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

Title I – Amendments to the Workforce Investment Act of 1998
Summary of Key Provisions
March 2013

Subtitle A—Workforce investment Definitions

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.

Subtitle B—Statewide and Local Workforce Investment Systems

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.

Sec. 103. State Workforce Investment Boards. Required board members narrowed to representatives of business in the state, chief elected officials, and the state agency official responsible for economic development. Governor may designate other members. Two-thirds of the board must members of the business community. Creates new functions for the State board.

Sec. 104. State Plan. Requires board to develop comprehensive plan every 3 years. Eliminates requirements for detailed plans related to activities carried out under Wagner-Peyser. Eliminates requirement business and labor have an opportunity to comment on the state plan. State plan must describe how it will: serve certain underserved populations, obtain more input from business, convene industry partnerships, foster communication with non-profit organizations, determine one-stop partners contributions for the cost of infrastructure, assist at-risk and out-of school youth, serve veterans, and provide other services.
Sec. 105. Local Workforce Investment Areas. Eliminates provision relating to automatic and temporary designation of local workforce areas. Modifies factors governor must use in designating local workforce areas. Authorizes states to require local areas in a designated region to submit a regional plan in lieu of a local plan.

Sec. 106. Local Workforce Investment Boards. Implements same changes made regarding the composition of State boards. Creates new functions for the local board.

Sec. 107. Local Plan. Requires local board to develop comprehensive plan every 3 years. Requires local plans to describe: local economic conditions; the local one-stop delivery system; strategies used to engage business; how the board will convene industry partnerships; how funds reserved for training will be used; how local board will coordinate with state boards; how local board will serve certain underserved populations; strategies used to assist at-risk youth; and how it will serve veterans. Eliminates requirement that business and labor must have an opportunity to comment on the plan.

Sec. 108. Establishment of One-Stop Delivery System. Requires one-stop partners to provide access to programs and activities, maintain a one-stop delivery system, enter into an MOU with the local board, and participate in the operation of the one-stop consistent with the MOU. Implements quasi-competitive process for one-stop designation. Eliminates provision allowing employment services agencies to serve as one-stop operators. Eliminates SCSEP and TANF programs as mandatory partners. Eliminates reference to SNAP E&T and TANF programs as optional partners. Requires State board to provide procedures and criteria for certifying one-stop centers. Provides that a portion of the funds must be used for infrastructure costs.

Sec. 109. Identification of Eligible Providers. Requires governor to establish criteria and procedures regarding training provider eligibility. Requires governor, when establishing criteria to take into account certain factors. Requires governor to make a list of eligible training providers available to the local boards. Requires governor to identify the application process for training providers. Establishes penalties for providers who intentionally provide inaccurate information. Authorizes states to enter into agreements to accept career enhancement accounts from other states. Requires governor to consider recommendations of local boards and providers in developing criteria and procedures. Providers of on-the-job or customized training are not subject to eligibility requirements.

Sec. 110. General authorization. Eliminates separate references to adult and dislocated worker training programs.

Sec. 111. State Allotments. Requires Secretary of Labor to reserve 0.5 percent of total funding for technical assistance (50 percent) and evaluations (50 percent). Requires Secretary to reserve not more than 1 percent of funding to make grants to Indian tribes, tribal organizations, and
Alaska-Native organizations. Requires Secretary to reserve not more than 25 percent of total funds for Job Corps. Requires Secretary to reserve not more than 3.5 percent of total funding for employment and training assistance to workers affected by major economic dislocations. Requires ¼ of 1 percent of Workforce Investment Fund not reserved for outlying areas, and the remainder to states for employment and training and statewide workforce investment activities. Funding formula must take into account factors such as unemployment, the size of the labor force, and the number of disadvantaged youth in the state. Provides that no state receive less than 90 percent or more than 130 percent of their allotment from the preceding fiscal year. Allotment percentage includes amounts allocated under WIA Title I, Title V of the Older Americans Act, WANTO, and sections 1-13 of Wagner-Peyser.

Sec. 112. Within State Allocations. Requires Governor to reserve up to 15 percent for statewide activities, and 15 percent of that amount for individuals with barriers to employment grants, and 5 percent of statewide activities funds for administrative costs. Remaining funds must be allocated to local areas according to the same formula to determine state allotments. Defines allocation percentage to mean amounts allocated under WIA Title I, WIA Title I, Title V of the Older Americans Act, WANTO, sections 1-13 of Wagner-Peyser, the Disabled Veterans Outreach Program, and Local Veterans Employment Representatives. Eliminates separate references to adult and dislocated worker funding. Limits local administrative costs to 10 percent of local allocations.

Sec. 113. Use of Funds for Employment and Training Activities. Requires that not more than 5 percent of funds reserved for statewide activities be used for administrative costs. Identifies required statewide activities. Identifies allowable statewide employment and training strategies. Maintains current law for state rapid response activities. Provides that funds allocated to local areas must be used to establish a one-stop delivery system. Eliminates current priority of service requirement for recipients of public assistance and low-income individuals. Renames individual training accounts as “career enhancement accounts.” Expands list of discretionary one-stop delivery activities. Authorizes local board to use funds to carry out incumbent worker training programs. Requires participating employers to pay a proportion of training costs. Requires local board to employ a veteran employment specialist to assist veterans in gaining employment, and accessing other services.

Sec. 114. Performance Accountability System. 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. Outlines core indicators of performance for employment and training activities under section 134, WIA Title II, and Title I of the Rehabilitation Act. Authorizes states to identify additional indicators in the state plan. Eliminates current requirement that state levels of performance be negotiated for the fourth and fifth program year. Adds new state reporting requirements and data validation requirements.
Requires the Secretary of Labor to reduce for states that consistently fail to meet performance measures. Adds requirement that a governor reduce the amount of a grant to a local area if it fails to meet local performance measures for three consecutive years. Requires the Secretary of Labor to use the core indicators of performance to assess the effectiveness of all required one-stop partner programs.

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.

Subtitle C—Job Corps

Sec. 116. Job Corps Purposes. Provides 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.

Sec. 117. Job Corps Definitions. Eliminates provision referring to Job Corps centers as customer service centers. Adds definition for ‘graduate.’

Sec. 118. Individuals Eligible for Job Corps. Defines an eligible enrollee as an individual not less than 16 and not more than 24 on the date of enrollment. Eliminates requirement that 20 percent of enrollees be not less than age 22 and not more than 24. Eliminates Secretary of Labor’s discretion to waive maximum age for individuals with disabilities.

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 other agencies in contact with youth. Maintains one-stop as entity eligible to implement standards and procedures, as well as organizations that have proven effective in finding employment for at-risk youth. Requires enrollees to submit to a background check, makes individuals convicted of certain felonies ineligible. Requires the Secretary to develop and implement annually an assignment plan for Job Corps centers. 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.

Sec. 120. Job Corps Centers. Requires the Secretary to enter into an agreement with a local entity to provide Job Corps activities. Requires the operator to reside in the State in which the Job Corps center is located. Requires the Secretary to consider past performance an entity in operating or providing activities. 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.
Eliminates requirement that no more than 20 percent of Job Corps enrollees can be nonresidential participants. Creates Civilian Conservation Centers for rural areas. Eliminates Secretary’s authority to enter into agreement with Indian tribes. Adds requirement that an entity submit an application to the Secretary. Establishes requirement that the Secretary may not renew an operator’s contract if the center is ranked in the bottom quintile of centers for any program year.

Sec. 121. Program Activities. Requires 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. Requires 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.

Sec. 122. Counseling and Job Placement. Eliminates Secretary’s ability to provide counseling and placement services to former enrollees.

Sec. 123. Support. Eliminates Secretary’s ability to provide transition allowances or support to former enrollees.

Sec. 124. Operations. Eliminates Secretary’s authority to require the operator to submit additional information the Secretary may require. Limits administrative costs to 10 percent of funds allotted under sec. 147.

Sec. 125. Community Participation. Eliminates business liaison position. 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.

Sec. 126. Workforce Councils. Redesignates industry councils as workforce councils. Requires 2/3 of the workforce council to be business members of the State board. Largely maintains current responsibilities of industry councils, requires councils to meet every year.

Sec. 127. Technical Assistance Requires Secretary to provide certain types of technical assistance either directly or through grants, contracts, or other agreements.

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.
Sec. 129. Performance Accountability Management. Establishes new primary and secondary indicators of performance. Redesignates recruiters as career transition service providers. 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. Requires Secretary to perform an annual assessment of the performance of each Job Corps center. 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. Requires a Job Corps center that reports less than 50 percent on the performance indicators for 4 consecutive years to be closed.

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. 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 without written approval from the Chairmen of the House and Senate Education Committees.

Subtitle D—National Programs

Sec. 132. Technical Assistance. Eliminates 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.

Sec. 133. Evaluations. Requires the Secretary to conduct independent evaluations of the program and activities. Requires the Secretary to conduct and make publicly available an impact analysis of the Workforce Investment Fund not later than 2015, and at least once every four years thereafter.

Sec. 134. Requirements and Restrictions. Eliminates current requirement that representatives of business and labor organizations be permitted to submit comments to the Secretary regarding state and local workforce investment systems. Makes optional a current requirement that the Secretary investigate allegations by participants and other interested and affected parties of violations of program requirements.

Sec. 135. Prompt Allocation of Funds. Amended to reflect consolidation of current funding streams under WIA.
Sec. 136. Fiscal Controls; Sanctions. Amended to eliminate provision governing the use of funds reserved for statewide activities for adults, dislocated workers, and youth.

Sec. 137. Reports to Congress. Amended 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.

Sec. 138. Administrative Provisions. Amended 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. Allows Secretary to establish an expedited procedure to extend previously approved waivers to additional states.

Sec. 139. State Legislative Authority. Essentially maintains current law.

Sec. 140. General Program Requirements. Largely maintains current law, amended to provide that certain funds received by a public or private nonprofit entity to administer programs under Title I are not considered income for the purposes of this section. 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. Adds reporting requirement.

Sec. 141. Department Staff. Requires the Secretary to reduce the Department of Labor Workforce by the number of employees identified as working on consolidated or eliminated programs and submit a report to Congress detailing how the Secretary reduced the number of employees at the Department.

Sec. 142. State Unified Plan. Authorizes states to develop and submit to the appropriate Secretaries a state unified plan for two or more programs authorized by: Title I of WIA; Title II of WIA; the Rehabilitation Act of 1973; the Perkins Act (secondary and postsecondary); the Trade Adjustment Act; the National Apprenticeship Act; the Community Services Block Grant; TANF; state unemployment compensation laws; SNAP E&T; Title I of the Housing and Community Development Act of 1974; the Public Workers and Economic Development Act of 1965; and by chapter 41 of Title 38, U.S. Code (veterans training and placement services). Provides that states may consolidate funds for any program included in a state unified plan into the Workforce Investment Fund (exempting funds under the Perkins Act and funds under the Rehabilitation Act of 1973). 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.