.S.C. 2934(a)(2)(B)) is amended by striking “in accordance with section 134(a)(3)(B)”.

(f) REPORTS TO CONGRESS.—Section 185 (29 U.S.C. 2935) is amended—

(1) in subsection (c)—
(A) in paragraph (2), by striking “and” after the semicolon;

(B) in paragraph (3), by striking the period and inserting “; and”; and

(C) by adding at the end the following:

“(4) shall have the option to submit or disseminate electronically any reports, records, plans, or any other data that are required to be collected or disseminated under this title.”; and

(2) in paragraph (e)(2), by inserting “and the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate,” after “Secretary,”.

SEC. 127. NONDISCRIMINATION.

Section 188(a)(2) (29 U.S.C. 2938(a)(2)) is amended to read as follows:

“(2) Prohibition of discrimination regarding participation, benefits, and employment.—

“(A) In general.—Except as provided in subparagraph (B), no individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied
employment in the administration of or in connection with, any such program or activity because of race, color, religion, sex (except as otherwise permitted under title IX of the Education Amendments of 1972), national origin, age, disability, or political affiliation or belief.

“(B) Exemption for Religious Organizations.—Subparagraph (A) shall not apply to a recipient of financial assistance under this title that is a religious corporation, association, educational institution, or society, with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution, or society of its activities. Such recipients shall comply with the other requirements contained in subparagraph (A).”.

SEC. 128. ADMINISTRATIVE PROVISIONS.

(a) Program Year.—Section 189(g)(1) (29 U.S.C. 2939(g)(1)) is amended to read as follows:

“(1) In General.—Appropriations for any fiscal year for programs and activities carried out under this title shall be available for obligation only on the basis of a program year. The program year
shall begin on July 1 in the fiscal year for which the
appropriation is made.’’.
(b) Availability.—Section 189(g)(2) (29 U.S.C.
2939(g)(2)) is amended by striking ‘‘each State’’ and in-
serting ‘‘each recipient’’.
(c) General Waivers.—Section 189(i)(4) (29
U.S.C. 2939(i)(4)) is amended—
(1) in subparagraph (A)—
(A) in the matter preceding clause (i), by
inserting ‘‘, or in accordance with subparagraph
(D)’’ after ‘‘subparagraph (B)’’; and
(B) by striking clause (ii), the clause (i)
designation and the dash preceding such des-
ignation, and moving the remaining text flush
with the preceding matter; and
(2) by adding the following subparagraph:
“(D) Expedited Process for Extend-
ing Approved Waivers to Additional
States.—In lieu of the requirements of sub-
paragraphs (B) and (C), the Secretary may es-
stablish an expedited procedure for the purpose
of extending to additional States the waiver of
statutory or regulatory requirements that have
been approved for a State pursuant to a request
under subparagraph (B). Such procedure shall
ensure that the extension of such waivers to additional States are accompanied by appropriate conditions relating the implementation of such waivers.”.

SEC. 129. STATE LEGISLATIVE AUTHORITY.

Section 191 is amended—

(1) in subsection (a), by striking “consistent with the provisions of this title” and inserting “consistent with State law and the provisions of this title”; and

(2) in subsection (a), by striking “consistent with the terms and conditions required under this title” and inserting “consistent with State law and the terms and conditions required under this title”.

SEC. 130. WORKFORCE INNOVATION IN REGIONAL ECONOMIC DEVELOPMENT.

(a) Workforce Innovation in Regional Economic Development.—Section 192 (29 U.S.C. 2942) is amended to read as follows:

“SEC. 192. WORKFORCE INNOVATION IN REGIONAL ECONOMIC DEVELOPMENT.

“(a) Workforce Innovation in Regional Economic Development Plans.—

“(1) In general.—The Secretary, in cooperation with other Federal agency heads responsible for
the administration of programs included in plans submitted under this subsection, may approve Workforce Innovation in Regional Economic Development (in this subsection referred to as WIRED) plans submitted by a State or local workforce investment board or boards pursuant to paragraph (2) to support the development of regional economies in order to foster economic development, expand employment, and advancement opportunities for workers and to promote the creation of high-skill and high-wage opportunities.

“(2) CONTENTS OF PLAN.—To have a WIRED plan approved under this subsection, a State or local workforce investment board or boards and the region or regions identified in subparagraph (A) shall jointly submit a plan to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

“(A) the identification of the multi-county region or regions that is to be the focus of the activities provided under the plan, including identification of the communities in the region that share common characteristics, and a description of why the selected area comprises a regional economy;
“(B) a description of the broad-based regional partnership that has been created for the region identified in subparagraph (A) representing the major assets of the region, consistent with the requirements of paragraph (3), and that will assist in developing the economic vision described in subparagraph (D), the strategies described in subparagraph (E), and provide a forum for regional economic decision-making, including a description of the partnership’s involvement, particularly that of representatives of affected local boards and chief elected officials, in the development of the plan;

“(C) a description of the assets of the region identified in subparagraph (A), based on a regional assessment, and identification of the strengths, weaknesses, opportunities, and risks based on those assets;

“(D) a description of an economic vision for the region identified in subparagraph (A), based on the identified strengths and assets described in subparagraph (C), and evidence of support for that vision from the broad-based regional partnership described in subparagraph (B);
“(E) a description of the talent development and related strategies that provide a blueprint for how to achieve the economic vision for the region as described in subparagraph (D), including the activities to be carried out under this subsection, consistent with paragraphs (5) and (6), and the identification of specific goals associated with those strategies;

“(F) information on the workforce development programs to be integrated in the region, in accordance with the requirements of paragraph (4), into an integrated workforce development program, including—

“(i) identification of the programs to be integrated;

“(ii) the amount and proportion of the resources available to the region under each of the integrated programs to carry out the strategies described in subparagraph (E);

“(iii) a description of how these resources will be used to accomplish the vision identified in subparagraph (D), including the services to be provided and how such services will be provided, con-
consistent with clause (iv) and paragraph (5); and

“(iv) assurances that in carrying out the wired plan—

“(I) the region, through the integrated workforce development program, will maintain a local workforce investment board, or a regional workforce investment board, that is substantially similar to the local workforce investment boards required under section 117 of this Act, that such board will carry out functions that are substantially similar to those described under section 117(d), and, that such region shall submit to the State for approval a local plan for the region that is substantially similar to the local plans required under section 118 of this Act;

“(II) the region, through the integrated workforce development program, will maintain a one-stop delivery system that is consistent with the
requirements of section 121 of this Act;

“(III) the region, through the integrated workforce development program, will serve populations consistent with the populations served by the programs being integrated, and will provide universal access to work ready services as described in section 134(c)(2) of this Act;

“(IV) the region, in carrying out the integrated workforce development program, will comply with the veterans’ priority of service requirement under section 4215 of title 38, United States Code;

“(V) of the funds expended under the integrated workforce development program each year, not more than 10 percent of such funds will be expended on the costs of administration (as defined by the Secretary);

“(VI) the services provided under the integrated workforce development program will be coordinated with em-
employment-related programs not included under the integrated workforce program; and

“(VII) the region, in carrying out the integrated workforce development program, will comply with requirements under this title relating to wage and labor standards (including non-displacement provisions), grievance procedures and judicial review, and nondiscrimination;

“(G) an assurance that each local workforce board and chief elected official included in the region that will carry out the integrated workforce development plan has approved the plan;

“(H) information on the community and economic development programs, if any, that will provide a portion of funds that will be integrated to carry out the strategies described in subparagraph (E), in accordance with the requirements of paragraph (6), including—

“(i) identification of the included community and economic development programs;
“(ii) the amount and proportion of the resources available to the State or local workforce investment board or boards under each such program that will be used in the region to carry out the strategies described in subparagraph (E); and

“(iii) a description of how these resources will be used to assist in accomplishing the vision identified in subparagraph (D), including the activities to be carried out; and

“(I) in addition to the resources described under subparagraphs (F) and (H), identification of other resources that will be used to support the strategies of the region described in subparagraph (E), from a wide range of sources, including foundations, private investment such as venture capital, and Federal, State, and local governments.

“(3) Broad-based regional partnership.—

For purposes of this subsection, a broad-based regional partnership—

“(A) shall include—

“(i) representatives from each of the local workforce investment systems in the
region identified under paragraph (2)(A), such as the chairpersons or executive directors of affected local workforce investment boards in such region;

“(ii) representatives of the education system in the region identified under paragraph (2)(A), including representatives from each of the following:

“(I) The K–12 public school systems;

“(II) Community colleges; and

“(III) Four-year educational institutions;

“(iii) representatives of businesses and industry associations in the region identified under paragraph (2)(A);

“(iv) the chief elected officials from each of the affected local areas identified under paragraph (2)(A); and

“(v) representatives of local and regional economic development agencies in the region identified under paragraph (2)(A); and

“(B) may include—
“(i) representatives of the philanthropic community;

“(ii) representatives of post-secondary education and training providers in addition to those described in subparagraph (A)(ii);

“(iii) representatives of private investment entities such as seed and venture capital organizations; investor networks; and entrepreneurs;

“(iv) representatives of faith and community-based organizations; and

“(v) representatives of such other Federal, State or local entities and organizations that may enhance the carrying out of the activities of the partnership.

“(4) INTEGRATION OF WORKFORCE DEVELOPMENT SERVICES AUTHORIZED.—

“(A) AUTHORIZATION FOR INTEGRATION.—In carrying out this subsection, the Secretary, in cooperation with the Federal agency heads responsible for the administration of the workforce development programs described in subparagraph (D) that are included in the WIRED plan submitted by the State or local
workforce investment board or boards, shall,
upon the approval of the plan submitted under
paragraph (2), authorize the State or local
workforce investment board or boards to inte-
grate programs as described in subparagraph
(B).

“(B) INTEGRATION.—The authorization
shall give the State or local workforce invest-
ment board or boards the authority to inte-
grate, in accordance with such approved plan,
the federally funded programs described in sub-
paragraph (D) that are included in the ap-
proved plan, in a manner that integrates those
programs into a single, coordinated, comprehen-
sive workforce development program to achieve
the economic vision identified in such plan for
the region.

“(C) EFFECT ON PROGRAM REQUIRE-
MENTS.—The provisions of the approved grant
application and the requirements of this sub-
section shall supersede the requirements of the
statutes authorizing the programs included for
integration in such approved plan, except as
otherwise specified in this subsection.
“(D) INCLUDED WORKFORCE DEVELOPMENT PROGRAMS.—

“(i) MANDATORY PROGRAMS.—A WIRED plan authorized under this subsection shall include the workforce investment activities for adults authorized under chapter 5 of subtitle B.

“(ii) ADDITIONAL PROGRAMS.—In addition to the integration of the programs described in clause (i) into a single program, a WIRED plan may include integration of one or more of the following programs as part of such single program—

“(I) the program of workforce investment activities for youth authorized under chapter 4 of subtitle B; or

“(II) any of the other required one-stop partner programs and activities described in section 121(b)(1)(B) of this Act.

“(5) WORKFORCE DEVELOPMENT ACTIVITIES TO BE CARRIED OUT UNDER WIRED PLAN.—The workforce development activities carried out under a WIRED plan may include—
“(A) job training and related activities for workers to assist them in gaining the skills and competencies needed to obtain or upgrade employment in industries or economic sectors projected to experience significant growth in the region identified in paragraph (2)(A), including—

“(i) activities supporting talent development related to entrepreneurship and small business development; and

“(ii) the purchase of equipment to train job seekers and workers for high-growth occupations;

“(B) activities to enhance the training and related activities described in subparagraph (A) and to promote workforce development in the region identified in paragraph (2)(A), including—

“(i) the development and implementation of model activities, such as developing appropriate curricula to build core competencies and train workers in the region;

“(ii) identifying and disseminating career and skill information relating to the region;
“(iii) developing or purchasing regional data tools or systems to deepen understanding of the regional economy and labor market; and

“(iv) integrated regional planning, such as increasing the integration of community and technical college activities with activities of businesses and the public workforce investment system to meet the training needs of high growth industries in the region; and

“(C) appropriate employment-related activities and services authorized under the workforce development programs that are integrated under the plan in accordance with paragraphs (2)(F) and (4) that will assist achieving the economic vision described in paragraph (2)(D) and in implementing the strategies described in paragraph (2)(E).

“(6) INTEGRATION OF COMMUNITY AND ECONOMIC DEVELOPMENT FUNDS AUTHORIZED.—

“(A) AUTHORIZATION FOR INTEGRATION OF FUNDS.—In carrying out this subsection, the Secretary, in cooperation with the Federal agency heads responsible for the administration
of the community and economic development programs described in subparagraph (D) that are included in the WIRED plan submitted by the State or local workforce investment board or boards, shall, upon the approval of the plan submitted under paragraph (2), authorize the State or local workforce investment board or boards to integrate the portion of the funds from such programs to assist in implementing such plans.

“(B) INTEGRATION.—The authorization shall give the State or local workforce investment board or boards the authority to integrate, in accordance with such approved plan, funds provided under programs identified from subparagraph (D) to carry out the community and economic development activities described in paragraph (2)(H).

“(C) EFFECT ON PROGRAM REQUIREMENTS.—The integrated funds may be used, consistent with the description contained in paragraph (2)(H), to carry out any of the activities authorized under any the programs described in subparagraph (D) that are included in the plan.
“(D) INCLUDED COMMUNITY AND ECONOMIC DEVELOPMENT PROGRAMS.—The funds that may be integrated under this paragraph are funds provided under—

“(i) Community Development Block Grants authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301–5321);

“(ii) grants authorized under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.);

“(iii) Public Works and Economic Development Grants authorized under section 201 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3141);

“(iv) Rural Business Enterprise Grants authorized under the Consolidated Farm and Rural Development Act (7 U.S.C. 1932);

“(v) Rural Business Opportunity Grants authorized under section 741(a)(11) of the Federal Agriculture Improvement and Reform Act of 1996 (42 U.S.C. 1926(a)(11);
“(vi) grants authorized under the Brownfields Economic Development Initiative; and
“(vii) Rural Housing and Economic Development grants.
“(7) PERFORMANCE MEASURES AND REPORTING.—
“(A) PERFORMANCE MEASURES.—The Secretary shall establish performance measures that will be used to evaluate the effectiveness of activities carried out under this subsection and shall require such entities to report to the Secretary on the employment outcomes obtained by individuals receiving training under this subsection using those core indicators of performance described in section 136(b)(2).
“(B) REPORTING.—Each State or local workforce investment board or boards with an approved plan under this subsection shall ensure that records are maintained and reports are submitted, in such form and containing such information, as the Secretary may require regarding the performance of programs and activities carried out under this subsection.
“(8) TECHNICAL ASSISTANCE AND EVALUATION.—

“(A) TECHNICAL ASSISTANCE.—The Secretary shall provide such staff training, technical assistance, and other activities as the Secretary deems appropriate to support the implementation of this subsection.

“(B) EVALUATION.—The Secretary may require that States with an approved plan under this subsection to participate in an evaluation of activities carried out under this subsection, including an evaluation using the techniques described in section 172(c).

“(9) PLAN REVIEW.—Upon receipt of a WIRED plan from the State or local workforce investment board or boards, the Secretary shall consult with the Federal agency head responsible for the administration of any of the programs included in the plan pursuant to paragraph (4) or (6).

“(10) FEDERAL RESPONSIBILITIES.—

“(A) INTERAGENCY MEMORANDUM OF UNDERSTANDING.—Within 90 days following the date of enactment of this subsection, the Secretary and the Federal agency heads responsible for programs that could be included in a
plan approved under this subsection pursuant to paragraph (4) or (6) shall enter into an interdepartmental memorandum of agreement providing for the implementation of WIRED plans with respect to the integration of programs and funds administered by each Secretary.

“(B) Interagency Funds Transfers Authorized.—The Secretary and the Federal agency heads responsible for the programs that are included in a plan approved under paragraph (4) or (6) are authorized to take such action as may be necessary to provide for intra-agency or interagency transfers of funds otherwise available to a State or local workforce investment board or boards in order to further the purposes of this subsection.

“(11) Administration of Funds.—

“(A) Separate Records Not Required.—Nothing in this subsection shall be construed as requiring the region to maintain separate records tracing any services or activities conducted under an approved WIRED plan to the programs under which funds were originally authorized, nor shall the State or local
workforce investment board or boards be re-
quired to allocate expenditures among such pro-
grams.

“(B) SINGLE AUDIT ACT.—Nothing in this
section shall be construed to interfere with the
ability of the Secretary to fulfill the responsibil-
ities for the safeguarding of Federal funds pur-

“(b) AUTHORITY TO CARRY OUT ADDITIONAL
WIRED ACTIVITIES UNDER WIA.—

“(1) AUTHORIZATION FOR USE OF CERTAIN
FUNDS UNDER WIA.—Funds available under sections
128, 133, and 171 of this Act may be used by re-
cipients and subrecipients of those funds for
WIRED activities, as defined in paragraph (2), in
addition to the other activities for which such funds
are authorized to be used.

“(2) DEFINITION.—For purposes of this sub-
section, WIRED activities include—

“(A) WIRED planning activities, includ-
ing—

“(i) defining the regional economy;
“(ii) creating a broad-based regional
partnership that assists in developing the
economic vision described in clause (iv),
the strategies described in clause (v), and
that provides a forum for regional eco-

“(iii) conducting an assessment of the
regional economy to map the assets of a
region and identify the strengths, weak-
nesses, opportunities and risks based on
those assets;

“(iv) developing an economic vision
based on those strengths and assets;

“(v) developing strategies and cor-
responding implementation plans that
identify specific goals and tasks and pro-
vides a blueprint for how to achieve the
economic vision for the region; and

“(vi) identifying resources to support
the plan of the region;

“(B) job training and related activities for
workers to assist them in gaining the skills and
competencies needed to obtain or upgrade em-
ployment in industries or economic sectors pro-
jected to experience significant growth in the
region, including—

“(i) activities supporting talent devel-

opment related to entrepreneurship and
small business development in the region; and

“(ii) the purchase of equipment to train job seekers and workers for high-growth occupations in the region; and

“(C) activities to enhance training and related activities and to promote workforce development in the region, including—

“(i) the development and implementation of model activities, such as developing appropriate curricula to build core competencies and train workers in the region;

“(ii) identifying and disseminating career and skill information relating to the region;

“(iii) developing or purchasing regional data tools or systems to deepen understanding of the regional economy and labor market; and

“(iv) integrated regional planning, such as increasing the integration of community and technical college activities with activities of businesses and the public workforce investment system to meet the
training needs of businesses in the region.”.

SEC. 131. GENERAL PROGRAM REQUIREMENTS.

Section 195 (29 U.S.C. 2945) is amended—

(1) in paragraph (7) by inserting at the end the following:

“(D) Funds received by a public or private nonprofit entity that are not described in paragraph (B), such as funds privately raised from philanthropic foundations, businesses, or other private entities, shall not be considered to be income under this title and shall not be subject to the requirements of this section.”; and

(2) by adding at the end the following new paragraphs:

“(14) Funds provided under this title shall not be used to establish or operate stand-alone fee-for-service enterprises that compete with private sector employment agencies within the meaning of section 701(c) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(c)). For purposes of this paragraph, such an enterprise does not include one-stop centers.

“(15) Any report required to be submitted to Congress, or to a Committee of Congress, under this title shall be submitted to both the chairmen and
ranking minority members of the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate.”.

**TITLE II—ADULT EDUCATION AND FAMILY LITERACY EDUCATION**

**SEC. 201. TABLE OF CONTENTS.**

The table of contents in section 1(b) is amended by amending the items relating to title II to read as follows:

“TITLE II—ADULT EDUCATION AND FAMILY LITERACY EDUCATION

“Sec. 201. Short title.
“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.”.
SEC. 202. AMENDMENT.

Title II (29 U.S.C. 2901 et seq.) is amended to read as follows:

“TITLE II—ADULT EDUCATION AND FAMILY LITERACY EDUCATION

SEC. 201. SHORT TITLE.

“This title may be cited as the ‘Adult Education and Family Literacy Education Act’.

SEC. 202. PURPOSE.

“It is the purpose of this title to provide instructional opportunities for adults seeking to improve their literacy skills, including their basic reading, writing, speaking, and math skills, and support States and local communities in providing, on a voluntary basis, adult education and family literacy education programs, in order to—

“(1) increase the literacy of adults, including the basic reading, writing, speaking, and math skills, to a level of proficiency necessary for adults to obtain employment and self-sufficiency and to successfully advance in the workforce;

“(2) assist adults in the completion of a secondary school education (or its equivalent) and the transition to a post-secondary educational institution;
“(3) assist adults who are parents to enable them to support the educational development of their children and make informed choices regarding their children’s education including, through instruction in basic reading, writing, speaking, and math skills; and

“(4) assist adults who are not proficient in English in improving their reading, writing, speaking, listening, comprehension, and math skills and acquiring an understanding of the American free enterprise system, individual freedom, and the responsibilities of citizenship.

“SEC. 203. DEFINITIONS.

“In this title:

“(1) ADULT EDUCATION AND FAMILY LITERACY EDUCATION PROGRAMS.—The term ‘adult education and family literacy education programs’ means a sequence of academic instruction and educational services below the post-secondary level that increase an individual’s ability to read, write, and speak in English and perform mathematical computations leading to a level of proficiency equivalent to at least a secondary school completion that is provided for individuals—

“(A) who are at least 16 years of age;
“(B) who are not enrolled or required to be
enrolled in secondary school under State law;
and
“(C) who—
“(i) lack sufficient mastery of basic
reading, writing, speaking, and math skills
to enable the individuals to function effec-
tively in society;
“(ii) do not have a secondary school
diploma, General Educational Development
credential (GED), or other State-recog-
nized equivalent and have not achieved an
equivalent level of education; or
“(iii) are unable to read, write, or
speak the English language.
“(2) ELIGIBLE AGENCY.—The term ‘eligible
agency’—
“(A) means the primary entity or agency
in a State or an outlying area responsible for
administering or supervising policy for adult
education and family literacy education pro-
grams in the State or outlying area, respec-
tively, consistent with the law of the State or
outlying area, respectively; and
“(B) may be the State educational agency, the State agency responsible for administering workforce investment activities, or the State agency responsible for administering community or technical colleges.

“(3) ELIGIBLE PROVIDER.—The term ‘eligible provider’ means—

“(A) a local educational agency;

“(B) a community-based or faith-based organization of demonstrated effectiveness;

“(C) a volunteer literacy organization of demonstrated effectiveness;

“(D) an institution of higher education;

“(E) a public or private educational agency;

“(F) a library;

“(G) a public housing authority;

“(H) an institution that is not described in any of subparagraphs (A) through (G) and has the ability to provide adult education, basic skills, and family literacy education programs to adults and families; or

“(I) a consortium of the agencies, organizations, institutions, libraries, or authorities de-
scribed in any of subparagraphs (A) through (H).

“(4) English language acquisition program.—The term ‘English language acquisition program’ means a program of instruction designed to help individuals with limited English proficiency achieve competence in reading, writing, and speaking the English language.

“(5) Essential components of reading instruction.—The term ‘essential components of reading instruction’ has the meaning given the term in section 1208 of the Elementary and Secondary Education Act of 1965.

“(6) Family literacy education program.—The term ‘family literacy education program’ means an educational program that—

“(A) assists parents and students, on a voluntary basis, in achieving the purposes of this title as described in section 202; and

“(B) is of sufficient intensity in terms of hours and of sufficient duration to make sustainable changes in a family, is based upon scientifically based research, and, for the purpose of substantially increasing the ability of parents
and children to read, write, and speak English,
integrates—

“(i) interactive literacy activities be-
tween parents and their children;

“(ii) training for parents regarding
how to be the primary teacher for their
children and full partners in the education
of their children;

“(iii) parent literacy training that
leads to economic self-sufficiency; and

“(iv) an age-appropriate education to
prepare children for success in school and
life experiences.

“(7) Governor.—The term ‘Governor’ means
the chief executive officer of a State or outlying
area.

“(8) Individual with a Disability.—

“(A) In General.—The term ‘individual
with a disability’ means an individual with any
disability (as defined in section 3 of the Ameri-

“(B) Individuals with Disabilities.—
The term ‘individuals with disabilities’ means
more than one individual with a disability.
“(9) **INDIVIDUAL WITH LIMITED ENGLISH PROFICIENCY.**—The term ‘individual with limited English proficiency’ means an adult or out-of-school youth who has limited ability in reading, writing, speaking, or understanding the English language, and—

“(A) whose native language is a language other than English; or

“(B) who lives in a family or community environment where a language other than English is the dominant language.

“(10) **INSTITUTION OF HIGHER EDUCATION.**—The term ‘institution of higher education’ has the meaning given the term in section 101 of the Higher Education Act of 1965.

“(11) **LITERACY.**—The term ‘literacy’ means an individual’s ability to read, write, and speak in English, compute, and solve problems at a level of proficiency necessary to obtain employment and to successfully make the transition to post-secondary education.

“(12) **LOCAL EDUCATIONAL AGENCY.**—The term ‘local educational agency’ has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.
“(13) Outlying Area.—The term ‘outlying area’ has the meaning given the term in section 101 of this Act.

“(14) Post-secondary Educational Institution.—The term ‘post-secondary educational institution’ means—

“(A) an institution of higher education that provides not less than a 2-year program of instruction that is acceptable for credit toward a bachelor’s degree;

“(B) a tribally controlled community college; or

“(C) a nonprofit educational institution offering certificate or apprenticeship programs at the post-secondary level.

“(15) Reading.—The term ‘reading’ has the meaning given the term in section 1208 of the Elementary and Secondary Education Act of 1965.

“(16) Scientifically Based Research.—The term ‘scientifically based research’ has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

“(17) Secretary.—The term ‘Secretary’ means the Secretary of Education.
“(18) STATE.—The term ‘State’ means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

“(19) STATE EDUCATIONAL AGENCY.—The term ‘State educational agency’ has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

“(20) WORKPLACE LITERACY PROGRAM.—The term ‘workplace literacy program’ means an educational program that is offered in collaboration between eligible providers and employers or employee organizations for the purpose of improving the productivity of the workforce through the improvement of reading, writing, speaking, and math skills.

“SEC. 204. HOME SCHOOLS.

“Nothing in this title shall be construed to affect home schools, whether or not a home school is treated as a home school or a private school under State law, or to compel a parent engaged in home schooling to participate in an English language acquisition program, a family literacy education program, or an adult education and family literacy education program.
"SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title such sums as may be necessary for fiscal years 2013 through 2017.

"CHAPTER 1—FEDERAL PROVISIONS

"SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE AGENCIES; ALLOTMENTS.

(a) Reservation of Funds.—From the sums appropriated under section 205 for a fiscal year, the Secretary—

(1) shall reserve up to 1.72 percent for incentive grants under section 213;

(2) shall reserve 1.75 percent to carry out section 242; and

(3) shall reserve up to 1.55 percent to carry out section 243.

(b) Grants to Eligible Agencies.—

(1) In general.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall award a grant to each eligible agency having a State plan approved under section 224 in an amount equal to the sum of the initial allotment under subsection (c)(1) and the additional allotment under subsection (c)(2) for the eligible agency for the fiscal year, subject to subsections (f) and (g).
“(2) PURPOSE OF GRANTS.—The Secretary may award a grant under paragraph (1) only if the eligible agency involved agrees to expend the grant in accordance with the provisions of this title.

“(c) ALLOTMENTS.—

“(1) INITIAL ALLOTMENTS.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall allot to each eligible agency having a State plan approved under section 224—

“(A) $100,000, in the case of an eligible agency serving an outlying area; and

“(B) $250,000, in the case of any other eligible agency.

“(2) ADDITIONAL ALLOTMENTS.—From the sums appropriated under section 205, not reserved under subsection (a), and not allotted under paragraph (1), for a fiscal year, the Secretary shall allot to each eligible agency that receives an initial allotment under paragraph (1) an additional amount that bears the same relationship to such sums as the number of qualifying adults in the State or outlying area served by the eligible agency bears to the number of such adults in all States and outlying areas.
“(d) Qualifying Adult.—For the purpose of subsection (e)(2), the term ‘qualifying adult’ means an adult who—

“(1) is at least 16 years of age;

“(2) is beyond the age of compulsory school attendance under the law of the State or outlying area;

“(3) does not have a secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent; and

“(4) is not enrolled in secondary school.

“(e) Special Rule.—

“(1) In General.—From amounts made available under subsection (e) for the Republic of Palau, the Secretary shall award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Republic of Palau to carry out activities described in this title in accordance with the provisions of this title as determined by the Secretary.

“(2) Termination of Eligibility.—Notwithstanding any other provision of law, the Republic of Palau shall be eligible to receive a grant under this title until an agreement for the extension of United States education assistance under the Compact of
Free Association for the Republic of Palau becomes effective.

“(3) ADMINISTRATIVE COSTS.—The Secretary may provide not more than 5 percent of the funds made available for grants under this subsection to pay the administrative costs of the Pacific Region Educational Laboratory regarding activities assisted under this subsection.

“(f) HOLD-HARMLESS PROVISIONS.—

“(1) IN GENERAL.—Notwithstanding subsection (c), and subject to paragraphs (2) and (3), for fiscal year 2012 and each succeeding fiscal year, no eligible agency shall receive an allotment under this title that is less than 90 percent of the allotment the eligible agency received for the preceding fiscal year under this title.

“(2) EXCEPTION.—An eligible agency that receives for the preceding fiscal year only an initial allotment under subsection (c)(1) (and no additional allotment under subsection (c)(2)) shall receive an allotment equal to 100 percent of the initial allotment.

“(3) RATABLE REDUCTION.—If for any fiscal year the amount available for allotment under this title is insufficient to satisfy the provisions of para-
graph (1), the Secretary shall ratably reduce the payments to all eligible agencies, as necessary.

“(g) REALLOTMENT.—The portion of any eligible agency’s allotment under this title for a fiscal year that the Secretary determines will not be required for the period such allotment is available for carrying out activities under this title, shall be available for reallocation from time to time, on such dates during such period as the Secretary shall fix, to other eligible agencies in proportion to the original allotments to such agencies under this title for such year.

“SEC. 212. PERFORMANCE ACCOUNTABILITY SYSTEM.

“(a) PURPOSE.—The purpose of this section is to establish a comprehensive performance accountability system, composed of the activities described in this section, to assess the effectiveness of eligible agencies in achieving continuous improvement of adult education and family literacy education programs funded under this title, in order to optimize the return on investment of Federal funds in adult education and family literacy education programs.

“(b) ELIGIBLE AGENCY PERFORMANCE MEASURES.—

“(1) IN GENERAL.—For each eligible agency, the eligible agency performance measures shall consist of—
“(A)(i) the core indicators of performance described in paragraph (2)(A); and

“(ii) employment performance indicators identified by the eligible agency under paragraph (2)(B); and

“(B) an eligible agency adjusted level of performance for each indicator described in subparagraph (A).

“(2) INDICATORS OF PERFORMANCE.—

“(A) CORE INDICATORS OF PERFORMANCE.—The core indicators of performance shall include the following:

“(i) Measurable improvements in literacy, including basic skill levels in reading, writing, and speaking the English language and basic math, leading to proficiency in each skill.

“(ii) Receipt of a secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent.

“(iii) Placement in post-secondary education or other training programs.

“(B) EMPLOYMENT PERFORMANCE INDICATORS.—Consistent with applicable Federal
and State privacy laws, an eligible agency shall identify in the State plan the following individual participant employment performance indicators:

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(i) Entry into employment.
(ii) Retention in employment.
(iii) Increase in earnings.
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(3) LEVELS OF PERFORMANCE.—

(A) ELIGIBLE AGENCY ADJUSTED LEVELS OF PERFORMANCE FOR CORE INDICATORS.—

(i) IN GENERAL.—For each eligible agency submitting a State plan, there shall be established, in accordance with this subparagraph, levels of performance for each of the core indicators of performance described in paragraph (2)(A) for adult education and family literacy education programs authorized under this title. The levels of performance established under this subparagraph shall, at a minimum—

(I) be expressed in an objective, quantifiable, and measurable form; and

(II) show the progress of the eligible agency toward continuously and
significantly improving the agency’s
performance outcomes in an objective,
quantifiable, and measurable form.

“(ii) Identification in State
Plan.—Each eligible agency shall identify,
in the State plan submitted under section
224, expected levels of performance for
each of the core indicators of performance
for the first 3 program years covered by
the State plan.

“(iii) Agreement on Eligible
Agency Adjusted Levels of Performance for First 3 Years.—In order to en-
sure an optimal return on the investment
of Federal funds in adult education and
family literacy education programs author-
ized under this title, the Secretary and
each eligible agency shall reach agreement
on levels of student performance for each
of the core indicators of performance, for
the first 3 program years covered by the
State plan, taking into account the levels
identified in the State plan under clause
(ii) and the factors described in clause (iv).
The levels agreed to under this clause shall
be considered to be the eligible agency adjusted levels of performance for the eligible agency for such years and shall be incorporated into the State plan prior to the approval of such plan.

“(iv) FACTORS.—The agreement described in clause (iii) or (v) shall take into account—

“(I) how the levels involved compare with the eligible agency’s adjusted levels of performance, taking into account factors including the characteristics of participants when the participants entered the program; and

“(II) the extent to which such levels promote continuous and significant improvement in performance on the student proficiency measures used by such eligible agency and ensure optimal return on the investment of Federal funds.

“(v) AGREEMENT ON ELIGIBLE AGENCY ADJUSTED LEVELS OF PERFORMANCE FOR SECOND 3 YEARS.—Prior to the fourth
program year covered by the State plan, the Secretary and each eligible agency shall reach agreement on levels of student performance for each of the core indicators of performance for the fourth, fifth, and sixth program years covered by the State plan, taking into account the factors described in clause (iv). The levels agreed to under this clause shall be considered to be the eligible agency adjusted levels of performance for the eligible agency for such years and shall be incorporated into the State plan.

“(vi) REVISIONS.—If unanticipated circumstances arise in a State resulting in a significant change in the factors described in clause (iv)(I), the eligible agency may request that the eligible agency adjusted levels of performance agreed to under clause (iii) or (v) be revised.

“(B) LEVELS OF EMPLOYMENT PERFORMANCE.—The eligible agency shall identify, in the State plan, eligible agency levels of performance for each of the employment performance indicators described in paragraph (2)(B). Such levels
shall be considered to be eligible agency ad-
justed levels of performance for purposes of this
title.

“(c) Definitions for Indicators of Perform-
ance.—In order to ensure comparability of performance
data across States, the Secretary shall issue definitions for
the indicators of performance under paragraph (2).

“(d) Report.—

“(1) In general.—Each eligible agency that
receives a grant under section 211(b) shall annually
prepare and submit to the Secretary, the Governor,
the State legislature, and eligible providers a report
on the progress of the eligible agency in achieving el-
igible agency performance measures, including the
following:

“(A) Information on the levels of perform-
ance achieved by the eligible agency with re-
spect to the core indicators of performance and
employment performance indicators.

“(B) The number and type of each eligible
provider that receives funding under such
grant.

“(2) Information dissemination.—The Sec-
retary—
“(A) shall make the information contained in such reports available to the general public through publication (including on the Internet site of the Department of Education) and other appropriate methods;

“(B) shall disseminate State-by-State comparisons of the information; and

“(C) shall provide the appropriate committees of the Congress with copies of such reports.

“SEC. 213. INCENTIVE GRANTS FOR STATES.

“(a) IN GENERAL.—From funds appropriated under section 211(a)(1), the Secretary may award grants to States for exemplary performance in carrying out programs under this title. Such awards shall be based on States exceeding the core indicators of performance established under section 212(b)(2)(A) and may be based on the performance of the State in serving populations, such as those described in section 224(b)(10), including the levels of service provided and the performance outcomes, and such other factors relating to the performance of the State under this title as the Secretary determines appropriate.

“(b) USE OF FUNDS.—The funds awarded to a State under this paragraph may be used to carry out any activi-
ties authorized under this title, including demonstrations
and innovative programs for hard-to-serve populations.

“CHAPTER 2—STATE PROVISIONS

“SEC. 221. STATE ADMINISTRATION.

“Each eligible agency shall be responsible for the fol-
lowing activities under this title:

“(1) The development, submission, implementa-
tion, and monitoring of the State plan.

“(2) Consultation with other appropriate agen-
cies, groups, and individuals that are involved in, or
interested in, the development and implementation
of activities assisted under this title.

“(3) Coordination and avoidance of duplication
with other Federal and State education, training,
corrections, public housing, and social service pro-
grams.

“SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING RE-
QUIREMENT.

“(a) State Distribution of Funds.—Each eligi-
ble agency receiving a grant under this title for a fiscal
year—

“(1) shall use an amount not less than 82.5
percent of the grant funds to award grants and con-
tracts under section 231 and to carry out section
225, of which not more than 10 percent of such amount shall be available to carry out section 225;

“(2) shall use not more than 12.5 percent of the grant funds to carry out State leadership activities under section 223; and

“(3) shall use not more than 5 percent of the grant funds, or $75,000, whichever is greater, for the administrative expenses of the eligible agency.

“(b) MATCHING REQUIREMENT.—

“(1) IN GENERAL.—In order to receive a grant from the Secretary under section 211(b), each eligible agency shall provide, for the costs to be incurred by the eligible agency in carrying out the adult education and family literacy education programs for which the grant is awarded, a non-Federal contribution in an amount at least equal to—

“(A) in the case of an eligible agency serving an outlying area, 12 percent of the total amount of funds expended for adult education and family literacy education programs in the outlying area, except that the Secretary may decrease the amount of funds required under this subparagraph for an eligible agency; and

“(B) in the case of an eligible agency serving a State, 25 percent of the total amount of
funds expended for adult education and family literacy education programs in the State.

“(2) NON-FEDERAL CONTRIBUTION.—An eligible agency’s non-Federal contribution required under paragraph (1) may be provided in cash or in kind, fairly evaluated, and shall include only non-Federal funds that are used for adult education and family literacy education programs in a manner that is consistent with the purpose of this title.

“SEC. 223. STATE LEADERSHIP ACTIVITIES.

“(a) IN GENERAL.—Each eligible agency may use funds made available under section 222(a)(2) for any of the following adult education and family literacy education programs:

“(1) The establishment or operation of professional development programs to improve the quality of instruction provided pursuant to local activities required under section 231(b), including instruction incorporating the essential components of reading instruction and instruction provided by volunteers or by personnel of a State or outlying area.

“(2) The provision of technical assistance to eligible providers of adult education and family literacy education programs, including for the development and dissemination of scientifically based research in-
structional practices in reading, writing, speaking, math, and English language acquisition programs.

“(3) The provision of assistance to eligible providers in developing, implementing, and reporting measurable progress in achieving the objectives of this title.

“(4) The provision of technology assistance, including staff training, to eligible providers of adult education and family literacy education programs, including distance learning activities, to enable the eligible providers to improve the quality of such activities.

“(5) The development and implementation of technology applications or distance learning, including professional development to support the use of instructional technology.

“(6) Coordination with other public programs, including welfare-to-work, workforce development, and job training programs.

“(7) Coordination with existing support services, such as transportation, child care, and other assistance designed to increase rates of enrollment in, and successful completion of, adult education and family literacy education programs, for adults enrolled in such activities.
“(8) The development and implementation of a system to assist in the transition from adult basic education to post-secondary education.

“(9) Activities to promote workplace literacy programs.

“(10) Activities to promote and complement local outreach initiatives described in section 243(7).

“(11) Other activities of statewide significance, including assisting eligible providers in achieving progress in improving the skill levels of adults who participate in programs under this title.

“(12) Integration of literacy, instructional, and occupational skill training and promotion of linkages with employees.

“(b) COORDINATION.—In carrying out this section, eligible agencies shall coordinate where possible, and avoid duplicating efforts, in order to maximize the impact of the activities described in subsection (a).

“(c) STATE-IMPOSED REQUIREMENTS.—Whenever a State or outlying area implements any rule or policy relating to the administration or operation of a program authorized under this title that has the effect of imposing a requirement that is not imposed under Federal law (including any rule or policy based on a State or outlying area interpretation of a Federal statute, regulation, or
guideline), the State or outlying area shall identify, to eligible providers, the rule or policy as being imposed by the State or outlying area.

"SEC. 224. STATE PLAN.

"(a) 5-YEAR PLANS.—

"(1) IN GENERAL.—Each eligible agency desiring a grant under this title for any fiscal year shall submit to, or have on file with, the Secretary a 5-year State plan.

"(2) COMPREHENSIVE PLAN OR APPLICATION.—The eligible agency may submit the State plan as part of a comprehensive plan or application for Federal education assistance.

"(b) PLAN CONTENTS.—The eligible agency shall include in the State plan or any revisions to the State plan—

"(1) an objective assessment of the needs of individuals in the State or outlying area for adult education and family literacy education programs, including individuals most in need or hardest to serve;

"(2) a description of the adult education and family literacy education programs that will be carried out with funds received under this title;

"(3) a description of how the eligible agency will evaluate and measure annually the effectiveness and improvement of the adult education and family
literacy education programs based on the performance measures described in section 212 including—

“(A) how the eligible agency will evaluate and measure annually such effectiveness on a grant-by-grant basis; and

“(B) how the eligible agency—

“(i) will hold eligible providers accountable regarding the progress of such providers in improving the academic achievement of participants in adult education programs under this title and regarding the core indicators of performance described in section 212(b)(2)(A); and

“(ii) will use technical assistance, sanctions, and rewards (including allocation of grant funds based on performance and termination of grant funds based on nonperformance);

“(4) a description of the performance measures described in section 212 and how such performance measures have significantly improved adult education and family literacy education programs in the State or outlying area;

“(5) an assurance that the eligible agency will, in addition to meeting all of the other requirements
of this title, award not less than one grant under
this title to an eligible provider that—

“(A) offers flexible schedules and necessary
support services (such as child care and trans-
portation) to enable individuals, including indi-
viduals with disabilities, or individuals with
other special needs, to participate in adult edu-
cation and family literacy education programs;
and

“(B) attempts to coordinate with support
services that are not provided under this title
prior to using funds for adult education and
family literacy education programs provided
under this title for support services;

“(6) an assurance that the funds received under
this title will not be expended for any purpose other
than for activities under this title;

“(7) a description of how the eligible agency
will fund local activities in accordance with the
measurable goals described in section 231(d);

“(8) an assurance that the eligible agency will
expend the funds under this title only in a manner
consistent with fiscal requirements in section 241;
“(9) a description of the process that will be used for public participation and comment with respect to the State plan, which process—

“(A) shall include consultation with the State workforce investment board, the State board responsible for administering community or technical colleges, the Governor, the State educational agency, the State board or agency responsible for administering block grants for temporary assistance to needy families under title IV of the Social Security Act, the State council on disabilities, the State vocational rehabilitation agency, other State agencies that promote the improvement of adult education and family literacy education programs, and direct providers of such programs; and

“(B) may include consultation with the State agency on higher education, institutions responsible for professional development of adult education and family literacy education programs instructors, representatives of business and industry, refugee assistance programs, and faith-based organizations;
“(10) a description of the eligible agency’s strategies for serving populations that include, at a minimum—

“(A) low-income individuals;
“(B) individuals with disabilities;
“(C) the unemployed;
“(D) the underemployed; and
“(E) individuals with multiple barriers to educational enhancement, including individuals with limited English proficiency;

“(11) a description of how the adult education and family literacy education programs that will be carried out with any funds received under this title will be integrated with other adult education, career development, and employment and training activities in the State or outlying area served by the eligible agency;

“(12) a description of the steps the eligible agency will take to ensure direct and equitable access, as required in section 231(e)(1), including—

“(A) how the State will build the capacity of community-based and faith-based organizations to provide adult education and family literacy education programs; and
“(B) how the State will increase the participation of business and industry in adult education and family literacy education programs;

“(13) an assessment of the adequacy of the system of the State or outlying area to ensure teacher quality and a description of how the State or outlying area will use funds received under this subtitle to improve teacher quality, including professional development on the use of scientifically based research to improve instruction; and

“(14) a description of how the eligible agency will consult with any State agency responsible for post-secondary education to develop adult education that prepares students to enter post-secondary education without the need for remediation upon completion of secondary school equivalency programs.

“(c) PLAN REVISIONS.—When changes in conditions or other factors require substantial revisions to an approved State plan, the eligible agency shall submit the revisions of the State plan to the Secretary.

“(d) CONSULTATION.—The eligible agency shall—

“(1) submit the State plan, and any revisions to the State plan, to the Governor, the chief State school officer, or the State officer responsible for ed-
ministering community or technical colleges, or out-
lying area for review and comment; and

“(2) ensure that any comments regarding the
State plan by the Governor, the chief State school
officer, or the State officer responsible for admin-
istering community or technical colleges, and any re-
vision to the State plan, are submitted to the Sec-
retary.

“(e) PLAN APPROVAL.—The Secretary shall—

“(1) establish a peer review process to assist in
the review and approval of State plans;

“(2) appoint individuals representing the range
of stakeholders to the peer-review process, includ-
ing—

“(A) representatives of adult learners,
adult education, and literacy providers, eligible
agencies, State educational agencies, institu-
tions of higher education, representatives of
local or State workforce investment boards; and

“(B) experts in the fields of adult edu-
cation and literacy;

“(3) approve a State plan within 120 days after
receiving the plan unless the Secretary makes a writ-
ten determination within 30 days after receiving the
plan that the plan does not meet the requirements
of this section or is inconsistent with specific provisions of this subtitle; and

“(4) not finally disapprove of a State plan before offering the eligible agency the opportunity, prior to the expiration of the 30-day period beginning on the date on which the eligible agency received the written determination described in paragraph (3), to review the plan and providing technical assistance in order to assist the eligible agency in meeting the requirements of this subtitle.

“SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND OTHER INSTITUTIONALIZED INDIVIDUALS.

“(a) Program Authorized.—From funds made available under section 222(a)(1) for a fiscal year, each eligible agency shall carry out corrections education and education for other institutionalized individuals.

“(b) Uses of Funds.—The funds described in subsection (a) shall be used for the cost of educational programs for criminal offenders in correctional institutions and for other institutionalized individuals, including academic programs for—

“(1) basic skills education;

“(2) special education programs as determined by the eligible agency;

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“(3) reading, writing, speaking, and math programs; and

“(4) secondary school credit or diploma programs or their recognized equivalent.

“(c) PRIORITY.—Each eligible agency that is using assistance provided under this section to carry out a program for criminal offenders within a correctional institution shall give priority to serving individuals who are likely to leave the correctional institution within 5 years of participation in the program.

“(d) DEFINITIONS.—For purposes of this section:

“(1) CORRECTIONAL INSTITUTION.—The term ‘correctional institution’ means any—

“(A) prison;

“(B) jail;

“(C) reformatory;

“(D) work farm;

“(E) detention center; or

“(F) halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders.

“(2) CRIMINAL OFFENDER.—The term ‘criminal offender’ means any individual who is charged with, or convicted of, any criminal offense.
“CHAPTER 3—LOCAL PROVISIONS

“SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PROVIDERS.

“(a) GRANTS AND CONTRACTS.—From grant funds made available under section 211(b), each eligible agency shall award multi year grants or contracts, on a competitive basis, to eligible providers within the State or outlying area that meet the conditions and requirements of this title to enable the eligible providers to develop, implement, and improve adult education and family literacy education programs within the State.

“(b) LOCAL ACTIVITIES.—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to establish or operate one or more programs of instruction that provide services or instruction in one or more of the following categories:

“(1) Adult education and family literacy education programs (including proficiency in reading, writing, speaking, and math).

“(2) Workplace literacy programs.

“(3) English language acquisition programs.

“(4) Family literacy education programs.

“(e) DIRECT AND EQUITABLE ACCESS; SAME PROCESS.—Each eligible agency receiving funds under this title shall ensure that—
“(1) all eligible providers have direct and equitable access to apply for grants or contracts under this section; and

“(2) the same grant or contract announcement process and application process is used for all eligible providers in the State or outlying area.

“(d) MEASURABLE GOALS.—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to demonstrate—

“(1) the eligible provider’s measurable goals for participant outcomes to be achieved annually on the core indicators of performance and employment performance indicators described in section 212(b)(2);

“(2) the past effectiveness of the eligible provider in improving the basic academic skills of adults and, for eligible providers receiving grants in the prior year, the success of the eligible provider receiving funding under this title in exceeding its performance goals in the prior year;

“(3) the commitment of the eligible provider to serve individuals in the community who are the most in need of basic academic skills instruction services, including individuals who are low-income or have minimal reading, writing, speaking, and math skills, or limited English proficiency;
“(4) the program—

“(A) is of sufficient intensity and duration

for participants to achieve substantial learning

gains; and

“(B) uses instructional practices that in-

clude the essential components of reading in-

struction;

“(5) educational practices are based on scientif-

ically based research;

“(6) the activities of the eligible provider effec-

tively employ advances in technology, as appropriate,

including the use of computers;

“(7) the activities provide instruction in real-life

contexts, when appropriate, to ensure that an indi-

vidual has the skills needed to compete in the work-

place and exercise the rights and responsibilities of

citizenship;

“(8) the activities are staffed by well-trained in-

structors, counselors, and administrators;

“(9) the activities are coordinated with other

available resources in the community, such as

through strong links with elementary schools and

secondary schools, post-secondary educational insti-

tutions, one-stop centers, job training programs,
community-based and faith-based organizations, and
social service agencies;

“(10) the activities offer flexible schedules and
support services (such as child care and transpor-
tation) that are necessary to enable individuals, in-
cluding individuals with disabilities or other special
needs, to attend and complete programs;

“(11) the activities include a high-quality infor-
mation management system that has the capacity to
report measurable participant outcomes and to mon-
itor program performance against the performance
measures established by the eligible agency;

“(12) the local communities have a dem-
onstrated need for additional English language ac-
quision programs;

“(13) the capacity of the eligible provider to
produce valid information on performance results,
including enrollments and measurable participant
outcomes;

“(14) adult education and family literacy edu-
cation programs offer rigorous reading, writing,
speaking, and math content that are based on sci-
entifically based research; and

“(15) applications of technology, and services to
be provided by the eligible providers, are of sufficient
intensity and duration to increase the amount and quality of learning and lead to measurable learning gains within specified time periods.

“(e) SPECIAL RULE.—Eligible providers may use grant funds under this title to serve children participating in family literacy programs assisted under this part, provided that other sources of funds available to provide similar services for such children are used first.

“SEC. 232. LOCAL APPLICATION.

“Each eligible provider desiring a grant or contract under this title shall submit an application to the eligible agency containing such information and assurances as the eligible agency may require, including—

“(1) a description of how funds awarded under this title will be spent consistent with the requirements of this title;

“(2) a description of any cooperative arrangements the eligible provider has with other agencies, institutions, or organizations for the delivery of adult education and family literacy education programs; and

“(3) each of the demonstrations required by section 231(d).
“SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.

“(a) IN GENERAL.—Subject to subsection (b), of the amount that is made available under this title to an eligible provider—

“(1) at least 95 percent shall be expended for carrying out adult education and family literacy education programs; and

“(2) the remaining amount shall be used for planning, administration, personnel and professional development, development of measurable goals in reading, writing, speaking, and math, and interagency coordination.

“(b) SPECIAL RULE.—In cases where the cost limits described in subsection (a) are too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination, the eligible provider may negotiate with the eligible agency in order to determine an adequate level of funds to be used for noninstructional purposes.

“CHAPTER 4—GENERAL PROVISIONS

“SEC. 241. ADMINISTRATIVE PROVISIONS.

“(a) SUPPLEMENT NOT SUPPLANT.—Funds made available for adult education and family literacy education programs under this title shall supplement and not supplant other State or local public funds expended for adult education and family literacy education programs.
“(b) MAINTENANCE OF EFFORT.—

“(1) IN GENERAL.—

“(A) DETERMINATION.—An eligible agency may receive funds under this title for any fiscal year if the Secretary finds that the fiscal effort per student or the aggregate expenditures of such eligible agency for activities under this title, in the second preceding fiscal year, were not less than 90 percent of the fiscal effort per student or the aggregate expenditures of such eligible agency for adult education and family literacy education programs, in the third preceding fiscal year.

“(B) PROPORTIONATE REDUCTION.—Subject to paragraphs (2), (3), and (4), for any fiscal year with respect to which the Secretary determines under subparagraph (A) that the fiscal effort or the aggregate expenditures of an eligible agency for the preceding program year were less than such effort or expenditures for the second preceding program year, the Secretary—

“(i) shall determine the percentage decreases in such effort or in such expenditures; and
“(ii) shall decrease the payment made under this title for such program year to the agency for adult education and family literacy education programs by the lesser of such percentages.

“(2) COMPUTATION.—In computing the fiscal effort and aggregate expenditures under paragraph (1), the Secretary shall exclude capital expenditures and special one-time project costs.

“(3) DECREASE IN FEDERAL SUPPORT.—If the amount made available for adult education and family literacy education programs under this title for a fiscal year is less than the amount made available for adult education and family literacy education programs under this title for the preceding fiscal year, then the fiscal effort per student and the aggregate expenditures of an eligible agency required in order to avoid a reduction under paragraph (1)(B) shall be decreased by the same percentage as the percentage decrease in the amount so made available.

“(4) WAIVER.—The Secretary may waive the requirements of this subsection for not more than 1 fiscal year, if the Secretary determines that a waiver would be equitable due to exceptional or uncontrol-
lable circumstances, such as a natural disaster or an unforeseen and precipitous decline in the financial resources of the State or outlying area of the eligible agency. If the Secretary grants a waiver under the preceding sentence for a fiscal year, the level of effort required under paragraph (1) shall not be reduced in the subsequent fiscal year because of the waiver.

“SEC. 242. NATIONAL LEADERSHIP ACTIVITIES.

“The Secretary shall establish and carry out a program of national leadership activities that may include the following:

“(1) Technical assistance, on request, including assistance—

“(A) on request to volunteer community- and faith-based organizations, including but not limited to, improving their fiscal management, research-based instruction, and reporting requirements, and the development of measurable objectives to carry out the requirements of this title;

“(B) in developing valid, measurable, and reliable performance data, and using performance information for the improvement of adult
education, English language acquisition, and
family literacy education programs;

“(C) on adult education professional develop-
ment; and

“(D) in using distance learning and im-
proving the application of technology in the
classroom, including instruction in English lan-
guage acquisition for individuals who have lim-
ited English proficiency.

“(2) Providing for the conduct of research on
national literacy basic skill acquisition levels among
adults, including the number of limited English pro-
ficient adults functioning at different levels of read-
ing proficiency.

“(3) Improving the coordination, efficiency, and
effectiveness of adult education and workforce devel-
opment services at the national, State, and local lev-
els.

“(4) Determining how participation in adult
education, English language acquisition, and family
literacy education programs prepares individuals for
entry into and success in post-secondary education
and employment, and in the case of prison-based
services, the effect on recidivism.
“(5) Evaluating how different types of providers, including community and faith-based organizations or private for-profit agencies measurably improve the skills of participants in adult education, English language acquisition, and family literacy education programs.

“(6) Identifying model integrated basic and workplace skills education programs, including programs for individuals with limited English proficiency coordinated literacy and employment services, and effective strategies for serving adults with disabilities.

“(7) Initiating other activities designed to improve the measurable quality and effectiveness of adult education, English language acquisition, and family literacy education programs nationwide.”

TITLE III—AMENDMENTS TO THE WAGNER-PEYSER ACT

SEC. 301. AMENDMENTS TO THE WAGNER-PEYSER ACT.

The Wagner-Peyser Act (29 U.S.C. 49 et seq.) is amended—

(1) by striking sections 1 through 13;

(2) in section 14 by inserting “of Labor” after “Secretary”; and

(3) by amending section 15 to read as follows:
"SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.

(a) System Content.—

(1) In general.—The Secretary of Labor, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide workforce and labor market information system that includes—

(A) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems that, taken together, enumerate, estimate, and project employment opportunities and conditions at national, State, and local levels in a timely manner, including statistics on—

(i) employment and unemployment status of national, State, and local populations, including self-employed, part-time, and seasonal workers;

(ii) industrial distribution of occupations, as well as current and projected employment opportunities, wages, benefits (where data is available), and skill trends by occupation and industry, with particular attention paid to State and local conditions;
“(iii) the incidence of, industrial and geographical location of, and number of workers displaced by, permanent layoffs and plant closings; and

“(iv) employment and earnings information maintained in a longitudinal manner to be used for research and program evaluation;

“(B) information on State and local employment opportunities, and other appropriate statistical data related to labor market dynamics, which—

“(i) shall be current and comprehensive;

“(ii) shall meet the needs identified through the consultations described in subparagraphs (A) and (B) of subsection (e)(2); and

“(iii) shall meet the needs for the information identified in section 134(e);

“(C) technical standards (which the Secretary shall publish annually) for data and information described in subparagraphs (A) and (B) that, at a minimum, meet the criteria of chapter 35 of title 44, United States Code;
“(D) procedures to ensure compatibility and additivity of the data and information described in subparagraphs (A) and (B) from national, State, and local levels;

“(E) procedures to support standardization and aggregation of data from administrative reporting systems described in subparagraph (A) of employment-related programs;

“(F) analysis of data and information described in subparagraphs (A) and (B) for uses such as—

“(i) national, State, and local policy-making;

“(ii) implementation of Federal policies (including allocation formulas);

“(iii) program planning and evaluation; and

“(iv) researching labor market dynamics;

“(G) wide dissemination of such data, information, and analysis in a user-friendly manner and voluntary technical standards for dissemination mechanisms; and

“(H) programs of—
“(i) training for effective data dissemination;

“(ii) research and demonstration; and

“(iii) programs and technical assistance.

“(2) INFORMATION TO BE CONFIDENTIAL.—

“(A) IN GENERAL.—No officer or employee of the Federal Government or agent of the Federal Government may—

“(i) use any submission that is furnished for exclusively statistical purposes under the provisions of this section for any purpose other than the statistical purposes for which the submission is furnished;

“(ii) disclose to the public any publication or media transmittal of the data contained in the submission described in clause (i) that permits information concerning an individual subject to be reasonably inferred by either direct or indirect means; or

“(iii) permit anyone other than a sworn officer, employee, or agent of any Federal department or agency, or a contractor (including an employee of a con-
tractor) of such department or agency, to
examine an individual submission described
in clause (i),
without the consent of the individual, agency, or
other person who is the subject of the submis-
sion or provides that submission.

“(B) IMMUNITY FROM LEGAL PROCESS.—
Any submission (including any data derived
from the submission) that is collected and re-
tained by a Federal department or agency, or
an officer, employee, agent, or contractor of
such a department or agency, for exclusively
statistical purposes under this section shall be
immune from the legal process and shall not,
without the consent of the individual, agency, or
other person who is the subject of the submis-
sion or provides that submission, be admitted
as evidence or used for any purpose in any ac-
tion, suit, or other judicial or administrative
proceeding.

“(C) RULE OF CONSTRUCTION.—Nothing
in this section shall be construed to provide im-
munity from the legal process for such submis-
sion (including any data derived from the sub-
mission) if the submission is in the possession
of any person, agency, or entity other than the Federal Government or an officer, employee, agent, or contractor of the Federal Government, or if the submission is independently collected, retained, or produced for purposes other than the purposes of this Act.

“(b) System Responsibilities.—

“(1) In general.—The workforce and labor market information system described in subsection (a) shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and States.

“(2) Duties.—The Secretary, with respect to data collection, analysis, and dissemination of workforce and labor market information for the system, shall carry out the following duties:

“(A) Assign responsibilities within the Department of Labor for elements of the workforce and labor market information system described in subsection (a) to ensure that all statistical and administrative data collected is consistent with appropriate Bureau of Labor Statistics standards and definitions.

“(B) Actively seek the cooperation of other Federal agencies to establish and maintain
mechanisms for ensuring complementarity and nonduplication in the development and operation of statistical and administrative data collection activities.

“(C) Eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority.

“(D) In collaboration with the Bureau of Labor Statistics and States, develop and maintain the elements of the workforce and labor market information system described in subsection (a), including the development of consistent procedures and definitions for use by the States in collecting the data and information described in subparagraphs (A) and (B) of subsection (a)(1).

“(E) Establish procedures for the system to ensure that—

“(i) such data and information are timely;

“(ii) paperwork and reporting for the system are reduced to a minimum; and

“(iii) States and localities are fully involved in the development and continuous improvement of the system at all levels.
“(c) National Electronic Tools To Provide Services.—The Secretary is authorized to assist in the development of national electronic tools that may be used to facilitate the delivery of work ready services described in section 134 and to provide workforce information to individuals through the one-stop delivery systems described in section 121 and through other appropriate delivery systems.

“(d) Coordination With the States.—

“(1) In general.—The Secretary, working through the Bureau of Labor Statistics and the Employment and Training Administration, shall regularly consult with representatives of State agencies carrying out workforce information activities regarding strategies for improving the workforce and labor market information system.

“(2) Formal consultations.—At least twice each year, the Secretary, working through the Bureau of Labor Statistics, shall conduct formal consultations regarding programs carried out by the Bureau of Labor Statistics with representatives of each of the 6 Federal regions of the Bureau of Labor Statistics, elected (pursuant to a process established by the Secretary) from the State directors...
affiliated with State agencies that perform the duties
described in subsection (e)(2).

“(e) STATE RESPONSIBILITIES.—

“(1) IN GENERAL.—In order to receive Federal
financial assistance under this section, the Governor
of a State shall—

“(A) be responsible for the management of
the portions of the workforce and labor market
information system described in subsection (a)
that comprise a statewide workforce and labor
market information system and for the State’s
participation in the development of the annual
plan;

“(B) establish a process for the oversight
of such system;

“(C) consult with State and local employ-
ers, participants, and local workforce invest-
ment boards about the labor market relevance
of the data to be collected and disseminated
through the statewide workforce and labor mar-
ket information system;

“(D) consult with State educational agen-
cies and local educational agencies concerning
the provision of employment statistics in order
to meet the needs of secondary school and post-
secondary school students who seek such information;

“(E) collect and disseminate for the system, on behalf of the State and localities in the State, the information and data described in subparagraphs (A) and (B) of subsection (a)(1);

“(F) maintain and continuously improve the statewide workforce and labor market information system in accordance with this section;

“(G) perform contract and grant responsibilities for data collection, analysis, and dissemination for such system;

“(H) conduct such other data collection, analysis, and dissemination activities as will ensure an effective statewide workforce and labor market information system;

“(I) actively seek the participation of other State and local agencies in data collection, analysis, and dissemination activities in order to ensure complementarity, compatibility, and usefulness of data;

“(J) participate in the development of the annual plan described in subsection (e); and
“(K) utilize the quarterly records described in section 136(f)(2) of the Workforce Investment Act of 1998 to assist the State and other States in measuring State progress on State performance measures.

“(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as limiting the ability of a Governor to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this section.

“(f) NONDUPLICATION REQUIREMENT.—None of the functions and activities carried out pursuant to this section shall duplicate the functions and activities carried out under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.).

“(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of the fiscal years 2013 through 2017.

“(h) DEFINITION.—In this section, the term ‘local area’ means the smallest geographical area for which data can be produced with statistical reliability.”.
TITLE IV—AMENDMENTS TO THE REHABILITATION ACT OF 1973

SEC. 401. FINDINGS.

Section 2(a) of the Rehabilitation Act of 1973 (29 U.S.C. 701(a)) is amended—

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

(2) in paragraph (6), by striking the period and inserting “; and”; and

(3) by adding at the end the following:

“(7) there is a substantial need to improve and expand services for students with disabilities under this Act.”.

SEC. 402. REHABILITATION SERVICES ADMINISTRATION.

Section 3(a) of the Rehabilitation Act of 1973 (29 U.S.C. 702(a)) is amended—

(1) by striking “Office of the Secretary” and inserting “Department of Education”;

(2) by striking “President by and with the advice and consent of the Senate” and inserting “Secretary, except that the Commissioner appointed under the authority existing on the day prior to the date of enactment of the Workforce Investment Improvement Act of 2011 may continue to serve in the former capacity”; and
(3) by striking “, and the Commissioner shall be the principal officer,”.

SEC. 403. DIRECTOR.

(a) In General.—The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended—

(1) by striking “Commissioner” each place it appears, except in sections 3(a) (as amended by section 402) and 21, and inserting “Director”;

(2) in section 100(d)(2)(B), by striking “COMMISSIONER” and inserting “DIRECTOR”;

(3) in section 706, by striking “COMMISSIONER” and inserting “DIRECTOR”; and

(4) in section 723(a)(3), by striking “COMMISSIONER” and inserting “DIRECTOR”.

(b) Exception.—Section 21 of the Rehabilitation Act of 1973 (29 U.S.C. 718) is amended—

(1) in subsection (b)(1)—

(A) by striking “Commissioner” the first place it appears and inserting “Director of the Rehabilitation Services Administration”; and

(B) by striking “(referred to in this subsection as the ‘Director’)”; and

(2) by striking “Commissioner and the Director” each place it appears and inserting “both such Directors”.

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SEC. 404. DEFINITIONS.

Section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705) is amended—

(1) by redesignating paragraphs (35) through (39) as paragraphs (36), (37), (38), (40), and (41), respectively;

(2) in subparagraph (A)(ii) of paragraph (36) (as redesignated by paragraph (1)), by striking “paragraph (36)(C)” and inserting “paragraph (37)(C)”;

(3) by inserting after paragraph (34) the following:

“(35)(A) The term ‘student with a disability’ means an individual with a disability who—

“(i) is not younger than 16 and not older than 21;

“(ii) has been determined to be eligible under section 102(a) for assistance under this title; and

“(iii)(I) is eligible for, and is receiving, special education under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); or

“(II) is an individual with a disability, for purposes of section 504.
“(B) The term ‘students with disabilities’ means more than 1 student with a disability.”; and
(4) by inserting after paragraph (38) (as redesignated by paragraph (1)) the following:
“(39) The term ‘transition services expansion year’ means—

“(A) the first fiscal year for which the amount appropriated under section 100(b) exceeds the amount appropriated under section 100(b) for fiscal year 2012 by not less than $100,000,000; and

“(B) each fiscal year subsequent to that first fiscal year.”.

SEC. 405. STATE PLAN.

(a) Coordination With Education Officials and Assistive Technology Programs.—Section 101(a)(11) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(11)) is amended—

(1) in subparagraph (D)(i) by inserting “, which may be provided using alternative means of meeting participation (such as video conferences and conference calls)” before the semicolon; and

(2) by adding at the end the following:

“(G) Coordination With Assistive Technology Programs.—The State plan shall
include an assurance that the designated State
unit and the lead agency responsible for car-
rying out duties under the Assistive Technology
Act of 1998 (29 U.S.C. 3001 et seq.), as
amended, have developed working relationships
and coordinate their activities.”.

(b) Assessment and Strategies.—Section
721(a)(15)) is amended—

(1) in subparagraph (A)—

(A) in clause (i)—

(i) in subclause (II), by striking
“and” at the end;

(ii) in subclause (III), by adding
“and” at the end; and

(iii) by adding at the end the fol-
lowing:

“(IV) in a transition services ex-
pansion year, students with disabil-
ities, including their need for transi-
tion services;”; and

(B) by redesignating clauses (ii) and (iii)
as clauses (iii) and (iv), respectively, and insert-
ing after clause (i) the following:
“(ii) include an assessment of the transition services provided under this Act, and coordinated with transition services under the Individuals with Disabilities Education Act, as to those services meeting the needs of individuals with disabilities;”; and

(2) in subparagraph (D)—

(A) by redesignating clauses (iii), (iv), and (v) as clauses (iv), (v), and (vi), respectively; and

(B) by inserting after clause (ii) the following:

“(iii) in a transition services expansion year, the methods to be used to improve and expand vocational rehabilitation services for students with disabilities, including the coordination of services designed to facilitate the transition of such students from the receipt of educational services in school to the receipt of vocational rehabilitation services under this title or to post-secondary education or employment;”.
(c) **Services for Students With Disabilities.**—

Section 101(a) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) is further amended by adding at the end the following:

“(25) Services for students with disabilities.—The State plan for a transition services expansion year shall provide an assurance satisfactory to the Secretary that the State—

“(A) has developed and implemented strategies to address the needs identified in the assessment described in paragraph (15), and achieve the goals and priorities identified by the State, to improve and expand vocational rehabilitation services for students with disabilities on a statewide basis in accordance with paragraph (15); and

“(B) from funds reserved under section 110A, shall carry out programs or activities designed to improve and expand vocational rehabilitation services for students with disabilities that—

“(i) facilitate the transition of the students with disabilities from the receipt of educational services in school, to the receipt of vocational rehabilitation services
under this title, including, at a minimum, those services specified in the interagency agreement required in paragraph (11)(D); “(ii) improve the achievement of post-school goals of students with disabilities, including improving the achievement through participation (as appropriate when career goals are discussed) in meetings regarding individualized education programs developed under section 614 of the Individuals with Disabilities Education Act (20 U.S.C. 1414); “(iii) provide career guidance, career exploration services, and job search skills and strategies and technical assistance to students with disabilities; “(iv) support the provision of training and technical assistance to State and local educational agency and designated State agency personnel responsible for the planning and provision of services to students with disabilities; and “(v) support outreach activities to students with disabilities who are eligible for, and need, services under this title.”.
SEC. 406. SCOPE OF SERVICES.

Section 103 of the Rehabilitation Act of 1973 (29 U.S.C. 723) is amended—

(1) in subsection (a), by striking paragraph (15) and inserting the following:

“(15) transition services for students with disabilities, that facilitate the achievement of the employment outcome identified in the individualized plan for employment, including, in a transition services expansion year, services described in clauses (i) through (iii) of section 101(a)(25)(B);”;

(2) in subsection (b), by striking paragraph (6) and inserting the following:

“(6)(A)(i) Consultation and technical assistance services to assist State and local educational agencies in planning for the transition of students with disabilities from school to post-school activities, including employment.

“(ii) In a transition services expansion year, training and technical assistance described in section 101(a)(25)(B)(iv).

“(B) In a transition services expansion year, services for groups of individuals with disabilities who meet the requirements of clauses (i) and (iii) of section 7(35)(A), including services described in clauses (i), (ii), (iii), and (v) of section
101(a)(25)(B), to assist in the transition from
school to post-school activities.”; and

(3) in subsection (b) by inserting at the end,
the following:

“(7) The establishment, development, or im-
provement of assistive technology demonstration,
loan, reutilization, or financing programs in coordi-
nation with activities authorized under the Assistive
Technology Act of 1998 (29 U.S.C. 3001), as
amended, to promote access to assistive technology
for individuals with disabilities and employers.”.

SEC. 407. STANDARDS AND INDICATORS.

Section 106(a) of the Rehabilitation Act of 1973 (29
U.S.C. 726(a)) is amended by striking paragraph (1)(C)
and all that follows through paragraph (2) and inserting
the following:

“(2) MEASURES.—The standards and indica-
tors shall include outcome and related measures of
program performance that—

“(A) facilitate the accomplishment of the
purpose and policy of this title;

“(B) to the maximum extent practicable,
are consistent with the core indicators of per-
formance, and corresponding State adjusted lev-
els of performance, established under section 136(b); and

“(C) include measures of the program’s performance with respect to the transition to post-school career activities, and achievement of the post-school career goals, of students with disabilities served under the program.”.

SEC. 408. RESERVATION FOR EXPANDED TRANSITION SERVICES.

The Rehabilitation Act of 1973 is amended by inserting after section 110 (29 U.S.C. 730) the following:

“SEC. 110A. RESERVATION FOR EXPANDED TRANSITION SERVICES.

“(a) Reservation.—From the State allotment under section 110 in a transition services expansion year, each State shall reserve an amount calculated by the Director under subsection (b) to carry out programs and activities under sections 101(a)(25)(B) and 103(b)(6).

“(b) Calculation.—The Director shall calculate the amount to be reserved for such programs and activities for a fiscal year by each State by multiplying $50,000,000 by the percentage determined by dividing—

“(1) the amount allotted to that State under section 110 for the prior fiscal year, by
“(2) the total amount allotted to all States under section 110 for that prior fiscal year.”.

SEC. 409. CLIENT ASSISTANCE PROGRAM.

Section 112(e)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 732(e)(1)) is amended by redesignating subparagraph (D) as subparagraph (E) and inserting after subparagraph (C) the following:

“(D) The Secretary shall make grants to the protection and advocacy system serving the American Indian Consortium to provide services in accordance with this section. The amount of such grants shall be the same as provided to territories under this subsection.”.

SEC. 410. PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS.

Section 509(g)(2) of the Rehabilitation Act of 1973 (29 U.S.C. 794e(g)(2)) is amended by striking “was paid” and inserting “was paid, except that program income generated from such amount shall remain available to such system for one additional fiscal year”.

SEC. 411. CHAIRPERSON.

Section 705(b)(5) of the Rehabilitation Act of 1973 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

“(5) CHAIRPERSON.—The Council shall select a chairperson from among the voting membership of the Council.”.
SEC. 412. AUTHORIZATIONS OF APPROPRIATIONS.

1 The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is further amended—

2 (1) in section 100(b)(1) by striking “fiscal years 1999 through 2003” and inserting “fiscal years 2013 through 2017”;

3 (2) in section 100(d)(1)(B) by striking “fiscal year 2003” and inserting “fiscal year 2017”;

4 (3) in section 110(c) by amending paragraph (2) to read as follows:

5 “(2) The sum referred to in paragraph (1) shall be, as determined by the Secretary, not less than 1 percent and not more than 1.5 percent of the amount referred to in paragraph (1) for each of fiscal years 2013 through 2017.”;

6 (4) in section 112(h) by striking “fiscal years 1999 through 2003” and inserting “fiscal years 2013 through 2017”;  

7 (5) in section 201(a) by striking “fiscal years 1999 through 2003” each place it appears and inserting “fiscal years 2013 through 2017”;  

8 (6) in section 302(i) by striking “fiscal years 1999 through 2003” and inserting “fiscal years 2013 through 2017”;
(7) in section 303(e) by striking “fiscal years 1999 through 2003” and inserting “fiscal years 2013 through 2017”;

(8) in section 304(b) by striking “fiscal years 1999 through 2003” and inserting “fiscal years 2013 through 2017”;

(9) in section 305(b) by striking “fiscal years 1999 through 2003” and inserting “fiscal years 2013 through 2017”;

(10) in section 405 by striking “fiscal years 1999 through 2003” and inserting “fiscal years 2013 through 2017”;

(11) in section 502(j) by striking “fiscal years 1999 through 2003” and inserting “fiscal years 2013 through 2017”;

(12) in section 509(l) by striking “fiscal years 1999 through 2003” and inserting “fiscal years 2013 through 2017”;

(13) in section 612 by striking “fiscal years 1999 through 2003” and inserting “fiscal years 2013 through 2017”;

(14) in section 628 by striking “fiscal years 1999 through 2003” and inserting “fiscal years 2013 through 2017”;}
(15) in section 714 by striking “fiscal years 1999 through 2003” and inserting “fiscal years 2013 through 2017”; 
(16) in section 727 by striking “fiscal years 1999 through 2003” and inserting “fiscal years 2013 through 2017”; and 
(17) in section 753 by striking “fiscal years 1999 through 2003” and inserting “fiscal years 2013 through 2017”.

SEC. 413. CONFORMING AMENDMENT.

Section 1(b) of the Rehabilitation Act of 1973 is amended by inserting after the item relating to section 110 the following:

“Sec. 110A. Reservation for expanded transition services.”.

SEC. 414. HELEN KELLER NATIONAL CENTER ACT.

(a) General Authorization of Appropriations.—The first sentence of section 205(a) of the Helen Keller National Center Act (29 U.S.C. 1904(a)) is amended by striking “1999 through 2003” and inserting “2013 through 2017”.

(b) Helen Keller National Center Federal Endowment Fund.—The first sentence of section 208(h) of such Act (29 U.S.C. 1907(h)) is amended by striking “1999 through 2003” and inserting “2013 through 2017”.
TITLE V—TRANSITION AND EFFECTIVE DATE

SEC. 501. TRANSITION PROVISIONS.

The Secretary of Labor shall take such actions as the Secretary determines to be appropriate to provide for the orderly implementation of this Act.

SEC. 502. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act, shall take effect on the date of enactment of this Act.

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