

force investment activities identified based on the criteria in the State plan (including such quality criteria as the Governor shall establish for a training program that leads to a recognized postsecondary credential), and taking into consideration the ability of the providers to meet performance accountability measures based on primary indicators of performance for the youth program as described in section 3141(b)(2)(A)(ii) of this title, as described in section 3112(b)(2)(D)(i)(V) of this title, and shall conduct oversight with respect to such providers.

(b) Exceptions

A local board may award grants or contracts on a sole-source basis if such board determines there is an insufficient number of eligible providers of youth workforce investment activities in the local area involved (such as a rural area) for grants and contracts to be awarded on a competitive basis under subsection (a).

(Pub. L. 113–128, title I, §123, July 22, 2014, 128 Stat. 1498.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective on the first day of the first full program year after July 22, 2014 (July 1, 2015), see section 506 of Pub. L. 113–128, set out as a note under section 3101 of this title.

**SUBPART 2—YOUTH WORKFORCE INVESTMENT
ACTIVITIES**

§ 3161. General authorization

The Secretary shall make an allotment under section 3162(b)(1)(C) of this title to each State that meets the requirements of section 3112 or 3113 of this title and a grant under section 3162(b)(1)(B) of this title to each outlying area that complies with the requirements of this subchapter, to assist the State or outlying area, and to enable the State or outlying area to assist local areas, for the purpose of providing workforce investment activities for eligible youth in the State or outlying area and in the local areas.

(Pub. L. 113–128, title I, §126, July 22, 2014, 128 Stat. 1498.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective on the first day of the first full program year after July 22, 2014 (July 1, 2015), see section 506 of Pub. L. 113–128, set out as a note under section 3101 of this title.

§ 3162. State allotments

(a) In general

The Secretary shall—

(1) for each fiscal year for which the amount appropriated under section 3181(a) of this title exceeds \$925,000,000, reserve 4 percent of the excess amount to provide youth workforce investment activities under section 3222 of this title (relating to migrant and seasonal farmworkers); and

(2) use the remainder of the amount appropriated under section 3181(a) of this title for a

fiscal year to make allotments and grants in accordance with subsection (b).

(b) Allotment among States

(1) Youth workforce investment activities

(A) Native Americans

From the amount appropriated under section 3181(a) of this title for a fiscal year that is not reserved under subsection (a)(1), the Secretary shall reserve not more than 1½ percent of such amount to provide youth workforce investment activities under section 3221 of this title (relating to Native Americans).

(B) Outlying areas

(i) In general

From the amount appropriated under section 3181(a) of this title for each fiscal year that is not reserved under subsection (a)(1) and subparagraph (A), the Secretary shall reserve not more than ¼ of 1 percent of such amount to provide assistance to the outlying areas to carry out youth workforce investment activities and statewide workforce investment activities.

(ii) Limitation for outlying areas

(I) Competitive grants

The Secretary shall use funds reserved under clause (i) to award grants to outlying areas to carry out youth workforce investment activities and statewide workforce investment activities.

(II) Award basis

The Secretary shall award grants pursuant to subclause (I) on a competitive basis and pursuant to the recommendations of experts in the field of employment and training, working through the Pacific Region Educational Laboratory in Honolulu, Hawaii.

(III) Administrative costs

The Secretary may provide not more than 5 percent of the funds made available for grants under subclause (I) to pay the administrative costs of the Pacific Region Educational Laboratory in Honolulu, Hawaii, regarding activities assisted under this clause.

(iii) Additional requirement

The provisions of section 1469a of title 48, permitting the consolidation of grants by the outlying areas, shall not apply to assistance provided to those areas, including Palau, under this subparagraph.

(C) States

(i) In general

From the remainder of the amount appropriated under section 3181(a) of this title for a fiscal year that exists after the Secretary determines the amounts to be reserved under subsection (a)(1) and subparagraphs (A) and (B), the Secretary shall make allotments to the States in accordance with clause (ii) for youth workforce investment activities and statewide workforce investment activities.

(ii) Formula

Subject to clauses (iii) and (iv), of the remainder—

(I) $33\frac{1}{3}$ 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) $33\frac{1}{3}$ percent shall be allotted on the basis of the relative excess number of unemployed individuals in each State, compared to the total excess number of unemployed individuals in all States; and

(III) $33\frac{1}{3}$ 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, except as described in clause (iii).

(iii) Calculation

In determining an allotment under clause (ii)(III) for any State in which there is an area that was designated as a local area as described in section 3122(c)(1)(C) of this title, the allotment shall be based on the higher of—

(I) the number of individuals who are age 16 through 21 in families with an income below the low-income level in such area; or

(II) the number of disadvantaged youth in such area.

(iv) Minimum and maximum percentages and minimum allotments

In making allotments under this subparagraph, the Secretary shall ensure the following:

(I) Minimum percentage and allotment

Subject to subclause (IV), the Secretary shall ensure that no State shall receive an allotment for a fiscal year that is less than the greater of—

(aa) an amount based on 90 percent of the allotment percentage of the State for the preceding fiscal year; or

(bb) 100 percent of the allotments of the State under section 127(b)(1)(C) of the Workforce Investment Act of 1998 [29 U.S.C. 2852(b)(1)(C)] (as in effect on the day before July 22, 2014) for fiscal year 2014.

(II) Small State minimum allotment

Subject to subclauses (I), (III), and (IV), the Secretary shall ensure that no State shall receive an allotment under this subparagraph that is less than the total of—

(aa) $\frac{3}{10}$ of 1 percent of \$1,000,000,000 of the remainder described in clause (i) for the fiscal year; and

(bb) if the remainder described in clause (i) for the fiscal year exceeds \$1,000,000,000, $\frac{3}{10}$ of 1 percent of the excess.

(III) Maximum percentage

Subject to subclause (I), the Secretary shall ensure that no State shall receive an allotment percentage for a fiscal year that is more than 130 percent of the allotment percentage of the State for the preceding fiscal year.

(IV) Minimum funding

In any fiscal year in which the remainder described in clause (i) does not exceed \$1,000,000,000, the minimum allotments under subclauses (I) and (II) shall be calculated by the methodology specified in section 127(b)(1)(C)(iv)(IV) of the Workforce Investment Act of 1998 [29 U.S.C. 2852(b)(1)(C)(iv)(IV)] (as in effect on the day before July 22, 2014).

(2) Definitions

For the purpose of the formula specified in paragraph (1)(C):

(A) Allotment percentage

The term “allotment percentage”, used with respect to fiscal year 2015 or a subsequent fiscal year, means a percentage of the remainder described in paragraph (1)(C)(i) that is received through an allotment made under paragraph (1)(C) for the fiscal year. The term, used with respect to fiscal year 2014, means the percentage of the amount allotted to States under section 127(b)(1)(C) of the Workforce Investment Act of 1998 [29 U.S.C. 2852(b)(1)(C)] (as in effect on the day before July 22, 2014) that is received under such section by the State involved for fiscal year 2014.

(B) Area of substantial unemployment

The term “area of substantial unemployment” means any area that is of sufficient size and scope to sustain a program of workforce investment activities carried out under this part and that has an average rate of unemployment of at least 6.5 percent for the most recent 12 months, as determined by the Secretary. For purposes of this subparagraph, determinations of areas of substantial unemployment shall be made once each fiscal year.

(C) Disadvantaged youth

Subject to paragraph (3), the term “disadvantaged youth” means an individual who is age 16 through 21 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the higher of—

(i) the poverty line; or

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

(D) Excess number

The term “excess number” means, used with respect to the excess number of unemployed individuals within a State, the higher of—

(i) the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the State; or

(ii) the number that represents the number of unemployed individuals in excess of

4.5 percent of the civilian labor force in areas of substantial unemployment in such State.

(E) Low-income level

The term “low-income level” means \$7,000 with respect to income in 1969, and for any later year means that amount that bears the same relationship to \$7,000 as the Consumer Price Index for that year bears to the Consumer Price Index for 1969, rounded to the nearest \$1,000.

(3) Special rule

For the purpose of the formula specified in paragraph (1)(C), the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of disadvantaged youth.

(c) Reallotment

(1) In general

The Secretary shall, in accordance with this subsection, reallot to eligible States amounts that are made available to States from allotments made under this section or a corresponding provision of the Workforce Investment Act of 1998 for youth workforce investment activities and statewide workforce investment activities (referred to individually in this subsection as a “State allotment”) and that are available for reallotment.

(2) Amount

The amount available for reallotment for a program year is equal to the amount by which the unobligated balance of the State allotment, at the end of the program year prior to the program year for which the determination under this paragraph is made, exceeds 20 percent of such allotment for the prior program year.

(3) Reallotment

In making reallotments to eligible States of amounts available pursuant to paragraph (2) for a program year, the Secretary shall allot to each eligible State an amount based on the relative amount of the State allotment for the program year for which the determination is made, as compared to the total amount of the State allotments for all eligible States for such program year.

(4) Eligibility

For purposes of this subsection, an eligible State means a State that does not have an amount available for reallotment under paragraph (2) for the program year for which the determination under paragraph (2) is made.

(5) Procedures

The Governor shall prescribe uniform procedures for the obligation of funds by local areas within the State in order to avoid the requirement that funds be made available for reallotment under this subsection. The Governor shall further prescribe equitable procedures for making funds available from the State and local areas in the event that a State is required to make funds available for reallotment under this subsection.

(Pub. L. 113–128, title I, §127, July 22, 2014, 128 Stat. 1498.)

Editorial Notes

REFERENCES IN TEXT

The Workforce Investment Act of 1998, referred to in subsec. (c)(1), is Pub. L. 105–220, Aug. 7, 1998, 112 Stat. 936, and was repealed by Pub. L. 113–128, title V, §§506, 511(a), July 22, 2014, 128 Stat. 1703, 1705, effective July 1, 2015. Pursuant to section 3361(a) of this title, references to a provision of the Workforce Investment Act of 1998 are deemed to refer to the corresponding provision of the Workforce Innovation and Opportunity Act, Pub. L. 113–128, July 22, 2014, 128 Stat. 1425. For complete classification of the Workforce Investment Act of 1998 to the Code, see Tables. For complete classification of the Workforce Innovation and Opportunity Act to the Code, see Short Title note set out under section 3101 of this title and Tables.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective on the first day of the first full program year after July 22, 2014 (July 1, 2015), see section 506 of Pub. L. 113–128, set out as a note under section 3101 of this title.

§ 3163. Within State allocations

(a) Reservations for statewide activities

(1) In general

The Governor shall reserve not more than 15 percent of each of the amounts allotted to the State under section 3162(b)(1)(C) of this title and paragraphs (1)(B) and (2)(B) of section 3172(b) of this title for a fiscal year for statewide workforce investment activities.

(2) Use of funds

Regardless of whether the reserved amounts were allotted under section 3162(b)(1)(C) of this title, or under paragraph (1)(B) or (2)(B) of section 3172(b) of this title, the Governor may use the reserved amounts to carry out statewide activities under section 3164(b) of this title or statewide employment and training activities, for adults or dislocated workers, under section 3174(a) of this title.

(b) Within State allocations

(1) Methods

The Governor, acting in accordance with the State plan, and after consulting with chief elected officials and local boards in the local areas, shall allocate the funds that are allotted to the State for youth activities and statewide workforce investment activities under section 3162(b)(1)(C) of this title and are not reserved under subsection (a), in accordance with paragraph (2) or (3).

(2) Formula allocation

(A) Youth activities

(i) Allocation

In allocating the funds described in paragraph (1) to local areas, a State may allocate—

(I) 33⅓ percent of the funds on the basis described in section 3162(b)(1)(C)(ii)(I) of this title;

(II) 33⅓ percent of the funds on the basis described in section 3162(b)(1)(C)(ii)(II) of this title; and