The Supporting Knowledge and Investing in Lifelong Skills (SKILLS) Act (HR 803)

Title I – Amendments to the Workforce Investment Act of 1998

Section-by-Section Analysis

March 2013

Sec. 101. Definitions. Eliminates definitions for eligible youth, lower living standard income level, youth activity, and youth council. Adds definitions of accrued expenditures, administrative costs, area career and technical education school, at-risk youth, industry or sector partnership, industry-recognized credential, and recognized postsecondary credential. Makes other amendments. (pp. 4-11)

Sec. 102. Purpose. Amends current purposes to add providing 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 taxpayer funds. (p. 10)

Sec. 103. State Workforce Investment Boards. Amends current section 111.

- Modifies state board membership to require only the governor, representatives of business, chief elected officials, a state agency official responsible for economic development, and such other representatives and state agency officials as the governor may designate. (pp. 13-15)

- Eliminates state board representation requirements relating to: members of the state legislature; representatives of labor organizations; representatives of individuals and organizations with experience with respect to youth activities; representatives of individuals and organizations with experience and expertise in the delivery of workforce investment activities, including community colleges and community-based organizations; and state agency officials responsible for one-stop partner programs. (pp. 13-15)

- Requires that two-thirds of board members be representatives of the business community. (p. 15)
• Modifies functions of the state board to include:
  o Developing a state plan;
  o Reviewing and developing statewide policies and programs in a manner that supports a comprehensive statewide workforce development system, including determining whether the state should consolidate additional programs into the Workforce Investment Fund under section 132(b);
  o Developing a statewide workforce and labor market information system;
  o Developing strategies across local areas that meet the needs of businesses and support economic growth;
  o Designating local areas;
  o Identifying and disseminating information on best practices for effective operation of one-stop centers;
  o Program oversight, including reviewing and approving local plans, ensuring the appropriate use of management of funds for state employment and training activities, and preparing an annual report to the Secretary of Labor;
  o Developing comprehensive state performance measures. (pp. 15-17)

• Eliminates grandfather clause permitting alternative entities to operate in lieu of state workforce investment boards. (p. 17)

• Authorizes the state board to employ staff. (p. 17)

**Sec. 104. State Plan. Amends current section 112.**

• Amends current requirement that state plan set forth five-year state workforce investment strategy to three years. (p. 18)

• Eliminates current requirement for detailed plans relating to activities carried out under the Wagner-Peyser Act. (p. 18)

• Adds requirement that state plan include description of state criteria for determining eligibility of training providers under sec. 122. (p. 18)

• Requires description of procedures that will be taken by the state to assure coordination of, and avoid duplication among, programs identified under section 501(b)(2) (relating to state unified plans), and a description of common data collection and reporting processes used for such programs. (p. 19)

• Eliminates requirement that state plan provide opportunity for business and labor organizations to comment on the plan prior to submission. (p. 19)
• Eliminates requirement that state plan describe methods and factors the state will use in
  distributing funds to local areas for youth activities and adult employment and training
  activities. (p. 20)
• Requires state plan to include description of how the state will serve the employment
  and training needs of dislocated workers, low-income individuals, English learners,
  homeless individuals, individuals training for non-traditional employment, youth, older
  workers, ex-offenders, migrant and seasonal farmworkers, refugees and entrants,
  veterans, Native Americans, and individuals with disabilities. (p. 21)
• Eliminates current requirements for state plan to include information on youth activities,
  including state plan for serving eligible youth and criteria for awarding grants for youth
  activities. (p. 22)
• Adds requirement that state plan include description of strategies and services that will
  be used to more fully engage businesses, to meet business needs, and coordinate
  workforce development programs with economic development. (p. 23)
• Adds requirement that state plan include description of how the state board will
  convene or help to convene industry or sector partnerships. (p. 23)
• Adds requirement that state plan include description of how state will utilize technology
  to facilitate access to services in remote areas. (p. 24)
• Adds requirement that state plan include description of state strategy for encouraging
  regional cooperation within state and across state borders. (p. 24)
• Adds requirement that state plan include description of actions the state will take to
  foster communication and partnerships with non-profit organizations (including
  community, faith-based, and philanthropic organizations). (p. 24)
• Adds requirement that state plan include a description of the process and methodology
  for determining one-stop partner contributions for the cost of one-stop infrastructure,
  and the formula for allocating such infrastructure funds. (p. 24)
• Adds requirement that state plan include description of the strategies and services it will
  use to assist at-risk and out-of-school youth in acquiring the education and skills,
  credentials, and employment experience to succeed in the labor market. (p. 25)
• Adds requirement that state plan include description of how state will furnish
  employment, training, supportive, and placement services to veterans. (pp. 25-26)

Sec. 105. Local Workforce Investment Areas. Amends current section 116.
• Eliminates provisions relating to automatic and temporary designation of local
  workforce areas. (p. 26)
• Modifies factors a governor must use in designating local areas to include: the extent to which local areas are consistent with labor markets; the extent to which labor market areas align with economic development regions; whether local areas have the appropriate education and training providers to meet the needs of the local workforce; and the distance individuals must travel to receive services. (p. 27)

• Essentially maintains current language relating to technical assistance by the Secretary, designation on the basis of recommendations from the state board, and appeals. (p. 27)

• Authorizes any state to be designated a single state workforce area, consistent with the factors described above. (p. 28)

• Adds provision authorizing states to require local areas in a designated region to prepare a single regional plan that is submitted and approved in lieu of separate local plans. (pp. 28-29)

Sec. 106. Local Workforce Investment Boards. Amends current section 117.

• Eliminates requirements that local board include representatives from local educational entities, labor organizations, community-based organizations, economic development agencies, and one-stop partners. (p. 29)

• Requires two-thirds business majority on local board. (p. 31)

• Amends functions of the local board to include:
  o Developing and submitting local plan;
  o Conducting workforce research and labor market analysis, and assisting the governor in developing the statewide workforce and labor market information system;
  o Meeting the needs of business and supporting economic growth by enhancing communication, coordination, and collaboration among businesses, economic development agencies, and service providers;
  o Developing a budget for local activities, including reserving a percentage of funds for training activities, and administering funds received under the Workforce Investment Fund for the local area;
  o Selecting one-stop operators and identifying eligible providers of work ready and training services;
  o Conducting program oversight;
  o Negotiating local performance measures; and
  o Developing strategies for technology improvements to facilitate access to services in the local area. (pp. 31-37)
• Eliminates provisions relating to concentrated employment programs (p. 25), establishment of youth councils (p. 37), and authorizing alternative entities in lieu of local boards. (p. 37)

Sec. 107. Local Plan. Amends current section 118.

• Amends current requirement that local board develop comprehensive five-year local plan to require three-year plan. (p. 37)

• Amends required content of local plans to include descriptions of:
  o The analysis of local economic and workforce conditions required under section 117, and an assurance that the local board will use such analysis in carrying out activities;
  o The one-stop delivery system in the local area;
  o The strategies and services that will be used to more fully engage businesses, to meet business needs, and coordinate workforce development programs with economic development;
  o How the local board will convene or help convene industry or sector partnerships;
  o How funds reserved for training services will be used to carry out activities under section 134(c)(4);
  o How the local board will coordinate local workforce activities with statewide activities, as appropriate;
  o How the local area will coordinate activities with the local area’s disability community and serve the employment and training needs of individuals with disabilities;
  o The local levels of performance;
  o The process used by the board to provide an opportunity for public comment on the plan prior to submission;
  o How the local area will serve the employment and training needs of dislocated workers, low-income individuals, long-term unemployed individuals, English learners, homeless individuals, individuals training for non-traditional employment, youth, older workers, ex-offenders, migrant and seasonal farmworkers, refugees and entrants, veterans, and Native Americans; and
  o The entity responsible for the disbursal of grant funds;
The strategies and services 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, and employment experience to succeed in the labor market;

- How the local area will furnish employment, training, supportive, and placement services to veterans;

- The duties assigned to the veterans employment specialist. (pp. 38-44)

- Eliminates requirement that local plan provide opportunity for business and labor organizations to comment on the plan prior to submission. (p. 45)

**Sec. 108. Establishment of One-Stop Delivery System.** Amends current section 121.

- Requires that each one-stop partner: (i) provide access through the one-stop delivery system to programs and activities carried out by the entity, including work ready services; (ii) use a portion of funds available to the program to maintain the one-stop delivery system, including payment of infrastructure costs; (iii) enter into a local memorandum of understanding with the local board; and (iv) participate in the operation of the one-stop system consistent with the MOU. (pp. 45-46)

- Eliminates requirement that the Senior Community Service Employment Program and the TANF work activities be mandatory partner programs, and eliminates reference to SNAP E&T and TANF as optional partner programs. Adds employment and training programs administered by the Social Security Administration, the Small Business Administration, and public libraries to list of optional partner programs. (p. 46)

- Amends current requirements relating to local MOUs to require, among other things, that the MOU be reviewed not less than once every three years. (pp. 48-50)

- Eliminates current option to designate one-stop operators through agreement between local boards and three or more partner programs (effectively requires competitive process for designation). (p. 50)

- Eliminates provision allowing employment services agencies to serve as one-stop operators. (p. 50)

- Eliminates grandfather provision for one-stop delivery systems in place prior to enactment of WIA. (p. 50)

- **Establishment of One-Stop Delivery System.** Essentially shifts language under current section 134(c) into section 121. Requires establishment of one-stop delivery system and specifies services and programs to be offered. (pp. 50-53)

- **Certification of One-Stop Centers.** Requires state board to establish objective procedures and criteria for certifying one-stop centers for purposes of awarding one-stop infrastructure funds. Provides that criteria must include: (i) meeting all expected levels of performance for each core indicator of performance in the state plan; (ii) meeting...
minimum standards relating to the scope and degree of service integration among one-stop partner programs; and (iii) meeting minimum standards for ensuring that eligible providers meet the employment needs of employers and participants. Authorizes local boards to establish higher standards. (pp. 53-54)

- **One-Stop Infrastructure Funding.** Adds new subsection (h), provides that a portion of federal funds made available to a state for partner programs participating in the one-stop delivery system must be provided to the governor, who must then allocate funds to local areas (by formula established by the state board) to assist in paying for one-stop infrastructure costs. Requires governor to establish appeals process. Provides that funds provided by a one-stop partner may only come from funds available for administrative costs. Defines costs of infrastructure. (pp. 54-58)

- **Other Funds.** Provides that, in addition to funds made available under subsection (h), a portion of funds or non-cash resources of participating one-stop partners must be used to cover the costs of infrastructure that are not covered by the funds under subsection (h). Provides that the appropriate portion of funds or resources must be determined through local MOUs. State boards must provide guidance on determining the appropriate allocation of funds and non-case resources in local areas. (pp. 58-59)

**Sec. 109. Identification of Eligible Providers of Training Services.** *Amends current section 122.*

- **Eligibility.** Requires the governor, in consultation with the state board, to establish criteria and procedures regarding training provider eligibility. Provides that eligible providers must be a postsecondary institution, a registered apprenticeship program, or another public or private provider of training services. Provides that registered apprenticeship programs remain on the list of eligible providers so long as they remained certified by the Secretary of Labor; other providers must comply with the criteria and procedures established by the governor. (pp. 59-61)

- **Criteria.** The criteria established by the governor must:
  - Take into account: (A) training provider performance with respect to performance measures under section 136 and other appropriate measures; (B) whether the training programs of such providers relate to in-demand occupations; (C) the need to ensure access to training throughout the state, including in rural areas; (D) the ability of providers to offer programs leading to a recognized postsecondary credential; (E) information that providers are required to report to state agencies with respect to other federal and state programs, including one-stop programs; and (F) other factors deemed appropriate. (pp.61-62)
  - Require that training providers submit appropriate, accurate, and timely information to the state, including information on degree and industry-recognized certifications received by participants, costs of attendance, program
completion rates, and provider performance with respect to performance measures under section 136. (pp. 62-63)

- Provide for review and renewal of provider eligibility every 3 years. (p. 63)
- Local areas may establish additional criteria. No personal identifiable information regarding a student may be disclosed without prior written consent from a parent or the student. (pp. 63-64)

- **Procedures.** The procedures established by the governor must identify the application process for training providers and the respective roles of the state and local areas in reviewing applications and determining eligibility. The procedures must also establish a process for training providers to appeal a denial or termination of eligibility. (p. 64)

- **Information to Assist Participants in Choosing Providers.** Requires the governor to ensure that a list of eligible training providers is provided to local boards to be made available through the one-stop delivery system for participants and members of the public. (pp. 64-65)

- **Enforcement.** Establishes penalties and repayment requirements for eligible providers who intentionally provide inaccurate information or commit substantial violations of WIA requirements. (pp. 65-66)

- **Agreements with Other States.** Authorizes states to enter into reciprocal agreements to allow eligible training providers to accept career enhancement accounts from other states. (p. 66)

- Requires governor to solicit and take into consideration the recommendations of local boards and training providers when developing criteria and procedures. Requires governor to provide opportunities for public comment on criteria, procedures, and development of provider list. (p. 66)

- Providers of on-the-job or customized training are not subject to eligibility requirements. The local area must collect such performance information as the governor may require on such providers; must determine whether such providers meet performance criteria; and must disseminate information throughout the one-stop system identifying such providers as eligible providers. (p. 67)

**Sec. 110. General Authorization.**

- Amends current heading of Title I, subtitle B, Chapter 5 to read “Employment and Training Activities.” Amends current section 131 to eliminate separate references to adult and dislocated worker programs. (pp. 67-68)
Sec. 111. State Allotments. \textit{Amends current section 132.}

- Requires Secretary of Labor to reserve 0.5 percent of total amounts appropriated under section 137 for a given fiscal year and use:
  - 50 percent for technical assistance; and
  - 50 percent for evaluations under section 172. (p. 68)
- Requires Secretary of Labor to reserve not more than 1 percent of total amounts appropriated under section 137 for a fiscal year to make grants to, or enter into contracts or cooperative agreements with, Indian tribes, tribal organizations, Alaska-Native entities, Indian-controlled organizations serving Indians, or Native Hawaiian organizations. (pp. 59-60)
- Requires Secretary of Labor to reserve not more than 25 percent of total amounts appropriated under section 137 to carry out Job Corps. (p. 69)
- Requires Secretary of Labor to reserve not more than 3.5 percent of total amounts appropriated under section 137 to make grants to State or local boards to provide employment and training assistance to workers affected by major economic locations, and to provide assistance to Governors of states with an area that has suffered an emergency or major disaster to provide disaster relief employment. (p. 69)
- \textit{Workforce Investment Fund.} From funds appropriated under section 137 for a fiscal year and not reserved, the Secretary must reserve 1/4 of 1 percent for outlying areas and allot the remainder to states for employment and training activities and statewide workforce investment activities according to a formula that takes into account:
  - the relative number of unemployed individuals in areas of substantial unemployment in the state, compared to other states (25 percent of formula);
  - the relative number of individuals in the civilian labor force in the state, compared to other states (25 percent of formula);
  - the relative number of individuals in the state who have been unemployed for 15 weeks or more, compared to other states (25 percent of formula); and
  - the relative number of disadvantaged youth in each state, compared to other states (25 percent of formula). (pp. 70-72)
- Provides that no state may receive less than 90 percent, or more than 130 percent, of their allotment percentage for the preceding fiscal year. (pp. 72-73)
- Provides that no state may receive less than 1/5 of 1 percent of the total amount available for state allotment. (p. 63)
- For FY 2012, defines ‘allocation percentage’ to mean the percentage of the amounts allocated to local areas under Title I of WIA, Title V of the Older Americans Act, the
Women in Apprenticeship and Nontraditional Occupations Act, and sections 1 to 13 of the Wagner-Peyser Act, that is received by local areas in FY 2012. For FY 2014 and beyond, refers to the allocation made under this section for that fiscal year. (pp. 73-74)

- Adds definitions of ‘disadvantaged youth’ and ‘individual.’ (p. 74-75)

Sec. 112. Within State Allocations. Amends current section 133.

- Reservations for Statewide Employment and Training Activities. Of Workforce Investment Fund allotments received by a state under section 132(b)(2), a governor:
  - Must reserve up to 15 percent of the total amount for statewide activities; not more than 25 percent of this money must be reserved for statewide rapid response activities. (p. 75)
  - Must reserve 15 percent of the amount reserved for statewide activities for “individuals with barriers to employment” grants. (p. 76)
  - May reserve no more than 5 percent of funds reserved for statewide activities for administrative costs. (p. 76)

- Within State Allocations.
  - Requires governor to award adults with barriers to employment grants to eligible entities. Remaining Workforce Investment Fund allotment funds (after all required reservations) must be allocated to local areas, according to the same formula used to determine state allotments. (p. 77)
  - Provides that no local area may receive less than 90 percent, or greater than 130 percent, of the allocation received during the previous fiscal year. (p. 78)
  - Defines ‘allocation percentage’ to mean the percentage of the amounts allocated to local areas under Title I of WIA, Title V of the Older Americans Act, the Women in Apprenticeship and Nontraditional Occupations Act, the Disabled Veterans Outreach Program, Local Veterans Employment Representatives, and sections 1 to 13 of the Wagner-Peyser Act, that is received by local areas in FY 2012. For FY 2014 and beyond, refers to the allocation made under this section for that fiscal year. (p. 79)
  - Amends current reallocation provisions to eliminate references to separate adult and dislocated worker funding. (pp. 80-81)
  - Establishes local administrative cost limit equal to no more than 10 percent of local allocations. (p. 81)
Sec. 113. Use of Funds for Employment and Training Activities. Amends current section 134.

- **Statewide Employment and Training Activities.** Provides that funds reserved by the governor for statewide activities under section 133 must be used to carry out required statewide employment and training activities and may be used to carry out allowable statewide activities. Funds reserved for statewide rapid response activities and statewide adults with barriers to employment grants must be used for those purposes. (pp. 81-82) Not more than 5 percent of funds reserved for statewide employment and training activities may be used for administrative costs. (p. 93)

- **Required Statewide Employment and Training Activities.** Identifies required statewide activities as: (A) disseminating the State list of eligible providers for training, information identifying eligible providers of on-the-job training and customized training, and performance information and program cost information; (B) supporting the provision of work ready services 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 education and skills, recognized postsecondary credentials, and employment credentials to succeed in the labor market; (D) conducting evaluations in coordination with evaluations carried out by the Secretary of Labor; (E) providing technical assistance to local areas that fail to meet performance measures; (F) operating a fiscal and management accountability system; and (G) carrying out monitoring and oversight of these activities. (pp. 82-83)

- **Allowable Statewide Employment and Training Activities.** Identifies allowable statewide employment and training strategies, including: (A) implementing innovative programs and strategies designed to meet the needs of all employers in the state, which may include incumbent worker training programs, sectoral and industry cluster strategies and partnerships, career ladder programs, utilization of effective business intermediaries, activities to improve linkages between the one-stop and employers, and other business services; (B) providing incentive grants to local areas for regional cooperation among local boards; (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 the one-stop delivery system; (E) incorporation pay-for-performance contracting strategies; (F) carrying out the State option under subsection (f)(8); and (G) carrying out other activities the State determines to be necessary. (pp. 83-85)

- **State Rapid Response Activities.** Maintains current law. (pp. 85-86)

- **Statewide Grants for Adults with Barriers to Employment.** Requires governors to award grants to eligible entities to carry out employment and training activities for individuals with barriers to employment. Authorizes governor to reserve up to 5 percent of funds for technical assistance and evaluations. (p. 86)
- **Eligible Entity Defined.** Defines eligible entities as: (i) a local board or consortium of local boards; (ii) a non-profit entity, for-profit entity, or consortium of such entities; or (iii) a consortium of entities under (i) and (ii) that has a demonstrated record of placing individuals into unsubsidized employment and serving hard to serve individuals, and agrees to be reimbursed primarily on the basis of achievement of specified performance outcomes and criteria. (pp. 87-88)

- **Grant Period.** Grants may be awarded for a period of one year, with renewal grants available for up to four additional years. (p. 88)

- **Eligible Participants.** Defines eligible participants as low-income adults or members of a low-income family. (p. 88)

- **Use of Funds.** Eligible entities must use funds for activities designed to assist eligible participants in obtaining employment and acquiring the education and skills necessary to succeed in the labor market. (p. 88)

- **Applications.** Eligible entities must submit applications to the state that include (among other things): a description of how grant activities will be aligned with state and local plans; a description of the educational and skills training programs and activities the eligible entity will provide to eligible participants; a description of the populations to be served; and a description of the extent of the involvement of employers in such programs and activities. (pp. 89-91)

- **Required Local Employment and Training Activities.** Provides that funds allocated to local areas must be used to establish a one-stop delivery system, to provide work ready services (merges current core and intensive services), and to provide training services. (pp. 91-92)

  - **Work Ready Services.** Lists work ready services that must be made available through one-stop system. Includes most current core and intensive services and adds others, including: provision of information on federal tax credits available for education, job training, and employment; internships and work experience; and literacy activities not available under programs funded under Title II of WIA. Provides that work ready services may be provided through contracts with public, private, for-profit, and private non-profit service providers. (pp. 92-96)

  - **Training Services.**
    - Establishes eligibility requirements for individuals to receive training services. (pp. 97-98)
    - Amends list of authorized training services to include: occupational skills training; on-the-job training; skills upgrading and retraining; entrepreneurial training; education activities leading to a regular secondary school diploma or equivalent, in combination with occupational skills training; adult education and literacy activities in
conjunction with other authorized training; workplace training combined with related instruction; occupational skills training that incorporates English language acquisition; customized training conducted with a commitment by an employer or employers to employ an individual upon their successful completion; and training programs operated by the private sector. (pp. 98-99)

- Eliminates current priority of service requirement for recipients of public assistance and low-income individuals. (p. 99)

- Renames individual training accounts as “career enhancement accounts,” maintains default requirement that training services be paid for with such accounts. Authorizes local boards to coordinate career enhancement accounts with other federal, state, local, or private job training programs or sources. Authorizes local boards to help individuals establish “enhanced career accounts” that include funds from other programs and sources beyond the regular career enhancement account. (pp. 100-102)

- Maintains current exceptions to career enhancement accounts, adds additional exception allowing for training to be provided through a contract with an institution of higher education to facilitate the training of multiple individuals in in-demand sectors and occupations, if such contract does not limit customer choice. (pp. 102-103)

- Permissible Local Employment and Training Activities.
  
  - Expands list of discretionary one-stop delivery activities to include: (i) customized screening and referral of qualified training participants to employers; (ii) customized employment-related services to employers on a fee-for-service basis; (iii) customer support to navigate among multiple services and activities for special participant populations that face multiple barriers to employment; (iv) employment and training assistance in conjunction with child support enforcement activities; (v) incorporating pay-for-performance contracting strategies; (vi) activities to facilitate remote access to services; and (vii) activities to carry out business services and strategies that meet the workforce investment needs of local area businesses. (pp. 103-105)

- Eliminates provisions relating to supportive services and needs-related payments. (p. 105)

- Adds new provision authorizing a local board to use funds to carry out incumbent worker training programs, which must be carried out by the local area in conjunction with employers for the purposes of assisting such workers in obtaining the skills necessary to retain employment and
avert layoffs. Requires participating employers to pay a proportion of the costs of training. (pp. 105-106)

- **Priority for Placement in Private Sector Jobs.** For purposes of employment and training activities funded under this section, requires state and local boards to give priority to placing participants in private sector jobs. (p. 106)

- **Veteran Employment Specialist.** Requires local board to employ one or more veteran employment specialist to carry out employment, training, and placement services, including conducting outreach to employers to assist veterans in gaining employment, and facilitating employment, training, supportive, and placement services for veterans. Establishes a hiring preference for veterans or individuals with expertise in serving veterans. (pp. 106-108)
  - Institutes training and reporting requirements for veterans’ employment specialists, the State, and the Secretary of Labor. (pp. 108-111)

**Sec. 114. Performance Accountability System.** Amends current section 136.

- Provides that state performance measures consist of the core indicators of performance, any additional indicators of performance identified by the state, and a state adjusted level of performance for each of the core indicators. Omits current customer satisfaction indicator. (p. 111)

- **Core Indicators of Performance.** Provides that the core indicators of performance for employment and training activities under section 134, adult education and literacy activities under Title II, and programs under Title I of the Rehabilitation Act are:
  
  (I) The percentage and number of program participants who are in unsubsidized employment during the second full calendar quarter after exit;

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

  (III) The median earnings of participants who are in unsubsidized employment during the second full calendar quarter after exit, compared to median earnings of such participants prior to training;

  (IV) The percentage and number of participants who obtain a recognized postsecondary credential, including a registered apprenticeship, or a secondary school diploma or equivalent, during participation or within one year after exit;

  (V) The percentage and number of participants who, during a program year, are in an education or training program that leads to a recognized...
postsecondary credential, a secondary school diploma or equivalent, or unsubsidized employment, and are achieving measurable basic skills gains toward such credential or employment; and

(VI) The percentage and number of participants who obtain unsubsidized employment in the field relating to the training services received. (pp. 112-114)

- Provides that attainment of a secondary school diploma or equivalent may be counted as meeting the credential attainment criteria if such participants have obtained or retained employment, been removed from public assistance, or are in an education or training program leading to a recognized postsecondary credential, within one year after exit. (p. 114)

- Authorizes states to identify additional indicators in the state plan. (pp. 115-116)

- Eliminates current requirement that state levels of performance be negotiated for the fourth and fifth program year. (p. 117)

- Amends current provision relating to local performance measures amended to align with new state core indicators. (pp. 116-117)

- Adds new state reporting requirements and data validation requirements. Mandates that states report for each local area:
  - The number of individuals receiving work ready and training services during the most recent program and fiscal years, and the preceding five program years, and where individuals received training, disaggregated by the type of entity that provided the training;
  - The number of individuals successfully exiting out of work ready and training services during the most recent program and fiscal years, and the preceding five program years, and where individuals received training, disaggregated by the type of entity that provided the training; and
  - The average cost per participant of those individuals who received work ready and training services during the most recent program and fiscal years, and the preceding five program years, and where individuals received training, disaggregated by the type of entity that provided the training. (pp. 119-120)

- Requires the Secretary of Labor to reduce allotments by an unspecified amount for states that consistently fail to meet state performance measures. Provides that such funds are to be returned to the Treasury. (Current law makes funding reductions optional, and applies retained funds to state incentive grants) (pp. 121-122)

- Adds requirement that a governor reduce the amounts of a grant payable to a local area if such local area fails to meet local performance measures for three consecutive years.
The penalty must be based on the degree of failure to meet local levels of performance. (pp. 122-123)

- **Use of Core Indicators for Other Programs.** Consistent with applicable law, requires the Secretary of Labor to use the core indicators of performance to assess the effectiveness of all required one-stop partner programs (other than the Workforce Investment Fund) that are carried out by the Secretary. (p. 124)

**Sec. 115. Authorization of Appropriations.** Authorizes appropriations for all activities under section 132 at $6,245,318,000 for Fiscal Year (FY) 2014 and the six succeeding fiscal years. (p. 124)

**Sec. 116. Job Corps Purposes.** Amends current section 141 to provide that the purpose is 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 academic, career and technical education, and service-learning opportunities, in residential and nonresidential centers in order for youth to obtain secondary school diplomas and postsecondary credentials leading to successful careers in in-demand industries that will result in opportunities for advancement. (p. 125)

**Sec. 117. Job Corps Definitions.**

- Eliminates provision referring to Job Corps centers as customer service centers (p. 125)

- Defines a graduate as an individual who receives a secondary school diploma, completed the requirements of a career and technical education and training program, or received, or is making satisfactory toward receiving, a recognized postsecondary credential that prepares individuals for employment leading to economic self-sufficiency. (p. 126)

**Sec. 118. Individuals Eligible for Job Corps.**

- Amends current section 144 to define an eligible enrollee as an individual not less than 16 and not more than 24 on the date of enrollment. (p. 126)

- Eliminates requirement that 20 percent of enrollees be not less than age 22 and not more than 24. (p. 126)

- Eliminates Secretary of Labor’s discretion to waive maximum age in the case of individuals with disabilities. (p. 126)
Sec. 119. Recruitment, Screening, Selection, And Assignment of Enrollees.

- Eliminates requirement that standards and procedures must be implemented through arrangements with community action agencies, business organizations, labor organizations, and agencies and individuals that have contact with youth over substantial amount of time and can offer reliable information about the needs and problems of youth. (p. 127)

- Maintains one-stop centers as entity eligible to implement standards and procedures; as well as organizations that have a demonstrated record of effectiveness in placing at-risk youth in employment (p. 127)

- Requires enrollees to submit to a background check (p. 128)

- Provides that an individual who makes a false statement in connection with their background check, is a registered sex offender, or has been convicted of certain felonies is ineligible to participate in Job Corps. (p. 129)

- Amends current requirement that the Secretary develop and implement an assignment plan assigning enrollees to Job Corps centers for every two years, to every year. (p. 130)

- Requires the Secretary to analyze the performance of the Job Corps Centers relating to the indicators described in section 159(c). (pp.130-131)

- Amends current requirement that enrollees must be assigned to the Job Corps that is closest to the home of the enrollee and requires that the enrollee be assigned to a Job Corps center that offers the type of career and technical education and training selected by the individuals, and among those, is closest to the enrollee. (p. 131)

Sec. 120. Job Corps Centers.

- Requires the Secretary to enter into an agreement with a local entity to provide Job Corps activities. (p. 131-132)

- Requires the Job Corp operators to reside in the State in which the Job Corps center is located. (p. 132)
• Requires the Secretary to consider past performance an entity in operating or providing activities, including entity’s demonstrated effectiveness in assisting individuals in achieving the primary and secondary behaviors of performance described in sec. 159(c). (133-134)

• Requires the Secretary to consider the ability of the entity to demonstrate a record of success assisting at-risk youth in connecting to the workforce. (p. 134)

• Eliminates requirement that no more than 20 percent of Job Corps enrollees can be nonresidential participants. (p. 134)

• Creates Civilian Conservation Centers, which are located primarily in rural areas and must provide, in addition to Job Corps services, programs of work experience to conserve, develop or manage public natural resources or public recreational areas or to develop community projects in the public interest. Requires Civilian Conservation Center operators to be selected on a competitive basis. (p. 135)

• Eliminates Secretary’s authority to enter into agreement with Indian tribes. (p. 135)

• Adds requirement that an entity submit an application, including certain information, including (among other things), (1) a description of program activities that will be offered at the center; (2) a description of the counseling, placement, and support activities that will be offered at the center; and (3) a description of the demonstrated record of effectiveness the entity has in placing at risk youth into employment. (p. 135-137)

• Establishes requirement that the Secretary may not renew an entity’s contract to operate a Job Corps center if the center is ranked in the bottom quintile of centers for any program year. Such entity may only submit a new application if it has shown significant improvement from the previous year. (p. 137-138)

• Provides that the Secretary may not select an entity to operate a Job Corps center if such entity or center has been found to have a systemic or substantial material failure. (p. 138)

• Requires current grantees to reapply under this subsection within no later than 60 days of enactment of this bill. (p. 139)
Sec. 121. Program Activities.

- Essentially maintains current sec. 148, amends to require that the activities provided be targeted to helping enrollees secure and maintain meaningful subsidized employment, complete secondary education and obtain a secondary school diploma, enroll in and complete postsecondary education or training programs, or satisfy Armed Services requirements, and have a link to employment opportunities, (p. 140)

- Amends current section to require the Secretary to arrange for education and career and technical training of enrollees through local public or private educational agencies, career and technical education institutes, or technical institutes when such entities offer education and training of equivalent cost and quality. (p. 141)

- Essentially maintains current requirement relating to demonstration of satisfactory completion and placement in training. (p. 141)

Sec. 122. Counseling and Job Placement.

- Essentially maintains current sec. 149, amends to eliminate Secretary’s ability to provide counseling and placement services to former enrollees. (p. 142)

Sec. 123. Support.

- Eliminates Secretary’s ability to provide transition allowances or support to former enrollees. (p. 142)

Sec. 124. Operations

- Eliminates Secretary’s authority to require the operator to submit additional information the Secretary may require. (p. 143)

- Limits administrative costs to 10 percent of funds allotted under sec. 147. (p. 143)

Sec. 125. Community Participation

- Eliminates business liaison position. (p. 143)
• Requires Job Corps director to encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers in the State and nearby communities. (pp. 143-144)

Sec. 126. Workforce Councils

• Redesignates industry councils as workforce councils, comprised of business members of the state board, business members of the local boards, and a representative of the State board described in sec. 111(f), and other representatives the Governor or state agency may designate. (p. 144)

• Requires 2/3 of the workforce council to be business members of the State board. (p. 144)

• Largely maintains current responsibilities of industry councils, requires councils to meet every year. (p. 145)

Sec. 127. Technical Assistance

• Requires Secretary to provide certain types of technical assistance either directly or through grants, contracts, or other agreements (p. 146)

Sec. 128. Special Provisions

• Eliminates requirement that the Administrative of General Services transfer the proceeds from the sale of a Job Corps facility to the Secretary, for use of carrying out the Job Corps program. (pp. 146-147)

Sec. 129. Performance Accountability Management.

• Establishes new primary and secondary indicators of performance, including (among others): percentage of enrollees who graduate, the percentage and number who enter unsubsidized employment, the percentage and number who obtained a recognized postsecondary credential, the average wage if graduates in unsubsidized employment, and the cost per training slot. (pp. 148-150)

• Redesignates recruiters as career transition service providers (p. 150)

• Requires Secretary to annually submit a report of the information collected to the House Committee on Education and the Workforce and the Senate HELP Committee. (p. 151-152)
• Requires Secretary to perform an annual assessment of the performance of each Job Corps center (p. 152-153)

• Requires the Secretary to develop and implement a 1 year improvement plan for any Job Corps center that reports less than 50 percent on the performance indicators. (p. 153)

• Requires a Job Corps center that reports less than 50 percent on the performance indicators for 4 consecutive years to be closed. (pp. 153-154)

Sec. 130. Closure of Low-Performing Job Corps Centers

• Requires a 10-year audit of Job Corps centers within 3 months of enactment of the SKILLS Act, and requires the Secretary to submit a report within 6 months of enactment that describes the findings and conclusions from the audit, and within 12 months of enactment, the Secretary must close low-performing centers.

Sec. 131. Reforms for Opening New Job Corps Centers

• Requires the Secretary to establish policies and procedures governing the selection of the State and local area for construction of a Job Corps center.

• Requires the Secretary to notify the House Committee on Education and the Workforce and the Senate HELP Committee before releasing an RFP, prohibits the Secretary from entering into agreements with more than 20 Job Corps Centers, per region, unless it obtains written approval from the Chairmen of the House and Senate Education Committees. (p. 157)

Sec. 132. Technical Assistance. Amends current section 170.

• Eliminates separate provision relating to dislocated worker technical assistance. Adds requirement that the Secretary of Labor establish a system through which states can share information on best practices, and to evaluate and disseminate information regarding best practices and knowledge gaps. (pp. 158-159)

Sec. 133. Evaluations. Amends current section 172.

• Requires the Secretary of Labor to conduct independent evaluations of the program and activities under the Act. Requires the Secretary to conduct an impact analysis of the Workforce Investment Fund not later than 2015, and at least once every four years
thereafter. Requires Secretary to make the results of such evaluations public. (pp. 126-128)

**Sec. 134. Requirements and Restrictions. Amends current section 181.**

- Eliminates current requirement that representatives of business and labor organizations be permitted to submit comments to the Secretary on programs and activities to be funded under subtitle II (state and local workforce investment systems). (p. 161)
- Makes optional a current requirement that the Secretary investigate allegations by participants and other interested and affected parties of violations of program requirements. (p. 161)
- Provides that funds under the Act may not be used to pay salaries or bonuses to an individual in excess of level II of the Federal Executive Pay Schedule. States are authorized to set lower levels. (p. 161)
- Provides that the Employment and Training Administration (ETA) is responsible for administering all programs under Titles I and III of the Act. Provides that ETA shall be headed by an Assistant Secretary, and provides qualifications for such Assistant Secretary. (pp. 162-163)

**Sec. 135. Prompt Allocation of Funds.** Essentially maintains current section 182, amends to reflect consolidation of current funding streams under WIA. (pp. 163-164)

**Sec. 136. Fiscal Controls; Sanctions.** Essentially maintains current section 184, amends to eliminate provision governing the use of funds reserved for statewide activities for adults, dislocated workers, and youth. (p. 164)

**Sec. 137. Reports to Congress.** Essentially maintains current section 185, amends to allow states and other grant recipients to submit reports and other information electronically, and require Secretary of Labor to submit summaries of state quarterly financial reports to Congress. (pp. 164-165)

**Sec. 138. Administrative Provisions.** Largely maintains current section 189. Amends to provide that appropriations for all programs and activities under Title I must be available for obligation on the basis of a program year beginning on July 1 (eliminates April 1 start date for youth programs). Adds new provision allowing the Secretary of Labor to establish an expedited procedure for the purpose of extending previously approved waivers to additional states. (pp. 165-166)
Sec. 139. State Legislative Authority. Essentially maintains current section 191. (p. 166-167)

Sec. 140. General Program Requirements. Largely maintains current section 195, amends as follows:

- Provides that certain funds received by a public or private nonprofit entity to administer programs under Title I, such as funds privately raised from philanthropic foundations, businesses, or other private entities, are not considered income subject to rules under this section (current law permits entities to retain “income” only where such income is used to continue to carry out the program) (p. 167)
- Adds provision prohibiting the use of Title I funds to establish or operate stand-alone fee-for-service enterprises that compete with private sector employment agencies; does not include one-stop centers. (pp. 167-168)
- Adds provision requiring any reports submitted to Congress to be submitted to both the chairs and the ranking members of the Senate HELP and House Education and the Workforce committees. (p. 168)

Sec. 141. Department Staff.

- Requires the Secretary to identify the number of Department of Labor employees working on programs under the SKILLS Act, publish that information, and identify the number of employees who work on programs that have been eliminated or consolidated, and not more than 1 year after the date of enactment, reduce the Department of Labor Workforce by the number of employees identified as working on consolidated or eliminated programs.
- Requires the Secretary to submit to Congress a report on the number of employees associated with each program authorized by this Act, the number of employees reduced, and how the Secretary reduced the number of employees at the Department.


- Authorizes states to develop and submit to the appropriate Secretaries a state unified plan for two or more of the following programs and activities:
  o Programs and activities authorized under Title I of WIA;
  o Programs and activities authorized under Title II of WIA;
  o Programs authorized under the Rehabilitation Act of 1973 (WIA Title IV);
  o Secondary career education programs under the Carl D. Perkins Career and Applied Technology Education Act;
- Postsecondary career education programs under the Carl D. Perkins Career and Applied Technology Education Act;
- Trade Adjustment Act programs;
- Programs under the National Apprenticeship Act;
- Programs authorized under the Community Services Block Grant;
- TANF programs;
- Programs authorized under state unemployment compensation laws;
- Work programs under the Food Stamp Act of 1977;
- Programs and activities under Title I of the Housing and Community Development Act of 1974;
- Programs and activities under the Public Workers and Economic Development Act of 1965; and
- Activities as defined under chapter 41 of Title 38, U.S. Code (veterans training and placement services). (pp. 170-172)

- Provides that states may consolidate funds for any program included in a state unified plan into the Workforce Investment Fund (with the exception of career and technical education funds under the Perkins Act and funds under the Rehabilitation Act of 1973). States may treat any funds consolidated into the Workforce Investment Fund as if they were original funds allotted to the state for that purpose. States must continue to make reservations, except for the reservation for statewide activities, and allotments as required. Adds requirement that a state with a unified plan for purposes of consolidation must continue to meet the program requirements, limitations, and prohibitions of any Federal statute authorizing the activity or program consolidated into the Workforce Investment Fund, and meet the intent and purpose of such programs as well. (pp. 172-173)
i Currently “Adult and Dislocated Employment and Training Activities.”

ii Appears to be a drafting error; for states, should refer to allotment percentages rather than allocations.

iii Unclear if this is intended to cover non-Title I programs.