

108TH CONGRESS  
1ST SESSION

# S. 1346

To amend the Workforce Investment Act of 1998 to provide for strategic sectoral skills gap assessments, strategic skills gap action plans, and strategic training capacity enhancement seed grants, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JUNE 26, 2003

Ms. CANTWELL (for herself and Ms. COLLINS) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To amend the Workforce Investment Act of 1998 to provide for strategic sectoral skills gap assessments, strategic skills gap action plans, and strategic training capacity enhancement seed grants, and for other purposes.

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

### 3   **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Sectoral Market As-  
5       sessment for Regional Training Enhancement and Revital-  
6       ization Act”.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) More than  $\frac{1}{3}$  of the Nation's current work-  
4 force lacks the basic skills necessary to succeed in  
5 today's labor market.

6 (2) Globalization of the economy is leading to  
7 losses of jobs in key domestic industries, as well as  
8 challenges to competitiveness and productivity in  
9 other domestic industries.

10 (3) To remain economically vital and competi-  
11 tive, the Nation must invest in generating jobs and  
12 train a workforce skilled enough to contribute pro-  
13 ductively to the United States economy.

14 (4) Strategic planning that links workforce de-  
15 velopment and economic development, and the tar-  
16 geting of resources to industries that can build  
17 strong regional economies and create jobs with living  
18 wages for workers, need to be priorities for the  
19 workforce investment system.

20 (5) States and local workforce investment  
21 boards can play lead roles in guiding a more stra-  
22 tegic process for achieving economic growth through  
23 workforce development.

24 **SEC. 3. SKILLS GAP CAPACITY ENHANCEMENT GRANTS.**

25 Subtitle B of title I of the Workforce Investment Act  
26 of 1998 (29 U.S.C. 2811 et seq.) is amended—

1 (1) by redesignating section 137 as section 138;  
2 and

3 (2) by inserting after section 136 the following:

4 **“SEC. 137. SKILLS GAP CAPACITY ENHANCEMENT GRANTS.**

5 “(a) PURPOSES.—The purposes of this section are—

6 “(1) to assist States and local boards in better  
7 focusing funds provided under this subtitle on activi-  
8 ties and programs that address labor shortages and  
9 meet the emerging demand for skills in high-quality  
10 jobs in area industries;

11 “(2) to enhance the efficiency of the one-stop  
12 delivery systems and providers of training services;

13 “(3) to establish and improve partnerships be-  
14 tween local boards, industry sectors, economic devel-  
15 opment agencies, providers of training services (in-  
16 cluding secondary schools, postsecondary educational  
17 institutions, community-based organizations, busi-  
18 ness associations, and providers of joint labor-man-  
19 agement programs), providers of supportive services,  
20 and other related public and private entities;

21 “(4) to strengthen integration of workforce de-  
22 velopment strategies and economic development  
23 strategies in States, local areas, and labor markets;

24 “(5) to retain vital industries in the local areas  
25 and regions involved, avoid dislocation of workers,

1 and strengthen the competitiveness of key industries;  
 2 and

3 “(6) to encourage the development of career  
 4 ladders and advancement efforts in local industries.

5 “(b) DEFINITIONS.—In this section:

6 “(1) CONSORTIUM.—The term ‘consortium’  
 7 means a consortium of local boards, established as  
 8 described in subsection (d)(3).

9 “(2) REGION.—The term ‘region’ means 2 or  
 10 more local areas that comprise a common labor mar-  
 11 ket for an industry sector or group of related occu-  
 12 pations.

13 “(3) TRAINING SERVICES.—The term ‘training  
 14 services’ means services described in section  
 15 134(d)(4).

16 “(c) GRANTS TO STATES.—

17 “(1) IN GENERAL.—The Secretary shall make  
 18 grants to States, to enable the States to assist local  
 19 boards and consortia in carrying out the activities  
 20 described in subsection (e).

21 “(2) FORMULA.—

22 “(A) IN GENERAL.—The Secretary shall  
 23 make the grants in accordance with the formula  
 24 used to make grants to States under section

1           132(b)(1)(B) (other than clause (iv)), subject to  
2           subparagraph (B).

3           “(B) SMALL STATE MINIMUM ALLOT-  
4           MENT.—The Secretary shall ensure that no  
5           State shall receive an allotment under this  
6           paragraph for a fiscal year that is less than  $\frac{1}{2}$   
7           of 1 percent of the funds made available to  
8           carry out this section for that fiscal year.

9           “(d) GRANTS TO LOCAL BOARDS.—

10           “(1) IN GENERAL.—A State that receives a  
11           grant under subsection (c)—

12           “(A) shall use the funds made available  
13           through the grant to make grants to local  
14           boards and consortia to carry out the activities  
15           described in subsection (e); and

16           “(B) may use not more than 15 percent of  
17           the funds made available through the grant, at  
18           the election of the State, to prepare strategic  
19           sectoral skills gap assessments, as described in  
20           subsection (e)(2), in the local areas or regions  
21           involved, or to provide technical assistance to  
22           local boards, consortia, or partnerships de-  
23           scribed in subsection (e)(3).

1           “(2) CONSIDERATION.—In making the grants,  
2           the State may take into account the size of the  
3           workforce in each local area or region.

4           “(3) CONSORTIA.—States shall encourage local  
5           boards to aggregate, to the maximum extent prac-  
6           ticable, into consortia representing regions, for pur-  
7           poses of carrying out activities described in sub-  
8           section (e). Nothing in this paragraph shall be con-  
9           strued to require local boards to aggregate into such  
10          consortia.

11          “(4) APPLICATIONS.—To be eligible to receive a  
12          grant under this section, a local board or consortium  
13          shall submit an application to the State, at such  
14          time and in such manner as the State may require,  
15          containing—

16               “(A) information identifying the members  
17               of the partnership described in subsection (e)(3)  
18               that will carry out the activities described in  
19               subsection (e); and

20               “(B) an assurance that the board or con-  
21               sortium will use, or ensure that the partnership  
22               uses, the funds to carry out the activities de-  
23               scribed in subsection (e).

24          “(e) USE OF FUNDS.—

1           “(1) IN GENERAL.—A local board or consor-  
2           tium that receives a grant under this section—

3                   “(A) shall ensure that the partnership de-  
4                   scribed in paragraph (3) uses the funds made  
5                   available through the grant to—

6                           “(i) prepare a strategic sectoral skills  
7                           gap assessment, as described in paragraph  
8                           (2), unless the State elects to prepare the  
9                           assessment;

10                           “(ii) develop a strategic skills gap ac-  
11                           tion plan, as described in paragraph (4);  
12                           and

13                           “(iii) provide strategic training capac-  
14                           ity enhancement seed grants to providers  
15                           of training services specified in subsection  
16                           (a)(3), one-stop operators, and other ap-  
17                           propriate intermediaries, as described in  
18                           paragraph (5); and

19                           “(B) may use funds made available  
20                           through the grant to ensure that activities car-  
21                           ried out under this subtitle are carried out in  
22                           accordance with the strategic skills gap action  
23                           plan.

24                           “(2) STRATEGIC SECTORAL SKILLS GAP ASSESS-  
25                           MENT.—

“(A) IN GENERAL.—Except as provided in subparagraph (E), the local board or consortium (or, at the election of the State, that State) shall prepare a strategic sectoral skills gap assessment, which shall—

“(i) identify areas of current and expected demand for labor and skills in a specific industry sector or group of related occupations that is—

“(I) producing high-quality jobs in the local area or region involved;

“(II) developing emerging jobs in that area or region; or

“(III) suffering chronic worker shortages;

“(ii) identify the current and expected supply of labor and skills in that sector or group in the local area or region; and

“(iii) identify gaps between the current and expected demand and supply of labor and skills in that sector or group in the local area or region.

“(B) SPECIFIC CONTENTS.—The assessment shall contain data regarding—



1 “(i)(I) specific high-quality employ-  
2 ment opportunities offered by industries in  
3 the local area or region; and

4 “(II) specific skills desired for such  
5 opportunities;

6 “(ii)(I) occupations and positions in  
7 the local area or region that are difficult to  
8 fill; and

9 “(II) specific skills desired for such  
10 occupations and positions;

11 “(iii)(I) areas of growth and decline  
12 among industries and occupations in the  
13 local area or region; and

14 “(II) specific skills desired for such  
15 growth areas; and

16 “(iv) specific inventories of skills of  
17 unemployed or underemployed individuals  
18 in the local area or region.

19 “(C) INFORMATION.—The assessment shall  
20 contain current (as of the date of preparation  
21 of the assessment) information including spe-  
22 cific information from multiple employers in the  
23 sector or group described in subparagraph  
24 (A)(i), labor organizations, and others con-  
25 nected to the businesses and workers in that

1 sector or group, to illuminate local needs of  
2 both employers and workers. To the maximum  
3 extent possible, the information shall be regu-  
4 larly updated information.

5 “(D) SURVEY.—The assessment shall con-  
6 tain the results of a survey or focus group  
7 interviews of employers and labor organizations  
8 and other relevant individuals and organizations  
9 in the local area or region.

10 “(E) EXCEPTION.—

11 “(i) STATE.—A State shall not be re-  
12 quired to use the funds made available  
13 through a grant received under this sec-  
14 tion, to prepare an assessment described in  
15 this paragraph.

16 “(ii) LOCAL BOARD OR CONSOR-  
17 TIUM.—A local board or consortium shall  
18 not be required to use the funds made  
19 available through a grant received under  
20 this section, to prepare an assessment de-  
21 scribed in this paragraph, if the local  
22 board or consortium demonstrates that,  
23 within the 2 years prior to receiving the  
24 grant, an assessment that meets the re-

1           quirements of this paragraph has been pre-  
2           pared for the local area or region involved.

3           “(3) SKILLS PARTNERSHIP.—In carrying out  
4           this section, local boards and consortia shall enter  
5           into partnerships that include—

6                   “(A) representatives of the local boards for  
7                   the local area or region involved;

8                   “(B) representatives of multiple employers  
9                   for a specific industry sector or group of related  
10                  occupations, and related sectors or occupations,  
11                  identified through the assessment described in  
12                  paragraph (2) as having identified gaps between  
13                  the current and expected demand and supply of  
14                  labor and skills in the industry sector or group  
15                  of related occupations in the local area or re-  
16                  gion involved;

17                  “(C) representatives of economic develop-  
18                  ment agencies for the local area or region;

19                  “(D) representatives of providers of train-  
20                  ing services described in subsection (a)(3) in  
21                  the local area or region;

22                  “(E) representatives nominated by State  
23                  labor federations or local labor federations; and

1           “(F) other entities that can provide needed  
 2           supportive services tailored to the needs of  
 3           workers in the sector or group.

4           “(4) STRATEGIC SKILLS GAP ACTION PLAN.—  
 5           The partnership shall develop a strategic skills gap  
 6           action plan, based on the assessment, that—

7                 “(A)(i) identifies specific barriers to ade-  
 8                 quate supply of labor and skills in demand in  
 9                 a specific industry sector or group of related oc-  
 10                cupations that is producing high-quality jobs in  
 11                the local area or region involved; and

12               “(ii) identifies activities (which may in-  
 13               clude the provision of needed supportive serv-  
 14               ices) that will remove or alleviate the barriers  
 15               described in clause (i) that could be undertaken  
 16               by one-stop operators and providers of training  
 17               services described in subsection (a)(3);

18               “(B) specifies how the local board (or con-  
 19               sortium) and economic development agencies in  
 20               the partnership will integrate the board’s or  
 21               consortium’s workforce development strategies  
 22               with local or regional economic development  
 23               strategies in that sector or group; and

24               “(C) identifies resources and strategies  
 25               that will be used in the local area or region to

1 address the skill gaps for both unemployed and  
2 incumbent workers in that sector or group.

3 “(5) STRATEGIC TRAINING CAPACITY ENHANCE-  
4 MENT SEED GRANTS.—

5 “(A) IN GENERAL.—The local board or  
6 consortium, after consultation with the partner-  
7 ship, shall make grants to providers of training  
8 services described in subsection (a)(3), one-stop  
9 operators, and other appropriate intermediaries  
10 to pay for the Federal share of the cost of—

11 “(i) developing curricula to meet  
12 needs identified in the assessment de-  
13 scribed in paragraph (2) and to overcome  
14 barriers identified in the plan described in  
15 paragraph (4);

16 “(ii) modifying the programs of train-  
17 ing services offered by the providers in  
18 order to meet those needs and overcome  
19 those barriers;

20 “(iii) operating pilot training efforts  
21 that demonstrate new curricula, or modi-  
22 fications to curricula, described in clause  
23 (i);

1 “(iv) expanding capacity of providers  
 2 of training services in sectors or groups de-  
 3 scribed in paragraph (2)(A)(i);

4 “(v) reorganizing service delivery sys-  
 5 tems to better serve the needs of employers  
 6 and workers in the sectors or groups; or

7 “(vi) developing business services to  
 8 ensure retention and greater competitive-  
 9 ness of the sectors or groups.

10 “(B) FEDERAL SHARE.—

11 “(i) IN GENERAL.—The Federal share  
 12 of the cost described in subparagraph (A)  
 13 shall be 75 percent.

14 “(ii) NON-FEDERAL SHARE.—The  
 15 non-Federal share of the cost may be pro-  
 16 vided in cash or in kind, fairly evaluated,  
 17 including plant, equipment, or services.”.

18 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

19 Section 138 of the Workforce Investment Act of 1998  
 20 (29 U.S.C. 2872), as redesignated by section 3(1), is  
 21 amended by adding at the end the following:

22 “(d) SKILLS GAP CAPACITY ENHANCEMENT  
 23 GRANTS.—In addition to any amounts authorized to be  
 24 appropriated under subsection (a), (b), or (c), there are  
 25 authorized to be appropriated to carry out section 137

1 such sums as may be necessary for fiscal years 2004  
2 through 2007.”.

3 **SEC. 5. CONFORMING AMENDMENTS.**

4 (a) TABLE OF CONTENTS.—The table of contents in  
5 section 1(b) of the Workforce Investment Act of 1998 is  
6 amended by striking the item relating to section 137 and  
7 inserting the following:

“Sec. 137. Skills gap capacity enhancement grants.

“Sec. 138. Authorization of appropriations.”.

8 (b) REFERENCES TO AUTHORIZATION OF APPRO-  
9 PRIATIONS.—

10 (1) YOUTH ACTIVITIES.—Subsections (a) and  
11 (b)(1) of section 127 of the Workforce Investment  
12 Act of 1998 (29 U.S.C. 2852) are amended by strik-  
13 ing “section 137(a)” each place it appears and in-  
14 serting “section 138(a)”.

15 (2) ADULT EMPLOYMENT AND TRAINING AC-  
16 TIVITIES.—Section 132(a)(1) of the Workforce In-  
17 vestment Act of 1998 (29 U.S.C. 2862(a)(1)) is  
18 amended by striking “section 137(b)” and inserting  
19 “section 138(b)”.

20 (3) DISLOCATED WORKER EMPLOYMENT AND  
21 TRAINING ACTIVITIES.—Subsections (a)(2) and  
22 (b)(2)(A)(i) of section 132 of the Workforce Invest-  
23 ment Act of 1998 (29 U.S.C. 2862) are amended by

- 1 striking “section 137(c)” each place it appears and
- 2 inserting “section 138(c)”.

