113TH CONGRESS
1ST SESSION

H. R. 803

AN ACT

To reform and strengthen the workforce investment system of the Nation to put Americans back to work and make the United States more competitive in the 21st century.

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

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

SEC. 2. TABLE OF CONTENTS.

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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 (29 U.S.C. 9201 et seq.).

SEC. 4. EFFECTIVE DATE.

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

TITLE I—AMENDMENTS TO THE WORKFORCE INVESTMENT ACT OF 1998

Subtitle A—Workforce Investment Definitions

SEC. 101. DEFINITIONS.

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

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

(2) by redesignating paragraphs (1) through (12) as paragraphs (3) through (14), and 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 subtitles
C and D), local grant recipients, local fiscal agents
or local grant subrecipients, and one-stop operators
in the performance of administrative functions and
in carrying out activities under this title which are
not related to the direct provision of workforce investment services (including services to participants and employers). Such costs include both personnel and non-personnel and both direct and indirect.”;

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

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

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

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

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

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

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

(B) in subparagraph (B)(iii)—

(i) by striking “134(d)(4)” and insert-
ing “134(e)(4)”; and

(ii) by striking “intensive services de-
scribed in section 134(d)(3)” and inserting
“work ready services described in section
117(d)(5)(C)”;

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

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

(E) by adding at the end the following:

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

or

“(ii) is the spouse of a member of the

armed Forces on active duty who meets the cri-
teria described in paragraph (12)(B).”;

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

(A) by striking “and” after the semicolon

and inserting “or”;

(B) by striking “(A)” and inserting

“(A)(i)”;

and

(C) by adding at the end the following:

“(ii) is the spouse of a member of the

armed Forces on active duty for a period of

more than 30 days (as defined in section

101(d)(2) of title 10, United States Code)

whose family income is significantly reduced be-
cause of a deployment (as defined in section

991(b) of title 10, United States Code, or pur-

suant to paragraph (4) of such section), a call

or order to active duty pursuant to a provision

of law referred to in section 101(a)(13)(B) of

title 10, United States Code, a permanent

change of station, or the service-connected (as

defined in section 101(16) of title 38, United
States Code) death or disability of the member; and’’;

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

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

   (A) in subparagraph (A), by striking “section 122(e)(3)” and inserting “section 122”;
   (B) by striking subparagraph (B), and inserting the following:
      “(B) work ready services, means a provider who is identified or awarded a contract as described in section 117(d)(5)(C); or’’;
   (C) by striking subparagraph (C); and
   (D) by redesignating subparagraph (D) as subparagraph (C).

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

(14) in paragraph (25)—

   (A) in subparagraph (B), by striking “higher of—” and all that follows through clause (ii) and inserting “poverty line for an equivalent period;”;}
(B) by redesignating subparagraphs (D) through (F) as subparagraphs (E) through (G), respectively; and

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

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

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

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

“(33) OUT-OF-SCHOOL YOUTH.—The term ‘out-of-school youth’ means—

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

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

(17) in paragraph (38), by striking “134(a)(1)(A)” and inserting “134(a)(1)(B)”;}
(18) by amending paragraph (49) to read as follows:

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

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

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

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

(21) by adding at the end the following:

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

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

“(B) is a low-income individual; and

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

“(i) a secondary school dropout;
“(ii) a youth in foster care (including youth aging out of foster care); 
“(iii) a youth offender; 
“(iv) a youth who is an individual with a disability; or
“(v) a migrant youth.

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

“(54) INDUSTRY-RECOGNIZED CREDENTIAL.— The term ‘industry-recognized credential’ means a credential that is sought or accepted by companies within the industry sector involved, across multiple States, as recognized, preferred, or required for recruitment, screening, or hiring.

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

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

“(A) the core indicators of performance described in subclauses (I) through (IV) of section 136(b)(2)(A)(i);

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

“(C) the ability for an eligible provider to recoup the costs of training a program participant who has not met such core indicators of
performance, but for whom the provider is able
to demonstrate that such participant gained
specific competencies required for education
and career advancement that are, where fea-
sible, tied to industry-recognized credentials
and related standards, or State licensing re-
quirements; and

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

Subtitle B—Statewide and Local
Workforce Investment Systems

SEC. 102. PURPOSE.

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

SEC. 103. STATE WORKFORCE INVESTMENT BOARDS.

Section 111 (29 U.S.C. 2821) is amended—
(1) in subsection (b)—
(A) in paragraph (1)—

(i) by striking subparagraph (B);

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

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

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

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

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

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

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

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

(V) by amending clause (vii) to read as follows:
“(vii) such other representatives and State agency officials as the Governor may designate, including—

“(I) members of the State legislature;

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

“(III) representatives of individuals and organizations that have experience and expertise in the delivery of workforce investment activities, including chief executive officers of community colleges and community-based organizations within the State;

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

“(V) representatives of veterans service organizations.”; and

(VI) by redesignating clause (vii) (as so amended) as clause (iv); and
(B) by amending paragraph (3) to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

“(B) Ensuring the appropriate use and management of the funds provided for State employment and training activities authorized under section 134.
“(C) Preparing an annual report to the Secretary described in section 136(d).

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

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

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

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

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

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

SEC. 104. STATE PLAN.

Section 112 (29 U.S.C. 2822)—

(1) in subsection (a)—

(A) by striking “127 or”; and

(B) by striking “5-year strategy” and inserting “3-year strategy”;
(2) in subsection (b)—

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

“(4) information describing—

“(A) the economic conditions in the State;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) in subparagraph (A)—

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

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

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

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

“(iv) how the State will serve the employment and training needs of dislocated
workers (including displaced homemakers),
low-income individuals (including recipients
of public assistance such as supplemental
nutrition assistance program benefits pur-
suant to the Food and Nutrition Act of
2008 (7 U.S.C. 2011 et seq.), long-term
unemployed individuals (including individ-
uals who have exhausted entitlement to
State and Federal unemployment com-
ensation), English learners, homeless in-
dividuals, individuals training for nontradi-
tional employment, youth (including out-of-
school youth and at-risk youth), older
workers, ex-offenders, migrant and sea-
sonal farmworkers, refugee and entrants,
veterans (including disabled and homeless
veterans), and Native 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 No. 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 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;”;

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

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

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

“(A) to more fully engage employers, including small businesses and employers in in-demand industries and occupations important to the State economy;
“(B) to meet the needs of employers in the State; and
“(C) to better coordinate workforce development programs with economic development activities;
“(18) a description of how the State board will convene (or help to convene) industry or sector partnerships that lead to collaborative planning, resource alignment, and training efforts across multiple firms for a range of workers employed or potentially employed by a targeted industry cluster—
“(A) to encourage industry growth and competitiveness and to improve worker training, retention, and advancement in targeted industry clusters;
“(B) to address the immediate and long-term skilled workforce needs of in-demand industries and other occupations important to the State economy, and
“(C) to address critical skill gaps within and across industries;
“(19) a description of how the State will utilize technology to facilitate access to services in remote areas, which may be used throughout the State;
“(20) a description of the State strategy and assistance to be provided for encouraging regional cooperation within the State and across State borders, as appropriate;

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

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

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

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

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

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

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

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

“(24) a description of—

“(A) how the State will furnish employ-
ment, training, including training in advanced
manufacturing, supportive, and placement serv-
ices to veterans, including disabled and home-
less veterans;

“(B) the strategies and services that will
be used in the State to assist and expedite re-
integration of homeless veterans into the labor force; and

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

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

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

SEC. 105. LOCAL WORKFORCE INVESTMENT AREAS.

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

(1) in subsection (a)—

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

“(1) IN GENERAL.—

“(A) PROCESS.—In order to receive an allotment under section 132, a State, through the State board, shall establish a process to designate local workforce investment areas within the State. Such process shall—

“(i) support the statewide workforce investment system developed under section 111(d)(2) that will meet the workforce needs of the State and its local areas;
“(ii) include prior consultation with chief elected officials;

“(iii) consider comments received through the public comment process as described in section 112(b)(9); and

“(iv) require the submission of an approved application under subparagraph (B).

“(B) APPLICATION.—To be designated as a local area under this paragraph, a local or regional board (or consortiums of local or regional boards) shall submit an application to a State board at such time, in such manner, and containing such information as the State board may require, including—

“(i) a description of the local area, including the population that will be served by the local area, and the education and training needs of its employers and workers;

“(ii) a description of how the local area is consistent or aligned with—

“(I) service delivery areas;

“(II) labor market areas; and
“(III) economic development regions;

“(iii) a description of the eligible providers of education and training, including postsecondary educational institutions such as community colleges, located in the local area available to meet the needs of the local workforce;

“(iv) a description of the distance that individuals will need to travel to receive services provided in such local area; and

“(v) any other criteria that the State board may require.

“(C) PRIORITY.—In designating local areas under this paragraph, a State board shall give priority consideration to applicants demonstrating that a designation as a local area under this paragraph will result in the reduction of overlapping service delivery areas, local market areas, or economic development regions.

“(D) ALIGNMENT WITH LOCAL PLAN.—A State may designate an applicant as a local area under this paragraph for a period not to exceed 3 years.”.
(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);

(D) by striking paragraph (4);

(E) by redesignating paragraph (5) as paragraph (3); and

(F) in paragraph (3) (as so redesignated), by striking “(2) or (3)” both places it appears and inserting “(1)”;

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

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

and

(3) in subsection (c)—

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

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

SEC. 106. LOCAL WORKFORCE INVESTMENT BOARDS.

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

(1) in subsection (b)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

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

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

(III) by redesignating subclauses (I) through (III) as clauses (i) through (iii), respectively (and by moving the margins of such clauses 2 ems to the left);
(IV) by striking clause (ii) (as so redesignated) and inserting the following:

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

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

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

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

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

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

“(iii) representatives of veterans service organizations.”;

(B) in paragraph (4)—

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

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

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

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

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

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

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

“(A) In general.—The local board shall—

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

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

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

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

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

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

“(B) Existing analysis.—A local board shall use existing analysis by the local economic development entity or related entity in order to carry out requirements of subparagraph (A)(i).
“(3) Employer Engagement.—The local Board shall meet the needs of employers and support economic growth in the local area by enhancing communication, coordination, and collaboration among employers, economic development entities, and service providers.

“(4) Budget and Administration.—

“(A) Budget.—

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

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

“(B) Administration.—

“(i) Grant recipient.—

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

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

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

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

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

“(5) SELECTION OF OPERATORS AND PROVIDERS.—

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

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

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

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

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

“(A) ensuring the appropriate use and management of the funds provided for local employment and training activities authorized under section 134(b); and
“(B) conducting oversight of the one-stop delivery system in the local area authorized under section 121.

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

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

(4) in subsection (e)—

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

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

(5) in subsection (f)—

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

(B) by striking paragraph (2) and inserting the following:
“(2) Work ready services, designation, or certification as one-stop operators.—A local board may provide work ready services described in section 134(c)(2) through a one-stop delivery system described in section 121 or be designated or certified as a one-stop operator only with the agreement of the chief elected official and the Governor.”;

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

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

SEC. 107. LOCAL PLAN.

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

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

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

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

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

“(2) a description of the one-stop delivery system in the local area, including—
“(A) a description of how the local board will ensure—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“(B) consistent with section 188 and Exec-
utive Order No. 13217 (42 U.S.C. 12131 note),
serve the employment and training needs of in-
dividuals with disabilities, with a focus on em-
ployment that fosters independence and integra-
tion; 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 perform-
ance measures, the training of staff, and other
aspects of accessibility to programs and services
under this subtitle;
“(8) a description of the local levels of performance negotiated with the Governor and chief elected official pursuant to section 136(c), to be—

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

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

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

“(10) a description of how the local area will serve the employment and training needs of dislocated workers (including displaced homemakers), low-income individuals (including recipients of public assistance such as the Supplemental Nutrition Assistance Program), long-term unemployed individuals (including individuals who have exhausted entitlement to State and Federal unemployment compensation), English learners, homeless individuals, individuals training for nontraditional employment, youth (including out-of-school youth and at-risk youth), older workers, ex-offenders, migrant and sea-
sonal 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 sub-
clause (III) of section 117(d)(4)(B)(i), as deter-
mined by the chief elected official or the Governor
under such section;

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

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

“(B) dropout recovery activities that are
designed to lead to the attainment of a regular
secondary school diploma or its recognized
equivalent, or other State recognized equivalent
(including recognized alternative standards for
individuals with disabilities); and
“(C) activities combining remediation of academic skills, work readiness training, and work experience, and including linkages to post-secondary education and training and career-ladder employment;

“(13) a description of—

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

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

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

“(14) a description of—

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

“(B) the manner in which the veteran employment specialist is integrated into the One-Stop Career System described in section 121;
“(C) the date on which the veteran employment specialist was assigned; and

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

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

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

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

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

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

(1) in subsection (b)—

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

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

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

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

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

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

(B) in paragraph (1)(B)—
(i) by striking clauses (ii), (v), and (vi);
(ii) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively;
(iii) by redesignating clauses (vii) through (xii) as clauses (iv) through (ix), respectively;
(iv) in clause (viii), as so redesignated, by striking “and” at the end;
(v) in clause (ix), as so redesignated, by striking the period and inserting “; and”;
(vi) by adding at the end the following:
“(x) subject to subparagraph (C), programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).”;
(C) by inserting after paragraph (1)(B) the following:
“(C) Determination by the Governor.—Each entity carrying out a program described in subparagraph (B)(x) shall carry out the required partner activities described in subparagraph (A) unless the Governor of the
State in which the local area is located provides
the Secretary and Secretary of Health and
Human Services written notice of a determina-
tion by the Governor that such entities shall not
carry out such required partner activities.”; and

(D) in paragraph (2)—

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

(ii) in subparagraph (B)—

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

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

(III) by redesignating clauses
(iii) and (iv) as clauses (i) and (ii), re-
spectively; and

(IV) by adding at the end the fol-
lowing:

“(iii) employment and training pro-
grams administered by the Commissioner
of the Social Security Administration;

“(iv) employment and training pro-
grams carried out by the Administrator of
the Small Business Administration;
“(v) employment, training, and literacy services carried out by public libraries; and

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

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

“(A) provisions describing—

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

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

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

“(iv) the duration of the memo-
randum of understanding and the proce-
dures for amending the memorandum dur-
ing the term of the memorandum, and as-
surances that such memorandum shall be
reviewed not less than once every 3-year
period to ensure appropriate funding and
delivery of services; and”;

(3) in subsection (d)—

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

(B) in paragraph (2)—

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

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

“(A) shall be designated or certified as a
one-stop operator through a competitive proc-
ess; and”; and
(iii) in subparagraph (B), by striking clause (ii) and redesignating clauses (iii) through (vi) as clauses (ii) through (v), respectively; and

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

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

“(e) Establishment of One-Stop Delivery System.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) by adding at the end the following:

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

“(1) IN GENERAL.—

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

“(B) CRITERIA.—The criteria for certification under this subsection shall include—
“(i) meeting all of the expected levels of performance for each of the core indicators of performance as outlined in the State plan under section 112;

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

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

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

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

“(h) ONE-STOP INFRASTRUCTURE FUNDING.—

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

“(B) Determination of Governor.—

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

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

“(C) LIMITATIONS.—

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

“(ii) Federal direct spending programs.—Programs that are Federal direct spending under section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(8)) shall not, for purposes of this paragraph, be required to provide an amount in excess of the amount determined to be equivalent to the proportionate use of the one-stop centers by such programs in the State.
“(2) Allocation by Governor.—From the funds provided under paragraph (1), the Governor shall allocate funds to local areas in accordance with the formula established under paragraph (3) for the purposes of assisting in paying the costs of the infrastructure of one-stop centers certified under subsection (g).

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

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

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

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

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

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

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

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

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

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

“(a) Eligibility.—

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

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

“(A) a postsecondary educational institution that—

“(i) is eligible to receive Federal funds under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and
“(ii) provides a program that leads to a recognized postsecondary credential;

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

or

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

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

“(b) CRITERIA.—

“(1) IN GENERAL.—The criteria established pursuant to subsection (a) shall take into account—
“(A) the performance of providers of training services with respect to the performance measures described in section 136 and other matters for which information is required under paragraph (2) and other appropriate measures of performance outcomes for those participants receiving training services under this subtitle;

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

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

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

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

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

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

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

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

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

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

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

“(5) LIMITATION.—In carrying out the require-
ments 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 Edu-

“(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 applica-
tions and in making determinations of eligibility
based on the criteria established under this sec-
tion; and
“(2) establish a process for a provider of training services to appeal a denial or termination of eligibility under this section that includes an opportunity for a hearing and prescribes appropriate time limits to ensure prompt resolution of the appeal.

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

“(e) ENFORCEMENT.—

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

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

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

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

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

“(f) AGREEMENTS WITH OTHER STATES.—States may enter into agreements, on a reciprocal basis, to per-
mit 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 Gov-
error may require, and disseminate information identifying providers that meet the criteria as eligible providers, and the performance information, through the one-stop delivery system. Providers determined to meet the criteria shall be considered to be identified as eligible providers of training services.”.

SEC. 110. GENERAL AUTHORIZATION.

Chapter 5 of subtitle B of title I is amended—
(1) by striking the heading for chapter 5 and inserting the following: “EMPLOYMENT AND TRAINING ACTIVITIES”; and
(2) in section 131 (29 U.S.C. 2861)—
(A) by striking “paragraphs (1)(B) and (2)(B) of”; and
(B) by striking “adults, and dislocated workers,” and inserting “individuals”.

SEC. 111. STATE ALLOTMENTS.

Section 132 (29 U.S.C. 2862) is amended—
(1) by amending subsection (a) to read as follows:
“(a) IN GENERAL.—The Secretary shall—
“(1) reserve ½ of 1 percent of the total amount appropriated under section 137 for a fiscal year, of which—
“(A) 50 percent shall be used to provide technical assistance under section 170; and

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

“(2) reserve 1 percent of the total amount appropriated under section 137 for a fiscal year to make grants to, and enter into contracts or cooperative agreements with Indian tribes, tribal organizations, Alaska-Native entities, Indian-controlled organizations serving Indians, or Native Hawaiian organizations to carry out employment and training activities;

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

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

“(A) make grants to State or local boards to provide employment and training assistance to workers affected by major economic dislocations, such as plant closures, mass layoffs, or closures and realignments of military installations; and
“(B) provide assistance to Governors of States with an area that has suffered an emergency or a major disaster (as such terms are defined in paragraphs (1) and (2), respectively, of section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)) to provide disaster relief employment in the area; and

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

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

“(b) WORKFORCE INVESTMENT FUND.—

“(1) RESERVATION FOR OUTLYING AREAS.—

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

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

“(2) STATES.—

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

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

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

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

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

“(C) MINIMUM AND MAXIMUM PERCENTAGES.—

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

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

“(II) fiscal year 2017 and each
succeeding fiscal year, that is less
than 90 percent of the allotment per-
centage of the State for the preceding fiscal year.

“(ii) MAXIMUM PERCENTAGE.—Sub-
ject to clause (i), the Secretary shall en-
sure that no State shall receive an allot-
ment under this paragraph for—

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

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

“(D) SMALL STATE MINIMUM ALLOT-
MENT.—Subject to subparagraph (C), the Sec-
retary shall ensure that no State shall receive an allotment under this paragraph for a fiscal year that is less than 1/5 of 1 percent of the re-
remainder described in subparagraph (A) for the fiscal year.

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

“(i) ALLOTMENT PERCENTAGE.—The term ‘allotment percentage’—

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

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

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

“(I) the poverty line; or

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

“(iii) INDIVIDUAL.—The term ‘individual’ means an individual who is age 16 or older.”.

SEC. 112. WITHIN STATE ALLOCATIONS.

Section 133 is amended—

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

“(a) Reservations for Statewide Workforce Investment Activities.—
“(1) **Statewide Employment and Training Activities.**—The Governor of a State shall reserve up to 15 percent of the total amount allotted to the State under section 132(b)(2) for a fiscal year to carry out the statewide activities described in section 134(a).

“(2) **Statewide Rapid Response Activities.**—Of the amount reserved under paragraph (1) for a fiscal year, the Governor of the State shall reserve not more than 25 percent for statewide rapid response activities described in section 134(a)(4).

“(3) **Statewide Grants for Individuals with Barriers to Employment.**—Of the amount reserved under paragraph (1) for a fiscal year, the Governor of a State shall reserve 15 percent to carry out statewide activities described in section 134(a)(5).

“(4) **State Administrative Cost Limit.**—Not more than 5 percent of the funds reserved under paragraph (1) may be used by the Governor of a State for administrative costs of carrying out the statewide activities described in section 134(a).”;

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

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

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

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

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

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

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

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

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

“(iv) 25 percent on the basis described in section 132(b)(2)(B)(iv).
“(B) Minimum and maximum percentages.—

“(i) Minimum percentage.—The State shall ensure that no local area shall receive an allocation under this paragraph for—

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

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

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

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

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

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

“(i) used with respect to fiscal year 2012, means the percentage of the amounts allocated to local areas under title I of this Act, title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.), the Women in Apprenticeship and Non-traditional Occupations Act (29 U.S.C. 2501 et seq.), sections 4103A and 4104 of title 38, United States Code, and sections 1 through 14 of the Wagner-Peyser Act (29 U.S.C. 49 et seq.), as such provisions were in effect for fiscal year 2012, that is received under such provisions by the local area involved for fiscal year 2012; and
“(ii) used with respect to fiscal year 2016 or a succeeding fiscal year, means the percentage of the amounts allocated to local areas for the fiscal year under this paragraph that is received under this paragraph by the local area involved for the fiscal year.”;

(3) in subsection (c)—

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

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

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

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

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

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

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

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

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

Section 134 is amended—

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

“(a) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

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

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

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

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

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

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

“(A) disseminating the State list of eligible
providers of training described in section
122(d), information identifying eligible pro-
viders of on-the-job training and customized
training described in section 122(i), and per-
formance information and program cost infor-

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

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

“(D) 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;

“(E) providing technical assistance to local
areas that fail to meet local performance meas-
ures;
“(F) operating a fiscal and management accountability system under section 136(f); and

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

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

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

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

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

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

“(E) incorporating pay-for-performance contracting strategies as an element in funding activities under this section and providing technical support to local areas and eligible providers in order to carry out such strategy, which may provide assistance with data collection and data entry requirements;
“(F) carrying out the State option under subsection (f)(8); and

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

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

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

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

“(5) Statewide grants for individuals with barriers to employment.—

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

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

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

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

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

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

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

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

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

“(C) GRANT PERIOD.—

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

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

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

“(E) USE OF FUNDS.—An eligible entity
receiving a grant under this paragraph shall use
such funds for activities that are designed to
assist eligible participants in obtaining 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 plan submitted under section
118 with respect to the areas of the State
that will be the focus of grant activities
under this paragraph;

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

“(iii) how the eligible entity will col-
laborate with State and local workforce in-
vestment 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 eligi-
ble participants will be recruited and se-
lected as participants;

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

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

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

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

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

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

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

“(1) shall be used to carry out employment and training activities described in subsection (c); and
“(2) may be used to carry out employment and training activities described in subsection (d).”; (3) by striking subsection (c); (4) by redesignating subsections (d) and (e), as subsections (c) and (d), respectively; (5) in subsection (c) (as so redesignated)— 

(A) by amending paragraph (1) to read as follows: “(1) IN GENERAL.—Funds allocated to a local area under section 133(b) shall be used— 

“(A) to establish a one-stop delivery system as described in section 121(e); “(B) to provide the work ready services described in paragraph (2) through the one-stop delivery system in accordance with such paragraph; and “(C) to provide training services described in paragraph (4) in accordance with such paragraph.”; 

(B) in paragraph (2)— 

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

(ii) in the matter preceding subpara-
(I) by striking “(1)(A)” and inserting “(1)(B)”;

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

and

(III) by striking “who are adults or dislocated workers”; (iii) by redesignating subparagraph (K) as subparagraph (V);

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

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

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

(vi) by amending subparagraph (E), as so redesignated, to read as follows:
“(E) labor exchange services, including—

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

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

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

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

(viii) in subparagraph (G), as so redesignated, by striking “and eligible providers of youth activities described in section 123,”;
(ix) in subparagraph (H), as so redesignated, by inserting “under section 136” after “local performance measures”;

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

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

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

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

“(L) the provision of information from official publications of the Internal Revenue Service regarding Federal tax credits available to individuals relating to education, job training and employment;
“(M) comprehensive and specialized assessments of the skill levels and service needs of workers, which may include—

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

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

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

“(O) group counseling;

“(P) individual counseling and career planning;

“(Q) case management;

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

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

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

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

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

(D) in paragraph (4)—

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

“(A) IN GENERAL.—Funds described in paragraph (1)(C) shall be used to provide training services to individuals who—
“(i) after an interview, evaluation, or assessment, and case management, have been determined by a one-stop operator or one-stop partner, as appropriate, to—

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

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

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

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

(ii) in subparagraph (B)(i), by striking “Except” and inserting “Notwithstanding section 479B of the Higher Education Act of 1965 (20 U.S.C. 1087uu) and except”;
(iii) by amending subparagraph (D) to read as follows:

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

“(i) occupational skills training;

“(ii) on-the-job training;

“(iii) skill upgrading and retraining;

“(iv) entrepreneurial training;

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

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

“(vii) workplace training combined with related instruction;

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

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

and

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

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

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

(I) in clause (ii)—

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

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

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

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

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

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

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

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

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

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

(III) in clause (ii)—

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

(bb) by striking “subparagraph (F)” and inserting “subparagraph (E)”;

(cc) in subclause (II), by striking “individual training ac-
counts” and inserting “career enhancement accounts”;

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

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

(ff) by adding at the end the following:

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

(IV) in clause (iii), by striking “adult or dislocated worker” and inserting “individual”; and
(V) in clause (iv)—

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

“(IV) Individuals with disabilities.”;

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

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

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

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

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

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

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

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

“(v) incorporating pay-for-performance contract strategies as an element in funding activities under this section;

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

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

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

(C) by adding at the end the following:
“(2) INCUMBENT WORKER TRAINING PROGRAMS.—

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

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

“(C) EMPLOYER MATCH REQUIRED.—

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

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

(7) by adding at the end the following:

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

“(f) VETERAN EMPLOYMENT SPECIALIST.—

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

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

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

“(i) conducting seminars for employers; and

“(ii) in conjunction with employers, conducting job search workshops, and establishing job search groups; and
“(B) facilitate employment, training, supportive, and placement services furnished to veterans, including disabled and homeless veterans, in the local area.

“(3) Hiring preference for veterans and individuals with expertise in serving veterans.—Subject to paragraph (8), a local board shall, to the maximum extent practicable, employ veterans or individuals with expertise in serving veterans to carry out the services described in paragraph (2) in the local area served by the local board. In hiring an individual to serve as a veteran employment specialist, a local board shall give preference to veterans and other individuals in the following order:

“(A) To service-connected disabled veterans.

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

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

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

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

"(4) ADMINISTRATION AND REPORTING.—

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

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

"(ii) hiring preferences described in paragraph (3) for veterans and individuals with expertise in serving veterans.
“(B) REPORT TO SECRETARY.—Each State shall submit to the Secretary an annual report on the qualifications used by the local board in making hiring determinations for a veteran employment specialist and the salary structure under which such specialist is compensated.

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

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

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

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

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

SEC. 114. PERFORMANCE ACCOUNTABILITY SYSTEM.

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

(1) in subsection (b)—

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

“(1) IN GENERAL.—For each State, the State performance measures shall consist of—
“(A)(i) the core indicators of performance described in paragraph (2)(A); and
“(ii) additional indicators of performance (if any) identified by the State under paragraph (2)(B); and
“(B) a State adjusted level of performance for each indicator described in subparagraph (A).
“(2) INDICATORS OF PERFORMANCE.—
“(A) CORE INDICATORS OF PERFORMANCE.—
“(i) IN GENERAL.—The core indicators of performance for the program of employment and training activities authorized under sections 132(a)(2) and 134, the program of adult education and literacy activities authorized under title II, and the program authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), other than section 112 or part C of that title (29 U.S.C. 732, 741), shall consist of the following indicators of performance, each disaggregated by the populations identified in the State and local plans:
“(I) The percentage and number of program participants who are in unsubsidized employment during the second full calendar quarter after exit from the program.

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

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

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

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

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

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

“(VI) The percentage and number of program participants who obtain unsubsidized employment in the field relating to the training services described in section 134(e)(4) that such participants received.
“(ii) Indicator relating to credential.—For purposes of clause (i)(IV), program participants who obtain a regular secondary school diploma or its recognized equivalent shall be included in the percentage counted as meeting the criterion under such clause only if such participants, in addition to obtaining such diploma or its recognized equivalent, have, within 1 year after exit from the program, obtained or retained employment, have been removed from public assistance, or are in an education or training program leading to a recognized postsecondary credential.

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

(B) in paragraph (3)—

(i) in subparagraph (A)—

(I) in the heading, by striking “AND CUSTOMER SATISFACTION INDICATOR”;
(II) in clause (i), by striking “and the customer satisfaction indicator described in paragraph (2)(B)”;

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

(IV) in clause (iii)—

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

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

(V) in clause (iv)—

(aa) by striking “or (v)”;

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

(ee) in subclause (I) (as so redesignated)—
(AA) by striking “taking into account” and inserting “which shall be adjusted based on”;

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

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

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

(VII) in clause (v) (as so redesignated),
(aa) by striking “described in clause (iv)(II)” and inserting “described in clause (iv)(I)”; and

(bb) by striking “or (v)”;

and

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

(2) in subsection (c)—

(A) by amending clause (i) of paragraph (1)(A) to read as follows: “(i) the core indicators of performance described in subsection (b)(2)(A) for activities described in such subsections, other than statewide workforce investment activities; and”;

(B) in clause (ii) of paragraph (1)(A), by striking “(b)(2)(C)” and inserting “(b)(2)(B)”;

and

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

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

(3) in subsection (d)—

(A) in paragraph (1)—

(i) by striking “127 or”;

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

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

(B) in paragraph (2)—

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

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

(iii) by redesignating subparagraph (E) as subparagraph (B);
(iv) in subparagraph (B), as so redesignated—

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

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

   (v) by striking subparagraph (F);

   (vi) by adding at the end the following:

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

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

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

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

“(D) the amount of funds spent on training services and discretionary one-stop delivery activities, disaggregated by the populations identified in the State and local plans.”;
(C) in paragraph (3)(A), by striking “through publication” and inserting “through electronic means”; and

(D) by adding at the end the following:

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

“(5) STATE AND LOCAL POLICIES.—

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

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

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

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

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

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

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

(6) in subsection (h)(2)—

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

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

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;
(C) by inserting after subparagraph (A), the following:

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

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

(E) in subparagraph (D) (as so redesignated), by striking “subparagraph (B)” each place it appears and inserting “subparagraph (C)”;
(7) in subsection (i)(1)(B), by striking “subsection (b)(2)(C)” and inserting “subsection (b)(2)(B)”;


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

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

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

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

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

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

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

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

SEC. 115. AUTHORIZATION OF APPROPRIATIONS.

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

“SEC. 137. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to carry out
the activities described in section 132, $6,245,318,000 for
fiscal year 2014 and each of the 6 succeeding fiscal
years.”.
Subtitle C—Job Corps

SEC. 116. JOB CORPS PURPOSES.

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

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

SEC. 117. JOB CORPS DEFINITIONS.

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

(1) in paragraph (2)—

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

(B) by striking “applicable”;

(C) by striking “customer service”; and

(D) by striking “intake” and inserting “assessment”;

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

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

SEC. 118. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.

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

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

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

(2) in paragraph (3)(B), by inserting “secondary” before “school”; and
(3) in paragraph (3)(E), by striking “vocational” and inserting “career and technical education and”.

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

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

(1) in subsection (a)—

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

(B) in paragraph (3)—

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

(ii) in subparagraph (A)—

(I) by striking “applicable”; and

(II) by inserting “and” after the semicolon;

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

(iv) by adding at the end the following:

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

(2) in subsection (b)—
(A) in paragraph (1)—

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

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

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

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

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

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

   "(iv) a Federal Bureau of Investigation fingerprint check using the Integrated Automated Fingerprint Identification System; and
“(v) a search of the National Sex Offender Registry established under the Adam Walsh Child Protection and Safety Act of 2006 (42 U.S.C. 16901 et seq.).”;

and

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

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

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

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

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

“(i) homicide;

“(ii) child abuse or neglect;

“(iii) a crime against children, including child pornography;
“(iv) a crime involving rape or sexual assault; or
“(v) physical assault, battery, or a drug-related offense, committed within the past 5 years.”;

(3) in subsection (c)—
(A) in paragraph (1)—
(i) by striking “2 years” and inserting “year”; and
(ii) by striking “an assignment” and inserting “a”; and
(B) in paragraph (2)—
(i) in the matter preceding subparagraph (A), by striking “, every 2 years,”;
(ii) in subparagraph (B), by striking “and” at the end; and
(iii) in subparagraph (C)—
(I) by inserting “the education and training” after “including”; and
(II) by striking the period at the end and inserting “; and”; and
(iv) by adding at the end the following:
“(D) the performance of the Job Corps center relating to the indicators described in
paragraphs (1) and (2) in section 159(c), and whether any actions have been taken with respect to such center pursuant to section 159(f).”; and

(4) in subsection (d)—

(A) in paragraph (1)—

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

(ii) by striking subparagraph (A); and

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

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

SEC. 120. JOB CORPS CENTERS.

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

(1) in subsection (a)—
(A) in paragraph (1)(A), by striking “vocational” both places it appears and inserting “career and technical”; and

(B) in paragraph (2)—

(i) in subparagraph (A)—

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

(II) by striking “industry council” and inserting “workforce council”;

(ii) in subparagraph (B)(i)—

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

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

(II) in subclause (III), by striking “is familiar with the surrounding communities, applicable” and insert-
ing “demonstrates relationships with
the surrounding communities, employ-
ers, workforce boards,” and by strik-
ing “and” at the end;

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

“(IV) the performance of the en-
tity, if any, relating to operating or
providing activities described in this
subtitle to a Job Corps center, includ-
ing the entity’s demonstrated effec-
tiveness in assisting individuals in
achieving the primary and secondary
indicators of performance described in
paragraphs (1) and (2) of section
159(e); and”; and

(IV) by adding at the end the fol-
lowing new subclause:

“(V) the ability of the entity to
demonstrate a record of successfully
assisting at-risk youth to connect to
the workforce, including by providing
them with intensive academic, and ca-
reer and technical education and
training.”; and
(iii) in subparagraph (B)(ii), by strik-
ing “, as appropriate”; 

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

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

“(c) CIVILIAN CONSERVATION CENTERS.—

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

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

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

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

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

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

“(3) a description of the demonstrated record of effectiveness that the entity has in placing at-risk youth into employment, including past performance of operating a Job Corps center under this subtitle;
“(4) a description of the relationships that the entity has developed with State and local workforce boards, employers, State and local educational agencies, and the surrounding communities in an effort to promote a comprehensive statewide workforce investment system;

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

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

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

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

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

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

“(11) an assurance the entity is licensed to operate in the State in which the center is located; and
“(12) an assurance the entity will comply with and meet basic health and safety codes, including those measures described in section 152(b).

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

“(f) RENEWAL.—

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

“(2) RECOMPETITION.—

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

“(B) VIOLATIONS.—The Secretary shall
not select an entity to operate a Job Corps cen-
ter if such entity or such center has been found
to have a systemic or substantial material fail-
ure that involves—

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

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

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

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

“(v) an unresolved area of noncompli-
ance.

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

SEC. 121. PROGRAM ACTIVITIES.

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

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

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

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

“(2) RELATIONSHIP TO OPPORTUNITIES.—

“(A) IN GENERAL.—The activities provided under this subsection shall be targeted to helping enrollees, on completion of their enrollment—
“(i) secure and maintain meaningful unsubsidized employment;

“(ii) complete secondary education and obtain a regular secondary school diploma;

“(iii) enroll in and complete postsecondary education or training programs, including obtaining recognized postsecondary credentials, industry-recognized credentials, and registered apprenticeships; or

“(iv) satisfy Armed Forces requirements.

“(B) LINK TO EMPLOYMENT OPPORTUNITIES.—The career and technical education and training provided shall be linked to the employment opportunities in in-demand industries in the State in which the Job Corps center is located.”; and

(2) in subsection (b)—

(A) in the subsection heading, by striking “EDUCATION AND VOCATIONAL” and inserting “ACADEMIC AND CAREER AND TECHNICAL EDUCATION AND”;

(B) by striking “may” after “The Sec-

(2) in subsection (b)—

(A) in the subsection heading, by striking “EDUCATION AND VOCATIONAL” and inserting “ACADEMIC AND CAREER AND TECHNICAL EDUCATION AND”;

(B) by striking “may” after “The Sec-
(C) by striking “vocational” each place it appears and inserting “career and technical”; and

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

“(3) DEMONSTRATION.—Each year, any operator seeking to enroll additional enrollees in an advanced career training program shall demonstrate, before the operator may carry out such additional enrollment, that—

“(A) participants in such program have achieved a satisfactory rate of completion and placement in training-related jobs; and

“(B) such operator has met or exceeded the indicators of performance described in paragraphs (1) and (2) of section 159(c) for the previous year.”.

SEC. 122. COUNSELING AND JOB PLACEMENT.

Section 149 (29 U.S.C. 2889) is amended—

(1) in subsection (a), by striking “vocational” and inserting “career and technical education and”;

(2) in subsection (b), by striking “make every effort to arrange to”; and

(3) by striking subsection (d).
SEC. 123. SUPPORT.

Subsection (b) of section 150 (29 U.S.C. 2890) is amended to read as follows:

“(b) TRANSITION ALLOWANCES AND SUPPORT FOR GRADUATES.—The Secretary shall arrange for a transition allowance to be paid to graduates. The transition allowance shall be incentive-based to reflect a graduate’s completion of academic, career and technical education or training, and attainment of a recognized postsecondary credential, including an industry-recognized credential.”.

SEC. 124. OPERATIONS.

Section 151 (29 U.S.C. 2891) is amended—

(1) in the header, by striking “OPERATING PLAN.” and inserting “OPERATIONS.”;

(2) in subsection (a), by striking “IN GENERAL.—” and inserting “OPERATING PLAN.—”;

(3) by striking subsection (b) and redesignating subsection (c) as subsection (b);

(4) by amending subsection (b) (as so redesignated)—

(A) in the heading by inserting “OF OPERATING PLAN” after “AVAILABILITY”; and

(B) by striking “subsections (a) and (b)” and inserting “subsection (a)”;

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

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“(c) Administrative Costs.—Not more than 10 percent of the funds allotted under section 147 to an entity selected to operate a Job Corps center may be used by the entity for administrative costs under this subtitle.”.

SEC. 125. COMMUNITY PARTICIPATION.

Section 153 (29 U.S.C. 2893) is amended to read as follows:

“SEC. 153. COMMUNITY PARTICIPATION.

“The director of each Job Corps center shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers in the State and nearby communities. Such activities may include the use of any local workforce development boards established under section 117 to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.”.

SEC. 126. WORKFORCE COUNCILS.

Section 154 (29 U.S.C. 2894) is amended to read as follows:

“SEC. 154. WORKFORCE COUNCILS.

“(a) In General.—Each Job Corps center shall have a workforce council appointed by the Governor of the State in which the Job Corps center is located.

“(b) Workforce Council Composition.—
“(1) IN GENERAL.—A workforce council shall be comprised of—

“(A) business members of the State board described in section 111(b)(1)(B)(i);

“(B) business members of the local boards described in section 117(b)(2)(A) located in the State;

“(C) a representative of the State board described in section 111(f); and

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

“(2) MAJORITY.—A 2⁄3 majority of the members of the workforce council shall be representatives described in paragraph (1)(A).

“(c) RESPONSIBILITIES.—The responsibilities of the workforce council shall be—

“(1) to review all the relevant labor market information, including related information in the State plan described in section 112, to—

“(A) determine the in-demand industries in the State in which enrollees intend to seek employment after graduation;

“(B) determine the skills and education that are necessary to obtain the employment
opportunities described in subparagraph (A); and

“(C) determine the type or types of career and technical education and training that will be implemented at the center to enable the enrollees to obtain the employment opportunities; and

“(2) to meet at least once a year to reevaluate the labor market information, and other relevant information, to determine any necessary changes in the career and technical education and training provided at the center.”.

SEC. 127. TECHNICAL ASSISTANCE.

Section 156 (29 U.S.C. 2896) is amended to read as follows:

“SEC. 156. TECHNICAL ASSISTANCE TO CENTERS.

“(a) IN GENERAL.—From the funds reserved under section 132(a)(3), the Secretary shall provide, directly or through grants, contracts, or other agreements or arrangements as the Secretary considers appropriate, technical assistance and training for the Job Corps program for the purposes of improving program quality.

“(b) ACTIVITIES.—In providing training and technical assistance and for allocating resources for such assistance, the Secretary shall—

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“(1) assist entities, including those entities not currently operating a Job Corps center, in developing the application described in section 147(d);

“(2) assist Job Corps centers and programs in correcting deficiencies and violations under this subtitle;

“(3) assist Job Corps centers and programs in meeting or exceeding the indicators of performance described in paragraph (1) and (2) of section 159(c);

and

“(4) assist Job Corps centers and programs in the development of sound management practices, including financial management procedures.”.

SEC. 128. SPECIAL PROVISIONS.


SEC. 129. PERFORMANCE ACCOUNTABILITY MANAGEMENT.

Section 159 (29 U.S.C. 2899) is amended—

(1) in the section heading, by striking “MANAGEMENT INFORMATION” and inserting “PERFORMANCE ACCOUNTABILITY AND MANAGEMENT”;
(2) in subsection (a)(3), by inserting before the period at the end the following: “, or operating costs for such centers result in a budgetary shortfall”;

(3) by striking subsections (c) through (g); and

(4) by inserting after subsection (b) the following:

“(c) INDICATORS OF PERFORMANCE.—

“(1) PRIMARY INDICATORS.—The annual primary indicators of performance for Job Corps centers shall include—

“(A) the percentage and number of enrollees who graduate from the Job Corps center;

“(B) the percentage and number of graduates who entered unsubsidized employment related to the career and technical education and training received through the Job Corps center, except that such calculation shall not include enrollment in education, the military or volunteer service;

“(C) the percentage and number of graduates who obtained a recognized postsecondary credential, including an industry-recognized credential or a registered apprenticeship; and

“(D) the cost per successful performance outcome, which is calculated by comparing the
number of graduates who were placed in unsubsidized employment or obtained a recognized credential, including an industry-recognized credential, to total program costs, including all operations, construction, and administration costs at each Job Corp center.

“(2) SECONDARY INDICATORS.—The annual secondary indicators of performance for Job Corps centers shall include—

“(A) the percentage and number of graduates who entered unsubsidized employment not related to the career and technical education and training received through the Job Corps center;

“(B) the percentage and number of graduates who entered into postsecondary education;

“(C) the percentage and number of graduates who entered into the military;

“(D) the average wage of graduates who are in unsubsidized employment—

“(i) on the first day of employment;

and

“(ii) 6 months after the first day;

“(E) the number and percentage of graduates who entered unsubsidized employment
and were retained in the unsubsidized employ-
ment—

“(i) 6 months after the first day of
employment; and

“(ii) 12 months after the first day of
employment;

“(F) the percentage and number of enrol-
ees compared to the percentage and number of
enrollees the Secretary has established targets
in section 145(c)(1);

“(G) the cost per training slot, which is
calculated by comparing the program’s max-
imum number of students that can be enrolled
in a Job Corps center at any given time during
the program year to the number of enrollees in
the same program year; and

“(H) the number and percentage of former
enrollees, including the number dismissed under
the zero tolerance policy described in section
152(b).

“(3) INDICATORS OF PERFORMANCE FOR RE-
CRUITERS.—The annual indicators of performance
for recruiters shall include the measurements de-
scribed in subparagraph (A) of paragraph (1) and
subparagraphs (F), (G), and (H) of paragraph (2).
“(4) Indicators of Performance of Career Transition Service Providers.—The annual indicators of performance of career transition service providers shall include the measurements described in subparagraphs (B) and (C) of paragraph (1) and subparagraphs, (B), (C), (D), and (E) of paragraph (2).

“(d) Additional Information.—The Secretary shall collect, and submit in the report described in subsection (f), information on the performance of each Job Corps center, and the Job Corps program, regarding—

“(1) the number and percentage of former enrollees who obtained a regular secondary school diploma;

“(2) the number and percentage of former enrollees who entered unsubsidized employment;

“(3) the number and percentage of former enrollees who obtained a recognized postsecondary credential, including an industry-recognized credential;

“(4) the number and percentage of former enrollees who entered into military service; and

“(5) any additional information required by the Secretary.

“(e) Methods.—The Secretary shall collect the information described in subsections (e) and (d), using
methods described in section 136(i)(2) and consistent with State law, by entering into agreements with the States to access such data for Job Corps enrollees, former enrollees, and graduates.

“(f) TRANSPARENCY AND ACCOUNTABILITY.—

“(1) REPORT.—The Secretary shall collect and annually submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor and Pensions of the Senate, and make available to the public by electronic means, a report containing—

“(A) information on the performance of each Job Corps center, and the Job Corps program, on the performance indicators described in paragraphs (1) and (2) of subsection (e);

“(B) a comparison of each Job Corps center, by rank, on the performance indicators described in paragraphs (1) and (2) of subsection (e);

“(C) a comparison of each Job Corps center, by rank, on the average performance of all primary indicators described in paragraph (1) of subsection (e);

“(D) information on the performance of the service providers described in paragraphs
(3) and (4) of subsection (c) on the performance indicators established under such paragraphs; and

“(E) a comparison of each service provider, by rank, on the performance of all service providers described in paragraphs (3) and (4) of subsection (c) on the performance indicators established under such paragraphs.

“(2) ASSESSMENT.—The Secretary shall conduct an annual assessment of the performance of each Job Corps center which shall include information on the Job Corps centers that—

“(A) are ranked in the bottom 10 percent on the performance indicator described in paragraph (1)(C); or

“(B) have failed a safety and health code review described in subsection (g).

“(3) PERFORMANCE IMPROVEMENT.—With respect to a Job Corps center that is identified under paragraph (2) or reports less than 50 percent on the performance indicators described in subparagraph (A), (B), or (C) of subsection (c)(1), the Secretary shall develop and implement a 1 year performance improvement plan. Such a plan shall require action including—
“(A) providing technical assistance to the center;
“(B) changing the management staff of the center;
“(C) replacing the operator of the center;
“(D) reducing the capacity of the center;
or
“(E) closing the center.
“(4) CLOSURE OF JOB CORPS CENTERS.—Job Corps centers that have been identified under paragraph (2) for more than 4 consecutive years shall be closed. The Secretary shall ensure—
“(A) that the proposed decision to close the center is announced in advance to the general public through publication in the Federal Register and other appropriate means; and
“(B) the establishment of a reasonable comment period, not to exceed 30 days, for interested individuals to submit written comments to the Secretary.
“(g) PARTICIPANT HEALTH AND SAFETY.—The Secretary shall enter into an agreement with the General Services Administration or the appropriate State agency responsible for inspecting public buildings and safeguarding the health of disadvantaged students, to conduct
an in-person review of the physical condition and health-
related activities of each Job Corps center annually. Such
review shall include a passing rate of occupancy under
Federal and State ordinances.”.

Subtitle D—National Programs

SEC. 130. TECHNICAL ASSISTANCE.

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

(1) by striking subsection (b);

(2) by striking:

“(a) GENERAL TECHNICAL ASSISTANCE.—”;

(3) by redesignating paragraphs (1), (2), and
(3) as subsections (a), (b), and (c) respectively, and
moving such subsections 2 ems to the left, and con-
forming the casing style of the headings of such sub-
sections to the casing style of the heading of sub-
section (d), as added by paragraph (7) of this sec-

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

(A) by inserting “the training of staff pro-
viding rapid response services, the training of
other staff of recipients of funds under this
title, assistance regarding accounting and pro-
gram 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 activi-
ties” and all that follows up to the period and
inserting “to implement the amendments made
by the SKILLS Act”; (5) in subsection (b) (as so redesignated)—

(A) by striking “paragraph (1)” and in-
serting “subsection (a)”; (B) by striking “, or recipient of financial
assistance under any of sections 166 through
169,”; and

(C) by striking “or grant recipient”; (6) in subsection (c) (as so redesignated), by
striking “paragraph (1)” and inserting “subsection
(a)” ; and

(7) by inserting, after subsection (c) (as so re-
designated), the following:
“(d) BEST PRACTICES COORDINATION.—The Sec-
retary shall—
“(1) establish a system through which States
may share information regarding best practices with
regard to the operation of workforce investment ac-
tivities under this Act; and
“(2) evaluate and disseminate information regarding best practices and identify knowledge gaps.”.

SEC. 131. EVALUATIONS.

Section 172 (29 U.S.C. 2917) is amended—

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

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

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

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

“(c) TECHNIQUES.—Evaluations conducted under this section shall utilize appropriate and rigorous methodology and research designs, including the use of control groups chosen by scientific random assignment methodologies, quasi-experimental methods, impact analysis and the
use of administrative data. The Secretary shall conduct
an impact analysis, as described in subsection (a)(4), of
the formula grant program under subtitle B not later than
2015, and thereafter shall conduct such an analysis not
less than once every four years.”;

(4) in subsection (e) is amended by striking
“the Committee on Labor and Human Resources of
the Senate” and inserting “the Committee on
Health, Education, Labor, and Pensions of the Sen-
ate”;

(5) by redesignating subsection (f) as sub-
section (g) and inserting after subsection (e) the fol-
lowing:

“(f) REDUCTION OF AMOUNTS AUTHORIZED TO BE
APPROPRIATED FOR LATE REPORTING.—If a report re-
quired to be transmitted to Congress under this section
is not transmitted on or before the time period specified
for that report, amounts authorized to be appropriated
under this title shall be reduced by 10 percent for the fis-
cal year that begins after the date on which the final re-
port required under this section is required to be trans-
mitted and reduced by an additional 10 percent each sub-
sequent fiscal year until each such report is transmitted
to Congress.”.

(6) by adding at the end, the following:
“(h) PUBLIC AVAILABILITY.—The results of the eval-
uations conducted under this section shall be made pub-
licly available, including by posting such results on the De-
partment’s website.”.

Subtitle E—Administration

SEC. 132. REQUIREMENTS AND RESTRICTIONS.

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

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

(2) in subsection (e)(2)(A), in the matter pre-
ceding clause (i), by striking “shall” and inserting
“may”;

(3) in subsection (e)—

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

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

(4) in subsection (f)(4), by striking
“134(a)(3)(B)” and inserting “134(a)(6)”; and

(5) by adding at the end the following:

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

“(h) GENERAL AUTHORITY.—

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

SEC. 133. PROMPT ALLOCATION OF FUNDS.

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

(1) in subsection (c), by striking “127 or”; and

(2) in subsection (e)—

(A) by striking “sections 128 and 133” and inserting “section 133”; and
SEC. 134. FISCAL CONTROLS; SANCTIONS.

Section 184(a)(2) (29 U.S.C. 2934(a)(2)) is amended—

(1) by striking “(A)” and all that follows through “Each” and inserting “Each”; and

(2) by striking subparagraph (B).

SEC. 135. REPORTS TO CONGRESS.

Section 185 (29 U.S.C. 2935) is amended—

(1) in subsection (e)—

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

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

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SEC. 136. ADMINISTRATIVE PROVISIONS.

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

(1) in subsection (g)—

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

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

(B) in paragraph (2)—

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

(ii) by striking “171 or”;

(2) in subsection (i)—

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

(B) by redesignating paragraph (4) as paragraph (2);

(C) by amending paragraph (2)(A), as so redesignated—

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

(ii) by striking clause (ii); and

(iii) in clause (i), by striking ‘‘; and’’ and inserting a period at the end; and

(D) by adding at the end the following:

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

‘‘(E)EXTERNAL CONDITIONS.—The Secretary shall not require or impose new or additional requirements, which are not specified under this Act, on a State in exchange for providing a waiver to the State or a local area in the State under this paragraph.’’.
SEC. 137. STATE LEGISLATIVE AUTHORITY.

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

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

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

SEC. 138. GENERAL PROGRAM REQUIREMENTS.

Section 195 (29 U.S.C. 2945) is amended—

(1) in paragraph (7), by inserting at the end the following:

“(D) Funds received by a public or private non-profit entity that are not described in subparagraph (B), such as funds privately raised from philanthropic foundations, businesses, or other private entities, shall not be considered to be income under this title and shall not be subject to the requirements of this section.”; and

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

“(14) Funds provided under this title shall not be used to establish or operate stand-alone fee-for-service enterprises that compete with private sector employment agencies within the meaning of section
701(c) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(c)), except that for purposes of this paragraph, such an enterprise does not include one-stop centers.

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

SEC. 139. FEDERAL AGENCY STAFF AND RESTRICTIONS ON POLITICAL AND LOBBYING ACTIVITIES.

Subtitle E of title I (29 U.S.C. 2931 et seq.) is amended by adding at the end the following new sections:

“SEC. 196. FEDERAL AGENCY STAFF.

“The Director of the Office of Management and Budget shall—

“(1) not later than 60 days after the date of the enactment of the SKILLS Act—

“(A) identify the number of Federal government employees who work on or administer each of the programs authorized under this Act or repealed under section 401 of the SKILLS
Act, as such programs were in effect on the day before such date of enactment; and

“(B) identify the number of full-time equivalent employees who work on or administer each of the programs authorized under this Act or repealed under section 401 of the SKILLS Act, as such programs were in effect on the day before such date of enactment, and that have been repealed or consolidated on or after such date of enactment;

“(2) not later than 90 after such date of enactment, publish the information described in paragraph (1) on the Office of Management and Budget website; and

“(3) not later than 1 year after such date of enactment—

“(A) reduce the workforce of the Federal Government by the number of full-time equivalent employees identified under paragraph (1)(B); and

“(B) submit to Congress a report on how the Director carried out the requirements of subparagraph (A).
“SEC. 197. RESTRICTIONS ON LOBBYING AND POLITICAL ACTIVITIES.

“(a) LOBBYING RESTRICTIONS.—

“(1) PUBLICITY RESTRICTIONS.—

“(A) IN GENERAL.—Subject to subparagraph (B), no funds provided under this Act shall be used or proposed for use, for—

“(i) publicity or propaganda purposes;

or

“(ii) the preparation, distribution, or use of any kit, pamphlet, booklet, publication, electronic communication, radio, television, or video presentation designed to support or defeat the enactment of legislation before the Congress or any State or local legislature or legislative body.

“(B) EXCEPTION.—Subparagraph (A) shall not apply to—

“(i) normal and recognized executive-legislative relationships;

“(ii) the preparation, distribution, or use of the materials described in subparagraph (A)(ii) in presentation to the Congress or any State or local legislature (except that this subparagraph does not apply with respect to such preparation, distribu-
tion, or use in presentation to the executive branch of any State or local government); or

“(iii) if such materials are designed to support or defeat any proposed or pending regulation, administrative action, or order issued by the executive branch of any State or local government.

“(2) SALARY PAYMENT RESTRICTION.—No funds provided under this Act shall be used, or proposed for use, to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence the enactment of legislation, appropriations, regulations, administrative action, or executive order proposed or pending before the Congress or any State government, or State legislature or local legislature or legislative body, other than for normal and recognized executive-legislative relationships or participation by an agency or officer of a State, local, or tribal government in policymaking and administrative processes within the executive branch of that government.

“(b) POLITICAL RESTRICTIONS.—
“(1) IN GENERAL.—No funds received by a participant of a program or an activity under this Act shall be used for—

“(A) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office; or

“(B) any activity to provide voters with transportation to the polls or similar assistance in connection with any such election.

“(2) DEFINITION.—For the purposes of this subsection, the term ‘participant’ includes any State, local area, or governmental, nonprofit, or for-profit entity receiving funds under this Act.

“(3) RESTRICTION ON VOTER REGISTRATION ACTIVITIES.—No funds under this Act shall be used to conduct voter registration activities.”.

Subtitle F—State Unified Plan

SEC. 140. STATE UNIFIED PLAN.

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

(1) by amending subsection (a) to read as follows:
“(a) GENERAL AUTHORITY.—The Secretary shall receiv and approve State unified plans developed and submit
ted under this section.”;

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

lows:

“(b) STATE UNIFIED PLAN.—

“(1) IN GENERAL.—A State may develop and submit to the Secretary a State unified plan for 2 or more of the activities or programs set forth in paragraph (2). The State unified plan shall cover one or more of the activities set forth in subpara-

graphs (A) and (B) of paragraph (2) and may cover one or more of the activities set forth in subpara-

graphs (C) through (N) of paragraph (2). For pur-

poses of this paragraph, the activities and programs described in subparagraphs (A) and (B) of para-

graph (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 activi-

ties 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.”;

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

“(d) APPROVAL.—

“(1) JURISDICTION.—In approving a State unified plan under this section, the Secretary shall—

“(A) submit the portion of the State unified plan covering an activity or program described in subsection (b)(2) to the head of the Federal agency who exercises administrative authority over the activity or program for the approval of such portion by such Federal agency head; or

“(B) coordinate approval of the portion of the State unified plan covering an activity or program described in subsection (b)(2) with the head of the Federal agency who exercises administrative authority over the activity or program.

“(2) TIMELINE.—A State unified plan shall be considered to be approved by the Secretary at the
end of the 90-day period beginning on the day the Secretary receives the plan, unless the Secretary makes a written determination, during the 90-day period, that details how the plan is not consistent with the requirements of the Federal statute authorizing an activity or program described in subsection (b)(2) and covered under the plan or how the plan is not consistent with the requirements of subsection (e)(3).”; and

(4) by adding at the end the following:

“(e) ADDITIONAL EMPLOYMENT AND TRAINING FUNDS.—

“(1) PURPOSE.—It is the purpose of this subsection to reduce inefficiencies in the administration of federally-funded State and local employment and training programs.

“(2) IN GENERAL.—In developing a State unified plan for the activities or programs described in subsection (b)(2) and subject to paragraph (4) and the State plan approval process under subsection (d), a State may propose to consolidate the amount, in whole or part, provided for the activities or programs dedicated to employment and training into the Workforce Investment Fund under section
132(b) to improve the administration of State and local employment and training programs.

“(3) REQUIREMENTS.—A State with a State unified plan approved under subsection (d) for purposes of consolidation under paragraph (2) and that is carrying out such consolidation shall—

“(A) continue to meet the program requirements, limitations, and prohibitions of any Federal statute authorizing the activity or program consolidated into the Workforce Investment Fund;

“(B) meet the intent and purpose of the activity or program consolidated into the Workforce Investment Fund; and

“(C) continue to make reservations and allotments under subsections (a) and (b) of section 133.

“(4) EXCEPTIONS.—A State may not consolidate funds under paragraph (2) that are allocated to the State under—

“(A) the Carl D. Perkins Career and Technical Education Act of 2006; or

“(B) the Rehabilitation Act of 1973.”.
TITLE II—ADULT EDUCATION
AND FAMILY LITERACY EDUCATION

SEC. 201. AMENDMENT.

Title II (20 U.S.C. 2901 et seq.) is amended to read as follows:

“TITLE II—ADULT EDUCATION
AND FAMILY LITERACY EDUCATION

SEC. 201. SHORT TITLE.

“This title may be cited as the ‘Adult Education and Family Literacy Education Act’.

SEC. 202. PURPOSE.

“It is the purpose of this title to provide instructional opportunities for adults seeking to improve their literacy skills, including their basic reading, writing, speaking, and math skills, and support States and local communities in providing, on a voluntary basis, adult education and family literacy education programs, in order to—

“(1) increase the literacy of adults, including the basic reading, writing, speaking, and math skills, to a level of proficiency necessary for adults to obtain employment and self-sufficiency and to successfully advance in the workforce;
“(2) assist adults in the completion of a secondary school education (or its equivalent) and the transition to a postsecondary educational institution;

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

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

“SEC. 203. DEFINITIONS.

“In this title:

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

“(A) who are at least 16 years of age;
“(B) who are not enrolled or required to be
enrolled in secondary school under State law;
and
“(C) who—
“(i) lack sufficient mastery of basic
reading, writing, speaking, and math skills
to enable the individuals to function effec-
tively 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, respec-
tively, consistent with the law of the State or
outlying area, respectively; and
“(B) may be the State educational agency,
the State agency responsible for administering
workforce investment activities, or the State
agency responsible for administering community
or technical colleges.

“(3) ELIGIBLE PROVIDER.—The term ‘eligible
provider’ means an organization of demonstrated ef-
ficacy which is—

“(A) a local educational agency;

“(B) a community-based or faith-based or-
ganization;

“(C) a volunteer literacy organization;

“(D) an institution of higher education;

“(E) a public or private educational agen-
cy;

“(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, organi-
zations, institutions, libraries, or authorities de-
scribed in any of subparagraphs (A) through
(H).
“(4) **ENGLISH LANGUAGE ACQUISITION PROGRAM.**—The term ‘English language acquisition program’ means a program of instruction—

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

“(B) that may lead to—

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

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

“(iii) employment or career advancement.

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

“(A) assists parents and students, on a voluntary basis, in achieving the purposes of this title as described in section 202; and

“(B) is of sufficient intensity in terms of hours and of sufficient quality to make sustainable changes in a family, is evidence-based, and, for the purpose of substantially increasing the
ability of parents and children to read, write, 
and speak English, integrates—

“(i) interactive literacy activities be-
tween parents and their children;

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

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

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

“(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 Ameri-

“(B) INDIVIDUALS WITH DISABILITIES.—
The term ‘individuals with disabilities’ means 
more than one individual with a disability.
“(8) **ENGLISH LEARNER.**—The term ‘English learner’ means an adult or out-of-school youth who has limited ability in reading, writing, speaking, or understanding the English language, and—

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

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

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

“(10) **INSTITUTION OF HIGHER EDUCATION.**—The term ‘institution of higher education’ has the meaning given the term in section 101 of the Higher Education Act of 1965.

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

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

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

“(14) POSTSECONDARY EDUCATIONAL INSTITU-
TION.—The term ‘postsecondary educational institu-
tion’ 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 col-
le; or

“(C) a nonprofit educational institution of-
fering certificate or apprenticeship programs at
the postsecondary level.

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

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

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

“SEC. 204. HOME SCHOOLS.

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

“SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to carry out this title, $606,294,933 for fiscal years 2014 and for each of the 6 succeeding fiscal years.

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“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 el-
igible agency.

“(2) ADDITIONAL ALLOTMENTS.—From the
sums appropriated under section 205, not reserved
under subsection (a), and not allotted under para-
graph (1), for a fiscal year, the Secretary shall allot
to each eligible agency that receives an initial allot-
ment 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 num-
ber of such adults in all States and outlying areas.

“(d) QUALIFYING ADULT.—For the purpose of sub-
section (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 at-
tendance 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 paragraph (2), for—

“(A) fiscal year 2014, no eligible agency shall receive an allotment under this title that is less than 90 percent of the allotment the eligible agency received for fiscal year 2012 under this title; and
“(B) fiscal year 2015 and each succeeding fiscal year, no eligible agency shall receive an allotment under this title that is less than 90 percent of the allotment the eligible agency received for the preceding fiscal year under this title.

“(2) RATABLE REDUCTION.—If, for any fiscal year the amount available for allotment under this title is insufficient to satisfy the provisions of paragraph (1), the Secretary shall ratable reduce the payments to all eligible agencies, as necessary.

“(g) REALLOTMENT.—The portion of any eligible agency’s allotment under this title for a fiscal year that the Secretary determines will not be required for the period such allotment is available for carrying out activities under this title, shall be available for 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 indica-
tors 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

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225, of which not more than 10 percent of such amount shall be available to carry out section 225;

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

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

“(b) MATCHING REQUIREMENT.—

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

“(A) in the case of an eligible agency serving an outlying area, 12 percent of the total amount of funds expended for adult education and family literacy education programs in the outlying area, except that the Secretary may decrease the amount of funds required under this subparagraph for an eligible agency; and

“(B) in the case of an eligible agency serving a State, 25 percent of the total amount of
funds expended for adult education and family literacy education programs in the State.

“(2) NON-FEDERAL CONTRIBUTION.—An eligible agency’s non-Federal contribution required under paragraph (1) may be provided in cash or in kind, fairly evaluated, and shall include only non-Federal funds that are used for adult education and family literacy education programs in a manner that is consistent with the purpose of this title.

“SEC. 223. STATE LEADERSHIP ACTIVITIES.

“(a) IN GENERAL.—Each eligible agency may use funds made available under section 222(a)(2) for any of the following adult education and family literacy education programs:

“(1) The establishment or operation of professional development programs to improve the quality of instruction provided pursuant to local activities required under section 231(b).

“(2) The provision of technical assistance to eligible providers of adult education and family literacy education programs, including for the development and dissemination of evidence based research instructional practices in reading, writing, speaking, math, and English language acquisition programs.
“(3) The provision of assistance to eligible providers in developing, implementing, and reporting measurable progress in achieving the objectives of this title.

“(4) The monitoring and evaluation of the quality of, and the improvement in, adult education and literacy activities.

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

“(6) The development and implementation of technology applications or distance education, including professional development to support the use of instructional technology.

“(7) Coordination with other public programs, including programs under title I of this Act, and other welfare-to-work, workforce development, and job training programs.

“(8) Coordination with existing support services, such as transportation, child care, and other assistance designed to increase rates of enrollment in, and successful completion of, adult education and
family literacy education programs, for adults enrolled in such activities.

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

“(10) Activities to promote workplace literacy programs.

“(11) Other activities of statewide significance, including assisting eligible providers in achieving progress in improving the skill levels of adults who participate in programs under this title.

“(12) Integration of literacy, instructional, and occupational skill training and promotion of linkages with employees.

“(b) COORDINATION.—In carrying out this section, eligible agencies shall coordinate where possible, and avoid duplicating efforts, in order to maximize the impact of the activities described in subsection (a).

“(c) STATE-IMPOSED REQUIREMENTS.—Whenever a State or outlying area implements any rule or policy relating to the administration or operation of a program authorized under this title that has the effect of imposing a requirement that is not imposed under Federal law (including any rule or policy based on a State or outlying area interpretation of a Federal statute, regulation, or
guideline), the State or outlying area shall identify, to eligi-
gible 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 uni-
ified plan described in section 501.

“(b) Plan contents.—The eligible agency shall in-
clude in the State plan or any revisions to the State plan—

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

“(2) a description of the adult education and
family literacy education programs that will be car-
rried out with funds received under this title;

“(3) an assurance that the funds received under
this title will not be expended for any purpose other
than for activities under this title;
“(4) a description of how the eligible agency will annually evaluate and measure the effectiveness and improvement of the adult education and family literacy education programs funded under this title using the indicators of performance described in section 136, including how the eligible agency will conduct such annual evaluations and measures for each grant received under this title;

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

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

“(7) a description of the process that will be used for public participation and comment with respect to the State plan, which—

“(A) shall include consultation with the State workforce investment board, the State board responsible for administering community or technical colleges, the Governor, the State educational agency, the State board or agency responsible for administering block grants for temporary assistance to needy families under title IV of the Social Security Act, the State
council on disabilities, the State vocational rehabilitation agency, and other State agencies that promote the improvement of adult education and family literacy education programs, and direct providers of such programs; and

“(B) may include consultation with the State agency on higher education, institutions responsible for professional development of adult education and family literacy education programs instructors, representatives of business and industry, refugee assistance programs, and faith-based organizations;

“(8) a description of the eligible agency’s strategies for serving populations that include, at a minimum—

“(A) low-income individuals;
“(B) individuals with disabilities;
“(C) the unemployed;
“(D) the underemployed; and
“(E) individuals with multiple barriers to educational enhancement, including English learners;

“(9) a description of how the adult education and family literacy education programs that will be carried out with any funds received under this title
will be integrated with other adult education, career
development, and employment and training activities
in the State or outlying area served by the eligible
agency;

“(10) a description of the steps the eligible
agency will take to ensure direct and equitable ac-
cess, as required in section 231(c)(1), including—

“(A) how the State will build the capacity
of community-based and faith-based organiza-
tions to provide adult education and family lit-
eracy education programs; and

“(B) how the State will increase the par-
ticipation of business and industry in adult edu-
cation and family literacy education programs;

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

“(12) a description of how the eligible agency
will consult with any State agency responsible for
postsecondary education to develop adult education
that prepares students to enter postsecondary edu-
cation without the need for remediation upon com-
pletion 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 90 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 before offering the eligible agency the opportunity, prior to the expiration of the 30-day period beginning on the date on which the eligible agency received the written determination described in paragraph (3), to review the plan and providing technical assistance in order to assist the eligible agency in meeting the requirements of this subtitle.

“SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND OTHER INSTITUTIONALIZED INDIVIDUALS.

“(a) Program Authorized.—From funds made available under section 222(a)(1) for a fiscal year, each eligible agency shall carry out corrections education and education for other institutionalized individuals.

“(b) Uses of Funds.—The funds described in subsection (a) shall be used for the cost of educational programs for criminal offenders in correctional institutions and for other institutionalized individuals, including academic programs for—

“(1) basic skills education;

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

“(3) reading, writing, speaking, and math programs;
“(4) secondary school credit or diploma programs or their recognized equivalent; and

“(5) integrated education and training.

“(c) PRIORITY.—Each eligible agency that is using assistance provided under this section to carry out a program for criminal offenders within a correctional institution shall give priority to serving individuals who are likely to leave the correctional institution within 5 years of participation in the program.

“(d) DEFINITIONS.—For purposes of this section:

“(1) CORRECTIONAL INSTITUTION.—The term ‘correctional institution’ means any—

“(A) prison;

“(B) jail;

“(C) reformatory;

“(D) work farm;

“(E) detention center; or

“(F) halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders.

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

SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PROVIDERS.

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

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

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

(2) programs that provide integrated employment and training activities; or

(3) credit-bearing postsecondary coursework.

(c) DIRECT AND EQUITABLE ACCESS; SAME PROCESS.—Each eligible agency receiving funds under this title shall ensure that—

(1) all eligible providers have direct and equitable access to apply for grants or contracts under this section; and
“(2) the same grant or contract announcement process and application process is used for all eligible providers in the State or outlying area.

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

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

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

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

“(5) educational practices are evidence-based;

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

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

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

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

“(10) the activities offer flexible schedules and support services (such as child care and transpor-
tion) 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 inter-agency coordination.

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

“Subtitle D—General Provisions

“SEC. 241. ADMINISTRATIVE PROVISIONS.

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

“SEC. 242. NATIONAL ACTIVITIES.

“The Secretary shall establish and carry out a program of national activities that may include the following:
“(1) Providing technical assistance to eligible entities, on request, to—

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

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

“(C) provide adult education professional development; and

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

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

“(3) Improving the coordination, efficiency, and effectiveness of adult education and workforce development services at the national, State, and local levels.
“(4) Determining how participation in adult education, English language acquisition, and family literacy education programs prepares individuals for entry into and success in postsecondary education and employment, and in the case of prison-based services, the effect on recidivism.

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

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

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

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

The Wagner-Peyser Act (29 U.S.C. 49 et seq.) is amended by amending section 15 to read as follows:

“SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.

“(a) System Content.—

“(1) In general.—The Secretary of Labor, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide workforce and labor market information system that includes—

“(A) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems that, taken together, enumerate, estimate, and project employment opportunities and conditions at national, State, and local levels in a timely manner, including statistics on—

“(i) employment and unemployment status of national, State, and local populations, including self-employed, part-time, and seasonal workers;
“(ii) industrial distribution of occupations, as well as current and projected employment opportunities, wages, benefits (where data is available), and skill trends by occupation and industry, with particular attention paid to State and local conditions;

“(iii) the incidence of, industrial and geographical location of, and number of workers displaced by, permanent layoffs and plant closings; and

“(iv) employment and earnings information maintained in a longitudinal manner to be used for research and program evaluation;

“(B) information on State and local employment opportunities, and other appropriate statistical data related to labor market dynamics, which—

“(i) shall be current and comprehensive;

“(ii) shall meet the needs identified through the consultations described in sub-paragraphs (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 policies (including allocation formulas);

“(iii) program planning and evaluation; and
“(iv) researching labor market dynamics;

“(G) wide dissemination of such data, information, and analysis in a user-friendly manner and voluntary technical standards for dissemination mechanisms; and

“(H) programs of—

“(i) training for effective data dissemination;

“(ii) research and demonstration; and

“(iii) programs and technical assistance.

“(2) INFORMATION TO BE CONFIDENTIAL.—

“(A) IN GENERAL.—No officer or employee of the Federal Government or agent of the Federal Government may—

“(i) use any submission that is furnished for exclusively statistical purposes under the provisions of this section for any purpose other than the statistical purposes for which the submission is furnished;

“(ii) disclose to the public any publication or media transmittal of the data contained in the submission described in clause (i) that permits information con-
cerning an individual subject to be reason-
ably 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 con-
tractor (including an employee of a con-
tractor) of such department or agency, to
examine an individual submission described
in clause (i),
without the consent of the individual, agency, or
other person who is the subject of the submis-
sion or provides that submission.

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

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

“(b) System Responsibilities.—

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

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

“(A) Assign responsibilities within the Department of Labor for elements of the work-
force and labor market information system de-
scribed in subsection (a) to ensure that all sta-
tistical and administrative data collected is con-
sistent with appropriate Bureau of Labor Sta-
tics 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 oper-
ation of statistical and administrative data col-
lection 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 main-
tain the elements of the workforce and labor
market information system described in sub-
section (a), including the development of con-
sistent procedures and definitions for use by the
States in collecting the data and information
described in subparagraphs (A) and (B) of sub-
section (a)(1).

“(E) Establish procedures for the system
to ensure that—
“(i) such data and information are timely;

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

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

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

“(d) COORDINATION WITH THE STATES.—

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

“(2) FORMAL CONSULTATIONS.—At least twice each year, the Secretary, working through the Bu-
reau of Labor Statistics, shall conduct formal cons-
ultations 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 employ-
ers, participants, and local workforce invest-
ment boards about the labor market relevance
of the data to be collected and disseminated
through the statewide workforce and labor 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 ensure an effective statewide workforce and labor market information system;

“(I) actively seek the participation of other State and local agencies in data collection, anal-
ysis, and dissemination activities in order to en-
sure complementarity, compatibility, and useful-
ness 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 sec-
tion shall duplicate the functions and activities carried out
under the Carl D. Perkins Career and Technical Edu-
cation Act of 2006 (20 U.S.C. 2301 et seq.).

“(g) AUTHORIZATION OF APPROPRIATIONS.—There
are authorized to be appropriated to carry out this section
$63,473,000 for fiscal year 2014 and each of the 6 suc-
ceeding fiscal years.
“(h) DEFINITION.—In this section, the term ‘local area’ means the smallest geographical area for which data can be produced with statistical reliability.”.

TITLE IV—REPEALS AND CONFORMING AMENDMENTS

SEC. 401. REPEALS.

The following provisions are repealed:

(1) Chapter 4 of subtitle B of title I, and sections 123, 155, 166, 167, 168, 169, 171, 173, 173A, 174, 192, 194, 502, 503, and 506 of the Workforce Investment Act of 1998, as in effect on the day before the date of enactment of the SKILLS Act.

(2) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(3) Sections 1 through 14 of the Wagner-Peyser Act (29 U.S.C. 49 et seq.).


(8) Sections 4103A and 4104 of title 38, United States Code.


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

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

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

(1) by striking “and (2)” and inserting “(2)”, and

(2) by inserting before the period at the end the following:

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

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

(1) in subsection (d)(14) by striking “section 6(d)(4)(I)” and inserting “section 6(d)(4)(C)”, and

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

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

“(4) Employment and Training.—

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

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

“(C) REIMBURSEMENTS.—

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

“(I) the actual costs of transportation and other actual costs (other than dependent care costs) that are reasonably necessary and directly related to the individual participating in employment and training activities; and

“(II) the actual costs of such dependent care expenses that are determined by the State agency to be necessary for the individual to participate in employment and training activities (other than an individual who is the caretaker relative of a dependent in a family receiving benefits under part A of title IV of the Social Security Act
(42 U.S.C. 601 et seq.) in a local area where an employment, training, or education program under title IV of such Act is in operation), except that no such payment or reimbursement shall exceed the applicable local market rate.

“(ii) Service Contracts and Vouchers.—In lieu of providing reimbursements or payments for dependent care expenses under clause (i), a State agency may, at its option, arrange for dependent care through providers by the use of purchase of service contracts or vouchers or by providing vouchers to the household.

“(iii) Value of Reimbursements.—The value of any dependent care services provided for or arranged under clause (ii), or any amount received as a payment or reimbursement under clause (i), shall—

“(I) not be treated as income for the purposes of any other Federal or federally assisted program that bases
eligibility for, or the amount of benefits on, need; and

“(II) not be claimed as an employment-related expense for the purposes of the credit provided under section 21 of the Internal Revenue Code of 1986 (26 U.S.C. 21).”.

(d) Administration.—Section 11(e)(19) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(e)(11) is amended to read as follows:

“(19) the plans of the State agency for providing employment and training services under section 6(d)(4);”.

(e) Administrative Cost-Sharing and Quality Control.—Section 16(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A) by striking “carry out employment and training programs” and inserting “provide employment and training services to eligible households under section 6(d)(4)”, and

(B) in subparagraph (D) by striking “operating an employment and training program”
and inserting “providing employment and training services consistent with section 6(d)(4)”,

(2) in paragraph (3) by striking “related to participation in an employment and training program” and inserting “the individual participating in employment and training activities”,

(3) in paragraph (4) by striking “for operating an employment and training program” and inserting “to provide employment and training services”, and

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

“(5) MONITORING.—The Secretary, in conjunction with the Secretary of Labor, shall monitor each State agency responsible for administering employment and training services under section 6(d)(4) to ensure funds are being spent effectively and efficiently. Each program of employment and training receiving funds under section 6(d)(4) shall be subject to the requirements of the performance 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 pro-
gram”.

SEC. 404. AMENDMENTS TO SECTION 412 OF THE IMMIGRA-
TION AND NATIONALITY ACT.

(a) CONDITIONS AND CONSIDERATIONS.—Section
412(a) of the Immigration and Nationality Act (8 U.S.C.
1522(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)(i), by striking
“make available sufficient resources for employ-
ment training and placement” and inserting
“provide refugees with the opportunity to access
employment and training services, including job
placement,”; and
(B) in subparagraph (B)(ii), by striking “services;” and inserting “services provided through the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.);”; (2) in paragraph (2)(C)(iii)(II), by inserting “and training” after “employment”;
(3) in paragraph (6)(A)(ii)—
(A) by striking “insure” and inserting “ensure”;
(B) by inserting “and training” after “employment”; and
(C) by inserting after “available” the following: “through the one-stop delivery system under section 121 of the Workforce Investment Act of 1998 (29 U.S.C. 2841)”;
(4) in paragraph (9), by inserting “the Secretary of Labor,” after “Education,.”.

(b) Program of Initial Resettlement.—Section 412(b)(2) of such Act (8 U.S.C. 1522(b)(2)) is amended—
(1) by striking “orientation, instruction” and inserting “orientation and instruction”; and
(2) by striking “, and job training for refugees, and such other education and training of refugees,
as facilitates” and inserting “for refugees to facilitate”.

(c) Project Grants and Contracts for Services for Refugees.—Section 412(c) of such Act (8 U.S.C. 1522(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)(i), by inserting “and training” after “employment”; and

(B) by striking subparagraph (C);

(2) in paragraph (2)(B), by striking “paragraph—” and all that follows through “in a manner” and inserting “paragraph in a manner”; and

(3) by adding at the end the following:

“(3) In carrying out this section, the Director shall ensure that employment and training services are provided through the statewide workforce development system, as appropriate, authorized by the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.). Such action may include—

“(A) making employment and training services as described under section 134 of such Act (29 U.S.C. 2864) available to refugees; and

“(B) providing refugees with access to a one-stop delivery system under section 121 of such Act (29 U.S.C. 2841).”.

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(a) Federal Prisoner Reentry Initiative.—

Section 231 of the Second Chance Act of 2007 (42 U.S.C. 17541) is amended—

(1) in subsection (a)(1)(E)—

(A) by inserting “the Department of Labor and” before “other Federal agencies”; and

(B) by inserting “State and local workforce investment boards,” after “community-based organizations,”;

(2) in subsection (c)—

(A) in paragraph (2), by striking at the end “and”;

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

(C) by adding at the end the following new paragraph:
“(4) to coordinate reentry programs with the employment and training services provided through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.).”; and

(3) in subsection (d), by adding at the end the following new paragraph:

“(6) INTERACTION WITH THE WORKFORCE INVESTMENT SYSTEM.—

“(A) IN GENERAL.—In carrying out this section, the Director shall ensure that employment and training services, including such employment and services offered through reentry programs, are provided, as appropriate, through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.). Such action may include—

“(i) making employment and training services available to prisoners prior to and immediately following the release of such prisoners; or

“(ii) providing prisoners with access by remote means to a one-stop delivery system under section 121 of the Workforce
in the State in which the prison involved is
located.

“(B) SERVICE DEFINED.—In this para-
graph, the term ‘employment and training serv-
ices’ means those services described in section
134 of the Workforce Investment Act of 1998
(29 U.S.C. 2864) offered by the Bureau of
Prisons, including—

“(i) the skills assessment described in
subsection (a)(1)(A);

“(ii) the skills development plan de-
scribed in subsection (a)(1)(B); and

“(iii) the enhancement, development,
and implementation of reentry and skills
development programs.”.

(b) DUTIES OF THE BUREAU OF PRISONS.—Section
4042(a)(5)(E) of title 18, United States Code, is amend-
ed—

(1) in clause (ii), by striking “Employment”
and inserting “Employment and training services (as
defined in paragraph (6) of section 231(d) of the
Second Chance Act of 2007), including basic skills
attainment, consistent with such paragraph”;

(2) by striking clause (iii); and
(3) by redesignating clauses (iv), (v), (vi), and
(vii) as clauses (iii), (iv), (v), and (vi), respectively.

SEC. 406. AMENDMENTS TO THE OMNIBUS CRIME CONTROL
AND SAFE STREETS ACT OF 1968.

Section 2976 of the Omnibus Crime Control and Safe
Streets Act of 1968 (42 U.S.C. 3797w) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking “voca-
tional” and inserting “career and technical edu-
cation (as defined in section 3 of the Carl D.
Perkins Career and Technical Education Act of
2006 (20 U.S.C. 2302)) and training”;

(B) by redesignating each of paragraphs
(4) through (7) as paragraphs (5) through (8),
respectively; and

(C) by inserting after paragraph (3) the
following new paragraph:
“(4) coordinating employment and training
services provided through the statewide workforce
investment system under subtitle B of title I of the
et seq.), including a one-stop delivery system under
section 121 of such Act (29 U.S.C. 2841), for of-
fenders upon release from prison, jail, or a juvenile
facility, as appropriate;”;
(2) in subsection (d)(2), by inserting “, including local workforce investment boards established under section 117 of the Workforce Investment Act of 1998 (29 U.S.C. 2832),” after “nonprofit organizations”;

(3) in subsection (c)—

(A) in paragraph (3), by striking “victims services, and employment services” and inserting “and victim services”;

(B) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(C) by inserting after paragraph (3) the following new paragraph:

“(4) provides employment and training services through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.), including a one-stop delivery system under section 121 of such Act (29 U.S.C. 2841); and”;

(4) in subsection (k)—

(A) in paragraph (1)(A), by inserting “, in accordance with paragraph (2)” after “under this section”; 

(B) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and
(C) by inserting after paragraph (1) the following new paragraph:

“(2) EMPLOYMENT AND TRAINING.—The Attorney General shall require each grantee under this section to measure the core indicators of performance as described in section 136(b)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(b)(2)(A)) with respect to the program of such grantee funded with a grant under this section.”.

SEC. 407. CONFORMING AMENDMENTS TO THE UNITED STATES CODE.

Title 38, United States Code, is amended—

(1) by striking the item relating to section 4103A and section 4104 in the table of sections at the beginning of chapter 41 of such title;

(2) in section 4102A—

(A) in subsection (b)—

(i) by striking paragraphs (5), (6), and (7);

(ii) by redesignating paragraph (8) as paragraph (5);

(B) by striking subsections (c) and (h);

(C) by redesignating subsections (d), (e), (f), and (g) as subsections (c), (d), (e), and (f);
(D) in subsection (e)(1) (as so redesignated)—

(i) by striking “, including disabled veterans’ outreach program specialists and local veterans’ employment representatives providing employment, training, and placement services under this chapter in a State”; and

(ii) by striking “for purposes of subsection (e)”.

(3) in section 4109(a), by striking “disabled veterans’ outreach program specialists and local veterans’ employment representative” and inserting “veteran employment specialists appointed under section 134(f) of the Workforce Investment Act of 1998”;

(4) in section 4109(d)(1), by striking “disabled veterans’ outreach program specialists and local veterans’ employment representatives” and inserting “veteran employment specialists appointed under section 134(f) of the Workforce Investment Act of 1998”;

(5) in section 4112(d)—

(A) in paragraph (1), by striking “disabled veterans’ outreach program specialist” and in-
serting “veteran employment specialist appointed under section 134(f) of the Workforce Investment Act of 1998”; and

(B) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2);

(6) in section 3672(d)(1), by striking “disabled veterans’ outreach program specialists under section 4103A” and inserting “veteran employment specialists appointed under section 134(f) of the Workforce Investment Act of 1998”; and

(7) in section 4104A—

(A) in subsection (b)(1), by striking subparagraph (A) and inserting the following:

“(A) the appropriate veteran employment specialist (in carrying out the functions described in section 134(f) of the Workforce Investment Act of 1998);”; and

(B) in subsection (c)(1), by striking subparagraph (A) and inserting the following:

“(A) collaborate with the appropriate veteran employment specialist (as described in section 134(f)) and the appropriate State boards and local boards (as such terms are defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801));”. 

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SEC. 408. CONFORMING AMENDMENT TO TABLE OF CONTENTS.

The table of contents in section 1(b) is amended to read as follows:

"Sec. 1. Short title; table of contents.

"TITLE I—WORKFORCE INVESTMENT SYSTEMS

"Subtitle A—Workforce Investment Definitions

"Sec. 101. Definitions.

"Subtitle B—Statewide and Local Workforce Investment Systems

"Sec. 106. Purpose.

"Chapter 1—State Provisions

"Sec. 111. State workforce investment boards.
"Sec. 112. State plan.

"Chapter 2—Local Provisions

"Sec. 116. Local workforce investment areas.
"Sec. 117. Local workforce investment boards.
"Sec. 118. Local plan.

"Chapter 3—Workforce Investment Activities Providers

"Sec. 121. Establishment of one-stop delivery systems.
"Sec. 122. Identification of eligible providers of training services.
"Sec. 123. [Repealed].

"Chapter 4—[Repealed]

"Chapter 5—Employment and Training Activities

"Sec. 131. General authorization.
"Sec. 132. State allotments.
"Sec. 133. Within State allocations.
"Sec. 134. Use of funds for employment and training activities.

"Chapter 6—General Provisions

"Sec. 136. Performance accountability system.
"Sec. 137. Authorization of appropriations.

"Subtitle C—Job Corps

"Sec. 141. Purposes.
"Sec. 142. Definitions.
"Sec. 143. Establishment.
"Sec. 144. Individuals eligible for the Job Corps.
"Sec. 145. Recruitment, screening, selection, and assignment of enrollees.
"Sec. 146. Enrollment.
Sec. 147. Job Corps centers.
Sec. 148. Program activities.
Sec. 149. Counseling and job placement.
Sec. 150. Support.
Sec. 151. Operations.
Sec. 152. Standards of conduct.
Sec. 153. Community participation.
Sec. 154. Workforce councils.
Sec. 155. [Repealed].
Sec. 156. Technical assistance to centers.
Sec. 158. Special provisions.
Sec. 159. Performance accountability and management.
Sec. 160. General provisions.
Sec. 161. Authorization of appropriations.

Subtitle D—National Programs

Sec. 166. [Repealed].
Sec. 167. [Repealed].
Sec. 168. [Repealed].
Sec. 169. [Repealed].
Sec. 170. Technical assistance.
Sec. 171. [Repealed].
Sec. 172. Evaluations.
Sec. 173. [Repealed].
Sec. 173A. [Repealed].
Sec. 174. [Repealed].

Subtitle E—Administration

Sec. 181. Requirements and restrictions.
Sec. 182. Prompt allocation of funds.
Sec. 183. Monitoring.
Sec. 184. Fiscal controls; sanctions.
Sec. 185. Reports; recordkeeping; investigations.
Sec. 186. Administrative adjudication.
Sec. 187. Judicial review.
Sec. 188. Nondiscrimination.
Sec. 189. Administrative provisions.
Sec. 190. References.
Sec. 191. State legislative authority.
Sec. 192. [Repealed].
Sec. 193. Transfer of Federal equity in State employment security real property to the States.
Sec. 194. [Repealed].
Sec. 195. General program requirements.
Sec. 196. Federal agency staff.
Sec. 197. Restrictions on lobbying and political activities.

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.


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—[Repealed]

Subtitle D—Application of Civil Rights and Labor-Management Laws to the Smithsonian Institution
Section 2(a) of the Rehabilitation Act of 1973 (29 U.S.C. 701(a)) is amended—

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

(2) in paragraph (6), by striking the period and inserting “; and”; and

(3) by adding at the end the following:
“(7) there is a substantial need to improve and expand services for students with disabilities under this Act.”.

SEC. 502. REHABILITATION SERVICES ADMINISTRATION.

(a) Rehabilitation Services Administration.—The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended—

(1) in section 3(a) (29 U.S.C. 702(a))—

(A) by striking “Office of the Secretary” and inserting “Department of Education”; 

(B) by striking “President by and with the advice and consent of the Senate” and inserting “Secretary”; and

(C) by striking “, and the Commissioner shall be the principal officer,”;

(2) by striking “Commissioner” each place it appears (except in section 21) and inserting “Director”;

(3) in section 12(c) (29 U.S.C. 709), by striking “Commissioner’s” and inserting “Director’s”; 

(4) in the heading for subparagraph (B) of section 100(d)(2), by striking “COMMISSIONER” and inserting “DIRECTOR”; 

(5) in the heading for section 706, by striking “COMMISSIONER” and inserting “DIRECTOR”;
(6) in the heading for paragraph (3) of section 723(a), by striking “COMMISSIONER” and inserting “DIRECTOR”; and

(7) in section 21 (29 U.S.C. 718)—

(A) in subsection (b)(1)—

(i) by striking “Commissioner” the first place it appears and inserting “Director of the Rehabilitation Services Administration”;

(ii) by striking “(referred to in this subsection as the ‘Director’)”; and

(iii) by striking “The Commissioner and the Director” and inserting “Both such Directors”; and

(B) by striking “the Commissioner and the Director” each place it appears and inserting “both such Directors”.

(b) EFFECTIVE DATE; APPLICATION.—The amendments made by subsection (a) shall—

(1) take effect on the date of the enactment of this Act; and

(2) apply with respect to the appointments of Directors of the Rehabilitation Services Administration made on or after the date of enactment of this Act, and the Directors so appointed.
SEC. 503. DEFINITIONS.

Section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705) is amended—

(1) by redesignating paragraphs (35) through (39) as paragraphs (36) through (40), respectively;

(2) in subparagraph (A)(ii) of paragraph (36) (as redesignated by paragraph (1)), by striking “paragraph (36)(C)” and inserting “paragraph (37)(C)”;

(3) by inserting after paragraph (34) the following:

“(35)(A) The term ‘student with a disability’ means an individual with a disability who—

“(i) is not younger than 16 and not older than 21;

“(ii) has been determined to be eligible under section 102(a) for assistance under this title; and

“(iii)(I) is eligible for, and is receiving, special education under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); or

“(II) is an individual with a disability, for purposes of section 504.

“(B) The term ‘students with disabilities’ means more than 1 student with a disability.”. 
SEC. 504. STATE PLAN.

Section 101(a) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) is amended—

(1) in paragraph (10)(B) by striking “on the eligible individuals” and all that follows through “section 136(d)(2)” and inserting “of information necessary to assess the State’s performance on the core indicators of performance described in section 136(b)(2)(A)”;

(2) in paragraph (11)—

(A) in subparagraph (D)(i), by inserting before the semicolon the following: “, which may be provided using alternative means of meeting participation (such as video conferences and conference calls)”; and

(B) by adding at the end the following:

“(G) COORDINATION WITH ASSISTIVE TECHNOLOGY PROGRAMS.—The State plan shall include an assurance that the designated State unit and the lead agency or implementing entity responsible for carrying out duties under the Assistive Technology Act of 1998 (29 U.S.C. 3001 et seq.) have developed working relationships and coordinate their activities.”;

(3) in paragraph (15)—

(A) in subparagraph (A)—
(i) in clause (i)—

(I) in subclause (II), by striking “and” at the end;

(II) in subclause (III), by adding “and” at the end; and

(III) by adding at the end the following:

“(IV) students with disabilities, including their need for transition services;”;

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

(iii) by inserting after clause (i) the following:

“(ii) include an assessment of the transition services provided under this Act, and coordinated with transition services under the Individuals with Disabilities Education Act, as to those services meeting the needs of individuals with disabilities;”; and

(B) in subparagraph (D)—
(i) by redesignating clauses (iii), (iv), and (v) as clauses (iv), (v), and (vi), respectively; and

(ii) by inserting after clause (ii) the following:

“(iii) the methods to be used to improve and expand vocational rehabilitation services for students with disabilities, including the coordination of services designed to facilitate the transition of such students from the receipt of educational services in school to the receipt of vocational rehabilitation services under this title or to postsecondary education or employment;”;

(4) in paragraph (22)—

(A) by striking “carrying out part B of title VI, including”; and

(B) by striking “that part to supplement funds made available under part B of”;

(5) in paragraph (24)(A), by striking “part A of title VI” and inserting “section 109A”; and

(6) by adding at the end the following:

“(25) COLLABORATION WITH INDUSTRY.—The State plan shall describe how the designated State
agency will carry out the provisions of section 109A, including—

“(A) the criteria such agency will use to award grants under such section; and

“(B) how the activities carried out under such grants will be coordinated with other services provided under this title.

“(26) SERVICES FOR STUDENTS WITH DISABILITIES.—The State plan shall provide an assurance satisfactory to the Secretary that the State—

“(A) has developed and implemented strategies to address the needs identified in the assessment described in paragraph (15), and achieve the goals and priorities identified by the State, to improve and expand vocational rehabilitation services for students with disabilities on a statewide basis in accordance with paragraph (15); and

“(B) from funds reserved under section 110A, shall carry out programs or activities designed to improve and expand vocational rehabilitation services for students with disabilities that—

“(i) facilitate the transition of students with disabilities from the receipt of
educational services in school, to the receipt of vocational rehabilitation services under this title, including, at a minimum, those services specified in the interagency agreement required in paragraph (11)(D);

“(ii) improve the achievement of post-school goals of students with disabilities, including improving the achievement through participation (as appropriate when career goals are discussed) in meetings regarding individualized education programs developed under section 614 of the Individuals with Disabilities Education Act (20 U.S.C. 1414);

“(iii) provide career guidance, career exploration services, job search skills and strategies, and technical assistance to students with disabilities;

“(iv) support the provision of training and technical assistance to State and local educational agencies and designated State agency personnel responsible for the planning and provision of services to students with disabilities; and
“(v) support outreach activities to students with disabilities who are eligible for, and need, services under this title.”.

SECTION 505. SCOPE OF SERVICES.

Section 103 of the Rehabilitation Act of 1973 (29 U.S.C. 723) is amended—

(1) in subsection (a), by striking paragraph (15) and inserting the following:

“(15) transition services for students with disabilities, that facilitate the achievement of the employment outcome identified in the individualized plan for employment, including services described in clauses (i) through (iii) of section 101(a)(26)(B);”;

(2) in subsection (b), by striking paragraph (6) and inserting the following:

“(6)(A)(i) Consultation and technical assistance services to assist State and local educational agencies in planning for the transition of students with disabilities from school to post-school activities, including employment.

“(ii) Training and technical assistance described in section 101(a)(26)(B)(iv).

“(B) Services for groups of individuals with disabilities who meet the requirements of clauses (i) and (iii) of section 7(35)(A), including services de-
scribed in clauses (i), (ii), (iii), and (v) of section 101(a)(26)(B), to assist in the transition from school to post-school activities.”; and

(3) in subsection (b) by inserting at the end, the following:

“(7) The establishment, development, or improvement of assistive technology demonstration, loan, reutilization, or financing programs in coordination with activities authorized under the Assistive Technology Act of 1998 (29 U.S.C. 3001) to promote access to assistive technology for individuals with disabilities and employers.”

SEC. 506. STANDARDS AND INDICATORS.

Section 106 of the Rehabilitation Act of 1973 (29 U.S.C. 726(a)) is amended—

(1) by striking subsection (a) and inserting the following:

“(a) STANDARDS AND INDICATORS.—The performance standards and indicators for the vocational rehabilitation program carried out under this title—

“(1) shall be subject to paragraphs (2)(A) and (3) of section 136(b) of the Workforce Investment Act of 1998; and
“(2) may, at a State’s discretion, include addi-
tional indicators identified in the State plan sub-
mitted 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 per-
formance to acceptable levels, as deter-
mined by the Director, direct the State to
make revisions to the plan to improve per-
formance; and”.

SEC. 507. COLLABORATION WITH INDUSTRY.

The Rehabilitation Act of 1973 is amended by insert-
ing 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 eligi-
ble entities to create practical job and career readiness and
training programs, and to provide job placements and ca-
reer 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 re-
quire. 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 deter-
mined 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 ca-
reer advancement services for individuals with dis-
abilities.

“(2) Training in realistic work settings in order
to prepare individuals with disabilities for employ-
ment and career advancement in the competitive
market.

“(3) Providing individuals with disabilities with
such support services as may be required in order to
maintain the employment and career advancement
for which the individuals have received training.
“(d) AWARDS.—Grants under this section shall—

“(1) be awarded for a period not to exceed 5 years; and

“(2) be awarded competitively.

“(e) ELIGIBLE ENTITY DEFINED.—For the purposes of this section, the term ‘eligible entity’ means a for-profit business, alone or in partnership with one or more of the following:

“(1) Community rehabilitation program providers.

“(2) Indian tribes.

“(3) Tribal organizations.

“(f) FEDERAL SHARE.—The Federal share of a program under this section shall not exceed 80 percent of the costs of the program.

“(g) ELIGIBILITY FOR SERVICES.—An individual shall be eligible for services provided under a program under this section if the individual is determined under section 102(a)(1) to be eligible for assistance under this title.”.

SEC. 508. RESERVATION FOR EXPANDED TRANSITION SERVICES.

The Rehabilitation Act of 1973 is amended by inserting after section 110 (29 U.S.C. 730) the following:
"SEC. 110A. RESERVATION FOR EXPANDED TRANSITION SERVICES.

"Each State shall reserve not less than 10 percent of the funds allotted to the State under section 110(a) to carry out programs and activities under sections 101(a)(26)(B) and 103(b)(6).”.

SEC. 509. CLIENT ASSISTANCE PROGRAM.

Section 112(e)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 732(e)(1)) is amended by redesignating subparagraph (D) as subparagraph (E) and inserting after subparagraph (C) the following:

“(D) The Secretary shall make grants to the protection and advocacy system serving the American Indian Consortium to provide services in accordance with this section. The amount of such grants shall be the same as provided to territories under this subsection.”.

SEC. 510. TITLE III AMENDMENTS.

Title III of the Rehabilitation Act of 1973 (29 U.S.C. 771 et seq.) is amended—

(1) in section 301(a)—

(A) in paragraph (2), by inserting “and” at the end;

(B) by striking paragraphs (3) and (4); and
(C) by redesignating paragraph (5) as paragraph (3);

(2) in section 302(g)—

(A) in the heading, by striking “AND IN-
SERVICE TRAINING”; and

(B) by striking paragraph (3);

(3) in section 303(c)—

(A) in paragraph (4)—

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

“(ii) to coordinate and work closely
with the parent training and information
centers established pursuant to section 671
of the Individuals with Disabilities Edu-
cation Act, the community parent resource
centers established pursuant to section 672
of such Act, and the eligible entities receiv-
ing awards under section 673 of such Act;
and”; and

(ii) in subparagraph (C), by inserting
“, and demonstrate the capacity for serv-
ing,” after “serve”; and

(B) by adding at the end the following:

“(8) RESERVATION.—From the amount appro-
priated to carry out this subsection for a fiscal year,
20 percent of such amount or $500,000, whichever is less, shall be reserved to carry out paragraph (6).”;

(4) by striking sections 304 and 305; and

(5) by redesignating section 306 as section 304.

**SEC. 511. REPEAL OF TITLE VI.**

The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended by repealing title VI.

**SEC. 512. CHAIRPERSON.**

Section 705(b)(5) of the Rehabilitation Act of 1973 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

“(5) CHAIRPERSON.—The Council shall select a chairperson from among the voting membership of the Council.”.

**SEC. 513. AUTHORIZATIONS OF APPROPRIATIONS.**

The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is further amended—

(1) in section 100(b)(1) (29 U.S.C. 720(b)(1)), by striking “such sums as may be necessary for fiscal years 1999 through 2003” and inserting “$3,121,712,000 for fiscal year 2014 and each of the 6 succeeding fiscal years”;

(2) in section 110(e) (29 U.S.C. 730(e)), by amending paragraph (2) to read as follows:
“(2) The sum referred to in paragraph (1) shall be, as determined by the Secretary, not less than 1 percent and not more than 1.5 percent of the amount referred to in paragraph (1) for each of fiscal years 2014 through 2020.”;

(3) in section 112(h) (29 U.S.C. 732(h)) by striking “such sums as may be necessary for fiscal years 1999 through 2003” and inserting “$12,240,000 for fiscal year 2014 and each of the 6 succeeding fiscal years”;

(4) by amending subsection (a) of section 201 (29 U.S.C. 761(a)) to read as follows: “(a) There are authorized to be appropriated $108,817,000 for fiscal year 2014 and each of the 6 succeeding fiscal years to carry out this title.”;

(5) in section 302(i) (29 U.S.C. 772(i)) by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting “$35,515,000 for fiscal year 2014 and each of the 6 succeeding fiscal years”;

(6) in section 303(e) (29 U.S.C. 773(e)) by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting “$5,325,000 for fiscal year 2014 and each of the 6 succeeding fiscal years”;
(7) in section 405 (29 U.S.C. 785) by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting “$3,258,000 for fiscal year 2014 and each of the 6 succeeding fiscal years”;

(8) in section 502(j) (29 U.S.C. 792(j)) by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting “$7,400,000 for fiscal year 2014 and each of the 6 succeeding fiscal years”;

(9) in section 509(l) (29 U.S.C. 794e(l)) by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting “$18,031,000 for fiscal year 2014 and each of the 6 succeeding fiscal years”;

(10) in section 714 (29 U.S.C. 796e–3), by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting “$23,359,000 for fiscal year 2014 and each of the 6 succeeding fiscal years”;

(11) in section 727 (29 U.S.C. 796f–6), by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting “$79,953,000 for fiscal year 2014 and each of the 6 succeeding fiscal years”; and
(12) in section 753 (29 U.S.C. 7961), by strik-
ing “such sums as may be necessary for each of the
fiscal years 1999 through 2003” and inserting
“$34,018,000 for fiscal year 2014 and each of the
6 succeeding fiscal years”.

SEC. 514. CONFORMING AMENDMENTS.

Section 1(b) of the Rehabilitation Act of 1973 is
amended—

(1) by inserting after the item relating to sec-
tion 109 the following:

“Sec. 109A. Collaboration with industry.”;

(2) by inserting after the item relating to sec-
tion 110 the following:

“Sec. 110A. Reservation for expanded transition services.”;

(3) by striking the item related to section 304
and inserting the following:

“Sec. 304. Measuring of project outcomes and performance.”;

(4) by striking the items related to sections 305
and 306; and

(5) by striking the items related to title VI.
TITLE VI—STUDIES BY THE
COMPTROLLER GENERAL

SEC. 601. STUDY BY THE COMPTROLLER GENERAL ON EXHAUSTING FEDERAL PELL GRANTS BEFORE ACCESSING WIA FUNDS.

Not later than 12 months after the date of enactment of this Act, the Comptroller General of the United States shall complete and 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 a report that—

(1) evaluates the effectiveness of subparagraph (B) of section 134(d)(4) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(d)(4)(B)) (as such subparagraph was in effect on the day before the date of enactment of this Act), including—

(A) a review of the regulations and guidance issued by the Secretary of Labor to State and local areas on how to comply with such subparagraph;

(B) a review of State policies to determine how local areas are required to comply with such subparagraph;
(C) a review of local area policies to determine how one-stop operators are required to comply with such subparagraph; and

(D) a review of a sampling of individuals receiving training services under section 134(d)(4) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(d)(4)) to determine if, before receiving such training services, such individuals have exhausted funds received through the Federal Pell Grant program under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and

(2) makes appropriate recommendations with respect to the matters evaluated under paragraph (1).

SEC. 602. STUDY BY THE COMPTROLLER GENERAL ON ADMINISTRATIVE COST SAVINGS.

(a) Study.—Not later than 12 months after the date of the enactment of this Act, the Comptroller General of the United States shall complete and 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 a report that—

(1) determines the amount of administrative costs at the Federal and State levels for the most re-
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cent fiscal year for which satisfactory data are avail-
able for—

(A) each of the programs authorized under
the Workforce Investment Act of 1998 (29
U.S.C. 2801 et seq.) or repealed under section
401 of this Act, as such programs were in ef-
effect for such fiscal year; and

(B) each of the programs described in sub-
paragraph (A) that have been repealed or con-
solidated on or after the date of enactment of
this Act;

(2) determines the amount of administrative
cost savings at the Federal and State levels as a re-
sult of repealing and consolidating programs by cal-
culating the differences in the amount of administra-
tive costs between subparagraph (A) and subpara-
graph (B) of paragraph (1); and

(3) estimates the administrative costs savings
at the Federal and State levels for a fiscal year as
a result of States consolidating funds under section
501(e) of the Workforce Investment Act of 1998 (20
U.S.C. 9271(e)) to reduce inefficiencies in the ad-
ministration of federally-funded State and local em-
ployment and training programs.
(b) DEFINITION.—For purposes of this section, the term “administrative cost” has the meaning given the term in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801).

Passed the House of Representatives March 15, 2013.

Attest:

Clerk.
AN ACT

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.

H. R. 803

113TH CONGRESS

1ST SESSION