H. R. 4297

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

March 29, 2012

Ms. FOXX (for herself, Mr. McKEON, and Mr. HECK) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committees on the Judiciary, Agriculture, Energy and Commerce, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

A BILL

To 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 2012”.

SEC. 2. TABLE OF CONTENTS.

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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.).

SEC. 4. EFFECTIVE DATE.
Except as otherwise provided, this Act and the amendments made by this Act shall be effective with respect to fiscal year 2013 and succeeding fiscal years.

TITLE I—AMENDMENTS TO 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);
(2) by redesignating paragraphs (1) through (12) as paragraphs (3) through (14), and para-
graphs (14) through (23) as paragraphs (15) through (24), respectively;

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

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

“(1) ACCRUED EXPENDITURES.—The term ‘ac-
crued expenditures’ means charges incurred by re-
cipients 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 ‘ad-
ministrative 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 car-
rying out activities under this title which are not re-
lated to the direct provision of workforce investment services (including services to participants and employers). Such costs include both personnel and non-personnel and both direct and indirect.”;

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

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

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

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

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

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

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

(B) in subparagraph (B)(iii), by striking “intensive services described in section 134(d)(3)” and inserting “work ready services described in section 134(c)(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 direct result of relocation to accommodate a permanent change in duty station of such member; or

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

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

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

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

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

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

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

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

“(B) work ready services, means a provider who is identified or awarded a contract as described in section 134(c)(2);”; and

(C) by striking subparagraph (C);

(13) in paragraph (15), by striking “adult or dislocated worker” and inserting “individual”;

(14) in paragraph (25)—

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

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

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

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

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

(17) by striking “134(a)(1)(A)” and replacing with “134(a)(1)(B)”;

(18) 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.”;

(19) 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).”; and
(20) in paragraph (51) by striking “, and youth activity.”.

SEC. 102. PURPOSE.

Section 106 (20 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 enhances employer engagement, promotes customer choices in the selection of training services, and ensures accountability in the use of the taxpayer funds.”.

SEC. 103. STATE WORKFORCE INVESTMENT BOARDS.

Section 111 (20 U.S.C. 2821) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) by striking subparagraph (B);

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

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

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

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

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

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

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

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

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

“(vii) such other representatives and State agency officials as the Governor may designate.”; and

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

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

“(3) MAJORITY.—A 2/3 majority of the members of the board shall be representatives described in paragraph (1)(B)(i).”;

(2) by amending subsection (e) by striking “(b)(1)(C)(i)” and replacing with “(b)(1)(B)(i)”;}
(3) by amending subsection (d) to read as follows:

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

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

“(2) STATEWIDE WORKFORCE DEVELOPMENT SYSTEM.—Review and develop statewide policies and programs in the State in a manner that supports a comprehensive Statewide workforce development system that will result in meeting the workforce needs of the State and its local areas. Such review shall include determining whether the State should consolidate additional programs into the Workforce Investment Fund under section 132(b).

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

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

“(5) **Designation of Local Areas.**—Designate local areas as required under section 116.

“(6) **One-Stop Delivery System.**—Identify and disseminate information on best practices for effective operation of one-stop centers, including use of innovative business outreach, partnerships, and service delivery strategies.

“(7) **Program Oversight.**—Conduct the following program oversight:

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

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

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

“(8) **Development of Performance Measures.**—Develop and ensure continuous improvement of comprehensive State performance measures, including State adjusted levels of performance, as described under section 136(b).”;}
(4) by striking subsection (e) and redesignating subsection (f) as subsection (e);

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

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

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

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

SEC. 104. STATE PLAN.

Section 112 (29 U.S.C. 2822)—

(1) in subsection (a)—

(A) by striking “127 or”; and

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

(2) in subsection (b)—

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

“(4) information describing—

“(A) the economic conditions in the State;

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

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

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

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

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

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

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

“(B) a description of common data collection and reporting processes used for the programs and activities described in subparagraph (A), which are carried out by one-stop partners, including—
“(i) assurances that such processes use quarterly wage records for performance measures described in section 136(b)(2)(A) that are applicable to such programs or activities; or

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

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

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

(F) by striking paragraph (12);

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

(H) by amending paragraph (12) (as so redesignated) by striking “(111)(f) and 117(g)” and inserting “111(e) and 117(f)”;}
(I) by amending paragraph (13) (as so redesignated) by striking “134(e)” and inserting “121(e)”;

(J) by amending paragraph (14) (as so redesignated) by striking “116(a)(5)” and inserting “116(a)(4)”;

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

(i) in subparagraph (A)—

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

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

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

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

“(iv) how the State will serve the employment and training needs of dislocated workers (including displaced homemakers), low-income individuals (including recipients of public assistance such as the Supplemental Nutrition Assistance Program), English learners, homeless individuals, in-
dividends training for nontraditional em-
ployment, youth, older workers, ex-offend-
ers, migrant and seasonal farmworkers,
refugee and entrants, veterans (including
disabled and homeless veterans), and Na-
tive Americans; and”; and

(V) by adding at the end the fol-
lowing new clause:

“(v) how the State will—

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

“(II) consistent with sections 504
and 508 of the Rehabilitation Act of
1973, include the provision of out-
reach, intake, assessments, and serv-
vice delivery, the development of per-
formance measures, the training of
staff, and other aspects of accessibility
to programs and services under this
subtitle;”; and

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

(L) by striking paragraph (17) (as so re-designated) and inserting the following:

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

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

“(B) to meet the needs of businesses in the State; and

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

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

“(A) to encourage industry growth and competitiveness and to improve worker training, retention, and advancement in targeted industry clusters;
“(B) to address the immediate and long-term skilled, workforce needs of in-demand industries and other occupations important to the State economy, and

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

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

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

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

“(22) a description of the process and methodology for determining—
“(A) one-stop partner program contributions for the cost of the infrastructure of one-stop centers under section 121(h)(1); and

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

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

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

SEC. 105. LOCAL WORKFORCE INVESTMENT AREAS.

Section 116 (20 U.S.C. 2831) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) by striking “Except as pro-

vided in subsection (b), and consistent

with paragraphs (2), (3), and (4), in”

and inserting “In”; and

(II) by striking “127 or”; and

(ii) by amending subparagraph (B) to

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

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

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

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

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

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

“(2) TECHNICAL ASSISTANCE.—The Secretary shall, if requested by the Governor of a State, provide the State with technical assistance in making the determinations required under paragraph (1). The Secretary shall not issue regulations governing determinations to be made under paragraph (1).”;
(C) by striking paragraph (3) and inserting the following:

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

(D) by striking paragraph (4); and

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

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

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

(3) in subsection (c)—

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

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

SEC. 106. LOCAL WORKFORCE INVESTMENT BOARDS.

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

(1) in subsection (b)—

(A) in subparagraph (A) of paragraph (2)—

(2)—

(i) by striking “include—” and all that follows through “representatives” and inserting “include representatives”;

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

(iii) by redesignating subclauses (I) through (III) as clauses (i) through (iii), respectively;

(iv) by striking clause (ii) (as so redesignated) and inserting the following: “(ii) represent businesses, including large and small businesses, with immediate and long-term employment opportunities in in-demand industries and other occupations important to the local economy; and”;

and
(v) by striking the semicolon at the end of clause (iii) (as so redesignated) and inserting “; and”;

(B) in paragraph (4)—

(i) by striking “A majority” and inserting “A 2⁄3 majority”; and

(ii) by striking “(2)(A)(i)” and inserting “(2)(A)”;

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

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

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

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

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

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

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

“(i) conduct, and regularly update, an analysis of—
“(I) the economic conditions in the local area;

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

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

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

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

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

“(3) BUSINESS ENGAGEMENT.—The local Board shall meet the needs of business and support economic growth in the local area by enhancing communication, coordination, and collaboration among businesses, economic development agencies, and service providers.
“(4) Budget and administration.—

“(A) Budget.—

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

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

“(B) Administration.—

“(i) Grant recipient.—

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

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

“(III) Disbursement.—The local grant recipient or an entity designated under subclause (II) shall disburse the grant funds for workforce investment activities at the direction of the local board, pursuant to the requirements of this title. The local grant recipient or entity designated under subclause (II) shall disburse the funds immediately on receiving such direction from the local board.
“(ii) **STAFF.**—The local board may employ staff to assist in carrying out the functions described in this subsection.

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

“(5) **SELECTION OF OPERATORS AND PROVIDERS.**—

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

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

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

“(B) **IDENTIFICATION OF ELIGIBLE TRAINING SERVICE PROVIDERS.**—Consistent with this subtitle, the local board shall identify eligible providers of training services described in section 134(c)(4), in the local area.
“(C) IDENTIFICATION OF ELIGIBLE PROVIDERS OF WORK READY SERVICES.—If the one-stop operator does not provide the services described in section 134(c)(2) in the local area, the local board shall identify eligible providers of such services in the local area by awarding contracts.

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

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

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

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

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

(3) in subsection (e)—

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

(B) by striking “and the award of grants
or contracts to eligible providers of youth activi-
ties,”;

(4) in subsection (f), 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.”;

(5) in subsection (g)(1), by inserting “or par-
ticipate in action taken” after “vote”; and

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

SEC. 107. LOCAL PLAN.

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

(1) in subsection (a), by striking “5-year” and
inserting “3-year”;
(2) by amending subsection (b) to read as follows:

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

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

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

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

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

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

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

“(3) a description of the strategies and services that will be used in the local area—
“(A) to more fully engage businesses, including businesses in in-demand industries and occupations important to the local economy;

“(B) to meet the needs of businesses in the local area; and

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

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

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

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

“(C) to address critical skill gaps within and across industries;
“(5) a description of how the funds reserved under section 117(d)(4)(A)(ii) will be used to carry out activities described in section 134(c)(4);

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

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

“(A) coordinate activities with the local area’s disability community to make available comprehensive, high-quality services to individuals with disabilities;

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

“(C) consistent with sections 504 and 508 of the Rehabilitation Act of 1973, include the provision of outreach, intake, assessments, and service delivery, the development of performance measures, the training of staff, and other aspects of accessibility to programs and services under this subtitle;
“(8) a description of the local levels of performance negotiated with the Governor and chief elected official pursuant to section 136(c), to be—

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

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

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

“(10) a description of how the local area will serve the employment and training needs of dislocated workers (including displaced homemakers), low-income individuals (including recipients of public assistance such as the Supplemental Nutrition Assistance Program), English learners, homeless individuals, individuals training for nontraditional employment, youth, older workers, ex-offenders, migrant and seasonal farmworkers, refugee and entrants, veterans (including disabled veterans and homeless veterans), and Native Americans;
“(11) an identification of the entity responsible for the disbursal of grant funds described in subclause (III) of section 117(d)(4)(B)(i), as determined by the chief elected official or the Governor under such section; and

“(12) such other information as the Governor may require.”;

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

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

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

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

(1) in subsection (b)—

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

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

“(i) provide access through the one-stop delivery system to the programs and activities carried out by the entity, includ-
ing making the work ready services described in section 134(e)(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 delivery system that meets the requirements of subsection (e); and

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

(B) in paragraph (1)(B)—

(i) by striking clause (vi); and
(ii) by redesignating clauses (vii) through (xii) as clauses (vi) through (xi), respectively; and

(C) in paragraph (2)(B)—

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

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

(iii) by adding at the end the following:

“(iv) employment and training programs administered by the Commissioner of the Social Security Administration;

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

“(vi) employment, training, and literacy services carried out by public libraries; and

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

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

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

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

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

(3) in subsection (d)—

(A) in the heading for paragraph (1), by
striking “DESIGNATION AND CERTIFICATION”
and inserting “LOCAL DESIGNATION AND CER-
TIFICATION”;

(B) in paragraph (2)—

(i) by striking “section 134(e)” and
inserting “subsection (e)”;

(ii) by amending subparagraph (A) to
read as follows:
“(A) shall be designated or certified as a
one-stop operator through a competitive proc-
cess; and”; and

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

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

(4) by amending subsection (e) to read as fol-

“(e) ESTABLISHMENT OF ONE-STOP DELIVERY SYS-
TEM.—
“(1) IN GENERAL.—There shall be established in a State that receives an allotment under section 132(b) a one-stop delivery system, which shall—

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

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

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

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

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

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

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

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

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

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

“(I) in which each partner provides one or more of the programs, services, and activities to such individuals and is accessible at an affiliated site that consists of a physical location or an electronically- or technologically-linked access point; and

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

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

(5) by adding at the end the following:

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

“(1) IN GENERAL.—

“(A) IN GENERAL.—The State board shall establish objective procedures and criteria for 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 under section 112;

“(ii) meeting minimum standards relating to the scope and degree of service integration achieved by the centers involving the programs provided by the one-stop partners; and
“(iii) meeting minimum standards relating to how the centers ensure that eligible providers meet the employment needs of local employers and participants.

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

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

“(h) One-Stop Infrastructure Funding.—

“(1) Partner contributions.—

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

“(B) Determination of governor.—

“(i) In general.—Subject to sub-
paragraph (C), the Governor, in consulta-
tion 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 para-
graph (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 pro-
vided for adult education and literacy ac-
tivities authorized under title II of this Act
and for postsecondary career education ac-
tivities authorized under the Carl D. Per-
kins 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(e)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(e)(8)) shall not, for purposes of this paragraph, be required to provide an amount in excess of the amount determined to be equivalent to the proportionate use of the one-stop centers by such programs in the State.

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

“(3) Allocation formula.—The State board shall develop a formula to be used by the Governor to allocate the funds described in paragraph (1). The formula shall include such factors as the State
board determines are appropriate, which may in-
clude 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 pur-
poses of this subsection, the term ‘costs of infra-
structure’ 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 sub-
section (b)(1)(B) and participating additional part-
er programs described in subsection (b)(2)(B), or
the noncash resources available under such pro-
grams 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 sub-
section (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) \textit{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.”.

\textbf{SEC. 109. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.}

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

\textbf{“SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.}

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

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

“(A) a postsecondary educational institution that—

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

“(ii) provides a program that leads to 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 providers.—A provider described in subparagraph (A) or (C) of paragraph (2) shall comply with the criteria and procedures established under this section to be included on the list of eligible providers of training services described in subsection (d)(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 Secretary of Labor to carry out the programs described in paragraph (2)(B).

“(b) Criteria.—

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

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

“(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 par-
ticipants;

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

“(C) information on the program comple-
tion 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 par-
ticipants (taking into consideration the charac-
teristics of the population served and relevant
economic conditions), which shall include infor-
mation specifying the percentage of such par-
ticipants 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 pro-
viders of training services.

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

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

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

“(1) identify—

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

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

“(2) establish a process for a provider of training services to appeal a denial or termination of eli-
gibility under this section that includes an oppor-
tunity for a hearing and prescribes appropriate time
limits to ensure prompt resolution of the appeal.

“(d) INFORMATION TO ASSIST PARTICIPANTS IN
CHOOSING PROVIDERS.—

“(1) IN GENERAL.—In order to facilitate and
assist participants under chapter 5 in choosing pro-
viders of training services, the Governor shall ensure
that an appropriate list or lists of providers deter-
mined eligible under this section in the State, includ-
ing information regarding the occupations in de-
mand that relate to the training programs of such
providers and the accompanying information de-
scribed in paragraph (2), 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.

“(2) AVAILABILITY THROUGH ONE-STOP DELIV-
ERY SYSTEM.—The list and the accompanying infor-
mation shall be made available to such participants
and to members of the public through the one-stop
delivery system in the State.

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

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

“(B) SUBSTANTIAL VIOLATIONS.—Upon a determination, by an individual or entity specified in the criteria or procedures, that a provider of training services substantially violated any requirement under this title, the eligibility of such provider to receive funds under the program involved shall be terminated.

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

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

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

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

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

“(i) ON-THE-JOB TRAINING OR CUSTOMIZED TRAINING EXCEPTION.—
“(1) IN GENERAL.—Providers of on-the-job training or customized training shall not be subject to the requirements of subsections (a) through (d).

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

SEC. 110. GENERAL AUTHORIZATION.

Chapter 5 of subtitle B of title I is amended—

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

(2) in section 131 (29 U.S.C. 2861)—

(A) by striking “paragraphs (1)(B) and (2)(B) of”; and
(B) by striking “adults, and dislocated workers,” and inserting “individuals”.

SEC. 111. STATE ALLOTMENTS.

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

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

“(a) IN GENERAL.—The Secretary shall—

“(1) reserve 2 percent of the total amount appropriated under section 137 for a fiscal year, of which—

“(A) not less than 90 percent shall be used for national emergency grants under section 173;

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

“(C) not more than 5 percent may be used for evaluations under section 172;

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

“(3) from the remaining amount appropriated
under section 137 for a fiscal year (after reserving
funds under paragraphs (1) and (2)), make allot-
ments in accordance with subsection (b) of this sec-
tion.”; and

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


tows:

“(b) WORKFORCE INVESTMENT FUND.—

“(1) Reservation for outlying areas.—

“(A) In general.—From the amount
made available under subsection (a)(3) for a
fiscal year, the Secretary shall reserve not more
than ¼ of 1 percent to provide assistance to
the outlying areas.

“(B) Restriction.—The Republic of
Palau shall cease to be eligible to receive fund-
ing under this subparagraph upon entering into
an agreement for extension of United States
educational assistance under the Compact of
Free Association (approved by the Compact of
Free Association Amendments Act of 2003
(Public Law 99–658)) after the date of enact-
ment of the Workforce Investment Improvement Act of 2012.

“(2) STATES.—

“(A) IN GENERAL.—After determining the amount to be reserved under subparagraph (A), the Secretary shall allot the remainder of the amount referred to in subsection (a)(3) for a fiscal year to the States pursuant to subparagraph (B) for employment and training activities and statewide workforce investment activities.

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

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

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

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

“(C) Minimum and maximum percentages.—

“(i) Minimum percentage.—The Secretary shall ensure that no State shall receive an allotment under this paragraph for a fiscal year that is less than 90 percent of the allotment percentage of the State for the preceding fiscal year.

“(ii) Maximum percentage.—Subject to clause (i), the Secretary shall ensure that no State shall receive an allotment under this subparagraph for a fiscal year that is more than 130 percent of the
allotment percentage of the State for the preceding fiscal year.

“(D) Small State Minimum Allotment.—Subject to subparagraph (C), the Secretary shall ensure that no State shall receive an allotment under this subparagraph for a fiscal year that is less than \( \frac{2}{10} \) of 1 percent of the remainder described in subparagraph (A) for the fiscal year.

“(E) Definitions.—For the purpose of the formula specified in this subparagraph:

“(i) Allocation Percentage.—The term ‘allocation percentage’—

“(I) used with respect to fiscal year 2012, means the percentage of the amounts allocated to local areas under title I of this Act, title V of the Older Americans Act of 1965, and sections 1 through 13 of the Wagner-Peyser Act of 1933, as such provisions were in effect on the day before the date of enactment of the Workforce Investment Improvement Act of 2012, that is received under such pro-
visions by the local area involved for fiscal year 2012; and

“(II) used with respect to fiscal year 2013 or a subsequent year, means the percentage of the funds described in subclause (I) that is received through an allocation made under this clause for the fiscal year.

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

“(I) the poverty line; or

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

“(iii) Individual.—The term ‘individual’ means an individual who is not less than age 16 and not more than age 72.”.

SEC. 112. WITHIN STATE ALLOCATIONS.

Section 133 is amended—
(1) by amending subsection (a) to read as follows:

“(a) Reservations for Statewide Employment and Training Activities.—

“(1) In general.—The Governor of a State shall reserve up to 5 percent of the total amount allotted to the State under section 132(b)(2) for a fiscal year to carry out the statewide activities described in paragraphs (2) and (3) of section 134(a).

“(2) Statewide rapid response activities.—Of the amount reserved under paragraph (1) for a fiscal year, the Governor of the State shall reserve not more than 10 percent for statewide rapid response activities described in section 134(a)(4).

“(3) Statewide youth challenge grants.—The Governor of a State shall reserve up to 18 percent of the total amount allotted to the State under section 132(b)(2) for a fiscal year to carry out statewide activities described in section 134(a)(5).

“(4) Statewide adults with barriers to employment grants.—The Governor of a State shall reserve 2 percent of the total amount allotted to the State under section 132(b)(2) for a fiscal year
to carry out statewide activities described in section 134(a)(6).”;

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

“(b) WITHIN STATE ALLOCATION.—

“(1) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—The Governor, acting in accordance with the State plan, and after consulting with chief elected officials in the local areas, shall—

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

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

“(C) award the funds that are reserved by the State under subsection (a)(4) through competitive grants to eligible entities, in accordance with section 134(a)(1)(D).

“(2) FORMULA ALLOCATIONS FOR THE WORK-FORCE INVESTMENT FUND.—
“(A) ALLOCATION.—In allocating the funds described in paragraph (1)(A) to local areas, a State shall allocate—

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

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

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

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

“(B) MINIMUM AND MAXIMUM PERCENTAGES.—

“(i) MINIMUM PERCENTAGE.—The State shall ensure that no local area shall receive an allotment under this paragraph for a fiscal year that is less than 90 percent of the allocation percentage of the local area for the preceding fiscal year.

“(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the State shall ensure that no local area shall receive an allocation for a fiscal year under this subparagraph for a fiscal year that is more than
130 percent of the allocation percentage of
the local area for the preceding fiscal year.

“(C) DEFINITIONS.—For the purpose of
the formula specified in this paragraph, the
term ‘allocation percentage’—

“(i) used with respect to fiscal year
2012, means the percentage of the
amounts allocated to local areas under title
I of this Act, title V of the Older Ameri-
cans Act of 1965, and sections 1 through
13 of the Wagner-Peyser Act of 1933, as
such provisions were in effect on the day
before the date of enactment of the Work-
force Investment Improvement Act of
2012, that is received under such provi-
sions by the local area involved for fiscal
year 2012; and

“(ii) used with respect to fiscal year
2013 or a subsequent year, means the per-
centage of the funds described in clause (i)
that is received through an allocation made
under this clause for the fiscal year.”;

(3) in subsection (c)—

(A) by amending paragraph (1) to read as
follows:
“(1) IN GENERAL.—The Governor, may in accordance with this subsection, reallocate to eligible local areas within the State amounts that are allocated under subsection (b) for employment and training activities and that are available for reallocation.”;

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

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

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

(D) in paragraph (4), by striking “paragraph (2)(A) or (3) of”; and
(4) by adding at the end the following new subsection:

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

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

Section 134 is amended—

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

“(a) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

“(1) IN GENERAL.—

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

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

“(ii) may be used to carry out any of the statewide employment and training activities described in paragraph (3).
“(B) Statewide rapid response activities.—Funds reserved by a Governor for a State as described in section 133(a)(2) shall be used to carry out the statewide rapid response activities described in paragraph (4).

“(C) Statewide youth challenge grants.—Funds reserved by a Governor for a State as described in section 133(a)(3) shall be used to carry out the Statewide Youth Challenge Grant competition described in paragraph (5).

“(D) Statewide adults with barriers to employment grants.—Funds reserved by a Governor for a State as described in section 133(a)(4) shall be used to carry out the Statewide Adults with Barriers to Employment Grant competition described in paragraph (6).

“(2) Required statewide employment and training activities.—A State shall use funds reserved as described in section 133(a)(1) to carry out statewide employment and training activities, which shall include—

“(A) supporting the provision of work ready services described in subsection (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, 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 en-
gage employers in workforce investment activi-
ties and make the workforce investment system
more relevant to the needs of State and local
businesses, consistent with the objectives of this
title; and

“(C) conducting evaluations under section
136(e) of activities authorized under this chap-
ter in coordination with evaluations carried out
by the Secretary under section 172.

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

“(A) 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;

“(B) providing technical assistance and ca-
pacity building to local areas, one-stop opera-
tors, 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;

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

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

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

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

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

“(A) provision of rapid response activities, carried out in local areas by the State or by an entity designated by the State, working in con-
junction 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 lay-
offs or plant closings, or other events that pre-
cipitate substantial increases in the number of
unemployed individuals, carried out in local
areas by the State or by an entity designated
by the State, working in conjunction with the
local boards and the chief elected officials in the
local areas.

“(5) STATEWIDE YOUTH CHALLENGE
GRANTS.—

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

“(i) may reserve up to 5 percent to
provide technical assistance to, and con-
duct evaluations as described in section
136(e) of the programs and activities car-
ried out under this paragraph; and

“(ii) using the remainder, shall award
grants, on a competitive basis, to eligible
entities to carry out programs and activi-
ties authorized under this paragraph to as-
sist eligible youth in acquiring the edu-
cation and skills, credentials, and employ-
ment experience necessary to succeed in
the labor market.

“(B) Eligible entity defined.—For
purposes of this paragraph, the term ‘eligible
entity’ means—

“(i) a local board or a consortium of
local boards;

“(ii) a nonprofit entity, for-profit enti-
ty, or a consortium of nonprofit or for-
profit entities with a demonstrated record
of—

“(I) placing youth into year-
round employment;

“(II) successfully implementing
dropout recovery activities, or

“(III) successfully implementing
intensive and fully supervised pro-
grams of education, career training,
and work experience; or

“(iii) a consortium of the entities de-
scribed in clauses (i) and (ii).

“(C) Grant period.—
“(i) In general.—A grant under this paragraph shall be awarded for a period of 1 year.

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

“(D) Authority to require match.—A Governor of a State may require that eligible entities receiving grants under this paragraph provide a non-Federal share of the cost of activities carried out under this paragraph.

“(E) Eligible youth.—To be eligible to participate in activities under this paragraph, an individual shall be a youth between the ages 16 and 24 as of the time the eligibility determination is made by the Governor of the State who is—

“(i) a secondary school dropout;

“(ii) a member of a low-income family;

“(iii) a youth in foster care (including youth aging out of foster care);

“(iv) a youth offender;
“(v) a youth who is an individual with a disability;
“(vi) a child of incarcerated parents;
or
“(vii) a migrant youth.
“(F) USE OF FUNDS.—An eligible entity receiving a grant under this paragraph shall use such funds for activities that are designed to assist eligible youth in acquiring the education and skills, credentials, and employment experience that are necessary to succeed in the labor market by carrying out at least one of the following:
“(i) Training and internships for out-of-school youth in in-demand industries or occupations important to the State and local economy.
“(ii) Dropout recovery activities that are designed to lead to the attainment of a secondary school diploma, General Education Development (GED) credential, or other State-recognized equivalent (including recognized alternative standards for individuals with disabilities).
“(iii) Activities designed to assist special youth populations, such as court-involved youth, homeless youth, foster-children, young parents, and youth with disabilities.

“(iv) Activities combining remediation of academic skills, work readiness training, and work experience, and including linkages to postsecondary education and training, apprenticeships, and career-ladder employment.

“(v) Operating a residential center, such as a Job Corps Center described in subparagraph (I) if the requirements described in clause (iii) of such subparagraph are met, that shall be operated so as to provide enrollees, in a well-supervised setting, with access to activities described in this subparagraph.

“(vi) Other evidence-based strategies or activities designed to improve the education and employment outcomes for youth.

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

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

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

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

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

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

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

“(vii) a description of the extent of
the involvement of employers in such pro-
grams and activities;

“(viii) a description of the levels of
performance the eligible entity expects to
achieve with respect to the indicators of
performance for youth specified in section
136(b)(2)(A)(ii); and
“(ix) a detailed budget and a description of the system of fiscal controls, and auditing and accountability procedures that will be used to ensure fiscal soundness for the programs and activities provided under this paragraph.

“(H) FACTORS FOR AWARD.—

“(i) IN GENERAL.—In awarding grants under this paragraph, a State shall consider—

“(I) the quality of the proposed programs and activities;

“(II) the goals to be achieved;

“(III) the likelihood of successful implementation;

“(IV) the extent to which the proposed programs and activities—

“(aa) are based on proven strategies or demonstrated results; or

“(bb) will expand the education and skills training for eligible youth;

“(V) the extent of collaboration with the State and local workforce in-
vestment systems in carrying out the proposed programs and activities;

“(VI) the extent of employer involvement in the proposed programs and activities;

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

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

“(IX) the extent to which the proposed programs and activities will expand on the work ready and training services provided to individuals between 16 and 24 years of age provided under section 134.

“(ii) EQUITABLE GEOGRAPHIC DISTRIBUTION.—In awarding grants under
this paragraph the State shall ensure an equitable distribution of such grants across geographically diverse areas.

“(I) USE OF FUNDS FOR JOB CORPS CENTERS.—

“(i) IN GENERAL.—If the requirements described in clause (iii) are met, an eligible entity may use a grant received under this paragraph to operate a Job Corps Center that was established under subtitle C, as in effect on the day before the enactment of the Workforce Investment Improvement Act of 2012, and that is in existence on the day before the enactment of such Act to—

“(I) provide work-based learning throughout the enrollment of the enrollees of such Center; and

“(II) assist the enrollees in obtaining meaningful unsubsidized employment, participating in secondary or postsecondary education programs, enrolling in other suitable career training programs, or satisfying
Armed Forces requirements, on completion of their enrollment.

“(ii) LIMITATION.—An eligible entity may use not more than 10 percent of the grant funds received under this paragraph for construction and facilities improvement of a Job Corps Center.

“(iii) REQUIREMENTS.—In order for an eligible entity to operate a Job Corps Center under clause (i), the following requirements shall be met:

“(I) The State has submitted to the Secretary, a written request for the appropriate title and deed for such Job Corps Center, and has been granted such title and deed under clause (iv)(I).

“(II) The State agency, or appropriate agency responsible for inspecting public buildings and safeguarding the health of disadvantaged students, has conducted an in-person review of the physical condition and health-related activities of the Job Corps Center. Such review shall include a pass-
ing rate of occupancy under State and local ordinances.

“(III) The State has demonstrated, as part of the State plan in section 112, that it has developed and will enforce professional standards of conduct.

“(iv) Secretarial Actions.—

“(I) In General.—Upon receiving a written request from a State under clause (iii)(I), the Secretary, in coordination with the Administrator of the General Services Administration, shall transfer the title and deed for the appropriate Job Corps Center to the State within 30 days. The Secretary shall be prohibited from imposing any requirement on a State in exchange for such title and deed.

“(II) Transition.—After 365 calendar days after the date of enactment of the Workforce Investment Improvement Act of 2012, the Secretary shall transfer all Job Corps Centers with respect to which the Sec-
Secretary has not received a written re-
quest under clause (iii)(I) to the Ad-
ministrator of the General Services
Administration for disposal of excess
Federal real property.

“(6) STATEWIDE GRANTS FOR ADULTS WITH
BARRIERS TO EMPLOYMENT.—

“(A) IN GENERAL.—Of the funds reserved
as described in section 133(a)(4), the Governor
of a State—

“(i) may reserve up to 5 percent to
provide technical assistance to, and con-
duct evaluations as described in section
136(e), of the programs and activities car-
rried out under this paragraph; and

“(ii) using the remainder, shall award
grants on a competitive basis to eligible en-
tities described in subparagraph (B) to
carry out employment and training pro-
grams authorized under this paragraph for
individuals with barriers to employment
that meet specific performance outcomes
and criteria established by the Governor
under subparagraph (G).
“(B) Eligible entity defined.—For purposes of this paragraph, the term ‘eligible entity’ means an entity that—

“(i) is a—

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

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

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

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

“(iii) agrees to be reimbursed primarily on the basis of achievement of specified performance outcomes and criteria established under subparagraph (F).

“(C) Grant period.—

“(i) In general.—A grant under this paragraph shall be awarded for a period of 1 year.

“(ii) Grant renewal.—A Governor of a State may renew, for up to 4 addi-
tional 1-year periods, a grant awarded
under this paragraph.

“(D) ELIGIBLE PARTICIPANTS.—To be eli-
gible to participate in activities under this para-
graph, an individual shall be a low-income adult
or a member of a low-income family.

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

“(F) APPLICATIONS.—To be eligible to re-
ceive a grant under this paragraph, an eligible
entity shall submit an application to a State at
such time, in such manner, and containing such
information as the State may require, includ-
ing—

“(i) a description of how the strate-
gies and activities will be aligned with the
State plan submitted under section 112
and the local plans submitted under sec-
section 118 with respect to the areas of the
State that will be the focus of grant activi-
ties under this paragraph;
“(ii) a description of the educational and skills training programs and activities the eligible entities will provide to eligible participants under this paragraph;

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

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

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

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

“(vii) a description of the extent of
the involvement of employers in such pro-
grams and activities;

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

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

“(x) a description of the estimated
savings that would result from the im-
proved outcomes, including to other pro-
grams or units of government; and

“(xi) any other criteria the Governor
may require.
“(G) PERFORMANCE OUTCOMES AND CRITERIA.—Not later than 6 months after the date of the enactment of the Workforce Investment Improvement Act of 2012, the Governor of the State shall establish and publish specific performance measures for the initial qualification of eligible entities to receive a grant under this section. At a minimum, to receive an award an eligible entity shall—

“(i) identify a particular program area and client population that is not achieving optimal outcomes;

“(ii) provide evidence that the proposed strategy would achieve better results;

“(iii) clearly articulate and quantify the improved outcomes of such new approach;

“(iv) identify data that would be required to evaluate whether outcomes are being achieved for a target population and a comparison group;

“(v) identify estimated savings that would result from the improved outcomes, including to other programs or units of government;
“(vi) demonstrate the capacity to collect required data, track outcomes, and validate those outcomes; and

“(vii) any other criteria the Governor may require.

“(7) LIMITATION.—Not more than 5 percent of the funds allotted under section 132(b) to a State and reserved as described in section 133(a)(1) may be used by the State for administrative activities carried out under this subsection.”;

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

“(b) LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—

“(1) IN GENERAL.—Funds allocated to a local area under section 133(b)(2)—

“(A) shall be used to carry out employment and training activities described in section (c); and

“(B) may be used to carry out employment and training activities described in section (e).”.

(3) by striking subsection (c);

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

(5) in subsection (c) (as so redesignated)—
(A) by amending paragraph (1) to read as follows:

“(1) IN GENERAL.—Funds allocated to a local area under section 133(b)(2) shall be used—

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

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

“(C) to provide training services described in paragraph (4) in accordance with such paragraph;”;

(B) in paragraph (2)—

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

(ii) 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 applica-
tions, 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 assist-
ance, and where appropriate, career coun-
seling;

“(ii) appropriate recruitment services
for employers, including small employers,
in the local area, which may include serv-
ices 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”; 

(vii) in subparagraph (F), by striking “and eligible providers of youth activities described in section 123,”;

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

(ix) 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 

(x) by redesignating subparagraph (K) as subparagraph (U); and 

(xi) by inserting the following new subparagraphs after subparagraph (J): “(K) the provision of information from official publications of the Internal Revenue Serv-
ice regarding Federal tax credits available to individuals relating to education, job training and employment;

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

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

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

“(M) 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;

“(N) group counseling;

“(O) individual counseling and career planning;

“(P) case management;

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

“(R) internships and work experience;

“(S) 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.); and

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

(C) by amending paragraph (3) 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) in paragraph (4)—

(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 individuals who—

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

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

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

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

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

(ii) in subparagraph (B)(i), by striking “Except” and inserting “Notwithstanding section 479B of the Higher Edu-
cation Act of 1965 (20 U.S.C. 1087uu) and except’’;

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

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

“(i) occupational skills training;

“(ii) on-the-job training;

“(iii) skill upgrading and retraining;

“(iv) entrepreneurial training;

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

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

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

“(viii) occupational skills training that incorporates English language acquisition.”;
(iv) by striking subparagraph (E) and redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively; and

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

(I) in clause (ii)—

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

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

(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 indi-
individual to the eligible provider of training
services, and arrange for payment for such
services through a career enhancement ac-
count.

“(iv) COORDINATION.—Each local
board may, through one-stop centers, co-
ordinate 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 “individual training accounts” and inserting “career enhancement accounts”;

(III) in clause (ii)—

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

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

(ee) 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
in-demand sectors or occupations, if
such contract does not limit customer
choice.”;

(IV) in clause (iii), by striking
“adult or dislocated worker” and in-
serting “individual”; and

(V) in clause (iv)—

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

“(IV) Individuals with disabil-
ities.”;

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

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

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

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

“(vi) activities to carry out business services and strategies that meet the workforce investment needs of local area businesses, 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 appropriate by the local board; and

“(II) may include—

“(aa) identifying and disseminating to business, educators, and job seekers, information related to the workforce, economic and community development needs, and opportunities of the local economy;

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

“(cc) participation in seminars and classes offered in partnership with relevant organizations 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
workforce 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) by striking paragraphs (2) and (3);

and

(C) by adding at the end the following:

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

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

“(C) EMPLOYER MATCH REQUIRED.—

“(i) IN GENERAL.—Employers participating in programs under this paragraph shall be required to pay a proportion of the costs of providing the training to the incumbent workers of the employers. The 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 50 percent of the costs.
“(ii) Calculation of match.—The wages paid by an employer to a worker while they are attending training may be included as part of the required payment of the employer.”; and

(7) by adding at the end the following:

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

SEC. 114. PERFORMANCE ACCOUNTABILITY SYSTEM.

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

(1) in subsection (b)—

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

“(1) In general.—For each State, the State performance measures shall consist of—

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

“(ii) additional indicators of performance (if any) identified by the State under paragraph (2)(B); and
“(B) a State adjusted level of performance for each indicator described in subparagraph (A).

“(2) INDICATORS OF PERFORMANCE.—

“(A) CORE INDICATORS OF PERFORMANCE.—

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

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

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

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

“(IV) the percentage and number of program participants who obtain a recognized postsecondary credential, including a registered apprenticeship, or a regular secondary school diploma or its recognized equivalent (subject to clause (iii)), during participation in or within 1 year after exit from program;

“(V) the percentage and number of program participants who, during a program year—

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

“(bb) are achieving measurable basic skill gains toward such a credential or employment; and

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

“(ii) CORE INDICATORS FOR ELIGIBLE YOUTH.—The core indicators of performance for the program of youth activities authorized under section 134(a)(5), shall include—

“(I) the percentage and number of program participants who are in education or training activities in unsubsidized employment, or in the military service, during the first full cal-
endar quarter after exit from the pro-
gram;

“(II) the percentage and number
of program participants who are in
education or training activities, in un-
subsidized employment, or in the mili-
tary service, during the fourth full cal-
endar quarter after exit from the pro-
gram;

“(III) the median earnings of
program participants who are in un-
subsidized employment during the sec-
ond full calendar quarter after exit
from the program compared to the
median earnings of such participants
prior to the training;

“(IV) the percentage and number
of program participants who obtain a
recognized postsecondary credential
described in clause (i)(IV), or a reg-
ular secondary school diploma or its
recognized equivalent (subject to
clause (iii)), during participation in or
within 1 year after exit from the pro-
gram;
“(V) the percentage and number of program participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or a regular secondary school diploma or its recognized equivalent, or unsubsidized employment and who are achieving measurable basic skill gains toward such a credential or employment; and

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

“(iii) Indicator relating to credential.—For purposes of clause (i)(IV) and (ii)(IV), program participants who obtain a regular secondary school diploma or its recognized equivalent shall be included in the percentage counted as meeting the criterion under such clause only if such participants, in addition to obtaining such

diploma or its recognized equivalent, have,
within 1 year after exit from the program,
3 obtained or retained employment, have
been removed from public assistance, or
are in an education or training program
leading to a recognized postsecondary cre-
dential described in clause (i)(IV).

“(B) ADDITIONAL INDICATORS.—A State
may identify in the State plan additional indica-
tors for workforce investment activities author-
ized under this subtitle.”; and

(B) in paragraph (3)—

(i) in subparagraph (A)—

(I) in the heading, by striking

“And Customer Satisfaction Indi-
cator”;

(II) in clause (i), by striking

“and the customer satisfaction indi-
cator described in paragraph (2)(B)”;

(III) in clause (ii), by striking

“and the customer satisfaction indi-
cator of performance, for the first 3”
and inserting “, for the first 2”; 

(IV) in clause (iii)—
(aa) in the heading, by striking “3 YEARS” and inserting “2 YEARS”; and

(bb) by striking “and the customer satisfaction indicator of performance, for the first 3 program years” and inserting “for the first 2 program years”;

(V) in clause (iv)—

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

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

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

(BB) by inserting “, such as unemployment rates and job losses or gains in particular industries” after “economic conditions”; and
(CC) by inserting “,
such as indicators of poor
work experience, dislocation
from high-wage employment,
low levels of literacy or
English proficiency, dis-
ability status, including the
number of veterans with dis-
abilities, and welfare de-
dependency” after “program”; 

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

(VII) in clause (v) (as so redesig-
nated),

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

(bb) striking “or (v)”;
and

(ii) in subparagraph (B), by striking
“paragraph (2)(C)” and inserting “para-
graph (2)(B)”;

(2) in subsection (c)(1)(A)—

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

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

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

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

(3) in subsection (d)—

(A) in paragraph (1)—

(i) by striking “127 or”; and
(ii) by striking “and the customer satisfaction indicator” each place it appears;

(B) in paragraph (2)—

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

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

(iii) by striking “and” at the end of subparagraph (E);

(iv) by striking the period at the end of subparagraph (F) and inserting “; and”;

and

(v) by adding at the end, the following:

“(G) with respect to each local area in the State—

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

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

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

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

(D) by adding at the end the following:

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

(4) in subsection (g)—

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

(B) in paragraph (1)(B), by striking “may
reduce by not more than 5 percent,” and insert-
ing “shall reduce”; and

(C) by striking paragraph (2) and insert-
ing the following:

“(2) FUNDS RESULTING FROM REDUCED AL-
LOTMENTS.—The Secretary shall return to the
Treasury the amount retained, as a result of a re-
duction in an allotment to a State made under para-
graph (1)(B).”;

(5) in subsection (h)(1), by striking “or (B)”;}
(6) in subsection (h)(2)—

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

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

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

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

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

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

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


(8) in subsection (i)(1)(B), by striking “subsection (b)(2)(C)” and inserting “subsection (b)(2)(B)”;

(9) by adding at the end the following subsection:

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

SEC. 115. AUTHORIZATION OF APPROPRIATIONS.

Section 137 is amended to read as follows:

“SEC. 137. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to carry out the activities described in section 132, $6,080,237,000 for fiscal year 2013 and each of the 5 succeeding fiscal years.”.

SEC. 116. 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 (e) respectively, and moving such subsections 2 ems to the left;

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

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

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

(5) in subsection (b) (as so redesignated) by striking “, or recipient of financial assistance under any of section 166 through 169,”; and

(6) by inserting, after subsection (c) (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; and

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

SEC. 117. EVALUATIONS.

Section 172 is amended—
(1) in subsection (a), by striking “the Secretary shall provide for the continuing evaluation of the programs and activities, including those programs and activities carried out under section 171” and inserting “the Secretary, through grants, contracts, or cooperative agreements, shall conduct, at least once every 5 years, an independent evaluation of the programs and activities funded under this Act”;

(2) in subsection (a)(4) is amended to read as follows:

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

(3) in subsection (c) is amended to read as follows:

“(c) TECHNIQUES.—Evaluations conducted under this section shall utilize appropriate and rigorous methodology and research designs, including the use of control groups chosen by scientific random assignment methodologies, quasi-experimental methods, impact analysis and the use of administrative data. The Secretary shall conduct an impact analysis, as described in subsection (a)(4), of the formula grant program under subtitle B not later than 2014, and thereafter shall conduct such an analysis not less than once every four years.”;
(4) in subsection (e) is amended by striking “the Committee on Labor and Human Resources of the Senate” and inserting “the Committee on Health, Education, Labor, and Pensions of the Senate”; and

(5) by adding at the end, the following:

“(g) PUBLIC AVAILABILITY.—The results of the evaluations conducted under this section shall be made publicly available, including by posting such results on the Department’s website.”.

SEC. 118. AMENDMENTS TO SECTION 173.

Section 173 (29 U.S.C. 2918) is amended—

(1) by amending the heading for section 173 to read as follows: “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(e)(1)(B)” and inserting “section 173(h)(1)(B)”; and

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

(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 “an entity described in section 166(c)” and all that follows, and replacing with “and section 132(a)(2).”;

(5) in subsection (b)(2)(A) (as so redesignated)—

(A) in the matter preceding clause (i), by striking “national emergency grant” and inserting “national dislocated worker grant”; 

(B) in clause (iii), by striking “; or” and inserting a semicolon;

(C) in clause (iv)(IV) by striking the period 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 employment.”;

(6) in subsection (b)(2)(C) (as so redesignated), by striking “national emergency grant” and inserting “national dislocated worker grants”;

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

(8) strike subsection (d)(3)(B) (as so redesignated);

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

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

(11) in subsection (e)(1)(A) (as so redesignated), by striking “subsection (f)(1)(A)” and inserting “subsection (d)(1)(A)” and
(12) strike subsection (e)(4)(B) (as so redesignated).

SEC. 119. REQUIREMENTS AND RESTRICTIONS.

Section 181 (29 U.S.C. 2931) is amended—

(1) in subsection (b)(6), by striking “, including representatives of businesses and labor organizations”;

(2) in subsection (c)(2)(A), in the matter preceding clause (i), by striking “shall” and inserting “may”;

(3) in subsection (e)—

(A) by striking “training for” and inserting “the entry into employment, retention in employment, or increases in earnings of”; and

(B) by striking “under subtitle B” and inserting “this Act”; and

(4) by adding at the end the following:

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

“(h) General Authority.—

“(1) In general.—The Employment and Training Administration of the U.S. Department of Labor (hereinafter in this Act referred to as the ‘Administration’) shall administer all programs authorized under title I and III of this Act. The Administration shall be headed by an Assistant Secretary appointed by the President by and with the advice and consent of the Senate. Except for titles II and IV, the Administration shall be the principal agency, and the Assistant Secretary shall be the principal officer, of such Department for carrying out this Act.

“(2) Qualifications.—The Assistant Secretary shall be an individual with substantial experience in workforce development and in workforce development management. The Assistant Secretary shall also, to the maximum extent possible, possess knowledge and have worked in or with the State or
local workforce investment system or have been a member of the business community. In the performance of the functions of the office, the Assistant Secretary shall be directly responsible to the Secretary or the Under Secretary as designed by the Secretary. The functions of the Assistant Secretary shall not be delegated to any officer not directly responsible, both with respect to program operation and administration, to the Assistant Secretary. Any reference in this Act to duties to be carried out by the Assistant Secretary shall be considered to be a reference to duties to be carried out by the Secretary acting through the Assistant Secretary.’’.

SEC. 120. PROMPT ALLOCATION OF FUNDS.

Section 182 (29 U.S.C. 2932) is amended—

(1) in subsection (c), by striking ‘‘127 or’’; and

(2) in subsection (e)—

(A) by striking ‘‘sections 128 and 133’’ and inserting ‘‘section 133’’; and

(B) by striking ‘‘127 or’’.

SEC. 121. FISCAL CONTROLS; SANCTIONS.

Section 184(a)(2) (29 U.S.C. 2934(a)(2)) is amended by striking subparagraph (B).

SEC. 122. REPORTS TO CONGRESS.

Section 185 (29 U.S.C. 2935) is amended—
(1) in subsection (c)—

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

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

(C) by adding at the end the following:

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

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

SEC. 123. ADMINISTRATIVE PROVISIONS.

Section 189 (29 U.S.C. 2939) is amended—

(1) in subsection (g)—

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

“(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities carried out under this title shall be available for obligation only on the basis of a program year. The program year
shall begin on July 1 in the fiscal year for which the appropriation is made.”; and

(B) in paragraph (2)—

(i) by striking “each State” and inserting “each recipient”; and

(ii) by striking “171 or”;

(2) in subsection (i)(4)—

(A) in subparagraph (A)—

(i) by striking “requirements of subparagraph (B)” and all that follows through “any of the statutory or regulatory requirements of subtitle B” and inserting “requirements of subparagraph (B) or (D), any of the statutory or regulatory requirements of subtitle B”; and

(ii) by striking clause (ii); and

(B) by adding at the end the following:

“(D) EXPEDITED PROCESS FOR EXTENDING APPROVED WAIVERS TO ADDITIONAL STATES.—In lieu of the requirements of subparagraphs (B) and (C), the Secretary may establish an expedited procedure for the purpose of extending to additional States the waiver of statutory or regulatory requirements that have been approved for a State pursuant to a request
under subparagraph (B). Such procedure shall ensure that the extension of such waivers to additional States are accompanied by appropriate conditions relating the implementation of such waivers.”.

SEC. 124. STATE LEGISLATIVE AUTHORITY.

Section 191(a) (29 U.S.C. 2941(a)) is amended—

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

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

SEC. 125. CONTINUATION OF STATE ACTIVITIES AND POLICIES.

Section 194 (20 U.S.C. 2944) is amended—

(1) in subsection (a)(1)(A), by striking “127 or”;

(2) in subsection (a)(1)(B), by striking “127 or”; and

(3) in subsection (a)(2), by striking “127 or”.

SEC. 126. 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(e) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(c)), except that for purposes of this paragraph, such an enterprise does not include one-stop centers.

“(15) Any report required to be submitted to Congress, or to a Committee of Congress, under this title shall be submitted to both the chairmen and ranking minority members of the Committee on Education and the Workforce of the House of Rep-
resentatives and the Committee on Health, Education, Labor, and Pensions of the Senate.”.

SEC. 127. STATE UNIFIED PLAN.

Section 501 (20 U.S.C. 9271) is amended—

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

“(b) STATE UNIFIED PLAN.—

“(1) IN GENERAL.—A State may develop and submit to the appropriate Secretaries a State unified plan for 2 or more of the activities or programs set forth in paragraph (2). The State unified plan shall cover one or more of the activities set forth in subparagraphs (A) and (B) of paragraph (2) and may cover one or more of the activities set forth in subparagraphs (C) through (N) of paragraph (2). For purposes of this paragraph, the activities and programs described in subparagraphs (A) and (B) of paragraph (2) shall not be considered to be 2 or more activities or programs for purposes of the unified plan. Such activities or programs shall be considered to be 1 activity or program.

“(2) ACTIVITIES AND PROGRAMS.—The activities and programs referred to in paragraph (1) are as follows:
“(A) Programs and activities authorized under title I.

“(B) Programs and activities authorized under title II.

“(C) Programs authorized under the Rehabilitation Act of 1973.


“(F) Programs and activities authorized under title II of the Trade Act of 1974.


“(H) Programs authorized under the Community Services Block Grant Act.

“(I) Programs authorized under the part A of title IV of the Social Security Act.

“(J) Programs authorized under State unemployment compensation laws (in accordance with applicable Federal law).

“(K) Work programs authorized under section 6(o) of the Food Stamp Act of 1977.
“(L) Programs and activities authorized title I of the Housing and Community Development Act of 1974.

“(M) Programs and activities authorized under the Public Workers and Economic Development Act of 1965.

“(N) Activities as defined under chapter 41 of title 38, United States Code.”; and

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

“(e) Authority To Consolidate Funds Into Workforce Investment Fund.—

“(1) In general.—A State may consolidate funds allotted to a State under an approved application under subsection (d) into the Workforce Investment Fund under section 132(b) in order to reduce inefficiencies in the administration of federally-funded State and local employment and training programs.

“(2) Treatment of funds.—

“(A) In general.—Notwithstanding subsection (e), a State with an approved application under subsection (d) may treat any and all funds consolidated into the Workforce Investment Fund as if they were original funds allotted to a State under section 132(b).
“(B) APPLICABILITY.—Such a State shall continue to make reservations, except the reservation under section 133(a)(1), and allotments in accordance with section 133(b)(2).

“(3) SPECIAL RULE.—A State may not consolidate funds allocated to the State under the Carl D. Perkins Career and Technical Education Act of 2006.”.

TITLE II—ADULT EDUCATION AND FAMILY LITERACY EDUCATION

SEC. 201. 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 postsecondary educational institution;

“(3) assist adults who are parents to enable them to support the educational development of their children and make informed choices regarding their children’s education including, through instruction in basic reading, writing, speaking, and math skills; and

“(4) assist adults who are not proficient in English in improving their reading, writing, speaking, listening, comprehension, and math skills.

“SEC. 203. DEFINITIONS.

“In this title:

“(1) ADULT EDUCATION AND FAMILY LITERACY EDUCATION PROGRAMS.—The term ‘adult education and family literacy education programs’ means a sequence of academic instruction and educational serv-
ices below the postsecondary level that increase an individual’s ability to read, write, and speak English and perform mathematical computations leading to a level of proficiency equivalent to at least a secondary school completion that is provided for individuals—

“(A) who are at least 16 years of age;

“(B) who are not enrolled or required to be enrolled in secondary school under State law; and

“(C) who—

“(i) lack sufficient mastery of basic reading, writing, speaking, and math skills to enable the individuals to function effectively in society;

“(ii) do not have a secondary school diploma or its equivalent and have not achieved an equivalent level of education; or

“(iii) are English learners.

“(2) ELIGIBLE AGENCY.—The term ‘eligible agency’—

“(A) means the primary entity or agency in a State or an outlying area responsible for administering or supervising policy for adult education and family literacy education pro-
grams in the State or outlying area, respectively, consistent with the law of the State or outlying area, respectively; and

“(B) may be the State educational agency, the State agency responsible for administering workforce investment activities, or the State agency responsible for administering community or technical colleges.

“(3) ELIGIBLE PROVIDER.—The term ‘eligible provider’ means—

“(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 described in any of subparagraphs (A) through (H).

“(4) ENGLISH LANGUAGE ACQUISITION PROGRAM.—The term ‘English language acquisition program’ means a program of instruction—

“(A) designed to help English learners achieve competence in reading, writing, speaking, and comprehension of the English language; and

“(B) that may lead to—

“(i) attainment of a secondary school diploma or its recognized equivalent;

“(ii) transition to success in postsecondary education and training; and

“(iii) employment or career advancement.

“(5) FAMILY LITERACY EDUCATION PROGRAM.—The term ‘family literacy education program’ means an educational program that—

“(A) assists parents and students, on a voluntary basis, in achieving the purposes of this title as described in section 202; and
“(B) is of sufficient intensity in terms of hours and of sufficient duration to make sustainable changes in a family, is evidence-based, and, for the purpose of substantially increasing the ability of parents and children to read, write, and speak English, integrates—

“(i) interactive literacy activities between parents and their children;

“(ii) training for parents regarding how to be the primary teacher for their children and full partners in the education of their children;

“(iii) parent literacy training that leads to economic self-sufficiency; and

“(iv) an age-appropriate education to prepare children for success in school and life experiences.

“(6) GOVERNOR.—The term ‘Governor’ means the chief executive officer of a State or outlying area.

“(7) INDIVIDUAL WITH A DISABILITY.—

“(A) IN GENERAL.—The term ‘individual with a disability’ means an individual with any disability (as defined in section 3 of the Americans with Disabilities Act of 1990).
“(B) INDIVIDUALS WITH DISABILITIES.—

The term ‘individuals with disabilities’ means more than one individual with a disability.

“(8) ENGLISH LEARNER.—The term ‘English learner’ means an adult or out-of-school youth who has limited ability in reading, writing, speaking, or understanding the English language, and—

“(A) whose native language is a language other than English; or

“(B) who lives in a family or community environment where a language other than English is the dominant language.

“(9) INTEGRATED EDUCATION AND TRAINING.—The term ‘integrated education and training’ means services that provide adult education and literacy activities contextually and concurrently with workforce preparation activities and workforce training for a specific occupation or occupational cluster. Such services may include offering adult education services concurrent with credit-bearing postsecondary education and training, including through co-instruction.

“(10) INSTITUTION OF HIGHER EDUCATION.—

The term ‘institution of higher education’ has the
meaning given the term in section 101 of the Higher Education Act of 1965.

“(11) LITERACY.—The term ‘literacy’ means an individual’s ability to read, write, and speak in English, compute, and solve problems at a level of proficiency necessary to obtain employment and to successfully make the transition to postsecondary education.

“(12) LOCAL EDUCATIONAL AGENCY.—The term ‘local educational agency’ has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

“(13) OUTLYING AREA.—The term ‘outlying area’ has the meaning given the term in section 101 of this Act.

“(14) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term ‘postsecondary educational institution’ means—

“(A) an institution of higher education that provides not less than a 2-year program of instruction that is acceptable for credit toward a bachelor’s degree;

“(B) a tribally controlled community college; or
“(C) a nonprofit educational institution offering certificate or apprenticeship programs at the postsecondary level.

“(15) SECRETARY.—The term ‘Secretary’ means the Secretary of Education.

“(16) STATE.—The term ‘State’ means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

“(17) STATE EDUCATIONAL AGENCY.—The term ‘State educational agency’ has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

“(18) WORKPLACE LITERACY PROGRAM.—The term ‘workplace literacy program’ means an educational program that is offered in collaboration between eligible providers and employers or employee organizations for the purpose of improving the productivity of the workforce through the improvement of reading, writing, speaking, and math skills.

“SEC. 204. HOME SCHOOLS.

“Nothing in this title shall be construed to affect home schools, whether or not a home school is treated as a home school or a private school under State law, or to compel a parent engaged in home schooling to participate
in adult education and family literacy education activities under this title.

“SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to carry out this title, $606,294,933 for fiscal years 2013 and for each of the 5 succeeding fiscal years.

“Subtitle A—FEDERAL PROVISIONS

“SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE AGENCIES; ALLOTMENTS.

“(a) Reservation of Funds.—From the sums appropriated under section 205 for a fiscal year, the Secretary shall reserve 2.0 percent to carry out section 242.

“(b) Grants to Eligible Agencies.—

“(1) In general.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall award a grant to each eligible agency having a State plan approved under section 224 in an amount equal to the sum of the initial allotment under subsection (c)(1) and the additional allotment under subsection (c)(2) for the eligible agency for the fiscal year, subject to subsections (f) and (g).

“(2) Purpose of grants.—The Secretary may award a grant under paragraph (1) only if the...
eligible agency involved agrees to expend the grant in accordance with the provisions of this title.

“(c) ALLOTMENTS.—

“(1) INITIAL ALLOTMENTS.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall allot to each eligible agency having a State plan approved under section 224—

“(A) $100,000, in the case of an eligible agency serving an outlying area; and

“(B) $250,000, in the case of any other eligible agency.

“(2) ADDITIONAL ALLOTMENTS.—From the sums appropriated under section 205, not reserved under subsection (a), and not allotted under paragraph (1), for a fiscal year, the Secretary shall allot to each eligible agency that receives an initial allotment under paragraph (1) an additional amount that bears the same relationship to such sums as the number of qualifying adults in the State or outlying area served by the eligible agency bears to the number of such adults in all States and outlying areas.

“(d) QUALIFYING ADULT.—For the purpose of subsection (c)(2), the term ‘qualifying adult’ means an adult who—
“(1) is at least 16 years of age;

“(2) is beyond the age of compulsory school attendance under the law of the State or outlying area;

“(3) does not have a secondary school diploma or its recognized equivalent; and

“(4) is not enrolled in secondary school.

“(e) SPECIAL RULE.—

“(1) IN GENERAL.—From amounts made available under subsection (c) for the Republic of Palau, the Secretary shall award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Republic of Palau to carry out activities described in this title in accordance with the provisions of this title as determined by the Secretary.

“(2) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the Republic of Palau shall be eligible to receive a grant under this title until an agreement for the extension of United States education assistance under the Compact of Free Association for the Republic of Palau becomes effective.

“(f) HOLD-HARMLESS PROVISIONS.—
“(1) IN GENERAL.—Notwithstanding subsection (e), and subject to paragraphs (2) and (3), for fiscal year 2013 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 paragraph (1), the Secretary shall ratably reduce the payments to all eligible agencies, as necessary.

“(g) REALLOTMENT.—The portion of any eligible agency’s allotment under this 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.

“Programs and activities authorized under this title are subject to the performance accountability provisions described in paragraph (2)(A) and (3) of section 136(b) and may, at a State’s discretion, include additional indicators identified in the State plan approved under section 224.

“Subtitle B—STATE PROVISIONS

“SEC. 221. STATE ADMINISTRATION.

“Each eligible agency shall be responsible for the following activities under this title:

“(1) The development, submission, implementation, and monitoring of the State plan.

“(2) Consultation with other appropriate agencies, groups, and individuals that are involved in, or interested in, the development and implementation of activities assisted under this title.

“(3) Coordination and avoidance of duplication with other Federal and State education, training, corrections, public housing, and social service programs.
“SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING REQUIREMENT.

“(a) State Distribution of Funds.—Each eligible agency receiving a grant under this title for a fiscal year—

“(1) shall use an amount not less than 82.5 percent of the grant funds to award grants and contracts under section 231 and to carry out section 225, of which not more than 10 percent of such amount shall be available to carry out section 225;

“(2) shall use not more than 12.5 percent of the grant funds to carry out State leadership activities under section 223; and

“(3) shall use not more than 5 percent of the grant funds, or $65,000, whichever is greater, for the administrative expenses of the eligible agency.

“(b) Matching Requirement.—

“(1) In General.—In order to receive a grant from the Secretary under section 211(b), each eligible agency shall provide, for the costs to be incurred by the eligible agency in carrying out the adult education and family literacy education programs for which the grant is awarded, a non-Federal contribution in an amount that is not less than—

“(A) in the case of an eligible agency serving an outlying area, 12 percent of the total
amount of funds expended for adult education
and family literacy education programs in the
outlying area, except that the Secretary may
decrease the amount of funds required under
this subparagraph for an eligible agency; and
“(B) in the case of an eligible agency serv-
ing 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 eligi-
ble 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 con-
sistent 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 profes-
sional development programs to improve the quality
of instruction provided pursuant to local activities
required under section 231(b).
“(2) The provision of technical assistance to eligible providers of adult education and family literacy education programs, including for the development and dissemination of evidence based research instructional practices in reading, writing, speaking, math, and English language acquisition programs.

“(3) The provision of assistance to eligible providers in developing, implementing, and reporting measurable progress in achieving the objectives of this title.

“(4) The provision of technology assistance, including staff training, to eligible providers of adult education and family literacy education programs, including distance education activities, to enable the eligible providers to improve the quality of such activities.

“(5) The development and implementation of technology applications or distance education, 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 en-
rolled in such activities.

“(8) The development and implementation of a
system to assist in the transition from adult basic
education to postsecondary education.

“(9) Activities to promote workplace literacy
programs.

“(10) 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.

“(11) 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 relat-
ing to the administration or operation of a program au-
thorized under this title that has the effect of imposing
a requirement that is not imposed under Federal law (in-
including any rule or policy based on a State or outlying area interpretation of a Federal statute, regulation, or guideline), the State or outlying area shall identify, to eligible providers, the rule or policy as being imposed by the State or outlying area.

“SEC. 224. STATE PLAN.

“(a) 3-YEAR PLANS.—

“(1) IN GENERAL.—Each eligible agency desiring a grant under this title for any fiscal year shall submit to, or have on file with, the Secretary a 3-year State plan.

“(2) STATE UNIFIED PLAN.—The eligible agency may submit the State plan as part of a State unified plan described in section 501.

“(b) PLAN CONTENTS.—The eligible agency shall include in the State plan or any revisions to the State plan—

“(1) an objective assessment of the needs of individuals in the State or outlying area for adult education and family literacy education programs, including individuals most in need or hardest to serve;

“(2) a description of the adult education and family literacy education programs that will be carried out with funds received under this title;
“(3) an assurance that the funds received under this title will not be expended for any purpose other than for activities under this title;

“(4) a description of how the eligible agency will fund local activities in accordance with the measurable goals described in section 231(d);

“(5) an assurance that the eligible agency will expend the funds under this title only in a manner consistent with fiscal requirements in section 241;

“(6) 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, and other State agencies that promote the improvement of adult education and family literacy education programs, and direct providers of such programs; and
“(B) may include consultation with the State agency on higher education, institutions responsible for professional development of adult education and family literacy education programs instructors, representatives of business and industry, refugee assistance programs, and faith-based organizations;
“(7) a description of the eligible agency’s strategies for serving populations that include, at a minimum—
“(A) low-income individuals;
“(B) individuals with disabilities;
“(C) the unemployed;
“(D) the underemployed; and
“(E) individuals with multiple barriers to educational enhancement, including English learners;
“(8) 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;
“(9) a description of the steps the eligible agency will take to ensure direct and equitable access, as required in section 231(c)(1), including—

“(A) how the State will build the capacity of community-based and faith-based organizations to provide adult education and family literacy education programs; and

“(B) how the State will increase the participation of business and industry in adult education and family literacy education programs;

“(10) an assessment of the adequacy of the system of the State or outlying area to ensure teacher quality and a description of how the State or outlying area will use funds received under this subtitle to improve teacher quality, including evidence-based professional development to improve instruction; and

“(11) a description of how the eligible agency will consult with any State agency responsible for postsecondary education to develop adult education that prepares students to enter postsecondary education without the need for remediation upon completion of secondary school equivalency programs.

“(c) PLAN REVISIONS.—When changes in conditions or other factors require substantial revisions to an ap-
proved State plan, the eligible agency shall submit the re-
visions 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 ad-
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) 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 provi-
sions of this subtitle; and

“(2) not finally disapprove of a State plan be-
before offering the eligible agency the opportunity,
prior to the expiration of the 30-day period begin-
ning on the date on which the eligible agency re-
ceived the written determination described in para-
graph (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 sub-
section (a) shall be used for the cost of educational pro-
grams for criminal offenders in correctional institutions
and for other institutionalized individuals, including aca-
demic programs for—

“(1) basic skills education;

“(2) special education programs as determined
by the eligible agency;

“(3) reading, writing, speaking, and math pro-
grams;

“(4) secondary school credit or diploma pro-
grams or their recognized equivalent;

“(5) integrated education and training;

“(6) postsecondary correctional education
linked to employment; and
“(7) transition to re-entry initiatives and other post-release services with the goal of reducing recidi-
vism.

“(c) PRIORITY.—Each eligible agency that is using assistance provided under this section to carry out a pro-
gram for criminal offenders within a correctional institu-
tion shall give priority to serving individuals who are likely to leave the correctional institution within 5 years of par-
ticipation 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 re-
habilitation center, or any other similar institu-
tion designed for the confinement or rehabilita-
tion of criminal offenders.

“(2) CRIMINAL OFFENDER.—The term ‘crimi-
nal offender’ means any individual who is charged with, or convicted of, any criminal offense.
Subtitle C—LOCAL PROVISIONS

SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PROVIDERS.

(a) Grants and Contracts.—From grant funds made available under section 222(a)(1), each eligible agency shall award multi-year grants or contracts, on a competitive basis, to eligible providers within the State or outlying area that meet the conditions and requirements of this title to enable the eligible providers to develop, implement, and improve adult education and family literacy education programs within the State.

(b) Local Activities.—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to establish or operate—

(1) programs that provide adult education and literacy activities;

(2) programs that provide such activities concurrently with postsecondary education or training or employment activities; and

(3) credit-bearing postsecondary coursework.

(c) Direct and Equitable Access; Same Process.—Each eligible agency receiving funds under this title shall ensure that—
“(1) all eligible providers have direct and equitable access to apply for grants or contracts under this section; and

“(2) the same grant or contract announcement process and application process is used for all eligible providers in the State or outlying area.

“(d) MEASURABLE GOALS.—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to demonstrate—

“(1) the eligible provider’s measurable goals for participant outcomes to be achieved annually on the core indicators of performance described in section 136(b)(2)(A);

“(2) the past effectiveness of the eligible provider in improving the basic academic skills of adults and, for eligible providers receiving grants in the prior year, the success of the eligible provider receiving funding under this title in exceeding its performance goals in the prior year;

“(3) the commitment of the eligible provider to serve individuals in the community who are the most in need of basic academic skills instruction services, including individuals who are low-income or have minimal reading, writing, speaking, and math skills, or are English learners;
“(4) the program is of sufficient intensity and duration for participants to achieve substantial learning gains;

“(5) educational practices are evidence-based;

“(6) the activities of the eligible provider effectively employ advances in technology, and delivery systems including distance education;

“(7) the activities provide instruction in real-life contexts, including integrated education and training when appropriate, to ensure that an individual has the skills needed to compete in the workplace and exercise the rights and responsibilities of citizenship;

“(8) the activities are staffed by well-trained instructors, counselors, and administrators who meet minimum qualifications established by the State;

“(9) the activities are coordinated with other available resources in the community, such as through strong links with elementary schools and secondary schools, postsecondary educational institutions, local workforce investment boards, one-stop centers, job training programs, community-based and faith-based organizations, and social service agencies;

“(10) the activities offer flexible schedules and support services (such as child care and transpor-
that are necessary to enable individuals, including individuals with disabilities or other special needs, to attend and complete programs;

“(11) the activities include a high-quality information management system that has the capacity to report measurable participant outcomes (consistent with section 136) and to monitor program performance;

“(12) the local communities have a demonstrated need for additional English language acquisition programs, and integrated education and training programs;

“(13) the capacity of the eligible provider to produce valid information on performance results, including enrollments and measurable participant outcomes;

“(14) adult education and family literacy education programs offer rigorous reading, writing, speaking, and math content that are evidence based; and

“(15) applications of technology, and services to be provided by the eligible providers, are of sufficient intensity and duration to increase the amount and quality of learning and lead to measurable learning gains within specified time periods.
“(e) Special Rule.—Eligible providers may use grant funds under this title to serve children participating in family literacy programs assisted under this part, provided that other sources of funds available to provide similar services for such children are used first.

“SEC. 232. LOCAL APPLICATION.

“Each eligible provider desiring a grant or contract under this title shall submit an application to the eligible agency containing such information and assurances as the eligible agency may require, including—

“(1) a description of how funds awarded under this title will be spent consistent with the requirements of this title;

“(2) a description of any cooperative arrangements the eligible provider has with other agencies, institutions, or organizations for the delivery of adult education and family literacy education programs; and

“(3) each of the demonstrations required by section 231(d).

“SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.

“(a) In General.—Subject to subsection (b), of the amount that is made available under this title to an eligible provider—
“(1) at least 95 percent shall be expended for carrying out adult education and family literacy education programs; and

“(2) the remaining amount shall be used for planning, administration, personnel and professional development, development of measurable goals in reading, writing, speaking, and math, and interagency coordination.

“(b) SPECIAL RULE.—In cases where the cost limits described in subsection (a) are too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination, the eligible provider may negotiate with the eligible agency in order to determine an adequate level of funds to be used for noninstructional purposes.

“Subtitle D—GENERAL PROVISIONS

“SEC. 241. ADMINISTRATIVE PROVISIONS.

“Funds made available for adult education and family literacy education programs under this title shall supplement and not supplant other State or local public funds expended for adult education and family literacy education programs.
“SEC. 242. NATIONAL ACTIVITIES.

“The Secretary shall establish and carry out a program of national activities that may include the following:

“(1) Providing technical assistance to eligible entities, on request, to—

“(A) improve their fiscal management, research-based instruction, and reporting requirements to carry out the requirements of this title;

“(B) improve its performance on the core indicators of performance described in section 136;

“(C) provide adult education professional development; and

“(D) use distance education and improve the application of technology in the classroom, including instruction in English language acquisition for English learners.

“(2) Providing for the conduct of research on national literacy basic skill acquisition levels among adults, including the number of adult English learners functioning at different levels of reading proficiency.

“(3) Improving the coordination, efficiency, and effectiveness of adult education and workforce devel-
opment services at the national, State, and local levels.

“(4) Determining how participation in adult education, English language acquisition, and family literacy education programs prepares individuals for entry into and success in postsecondary education and employment, and in the case of prison-based services, the effect on recidivism.

“(5) Evaluating how different types of providers, including community and faith-based organizations or private for-profit agencies measurably improve the skills of participants in adult education, English language acquisition, and family literacy education programs.

“(6) Identifying model integrated basic and workplace skills education programs, including programs for English learners coordinated literacy and employment services, and effective strategies for serving adults with disabilities.

“(7) Initiating other activities designed to improve the measurable quality and effectiveness of adult education, English language acquisition, and family literacy education programs nationwide.”.
TITLE III—AMENDMENTS TO
THE WAGNER-PEYSER ACT

SEC. 301. AMENDMENTS TO THE WAGNER-PEYSER ACT.

The Wagner-Peyser Act (29 U.S.C. 49 et seq.) is amended—

(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 121;

“(C) technical standards (which the Secretary shall publish annually) for data and information described in subparagraphs (A) and (B) that, at a minimum, meet the criteria of chapter 35 of title 44, United States Code;

“(D) procedures to ensure compatibility and additivity of the data and information described in subparagraphs (A) and (B) from national, State, and local levels;

“(E) procedures to support standardization and aggregation of data from administrative reporting systems described in subparagraph (A) of employment-related programs;

“(F) analysis of data and information described in subparagraphs (A) and (B) for uses such as—

“(i) national, State, and local policy-making;
“(ii) implementation of Federal poli-
cies (including allocation formulas);
“(iii) program planning and evalua-
tion; and
“(iv) researching labor market dynam-
ics;
“(G) wide dissemination of such data, in-
formation, and analysis in a user-friendly man-
ner and voluntary technical standards for dis-
semination mechanisms; and
“(H) programs of—
“(i) training for effective data dis-
semination;
“(ii) research and demonstration; and
“(iii) programs and technical assist-
ance.
“(2) INFORMATION TO BE CONFIDENTIAL.—
“(A) IN GENERAL.—No officer or em-
ployee of the Federal Government or agent of
the Federal Government may—
“(i) use any submission that is fur-
nished for exclusively statistical purposes
under the provisions of this section for any
purpose other than the statistical purposes
for which the submission is furnished;
“(ii) disclose to the public any publication or media transmittal of the data contained in the submission described in clause (i) that permits information concerning an individual subject to be reasonably inferred by either direct or indirect means; or

“(iii) permit anyone other than a sworn officer, employee, or agent of any Federal department or agency, or a contractor (including an employee of a contractor) of such department or agency, to examine an individual submission described in clause (i), without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission.

“(B) IMMUNITY FROM LEGAL PROCESS.—Any submission (including any data derived from the submission) that is collected and retained by a Federal department or agency, or an officer, employee, agent, or contractor of such a department or agency, for exclusively statistical purposes under this section shall be immune from the legal process and shall not,
without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

“(C) Rule of Construction.—Nothing in this section shall be construed to provide immunity from the legal process for such submission (including any data derived from the submission) if the submission is in the possession of any person, agency, or entity other than the Federal Government or an officer, employee, agent, or contractor of the Federal Government, or if the submission is independently collected, retained, or produced for purposes other than the purposes of this Act.

“(b) System Responsibilities.—

“(1) In general.—The workforce and labor market information system described in subsection (a) shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and States.

“(2) Duties.—The Secretary, with respect to data collection, analysis, and dissemination of work-
force and labor market information for the system, shall carry out the following duties:

“(A) Assign responsibilities within the Department of Labor for elements of the workforce and labor market information system described in subsection (a) to ensure that all statistical and administrative data collected is consistent with appropriate Bureau of Labor Statistics standards and definitions.

“(B) Actively seek the cooperation of other Federal agencies to establish and maintain mechanisms for ensuring complementarity and nonduplication in the development and operation of statistical and administrative data collection activities.

“(C) Eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority.

“(D) In collaboration with the Bureau of Labor Statistics and States, develop and maintain the elements of the workforce and labor market information system described in subsection (a), including the development of consistent procedures and definitions for use by the States in collecting the data and information
described in subparagraphs (A) and (B) of subsection (a)(1).

“(E) Establish procedures for the system to ensure that—

“(i) such data and information are timely;

“(ii) paperwork and reporting for the system are reduced to a minimum; and

“(iii) States and localities are fully involved in the development and continuous improvement of the system at all levels.

“(c) National Electronic Tools to Provide Services.—The Secretary is authorized to assist in the development of national electronic tools that may be used to facilitate the delivery of work ready services described in section 134(c)(2) and to provide workforce information to individuals through the one-stop delivery systems described in section 121 and through other appropriate delivery systems.

“(d) Coordination With the States.—

“(1) In general.—The Secretary, working through the Bureau of Labor Statistics and the Employment and Training Administration, shall regularly consult with representatives of State agencies carrying out workforce information activities regard-
ing strategies for improving the workforce and labor
market information system.

“(2) FORMAL CONSULTATIONS.—At least twice
each year, the Secretary, working through the Bu-
reau of Labor Statistics, shall conduct formal con-
sultations regarding programs carried out by the
Bureau of Labor Statistics with representatives of
each of the Federal regions of the Bureau of Labor
Statistics, elected (pursuant to a process established
by the Secretary) from the State directors affiliated
with State agencies that perform the duties de-
scribed in subsection (e)(2).

“(e) STATE RESPONSIBILITIES.—

“(1) IN GENERAL.—In order to receive Federal
financial assistance under this section, the Governor
of a State shall—

“(A) be responsible for the management of
the portions of the workforce and labor market
information system described in subsection (a)
that comprise a statewide workforce and labor
market information system and for the State’s
participation in the development of the annual
plan;

“(B) establish a process for the oversight
of such system;
“(C) consult with State and local employers, participants, and local workforce investment boards about the labor market relevance of the data to be collected and disseminated through the statewide workforce and labor market information system;

“(D) consult with State educational agencies and local educational agencies concerning the provision of employment statistics in order to meet the needs of secondary school and 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 en-
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) to assist the State and other States in measuring State progress on State performance measures.

“(2) Rule of construction.—Nothing in this section shall be construed as limiting the ability of a Governor to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this section.

“(f) Nonduplication requirement.—None of the functions and activities carried out pursuant to this section shall duplicate the functions and activities carried out under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.).
“(g) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section $63,473,000 for fiscal year 2013 and each of the 5 succeeding fiscal years.

“(h) Definition.—In this section, the term ‘local area’ means the smallest geographical area for which data can be produced with statistical reliability.’’.

**TITLE IV—REPEALS AND CONFORMING AMENDMENTS**

**SEC. 401. REPEALS.**

The following provisions are repealed:


(2) Title V of the Older Americans Act of 1965.

(3) Sections 1 through 13 of the Wagner-Peyser Act of 1933.


(6) Section 1151 of title 20, United States Code (Grants to States for workplace and community transition training for incarcerated individuals).


(9) Chapter 27 of title 29, United States Code (Women in Apprenticeship and Nontraditional Occupations).


Section 104(k)(6) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9604) is amended by striking ‘‘, training,’’.

SEC. 403. AMENDMENTS TO THE FOOD AND NUTRITION ACT OF 2008.

(a) DEFINITION.—Section 3(t) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(t)) is amended—

(1) by striking ‘‘and (2)’’ and inserting ‘‘(2),’’

and

(2) by inserting before the period at the end the following:
“(a) and (3) when referencing employment and training activities under section 6(d)(4), a State board as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801).”

(b) ELIGIBLE HOUSEHOLDS.—Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(1) in subsection (d)(14) by striking “section (d)(4)(I)” and inserting “section (d)(4)(C)”, and

(2) in subsection (g)(3) by striking “constituting adequate participation in an employment and training program under section 6(d)” and inserting “allows the individual to participate in employment and training activities under section 6(d)(4)”.

(c) ELIGIBILITY DISQUALIFICATIONS.—Section 6(d)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)(4)) is amended to read as follows:

“(4) EMPLOYMENT AND TRAINING.—

“(A) IMPLEMENTATION.—Each State agency shall provide employment and training services authorized under section 134 of the Workforce Investment Act of 1998 (29 U.S.C. 2864) to eligible members of households participating in the supplemental nutrition assistance program in gaining skills, training, work, or ex-
perience that will increase their ability to obtain regular employment.

“(B) STATEWIDE WORKFORCE DEVELOPMENT SYSTEM.—Consistent with subparagraph (A), employment and training services shall be provided through the statewide workforce development system, including the One-Stop delivery system, authorized by the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

“(C) REIMBURSEMENTS.—

“(i) ACTUAL COSTS.—The State agency may provide payments or reimbursement to participants served under this paragraph for—

“(I) the actual costs of transportation and other actual costs (other than dependent care costs) that are reasonably necessary and directly related to the individual participating in employment and training activities; and

“(II) the actual costs of such dependent care expenses that are determined by the State agency to be necessary for the individual to participate
in employment and training activities
(other than an individual who is the
caretaker relative of a dependent in a
family receiving benefits under part A
of title IV of the Social Security Act
(42 U.S.C. 601 et seq.) in a local area
where an employment, training, or
education program under title IV of
such Act is in operation), except that
no such payment or reimbursement
shall exceed the applicable local mar-
ket rate.

“(ii) Service contracts and
vouchers.—In lieu of providing reim-
bursements or payments for dependent
care expenses under clause (i), a State
agency may, at its option, arrange for de-
dependent care through providers by the use
of purchase of service contracts or vouch-
ers or by providing vouchers to the house-
hold.

“(iii) Value of reimbursements.—
The value of any dependent care services
provided for or arranged under clause (ii),
or any amount received as a payment or reimbursement under clause (i), shall—

“(I) not be treated as income for the purposes of any other Federal or federally assisted program that bases eligibility for, or the amount of benefits on, need; and

“(II) not be claimed as an employment-related expense for the purposes of the credit provided under section 21 of the Internal Revenue Code of 1986 (26 U.S.C. 21).”.

(d) Administration.—Section 11(e)(19) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(e)(11) is amended to read as follows:

“(19) the plans of the State agency for providing employment and training services under section 6(d)(4);”.

(e) Administrative Cost-Sharing and Quality Control.—Section 16(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A) by striking “carry out employment and training programs” and inserting “provide employment and training
services to eligible households under section 6(d)(4)”, and

(B) in subparagraph (D) by striking “operating an employment and training program” and inserting “providing employment and training services consistent with section 6(d)(4)”,

(2) in paragraph (3) by striking “related to participation in an employment and training program” and inserting “the individual participating in employment and training activities”,

(3) in paragraph (4) by striking “for operating an employment and training program” and inserting “to provide employment and training services”, and

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

“(5) MONITORING.—The Secretary, in conjunction with the Secretary of Labor, shall monitor each State agency responsible for administering employment and training services under section 6(d)(4) to ensure funds are being spent effectively and efficiently. Each program of employment and training receiving funds under section 6(d)(4) shall be subject to the requirements of the performance accountability system, including having to meet the state
performance measures included in section 136 of the Workforce Investment Act (29 U.S.C. 2871).”.

(f) Research, Demonstration, and Evaluations.—Section 17 of the Food and Nutrition Act of 2008 (7 U.S.C. 2026) is amended—

(1) in subsection (b) by striking paragraph (3), and

(2) in subsection (g)—

(A) by inserting “, in conjunction with the Secretary of Labor,” after “Secretary”, and

(B) by striking “programs established” and inserting “activities provided to eligible households”.

(g) Minnesota Family Investment Project.—

Section 22(b)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2031(b)(4)) is amended by striking “equivalent to those offered under the employment and training program”.

SEC. 404. CONFORMING AMENDMENT TO TABLE OF CONTENTS.

The table of contents in section 1(b) is amended to read as follows:

"Sec. 1. Short title; table of contents.

"TITLE I—WORKFORCE INVESTMENT SYSTEMS

"Subtitle A—Workforce Investment Definitions

"Sec. 101. Definitions."
Subtitle B—Statewide and Local Workforce Investment Systems

Sec. 106. Purpose.

CHAPTER 1—STATE PROVISIONS

Sec. 111. State workforce investment boards.
Sec. 112. State plan.

CHAPTER 2—LOCAL PROVISIONS

Sec. 116. Local workforce investment areas.
Sec. 117. Local workforce investment boards.
Sec. 118. Local plan.

CHAPTER 3—WORKFORCE INVESTMENT ACTIVITIES PROVIDERS

Sec. 121. Establishment of one-stop delivery systems.
Sec. 122. Identification of eligible providers of training services.
Sec. 123. [Repealed].

CHAPTER 4—[REPEALED]

CHAPTER 5—EMPLOYMENT AND TRAINING ACTIVITIES

Sec. 131. General authorization.
Sec. 132. State allotments.
Sec. 133. Within State allocations.
Sec. 134. Use of funds for employment and training activities.

CHAPTER 6—GENERAL PROVISIONS

Sec. 136. Performance accountability system.
Sec. 137. Authorization of appropriations.

Subtitle C—[Repealed]

Subtitle D—National Programs

Sec. 166. [Repealed]
Sec. 167. [Repealed]
Sec. 168. [Repealed]
Sec. 169. [Repealed]
Sec. 170. Technical assistance.
Sec. 171. [Repealed]
Sec. 172. Evaluations.
Sec. 173. National emergency grants.
Sec. 173A. [Repealed]
Sec. 174. [Repealed]

Subtitle E—Administration

Sec. 181. Requirements and restrictions.
Sec. 182. Prompt allocation of funds.
Sec. 183. Monitoring.
Sec. 184. Fiscal controls; sanctions.
Sec. 185. Reports; recordkeeping; investigations.
Sec. 186. Administrative adjudication.
Sec. 187. Judicial review.
Sec. 188. Nondiscrimination.
Sec. 189. Administrative provisions.
Sec. 190. References.
Sec. 191. State legislative authority.
Sec. 192. [Repealed].
Sec. 193. Use of certain real property.
Sec. 194. Continuation of State activities and policies.
Sec. 195. General program requirements.

Subtitle F—Repeals and Conforming Amendments
Sec. 199. Repeals.
Sec. 199A. Conforming amendments.

TITLE II—ADULT EDUCATION AND FAMILY LITERACY
EDUCATION
Sec. 201. Short title.
Sec. 202. Purpose.
Sec. 203. Definitions.
Sec. 204. Home schools.
Sec. 205. Authorization of appropriations.

Subtitle A—FEDERAL PROVISIONS
Sec. 211. Reservation of funds; grants to eligible agencies; allotments.
Sec. 212. Performance accountability system.

Subtitle B—STATE PROVISIONS
Sec. 221. State administration.
Sec. 222. State distribution of funds; matching requirement.
Sec. 223. State leadership activities.
Sec. 224. State plan.
Sec. 225. Programs for corrections education and other institutionalized individuals.

Subtitle C—LOCAL PROVISIONS
Sec. 231. Grants and contracts for eligible providers.
Sec. 232. Local application.
Sec. 233. Local administrative cost limits.

Subtitle D—GENERAL PROVISIONS
Sec. 241. Administrative provisions.
Sec. 242. National activities.

TITLE III—WORKFORCE INVESTMENT–RELATED ACTIVITIES
Subtitle A—Wagner-Peyser Act
Sec. 301. Definitions.
Sec. 302. Functions.
Sec. 303. Designation of State agencies.
Sec. 304. Appropriations.
Sec. 305. Disposition of allotted funds.
Sec. 306. State plans.
Sec. 307. Repeal of Federal advisory council.
Sec. 308. Regulations.
Sec. 309. Employment statistics.
Sec. 310. Technical amendments.
Sec. 311. Effective date.

"Subtitle B—Linkages With Other Programs"

Sec. 322. Veterans’ employment programs.
Sec. 323. Older Americans Act of 1965.

"Subtitle C—Twenty-First Century Workforce Commission"

Sec. 331. Short title.
Sec. 332. Findings.
Sec. 333. Definitions.
Sec. 334. Establishment of Twenty-First Century Workforce Commission.
Sec. 335. Duties of the Commission.
Sec. 337. Commission personnel matters.
Sec. 338. Termination of the Commission.
Sec. 339. Authorization of appropriations.

"Subtitle D—Application of Civil Rights and Labor-Management Laws to the Smithsonian Institution"

Sec. 341. Application of civil rights and labor-management laws to the Smithsonian Institution.

"TITLE IV—REHABILITATION ACT AMENDMENTS OF 1998"

Sec. 401. Short title.
Sec. 402. Title.
Sec. 403. General provisions.
Sec. 404. Vocational rehabilitation services.
Sec. 405. Research and training.
Sec. 406. Professional development and special projects and demonstrations.
Sec. 408. Rights and advocacy.
Sec. 409. Employment opportunities for individuals with disabilities.
Sec. 410. Independent living services and centers for independent living.
Sec. 411. Repeal.
Sec. 412. Helen Keller National Center Act.
Sec. 413. President’s Committee on Employment of People With Disabilities.
Sec. 414. Conforming amendments.

"TITLE V—GENERAL PROVISIONS"

Sec. 501. State unified plan.
Sec. 502. [Repealed]
Sec. 503. [Repealed]
Sec. 504. Privacy.
Sec. 505. Buy-American requirements.
Sec. 506. [Repealed]
Sec. 507. Effective date."
TITLE V—AMENDMENTS TO THE REHABILITATION ACT OF 1973

SEC. 501. FINDINGS.

Section 2(a) of the Rehabilitation Act of 1973 (29 U.S.C. 701(a)) is amended—

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

(2) in paragraph (6), by striking the period and inserting “; and”; and

(3) by adding at the end the following:

“(7) there is a substantial need to improve and expand services for students with disabilities under this Act.”.

SEC. 502. REHABILITATION SERVICES ADMINISTRATION.

(a) Rehabilitation Services Administration.—

The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended—

(1) in section 3(a) (29 U.S.C. 702(a))—

(A) by striking “Office of the Secretary” and inserting “Department of Education”;

(B) by striking “President by and with the advice and consent of the Senate” and inserting “Secretary”; and

(C) by striking “, and the Commissioner shall be the principal officer,”;
(2) by striking “Commissioner” each place it appears (except in section 21) and inserting “Director”;

(3) in the heading for subparagraph (B) of section 100(d)(2), by striking “COMMISSIONER” and inserting “DIRECTOR”;

(4) in the heading for section 706, by striking “COMMISSIONER” and inserting “DIRECTOR”;

(5) in the heading for paragraph (3) of section 723(a), by striking “COMMISSIONER” and inserting “DIRECTOR”; and

(6) in section 21 (29 U.S.C. 718)—

(A) in subsection (b)(1)—

(i) by striking “Commissioner” the first place it appears and inserting “Director of the Rehabilitation Services Administration”; and

(ii) by striking “(referred to in this subsection as the ‘Director’)”; and

(B) by striking “the Commissioner and the Director” each place it appears and inserting “both such Directors”; and

(C) by striking “The Commissioner and the Director” and inserting “Both such Directors”.

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(b) **Effective Date; Application.**—The amendments made by subsection (a) shall—

(1) take effect on the date of the enactment of this Act; and

(2) apply with respect to the appointments of Directors of the Rehabilitation Services Administration made on or after the date of enactment of this Act, and the Directors so appointed.

**SEC. 503. Definitions.**

Section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705) is amended—

(1) by redesignating paragraphs (35) through (39) as paragraphs (36) through (40), respectively;

(2) in subparagraph (A)(ii) of paragraph (36) (as redesignated by paragraph (1)), by striking “paragraph (36)(C)” and inserting “paragraph (37)(C)”;

(3) by inserting after paragraph (34) the following:

“(35)(A) The term ‘student with a disability’ means an individual with a disability who—

“(i) is not younger than 16 and not older than 21;"
“(ii) has been determined to be eligible under section 102(a) for assistance under this title; and

“(iii)(I) is eligible for, and is receiving, special education under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); or

“(II) is an individual with a disability, for purposes of section 504.

“(B) The term ‘students with disabilities’ means more than 1 student with a disability.”.

SEC. 504. STATE PLAN.

Section 101(a) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) is amended—

(1) in paragraph (11)—

(A) in subparagraph (D)(i), by inserting before the semicolon the following: “, which may be provided using alternative means of meeting participation (such as video conferences and conference calls)”;

(B) by adding at the end the following:

“(G) COORDINATION WITH ASSISTIVE TECHNOLOGY PROGRAMS.—The State plan shall include an assurance that the designated State unit and the lead agency responsible for car-
rying out duties under the Assistive Technology Act of 1998 (29 U.S.C. 3001 et seq.) have de-
veloped working relationships and coordinate their activities.”;

(2) in paragraph (15)—

(A) in subparagraph (A)—

(i) in clause (i)—

(I) in subclause (II), by striking “and” at the end;

(II) in subclause (III), by adding “and” at the end; and

(III) by adding at the end the following:

“(IV) students with disabilities,

including their need for transition services;”;

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

and

(iii) by inserting after clause (i) the following:

“(ii) include an assessment of the transition services provided under this Act,

and coordinated with transition services under the Individuals with Disabilities
Education Act, as to those services meeting the needs of individuals with disabilities;”;
and
(B) in subparagraph (D)—

(i) by redesignating clauses (iii), (iv), and (v) as clauses (iv), (v), and (vi), respectively; and

(ii) by inserting after clause (ii) the following:

“(iii) the methods to be used to improve and expand vocational rehabilitation services for students with disabilities, including the coordination of services designed to facilitate the transition of such students from the receipt of educational services in school to the receipt of vocational rehabilitation services under this title or to postsecondary education or employment;”;

(3) in paragraph (22)—

(A) by striking “carrying out part B of title VI, including”; and

(B) by striking “that part to supplement funds made available under part B of”;
(4) in paragraph (24)(A), by striking “part A of title VI” and inserting “section 109A”; and

(5) by adding at the end the following:

“(25) **COLLABORATION WITH INDUSTRY.**—The State plan shall describe how the designated State agency will carry out the provisions of section 109A, including—

“(A) the criteria such agency will use to award grants under such section; and

“(B) how the activities carried out under such grants will be coordinated with other services provided under this title.

“(26) **SERVICES FOR STUDENTS WITH DISABILITIES.**—The State plan shall provide an assurance satisfactory to the Secretary that the State—

“(A) has developed and implemented strategies to address the needs identified in the assessment described in paragraph (15), and achieve the goals and priorities identified by the State, to improve and expand vocational rehabilitation services for students with disabilities on a statewide basis in accordance with paragraph (15); and

“(B) from funds reserved under section 110A, shall carry out programs or activities de-
signed to improve and expand vocational rehabilitation services for students with disabilities that—

“(i) facilitate the transition of students with disabilities from the receipt of educational services in school, to the receipt of vocational rehabilitation services under this title, including, at a minimum, those services specified in the interagency agreement required in paragraph (11)(D);

“(ii) improve the achievement of post-school goals of students with disabilities, including improving the achievement through participation (as appropriate when career goals are discussed) in meetings regarding individualized education programs developed under section 614 of the Individuals with Disabilities Education Act (20 U.S.C. 1414);

“(iii) provide career guidance, career exploration services, job search skills and strategies, and technical assistance to students with disabilities;

“(iv) support the provision of training and technical assistance to State and local
educational agencies and designated State
agency personnel responsible for the plan-
ning and provision of services to students
with disabilities; and

“(v) support outreach activities to stu-
dents with disabilities who are eligible for,
and need, services under this title.”.

SEC. 505. SCOPE OF SERVICES.

Section 103 of the Rehabilitation Act of 1973 (29
U.S.C. 723) is amended—

(1) in subsection (a), by striking paragraph
(15) and inserting the following:

“(15) transition services for students with dis-
abilities, that facilitate the achievement of the em-
ployment outcome identified in the individualized
plan for employment, including services described in
clauses (i) through (iii) of section 101(a)(26)(B);”;

(2) in subsection (b), by striking paragraph (6)
and inserting the following:

“(6)(A)(i) Consultation and technical assistance
services to assist State and local educational agen-
cies in planning for the transition of students with
disabilities from school to post-school activities, in-
cluding employment.
“(ii) Training and technical assistance described in section 101(a)(26)(B)(iv).

“(B) Services for groups of individuals with disabilities who meet the requirements of clauses (i) and (iii) of section 7(35)(A), including services described in clauses (i), (ii), (iii), and (v) of section 101(a)(26)(B), to assist in the transition from school to post-school activities.”; and

(3) in subsection (b) by inserting at the end, the following:

“(7) The establishment, development, or improvement of assistive technology demonstration, loan, reutilization, or financing programs in coordination with activities authorized under the Assistive Technology Act of 1998 (29 U.S.C. 3001) to promote access to assistive technology for individuals with disabilities and employers.”.

SEC. 506. STANDARDS AND INDICATORS.

Section 106(a) of the Rehabilitation Act of 1973 (29 U.S.C. 726(a)) is amended—

(1) by striking subsection (a) and inserting the following:

“(a) Standards and Indicators.—The performance standards and indicators for the vocational rehabilitation program carried out under this title—

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“(1) shall be subject to paragraphs (2)(A) and (3) of section 136(b) of the Workforce Investment Act of 1998; and

“(2) may, at a State’s discretion, include additional indicators identified in the State plan submitted under section 101.”; and

(2) in subsection (b)(2)(B), by striking clause (i) and inserting the following:

“(i) on a biannual basis, review the program improvement efforts of the State and, if the State has not improved its performance to acceptable levels, as determined by the Director, direct the State to make revisions to the plan to improve performance; and”.

SEC. 507. COLLABORATION WITH INDUSTRY.

The Rehabilitation Act of 1973 is amended by inserting after section 109 (29 U.S.C. 729) the following:

“SEC. 109A. COLLABORATION WITH INDUSTRY.

“(a) Authority.—A State shall use not less than one-half of one percent of the payment the State receives under section 111 for a fiscal year to award grants to eligible entities to create practical job and career readiness and training programs, and to provide job placements and career advancement.
“(b) APPLICATION.—To receive a grant under this section, an eligible entity shall submit an application to a designated State agency at such time, in such manner, and containing such information as such agency shall require. Such application shall include, at a minimum—

“(1) a plan for evaluating the effectiveness of the program;

“(2) a plan for collecting and reporting the data and information described under subparagraphs (A) through (C) of section 101(a)(10), as determined appropriate by the designated State agency; and

“(3) a plan for providing for the non-Federal share of the costs of the program.

“(c) ACTIVITIES.—An eligible entity receiving a grant under this section shall use the grant funds to carry out a program that provides one or more of the following:

“(1) Job development, job placement, and career advancement services for individuals with disabilities.

“(2) Training in realistic work settings in order to prepare individuals with disabilities for employment and career advancement in the competitive market.
“(3) Providing individuals with disabilities with such support services as may be required in order to maintain the employment and career advancement for which the individuals have received training.

“(d) AWARDS.—Grants under this section shall—

“(1) be awarded for a period not to exceed 5 years; and

“(2) be awarded competitively.

“(e) ELIGIBLE ENTITY DEFINED.—For the purposes of this section, the term ‘eligible entity’ means a for-profit business, alone or in partnership with one or more of the following:

“(1) Community rehabilitation providers.

“(2) Indian tribes.

“(3) Tribal organizations.

“(f) FEDERAL SHARE.—The Federal share of a program under this section shall not exceed 80 percent of the costs of the program.

“(g) ELIGIBILITY FOR SERVICES.—An individual shall be eligible for services provided under a program under this section if the individual is determined under section 102(a)(1) to be eligible for assistance under this title.”.
SEC. 508. RESERVATION FOR EXPANDED TRANSITION SERVICES.

The Rehabilitation Act of 1973 is amended by inserting after section 110 (29 U.S.C. 730) the following:

“SEC. 110A. RESERVATION FOR EXPANDED TRANSITION SERVICES.

“Each State shall reserve not less than 10 percent of the funds allotted to the State under section 110(a) to carry out programs and activities under sections 101(a)(26)(B) and 103(b)(6).”.

SEC. 509. CLIENT ASSISTANCE PROGRAM.

Section 112(e)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 732(e)(1)) is amended by redesignating subparagraph (D) as subparagraph (E) and inserting after subparagraph (C) the following:

“(D) The Secretary shall make grants to the protection and advocacy system serving the American Indian Consortium to provide services in accordance with this section. The amount of such grants shall be the same as provided to territories under this subsection.”.

SEC. 510. TITLE III REPEALS.

Title III of the Rehabilitation Act of 1973 (29 U.S.C. 771 et seq.) is amended—

(1) in section 301(a)—
(A) in paragraph (2), by inserting “and” at the end;

(B) by striking paragraphs (3) and (4); and

(C) by redesignating paragraph (5) as paragraph (3);

(2) in section 302(g)—

(A) in the heading, by striking “AND IN-
SERVICE TRAINING”; and

(B) by striking paragraph (3);

(3) by striking sections 304 and 305; and

(4) by redesignating section 306 as section 304.

SEC. 511. REPEAL OF TITLE VI.

The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended by repealing title VI.

SEC. 512. CHAIRPERSON.

Section 705(b)(5) of the Rehabilitation Act of 1973 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

“(5) CHAIRPERSON.—The Council shall select a chairperson from among the voting membership of the Council.”.

SEC. 513. AUTHORIZATIONS OF APPROPRIATIONS.

The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is further amended—
(1) in section 100(b)(1) (29 U.S.C. 720(b)(1)),

by striking “such sums as may be necessary for fiscal years 1999 through 2003” and inserting “$3,121,712,000 for fiscal year 2013 and each of the 5 succeeding fiscal years”; 

(2) in section 110(c) (29 U.S.C. 730(c)), by amending paragraph (2) to read as follows:

“(2) The sum referred to in paragraph (1) shall be, as determined by the Secretary, not less than 1 percent and not more than 1.5 percent of the amount referred to in paragraph (1) for each of fiscal years 2013 through 2018.”;

(3) in section 112(h) (29 U.S.C. 732(h)) by striking “such sums as may be necessary for fiscal years 1999 through 2003” and inserting “$12,240,000 for fiscal year 2013 and each of the 5 succeeding fiscal years”;

(4) by amending subsection (a) of section 201 (29 U.S.C. 761(a)) to read as follows:

“(a) There are authorized to be appropriated $108,817,000 for fiscal year 2013 and each of the 5 succeeding fiscal years to carry out this title.”;

(5) in section 302(i) (29 U.S.C. 772(i)) by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting
“$35,515,000 for fiscal year 2013 and each of the 5 succeeding fiscal years’’;

(6) in section 303(e) (29 U.S.C. 773(e)) by striking “such sums as may be necessary for fiscal years 1999 through 2003” and inserting “$5,325,000 for fiscal year 2013 and each of the 5 succeeding fiscal years’’;

(7) in section 405 (29 U.S.C. 785) by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting “$3,258,000 for fiscal year 2013 and each of the 5 succeeding fiscal years’’;

(8) in section 502(j) (29 U.S.C. 792(j)) by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting “$7,400,000 for fiscal year 2013 and each of the 5 succeeding fiscal years’’;

(9) in section 509(l) (29 U.S.C. 794e(l)) by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting “$18,031,000 for fiscal year 2013 and each of the 5 succeeding fiscal years’’;

(10) in section 714 (29 U.S.C. 796e–3), by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting
“$23,359,000 for fiscal year 2013 and each of the succeeding fiscal years”;

(11) in section 727 (29 U.S.C. 796f–6), by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting “$79,953,000 for fiscal year 2013 and each of the 5 succeeding fiscal years”; and

(12) in section 753 (29 U.S.C. 7961), by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting “$34,018,000 for fiscal year 2013 and each of the 5 succeeding fiscal years”.

SEC. 514. CONFORMING AMENDMENTS.

Section 1(b) of the Rehabilitation Act of 1973 is amended—

(1) by inserting after the item relating to section 109 the following:

“Sec. 109A. Collaboration with industry.”;

(2) by inserting after the item relating to section 110 the following:

“Sec. 110A. Reservation for expanded transition services.”;

(3) by striking the item related to section 304 and inserting the following:

“Sec. 304. Measuring of project outcomes and performance.”;

(4) by striking the items related to sections 305 and 306; and
1 (5) by striking the items related to title VI.