

112TH CONGRESS  
1ST SESSION

# H. R. 2295

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

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 22, 2011

Mr. McKEON (for himself, Mr. GUTHRIE, Mr. ROE of Tennessee, and Mr. THOMPSON of Pennsylvania) introduced the following bill; which was referred to the Committee on Education and the Workforce

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## A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Workforce Investment  
5 Improvement Act of 2011”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. References.

TITLE I—AMENDMENTS TO TITLE I OF THE WORKFORCE  
INVESTMENT ACT OF 1998

- Sec. 101. Definitions.
- Sec. 102. Purpose.
- Sec. 103. State workforce investment boards.
- Sec. 104. State plan.
- Sec. 105. Local workforce investment areas.
- Sec. 106. Local workforce investment boards.
- Sec. 107. Local plan.
- Sec. 108. Establishment of one-stop delivery systems.
- Sec. 109. Eligible providers of training services.
- Sec. 110. Eligible providers of Youth Activities.
- Sec. 111. Youth Activities.
- Sec. 112. Programs for adults and Dislocated Workers.
- Sec. 113. Performance accountability system.
- Sec. 114. Authorization of appropriations.
- Sec. 115. Job Corps.
- Sec. 116. Native American programs.
- Sec. 117. Migrant and seasonal farm worker programs.
- Sec. 118. Veterans' workforce investment programs.
- Sec. 119. Youth challenge grants.
- Sec. 120. Technical assistance.
- Sec. 121. Demonstration, pilot, multiservice, research and multi-state projects.
- Sec. 122. Restoring State and local flexibility to create energy efficiency and renewable energy jobs.
- Sec. 123. Evaluations.
- Sec. 124. National dislocated worker grants.
- Sec. 125. Authorization of appropriations for national activities.
- Sec. 126. Requirements and restrictions.
- Sec. 127. Nondiscrimination.
- Sec. 128. Administrative provisions.
- Sec. 129. State legislative authority.
- Sec. 130. Workforce innovation in regional economic development.
- Sec. 131. General program requirements.

TITLE II—ADULT EDUCATION AND FAMILY LITERACY  
EDUCATION

- Sec. 201. Table of contents.
- Sec. 202. Amendment.

TITLE III—AMENDMENTS TO THE WAGNER-PEYSER ACT

- Sec. 301. Amendments to the Wagner-Peyser Act.

TITLE IV—AMENDMENTS TO THE REHABILITATION ACT OF 1973

- Sec. 401. Findings.
- Sec. 402. Rehabilitation Services Administration.
- Sec. 403. Director.
- Sec. 404. Definitions.
- Sec. 405. State plan.
- Sec. 406. Scope of services.
- Sec. 407. Standards and indicators.
- Sec. 408. Reservation for expanded transition services.
- Sec. 409. Client assistance program.

Sec. 410. Protection and advocacy of individual rights.  
 Sec. 411. Chairperson.  
 Sec. 412. Authorizations of appropriations.  
 Sec. 413. Conforming amendment.  
 Sec. 414. Helen Keller National Center Act.

#### TITLE V—TRANSITION AND EFFECTIVE DATE

Sec. 501. Transition provisions.  
 Sec. 502. Effective date.

### 1 **SEC. 3. REFERENCES.**

2       Except as otherwise expressly provided, wherever in  
 3 this Act an amendment or repeal is expressed in terms  
 4 of an amendment to, or repeal of, a section or other provi-  
 5 sion, the amendment or repeal shall be considered to be  
 6 made to a section or other provision of the Workforce In-  
 7 vestment Act of 1998 (20 U.S.C. 9201 et seq.).

## 8 **TITLE I—AMENDMENTS TO** 9 **TITLE I OF THE WORKFORCE** 10 **INVESTMENT ACT OF 1998**

### 11 **SEC. 101. DEFINITIONS.**

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

13           (1) by striking paragraphs (13) and (24) and  
 14 redesignating paragraphs (1) through (12) as para-  
 15 graphs (3) through (14), and paragraphs (14)  
 16 through (23) as paragraphs (15) through (24), re-  
 17 spectively;

18           (2) by inserting after “In this title:” the fol-  
 19 lowing new paragraphs:

20           “(1) ACCRUED EXPENDITURES.—The term ‘ac-  
 21 crued expenditures’ means charges incurred by re-

1 recipients of funds under this title for a given period  
2 requiring the provision of funds for goods or other  
3 tangible property received; services performed by  
4 employees, contractors, subgrantees, subcontractors,  
5 and other payees; and other amounts becoming owed  
6 under programs assisted under this title for which  
7 no current services or performance is required, such  
8 as annuities, insurance claims, and other benefit  
9 payments.

10 “(2) ADMINISTRATIVE COSTS.—The term ‘ad-  
11 ministrative costs’ means expenditures incurred by  
12 State and local workforce investment boards, direct  
13 recipients (including State grant recipients under  
14 subtitle B and recipients of awards under subtitle  
15 D), local grant recipients, local fiscal agents or local  
16 grant subrecipients, and one-stop operators in the  
17 performance of administrative functions and in car-  
18 rying out activities under this title which are not re-  
19 lated to the direct provision of workforce investment  
20 services (including services to participants and em-  
21 ployers). Such costs include both personnel and non-  
22 personnel and both direct and indirect.”;

23 (3) by amending paragraph (5) (as so redesign-  
24 nated) to read as follows:

1           “(5) AREA CAREER AND TECHNICAL EDU-  
2           CATION SCHOOL.—The term ‘area career and tech-  
3           nical education school’ has the meaning given the  
4           term in section 3(3) of the Carl D. Perkins Career  
5           and Technical Education Act of 2006 (20 U.S.C.  
6           2302(3)).”.

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

10          (5) in paragraph (10)(C) (as so redesignated),  
11          by striking “not less than 50 percent of the cost of  
12          the training” and inserting “a significant portion of  
13          the cost of training, as determined by the local  
14          board (or, in the case of an employer in multiple  
15          local areas in the State, as determined by the Gov-  
16          ernor), taking into account the size of the employer  
17          and such other factors as the local board determines  
18          to be appropriate”;

19          (6) in paragraph (11) (as so redesignated)—

20                  (A) in subparagraph (A)(ii)(II), by striking  
21                  “section 134(c)” and inserting “section  
22                  121(e)”;

23                  (B) in subparagraph (B)(iii), by striking  
24                  “intensive services described in section

1           134(d)(3)” and inserting “work ready services  
2           described in section 134(e)(2)”;

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

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

7           (E) by adding at the end the following:

8           “(E)(i) is the spouse of a member of the  
9           Armed Forces on active duty for a period of  
10          more than 30 days (as defined in section  
11          101(d)(2) of title 10, United States Code) who  
12          has experienced a loss of employment as a di-  
13          rect result of relocation to accommodate a per-  
14          manent change in duty station of such member;  
15          or

16          “(ii) is the spouse of a member of the  
17          Armed Forces on active duty who meets the cri-  
18          teria described in paragraph (12)(B).”;

19          (7) in paragraph (12)(A) (as redesignated)—

20          (A) by striking “and” after the semicolon  
21          and inserting “or”;

22          (B) by striking “(A)” and inserting  
23          “(A)(i)”; and

24          (C) by adding at the end the following:

1           “(ii) is the dependent spouse of a member  
2 of the Armed Forces on active duty for a period  
3 of more than 30 days (as defined in section  
4 101(d)(2) of title 10, United States Code)  
5 whose family income is significantly reduced be-  
6 cause of a deployment (as defined in section  
7 991(b) of title 10, United States Code, or pur-  
8 suant to paragraph (4) of such section), a call  
9 or order to active duty pursuant to a provision  
10 of law referred to in section 101(a)(13)(B) of  
11 title 10, United States Code, a permanent  
12 change of station, or the service-connected (as  
13 defined in section 101(16) of title 38, United  
14 States Code) death or disability of the member;  
15 and”;

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

19           (9) in paragraph (14) (as so redesignated)—

20                 (A) in subparagraph (A), by striking “sec-  
21 tion 122(e)(3)” and inserting “section 122”;  
22 and

23                 (B) by striking subparagraph (B), and in-  
24 serting the following:

1           “(B) work ready services, means a provider  
2           who is identified or awarded a contract as de-  
3           scribed in section 134(c)(2);”;

4           (10) in paragraph (25)—

5           (A) in subparagraph (B), by striking  
6           “higher of—” and all that follows through  
7           clause (ii) and inserting “poverty line for an  
8           equivalent period;”; and

9           (B) by redesignating subparagraphs (D)  
10          through (F) as subparagraphs (E) through (G),  
11          respectively, and inserting after subparagraph  
12          (C) the following:

13          “(D) receives or is eligible to receive free  
14          or reduced price lunch under the Richard B.  
15          Russell National School Lunch Act (42 U.S.C.  
16          1751 et seq.);”;

17          (11) in paragraph (32) by striking “the Repub-  
18          lic of the Marshall Islands, the Federated States of  
19          Micronesia,”;

20          (12) by striking paragraph (33) and redesign-  
21          ating paragraphs (34) through (53) as paragraphs  
22          (33) through (52), respectively;

23          (13) by amending paragraph (48) (as so redesi-  
24          gnated) to read as follows:



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

4           (14) by amending paragraph (49) (as so reded-  
5           ignated) to read as follows:

6           “(49) CAREER AND TECHNICAL EDUCATION.—  
7           The term ‘career and technical education’ has the  
8           meaning given the term in section 3 of the Carl D.  
9           Perkins Career and Technical Education Act of  
10          2006 (20 U.S.C. 2302).”.

11 **SEC. 102. PURPOSE.**

12          Section 106 (29 U.S.C. 2811) is amended by insert-  
13          ing at the end the following: “It is also the purpose of  
14          this subtitle to provide workforce investment activities in  
15          a manner that promotes the informed choice of partici-  
16          pants and actively involves participants in obtaining train-  
17          ing services that will increase their skills and improve their  
18          employment outcomes.”.

19 **SEC. 103. STATE WORKFORCE INVESTMENT BOARDS.**

20          (a) MEMBERSHIP.—

21                  (1) IN GENERAL.—Section 111(b) (29 U.S.C.  
22          2821(b)) is amended—

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

1           “(C) representatives appointed by the Gov-  
2 ernor, who are—

3           “(i)(I) the lead State agency officials  
4 with responsibility for the programs and  
5 activities that are described in section  
6 121(b) and carried out by one-stop part-  
7 ners;

8           “(II) in any case in which no lead  
9 State agency official has responsibility for  
10 such a program or activity, a representa-  
11 tive in the State with expertise relating to  
12 such program or activity; and

13           “(III) if not included under subclause  
14 (I), the director of the designated State  
15 unit, as defined in section 7(8)(B) of the  
16 Rehabilitation Act of 1973 (29 U.S.C.  
17 705(8)(B)), except that in a State that has  
18 established 2 or more designated State  
19 units to administer the vocational rehabili-  
20 tation program, the board representative  
21 shall be the director of the designated  
22 State unit that serves the most individuals  
23 with disabilities in the State;

24           “(ii) the State agency officials respon-  
25 sible for economic development;

1 “(iii) representatives of business in  
2 the State who—

3 “(I) are owners of businesses,  
4 chief executive or operating officers of  
5 businesses, and other business execu-  
6 tives or employers with optimum pol-  
7 icy making or hiring authority, includ-  
8 ing members of local boards described  
9 in section 117(b)(2)(A)(i);

10 “(II) represent businesses with  
11 employment opportunities that reflect  
12 employment opportunities in the  
13 State; and

14 “(III) are appointed from among  
15 individuals nominated by State busi-  
16 ness organizations and business trade  
17 associations;

18 “(iv) chief elected officials (rep-  
19 resenting both cities and counties, where  
20 appropriate);

21 “(v) one or more representatives of  
22 labor organizations, who have been nomi-  
23 nated by State labor federations or labor  
24 organizations within the State; and

1                   “(vi) such other representatives and  
2                   State agency officials as the Governor may  
3                   designate.”;

4                   (B) in paragraph (3), by striking “para-  
5                   graph (1)(C)(i)” and inserting “paragraph  
6                   (1)(C)(iii)”;

7                   (C) by adding at the end the following:

8                   “(4) QUORUM.—A majority of the members of  
9                   the State Board who are representatives described in  
10                  paragraph (1)(C)(iii) shall be present to constitute a  
11                  quorum. The Board may hold hearings without a  
12                  quorum, but any recommendation of the Board may  
13                  be passed only at a meeting for which there is a  
14                  quorum present.”.

15                  (2) CONFORMING AMENDMENT.—Section  
16                  111(c) (29 U.S.C. 2811(c)) is amended by striking  
17                  “subsection (b)(1)(C)(i)” and inserting “subsection  
18                  (b)(1)(C)(iii)”.

19                  (b) FUNCTIONS.—Section 111(d) (29 U.S.C.  
20                  2811(d)) is amended—

21                  (1) in paragraph (2), by striking “section  
22                  134(c)” and inserting “section 121(e)”;

23                  (2) by amending paragraph (3) to read as fol-  
24                  lows:

1           “(3) development and review of statewide poli-  
2           cies affecting the integrated provision of services  
3           through the one-stop delivery system described in  
4           section 121 within the State, including—

5                   “(A) the development of objective criteria  
6                   and procedures for, and the issuance of, certifi-  
7                   cations of one-stop centers;

8                   “(B) the criteria for the allocation of one-  
9                   stop center infrastructure funding under section  
10                  121(h) and oversight of the use of such funds;

11                  “(C) policies relating to the appropriate  
12                  roles and contributions of one-stop partner pro-  
13                  grams within the one-stop delivery system, in-  
14                  cluding approaches to facilitating equitable and  
15                  efficient cost allocation in the one-stop delivery  
16                  system, consistent with section 121;

17                  “(D) strategies for providing effective out-  
18                  reach to individuals and employers who could  
19                  benefit from services provided through the one-  
20                  stop delivery system;

21                  “(E) strategies for technology improve-  
22                  ments to facilitate access to services provided  
23                  through the one-stop delivery system in remote  
24                  areas and for individuals with disabilities, which  
25                  may be utilized throughout the State;

1           “(F) identification and dissemination of in-  
2           formation on best practices for effective oper-  
3           ation of one-stop centers, including use of inno-  
4           vative business outreach, partnerships, and  
5           service delivery strategies, including for hard-to-  
6           serve populations; and

7           “(G) carrying out of such other matters as  
8           may promote statewide objectives for, and en-  
9           hance the performance of, the one-stop delivery  
10          system;”;

11          (3) in paragraph (5), by striking “128(b)(3)(B)  
12          and 133(b)(3)(B)” and inserting “sections 128(b)(3)  
13          and 133(b)(3)”;

14          (4) in paragraph (8)—

15                 (A) by striking “employment statistics sys-  
16                 tem” and inserting “workforce and labor mar-  
17                 ket information system”; and

18                 (B) by striking “and” after the semicolon;

19          (5) in paragraph (9)—

20                 (A) by striking “section 503” and insert-  
21                 ing “section 136(i)”;

22                 (B) by striking the period and inserting “;  
23                 and”; and

24          (6) by inserting the following new paragraph  
25          after paragraph (9):

1           “(10) reviewing and providing comment on the  
2           State plans of all one-stop partner programs, where  
3           applicable, in order to provide effective strategic  
4           leadership in the development of a high-quality, com-  
5           prehensive statewide workforce investment system.”.

6           (c) ALTERNATIVE ENTITY.—Section 111(e) (29  
7 U.S.C. 2821(e)) is amended—

8           (1) in paragraph (1)—

9           (A) in the matter preceding subparagraph  
10           (A), by striking “For” and inserting “Subject  
11           to paragraph (3), for”; and

12           (B) in subparagraph (C), by inserting “one  
13           or more” after “State and”; and

14           (2) by adding at the end the following:

15           “(3) FAILURE TO MEET PERFORMANCE MEAS-  
16           URES.—If a State fails to have performed success-  
17           fully, as defined in section 116(a)(2), the Secretary  
18           may require the State to establish a State board in  
19           accordance with subsections (a), (b), and (c) in lieu  
20           of the alternative entity established under paragraph  
21           (1).”.

22           (d) CONFLICT OF INTEREST.—Section 111(f)(1) (29  
23 U.S.C. 2821(f)(1)) is amended by inserting “or participate  
24 in action taken” after “vote”.

1 (e) SUNSHINE PROVISION.—Section 111(g) (29  
2 U.S.C. 2821(g)) is amended—

3 (1) by inserting “, and modifications to the  
4 State plan,” after “State plan”; and

5 (2) by inserting “, and modifications to the  
6 State plan” after “the plan”.

7 (f) AUTHORITY TO HIRE STAFF.—Section 111 (29  
8 U.S.C. 2821) is further amended by inserting at the end  
9 the following:

10 “(h) AUTHORITY TO HIRE STAFF.—The State Board  
11 may hire staff to assist in carrying out the functions de-  
12 scribed in subsection (d).”.

13 **SEC. 104. STATE PLAN.**

14 (a) PLANNING CYCLE.—Section 112(a) (29 U.S.C.  
15 2822(a)) is amended by striking “5-year strategy” and in-  
16 serting “2-year strategy”.

17 (b) CONTENTS.—Section 112(b) (29 U.S.C. 2822(b))  
18 is amended—

19 (1) by amending paragraph (7) to read as fol-  
20 lows:

21 “(7) a description of the State criteria for de-  
22 termining the eligibility of training providers in ac-  
23 cordance with section 122, including how the State  
24 will take into account the performance of providers



1 and whether the training programs relate to occupa-  
2 tions that are in demand;”;

3 (2) in paragraph (8)—

4 (A) in subparagraph (A)—

5 (i) in clause (ix), by striking “and”  
6 after the semicolon; and

7 (ii) by adding the following new clause  
8 after clause (x):

9 “(xi) programs authorized under title  
10 II of the Social Security Act (42 U.S.C.  
11 401 et seq.) (related to Federal old-age,  
12 survivors, and disability insurance bene-  
13 fits), title XVI of such Act (42 U.S.C.  
14 1381 et seq.) (relating to supplemental se-  
15 curity income), title XIX of such Act (42  
16 U.S.C. 1396 et seq.) (relating to Med-  
17 icaid), and title XX of such Act (42 U.S.C.  
18 1397 et seq.) (relating to block grants to  
19 States for social services), programs au-  
20 thorized under title VII of the Rehabilita-  
21 tion Act of 1973 (29 U.S.C. 796 et seq.),  
22 and programs carried out by State agen-  
23 cies relating to mental retardation and de-  
24 velopmental disabilities; and”;

1 (B) by amending subparagraph (B) to read  
2 as follows:

3 “(B) a description of common data collec-  
4 tion and reporting processes used for the pro-  
5 grams and activities described in subparagraph  
6 (A) that are one-stop partners, including assur-  
7 ances that such processes utilize quarterly wage  
8 records for performance measures relating to  
9 entry into employment, retention in employ-  
10 ment, and average earnings that are applicable  
11 to such programs or activities, or, if such  
12 records are not being used, an identification of  
13 the barriers to such use and a description of  
14 how the State will address such barriers within  
15 one year of the approval of the plan;”;

16 (3) in paragraph (11), by inserting “, including  
17 controls and procedures to ensure that the limita-  
18 tions on the costs of administration are not exceed-  
19 ed”;

20 (4) in paragraph (12)(A)—

21 (A) by striking “sections 128(b)(3)(B) and  
22 133(b)(3)(B)” and inserting “sections  
23 128(b)(3) and 133(b)(3)”; and

24 (B) by inserting “and” at the end of clause  
25 (ii);

1           (5) in paragraph (12)(B), by striking “and” at  
2 the end;

3           (6) by striking paragraph (12)(C);

4           (7) in paragraph (14), by striking “section  
5 134(c)” and inserting “section 121(e)”;

6           (8) in paragraph (17)(A)—

7                 (A) in clause (iii) by striking “and”;

8                 (B) by amending clause (iv) to read as fol-  
9 lows:

10                         “(iv) how the State will serve the em-  
11 ployment and training needs of dislocated  
12 workers (including displaced homemakers),  
13 low income individuals (including recipients  
14 of public assistance), individuals with lim-  
15 ited English proficiency, homeless individ-  
16 uals, individuals training for nontraditional  
17 employment, and other individuals with  
18 multiple barriers to employment (including  
19 older individuals); and”;

20                 (C) by inserting after clause (iv) the fol-  
21 lowing:

22                         “(v) how the State will serve the em-  
23 ployment and training needs of individuals  
24 with disabilities, consistent with section  
25 188 and Executive Order 13217 (42

1 U.S.C. 12131 note; relating to community-  
2 based alternatives for individuals with dis-  
3 abilities) including the provision of out-  
4 reach, intake, assessments, and service de-  
5 livery, the development of performance  
6 measures established under section 136,  
7 the training of staff, and other aspects of  
8 accessibility to program services, consistent  
9 with sections 504 and 508 of the Rehabili-  
10 tation Act of 1973; and”;

11 (9) in paragraph (17)(B), by striking “to the  
12 extent practicable” and inserting “in accordance  
13 with the requirements of the Jobs for Veterans Act  
14 (Public Law 107–288)”;

15 (10) in paragraph (18)(D), by striking “youth  
16 opportunity grants” and inserting “youth challenge  
17 grants”; and

18 (11) by adding at the end the following new  
19 paragraphs:

20 “(19) a description of the process and method-  
21 ology for determining one-stop partner program con-  
22 tributions for the cost of the infrastructure of one-  
23 stop centers under section 121(h)(1) and of the for-  
24 mula for allocating such infrastructure funds to local  
25 areas under section 121(h)(3);

1           “(20) a description of the strategies and pro-  
2           grams providing outreach to businesses, identifying  
3           workforce needs of businesses in the State, and en-  
4           suring that such needs will be met (including the  
5           needs of small businesses), which may include—

6                   “(A) implementing innovative programs  
7                   and strategies designed to meet the needs of all  
8                   businesses in the State, including small busi-  
9                   nesses, which may include incumbent worker  
10                  training programs, sectoral and industry cluster  
11                  strategies, regional skills alliances, career ladder  
12                  programs, utilization of effective business inter-  
13                  mediaries, and other business services and  
14                  strategies that better engage employers in  
15                  workforce investment activities and make the  
16                  statewide workforce investment system more  
17                  relevant to the needs of State and local busi-  
18                  nesses, consistent with the objectives of this  
19                  title; and

20                   “(B) providing incentives and technical as-  
21                   sistance to assist local areas in more fully en-  
22                   gaging all employers, including small employers,  
23                   in local workforce investment activities, to make  
24                   the workforce investment system more relevant  
25                   to the needs of area businesses, and to better

1 coordinate workforce investment, economic de-  
2 velopment, and post-secondary education and  
3 training efforts to contribute to the economic  
4 well-being of the local area and region, as deter-  
5 mined appropriate by the local board;

6 “(21) a description of how the State will utilize  
7 technology to facilitate access to services in remote  
8 areas, which may be utilized throughout the State;

9 “(22) a description of the State strategy and  
10 assistance to be provided for encouraging regional  
11 cooperation within the State and across State bor-  
12 ders as appropriate; and

13 “(23) a description of the actions that will be  
14 taken by the State to foster communication and  
15 partnerships with non-profit organizations (including  
16 community, faith-based, and philanthropic organiza-  
17 tions) that provide employment-related, training,  
18 and complementary services, in order to enhance the  
19 quality and comprehensiveness of services available  
20 to participants under this title.”.

21 (c) PLAN SUBMISSION AND APPROVAL.—Section  
22 112(c) (29 U.S.C. 2822(c)) is amended by striking “pe-  
23 riod, that” and all that follows through paragraph (2) and  
24 inserting “period, that the plan is inconsistent with the  
25 provisions of this title”.

1 (d) MODIFICATION TO PLAN.—Section 112(d) (29  
2 U.S.C. 2822(d)) is amended by striking “5-year period”  
3 and inserting “2-year period”.

4 **SEC. 105. LOCAL WORKFORCE INVESTMENT AREAS.**

5 (a) DESIGNATION OF AREAS.—

6 (1) CONSIDERATIONS.—Section 116(a)(1) (29  
7 U.S.C. 2831(a)(1)) is amended—

8 (A) in subparagraph (A), by striking  
9 “paragraphs (2), (3), and (4)” and inserting  
10 “paragraphs (2) and (3)”; and

11 (B) in subparagraph (B), by adding at the  
12 end the following:

13 “(vi) The extent to which such local  
14 areas will promote maximum effectiveness  
15 in the administration and provision of serv-  
16 ices.”.

17 (2) AUTOMATIC DESIGNATION.—Section  
18 116(a)(2) (29 U.S.C. 2831(a)(2)) is amended to  
19 read as follows:

20 “(2) AUTOMATIC DESIGNATION.—

21 “(A) IN GENERAL.—The Governor shall  
22 approve a request for designation as a local  
23 area that is submitted prior to the submission  
24 of the State plan, or of a modification to the

1 State plan relating to area designation, from  
2 any area that—

3 “(i) is a unit of general local govern-  
4 ment with a population of 500,000 or  
5 more, except that after the initial 2-year  
6 period following such designation pursuant  
7 to this clause that occurs after the date of  
8 enactment of the Workforce Investment  
9 Improvement Act of 2011, the Governor  
10 shall only be required to approve a request  
11 for designation from such area if such  
12 area—

13 “(I) performed successfully; and

14 “(II) sustained fiscal integrity;

15 “(ii) was a local area under this title  
16 for the preceding 2-year period, if such  
17 local area—

18 “(I) performed successfully; and

19 “(II) sustained fiscal integrity;

20 “(iii) is served by a rural concentrated  
21 employment program grant recipient, ex-  
22 cept that after the initial 2-year period fol-  
23 lowing any such designation under the ini-  
24 tial State plan submitted after the date of  
25 enactment of the Workforce Investment



1 Improvement Act of 2011, the Governor  
2 shall only be required to approve a request  
3 for designation under this clause for such  
4 area if such area—

5 “(I) performed successfully; and

6 “(II) sustained fiscal integrity; or

7 “(iv) was a local area under section  
8 116(a)(2)(C) (as in effect on the day be-  
9 fore the date of enactment of the Work-  
10 force Investment Improvement Act of  
11 2011), except that after the initial 2-year  
12 period following such designation pursuant  
13 to this clause that occurs after that date of  
14 enactment, the Governor shall only be re-  
15 quired to approve a request for designation  
16 under this clause for such area if such  
17 area—

18 “(I) performed successfully; and

19 “(II) sustained fiscal integrity.

20 “(B) DEFINITIONS.—For purposes of this  
21 paragraph:

22 “(i) PERFORMED SUCCESSFULLY.—

23 The term ‘performed successfully’, when  
24 used with respect to a local area, means  
25 the local area performed at 80 percent or

1 more of the adjusted level of performance  
2 for core indicators of performance de-  
3 scribed in section 136(b)(2)(A) for 2 con-  
4 secutive years.

5 “(ii) SUSTAINED FISCAL INTEG-  
6 RITY.—The term ‘sustained fiscal integ-  
7 rity’, used with respect to an area, means  
8 that the Secretary has not made a formal  
9 determination during the preceding 2-year  
10 period that either the grant recipient or  
11 the administrative entity of the area mis-  
12 expended funds provided under this title  
13 due to willful disregard of the requirements  
14 of the Act involved, gross negligence, or  
15 failure to comply with accepted standards  
16 of administration.”.

17 (3) CONFORMING AMENDMENTS.—Section  
18 116(a) (29 U.S.C. 2831(a)) is amended—

19 (A) by striking paragraph (3); and

20 (B) by redesignating paragraphs (4) and  
21 (5) as paragraph (3) and (4), respectively.

22 (b) SINGLE LOCAL AREA STATES.—Section 116(b)  
23 (29 U.S.C. 2831(b)) is amended to read as follows:

24 “(b) SINGLE LOCAL AREA STATES.—

1           “(1) CONTINUATION OF PREVIOUS DESIGNA-  
2           TION.—Notwithstanding subsection (a), the Gov-  
3           ernor of any State that was a single local area for  
4           purposes of this title as of January 1, 2011, may  
5           continue to designate the State as a single local area  
6           for purposes of this title if the Governor identifies  
7           the State as a local area in the State plan under sec-  
8           tion 112(b)(5).

9           “(2) NEW DESIGNATION.—The Governor of a  
10          State not described in paragraph (1) may designate  
11          the State as a single local area if, prior to the sub-  
12          mission of the State plan or modification to such  
13          plan so designating the State, no local area meeting  
14          the requirements for automatic designation under  
15          subsection (a) requests such designation as a sepa-  
16          rate local area.

17          “(3) EFFECT ON LOCAL PLAN.—In any case in  
18          which the local area is the State pursuant to this  
19          subsection, the local plan under section 118 shall be  
20          submitted to the Secretary for approval as part of  
21          the State plan under section 112.”.

22          (c) REGIONAL PLANNING.—Section 116(c) (29  
23 U.S.C. 2831(c)) is amended—

24                 (1) in paragraph (1), by adding at the end the  
25                 following: “The State may require the local boards

1 for the designated region to prepare a single regional  
2 plan that incorporates the elements of the local plan  
3 under section 118 and that is submitted and ap-  
4 proved in lieu of separate local plans under such sec-  
5 tion.”; and

6 (2) in paragraph (2), by striking “employment  
7 statistics” and inserting “workforce and labor mar-  
8 ket information”.

9 **SEC. 106. LOCAL WORKFORCE INVESTMENT BOARDS.**

10 (a) COMPOSITION.—Section 117(b)(2) (29 U.S.C.  
11 2832(b)(2)) is amended—

12 (1) in subparagraph (A)—

13 (A) in clause (i)(II), by inserting “, busi-  
14 nesses that are in the leading industries in the  
15 local area, and large and small businesses in  
16 the local area” after “local area”;

17 (B) by amending clause (ii) to read as fol-  
18 lows:

19 “(ii) a superintendent of the local sec-  
20 ondary school system, the president or  
21 chief executive officer of a post-secondary  
22 educational institution (including commu-  
23 nity colleges, where such entities exist),  
24 and an administrator of local entities pro-

1           viding adult education and literacy activi-  
2           ties;”;

3           (C) in clause (iii)—

4                 (i) by striking “representatives” and  
5                 inserting “one or more representatives”;  
6                 and

7                 (ii) by inserting “or by labor organiza-  
8                 tions in the local area” after “federations”;

9           (D) in clause (iv)—

10                (i) by striking “representatives” and  
11                inserting “one or more representatives”;  
12                and

13                (ii) by striking the semicolon and in-  
14                serting “and faith-based organizations;  
15                and”;

16           (E) in clause (v) by inserting “one or  
17           more” before “representatives”; and

18           (F) by striking clause (vi);

19           (2) in subparagraph (B), by striking the period  
20           and inserting “; and”; and

21           (3) by adding at the end the following subpara-  
22           graph:

23                   “(C) except for the individuals described in  
24                   subparagraph (A)(ii), shall not include any indi-  
25                   vidual who is employed by an entity receiving

1 funds for the provision of services under chap-  
2 ters 4 or 5.”.

3 (b) **AUTHORITY OF BOARD MEMBERS.**—Section  
4 117(b)(3) (29 U.S.C. 2832(b) is amended—

5 (1) in the heading, by inserting “**AND REP-**  
6 **RESENTATION**” after “**MEMBERS**”; and

7 (2) by adding at the end the following:

8 “(6) **QUORUM.**—A majority of the members of  
9 the local board who are representatives described in  
10 paragraph (1)(A)(i) shall be present to constitute a  
11 quorum. The Board may hold hearings without a  
12 quorum, but any recommendation of the Board may  
13 be passed only at a meeting for which there is a  
14 quorum present.”.

15 (c) **FUNCTIONS.**—Section 117(d) (29 U.S.C.  
16 2832(d) is amended—

17 (1) in paragraph (2)(B), by striking “by award-  
18 ing grants” and all that follows through “youth  
19 council”;

20 (2) by striking paragraph (2)(D) and inserting  
21 the following:

22 “(D) **IDENTIFICATION OF ELIGIBLE PRO-**  
23 **VIDERS OF WORK READY SERVICES.**—If the  
24 one-stop operator does not provide the work  
25 ready services described in section 134(c)(2) in

1 the local area, the local board shall identify eli-  
2 gible providers of such services in the local area  
3 by awarding contracts.”;

4 (3) in paragraph (3)(B) by striking clause (ii)  
5 and inserting the following:

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

9 (4) in paragraph (4) by inserting “, and ensure  
10 the appropriate use and management of the funds  
11 provided under this title for such programs, activi-  
12 ties, and system” after “area”;

13 (5) in paragraph (6)—

14 (A) by striking “EMPLOYMENT STATISTICS  
15 SYSTEM” and inserting “WORKFORCE AND  
16 LABOR MARKET INFORMATION SYSTEM”; and

17 (B) by striking “employment statistics sys-  
18 tem” and inserting “workforce and labor mar-  
19 ket information system”;

20 (6) by amending paragraph (8) to read as fol-  
21 lows:

22 “(8) CONVENING, BROKERING, AND  
23 LEVERAGING.—The local board shall support a com-  
24 prehensive workforce investment system for the local  
25 area and promote the participation by private sector

1 employers, service providers, and other stakeholders  
2 in such system. The Board shall ensure the effective  
3 provision, through the system, of convening,  
4 brokering, and leveraging activities, through inter-  
5 mediaries such as the one-stop operator in the local  
6 area or through other organizations, to assist such  
7 employers in meeting hiring needs. Such activities  
8 may include—

9 “(A) convening private sector employers,  
10 including small employers, labor, economic de-  
11 velopment, and education leaders in the area to  
12 align system missions and services, and to iden-  
13 tify and meet the employment, education, and  
14 skills training needs of the local area in support  
15 of regional and local economic growth strate-  
16 gies;

17 “(B) providing leadership in the design  
18 and implementation of a comprehensive work-  
19 force development system that extends beyond  
20 those programs authorized under title I of this  
21 Act (including programs identified in section  
22 121(b)) for the local area;

23 “(C) brokering relationships and service  
24 arrangements across system stakeholders and  
25 partners; and



1           “(D) leveraging resources other than those  
2           provided under title I of this Act, including  
3           public and private resources, to significantly ex-  
4           pand resources available for employment and  
5           training activities identified as necessary in the  
6           local area.”; and

7           (7) by adding at the end the following:

8           “(9) TECHNOLOGY IMPROVEMENTS.—The local  
9           board shall develop strategies for technology im-  
10          provements to facilitate access to services, in remote  
11          areas, for services authorized under this subtitle and  
12          carried out in the local area.”.

13          (d) LIMITATIONS.—Section 117(f) (29 U.S.C.  
14 2832(f)) is amended by striking paragraph (2) and insert-  
15 ing the following:

16           “(2) WORK READY SERVICES, DESIGNATION, OR  
17          CERTIFICATION AS ONE-STOP OPERATORS.—A local  
18          board may provide work ready services described in  
19          section 134(c)(2) through a one-stop delivery system  
20          described in section 121 or be designated or certified  
21          as a one-stop operator only with the agreement of  
22          the chief elected official and the Governor.”.

23          (e) CONFLICT OF INTEREST.—Section 117(g)(1) (29  
24 U.S.C. 2832(g)(1)) is amended by inserting “or partici-  
25 pate in action taken” after “vote”.

1 (f) AUTHORITY TO ESTABLISH COUNCILS AND  
2 ELIMINATION OF REQUIREMENT FOR YOUTH COUN-  
3 CILS.—Section 117(h) (29 U.S.C. 2832(h)) is amended to  
4 read as follows:

5 “(h) ESTABLISHMENT OF COUNCILS.—The local  
6 board may establish councils to provide information and  
7 advice to assist the local board in carrying out activities  
8 under this title. Such councils may include a council com-  
9 posed of one-stop partners to advise the local board on  
10 the operation of the one-stop delivery system, a youth  
11 council composed of experts and stakeholders in youth  
12 programs to advise the local board on activities for youth,  
13 and such other councils as the local board determines are  
14 appropriate.”.

15 (g) ALTERNATIVE ENTITY PROVISION.—Section 117  
16 (29 U.S.C. 2832) is amended—

17 (1) in subsection (e)(1)(C), by striking “section  
18 116(a)(2)(B)” and inserting “section  
19 116(a)(2)(A)(iii)”;

20 (2) in subsection (f)(1)(A), by striking “section  
21 134(d)(4)” and inserting “section 134(c)(4)”;

22 (3) in subsection (i)(1)—

23 (A) in the matter preceding subparagraph  
24 (A), by striking “, and paragraphs (1) and (2)  
25 of subsection (h),”;

1 (B) by striking subparagraph (B) and in-  
2 serting the following:

3 “(B) was in existence on August 7, 1998,  
4 pursuant to State law; and”;

5 (C) by striking subparagraph (C);

6 (D) by redesignating subparagraph (D) as  
7 subparagraph (C); and

8 (E) in subparagraph (C) (as redesignated),  
9 by inserting “one or more” before “representa-  
10 tives”.

11 **SEC. 107. LOCAL PLAN.**

12 (a) **PLANNING CYCLE.**—Section 118(a) (29 U.S.C.  
13 2833(a)) is amended by striking “5-year” and inserting  
14 “2-year”.

15 (b) **CONTENTS.**—Section 118(b) (29 U.S.C. 2833(b))  
16 is amended—

17 (1) by amending paragraph (2) to read as fol-  
18 lows:

19 “(2) a description of the one-stop delivery sys-  
20 tem to be established or designated in the local area,  
21 including a description of how the local board will  
22 ensure the continuous improvement of eligible pro-  
23 viders of services through the system and ensure  
24 that such providers meet the employment needs of  
25 local employers and participants;”;

1           (2) in paragraph (4), by inserting before the  
2           semicolon “, including a description of how the local  
3           area will implement the requirements of section  
4           134(c)(4)(G) relating to ensuring that training serv-  
5           ices are linked to occupations that are in demand”;

6           (3) in paragraph (5), by striking “statewide  
7           rapid response activities” and inserting “statewide  
8           activities”;

9           (4) in paragraph (9), by striking “; and” and  
10          inserting a semicolon; and

11          (5) by redesignating paragraph (10) as para-  
12          graph (13) and inserting after paragraph (9) the fol-  
13          lowing:

14                 “(10) a description of the strategies and serv-  
15                 ices that will be initiated in the local area to more  
16                 fully engage all employers, including small employ-  
17                 ers, in workforce investment activities, to make the  
18                 workforce investment system more relevant to the  
19                 needs of area businesses, and to better coordinate  
20                 workforce investment and economic development ef-  
21                 forts, which may include the implementation of inno-  
22                 vative initiatives such as incumbent worker training  
23                 programs, sectoral and industry cluster strategies,  
24                 regional skills alliance initiatives, career ladder pro-  
25                 grams, utilization of effective business inter-

1 mediaries, and other business services and strategies  
2 designed to meet the needs of area employers and  
3 contribute to the economic well-being of the local  
4 area, as determined appropriate by the local board,  
5 consistent with the objectives of this title;

6 “(11) a description of how the local board will  
7 facilitate access to services provided through the  
8 one-stop delivery system involved in remote areas,  
9 including facilitating access through the use of tech-  
10 nology, as appropriate;

11 “(12) how the local area will serve the employ-  
12 ment and training needs of individuals with disabil-  
13 ities, consistent with section 188 and Executive  
14 Order 13217 (42 U.S.C. 12131 note) including the  
15 provision of outreach, intake, assessments, and serv-  
16 ice delivery, the development of performance meas-  
17 ures, the training of staff, and other aspects of ac-  
18 cessibility to program services, consistent with sec-  
19 tions 504 and 508 of the Rehabilitation Act of 1973;  
20 and”.

21 **SEC. 108. ESTABLISHMENT OF ONE-STOP DELIVERY SYS-**

22 **TEMS.**

23 (a) ONE-STOP PARTNERS.—

24 (1) REQUIRED PARTNERS.—Section 121(b)(1)

25 (29 U.S.C. 2841(b)(1)) is amended—

1 (A) by striking subparagraph (A) and in-  
2 serting the following:

3 “(A) ROLES AND RESPONSIBILITIES OF  
4 ONE-STOP PARTNERS.—Each entity that carries  
5 out a program or activities described in sub-  
6 paragraph (B) shall—

7 “(i) provide access through the one-  
8 stop delivery system to the programs and  
9 activities carried out by the entity, includ-  
10 ing making the work ready services de-  
11 scribed in section 134(c)(2) that are appli-  
12 cable to the program of the entity available  
13 at the one-stop centers (in addition to any  
14 other appropriate locations);

15 “(ii) use a portion of the funds avail-  
16 able to the program of the entity to main-  
17 tain the one-stop delivery system, including  
18 payment of the infrastructure costs of one-  
19 stop centers in accordance with subsection  
20 (h);

21 “(iii) enter into a local memorandum  
22 of understanding with the local board re-  
23 lating to the operation of the one-stop sys-  
24 tem that meets the requirements of sub-  
25 section (c);

1           “(iv) participate in the operation of  
2           the one-stop system consistent with the  
3           terms of the memorandum of under-  
4           standing, the requirements of this title,  
5           and the requirements of the Federal laws  
6           authorizing the programs carried out by  
7           the entity; and

8           “(v) provide representation on the  
9           State board to the extent provided under  
10          section 111.”;

11          (B) in subparagraph (B)—

12           (i) by striking clauses (ii) and (v);

13           (ii) by redesignating clauses (iii) and  
14           (iv) as clauses (ii) and (iii), respectively,  
15           and by redesignating clauses (vi) through  
16           (xii) as clauses (iv) through (x), respec-  
17           tively;

18           (iii) in clause (ix) (as so redesign-  
19           ated), by striking “and” at the end;

20           (iv) in clause (x) (as so redesignated),  
21           by striking the period and inserting “;  
22           and”;

23           (v) by inserting after clause (x)(as so  
24           redesignated) the following:

1           “(xi) programs authorized under part  
2           A of title IV of the Social Security Act (42  
3           U.S.C. 601 et seq.), subject to subpara-  
4           graph (C); and

5           “(xii) programs authorized under sec-  
6           tion 6(d)(4) of the Food Stamp Act of  
7           1977 (7 U.S.C. 2015(d)(4)), subject to  
8           subparagraph (C).”; and

9           (C) by adding after subparagraph (B) the  
10          following:

11          “(C) DETERMINATION BY THE GOV-  
12          ERNOR.—The program referred to in clauses  
13          (xi) and (xii) of subparagraph (B) shall be in-  
14          cluded as a required partner for purposes of  
15          this title in a State unless the Governor of the  
16          State notifies the Secretary and the Secretary  
17          of Health and Human Services (in the case of  
18          the program referred to in clause (xi) of sub-  
19          paragraph (B)), or the Secretary and the Sec-  
20          retary of Agriculture (in the case of the pro-  
21          gram referred to in clause (xii) of subparagraph  
22          (B)) in writing of a determination by the Gov-  
23          ernor not to include such programs as required  
24          partners for purposes of this title in the  
25          State.”.



1           (2) ADDITIONAL PARTNERS.—Section 121(b)(2)  
2 (29 U.S.C. 2841(b)(2)) is amended—

3           (A) in subparagraph (A)(i), by striking  
4 “section 134(d)(2)” and inserting “section  
5 134(c)(2)”; and

6           (B) by amending subparagraph (B) to read  
7 as follows:

8           “(B) PROGRAMS.—The programs referred  
9 to in subparagraph (A) may include—

10           “(i) employment and training pro-  
11 grams administered by the Social Security  
12 Administration, including the Ticket to  
13 Work and Self-Sufficiency Program under  
14 section 1148 of the Social Security Act (42  
15 U.S.C. 1320b–19);

16           “(ii) employment and training pro-  
17 grams carried out by the Small Business  
18 Administration;

19           “(iii) programs under part D of title  
20 IV of the Social Security Act (42 U.S.C.  
21 451 et seq.) (relating to child support en-  
22 forcement);

23           “(iv) employment, training, and lit-  
24 eracy services carried out by public librar-  
25 ies;

1 “(v) programs carried out in the local  
2 area for individuals with disabilities, in-  
3 cluding programs carried out by State  
4 agencies relating to mental health, mental  
5 retardation, and developmental disabilities,  
6 State Medicaid agencies, State Inde-  
7 pendent Living Councils, and Independent  
8 Living Centers;

9 “(vi) programs authorized under the  
10 National and Community Service Act of  
11 1990 (42 U.S.C. 1250 et seq.);

12 “(vii) cooperative extension programs  
13 carried out by the Department of Agri-  
14 culture; and

15 “(viii) other appropriate Federal,  
16 State, or local programs, including pro-  
17 grams in the private sector.”.

18 (b) LOCAL MEMORANDUM OF UNDERSTANDING.—

19 Section 121(c)(2)(A) (29 U.S.C. 2841(c)(2)(A)) is amend-  
20 ed to read as follows:

21 “(A) provisions describing—

22 “(i) the services to be provided  
23 through the one-stop delivery system con-  
24 sistent with the requirements of this sec-  
25 tion, including the manner in which the

1 services will be coordinated through such  
2 system;

3 “(ii) how the costs of such services  
4 and the operating costs of such system will  
5 be funded, through cash and in-kind con-  
6 tributions, to provide a stable and equi-  
7 table funding stream for ongoing one-stop  
8 system operations, including the funding of  
9 the infrastructure costs of one-stop centers  
10 in accordance with subsection (h);

11 “(iii) methods of referral of individ-  
12 uals between the one-stop operator and the  
13 one-stop partners for appropriate services  
14 and activities; and

15 “(iv) the duration of the memo-  
16 randum of understanding and the proce-  
17 dures for amending the memorandum dur-  
18 ing the term of the memorandum, and as-  
19 surances that such memorandum shall be  
20 reviewed not less than once every 2-year  
21 period to ensure appropriate funding and  
22 delivery of services; and”.

23 (c) PROVISION OF SERVICES.—Section 121 (29  
24 U.S.C. 2841) is further amended—

25 (1) in subsection (d)—

1 (A) in paragraph (2), by striking “section  
2 134(c)” and inserting “subsection (e)”; and

3 (B) in paragraph (3), by striking “voca-  
4 tional” and inserting “career and technical”;  
5 and

6 (2) by amending subsection (e) to read as fol-  
7 lows:

8 “(e) ESTABLISHMENT OF ONE-STOP DELIVERY SYS-  
9 TEM.—

10 “(1) IN GENERAL.—There shall be established  
11 in a State that receives an allotment under section  
12 132(b) a one-stop delivery system, which—

13 “(A) shall provide the work ready services  
14 described in section 134(e)(2);

15 “(B) shall provide access to training serv-  
16 ices as described in section 134(e), including  
17 serving as the point of access to career en-  
18 hancement accounts for training services to  
19 participants in accordance with paragraph  
20 (4)(G) of such section;

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

23 “(D) shall provide access to programs and  
24 activities carried out by one-stop partners and  
25 described in subsection (b); and

1           “(E) shall provide access to the informa-  
2           tion described in section 15(e) of the Wagner-  
3           Peyser Act (29 U.S.C. 491-2(e)).

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

6           “(A) shall make each of the programs,  
7           services, and activities described in paragraph  
8           (1) accessible at not less than one physical cen-  
9           ter in each local area of the State; and

10          “(B) may also make programs, services,  
11          and activities described in paragraph (1) avail-  
12          able—

13                 “(i) through a network of affiliated  
14                 sites that can provide one or more of the  
15                 programs, services, and activities to indi-  
16                 viduals; and (ii) through a network of eligi-  
17                 ble one-stop partners—

18                         “(I) in which each partner pro-  
19                         vides one or more of the programs,  
20                         services, and activities to such individ-  
21                         uals and is accessible at an affiliated  
22                         site that consists of a physical loca-  
23                         tion or an electronically or techno-  
24                         logically linked access point; and

1                   “(II) that assures individuals  
2                   that information on the availability of  
3                   the work ready services will be avail-  
4                   able regardless of where the individ-  
5                   uals initially enter the statewide work-  
6                   force investment system, including in-  
7                   formation made available through an  
8                   access point described in subclause  
9                   (I).

10                   “(3) SPECIALIZED CENTERS.—The centers and  
11                   sites described in paragraph (2) may have a speciali-  
12                   zation in addressing special needs, such as the needs  
13                   of dislocated workers.”.

14                   (d) CERTIFICATION AND FUNDING OF ONE-STOP  
15                   CENTERS.—Section 121 (as amended by subsections (b)  
16                   and (c)) is further amended by adding at the end the fol-  
17                   lowing new subsections:

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

19                   “(1) IN GENERAL.—

20                   “(A) IN GENERAL.—The State board shall  
21                   establish objective procedures and criteria for  
22                   periodically certifying one-stop centers for the  
23                   purpose of awarding the one-stop infrastructure  
24                   funding described in subsection (h).

1           “(B) CRITERIA.—The criteria for certifi-  
2 cation under this subsection shall include—

3           “(i) meeting all of the expected levels  
4 of performance for each of the core indica-  
5 tors of performance as outlined in the  
6 State plan, according to section 112;

7           “(ii) meeting minimum standards re-  
8 lating to the scope and degree of service  
9 integration achieved by the centers involv-  
10 ing the programs provided by the one-stop  
11 partners; and

12           “(iii) meeting minimum standards re-  
13 lating to how the centers ensure that pro-  
14 viders meet the employment needs of local  
15 employers and participants.

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

20           “(2) LOCAL BOARDS.—Consistent with the cri-  
21 teria developed by the State, the local board may de-  
22 velop additional criteria of higher standards to re-  
23 spond to local labor market and demographic condi-  
24 tions and trends.

25           “(h) ONE-STOP INFRASTRUCTURE FUNDING.—

1           “(1) PARTNER CONTRIBUTIONS.—

2                   “(A) PROVISION OF FUNDS.—Notwith-  
3 standing any other provision of law, as deter-  
4 mined under subparagraph (B), a portion of the  
5 Federal funds provided to the State and areas  
6 within the State under the Federal laws author-  
7 izing the one-stop partner programs described  
8 in subsection (b)(1)(B) and participating addi-  
9 tional partner programs described in (b)(2)(B)  
10 for a fiscal year shall be provided to the Gov-  
11 ernor by such programs to carry out this sub-  
12 section.

13                   “(B) DETERMINATION OF GOVERNOR.—

14                           “(i) IN GENERAL.—Subject to sub-  
15 subparagraph (C), the Governor, in consulta-  
16 tion with the State board, shall determine  
17 the portion of funds to be provided under  
18 subparagraph (A) by each one-stop partner  
19 and in making such determination shall  
20 consider the proportionate use of the one-  
21 stop centers by each partner, the costs of  
22 administration for purposes not related to  
23 one-stop centers for each partner, and  
24 other relevant factors described in para-  
25 graph (3).



1           “(ii) SPECIAL RULE.—In those States  
2 where the State constitution places policy-  
3 making authority that is independent of  
4 the authority of the Governor in an entity  
5 or official with respect to the funds pro-  
6 vided for adult education and literacy ac-  
7 tivities authorized under title II of this Act  
8 and for post-secondary career education  
9 activities authorized under the Carl D.  
10 Perkins Career and Technical Education  
11 Act, the determination described in clause  
12 (i) with respect to such programs shall be  
13 made by the Governor with the appropriate  
14 entity or official with such independent  
15 policy-making authority.

16           “(iii) APPEAL BY ONE-STOP PART-  
17 NERS.—The Governor shall establish a  
18 procedure for the one-stop partner admin-  
19 istering a program described in subsection  
20 (b) to appeal a determination regarding  
21 the portion of funds to be contributed  
22 under this paragraph on the basis that  
23 such determination is inconsistent with the  
24 criteria described in the State plan or with  
25 the requirements of this paragraph. Such

1 procedure shall ensure prompt resolution  
2 of the appeal.

3 “(C) LIMITATIONS.—

4 “(i) PROVISION FROM ADMINISTRA-  
5 TIVE FUNDS.—The funds provided under  
6 this paragraph by each one-stop partner  
7 shall be provided only from funds available  
8 for the costs of administration under the  
9 program administered by such partner,  
10 and shall be subject to the limitations with  
11 respect to the portion of funds under such  
12 programs that may be used for administra-  
13 tion.

14 “(ii) FEDERAL DIRECT SPENDING  
15 PROGRAMS.—Programs that are Federal  
16 direct spending under section 250(c)(8) of  
17 the Balanced Budget and Emergency Def-  
18 icit Control Act of 1985 (2 U.S.C.  
19 900(c)(8)) shall not, for purposes of this  
20 paragraph, be required to provide an  
21 amount in excess of the amount deter-  
22 mined to be equivalent to the proportionate  
23 use of the one-stop centers by such pro-  
24 grams in the State.

1                   “(iii) NATIVE AMERICAN PRO-  
2                   GRAMS.—Native American programs estab-  
3                   lished under section 166 shall not be sub-  
4                   ject to the provisions of this subsection.  
5                   The method for determining the appro-  
6                   priate portion of funds to be provided by  
7                   such Native American programs to pay for  
8                   the costs of infrastructure of a one-stop  
9                   center certified under subsection (g) shall  
10                  be determined as part of the development  
11                  of the memorandum of understanding  
12                  under subsection (c) for the one-stop cen-  
13                  ter and shall be stated in the memo-  
14                  randum.

15                  “(2) ALLOCATION BY GOVERNOR.—From the  
16                  funds provided under paragraph (1), the Governor  
17                  shall allocate funds to local areas in accordance with  
18                  the formula established under paragraph (3) for the  
19                  purposes of assisting in paying the costs of the in-  
20                  frastructure of one-stop centers certified under sub-  
21                  section (g).

22                  “(3) ALLOCATION FORMULA.—The State board  
23                  shall develop a formula to be used by the Governor  
24                  to allocate the funds described in paragraph (1).  
25                  The formula shall include such factors as the State

1 board determines are appropriate, which may in-  
2 clude factors such as the number of centers in the  
3 local area that have been certified, the population  
4 served by such centers, and the performance of such  
5 centers.

6 “(4) COSTS OF INFRASTRUCTURE.—For pur-  
7 poses of this subsection, the term ‘costs of infra-  
8 structure’ means the nonpersonnel costs that are  
9 necessary for the general operation of a one-stop  
10 center, including the rental costs of the facilities, the  
11 costs of utilities and maintenance, and equipment  
12 (including adaptive technology for individuals with  
13 disabilities).

14 “(i) OTHER FUNDS.—

15 “(1) IN GENERAL.—In addition to the funds  
16 provided to carry out subsection (h), a portion of  
17 funds made available under Federal law authorizing  
18 the one-stop partner programs described in sub-  
19 section (b)(1)(B) and participating partner pro-  
20 grams described in subsection (b)(2)(B), or the  
21 noncash resources available under such programs  
22 shall be used to pay the costs relating to the oper-  
23 ation of the one-stop delivery system that are not  
24 paid for from the funds provided under subsection

1 (h), to the extent not inconsistent with the Federal  
2 law involved including—

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

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

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

9 “(2) DETERMINATION AND GUIDANCE.—The  
10 method for determining the appropriate portion of  
11 funds and noncash resources to be provided by each  
12 program under paragraph (1) shall be determined as  
13 part of the memorandum of understanding under  
14 subsection (c). The State board shall provide guid-  
15 ance to facilitate the determination of appropriate  
16 allocation of the funds and noncash resources in  
17 local areas.”.

18 **SEC. 109. ELIGIBLE PROVIDERS OF TRAINING SERVICES.**

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

21 **“SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF  
22 TRAINING SERVICES.**

23 “(a) ELIGIBILITY.—

24 “(1) IN GENERAL.—The Governor, after con-  
25 sultation with the State board, shall establish cri-

1       teria and procedures regarding the eligibility of pro-  
2       viders of training services described in section  
3       134(c)(4) to receive funds provided under section  
4       133(b) for the provision of such training services.

5           “(2) PROVIDERS.—Subject to the provisions of  
6       this section, to be eligible to receive the funds pro-  
7       vided under section 133(b) for the provision of train-  
8       ing services, the provider shall be—

9           “(A) a post-secondary educational institu-  
10       tion that—

11           “(i) is eligible to receive Federal funds  
12       under title IV of the Higher Education Act  
13       of 1965 (20 U.S.C. 1070 et seq.); and

14           “(ii) provides a program that leads to  
15       an associate degree, baccalaureate degree,  
16       or industry-recognized certification;

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

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

24           “(3) INCLUSION IN LIST OF ELIGIBLE PRO-  
25       VIDERS.—A provider described in subparagraph (A)

1 or (C) of paragraph (2) shall comply with the cri-  
2 teria and procedures established under this section  
3 to be included on the list of eligible providers of  
4 training services described in subsection (d)(1). A  
5 provider described in paragraph (2)(B) shall be in-  
6 cluded on the list of eligible providers of training  
7 services described in subsection (d)(1) for so long as  
8 the provider remains certified by the Department of  
9 Labor to carry out the programs described in para-  
10 graph (2)(B).

11 “(b) CRITERIA.—

12 “(1) IN GENERAL.—The criteria established  
13 pursuant to subsection (a) shall take into account—

14 “(A) the performance of providers of train-  
15 ing services with respect to the performance  
16 measures described in section 136 and other  
17 matters for which information is required under  
18 paragraph (2) and other appropriate measures  
19 of performance outcomes for those participants  
20 receiving training services under this subtitle  
21 (taking into consideration the characteristics of  
22 the population served and relevant economic  
23 conditions);

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

4           “(C) the need to ensure access to training  
5 services throughout the State, including any  
6 rural areas;

7           “(D) the ability of providers to offer pro-  
8 grams that lead to a degree or an industry-rec-  
9 ognized certification, certificate, or mastery;

10           “(E) the information such providers are  
11 required to report to State agencies with re-  
12 spect to other Federal and State programs  
13 (other than the program carried out under this  
14 subtitle), including one-stop partner programs;  
15 and

16           “(F) such other factors as the Governor  
17 determines are appropriate to ensure the qual-  
18 ity of services provided, the accountability of  
19 providers, that the one-stop centers will ensure  
20 that such providers meet the needs of local em-  
21 ployers and participants, and the informed  
22 choice of participants under chapter 5.

23           “(2) INFORMATION.—The criteria established  
24 by the Governor shall require that a provider of  
25 training services submit appropriate, accurate, and



1 timely information to the State for purposes of car-  
2 rying out subsection (d), with respect to participants  
3 receiving training services under this subtitle in the  
4 applicable program, including—

5 “(A) information on degrees and industry-  
6 recognized certifications received by such par-  
7 ticipants;

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

10 “(C) information on the program comple-  
11 tion rate for such participants; and

12 “(D) information on the performance of  
13 the provider with respect to the performance  
14 measures described in section 136 for such par-  
15 ticipants (taking into consideration the charac-  
16 teristics of the population served and relevant  
17 economic conditions), which may include infor-  
18 mation specifying the percentage of such par-  
19 ticipants who entered unsubsidized employment  
20 in an occupation related to the program.

21 “(3) RENEWAL.—The criteria established by  
22 the Governor shall also provide for biennial review  
23 and renewal of eligibility under this section for pro-  
24 viders of training services.

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

9           “(5) LIMITATION.—In carrying out the require-  
10          ments of this subsection, no personally identifiable  
11          information regarding a student, including Social  
12          Security number, student identification number, or  
13          other identifier, may be disclosed without the prior  
14          written consent of the parent or eligible student in  
15          compliance with section 444 of the General Edu-  
16          cation Provisions Act (20 U.S.C. 1232g).

17          “(c) PROCEDURES.—The procedures established  
18          under subsection (a) shall identify the application process  
19          for a provider of training services to become eligible to  
20          receive funds under section 133(b) for the provision of  
21          training services, and identify the respective roles of the  
22          State and local areas in receiving and reviewing applica-  
23          tions and in making determinations of eligibility based on  
24          the criteria established under this section. The procedures  
25          shall also establish a process for a provider of training

1 services to appeal a denial or termination of eligibility  
2 under this section that includes an opportunity for a hear-  
3 ing and prescribes appropriate time limits to ensure  
4 prompt resolution of the appeal.

5 “(d) INFORMATION TO ASSIST PARTICIPANTS IN  
6 CHOOSING PROVIDERS.—In order to facilitate and assist  
7 participants under chapter 5 in choosing providers of  
8 training services, the Governor shall ensure that an appro-  
9 priate list or lists of providers determined eligible under  
10 this section in the State, including information regarding  
11 the occupations in demand that relate to the training pro-  
12 grams of such providers, is provided to the local boards  
13 in the State to be made available to such participants and  
14 to members of the public through the one-stop delivery  
15 system in the State. The accompanying information shall  
16 consist of information provided by providers described in  
17 subparagraphs (A) and (C) of subsection (a)(2) in accord-  
18 ance with subsection (b) (including information on receipt  
19 of degrees and industry-recognized certifications, and  
20 costs of attendance, for participants receiving training  
21 services under this subtitle in applicable programs) and  
22 such other information as the Secretary determines is ap-  
23 propriate. The list and the accompanying information  
24 shall be made available to such participants and to mem-

1 bers of the public through the one-stop delivery system  
2 in the State.

3 “(e) ENFORCEMENT.—

4 “(1) IN GENERAL.—The criteria and proce-  
5 dures established under this section shall provide the  
6 following:

7 “(A) INTENTIONALLY SUPPLYING INAC-  
8 CURATE INFORMATION.—Upon a determination,  
9 by an individual or entity specified in the cri-  
10 teria or procedures, that a provider of training  
11 services, or individual providing information on  
12 behalf of the provider, intentionally supplied in-  
13 accurate information under this section, the eli-  
14 gibility of such provider to receive funds under  
15 chapter 5 shall be terminated for a period of  
16 time that is not less than 2 years.

17 “(B) SUBSTANTIAL VIOLATIONS.—Upon a  
18 determination, by an individual or entity speci-  
19 fied in the criteria or procedures, that a pro-  
20 vider of training services substantially violated  
21 any requirement under this title, the eligibility  
22 of such provider to receive funds under the pro-  
23 gram involved may be terminated, or other ap-  
24 propriate action may be taken.

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

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

11          “(f) AGREEMENTS WITH OTHER STATES.—States  
12          may enter into agreements, on a reciprocal basis, to per-  
13          mit eligible providers of training services to accept career  
14          enhancement accounts provided in another State.

15          “(g) RECOMMENDATIONS.—In developing the cri-  
16          teria, procedures, and information required under this sec-  
17          tion, the Governor shall solicit and take into consideration  
18          the recommendations of local boards and providers of  
19          training services within the State.

20          “(h) OPPORTUNITY TO SUBMIT COMMENTS.—Dur-  
21          ing the development of the criteria, procedures, require-  
22          ments for information, and the list of eligible providers  
23          required under this section, the Governor shall provide an  
24          opportunity for interested members of the public, includ-  
25          ing representatives of business and labor organizations, to

1 submit comments regarding such criteria, procedures, and  
2 information.

3 “(i) ON-THE-JOB TRAINING OR CUSTOMIZED TRAIN-  
4 ING EXCEPTION.—

5 “(1) IN GENERAL.—Providers of on-the-job  
6 training or customized training shall not be subject  
7 to the requirements of subsections (a) through (d).

8 “(2) COLLECTION AND DISSEMINATION OF IN-  
9 FORMATION.—A one-stop operator in a local area  
10 shall collect such performance information from on-  
11 the-job training and customized training providers  
12 as the Governor may require, determine whether the  
13 providers meet such performance criteria as the Gov-  
14 ernor may require, and disseminate information  
15 identifying providers that meet the criteria as eligi-  
16 ble providers, and the performance information,  
17 through the one-stop delivery system. Providers de-  
18 termined to meet the criteria shall be considered to  
19 be identified as eligible providers of training serv-  
20 ices.”.

21 **SEC. 110. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.**

22 (a) ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.—  
23 Section 123 (29 U.S.C. 2843) is amended to read as fol-  
24 lows:

1 **“SEC. 123. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.**

2 “(a) IN GENERAL.—From the funds allocated under  
3 section 128(b) to a local area, the local board for such  
4 area shall award grants or contracts on a competitive basis  
5 to providers of youth activities identified based on the cri-  
6 teria in the State plan and shall conduct oversight with  
7 respect to such providers.

8 “(b) EXCEPTIONS.—A local board may award grants  
9 or contracts on a sole-source basis if such board deter-  
10 mines there are an insufficient number of eligible pro-  
11 viders of training services in the local area involved (such  
12 as rural areas) for grants to be awarded on a competitive  
13 basis under subsection (a).”

14 (b) CLERICAL AMENDMENT.—The table of contents  
15 in section 1(b) is amended by amending the item related  
16 to section 123 to read as follows:

“Sec. 123. Eligible providers of youth activities.”

17 **SEC. 111. YOUTH ACTIVITIES.**

18 (a) STATE ALLOTMENTS.—Section 127 (29 U.S.C.  
19 2852(a)) is amended—

20 (1) in subsection (a)(1), by striking “oppor-  
21 tunity” and inserting “challenge”; and

22 (2) by striking subsection (b) and inserting the  
23 following:

24 “(b) ALLOTMENT AMONG STATES.—

25 “(1) YOUTH ACTIVITIES.—

1 “(A) YOUTH CHALLENGE GRANTS.—

2 “(i) RESERVATION OF FUNDS.—Of  
3 the amount appropriated under section  
4 137(a) for each fiscal year, the Secretary  
5 shall reserve 25 percent to provide youth  
6 challenge grants under section 169.

7 “(ii) LIMITATION.—Notwithstanding  
8 clause (i), if the amount appropriated  
9 under section 137(a) for a fiscal year ex-  
10 ceeds \$1,000,000,000, the Secretary shall  
11 reserve \$250,000,000 to provide youth  
12 challenge grants under section 169.

13 “(B) OUTLYING AREAS AND NATIVE AMER-  
14 ICANS.—

15 “(i) IN GENERAL.—After determining  
16 the amount to be reserved under subpara-  
17 graph (A), of the remainder of the amount  
18 appropriated under section 137(a) for each  
19 fiscal year the Secretary shall—

20 “(I) reserve not more than  $\frac{1}{4}$  of  
21 one percent of such amount to provide  
22 assistance to the outlying areas to  
23 carry out youth activities and state-  
24 wide workforce investment activities;  
25 and



1                   “(II) reserve not more than 1  
2                   and 1/2 percent of such amount to  
3                   provide youth activities under section  
4                   166 (relating to Native Americans).

5                   “(ii) RESTRICTION.—The Republic of  
6                   Palau shall cease to be eligible to receive  
7                   funding under this subparagraph upon en-  
8                   tering into an agreement for extension of  
9                   United States educational assistance under  
10                  the Compact of Free Association (approved  
11                  by the Compact of Free Association  
12                  Amendments Act of 2003 (Public Law  
13                  108–188)) after the date of enactment of  
14                  the Workforce Investment Improvement  
15                  Act of 2011.

16                  “(C) STATES.—

17                  “(i) IN GENERAL.—Of the remainder  
18                  of the amount appropriated under section  
19                  137(a) for a fiscal year that is available  
20                  after determining the amounts to be re-  
21                  served under subparagraphs (A) and (B),  
22                  the Secretary shall allot—

23                  “(I) the amount of the remainder  
24                  that is less than or equal to the total  
25                  amount that was allotted to States for

1 fiscal year 2012 under section  
2 127(b)(1)(C) of this Act (as in effect  
3 on the day before the date of enact-  
4 ment of the Workforce Investment  
5 Improvement Act of 2011) in accord-  
6 ance with the requirements of such  
7 section 127(b)(1)(C); and

8 “(II) the amount of the remain-  
9 der, if any, in excess of the amount  
10 referred to in subclause (I) in accord-  
11 ance with clause (ii).

12 “(ii) FORMULAS FOR EXCESS  
13 FUNDS.—Subject to clauses (iii) and (iv),  
14 of the amounts described in clause  
15 (i)(II)—

16 “(I)  $33\frac{1}{3}$  percent shall be allot-  
17 ted on the basis of the relative num-  
18 ber of individuals in the civilian labor  
19 force who are ages 16 through 19 in  
20 each State, compared to the total  
21 number of individuals in the civilian  
22 labor force who are ages 16 through  
23 19 in all States;

24 “(II)  $33\frac{1}{3}$  percent shall be allot-  
25 ted on the basis of the relative num-

1                   ber of unemployed individuals in each  
2                   State, compared to the total number  
3                   of unemployed individuals in all  
4                   States; and

5                   “(III)  $33\frac{1}{3}$  percent shall be allot-  
6                   ted on the basis of the relative num-  
7                   ber of disadvantaged youth who are  
8                   ages 16 through 21 in each State,  
9                   compared to the total number of dis-  
10                  advantaged youth who are ages 16  
11                  through 21 in all States.

12                  “(iii) MINIMUM AND MAXIMUM PER-  
13                  CENTAGES.—The Secretary shall ensure  
14                  that no State shall receive an allotment for  
15                  a fiscal year that is less than 90 percent  
16                  or greater than 130 percent of the allot-  
17                  ment percentage of that State for the pre-  
18                  ceding fiscal year.

19                  “(iv) SMALL STATE MINIMUM ALLOT-  
20                  MENT.—Subject to clause (iii), the Sec-  
21                  retary shall ensure that no State shall re-  
22                  ceive an allotment under this paragraph  
23                  that is less than  $\frac{3}{10}$  of 1 percent of the  
24                  amount available under subparagraph (A).

1           “(2) DEFINITIONS.—For the purposes of para-  
2 graph (1), the following definitions apply:

3           “(A) ALLOTMENT PERCENTAGE.—The  
4 term ‘allotment percentage’, used with respect  
5 to fiscal year 2013 or a subsequent fiscal year,  
6 means a percentage of the remainder described  
7 in paragraph (1)(C)(i) that is received through  
8 an allotment made under this subsection for the  
9 fiscal year. The term, with respect to fiscal year  
10 2012, means the percentage of the amounts al-  
11 lotted to States under this chapter (as in effect  
12 on the day before the date of enactment of the  
13 Workforce Investment Improvement Act of  
14 2011) that is received by the State involved for  
15 fiscal year 2012.

16           “(B) DISADVANTAGED YOUTH.—The term  
17 ‘disadvantaged youth’ means an individual who  
18 is age 16 through 21 who received an income,  
19 or is a member of a family that received a total  
20 family income, that, in relation to family size,  
21 does not exceed the poverty line.

22           “(3) SPECIAL RULE.—For purposes of the for-  
23 mulas specified in paragraph (1)(C), the Secretary  
24 shall, as appropriate and to the extent practicable,  
25 exclude college students and members of the Armed

1 Forces from the determination of the number of dis-  
2 advantaged youth.”;

3 (3) in subsection (c)—

4 (A) by amending paragraph (2) to read as  
5 follows:

6 “(2) AMOUNT.—The amount available for real-  
7 lotment for a program year is equal to the amount  
8 by which the unexpended balance at the end of the  
9 program year prior to the program year for which  
10 the determination is made exceeds 30 percent of the  
11 total amount of funds available to the State under  
12 this section during such prior program year (includ-  
13 ing amounts allotted to the State in all prior pro-  
14 gram years that remained available). For purposes  
15 of this paragraph, the expended balance is the  
16 amount that is the difference between—

17 “(A) the total amount of funds available to  
18 the State under this section during the program  
19 year prior to the program year for which the  
20 determination is made (including amounts allot-  
21 ted to the State in all prior program years that  
22 remained available); and

23 “(B) the accrued expenditures during such  
24 prior program year.”;

25 (B) in paragraph (3)—

1 (i) by striking “for the prior program  
2 year” and inserting “for the program year  
3 in which the determination is made”; and

4 (ii) by striking “such prior program  
5 year” and inserting “such program year”;

6 (C) by amending paragraph (4) to read as  
7 follows:

8 “(4) ELIGIBILITY.—For purposes of this sub-  
9 section, an eligible State means a State which does  
10 not have an amount available for reallocation under  
11 paragraph (2) for the program year for which the  
12 determination under paragraph (2) is made.”; and

13 (D) in paragraph (5), by striking “obliga-  
14 tion” and inserting “accrued expenditure”.

15 (b) WITHIN STATE ALLOCATIONS.—

16 (1) RESERVATION FOR STATEWIDE ACTIVI-  
17 TIES.—Section 128(a) is amended to read as follows:

18 “(a) RESERVATION FOR STATEWIDE ACTIVITIES.—

19 “(1) IN GENERAL.—The Governor of a State  
20 shall reserve not more than 10 percent of the  
21 amount allotted to the State under section  
22 127(a)(1)(C) for a fiscal year for statewide activi-  
23 ties.

24 “(2) USE OF FUNDS.—Regardless of whether  
25 the amounts are allotted under section 127(a)(1)(C)

1 and reserved under paragraph (1) or allotted under  
2 section 132 and reserved under section 133(a), the  
3 Governor may use the reserved amounts to carry out  
4 statewide youth activities under section 129(b) or  
5 statewide employment and training activities under  
6 section 133.”.

7 (2) WITHIN STATE ALLOCATIONS.—Section  
8 128(b) is amended to read as follows:

9 “(b) WITHIN STATE ALLOCATION.—

10 “(1) IN GENERAL.—Of the amounts allotted to  
11 the State under section 127(a)(1)(C) and not re-  
12 served under subsection (a)(1)—

13 “(A) not less than 80 percent of such  
14 amounts shall be allocated by the Governor to  
15 local areas in accordance with paragraph (2);  
16 and

17 “(B) not more than 20 percent of such  
18 amounts shall be allocated by the Governor to  
19 local areas in accordance with paragraph (3).

20 “(2) ESTABLISHED FORMULA.—

21 “(A) IN GENERAL.—Of the amounts de-  
22 scribed in paragraph (1)(A), the Governor shall  
23 allocate—

24 “(i)  $33\frac{1}{3}$  percent shall be allotted on  
25 the basis of the relative number of individ-

1 uals in the civilian labor force who are ages  
2 16 through 19 in each local area, com-  
3 pared to the total number of individuals in  
4 the civilian labor force who are ages 16  
5 through 19 in all local areas in the State;

6 “(ii) 33 $\frac{1}{3}$  percent shall be allotted on  
7 the basis of the relative number of unem-  
8 ployed individuals in each local area, com-  
9 pared to the total number of unemployed  
10 individuals in all local areas in the State;  
11 and

12 “(iii) 33 $\frac{1}{3}$  percent on the basis of the  
13 relative number of disadvantaged youth  
14 who are ages 16 through 21 in each local  
15 area, compared to the total number of dis-  
16 advantaged youth who are ages 16 through  
17 21 in all local areas in the State.

18 “(B) MINIMUM AND MAXIMUM PERCENT-  
19 AGES.—The Governor shall ensure that no local  
20 area shall receive an allocation for a fiscal year  
21 under this paragraph that is less than 90 per-  
22 cent or greater than 130 percent of the alloca-  
23 tion percentage of the local area for the pre-  
24 ceding fiscal year.

25 “(C) DEFINITIONS.—



1           “(i) ALLOCATION PERCENTAGE.—For  
2           purposes of this paragraph, the term ‘allo-  
3           cation percentage’, used with respect to fis-  
4           cal year 2013 or a subsequent fiscal year,  
5           means a percentage of the amount de-  
6           scribed in paragraph (1)(A) that is re-  
7           ceived through an allocation made under  
8           this paragraph for the fiscal year. The  
9           term, with respect to fiscal year 2012,  
10          means the percentage of the amounts allo-  
11          cated to local areas under this chapter (as  
12          in effect on the day before the date of en-  
13          actment of the Workforce Investment Im-  
14          provement Act of 2011) that is received by  
15          the local area involved for fiscal year 2012.

16          “(ii) DISADVANTAGED YOUTH.—The  
17          term ‘disadvantaged youth’ means an indi-  
18          vidual who is age 16 through 21 who re-  
19          ceived an income, or is a member of a fam-  
20          ily that received a total family income,  
21          that, in relation to family size, does not ex-  
22          ceed the poverty line.

23          “(3) YOUTH DISCRETIONARY ALLOCATION.—  
24          The Governor shall allocate to local areas the  
25          amounts described in paragraph (1)(B) in accord-

1       ance with such demographic and economic factors as  
2       the Governor, after consultation with the State  
3       board and local boards, determines are appropriate.

4               “(4) LOCAL ADMINISTRATIVE COST LIMIT.—

5                       “(A) IN GENERAL.—Of the amounts allo-  
6                       cated to a local area under this subsection for  
7                       a fiscal year, not more than 10 percent of the  
8                       amount may be used by the local boards for the  
9                       administrative costs of carrying out local work-  
10                      force investment activities under this chapter or  
11                      chapter 5.

12                     “(B) USE OF FUNDS.—Funds made avail-  
13                     able for administrative costs under subpara-  
14                     graph (A) may be used for the administrative  
15                     costs of any of the local workforce investment  
16                     activities described in this chapter or chapter 5,  
17                     regardless of whether the funds were allocated  
18                     under this subsection or section 133(b).”.

19               (3) REALLOCATION.—Section 128(c) (29  
20       U.S.C. 2853(c)) is amended—

21                     (A) in paragraph (1), by striking “para-  
22                     graph (2)(A) or (3) of”;

23                     (B) by amending paragraph (2) to read as  
24                     follows:

1           “(2) AMOUNT.—The amount available for re-  
2           allocation for a program year is equal to the amount  
3           by which the unexpended balance at the end of the  
4           program year prior to the program year for which  
5           the determination is made exceeds 30 percent of the  
6           total amount of funds available to the local area  
7           under this section during such prior program year,  
8           (including amounts allotted to the local area in prior  
9           program years that remain available). For purposes  
10          of this paragraph, the unexpended balance is the  
11          amount that is the difference between—

12                   “(A) the total amount of funds available to  
13                   the local area under this section during the pro-  
14                   gram year prior to the program year for which  
15                   the determination is made (including amounts  
16                   allocated to the local area in all prior program  
17                   years that remained available); and

18                   “(B) the accrued expenditures during such  
19                   prior program year.”;

20                   (C) in paragraph (3)—

21                           (i) by striking “subsection (b)(3)” the  
22                           first two places it appears and inserting  
23                           “subsection (b)”;

1                   (ii) by striking “the prior program  
2                   year” and inserting “the program year in  
3                   which the determination is made”;

4                   (iii) by striking “such prior program  
5                   year” and inserting “such program year”;  
6                   and

7                   (iv) by striking the last sentence; and  
8                   (D) by amending paragraph (4) to read as  
9                   follows:

10                   “(4) ELIGIBILITY.—For purposes of this sub-  
11                   section, an eligible local area means a local area  
12                   which does not have an amount available for re-  
13                   allocation under paragraph (2) for the program year  
14                   for which the determination under paragraph (2) is  
15                   made.”.

16                   (c) YOUTH PARTICIPANT ELIGIBILITY.—Section  
17 129(a) (29 U.S.C. 2854(a)) is amended to read as follows:

18                   “(a) YOUTH PARTICIPANT ELIGIBILITY.—

19                   “(1) IN GENERAL.—The individuals partici-  
20                   pating in activities carried out under this chapter by  
21                   a local area during any program year shall be indi-  
22                   viduals who, at the time the eligibility determination  
23                   is made, are—

24                   “(A) not younger than age 16 or older  
25                   than age 24; and

1 “(B) one or more of the following:

2 “(i) school dropouts;

3 “(ii) recipients of a secondary school  
4 diploma, General Educational Development  
5 credential (GED), or other State-recog-  
6 nized equivalent (including recognized al-  
7 ternative standards for individuals with  
8 disabilities) who are deficient in basic skills  
9 and not attending any school;

10 “(iii) court-involved youth attending  
11 an alternative school;

12 “(iv) youth in foster care or who have  
13 been in foster care; or

14 “(v) in school youth who are low-in-  
15 come individuals and one or more of the  
16 following:

17 “(I) Deficient in literacy skills.

18 “(II) Homeless, runaway, or fos-  
19 ter children.

20 “(III) Pregnant or parents.

21 “(IV) Offenders.

22 “(V) Individuals who require ad-  
23 ditional assistance to complete an edu-  
24 cational program, or to secure and  
25 hold employment.

1           “(2) PRIORITY FOR SCHOOL DROPOUTS.—A  
2 priority in the provision of services under this chap-  
3 ter shall be given to individuals who are school drop-  
4 outs.

5           “(3) CONSISTENCY WITH COMPULSORY SCHOOL  
6 ATTENDANCE LAWS.—In providing assistance under  
7 this section to an individual who is required to at-  
8 tend school under applicable State compulsory school  
9 attendance laws, the priority in providing such as-  
10 sistance shall be for the individual to attend school  
11 regularly.”.

12           (d) STATEWIDE YOUTH ACTIVITIES.—Section 129(b)  
13 (29 U.S.C. 2854(b)) is amended to read as follows:

14           “(b) STATEWIDE ACTIVITIES.—

15           “(1) IN GENERAL.—Funds reserved by a Gov-  
16 ernor for a State as described in sections 128(a) and  
17 133(a)(1) may be used for statewide activities in-  
18 cluding—

19           “(A) additional assistance to local areas  
20 that have high concentrations of eligible youth,  
21 including out-of-school youth;

22           “(B) supporting the provision of work  
23 ready services described in section 134(e)(2) in  
24 the one-stop delivery system;

1           “(C) conducting evaluations under section  
2           136(e) of activities authorized under this chap-  
3           ter and chapter 5 in coordination with evalua-  
4           tions carried out by the Secretary under section  
5           172, research, and demonstration projects;

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

13          “(E) providing technical assistance and ca-  
14          pacity building to local areas, one-stop opera-  
15          tors, one-stop partners, and eligible providers,  
16          including the development and training of staff,  
17          the development of exemplary program activi-  
18          ties, and the provision of technical assistance to  
19          local areas that fail to meet local performance  
20          measures;

21          “(F) operating a fiscal and management  
22          accountability system under section 136(f); and

23          “(G) carrying out monitoring and over-  
24          sight of activities under this chapter and chap-  
25          ter 5.

1           “(2) LIMITATION.—Not more than 5 percent of  
2           the funds allotted under section 127(b) shall be used  
3           by the State for administrative activities carried out  
4           under this subsection and section 133(a).

5           “(3) PROHIBITION.—No funds described in this  
6           subsection or in section 134(a) may be used to de-  
7           velop or implement education curricula for school  
8           systems in the State.”.

9           (e) LOCAL ELEMENTS AND REQUIREMENTS.—

10           (1) PROGRAM DESIGN.—Section 129(c)(1) (29  
11           U.S.C. 2854(c)(1)) is amended—

12                   (A) in the matter preceding subparagraph  
13                   (A), by striking “paragraph (2)(A) or (3), as  
14                   appropriate, of”;

15                   (B) in subparagraph (B), by inserting “are  
16                   directly linked to one or more of the perform-  
17                   ance measures relating to this chapter under  
18                   section 136, and that” after “for each partici-  
19                   pant that”; and

20                   (C) in subparagraph (C)—

21                           (i) by redesignating clauses (i)  
22                           through (iv) as clauses (ii) through (v), re-  
23                           spectively;

24                           (ii) by inserting before clause (ii) (as  
25                           so redesignated) the following:



1           “(i) activities leading to the attain-  
2           ment of a secondary school diploma, Gen-  
3           eral Educational Development credential  
4           (GED), or other State-recognized equiva-  
5           lent (including recognized alternative  
6           standards for individuals with disabil-  
7           ities);”;

8           (iii) in clause (ii) (as so redesignated),  
9           by inserting “and advanced training” after  
10          “opportunities”;

11          (iv) in clause (iii) (as so redesign-  
12          ated), by inserting “that lead to the at-  
13          tainment of recognized credentials” after  
14          “learning”; and

15          (v) by amending clause (v) (as so re-  
16          designated) to read as follows:

17          “(v) effective connections to employ-  
18          ers, including small employers, in sectors  
19          of the local and regional labor markets ex-  
20          periencing high growth in employment op-  
21          portunities.”; and

22          (D) provide assistance and support to out-  
23          of-school youth who lack the skill level to obtain  
24          employment.

1           (2) PROGRAM ELEMENTS.—Section 129(c)(2)  
2 (29 U.S.C. 2854(c)(2)) is amended—

3           (A) in subparagraph (A), by striking “sec-  
4           ondary school, including dropout prevention  
5           strategies” and inserting “secondary school di-  
6           ploma, General Educational Development cre-  
7           dential (GED), or other State-recognized equiv-  
8           alent (including recognized alternative stand-  
9           ards for individuals with disabilities), including  
10          dropout prevention strategies”;

11          (B) in subparagraph (I), by striking “and”  
12          at the end;

13          (C) in subparagraph (J), by striking the  
14          period at the end and inserting a semicolon;  
15          and

16          (D) by adding at the end the following:

17               “(K) on-the-job training opportunities; and

18               “(L) financial literacy skills.”.

19          (3) ADDITIONAL REQUIREMENTS.—Section  
20          129(c)(3)(A) (29 U.S.C. 2854(c)(3)(A)) is amended  
21          in the matter preceding clause (i) by striking “or ap-  
22          plicant who meets the minimum income criteria to  
23          be considered an eligible youth”.

24          (4) PRIORITY AND EXCEPTIONS.—Section  
25          129(c) (29 U.S.C. 2854(c)) is further amended—

1 (A) by striking paragraphs (4) and (5) and  
2 redesignating paragraphs (6) through (8) as  
3 paragraphs (4) through (6), respectively; and

4 (B) in paragraph (5) (as so redesignated),  
5 by striking “youth councils” and inserting  
6 “local boards”.

7 **SEC. 112. PROGRAMS FOR ADULTS AND DISLOCATED**  
8 **WORKERS.**

9 (a) TITLE AMENDMENT.—

10 (1) The title heading of chapter 5 is amended  
11 to read as follows:

12 **“CHAPTER 5—EMPLOYMENT AND TRAIN-**  
13 **ING ACTIVITIES FOR ADULTS AND DIS-**  
14 **CLOSED WORKERS”.**

15 (2) CLERICAL AMENDMENT.—The table of con-  
16 tents in section 1(b) is amended by amending the  
17 item related to the heading for chapter 5 to read as  
18 follows:

“CHAPTER 5—EMPLOYMENT AND TRAINING ACTIVITIES FOR ADULTS AND  
DISLOCATED WORKERS”.

19 (b) GENERAL AUTHORIZATION.—Section 131 (29  
20 U.S.C. 2861) is amended by striking “paragraphs (1)(B)  
21 and (2)(B) of”.

22 (c) STATE ALLOTMENTS.—Section 132 (29 U.S.C.  
23 2862) is amended—

1           (1) by amending subsection (a) to read as fol-  
2 lows:

3           “(a) IN GENERAL.—The Secretary shall—

4                 “(1) reserve 5 percent of the amount appro-  
5 priated under section 137 for a fiscal year, of  
6 which—

7                         “(A) not less than 85 percent shall be used  
8 for national dislocated worker grants under sec-  
9 tion 173;

10                        “(B) not more than 10 percent may be  
11 used for demonstration projects under section  
12 171; and

13                        “(C) not more than 5 percent may be used  
14 to provide technical assistance under section  
15 170; and

16                        “(2) make allotments from 95 percent of the  
17 amount appropriated under section 137 for a fiscal  
18 year in accordance with subsection (b).”;

19           (2) by amending subsection (b) to read as fol-  
20 lows:

21           “(b) ALLOTMENT AMONG STATES FOR EMPLOYMENT  
22 AND TRAINING ACTIVITIES FOR ADULT AND DISLOCATED  
23 WORKERS.—

24                 “(1) RESERVATION FOR OUTLYING AREAS.—

1           “(A) IN GENERAL.—From the amount  
2           made available under subsection (a)(2) for a  
3           fiscal year, the Secretary shall reserve not more  
4           than  $\frac{1}{4}$  of 1 percent to provide assistance to  
5           outlying areas to carry out employment and  
6           training activities for adults, dislocated workers,  
7           and statewide workforce investment activities.

8           “(B) RESTRICTION.—The Republic of  
9           Palau shall cease to be eligible to receive fund-  
10          ing under this paragraph upon entering into an  
11          agreement for extension of United States edu-  
12          cational assistance under the Compact of Free  
13          Association (approved by the Compact of Free  
14          Association Amendments Act of 2003 (Public  
15          Law 108–188)) after the date of enactment of  
16          the Workforce Investment Improvement Act of  
17          2011.

18          “(2) STATES.—Subject to paragraph (5), of the  
19          remainder of the amount referred to under sub-  
20          section (a)(2) for a fiscal year that is available after  
21          determining the amount to be reserved under para-  
22          graph (1), the Secretary shall allot to the States for  
23          employment and training activities for adults, dis-  
24          located workers, and statewide workforce investment  
25          activities—

1           “(A) 26 percent in accordance with para-  
2 graph (3); and

3           “(B) 74 percent in accordance with para-  
4 graph (4).

5           “(3) BASE FORMULA.—

6           “(A) FISCAL YEAR 2013.—

7           “(i) IN GENERAL.—Subject to clause  
8 (ii), the amount referred to in paragraph  
9 (2)(A) shall be allotted for fiscal year 2013  
10 on the basis of allotment percentage of  
11 each State under section 6 of the Wagner-  
12 Peyser Act for fiscal year 2012.

13           “(ii) EXCESS AMOUNTS.—If the  
14 amount referred to in paragraph (2)(A) for  
15 fiscal year 2013 exceeds the amount that  
16 was available for allotment to the States  
17 under the Wagner-Peyser Act for fiscal  
18 year 2012, such excess amount shall be al-  
19 lotted on the basis of the relative number  
20 of individuals in the civilian labor force in  
21 each State, compared to the total number  
22 of individuals in the civilian labor force in  
23 all States, adjusted to ensure that no State  
24 receives less than  $\frac{3}{10}$  of one percent of  
25 such excess amount.

1           “(iii) DEFINITION.—For purposes of  
2           this subparagraph, the term ‘allotment  
3           percentage’ means the percentage of the  
4           amounts allotted to States under section 6  
5           of the Wagner-Peyser Act that is received  
6           by the State involved for fiscal year 2012.

7           “(B) FISCAL YEARS 2014 AND THERE-  
8           AFTER.—

9           “(i) IN GENERAL.—Subject to clause  
10          (ii), the amount referred to in paragraph  
11          (2)(A) shall be allotted for fiscal year 2014  
12          and each fiscal year thereafter on the basis  
13          of the allotment percentage of each State  
14          under this paragraph for the preceding fis-  
15          cal year.

16          “(ii) EXCESS AMOUNTS.—If the  
17          amount referred to in paragraph (2)(A) for  
18          fiscal year 2014 or any fiscal year there-  
19          after exceeds the amount that was avail-  
20          able for allotment under this paragraph for  
21          the prior fiscal year, such excess amount  
22          shall be allotted on the basis of the relative  
23          number of individuals in the civilian labor  
24          force in each State, compared to the total  
25          number of individuals in the civilian labor

1 force in all States, adjusted to ensure that  
2 no State receives less than  $\frac{3}{10}$  of one per-  
3 cent of such excess amount.

4 “(iii) DEFINITION.—For purposes of  
5 this subparagraph, the term ‘allotment  
6 percentage’ means the percentage of the  
7 amounts allotted to States under this para-  
8 graph in a fiscal year that is received by  
9 the State involved for such fiscal year.

10 “(4) FORMULA.—

11 “(A) IN GENERAL.—Subject to subpara-  
12 graphs (B) and (C), of the amount referred to  
13 in paragraph (2)(B)—

14 “(i) 60 percent shall be allotted on the  
15 basis of the relative number of unemployed  
16 individuals in each State, compared to the  
17 total number of unemployed individuals in  
18 all States;

19 “(ii) 25 percent shall be allotted on  
20 the basis of the relative excess number of  
21 unemployed individuals in each State, com-  
22 pared to the total excess number of unem-  
23 ployed individuals in all States; and

24 “(iii) 15 percent shall be allotted on  
25 the basis of the relative number of dis-



1           advantaged adults in each State, compared  
2           to the total number of disadvantaged  
3           adults in all States.

4           “(B) MINIMUM AND MAXIMUM PERCENT-  
5           AGES.—

6                   “(i) MINIMUM PERCENTAGE.—The  
7           Secretary shall ensure that no State shall  
8           receive an allotment under this paragraph  
9           for a fiscal year that is less than 90 per-  
10          cent of the allotment percentage of the  
11          State under this paragraph for the pre-  
12          ceding fiscal year.

13                   “(ii) MAXIMUM PERCENTAGE.—Sub-  
14          ject to clause (i), the Secretary shall en-  
15          sure that no State shall receive an allot-  
16          ment for a fiscal year under this para-  
17          graph that is more than 130 percent of the  
18          allotment of the State under this para-  
19          graph for the preceding fiscal year.

20                   “(C) SMALL STATE MINIMUM ALLOT-  
21          MENT.—Subject to subparagraph (B), the Sec-  
22          retary shall ensure that no State shall receive  
23          an allotment under this paragraph that is less  
24          than  $\frac{2}{10}$  of 1 percent of the amount available  
25          under subparagraph (A).

1           “(D) DEFINITIONS.—For the purposes of  
2 this paragraph:

3           “(i) ALLOTMENT PERCENTAGE.—The  
4 term ‘allotment percentage’, used with re-  
5 spect to fiscal year 2013 or a subsequent  
6 fiscal year, means a percentage of the  
7 amounts described in paragraph (2)(B)  
8 that is received through an allotment made  
9 under this paragraph for the fiscal year.  
10 The term, with respect to fiscal year 2012,  
11 means the percentage of the amounts allot-  
12 ted to States under this chapter (as in ef-  
13 fect on the day before the date of enact-  
14 ment of the Workforce Investment Im-  
15 provement Act of 2011) and under reem-  
16 ployment service grants received by the  
17 State involved for fiscal year 2012.

18           “(ii) DISADVANTAGED ADULT.—The  
19 term ‘disadvantaged adult’ means an indi-  
20 vidual who is age 22 through 72 who re-  
21 ceived an income, or is a member of a fam-  
22 ily that received a total family income,  
23 that, in relation to family size, does not ex-  
24 ceed the poverty line.

1           “(iii) EXCESS NUMBER.—The term  
2           ‘excess number’ means, used with respect  
3           to the excess number of unemployed indi-  
4           viduals within a State, the number that  
5           represents the number of unemployed indi-  
6           viduals in excess of 4½ percent of the ci-  
7           vilian labor force in the State.

8           “(5) ADJUSTMENTS IN ALLOTMENTS BASED ON  
9           DIFFERENCES WITH UNCONSOLIDATED FOR-  
10          MULAS.—

11           “(A) IN GENERAL.—The Secretary shall  
12           ensure that for any fiscal year no State has an  
13           allotment difference, as defined in subpara-  
14           graph (C), that is less than zero. The Secretary  
15           shall adjust the amounts allotted to the States  
16           under this subsection in accordance with sub-  
17           paragraph (B) if necessary to carry out this  
18           subparagraph.

19           “(B) ADJUSTMENTS IN ALLOTMENTS.—

20           “(i) REDISTRIBUTION OF EXCESS  
21           AMOUNTS.—

22           “(I) IN GENERAL.—If necessary  
23           to carry out subparagraph (A), the  
24           Secretary shall reduce the amounts  
25           that would be allotted under para-

1 graphs (3) and (4) to States that have  
2 an excess allotment difference, as de-  
3 fined in subclause (II), by the amount  
4 of such excess, and use such amounts  
5 to increase the allotments to States  
6 that have an allotment difference less  
7 than zero.

8 “(II) EXCESS AMOUNTS.—For  
9 purposes of subclause (I), the term  
10 ‘excess’ allotment difference means an  
11 allotment difference for a State that  
12 is—

13 “(aa) in excess of 3 percent  
14 of the amount described in sub-  
15 paragraph (C)(i)(II); or

16 “(bb) in excess of a percent-  
17 age established by the Secretary  
18 that is greater than 3 percent of  
19 the amount described in subpara-  
20 graph (C)(i)(II) if the Secretary  
21 determines that such greater per-  
22 centage is sufficient to carry out  
23 subparagraph (A).

24 “(ii) USE OF AMOUNTS AVAILABLE  
25 UNDER NATIONAL RESERVE ACCOUNT.—If

1 the funds available under clause (i) are in-  
2 sufficient to carry out subparagraph (A),  
3 the Secretary shall use funds reserved  
4 under section 132(a) in such amounts as  
5 are necessary to increase the allotments to  
6 States to meet the requirements of sub-  
7 paragraph (A). Such funds shall be used in  
8 the same manner as the States use the  
9 other funds allotted under this subsection.

10 “(C) DEFINITION OF ALLOTMENT DIF-  
11 FERENCE.—

12 “(i) IN GENERAL.—For purposes of  
13 this paragraph, the term ‘allotment dif-  
14 ference’ means the difference between—

15 “(I) the total amount a State  
16 would receive of the amounts available  
17 for allotment under subsection (b)(2)  
18 for a fiscal year pursuant to para-  
19 graphs (3) and (4); and

20 “(II) the total amount the State  
21 would receive of the amounts available  
22 for allotment under subsection (b)(2)  
23 for the fiscal year if such amounts  
24 were allotted pursuant to the uncon-  
25 solidated formulas (applied as de-

1                   scribed in clause (iii)) that were used  
2                   in allotting funds for fiscal year 2012.

3                   “(ii) UNCONSOLIDATED FORMULAS.—

4                   For purposes of clause (i), the unconsoli-  
5                   dated formulas are:

6                   “(I) The requirements for the al-  
7                   lotment of funds to the States con-  
8                   tained in section 132(b)(1)(B) of this  
9                   Act (as in effect on the day before the  
10                  date of enactment of the Workforce  
11                  Investment Improvement Act of 2011)  
12                  that were applicable to the allotment  
13                  of funds under such section for fiscal  
14                  year 2012.

15                  “(II) The requirements for the  
16                  allotment of funds to the States con-  
17                  tained in section 132(b)(2)(B) of this  
18                  Act (as in effect on the day before the  
19                  date of enactment of the Workforce  
20                  Investment Improvement Act of 2011)  
21                  that were applicable to the allotment  
22                  of funds under such section for fiscal  
23                  year 2012.

24                  “(III) The requirements for the  
25                  allotment of funds to the States that

1                   were contained in section 6 of the  
2                   Wagner-Peyser Act (as in effect on  
3                   the day before the date of enactment  
4                   of the Workforce Investment Improve-  
5                   ment Act of 2011) that were applica-  
6                   ble to the allotment of funds under  
7                   such Act for fiscal year 2012.

8                   “(IV) The requirements for the  
9                   allotment of funds to the States that  
10                  were established by the Secretary for  
11                  Reemployment Services Grants that  
12                  were applicable to the allotment of  
13                  funds for such grants for fiscal year  
14                  2012.

15                  “(iii) PROPORTIONATE APPLICATION  
16                  OF UNCONSOLIDATED FORMULAS BASED  
17                  ON FISCAL YEAR 2012.—In calculating the  
18                  amount under clause (i)(II), each of the  
19                  unconsolidated formulas identified in  
20                  clause (ii) shall be applied, respectively,  
21                  only to the proportionate share of the total  
22                  amount of funds available for allotment  
23                  under subsection (b)(2) for a fiscal year  
24                  that is equal to the proportionate share to  
25                  which each of the unconsolidated formulas

1 applied with respect to the total amount of  
2 funds allotted to the States under all of  
3 the unconsolidated formulas in fiscal year  
4 2012.

5 “(iv) RULE OF CONSTRUCTION.—The  
6 amounts used to adjust the allotments to a  
7 State under subparagraph (B) for a fiscal  
8 year shall not be included in the calcula-  
9 tion of the amounts under clause (i) for a  
10 subsequent fiscal year, including the cal-  
11 culation of allocation percentages for a  
12 preceding fiscal year applicable to para-  
13 graphs (3) and (4) and to the unconsoli-  
14 dated formulas described in clause (ii).”;  
15 and

16 (3) in subsection (c)—

17 (A) by amending paragraph (2) to read as  
18 follows:

19 “(2) AMOUNT.—The amount available for real-  
20 lotment for a program year is equal to the amount  
21 by which the unexpended balance at the end of the  
22 program year prior to the program year for which  
23 the determination is made exceeds 30 percent of the  
24 total amount of funds available to the State under  
25 this section during such prior program year (includ-



1 ing amounts allotted to the State in all prior pro-  
2 gram years that remained available). For purposes  
3 of this paragraph, the expended balance is the  
4 amount that is the difference between—

5 “(A) the total amount of funds available to  
6 the State under this section during the program  
7 year prior to the program year for which the  
8 determination is made (including amounts allot-  
9 ted to the State in all prior program years that  
10 remained available); and

11 “(B) the accrued expenditures during such  
12 prior program year.”;

13 (B) in paragraph (3)—

14 (i) by striking “for the prior program  
15 year” and inserting “for the program year  
16 in which the determination is made”; and

17 (ii) by striking “such prior program  
18 year” and inserting “such program year”;

19 (C) by amending paragraph (4) to read as  
20 follows:

21 “(4) ELIGIBILITY.—For purposes of this sub-  
22 section, an eligible State means a State that does  
23 not have an amount available for reallocation under  
24 paragraph (2) for the program year for which the  
25 determination under paragraph (2) is made.”; and

1 (D) in paragraph (5), by striking “obliga-  
2 tion” and inserting “accrued expenditure”.

3 (d) WITHIN STATE ALLOCATIONS.—Section 133 (29  
4 U.S.C. 2863) is amended—

5 (1) by amending subsection (a) to read as fol-  
6 lows:

7 “(a) RESERVATION FOR STATEWIDE ACTIVITIES.—  
8 The Governor of a State may reserve up to 40 percent  
9 of the total amount allotted to the State under section 132  
10 for a fiscal year to carry out the statewide activities de-  
11 scribed in section 134(a).”;

12 (2) by amending subsection (b) to read as fol-  
13 lows:

14 “(b) ALLOCATIONS TO LOCAL AREAS.—

15 “(1) IN GENERAL.—Of the amounts allotted to  
16 the State under section 132(b)(2) and not reserved  
17 under subsection (a)—

18 “(A) 85 percent of such amounts shall be  
19 allocated by the Governor to local areas in ac-  
20 cordance with paragraph (2); and

21 “(B) 15 percent of such amounts shall be  
22 allocated by the Governor to local areas in ac-  
23 cordance with paragraph (3).

24 “(2) ESTABLISHED FORMULA.—

1           “(A) IN GENERAL.—Of the amounts de-  
2           scribed in paragraph (1)(A), the Governor shall  
3           allocate—

4                   “(i) 60 percent on the basis of the rel-  
5                   ative number of unemployed individuals in  
6                   each local area, compared to the total  
7                   number of unemployed individuals in all  
8                   local areas in the State;

9                   “(ii) 25 percent on the basis of the  
10                   relative excess number of unemployed indi-  
11                   viduals in each local area, compared to the  
12                   total excess number of unemployed individ-  
13                   uals in all local areas in the State; and

14                   “(iii) 15 percent shall be allotted on  
15                   the basis of the relative number of dis-  
16                   advantaged adults in each local area, com-  
17                   pared to the total number of disadvantaged  
18                   adults in all local areas in the State.

19           “(B) MINIMUM AND MAXIMUM PERCENT-  
20           AGES.—The Governor shall ensure that no local  
21           area shall receive an allocation for a fiscal year  
22           under this paragraph that is less than 90 per-  
23           cent or greater than 130 percent of the alloca-  
24           tion percentage of the local area for the pre-  
25           ceding fiscal year.

1 “(C) DEFINITIONS.—

2 “(i) ALLOCATION PERCENTAGE.—The  
3 term ‘allocation percentage’, used with re-  
4 spect to fiscal year 2013 or a subsequent  
5 fiscal year, means a percentage of the  
6 amount described in paragraph (1)(A) that  
7 is received through an allocation made  
8 under this paragraph for the fiscal year.  
9 The term, with respect to fiscal year 2012,  
10 means the percentage of the amounts allo-  
11 cated to local areas under this chapter (as  
12 in effect on the day before the date of en-  
13 actment of the Workforce Investment Im-  
14 provement Act of 2011) that is received by  
15 the local area involved for fiscal year 2012.

16 “(ii) DISADVANTAGED ADULT.—The  
17 term ‘disadvantaged adult’ means an indi-  
18 vidual who is age 22 through 72 who re-  
19 ceived an income, or is a member of a fam-  
20 ily that received a total family income,  
21 that, in relation to family size, does not ex-  
22 ceed the poverty line.

23 “(iii) EXCESS NUMBER.—The term  
24 ‘excess number’ means, used with respect  
25 to the excess number of unemployed indi-

1           viduals within a local area, the number  
2           that represents the number of unemployed  
3           individuals in excess of 4.5 percent of the  
4           civilian labor force in the local area.

5           “(3) DISCRETIONARY ALLOCATION.—The Gov-  
6           ernor shall allocate to local areas the amounts de-  
7           scribed in paragraph (1)(B) based on a formula de-  
8           veloped in consultation with the State board and  
9           local boards. Such formula shall be objective and  
10          geographically equitable and may include such demo-  
11          graphic and economic factors as the Governor, after  
12          consultation with the State board and local boards,  
13          determines are appropriate.

14          “(4) LOCAL ADMINISTRATIVE COST LIMIT.—

15                 “(A) IN GENERAL.—Of the amounts allo-  
16                 cated to a local area under this subsection and  
17                 section 128(b) for a fiscal year, not more than  
18                 10 percent of the amount may be used by the  
19                 local boards for the administrative costs of car-  
20                 rying out local workforce investment activities  
21                 under this chapter or chapter 4.

22                 “(B) USE OF FUNDS.—Funds made avail-  
23                 able for administrative costs under subpara-  
24                 graph (A) may be used for the administrative  
25                 costs of any of the local workforce investment

1 activities described in this chapter or chapter 4,  
2 regardless of whether the funds were allocated  
3 under this subsection or section 128(b).”;

4 (3) in subsection (c)—

5 (A) in paragraph (1), by striking “para-  
6 graph (2)(A) or (3) of”;

7 (B) by amending paragraph (2) to read as  
8 follows:

9 “(2) AMOUNT.—The amount available for re-  
10 allocation for a program year is equal to the amount  
11 by which the unexpended balance at the end of the  
12 program year prior to the program year for which  
13 the determination is made exceeds 30 percent of the  
14 total amount of funds available to the local area  
15 under this section during such prior program year  
16 (including amounts allotted to the local area in prior  
17 program years that remain available). For purposes  
18 of this paragraph, the unexpended balance is the  
19 amount that is the difference between—

20 “(A) the total amount of funds available to  
21 the local area under this section during the pro-  
22 gram year prior to the program year for which  
23 the determination is made (including amounts  
24 allocated to the local area in all prior program  
25 years that remained available); and

1           “(B) the accrued expenditures during such  
2 prior program year.”;

3           (C) by amending paragraph (3)—

4                 (i) by striking “subsection (b)(3)” the  
5 first two places it appears and inserting  
6 “subsection (b)”;

7                 (ii) by striking “the prior program  
8 year” and inserting “the program year in  
9 which the determination is made”;

10                (iii) by striking “such prior program  
11 year” and inserting “such program year”;

12                and

13                 (iv) by striking the last sentence; and

14           (D) by amending paragraph (4) to read as  
15 follows:

16                “(4) ELIGIBILITY.—For purposes of this sub-  
17 section, an eligible local area means a local area  
18 which does not have an amount available for re-  
19 allocation under paragraph (2) for the program year  
20 for which the determination under paragraph (2) is  
21 made.”.

22           (e) USE OF FUNDS FOR EMPLOYMENT AND TRAIN-  
23 ING ACTIVITIES.—

1           (1) STATEWIDE EMPLOYMENT AND TRAINING  
2           ACTIVITIES.—Section 134(a) (29 U.S.C. 2864(a)) is  
3           amended to read as follows:

4           “(1) IN GENERAL.—

5           “(A) REQUIRED USE OF FUNDS.—Not less  
6           than 60 percent of the funds reserved by a Gov-  
7           ernor under section 133(a) shall be used to sup-  
8           port one-stop delivery systems and the provision  
9           of work ready services, and, in addition, may be  
10          used to support the provision of discretionary  
11          one-step delivery services, in local areas, con-  
12          sistent with the local plan, through one-stop de-  
13          livery systems by distributing funds to local  
14          areas in accordance with subparagraph (B).  
15          Such funds may be used by States to employ  
16          State personnel to provide such services in des-  
17          ignated local areas in consultation with local  
18          boards.

19          “(B) METHOD OF DISTRIBUTING  
20          FUNDS.—The method of distributing funds  
21          under this paragraph shall be developed in con-  
22          sultation with the State board and local boards.  
23          Such method of distribution, which may include  
24          the formula established under section  
25          121(h)(3), shall be objective and geographically



1 equitable, and may include factors such as the  
2 number of centers in the local area that have  
3 been certified, the population served by such  
4 centers, and the performance of such centers.

5 “(C) OTHER USE OF FUNDS.—Funds re-  
6 served by a Governor for a State—

7 “(i) under section 133(a) and not  
8 used under subparagraph (A), may be used  
9 for statewide activities described in para-  
10 graph (2); and

11 “(ii) under section 133(a) and not  
12 used under subparagraph (A), and under  
13 section 128(a) may be used to carry out  
14 any of the statewide employment and  
15 training activities described in paragraph  
16 (3).

17 “(2) STATEWIDE RAPID RESPONSE ACTIVI-  
18 TIES.—A State shall carry out statewide rapid re-  
19 sponse activities using funds reserved as described in  
20 section 133(a). Such activities shall include—

21 “(A) provision of rapid response activities,  
22 carried out in local areas by the State or by an  
23 entity designated by the State, working in con-  
24 junction with the local boards and the chief  
25 elected officials in the local areas; and

1           “(B) provision of additional assistance to  
2           local areas that experience disasters, mass lay-  
3           offs or plant closings, or other events that pre-  
4           cipitate substantial increases in the number of  
5           unemployed individuals, carried out in local  
6           areas by the State, working in conjunction with  
7           the local boards and the chief elected officials in  
8           the local areas.

9           “(3) STATEWIDE ACTIVITIES.—Funds reserved  
10          by a Governor for a State as described in sections  
11          133(a) and 128(a) may be used for statewide activi-  
12          ties including—

13                 “(A) supporting the provision of work  
14                 ready services described in section 134(c)(2) in  
15                 the one-stop delivery system;

16                 “(B) implementing innovative programs  
17                 and strategies designed to meet the needs of all  
18                 businesses in the State, including small busi-  
19                 nesses, which may include incumbent worker  
20                 training programs, sectoral and industry cluster  
21                 strategies and partnerships, including regional  
22                 skills alliances, sectoral skills partnerships (in  
23                 which representatives of multiple employers for  
24                 a specific industry sector or group of related oc-  
25                 cupations, economic development agencies, pro-

1           viders of training services described in sub-  
2           section (c)(4), labor federations, and other enti-  
3           ties that can provide needed supportive services  
4           tailored to the needs of workers in that sector  
5           or group, for a local area or region, identify  
6           gaps between the current and expected demand  
7           and supply of labor and skills in that sector or  
8           group for that area or region and develop a  
9           strategic skills gap action plan), career ladder  
10          programs, micro-enterprise and entrepreneurial  
11          training and support programs, utilization of ef-  
12          fective business intermediaries, activities to im-  
13          prove linkages between the one-stop delivery  
14          system in the State and all employers (includ-  
15          ing small employers) in the State, and other  
16          business services and strategies that better en-  
17          gage employers in workforce investment activi-  
18          ties and make the workforce investment system  
19          more relevant to the needs of State and local  
20          businesses, consistent with the objectives of this  
21          title;

22                   “(C) conducting evaluations under section  
23                   136(e) of activities authorized under this chap-  
24                   ter and chapter 4 in coordination with evalua-

1 tions carried out by the Secretary under section  
2 172, research, and demonstration projects;

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

10 “(E) providing technical assistance and ca-  
11 pacity building to local areas, one-stop opera-  
12 tors, one-stop partners, and eligible providers,  
13 including the development and training of staff,  
14 the development of exemplary program activi-  
15 ties, and the provision of technical assistance to  
16 local areas that fail to meet local performance  
17 measures;

18 “(F) operating a fiscal and management  
19 accountability system under section 136(f);

20 “(G) carrying out monitoring and over-  
21 sight of activities carried out under this chapter  
22 and chapter 4;

23 “(H) implementing innovative programs,  
24 such as incumbent worker training programs,  
25 programs and strategies designed to meet the

1 needs of businesses in the State, including small  
2 businesses, and engage employers in workforce  
3 activities, and programs serving individuals  
4 with disabilities consistent with section 188;

5 “(I) developing strategies for effectively  
6 serving hard-to-serve populations and for inte-  
7 grating programs and services among one-stop  
8 partners; and

9 “(J) carrying out activities to facilitate re-  
10 mote access to services provided through a one-  
11 stop delivery system, including facilitating ac-  
12 cess through the use of technology.

13 “(4) LIMITATION.—Not more than 5 percent of  
14 the funds allotted under section 132(b) shall be used  
15 by the State for administrative activities carried out  
16 under this subsection and section 128(a).”.

17 (2) LOCAL EMPLOYMENT AND TRAINING AC-  
18 TIVITIES.—Section 134(b) (29 U.S.C. 2864(b)) is  
19 amended—

20 (A) by striking “under paragraph (2)(A)”  
21 and all that follows through “section  
22 133(b)(2)(B)” and inserting “under section  
23 133(b)”;

1 (B) in paragraphs (1) and (2), by striking  
2 “or dislocated workers, respectively” and insert-  
3 ing “and dislocated workers”.

4 (3) CONFORMING AMENDMENT.—Section 134  
5 (29 U.S.C. 2864) is further amended—

6 (A) by striking subsection (c); and

7 (B) by redesignating subsections (d) and  
8 (e) as subsections (c) and (d), respectively.

9 (4) REQUIRED LOCAL EMPLOYMENT AND  
10 TRAINING ACTIVITIES.—

11 (A) ALLOCATED FUNDS.—Section  
12 134(c)(1) (29 U.S.C. 2864(c)(1)) (as so reded-  
13 ignated) is amended to read as follows:

14 “(1) IN GENERAL.—Funds allocated to a local  
15 area for adults under section 133(b) shall be used—

16 “(A) to establish a one-stop delivery sys-  
17 tem as described in section 121(e);

18 “(B) to provide the work ready services de-  
19 scribed in paragraph (2) through the one-stop  
20 delivery system in accordance with such para-  
21 graph;

22 “(C) to provide training services described  
23 in paragraph (4) to adults described in such  
24 paragraph; and

1           “(D) to designate a dedicated business liai-  
2           son in the local area who may be funded with  
3           funds provided under this title or from other  
4           sources to establish and develop relationships  
5           and networks with large and small employers  
6           and their intermediaries.”.

7           (B) WORK READY SERVICES.—Section  
8           134(c)(2) (29 U.S.C. 2864(c)(2)) (as so reded-  
9           ignated) is amended—

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

13           (ii) by striking “core services” and in-  
14           serting “work ready services”;

15           (iii) by striking “who are adults or  
16           dislocated workers”;

17           (iv) in subparagraph (A), by inserting  
18           “and assistance in obtaining eligibility de-  
19           terminations under the other one-stop  
20           partner programs through such activities  
21           as assisting in the submission of applica-  
22           tions, the provision of information on the  
23           results of such applications, the provision  
24           of intake services and information, and,  
25           where appropriate and consistent with the

1 authorizing statute of the one-stop partner  
2 program, determinations of eligibility”  
3 after “subtitle”;

4 (v) by amending subparagraph (D) to  
5 read as follows:

6 “(D) labor exchange services, including—

7 “(i) job search and placement assist-  
8 ance, and where appropriate career coun-  
9 seling;

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

17 “(iii) reemployment services provided  
18 to unemployment claimants, including  
19 claimants identified as in need of such  
20 services under the worker profiling system  
21 established under section 303(j) of the So-  
22 cial Security Act (42 U.S.C. 503(j));”;

23 (vi) in subparagraph (E), by striking  
24 “employment statistics” and inserting  
25 “workforce and labor market information”;



1 (vii) in subparagraph (I), by inserting  
2 “and the administration of the work test  
3 for the unemployment compensation sys-  
4 tem” after “compensation”;

5 (viii) by amending subparagraph (J)  
6 to read as follows:

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

12 (ix) by redesignating subparagraph  
13 (K) as subparagraph (V); and

14 (x) by inserting the following new sub-  
15 paragraphs after subparagraph (J):

16 “(K) the provision of information from of-  
17 ficial publications of the Internal Revenue Serv-  
18 ice, regarding Federal tax credits available to  
19 individuals relating to education, job training  
20 and employment, including the Hope Scholar-  
21 ship Credit and the Lifetime Learning Credit  
22 (26 U.S.C. 25A), and the Earned Income Tax  
23 Credit (26 U.S.C. 32);

24 “(L) services relating to the Work Oppor-  
25 tunity Tax Credit (26 U.S.C. 51);

1           “(M) comprehensive and specialized assess-  
2           ments of the skill levels and service needs of  
3           adults and dislocated workers, which may in-  
4           clude—

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

7                   “(ii) in-depth interviewing and evalua-  
8                   tion to identify employment barriers and  
9                   appropriate employment goals;

10           “(N) development of an individual employ-  
11           ment plan, to identify the employment goals,  
12           appropriate achievement objectives, and appro-  
13           priate combination of services for the participa-  
14           tion to achieve the employment goals;

15           “(O) group counseling;

16           “(P) individual counseling and career plan-  
17           ning;

18           “(Q) case management;

19           “(R) short-term pre-vocational services, in-  
20           cluding development of learning skills, commu-  
21           nications skills, interviewing skills, punctuality,  
22           personal maintenance skills, and professional  
23           conduct, to prepare individuals for unsubsidized  
24           employment or training;

25           “(S) internships and work experience;

1           “(T) literacy activities relating to basic  
2 work readiness, information and communication  
3 technology literacy activities, and financial lit-  
4 eracy activities, if such activities are not avail-  
5 able to participants in the local area under pro-  
6 grams administered under the Adult Education  
7 and Family Literacy Act (20 U.S.C. 2901 et  
8 seq.);

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

11           (C) DELIVERY OF SERVICES.—Section  
12 134(c)(3) (29 U.S.C. 2864(c)(3)) (as so redes-  
13 igned) is amended to read as follows:

14           “(3) DELIVERY OF SERVICES.—The work ready  
15 services described in section 132(c)(2) shall be pro-  
16 vided through the one-stop delivery system and may  
17 be provided through contracts with public, private  
18 for-profit, and private nonprofit service providers,  
19 approved by the local board.”.

20           (D) TRAINING SERVICES.—Section  
21 134(c)(4) (29 U.S.C. 2864(c)(4)) (as so redes-  
22 igned) is amended—

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

1           “(A) IN GENERAL.—Funds allocated to a  
2 local area under section 133(b) shall be used to  
3 provide training services to adults who—

4           “(i) after an interview, evaluation, or  
5 assessment, and case management, have  
6 been determined by a one-stop operator or  
7 one-stop partner, as appropriate, to—

8           “(I) be in need of training serv-  
9 ices to obtain or retain suitable em-  
10 ployment; and

11           “(II) have the skills and quali-  
12 fications to successfully participate in  
13 the selected program of training serv-  
14 ices;

15           “(ii) select programs of training serv-  
16 ices that are directly linked to the employ-  
17 ment opportunities in the local area in-  
18 volved or in another area in which the  
19 adults receiving such services are willing to  
20 commute or relocate;

21           “(iii) who meet the requirements of  
22 subparagraph (B); and

23           “(iv) who are determined eligible in  
24 accordance with the priority system in ef-  
25 fect under subparagraph (E).”;

1 (ii) in subparagraph (B)(i), by strik-  
2 ing “Except” and inserting “Notwith-  
3 standing section 479B of the Higher Edu-  
4 cation Act of 1965 (20 U.S.C. 1087uu)  
5 and except”;

6 (iii) by amending subparagraph (D) to  
7 read as follows:

8 “(D) TRAINING SERVICES.—Training serv-  
9 ices authorized under this paragraph may in-  
10 clude—

11 “(i) occupational skills training;

12 “(ii) on-the-job training;

13 “(iii) skill upgrading and retraining;

14 “(iv) entrepreneurial training;

15 “(v) education activities leading to a  
16 high school diploma or its equivalent, in-  
17 cluding a General Educational Develop-  
18 ment credential, in combination with, con-  
19 currently or subsequently, occupational  
20 skills training;

21 “(vi) adult education and literacy ac-  
22 tivities provided in conjunction with other  
23 training authorized under this subpara-  
24 graph;

1           “(vii) workplace training combined  
2 with related instruction; and

3           “(viii) occupational skills training that  
4 incorporates English language acqui-  
5 sition.”;

6           (iv) by amending subparagraph (E) to  
7 read as follows:

8           “(E) PRIORITY.—

9           “(i) IN GENERAL.—A priority shall be  
10 given to unemployed individuals and em-  
11 ployed workers who need training services  
12 to retain employment or to advance in a  
13 career for the provision of work ready and  
14 training services under this subsection.

15           “(ii) DETERMINATIONS.—The Gov-  
16 ernor and the appropriate local board shall  
17 direct the one-stop operators in the local  
18 area with regard to making determinations  
19 with respect to the priority of service under  
20 this subparagraph.”;

21           (v) in subparagraph (F)—

22           (I) in clause (ii)—

23           (aa) in the matter preceding  
24 clause (I), by striking “sub-

1 section (c)” and inserting “sec-  
2 tion 121”; and

3 (bb) in clause (II), by strik-  
4 ing “subsections (e) and (h)” and  
5 inserting “subsection (i)”; and

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

8 “(iii) CAREER ENHANCEMENT AC-  
9 COUNTS.—An individual who seeks train-  
10 ing services and who is eligible pursuant to  
11 subparagraph (A), may, in consultation  
12 with a case manager, select an eligible pro-  
13 vider of training services from the list or  
14 identifying information for providers de-  
15 scribed in clause (ii)(I). Upon such selec-  
16 tion, the one-stop operator involved shall,  
17 to the extent practicable, refer such indi-  
18 vidual to the eligible provider of training  
19 services, and arrange for payment for such  
20 services through a career enhancement ac-  
21 count.

22 “(iv) COORDINATION.—Each local  
23 board may, through one-stop centers, co-  
24 ordinate career enhancement accounts with  
25 other Federal, State, local, or private job

1 training programs or sources to assist the  
2 individual in obtaining training services.

3 “(v) ENHANCED CAREER ENHANCE-  
4 MENT ACCOUNTS.—Each local board may,  
5 through one-stop centers, assist individuals  
6 receiving career enhancement accounts  
7 through the establishment of such accounts  
8 that include, in addition to the funds pro-  
9 vided under this paragraph, funds from  
10 other programs and sources that will assist  
11 the individual in obtaining training serv-  
12 ices.”; and

13 (vi) in subparagraph (G)—

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

18 (II) in clause (i) by striking “in-  
19 dividual training accounts” and in-  
20 serting “career enhancement ac-  
21 counts”;

22 (III) in clause (ii)—

23 (aa) by striking “an indi-  
24 vidual training account” and in-



1           serting “a career enhancement  
2           account”;

3                   (bb) in subclause (II), by  
4           striking “individual training ac-  
5           counts” and inserting “career en-  
6           hancement accounts”;

7                   (cc) in subclause (II) by  
8           striking “or” after the semicolon;

9                   (dd) in subclause (III) by  
10          striking the period and inserting  
11          “; or”; and

12                   (ee) by adding at the end of  
13          the following:

14                   “(IV) the local board determines  
15          that it would be most appropriate to  
16          award a contract to an institution of  
17          higher education in order to facilitate  
18          the training of multiple individuals in  
19          high-demand occupations, if such con-  
20          tract does not limit customer choice.”.

21                   (IV) in clause (iv)—

22                           (aa) by redesignating sub-  
23          clause (IV) as subclause (V) and  
24          inserting after subclause (III) the  
25          following:

1                   “(IV) Individuals with disabil-  
2                   ities.”.

3                   (5) PERMISSIBLE ACTIVITIES.—Section 134(d)  
4                   (as so redesignated) (29 U.S.C. 2864(d)) is amend-  
5                   ed—

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

8                   “(1) DISCRETIONARY ONE-STOP DELIVERY AC-  
9                   TIVITIES.—

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

13                   “(i) customized screening and referral  
14                   of qualified participants in training serv-  
15                   ices to employers;

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

19                   “(iii) customer support to navigate  
20                   among multiple services and activities for  
21                   special participant populations that face  
22                   multiple barriers to employment, including  
23                   individuals with disabilities;

24                   “(iv) employment and training assist-  
25                   ance provided in coordination with child

1 support enforcement activities of the State  
2 agency carrying out subtitle D of title IV  
3 of the Social Security Act (42 U.S.C. 651  
4 et seq.);

5 “(v) activities to improve services to  
6 local employers, including small employers  
7 in the local area, and increase linkages be-  
8 tween the local workforce investment sys-  
9 tem and employers;

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

14 “(vii) activities to carry out business  
15 services and strategies that meet the work-  
16 force investment needs of local area em-  
17 ployers, as determined by the local board,  
18 consistent with the local plan under section  
19 118, which services—

20 “(I) may be provided through ef-  
21 fective business intermediaries work-  
22 ing in conjunction with the local  
23 board, and may also be provided on a  
24 fee-for-service basis or through the  
25 leveraging of economic development

1 and other resources as determined ap-  
2 propriate by the local board; and

3 “(II) may include—

4 “(aa) identifying and dis-  
5 seminating to business, edu-  
6 cators, and job seekers, informa-  
7 tion related to the workforce, eco-  
8 nomic and community develop-  
9 ment needs, and opportunities of  
10 the local economy;

11 “(bb) development and deliv-  
12 ery of innovative workforce in-  
13 vestment services and strategies  
14 for area businesses, which may  
15 include sectoral, industry cluster,  
16 regional skills alliances, career  
17 ladder, skills upgrading, skill  
18 standard development and certifi-  
19 cation, apprenticeship, and other  
20 effective initiatives for meeting  
21 the workforce investment needs  
22 of area employers and workers;

23 “(cc) participation in semi-  
24 nars and classes offered in part-  
25 nership with relevant organiza-

1 tions focusing on the workforce-  
2 related needs of area employers  
3 and job seekers;

4 “(dd) training consulting,  
5 needs analysis, and brokering  
6 services for area businesses, in-  
7 cluding the organization and ag-  
8 gregation of training (which may  
9 be paid for with funds other than  
10 those provided under this title),  
11 for individual employers and coa-  
12 litions of employers with similar  
13 interests, products, or workforce  
14 needs;

15 “(ee) assistance to area em-  
16 ployers in the aversion of layoffs  
17 and in managing reductions in  
18 force in coordination with rapid  
19 response activities;

20 “(ff) the marketing of busi-  
21 ness services offered under this  
22 title, to appropriate area employ-  
23 ers, including small and mid-  
24 sized employers;

1           “(gg) information referral  
2 on concerns affecting local em-  
3 ployers; and

4           “(hh) other business services  
5 and strategies designed to better  
6 engage employers in workforce  
7 investment activities and to make  
8 the workforce investment system  
9 more relevant to the workforce  
10 investment needs of area busi-  
11 nesses, as determined by the local  
12 board to be consistent with the  
13 objectives of this title.

14           “(B) WORK SUPPORT ACTIVITIES FOR  
15 LOW-WAGE WORKERS.—

16           “(i) IN GENERAL.—Funds allocated to  
17 a local area under 133(b) may be used to  
18 provide, through the one-stop delivery sys-  
19 tem and in collaboration with the appro-  
20 priate programs and resources of the one-  
21 stop partners, work support activities de-  
22 signed to assist low-wage workers in re-  
23 taining and enhancing employment. The  
24 one stop partners shall coordinate the ap-  
25 propriate programs and resources of the

1 partners with the activities and resources  
2 provided under this subparagraph.

3 “(ii) ACTIVITIES.—The activities de-  
4 scribed in clause (i) may include assistance  
5 in accessing financial supports for which  
6 such workers may be eligible and the provi-  
7 sion of activities available through the one-  
8 stop delivery system in a manner that en-  
9 hances the opportunities of such workers  
10 to participate, such as the provision of em-  
11 ployment and training activities during  
12 nontraditional hours and the provision of  
13 on-site child care while such activities are  
14 being provided.”;

15 (B) in subparagraph 3(A), by striking  
16 “Funds allocated” and all that follows through  
17 “section 133(b)(2)(B)” and insert “Funds allo-  
18 cated to a local area under section 133(b)”;

19 (C) by adding at the end the following:

20 “(4) INCUMBENT WORKER TRAINING PRO-  
21 GRAMS.—

22 “(A) IN GENERAL.—The local board may  
23 use up to 10 percent of the funds allocated to  
24 a local area under section 133(b) to carry out

1 incumbent worker training programs in accord-  
2 ance with this paragraph.

3 “(B) TRAINING ACTIVITIES.—The training  
4 programs for incumbent workers under this  
5 paragraph shall be carried out by the local area  
6 in conjunction with the employers of such work-  
7 ers for the purpose of assisting such workers in  
8 obtaining the skills necessary to retain employ-  
9 ment and avert layoffs.

10 “(C) EMPLOYER MATCH REQUIRED.—

11 “(i) IN GENERAL.—Employers partici-  
12 pating in programs under this paragraph  
13 shall be required to pay a proportion of the  
14 costs of providing the training to the in-  
15 cumbent workers of the employers. The  
16 State board, in consultation with the local  
17 board as appropriate, shall establish the  
18 required portion of such costs, which may  
19 include in-kind contributions. The required  
20 portion shall not be less than—

21 “(I) 10 percent of the costs, for  
22 employers with 50 or fewer employees;

23 “(II) 25 percent of the costs, for  
24 employers with more than 50 employ-



1           ees but fewer than 100 employees;  
2           and

3                       “(III) 50 percent of the costs, for  
4           employers with 100 or more employ-  
5           ees.

6                       “(ii) CALCULATION OF MATCH.—The  
7           wages paid by an employer to a worker  
8           while they are attending training may be  
9           included as part of the requirement pay-  
10          ment of the employer.”.

11           (6) PRIORITY FOR PLACEMENT IN PRIVATE  
12          SECTOR JOBS.—Section 134 (29 U.S.C. 2864) is  
13          further amended by adding at the end the following:

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

19          **SEC. 113. PERFORMANCE ACCOUNTABILITY SYSTEM.**

20           (a) STATE PERFORMANCE MEASURES.—

21                       (1) IN GENERAL.—Section 136(b)(1) (29  
22          U.S.C. 2871(b)(1)) is amended—

23                               (A) in subparagraph (A)(i), by striking  
24                       “and the customer satisfaction indicator of per-  
25                       formance described in paragraph (2)(B)”;

1 (B) in subparagraph (A)(ii), by striking  
2 “paragraph (2)(C)” and inserting “paragraph  
3 (2)(B)”.

4 (2) INDICATORS OF PERFORMANCE.—Section  
5 136(b)(2) (29 U.S.C. 2871(b)(2)) is amended—

6 (A) in subparagraph (A)(i)—

7 (i) by striking “(except for self-service  
8 and information activities) and (for partici-  
9 pants who are eligible youth age 19  
10 through 21) for youth activities authorized  
11 under section 129”;

12 (ii) in subclause (II), by striking “6  
13 months after entry into the employment”  
14 and inserting “and” after the semicolon;  
15 and

16 (iii) by striking subclause (III), and  
17 inserting the following:

18 “(III) average earnings from un-  
19 subsidized employment.”;

20 (B) by striking subclause (IV) of subpara-  
21 graph (A)(i);

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

24 “(ii) CORE INDICATORS FOR ELIGIBLE  
25 YOUTH.—The core indicators of perform-

1           ance for youth activities authorized under  
2           section 129 shall consist of—

3                   “(I) entry into employment, edu-  
4                   cation or advanced training, or mili-  
5                   tary service;

6                   “(II) attainment of secondary  
7                   school diploma, General Educational  
8                   Development credential (GED), or  
9                   other State-recognized equivalent or  
10                  certificate (including recognized alter-  
11                  native standards for individuals with  
12                  disabilities); and

13                  “(III) literacy or numeracy  
14                  gains.”;

15           (D) by striking subparagraph (B); and

16           (E) by redesignating subparagraph (C) as  
17           subparagraph (B), and by adding at the end of  
18           such subparagraph the following new sentence:  
19           “Such indicators may include customer satisfac-  
20           tion of employers and participants with services  
21           received from the workforce investment activi-  
22           ties authorized under this subtitle.”.

23           (3) LEVELS OF PERFORMANCE.—Section  
24           136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amend-  
25           ed—

1 (A) in clause (i), by striking “and the cus-  
2 tomer satisfaction indicator described in para-  
3 graph (2)(B)”;

4 (B) in clause (ii), by striking “and the cus-  
5 tomer satisfaction indicator of performance, for  
6 the first 3” and inserting “for the 2”;

7 (C) in clause (iii)—

8 (i) in the heading, by striking “**FOR**  
9 **FIRST 3 YEARS**”; and

10 (ii) by striking “and the customer sat-  
11 isfaction indicator of performance, for the  
12 first 3” and inserting “for the 2”;

13 (D) in clause (iv)—

14 (i) by striking subclause (I);

15 (ii) by redesignating subclauses (II)  
16 and (III) as subclauses (I) and (II), re-  
17 spectively; and

18 (iii) in subclause (I) (as so redesign-  
19 nated)—

20 (I) by striking “taking into ac-  
21 count” and inserting “which shall be  
22 adjusted based on”;

23 (II) by inserting “, such as un-  
24 employment rates and job losses or

1 gains in particular industries” after  
2 “economic conditions”; and

3 (III) by inserting “, such as indi-  
4 cators of poor work history, lack of  
5 work experience, dislocation from  
6 high-wage employment, low levels of  
7 literacy or English proficiency, dis-  
8 ability status, including the number of  
9 veterans with disabilities, and welfare  
10 dependency” after “program”;

11 (E) by striking clause (v) and redesign-  
12 ating clause (vi) as clause (v); and

13 (F) in clause (vi) (as so redesignated)—

14 (i) by striking “clause (iv)(II)” and  
15 inserting “subclause (iv)(I)”; and

16 (ii) striking “or (v)”.

17 (4) ADDITIONAL INDICATORS.—Section  
18 136(b)(3)(B) is amended by striking “paragraph  
19 (2)(C)” and inserting “paragraph (2)(B)”.

20 (b) LOCAL PERFORMANCE MEASURES.—Section  
21 136(e) (29 U.S.C. 2871(e)) is amended—

22 (1) in paragraph (1)(A)(i), by striking “, and  
23 the customer satisfaction indicator of performance  
24 described in subsection (b)(2)(B),”;

1           (2) in paragraph (1)(A)(ii), by striking “sub-  
2           section (b)(2)(C)” and inserting “subsection  
3           (b)(2)(B)”; and

4           (3) by amending paragraph (3) to read as fol-  
5           lows:

6           “(3) DETERMINATIONS.—In determining such  
7           local levels of performance, the local board, the chief  
8           elected official, and the Governor shall ensure such  
9           levels are adjusted based on the specific economic  
10          characteristics (such as unemployment rates and job  
11          losses or gains in particular industries), demographic  
12          characteristics, or other characteristics of the popu-  
13          lation to be served in the local area, such as poor  
14          work history, lack of work experience, dislocation  
15          from high-wage employment, low levels of literacy or  
16          English proficiency, disability status, including the  
17          number of veterans with disabilities, and welfare de-  
18          pendency.”.

19          (c) REPORT.—Section 136(d) (29 U.S.C. 2871(d)) is  
20          amended—

21                 (1) in paragraph (1), by striking “and the cus-  
22                 tomer satisfaction indicator” in both places that it  
23                 appears;

24                 (2) in paragraph (2)—

1 (A) in subparagraph (A), by striking “sec-  
2 tion 134(d)(4)” and inserting “section  
3 134(c)(4)”;

4 (B) in subparagraph (E), by striking “(ex-  
5 cluding participants who received only self-serv-  
6 ice and informational activities); and” and in-  
7 serting a semicolon;

8 (C) in subparagraph (F), by striking the  
9 period and inserting “; and”; and

10 (D) by adding at the end the following:

11 “(G) the number of participants who have  
12 received services other than followup services,  
13 authorized under this title, in the form of work  
14 ready services described in section 134(c)(2),  
15 and training services described in section  
16 134(c)(4), respectively;

17 “(H) the number of participants who have  
18 received followup services authorized under this  
19 title; and

20 “(I) the cost per participant for services  
21 authorized under this title.”; and

22 (3) by adding at the end the following:

23 “(4) DATA VALIDATION.—In preparing the re-  
24 ports described in this subsection, the States shall  
25 establish procedures, consistent with guidelines

1 issued by the Secretary, to ensure the information  
2 contained in the report is valid and reliable.”.

3 (d) SANCTIONS FOR STATE.—Section 136(g) (29  
4 U.S.C. 2871(g)) is amended—

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

7 (2) in paragraph (2), by striking “section 503”  
8 and inserting “section 136(i)”.

9 (e) SANCTIONS FOR LOCAL AREAS.—Section 136(h)  
10 (29 U.S.C. 2871(h)) is amended—

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

12 (2) by amending paragraph (2)(B) to read as  
13 follows:

14 “(B) APPEAL TO GOVERNOR.—A local area  
15 that is subject to a reorganization plan under  
16 subparagraph (A) may, not later than 30 days  
17 after receiving notice of the reorganization plan,  
18 appeal to the Governor to rescind or revise such  
19 plan. In such case, the Governor shall make a  
20 final decision not later than 30 days after the  
21 receipt of the appeal.”.

22 (f) INCENTIVE GRANTS.—Section 136(i) (29 U.S.C.  
23 2871(i)) is amended to read as follows:

24 “(i) INCENTIVE GRANTS FOR STATES AND LOCAL  
25 AREAS.—



1 “(1) INCENTIVE GRANTS FOR STATES.—

2 “(A) IN GENERAL.—From funds appro-  
3 priated under section 174, the Secretary may  
4 award incentive grants to States for exemplary  
5 performance in carrying programs under chap-  
6 ters 4 and 5 of this subtitle. Such awards may  
7 be based on States meeting or exceeding the  
8 performance measures established under this  
9 section, on the performance of the State in  
10 serving special populations, including the levels  
11 of service provided and the performance out-  
12 comes, and such other factors relating to the  
13 performance of the State under this title as the  
14 Secretary determines is appropriate.

15 “(B) USE OF FUNDS.—The funds awarded  
16 to a State under this paragraph may be used to  
17 carry out any activities authorized under chap-  
18 ters 4 and 5 of this title, including—

19 “(i) activities that provide technical  
20 assistance to local areas to replicate best  
21 practices for workforce and education pro-  
22 grams;

23 “(ii) activities that support the needs  
24 of businesses, especially for incumbent

1 workers and enhancing opportunities for  
2 retention and advancement;

3 “(iii) activities that support linkages  
4 between the workforce and education pro-  
5 grams, and secondary, post-secondary, or  
6 career and technical education programs,  
7 including activities under the Carl D. Per-  
8 kins Career and Technical Education Act  
9 (20 U.S.C. 2301 et seq.), the Adult Edu-  
10 cation and Family Literacy Act (20 U.S.C.  
11 9201 et seq.), and the Rehabilitation Act  
12 of 1973 (29 U.S.C. 701 et seq.);

13 “(iv) activities that support regional  
14 economic development plans that support  
15 high-wage, high-skill, or high-demand occu-  
16 pations leading to self-sufficiency;

17 “(v) activities that coordinate the  
18 workforce and education programs with  
19 other Federal and State programs related  
20 to the workforce and education programs;

21 “(vi) activities that support the devel-  
22 opment of an integrated performance in-  
23 formation system that includes common  
24 measures for one-stop partner programs  
25 described in section 121;

1           “(vii) activities that support activities  
2           to improve performance in workforce and  
3           education programs and program coordina-  
4           tion of workforce and education programs;  
5           or

6           “(viii) activities that leverage addi-  
7           tional training resources, other than those  
8           provided through workforce and education  
9           programs, for adults and youth.

10          “(2) INCENTIVE GRANTS FOR LOCAL AREAS.—

11           “(A) IN GENERAL.—From funds reserved  
12           under sections 128(a) and 133(a), the Governor  
13           may award incentive grants to local areas for  
14           exemplary performance with respect to the  
15           measures established under this section and  
16           with the performance of the local area in serv-  
17           ing special populations, including the levels of  
18           service and the performance outcomes.

19           “(B) USE OF FUNDS.—The funds awarded  
20           to a local area may be used to carry out activi-  
21           ties authorized for local areas under chapters 4  
22           and 5 of this title, the Adult Education and  
23           Family Literacy Act, and the Rehabilitation Act  
24           of 1973 (referred to in this subsection as ‘work-  
25           force and education programs’), and such inno-

1 vative projects or programs that increase co-  
2 ordination and enhance service to participants  
3 in such programs, particularly hard-to-serve  
4 populations, as may be approved by the Gov-  
5 ernor, including—

6 “(i) activities that support the needs  
7 of businesses, especially for incumbent  
8 workers and enhancing opportunities for  
9 retention and advancement;

10 “(ii) activities that support linkages  
11 between the workforce and education pro-  
12 grams, and secondary, post-secondary, or  
13 career and technical education programs,  
14 including activities under the Carl D. Per-  
15 kins Career and Technical Education Act  
16 (20 U.S.C. 2301 et seq.), the Adult Edu-  
17 cation and Family Literacy Act (20 U.S.C.  
18 9201 et seq.), and the Rehabilitation Act  
19 of 1973 (29 U.S.C. 701 et seq.);

20 “(iii) activities that support regional  
21 economic development plans that support  
22 high-wage, high-skill, or high-demand occu-  
23 pations leading to self-sufficiency;

24 “(iv) activities that coordinate the  
25 workforce and education programs with

1 other Federal and State programs related  
2 to the workforce and education programs;

3 “(v) activities that support the devel-  
4 opment of an integrated performance in-  
5 formation system that includes common  
6 measures for one-stop partner programs  
7 described in section 121;

8 “(vi) activities that support activities  
9 to improve performance in workforce and  
10 education programs and program coordina-  
11 tion of workforce and education programs;

12 or

13 “(vii) activities that leverage addi-  
14 tional training resources, other than those  
15 provided through workforce and education  
16 programs, for adults and youth.”.

17 (g) USE OF CORE INDICATORS FOR OTHER PRO-  
18 GRAMS.—Section 136 (29 U.S.C. 2871) is further amend-  
19 ed by adding at the end the following subsection:

20 “(j) USE OF CORE INDICATORS FOR OTHER PRO-  
21 GRAMS.—In addition to the programs carried out under  
22 chapters 4 and 5, and consistent with the requirements  
23 of the applicable authorizing laws, the Secretary shall use  
24 the core indicators of performance described in subsection  
25 (b)(2)(A) to assess the effectiveness of the programs de-

1 scribed under section 121(b)(1)(B) that are carried out  
2 by the Secretary.”.

3 (h) REPEAL OF DEFINITIONS.—Sections 502 and  
4 503 (and the items related to such sections in the table  
5 of contents) are repealed.

6 **SEC. 114. AUTHORIZATION OF APPROPRIATIONS.**

7 (a) YOUTH ACTIVITIES.—Section 137(a) (29 U.S.C.  
8 2872(a)) is amended by striking “such sums as may be  
9 necessary for each of fiscal years 1999 through 2003” and  
10 inserting “such sums as may be necessary for each of fis-  
11 cal year 2013 through 2017”.

12 (b) ADULT EMPLOYMENT AND TRAINING ACTIVI-  
13 TIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by  
14 striking “section 132(a)(1), such sums as may be nec-  
15 essary for each of fiscal years 1999 through 2003” and  
16 inserting “section 132(a), such sums as may be necessary  
17 for each of fiscal years 2013 through 2017”.

18 (c) DISLOCATED WORKER EMPLOYMENT AND  
19 TRAINING ACTIVITIES.—Section 137 is further amended  
20 by striking subsection (c).

21 **SEC. 115. JOB CORPS.**

22 (a) JOB CORPS CENTERS.—Section 147(a)(1)(A) (29  
23 U.S.C. 2887 (a)(1)(A)) is amended—

24 (1) by striking “vocational education” and in-  
25 serting “career and technical education”; and

1           (2) by striking “vocational school” and insert-  
2           ing “career and technical school”.

3           (b) PROGRAM ACTIVITIES.—Section 148 (29 U.S.C.  
4 2888) is amended—

5           (1) in subsection (a)—

6           (A) by striking paragraph (1) and insert-  
7           ing the following:

8           “(1) IN GENERAL.—Each Job Corps center  
9           shall provide enrollees with an intensive, well orga-  
10          nized, and fully supervised program of education, ca-  
11          reer training, work experience, recreational activities,  
12          physical rehabilitation and development, and coun-  
13          seling. Each Job Corps center shall provide enrollees  
14          assigned to the center with access to work ready  
15          services described in section 134(c)(2).”;

16          (B) in subparagraph (2)(A), by striking  
17          “vocational” and inserting “career”; and

18          (2) in subsection (b)—

19          (A) in the header, by striking “VOCA-  
20          TIONAL” and inserting “CAREER AND TECH-  
21          NICAL”;

22          (B) by striking “vocational training” and  
23          inserting “career and technical training”; and

1 (C) by striking “, vocational educational  
2 institutions, or technical institutes” and insert-  
3 ing “or career and technical institutions”.

4 (c) INDUSTRY COUNCILS.—Section 154(b) (29  
5 U.S.C. 2894(b)) is amended—

6 (1) in paragraph (1)(A), by striking “local and  
7 distant”; and

8 (2) by adding after paragraph (2) the following:

9 “(3) EMPLOYERS OUTSIDE OF LOCAL AREAS.—

10 The industry council may include, or otherwise pro-  
11 vide for consultation with, employers from outside  
12 the local area who are likely to hire a significant  
13 number of enrollees from the Job Corps center.

14 “(4) SPECIAL RULE FOR SINGLE LOCAL AREA  
15 STATES.—In the case of a single local area State  
16 designated under section 116(b), the industry coun-  
17 cil shall include a representative of the State  
18 Board.”.

19 (d) INDICATORS OF PERFORMANCE AND ADDITIONAL  
20 INFORMATION.—Section 159(e) (29 U.S.C. 2893(e)) is  
21 amended—

22 (1) by amending paragraph (1) to read as fol-  
23 lows:

24 “(1) CORE INDICATORS.—The Secretary shall  
25 annually establish expected levels of performance for



1 Job Corps centers and the Job Corps program relat-  
2 ing to each of the following core indicators of per-  
3 formance for youth—

4 “(A) entry into education, employment,  
5 military service or advanced training;

6 “(B) attainment of a secondary school di-  
7 ploma, General Educational Development cre-  
8 dential (GED), or other State-recognized equiv-  
9 alent; and

10 “(C) literacy or numeracy gains.”; and

11 (2) in paragraph (2), by striking “measures”  
12 each place it appears and inserting “indicators”.

13 (e) AUTHORIZATION OF APPROPRIATIONS.—Section  
14 161 (29 U.S.C. 2901) is amended by striking “1999  
15 through 2003” and inserting “2013 through 2017”.

16 (f) REPEAL OF REQUIREMENT RELATING TO FED-  
17 ERAL ADMINISTRATION.—Section 102 of the Departments  
18 of Labor, Health and Human Services, and Education,  
19 and Related Agencies Appropriations Act, 2006 (Public  
20 Law 109–149) is repealed.

21 **SEC. 116. NATIVE AMERICAN PROGRAMS.**

22 (a) ADVISORY COUNCIL.—Section 166(h)(4)(C) (29  
23 U.S.C. 2911(h)(4)(C)) is amended to read as follows:

24 “(C) DUTIES.—The Council shall advise  
25 the Secretary on the operation and administra-

1           tion of the programs assisted under this sec-  
2           tion.”.

3           (b) ASSISTANCE TO AMERICAN SAMOANS IN HA-  
4 WAI.—Section 166 (29 U.S.C. 2911) is further amended  
5 by striking subsection (j).

6 **SEC. 117. MIGRANT AND SEASONAL FARM WORKER PRO-**  
7 **GRAMS.**

8           Section 167(d) is amended by inserting “(including  
9 permanent housing)” after “housing”.

10 **SEC. 118. VETERANS’ WORKFORCE INVESTMENT PRO-**  
11 **GRAMS.**

12           Section 168(a)(3)(C) (29 U.S.C. 2913(a)(3)(C)) is  
13 amended by striking “section 134(c)” and inserting “sec-  
14 tion 121(e)”.

15 **SEC. 119. YOUTH CHALLENGE GRANTS.**

16           (a) IN GENERAL.—Section 169 (29 U.S.C. 2914) is  
17 amended to read as follows:

18 **“SEC. 169. YOUTH CHALLENGE GRANTS.**

19           “(a) IN GENERAL.—Of the amounts reserved by the  
20 Secretary under section 127(a)(1)(A) for a fiscal year—

21                   “(1) the Secretary shall use not less than 80  
22 percent to award competitive grants under sub-  
23 section (b); and

1           “(2) the Secretary may use not more than 20  
2           percent to award discretionary grants under sub-  
3           section (c).

4           “(b) COMPETITIVE GRANTS TO STATES AND LOCAL  
5           AREAS.—

6           “(1) ESTABLISHMENT.—From the funds de-  
7           scribed in subsection (a)(1), the Secretary shall  
8           award competitive grants to eligible entities to carry  
9           out activities authorized under this section to assist  
10          eligible youth in acquiring the skills, credentials and  
11          employment experience necessary to succeed in the  
12          labor market.

13          “(2) ELIGIBLE ENTITIES.—Grants under this  
14          subsection may be awarded to States, local boards,  
15          recipients of grants under section 166 (relating to  
16          Native American programs), and public or private  
17          entities (including consortia of such entities) apply-  
18          ing in conjunction with local boards.

19          “(3) GRANT PERIOD.—The Secretary may  
20          make a grant under this section for a period of 1  
21          year and may renew the grants for each of the 4  
22          succeeding years.

23          “(4) AUTHORITY TO REQUIRE MATCH.—The  
24          Secretary may require that grantees under this sub-  
25          section provide a non-Federal share of the cost of

1 activities carried out under a grant awarded under  
2 this subsection.

3 “(5) PARTICIPANT ELIGIBILITY.—Youth ages  
4 14 through 19 as of the time the eligibility deter-  
5 mination is made may be eligible to participate in  
6 activities provided under this subsection.

7 “(6) USE OF FUNDS.—Funds under this sub-  
8 section may be used for activities that are designed  
9 to assist youth in acquiring the skills, credentials  
10 and employment experience that are necessary to  
11 succeed in the labor market, including the activities  
12 identified in section 129. The activities may include  
13 activities such as—

14 “(A) training and internships for out-of-  
15 school youth in sectors of the economy experi-  
16 encing or projected to experience high growth;

17 “(B) after-school dropout prevention activi-  
18 ties for in-school youth;

19 “(C) activities designed to assist special  
20 youth populations, such as court-involved youth  
21 and youth with disabilities; and

22 “(D) activities combining remediation of  
23 academic skills, work readiness training, and  
24 work experience, and including linkages to post-

1 secondary education, apprenticeships, and ca-  
2 reer-ladder employment.

3 “(7) APPLICATIONS.—To be eligible to receive a  
4 grant under this subsection, an eligible entity shall  
5 submit an application to the Secretary at such time,  
6 in such manner, and containing such information as  
7 the Secretary may require, including—

8 “(A) a description of the activities the eli-  
9 gible entity will provide to eligible youth under  
10 this subsection and how the eligible entity will  
11 collaborate with State and local workforce in-  
12 vestment systems established under this title in  
13 the provisions of such activities;

14 “(B) a description of the programs of dem-  
15 onstrated effectiveness on which the provision  
16 of the activities under subparagraph (A) are  
17 based, and a description of how such activities  
18 will expand the base of knowledge relating to  
19 the provision of activities for youth;

20 “(C) a description of the private and pub-  
21 lic, and local and State resources that will be le-  
22 veraged to provide the activities described under  
23 subparagraph (A) in addition to the funds pro-  
24 vided under this subsection and a description of

1 the extent of the involvement of employers in  
2 the activities; and

3 “(D) the levels of performance the eligible  
4 entity expects to achieve with respect to the in-  
5 dicators of performance for youth specified in  
6 section 136(b)(2)(A)(ii).

7 “(8) FACTORS FOR AWARD.—

8 “(A) IN GENERAL.—In awarding grants  
9 under this subsection the Secretary shall con-  
10 sider—

11 “(i) the quality of the proposed activi-  
12 ties;

13 “(ii) the goals to be achieved;

14 “(iii) the likelihood of successful im-  
15 plementation;

16 “(iv) the extent to which the proposed  
17 activities are based on proven strategies or  
18 the extent to which the proposed activities  
19 will expand the base of knowledge relating  
20 to the provision of activities for eligible  
21 youth;

22 “(v) the extent of collaboration with  
23 the State and local workforce investment  
24 systems in carrying out the proposed ac-  
25 tivities;

1 “(vi) the extent of employer involve-  
2 ment in the proposed activities;

3 “(vii) whether there are other Federal  
4 and non-Federal funds available for similar  
5 activities to the proposed activities, and the  
6 additional State, local, and private re-  
7 sources that will be provided to carry out  
8 the proposed activities;

9 “(viii) the quality of the proposed ac-  
10 tivities in meeting the needs of the eligible  
11 youth to be served; and

12 “(ix) the extent to which the proposed  
13 activities will expand on services provided  
14 under section 127.

15 “(B) **EQUITABLE GEOGRAPHIC DISTRIBUTION.**—In awarding grants under this sub-  
16 section the Secretary shall ensure an equitable  
17 distribution of such grants across geographi-  
18 cally diverse areas.

19  
20 “(9) **EVALUATION.**—The Secretary may reserve  
21 up to 5 percent of the funds described in subsection  
22 (a)(1) to provide technical assistance to, and conduct  
23 evaluations of the projects funded under this sub-  
24 section (using appropriate techniques as described in  
25 section 172(c)).

1       “(c) DISCRETIONARY GRANTS FOR YOUTH ACTIVI-  
2 TIES.—

3           “(1) IN GENERAL.—From the funds described  
4 in subsection(a)(2), the Secretary may award grants  
5 to eligible entities to provide activities that will as-  
6 sist youth in preparing for, and entering and retain-  
7 ing, employment.

8           “(2) ELIGIBLE ENTITIES.—Grants under this  
9 subsection may be awarded to public or private enti-  
10 ties that the Secretary determines would effectively  
11 carry out activities relating to youth under this sub-  
12 section.

13           “(3) PARTICIPANT ELIGIBILITY.—Youth ages  
14 14 through 19 at the time the eligibility determina-  
15 tion is made may be eligible to participate in activi-  
16 ties under this subsection.

17           “(4) USE OF FUNDS.—Funds provided under  
18 this subsection may be used for activities that will  
19 assist youth in preparing for, and entering and re-  
20 taining, employment, including activities to assist  
21 out-of-school youth, activities designed to assist in-  
22 school youth to stay in school and gain work experi-  
23 ence, and such other activities that the Secretary de-  
24 termines are appropriate.



1           “(5) APPLICATIONS.—To be eligible to receive a  
2           grant under this subsection, an eligible entity shall  
3           submit an application to the Secretary at such time,  
4           in such manner, and containing such information as  
5           the Secretary may require.

6           “(6) ADDITIONAL REQUIREMENTS.—The Sec-  
7           retary may require the provision of a non-Federal  
8           share for projects funded under this subsection and  
9           may require participation of grantees in evaluations  
10          of such projects, including evaluations using the  
11          techniques as described in section 172(e).”.

12          (b) CLERICAL AMENDMENT.—The table of contents  
13          in section 1(b) is amended by amending the item related  
14          to section 169 to read as follows:

          “Sec. 169. Youth challenge grants.”.

15          **SEC. 120. TECHNICAL ASSISTANCE.**

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

17                 (1) by striking subsection (b);

18                 (2) by striking:

19                 “(a) GENERAL TECHNICAL ASSISTANCE.—”;

20                 (3) by redesignating paragraphs (1), (2), and  
21                 (3) as subsections (a), (b), and (c) respectively, and  
22                 moving such subsections 2 ems to the left;

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

24                         (A) by inserting “the training of staff pro-  
25                         viding rapid response services, the training of

1 other staff of recipients of funds under this  
2 title, peer review activities under this title, as-  
3 sistance regarding accounting and program op-  
4 eration practices (when such assistance would  
5 not be duplicative to assistance provided by the  
6 State), technical assistance to States that do  
7 not meet State performance measures described  
8 in section 136,” after “localities,”; and

9 (B) by striking “from carrying out activi-  
10 ties” and all that follows up to the period and  
11 inserting “to implement the amendments made  
12 by the Workforce Investment Improvement Act  
13 of 2011”; and

14 (5) by inserting, after subsection (c) (as reded-  
15 igned by paragraph (3)), the following:

16 “(d) BEST PRACTICES COORDINATION.—The Sec-  
17 retary shall—

18 “(1) establish a system through which States  
19 may share information regarding best practices with  
20 regard to the operation of workforce investment ac-  
21 tivities under this Act;

22 “(2) evaluate and disseminate information re-  
23 garding best practices and identify knowledge gaps;  
24 and

1           “(3) commission research under section 171(c)  
2           to address knowledge gaps identified under para-  
3           graph (2).”.

4 **SEC. 121. DEMONSTRATION, PILOT, MULTISERVICE, RE-**  
5 **SEARCH AND MULTI-STATE PROJECTS.**

6           (a) DEMONSTRATION AND PILOT PROJECTS.—Sec-  
7           tion 171(b) (29 U.S.C. 2916(b)) is amended—

8                   (1) in paragraph (1)—

9                           (A) by striking “Under a” and inserting  
10                           “Consistent with the priorities specified in the”;

11                           (B) by amending subparagraphs (A)  
12                           through (D) to read as follows:

13                                   “(A) projects that assist national employ-  
14                                   ers in connecting with the workforce investment  
15                                   system established under this title in order to  
16                                   facilitate the recruitment and employment of  
17                                   needed workers and to provide information to  
18                                   such system on skills and occupations in de-  
19                                   mand;

20                                   “(B) projects that promote the develop-  
21                                   ment of systems that will improve the effective-  
22                                   ness and efficiency of programs carried out  
23                                   under this title;

24                                   “(C) projects that focus on opportunities  
25                                   for employment in industries and sectors of in-

1 dustries that are experiencing or are likely to  
2 experience high rates of growth, including those  
3 relating to information technology and energy  
4 efficiency and renewable energy;

5 “(D) projects carried out by States and  
6 local areas to test innovative approaches to de-  
7 livering employment-related services;”;

8 (C) by striking subparagraph (E);

9 (D) by redesignating subparagraphs (F)  
10 and (G) as subparagraphs (E) and (F), respec-  
11 tively;

12 (E) in subparagraph (F) (as so redesign-  
13 ated, by striking “; and” and inserting a semi-  
14 colon;

15 (F) by inserting after subparagraph (F)  
16 (as so redesignated) the following:

17 “(G) projects carried out by States and  
18 local areas to assist adults or out of school  
19 youth in starting a small business, including  
20 training and assistance in business or financial  
21 management or in developing other skills nec-  
22 essary to operate a business;”;

23 (G) by amending subparagraph (H) to  
24 read as follows:

1           “(H) projects that focus on opportunities  
2           for employment in industries and sectors of in-  
3           dustries that are being transformed by tech-  
4           nology and innovation requiring new knowledge  
5           or skill sets for workers, including advanced  
6           manufacturing; and”;

7           (2) in paragraph (2)—

8                     (A) by striking subparagraph (B); and

9                     (B) by redesignating subparagraph (C) as  
10           subparagraph (B).

11       (b)       MULTISERVICE       PROJECTS.—Section  
12   171(e)(2)(B) (29 U.S.C. 2916(e)(2)(B)) is amended to  
13   read as follows:

14                     “(B) NET IMPACT STUDIES AND RE-  
15           PORTS.—The Secretary shall conduct studies to  
16           determine the net impacts of programs, serv-  
17           ices, and activities carried out under this title.  
18           The Secretary shall prepare and disseminate to  
19           Congress and the public reports containing the  
20           results of such studies.”.

21   **SEC. 122. RESTORING STATE AND LOCAL FLEXIBILITY TO**  
22                     **CREATE ENERGY EFFICIENCY AND RENEW-**  
23                     **ABLE ENERGY JOBS.**

24       Section 171(e) is repealed.

1 **SEC. 123. EVALUATIONS.**

2 (a) **IMPACT ANALYSIS.**—Section 172(a)(4) (29  
3 U.S.C. 2917(a)(4)) is amended to read as follows:

4 “(4) the impact of receiving services and not re-  
5 ceiving services under such programs and activities  
6 on the community, businesses, and individuals;”.

7 (b) **TECHNIQUES.**—Section 172(c) (29 U.S.C.  
8 2917(c)) is amended to read as follows:

9 “(c) **TECHNIQUES.**—Evaluations conducted under  
10 this section shall utilize appropriate and rigorous method-  
11 ology and research designs, including the use of control  
12 groups chosen by scientific random assignment methodolo-  
13 gies, quasi-experimental methods, impact analysis and the  
14 use of administrative data. The Secretary shall conduct  
15 an impact analysis, as described in subsection (a)(4), of  
16 the formula grant programs under subtitle B not later  
17 than 2014, and thereafter shall conduct such an analysis  
18 not less than once every four years.”.

19 (c) **REPORTS TO CONGRESS.**—Section 172(e) (29  
20 U.S.C. 2917(e)) is amended by striking “the Committee  
21 on Labor and Human Resources of the Senate” and in-  
22 serting “the Committee on Health, Education, Labor, and  
23 Pensions of the Senate”.

24 **SEC. 124. NATIONAL DISLOCATED WORKER GRANTS.**

25 (a) **IN GENERAL.**—Section 173 (29 U.S.C. 2916) is  
26 amended—

1           (1) by amending the designation and heading to  
2           read as follows:

3 **“SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.”;**

4           (2) in subsection (a)—

5                 (A) by striking “national emergency  
6                 grants” in the matter preceding paragraph (1)  
7                 and inserting “national dislocated worker  
8                 grants”;

9                 (B) in paragraph (1), by striking “sub-  
10                section (c)” and inserting “subsection (b)”; and

11                (C) in paragraph (4)—

12                         (i) in subparagraph (A)—

13                                 (I) by striking “section  
14                                 173(c)(1)(B)” and inserting “section  
15                                 173(h)(1)(B)”; and

16                                 (II) by striking “subsection (f)”  
17                                 and inserting “subsection (d)”; and

18                         (ii) in subparagraph (B), by striking  
19                         “subsection (g)” and inserting “subsection  
20                         (e)”;

21           (3) by striking subsections (b) and (e) and re-  
22           designating subsections (c), (d), (f), and (g) as sub-  
23           sections (b) through (e), respectively;

1 (4) in subsection (b)(1)(B) as so redesignated),  
2 by striking “, and other entities” and all that follows  
3 and inserting a period;

4 (5) in subsection (b)(2)(A) (as so redesign-  
5 nated)—

6 (A) in the matter preceding clause (i), by  
7 striking “national emergency grant” and insert-  
8 ing “national dislocated worker grant”;

9 (B) in clause (iii), by striking “; or” and  
10 inserting a semicolon;

11 (C) in clause (iv)(IV) by striking the pe-  
12 riod and inserting “; or”; and

13 (D) by inserting at the end the following:

14 “(v) is the spouse of a member of the  
15 Armed Forces who is on active duty or  
16 full-time National Guard duty, or who was  
17 recently separated from such duties, and  
18 such spouse is in need of employment and  
19 training assistance to obtain or retain em-  
20 ployment.”;

21 (6) in subsection (b)(2)(C) (as so redesignated),  
22 by striking “national emergency grant” and insert-  
23 ing “national dislocated worker grants”;



1 (7) in subsection (d)(2) (as so redesignated), by  
2 striking “subsection (g)” and inserting “subsection  
3 (e)”;

4 (8) in subsection (d)(5) (as so redesignated), by  
5 striking “subsection (g)” and inserting “subsection  
6 (e)”;

7 (9) in subsection (d)(6) (as so redesignated), by  
8 striking “subsection (g)” and inserting “subsection  
9 (e)”;

10 (10) in subsection (e)(1)(A) (as so redesignated), by striking “subsection (f)(1)(A)” and inserting “subsection (d)(1)(A)”.

13 (b) CONFORMING AMENDMENT.—The table of contents in section 1(b) is amended by amending the item  
14 related to section 173 to read as follows:

“Sec. 173. National dislocated worker grants.”.

16 **SEC. 125. AUTHORIZATION OF APPROPRIATIONS FOR NA-**  
17 **TIONAL ACTIVITIES.**

18 (a) IN GENERAL.—Section 174(a)(1) (29 U.S.C.  
19 2919(a)(1)) is amended by striking “1999 through 2003”  
20 and inserting “2013 through 2017”.

21 (b) RESERVATIONS.—Section 174(b) is amended to  
22 read as follows:

23 “(b) TECHNICAL ASSISTANCE; DEMONSTRATION AND  
24 PILOT PROJECTS; EVALUATIONS; INCENTIVE GRANTS.—

1           “(1) DEMONSTRATION AND PILOT PROJECTS.—  
2           There are authorized to be appropriated to carry out  
3           section 171, such sums as may be necessary for fis-  
4           cal years 2013 through 2017.

5           “(2) TECHNICAL ASSISTANCE, EVALUATIONS.—  
6           There are authorized to be appropriated to carry out  
7           section 170, section 172, and section 136 such sums  
8           as may be necessary for each of fiscal years 2013  
9           through 2017.”.

10 **SEC. 126. REQUIREMENTS AND RESTRICTIONS.**

11           (a) IN GENERAL.—Section 181(c)(2)(A) (29 U.S.C.  
12 2931(c)(2)(A)) is amended in the matter preceding clause  
13 (i) by striking “shall” and inserting “may”.

14           (b) LIMITATIONS.—Section 181(e) (29 U.S.C.  
15 2931(e)) is amended by striking “training for” and insert-  
16 ing “the entry into employment, retention in employment,  
17 or increases in earnings of”.

18           (c) SALARY CAP.—Section 181 (29 U.S.C. 2931) is  
19 further amended by adding at the end the following new  
20 subsection:

21           “(g) SALARY AND BONUS LIMITATION.—No funds  
22 provided under this title shall be used by a recipient or  
23 subrecipient of such funds to pay the salary and bonuses  
24 of an individual, either as direct costs or indirect costs,  
25 at a rate in excess of Level II of the Federal Executive

1 Pay Schedule (5 U.S.C. 5313). This limitation shall not  
2 apply to vendors providing goods and services as defined  
3 in OMB Circular A-133. Where States are recipients of  
4 such funds, States may establish a lower limit for salaries  
5 and bonuses of those receiving salaries and bonuses from  
6 subrecipients of such funds, taking into account factors  
7 including the relative cost-of-living in the State, the com-  
8 pensation levels for comparable State or local government  
9 employees, and the size of the organizations that admin-  
10 ister the programs.”.

11 (d) GENERAL AUTHORITY.—Section 181 is further  
12 amended by adding at the end the following new sub-  
13 section:

14 “(h) GENERAL AUTHORITY.—

15 “(1) IN GENERAL.—The Employment and  
16 Training Administration of the U.S. Department of  
17 Labor (hereinafter in this Act referred to as the ‘Ad-  
18 ministration’) shall administer all programs author-  
19 ized under title I and III of this Act. The Adminis-  
20 tration shall be headed by an Assistant Secretary  
21 appointed by the President by and with the advice  
22 and consent of the Senate. Except for titles II and  
23 IV, the Administration shall be the principal agency,  
24 and the Assistant Secretary shall be the principal of-  
25 ficer, of such Department for carrying out this Act.

1           “(2) QUALIFICATIONS.—The Assistant Sec-  
2           retary shall be an individual with substantial experi-  
3           ence in workforce development and in workforce de-  
4           velopment management. The Assistant Secretary  
5           shall also, to the maximum extent possible, possess  
6           knowledge and have worked in or with the State or  
7           local workforce investment system or have been a  
8           member of the business community. In the perform-  
9           ance of the functions of the office, the Assistant Sec-  
10          retary shall be directly responsible to the Secretary  
11          or the Under Secretary as designed by the Sec-  
12          retary. The functions of the Assistant Secretary  
13          shall not be delegated to any officer not directly re-  
14          sponsible, both with respect to program operation  
15          and administration, to the Assistant Secretary. Any  
16          reference in this Act to duties to be carried out by  
17          the Assistant Secretary shall be considered to be a  
18          reference to duties to be carried out by the Secretary  
19          acting through the Assistant Secretary.”.

20          (e) FISCAL CONTROLS; SANCTIONS.—Section  
21          184(a)(2)(B) (29 U.S.C. 2934(a)(2)(B)) is amended by  
22          striking “in accordance with section 134(a)(3)(B)”.

23          (f) REPORTS TO CONGRESS.—Section 185 (29 U.S.C.  
24          2935) is amended—

25                 (1) in subsection (c)—

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

3 (B) in paragraph (3), by striking the pe-  
4 riod and inserting “; and”; and

5 (C) by adding at the end the following:

6 “(4) shall have the option to submit or dissemi-  
7 nate electronically any reports, records, plans, or any  
8 other data that are required to be collected or dis-  
9 seminated under this title.”; and

10 (2) in paragraph (e)(2), by inserting “and the  
11 Secretary shall submit to the Committee on Edu-  
12 cation and the Workforce of the House of Rep-  
13 resentatives and the Committee on Health, Edu-  
14 cation, Labor, and Pensions of the Senate,” after  
15 “Secretary,”.

16 **SEC. 127. NONDISCRIMINATION.**

17 Section 188(a)(2) (29 U.S.C. 2938(a)(2)) is amended  
18 to read as follows:

19 “(2) PROHIBITION OF DISCRIMINATION RE-  
20 GARDING PARTICIPATION, BENEFITS, AND EMPLOY-  
21 MENT.—

22 “(A) IN GENERAL.—Except as provided in  
23 subparagraph (B), no individual shall be ex-  
24 cluded from participation in, denied the benefits  
25 of, subjected to discrimination under, or denied

1 employment in the administration of or in con-  
2 nection with, any such program or activity be-  
3 cause of race, color, religion, sex (except as oth-  
4 erwise permitted under title IX of the Edu-  
5 cation Amendments of 1972), national origin,  
6 age, disability, or political affiliation or belief.

7 “(B) EXEMPTION FOR RELIGIOUS ORGANI-  
8 ZATIONS.—Subparagraph (A) shall not apply to  
9 a recipient of financial assistance under this  
10 title that is a religious corporation, association,  
11 educational institution, or society, with respect  
12 to the employment of individuals of a particular  
13 religion to perform work connected with the  
14 carrying on by such corporation, association,  
15 educational institution, or society of its activi-  
16 ties. Such recipients shall comply with the other  
17 requirements contained in subparagraph (A).”.

18 **SEC. 128. ADMINISTRATIVE PROVISIONS.**

19 (a) PROGRAM YEAR.—Section 189(g)(1) (29 U.S.C.  
20 2939(g)(1)) is amended to read as follows:

21 “(1) IN GENERAL.—Appropriations for any fis-  
22 cal year for programs and activities carried out  
23 under this title shall be available for obligation only  
24 on the basis of a program year. The program year

1 shall begin on July 1 in the fiscal year for which the  
2 appropriation is made.”.

3 (b) AVAILABILITY.—Section 189(g)(2) (29 U.S.C.  
4 2939(g)(2)) is amended by striking “each State” and in-  
5 serting “each recipient”.

6 (c) GENERAL WAIVERS.—Section 189(i)(4) (29  
7 U.S.C. 2939(i)(4)) is amended—

8 (1) in subparagraph (A)—

9 (A) in the matter preceding clause (i), by  
10 inserting “, or in accordance with subparagraph  
11 (D)” after “subparagraph (B)”; and

12 (B) by striking clause (ii), the clause (i)  
13 designation and the dash preceding such des-  
14 ignation, and moving the remaining text flush  
15 with the preceding matter; and

16 (2) by adding the following subparagraph:

17 “(D) EXPEDITED PROCESS FOR EXTEND-  
18 ING APPROVED WAIVERS TO ADDITIONAL  
19 STATES.—In lieu of the requirements of sub-  
20 paragraphs (B) and (C), the Secretary may es-  
21 tablish an expedited procedure for the purpose  
22 of extending to additional States the waiver of  
23 statutory or regulatory requirements that have  
24 been approved for a State pursuant to a request  
25 under subparagraph (B). Such procedure shall

1 ensure that the extension of such waivers to ad-  
2 ditional States are accompanied by appropriate  
3 conditions relating the implementation of such  
4 waivers.”.

5 **SEC. 129. STATE LEGISLATIVE AUTHORITY.**

6 Section 191 is amended—

7 (1) in subsection (a), by striking “consistent  
8 with the provisions of this title” and inserting “con-  
9 sistent with State law and the provisions of this  
10 title”; and

11 (2) in subsection (a), by striking “consistent  
12 with the terms and conditions required under this  
13 title” and inserting “consistent with State law and  
14 the terms and conditions required under this title”.

15 **SEC. 130. WORKFORCE INNOVATION IN REGIONAL ECO-**  
16 **NOMIC DEVELOPMENT.**

17 (a) WORKFORCE INNOVATION IN REGIONAL ECO-  
18 NOMIC DEVELOPMENT.—Section 192 (29 U.S.C. 2942) is  
19 amended to read as follows:

20 **“SEC. 192. WORKFORCE INNOVATION IN REGIONAL ECO-**  
21 **NOMIC DEVELOPMENT.**

22 “(a) WORKFORCE INNOVATION IN REGIONAL ECO-  
23 NOMIC DEVELOPMENT PLANS.—

24 “(1) IN GENERAL.—The Secretary, in coopera-  
25 tion with other Federal agency heads responsible for



1 the administration of programs included in plans  
2 submitted under this subsection, may approve Work-  
3 force Innovation in Regional Economic Development  
4 (in this subsection referred to as WIRED) plans  
5 submitted by a State or local workforce investment  
6 board or boards pursuant to paragraph (2) to sup-  
7 port the development of regional economies in order  
8 to foster economic development, expand employment,  
9 and advancement opportunities for workers and to  
10 promote the creation of high-skill and high-wage op-  
11 portunities.

12 “(2) CONTENTS OF PLAN.—To have a WIRED  
13 plan approved under this subsection, a State or local  
14 workforce investment board or boards and the region  
15 or regions identified in subparagraph (A) shall joint-  
16 ly submit a plan to the Secretary at such time, in  
17 such manner, and containing such information as  
18 the Secretary may require, including—

19 “(A) the identification of the multi-county  
20 region or regions that is to be the focus of the  
21 activities provided under the plan, including  
22 identification of the communities in the region  
23 that share common characteristics, and a de-  
24 scription of why the selected area comprises a  
25 regional economy;

1           “(B) a description of the broad-based re-  
2           gional partnership that has been created for the  
3           region identified in subparagraph (A) rep-  
4           resenting the major assets of the region, con-  
5           sistent with the requirements of paragraph (3),  
6           and that will assist in developing the economic  
7           vision described in subparagraph (D), the strat-  
8           egies described in subparagraph (E), and pro-  
9           vide a forum for regional economic decision-  
10          making, including a description of the partner-  
11          ship’s involvement, particularly that of rep-  
12          resentatives of affected local boards and chief  
13          elected officials, in the development of the plan;

14          “(C) a description of the assets of the re-  
15          gion identified in subparagraph (A), based on a  
16          regional assessment, and identification of the  
17          strengths, weaknesses, opportunities, and risks  
18          based on those assets;

19          “(D) a description of an economic vision  
20          for the region identified in subparagraph (A),  
21          based on the identified strengths and assets de-  
22          scribed in subparagraph (C), and evidence of  
23          support for that vision from the broad-based re-  
24          gional partnership described in subparagraph  
25          (B);

1           “(E) a description of the talent develop-  
2           ment and related strategies that provide a blue-  
3           print for how to achieve the economic vision for  
4           the region as described in subparagraph (D),  
5           including the activities to be carried out under  
6           this subsection, consistent with paragraphs (5)  
7           and (6), and the identification of specific goals  
8           associated with those strategies;

9           “(F) information on the workforce develop-  
10          ment programs to be integrated in the region,  
11          in accordance with the requirements of para-  
12          graph (4), into an integrated workforce develop-  
13          ment program, including—

14               “(i) identification of the programs to  
15               be integrated;

16               “(ii) the amount and proportion of the  
17               resources available to the region under  
18               each of the integrated programs to carry  
19               out the strategies described in subpara-  
20               graph (E);

21               “(iii) a description of how these re-  
22               sources will be used to accomplish the vi-  
23               sion identified in subparagraph (D), in-  
24               cluding the services to be provided and  
25               how such services will be provided, con-

1           sistent with clause (iv) and paragraph (5);  
2           and

3           “(iv) assurances that in carrying out  
4           the wired plan—

5                   “(I) the region, through the inte-  
6                   grated workforce development pro-  
7                   gram, will maintain a local workforce  
8                   investment board, or a regional work-  
9                   force investment board, that is sub-  
10                  stantially similar to the local work-  
11                  force investment boards required  
12                  under section 117 of this Act, that  
13                  such board will carry out functions  
14                  that are substantially similar to those  
15                  described under section 117(d), and,  
16                  that such region shall submit to the  
17                  State for approval a local plan for the  
18                  region that is substantially similar to  
19                  the local plans required under section  
20                  118 of this Act;

21                   “(II) the region, through the in-  
22                   tegrated workforce development pro-  
23                   gram, will maintain a one-stop deliv-  
24                   ery system that is consistent with the

1 requirements of section 121 of this  
2 Act;

3 “(III) the region, through the in-  
4 tegrated workforce development pro-  
5 gram, will serve populations consistent  
6 with the populations served by the  
7 programs being integrated, and will  
8 provide universal access to work ready  
9 services as described in section  
10 134(c)(2) of this Act;

11 “(IV) the region, in carrying out  
12 the integrated workforce development  
13 program, will comply with the vet-  
14 erans’ priority of service requirement  
15 under section 4215 of title 38, United  
16 States Code;

17 “(V) of the funds expended  
18 under the integrated workforce devel-  
19 opment program each year, not more  
20 than 10 percent of such funds will be  
21 expended on the costs of administra-  
22 tion (as defined by the Secretary);

23 “(VI) the services provided under  
24 the integrated workforce development  
25 program will be coordinated with em-

1           employment-related programs not in-  
2           cluded under the integrated workforce  
3           program; and

4                   “(VII) the region, in carrying out  
5           the integrated workforce development  
6           program, will comply with require-  
7           ments under this title relating to wage  
8           and labor standards (including non-  
9           displacement provisions), grievance  
10          procedures and judicial review, and  
11          nondiscrimination;

12                   “(G) an assurance that each local work-  
13          force board and chief elected official included in  
14          the region that will carry out the integrated  
15          workforce development plan has approved the  
16          plan;

17                   “(H) information on the community and  
18          economic development programs, if any, that  
19          will provide a portion of funds that will be inte-  
20          grated to carry out the strategies described in  
21          subparagraph (E), in accordance with the re-  
22          quirements of paragraph (6), including—

23                           “(i) identification of the included com-  
24                   munity and economic development pro-  
25                   grams;

1           “(ii) the amount and proportion of the  
2           resources available to the State or local  
3           workforce investment board or boards  
4           under each such program that will be used  
5           in the region to carry out the strategies de-  
6           scribed in subparagraph (E); and

7           “(iii) a description of how these re-  
8           sources will be used to assist in accom-  
9           plishing the vision identified in subpara-  
10          graph (D), including the activities to be  
11          carried out; and

12          “(I) in addition to the resources described  
13          under subparagraphs (F) and (H), identifica-  
14          tion of other resources that will be used to sup-  
15          port the strategies of the region described in  
16          subparagraph (E), from a wide range of  
17          sources, including foundations, private invest-  
18          ment such as venture capital, and Federal,  
19          State, and local governments.

20          “(3) BROAD-BASED REGIONAL PARTNERSHIP.—

21          For purposes of this subsection, a broad-based re-  
22          gional partnership—

23                  “(A) shall include—

24                          “(i) representatives from each of the  
25                          local workforce investment systems in the

1 region identified under paragraph (2)(A),  
2 such as the chairpersons or executive direc-  
3 tors of affected local workforce investment  
4 boards in such region;

5 “(ii) representatives of the education  
6 system in the region identified under para-  
7 graph (2)(A), including representatives  
8 from each of the following:

9 “(I) The K–12 public school sys-  
10 tems;

11 “(II) Community colleges; and

12 “(III) Four-year educational in-  
13 stitutions;

14 “(iii) representatives of businesses  
15 and industry associations in the region  
16 identified under paragraph (2)(A);

17 “(iv) the chief elected officials from  
18 each of the affected local areas identified  
19 under paragraph (2)(A); and

20 “(v) representatives of local and re-  
21 gional economic development agencies in  
22 the region identified under paragraph  
23 (2)(A); and

24 “(B) may include—



1           “(i) representatives of the philan-  
2           thropic community;

3           “(ii) representatives of post-secondary  
4           education and training providers in addi-  
5           tion to those described in subparagraph  
6           (A)(ii);

7           “(iii) representatives of private invest-  
8           ment entities such as seed and venture  
9           capital organizations; investor networks;  
10          and entrepreneurs;

11          “(iv) representatives of faith and com-  
12          munity-based organizations; and

13          “(v) representatives of such other  
14          Federal, State or local entities and organi-  
15          zations that may enhance the carrying out  
16          of the activities of the partnership.

17          “(4) INTEGRATION OF WORKFORCE DEVELOP-  
18          MENT SERVICES AUTHORIZED.—

19                 “(A) AUTHORIZATION FOR INTEGRA-  
20                 TION.—In carrying out this subsection, the Sec-  
21                 retary, in cooperation with the Federal agency  
22                 heads responsible for the administration of the  
23                 workforce development programs described in  
24                 subparagraph (D) that are included in the  
25                 WIRED plan submitted by the State or local

1 workforce investment board or boards, shall,  
2 upon the approval of the plan submitted under  
3 paragraph (2), authorize the State or local  
4 workforce investment board or boards to inte-  
5 grate programs as described in subparagraph  
6 (B).

7 “(B) INTEGRATION.—The authorization  
8 shall give the State or local workforce invest-  
9 ment board or boards the authority to inte-  
10 grate, in accordance with such approved plan,  
11 the federally funded programs described in sub-  
12 paragraph (D) that are included in the ap-  
13 proved plan, in a manner that integrates those  
14 programs into a single, coordinated, comprehen-  
15 sive workforce development program to achieve  
16 the economic vision identified in such plan for  
17 the region.

18 “(C) EFFECT ON PROGRAM REQUIRE-  
19 MENTS.—The provisions of the approved grant  
20 application and the requirements of this sub-  
21 section shall supersede the requirements of the  
22 statutes authorizing the programs included for  
23 integration in such approved plan, except as  
24 otherwise specified in this subsection.

1           “(D) INCLUDED WORKFORCE DEVELOP-  
2           MENT PROGRAMS.—

3           “(i) MANDATORY PROGRAMS.—A  
4           WIRED plan authorized under this sub-  
5           section shall include the workforce invest-  
6           ment activities for adults authorized under  
7           chapter 5 of subtitle B.

8           “(ii) ADDITIONAL PROGRAMS.—In ad-  
9           dition to the integration of the programs  
10          described in clause (i) into a single pro-  
11          gram, a WIRED plan may include integra-  
12          tion of one or more of the following pro-  
13          grams as part of such single program—

14               “(I) the program of workforce in-  
15               vestment activities for youth author-  
16               ized under chapter 4 of subtitle B; or

17               “(II) any of the other required  
18               one-stop partner programs and activi-  
19               ties described in section 121(b)(1)(B)  
20               of this Act.

21           “(5) WORKFORCE DEVELOPMENT ACTIVITIES  
22           TO BE CARRIED OUT UNDER WIRED PLAN.—The  
23           workforce development activities carried out under a  
24           WIRED plan may include—

1           “(A) job training and related activities for  
2 workers to assist them in gaining the skills and  
3 competencies needed to obtain or upgrade em-  
4 ployment in industries or economic sectors pro-  
5 jected to experience significant growth in the  
6 region identified in paragraph (2)(A), includ-  
7 ing—

8           “(i) activities supporting talent devel-  
9 opment related to entrepreneurship and  
10 small business development; and

11           “(ii) the purchase of equipment to  
12 train job seekers and workers for high-  
13 growth occupations;

14           “(B) activities to enhance the training and  
15 related activities described in subparagraph (A)  
16 and to promote workforce development in the  
17 region identified in paragraph (2)(A), includ-  
18 ing—

19           “(i) the development and implementa-  
20 tion of model activities, such as developing  
21 appropriate curricula to build core com-  
22 petencies and train workers in the region;

23           “(ii) identifying and disseminating ca-  
24 reer and skill information relating to the  
25 region;

1           “(iii) developing or purchasing re-  
2           gional data tools or systems to deepen un-  
3           derstanding of the regional economy and  
4           labor market; and

5           “(iv) integrated regional planning,  
6           such as increasing the integration of com-  
7           munity and technical college activities with  
8           activities of businesses and the public  
9           workforce investment system to meet the  
10          training needs of high growth industries in  
11          the region; and

12          “(C) appropriate employment-related ac-  
13          tivities and services authorized under the work-  
14          force development programs that are integrated  
15          under the plan in accordance with paragraphs  
16          (2)(F) and (4) that will assist achieving the  
17          economic vision described in paragraph (2)(D)  
18          and in implementing the strategies described in  
19          paragraph (2)(E).

20          “(6) INTEGRATION OF COMMUNITY AND ECO-  
21          NOMIC DEVELOPMENT FUNDS AUTHORIZED.—

22                 “(A) AUTHORIZATION FOR INTEGRATION  
23                 OF FUNDS.—In carrying out this subsection,  
24                 the Secretary, in cooperation with the Federal  
25                 agency heads responsible for the administration

1 of the community and economic development  
2 programs described in subparagraph (D) that  
3 are included in the WIRED plan submitted by  
4 the State or local workforce investment board  
5 or boards, shall, upon the approval of the plan  
6 submitted under paragraph (2), authorize the  
7 State or local workforce investment board or  
8 boards to integrate the portion of the funds  
9 from such programs to assist in implementing  
10 such plans.

11 “(B) INTEGRATION.—The authorization  
12 shall give the State or local workforce invest-  
13 ment board or boards the authority to inte-  
14 grate, in accordance with such approved plan,  
15 funds provided under programs identified from  
16 subparagraph (D) to carry out the community  
17 and economic development activities described  
18 in paragraph (2)(H).

19 “(C) EFFECT ON PROGRAM REQUIRE-  
20 MENTS.—The integrated funds may be used,  
21 consistent with the description contained in  
22 paragraph (2)(H), to carry out any of the ac-  
23 tivities authorized under any the programs de-  
24 scribed in subparagraph (D) that are included  
25 in the plan.

1           “(D) INCLUDED COMMUNITY AND ECO-  
2           NOMIC DEVELOPMENT PROGRAMS.—The funds  
3           that may be integrated under this paragraph  
4           are funds provided under—

5                   “(i) Community Development Block  
6                   Grants authorized under title I of the  
7                   Housing and Community Development Act  
8                   of 1974 (42 U.S.C. 5301–5321);

9                   “(ii) grants authorized under the  
10                   Community Services Block Grant Act (42  
11                   U.S.C. 9901 et seq.);

12                   “(iii) Public Works and Economic De-  
13                   velopment Grants authorized under section  
14                   201 of the Public Works and Economic  
15                   Development Act of 1965 (42 U.S.C.  
16                   3141);

17                   “(iv) Rural Business Enterprise  
18                   Grants authorized under the Consolidated  
19                   Farm and Rural Development Act (7  
20                   U.S.C. 1932);

21                   “(v) Rural Business Opportunity  
22                   Grants authorized under section  
23                   741(a)(11) of the Federal Agriculture Im-  
24                   provement and Reform Act of 1996 (42  
25                   U.S.C. 1926(a)(11));

1                   “(vi) grants authorized under the  
2                   Brownfields Economic Development Initia-  
3                   tive; and

4                   “(vii) Rural Housing and Economic  
5                   Development grants.

6                   “(7) PERFORMANCE MEASURES AND REPORT-  
7                   ING.—

8                   “(A) PERFORMANCE MEASURES.—The  
9                   Secretary shall establish performance measures  
10                  that will be used to evaluate the effectiveness of  
11                  activities carried out under this subsection and  
12                  shall require such entities to report to the Sec-  
13                  retary on the employment outcomes obtained by  
14                  individuals receiving training under this sub-  
15                  section using those core indicators of perform-  
16                  ance described in section 136(b)(2).

17                  “(B) REPORTING.—Each State or local  
18                  workforce investment board or boards with an  
19                  approved plan under this subsection shall en-  
20                  sure that records are maintained and reports  
21                  are submitted, in such form and containing  
22                  such information, as the Secretary may require  
23                  regarding the performance of programs and ac-  
24                  tivities carried out under this subsection.



1           “(8) TECHNICAL ASSISTANCE AND EVALUA-  
2           TION.—

3           “(A) TECHNICAL ASSISTANCE.—The Sec-  
4           retary shall provide such staff training, tech-  
5           nical assistance, and other activities as the Sec-  
6           retary deems appropriate to support the imple-  
7           mentation of this subsection.

8           “(B) EVALUATION.—The Secretary may  
9           require that States with an approved plan  
10          under this subsection to participate in an eval-  
11          uation of activities carried out under this sub-  
12          section, including an evaluation using the tech-  
13          niques described in section 172(c).

14          “(9) PLAN REVIEW.—Upon receipt of a  
15          WIRED plan from the State or local workforce in-  
16          vestment board or boards, the Secretary shall con-  
17          sult with the Federal agency head responsible for  
18          the administration of any of the programs included  
19          in the plan pursuant to paragraph (4) or (6).

20          “(10) FEDERAL RESPONSIBILITIES.—

21          “(A) INTERAGENCY MEMORANDUM OF UN-  
22          DERSTANDING.—Within 90 days following the  
23          date of enactment of this subsection, the Sec-  
24          retary and the Federal agency heads respon-  
25          sible for programs that could be included in a

1 plan approved under this subsection pursuant  
2 to paragraph (4) or (6) shall enter into an  
3 interdepartmental memorandum of agreement  
4 providing for the implementation of WIRED  
5 plans with respect to the integration of pro-  
6 grams and funds administered by each Sec-  
7 retary.

8 “(B) INTERAGENCY FUNDS TRANSFERS  
9 AUTHORIZED.—The Secretary and the Federal  
10 agency heads responsible for the programs that  
11 are included in a plan approved under para-  
12 graph (4) or (6) are authorized to take such ac-  
13 tion as may be necessary to provide for intra-  
14 agency or interagency transfers of funds other-  
15 wise available to a State or local workforce in-  
16 vestment board or boards in order to further  
17 the purposes of this subsection.

18 “(11) ADMINISTRATION OF FUNDS.—

19 “(A) SEPARATE RECORDS NOT RE-  
20 QUIRED.—Nothing in this subsection shall be  
21 construed as requiring the region to maintain  
22 separate records tracing any services or activi-  
23 ties conducted under an approved WIRED plan  
24 to the programs under which funds were origi-  
25 nally authorized, nor shall the State or local

1 workforce investment board or boards be re-  
2 quired to allocate expenditures among such pro-  
3 grams.

4 “(B) SINGLE AUDIT ACT.—Nothing in this  
5 section shall be construed to interfere with the  
6 ability of the Secretary to fulfill the responsibil-  
7 ities for the safeguarding of Federal funds pur-  
8 suant to the Single Audit Act of 1984.

9 “(b) AUTHORITY TO CARRY OUT ADDITIONAL  
10 WIRED ACTIVITIES UNDER WIA.—

11 “(1) AUTHORIZATION FOR USE OF CERTAIN  
12 FUNDS UNDER WIA.—Funds available under sections  
13 128, 133, and 171 of this Act may be used by re-  
14 cipients and subrecipients of those funds for  
15 WIRED activities, as defined in paragraph (2), in  
16 addition to the other activities for which such funds  
17 are authorized to be used.

18 “(2) DEFINITION.—For purposes of this sub-  
19 section, WIRED activities include—

20 “(A) WIRED planning activities, includ-  
21 ing—

22 “(i) defining the regional economy;

23 “(ii) creating a broad-based regional  
24 partnership that assists in developing the  
25 economic vision described in clause (iv),

1 the strategies described in clause (v), and  
2 that provides a forum for regional eco-  
3 nomic decisionmaking;

4 “(iii) conducting an assessment of the  
5 regional economy to map the assets of a  
6 region and identify the strengths, weak-  
7 nesses, opportunities and risks based on  
8 those assets;

9 “(iv) developing an economic vision  
10 based on those strengths and assets;

11 “(v) developing strategies and cor-  
12 responding implementation plans that  
13 identify specific goals and tasks and pro-  
14 vides a blueprint for how to achieve the  
15 economic vision for the region; and

16 “(vi) identifying resources to support  
17 the plan of the region;

18 “(B) job training and related activities for  
19 workers to assist them in gaining the skills and  
20 competencies needed to obtain or upgrade em-  
21 ployment in industries or economic sectors pro-  
22 jected to experience significant growth in the  
23 region, including—

24 “(i) activities supporting talent devel-  
25 opment related to entrepreneurship and

1 small business development in the region;  
2 and

3 “(ii) the purchase of equipment to  
4 train job seekers and workers for high-  
5 growth occupations in the region; and

6 “(C) activities to enhance training and re-  
7 lated activities and to promote workforce devel-  
8 opment in the region, including—

9 “(i) the development and implementa-  
10 tion of model activities, such as developing  
11 appropriate curricula to build core com-  
12 petencies and train workers in the region;

13 “(ii) identifying and disseminating ca-  
14 reer and skill information relating to the  
15 region;

16 “(iii) developing or purchasing re-  
17 gional data tools or systems to deepen un-  
18 derstanding of the regional economy and  
19 labor market; and

20 “(iv) integrated regional planning,  
21 such as increasing the integration of com-  
22 munity and technical college activities with  
23 activities of businesses and the public  
24 workforce investment system to meet the

1 training needs of businesses in the re-  
2 gion.”.

3 **SEC. 131. GENERAL PROGRAM REQUIREMENTS.**

4 Section 195 (29 U.S.C. 2945) is amended—

5 (1) in paragraph (7) by inserting at the end the  
6 following:

7 “(D) Funds received by a public or private  
8 nonprofit entity that are not described in para-  
9 graph (B), such as funds privately raised from  
10 philanthropic foundations, businesses, or other  
11 private entities, shall not be considered to be in-  
12 come under this title and shall not be subject  
13 to the requirements of this section.”; and

14 (2) by adding at the end the following new  
15 paragraphs:

16 “(14) Funds provided under this title shall not  
17 be used to establish or operate stand-alone fee-for-  
18 service enterprises that compete with private sector  
19 employment agencies within the meaning of section  
20 701(c) of the Civil Rights Act of 1964 (42 U.S.C.  
21 2000e(c)). For purposes of this paragraph, such an  
22 enterprise does not include one-stop centers.

23 “(15) Any report required to be submitted to  
24 Congress, or to a Committee of Congress, under this  
25 title shall be submitted to both the chairmen and

1 ranking minority members of the Committee on  
 2 Education and the Workforce of the House of Rep-  
 3 resentatives and the Committee on Health, Edu-  
 4 cation, Labor, and Pensions of the Senate.”.

5 **TITLE II—ADULT EDUCATION**  
 6 **AND FAMILY LITERACY EDU-**  
 7 **CATION**

8 **SEC. 201. TABLE OF CONTENTS.**

9 The table of contents in section 1(b) is amended by  
 10 amending the items relating to title II to read as follows:

“TITLE II—ADULT EDUCATION AND FAMILY LITERACY  
 EDUCATION

- “Sec. 201. Short title.
- “Sec. 202. Purpose.
- “Sec. 203. Definitions.
- “Sec. 204. Home schools.
- “Sec. 205. Authorization of appropriations.

“CHAPTER 1—FEDERAL PROVISIONS

- “Sec. 211. Reservation of funds; grants to eligible agencies; allotments.
- “Sec. 212. Performance accountability system.
- “Sec. 213. Incentive grants for States.

“CHAPTER 2—STATE PROVISIONS

- “Sec. 221. State administration.
- “Sec. 222. State distribution of funds; matching requirement.
- “Sec. 223. State leadership activities.
- “Sec. 224. State plan.
- “Sec. 225. Programs for corrections education and other institutionalized individuals.

“CHAPTER 3—LOCAL PROVISIONS

- “Sec. 231. Grants and contracts for eligible providers.
- “Sec. 232. Local application.
- “Sec. 233. Local administrative cost limits.

“CHAPTER 4—GENERAL PROVISIONS

- “Sec. 241. Administrative provisions.
- “Sec. 242. National leadership activities.”.

1 **SEC. 202. AMENDMENT.**

2 Title II (29 U.S.C. 2901 et seq.) is amended to read  
3 as follows:

4 **“TITLE II—ADULT EDUCATION**  
5 **AND FAMILY LITERACY EDU-**  
6 **CATION**

7 **“SEC. 201. SHORT TITLE.**

8 “This title may be cited as the ‘Adult Education and  
9 Family Literacy Education Act’.

10 **“SEC. 202. PURPOSE.**

11 “It is the purpose of this title to provide instructional  
12 opportunities for adults seeking to improve their literacy  
13 skills, including their basic reading, writing, speaking, and  
14 math skills, and support States and local communities in  
15 providing, on a voluntary basis, adult education and family  
16 literacy education programs, in order to—

17 “(1) increase the literacy of adults, including  
18 the basic reading, writing, speaking, and math skills,  
19 to a level of proficiency necessary for adults to ob-  
20 tain employment and self-sufficiency and to success-  
21 fully advance in the workforce;

22 “(2) assist adults in the completion of a sec-  
23 ondary school education (or its equivalent) and the  
24 transition to a post-secondary educational institu-  
25 tion;



1           “(3) assist adults who are parents to enable  
2           them to support the educational development of their  
3           children and make informed choices regarding their  
4           children’s education including, through instruction in  
5           basic reading, writing, speaking, and math skills;  
6           and

7           “(4) assist adults who are not proficient in  
8           English in improving their reading, writing, speak-  
9           ing, listening, comprehension, and math skills and  
10          acquiring an understanding of the American free en-  
11          terprise system, individual freedom, and the respon-  
12          sibilities of citizenship.

13 **“SEC. 203. DEFINITIONS.**

14          “In this title:

15               “(1) ADULT EDUCATION AND FAMILY LITERACY  
16          EDUCATION PROGRAMS.—The term ‘adult education  
17          and family literacy education programs’ means a se-  
18          quence of academic instruction and educational serv-  
19          ices below the post-secondary level that increase an  
20          individual’s ability to read, write, and speak in  
21          English and perform mathematical computations  
22          leading to a level of proficiency equivalent to at least  
23          a secondary school completion that is provided for  
24          individuals—

25               “(A) who are at least 16 years of age;

1           “(B) who are not enrolled or required to be  
2 enrolled in secondary school under State law;  
3 and

4           “(C) who—

5                 “(i) lack sufficient mastery of basic  
6 reading, writing, speaking, and math skills  
7 to enable the individuals to function effec-  
8 tively in society;

9                 “(ii) do not have a secondary school  
10 diploma, General Educational Development  
11 credential (GED), or other State-recog-  
12 nized equivalent and have not achieved an  
13 equivalent level of education; or

14                 “(iii) are unable to read, write, or  
15 speak the English language.

16           “(2) ELIGIBLE AGENCY.—The term ‘eligible  
17 agency’—

18                 “(A) means the primary entity or agency  
19 in a State or an outlying area responsible for  
20 administering or supervising policy for adult  
21 education and family literacy education pro-  
22 grams in the State or outlying area, respec-  
23 tively, consistent with the law of the State or  
24 outlying area, respectively; and

1           “(B) may be the State educational agency,  
2           the State agency responsible for administering  
3           workforce investment activities, or the State  
4           agency responsible for administering community  
5           or technical colleges.

6           “(3) ELIGIBLE PROVIDER.—The term ‘eligible  
7           provider’ means—

8                   “(A) a local educational agency;

9                   “(B) a community-based or faith-based or-  
10                  ganization of demonstrated effectiveness;

11                  “(C) a volunteer literacy organization of  
12                  demonstrated effectiveness;

13                  “(D) an institution of higher education;

14                  “(E) a public or private educational agen-  
15                  cy;

16                  “(F) a library;

17                  “(G) a public housing authority;

18                  “(H) an institution that is not described in  
19                  any of subparagraphs (A) through (G) and has  
20                  the ability to provide adult education, basic  
21                  skills, and family literacy education programs to  
22                  adults and families; or

23                  “(I) a consortium of the agencies, organi-  
24                  zations, institutions, libraries, or authorities de-

1           scribed in any of subparagraphs (A) through  
2           (H).

3           “(4) ENGLISH LANGUAGE ACQUISITION PRO-  
4           GRAM.—The term ‘English language acquisition pro-  
5           gram’ means a program of instruction designed to  
6           help individuals with limited English proficiency  
7           achieve competence in reading, writing, and speaking  
8           the English language.

9           “(5) ESSENTIAL COMPONENTS OF READING IN-  
10          STRUCTION.—The term ‘essential components of  
11          reading instruction’ has the meaning given the term  
12          in section 1208 of the Elementary and Secondary  
13          Education Act of 1965.

14          “(6) FAMILY LITERACY EDUCATION PRO-  
15          GRAM.—The term ‘family literacy education pro-  
16          gram’ means an educational program that—

17                 “(A) assists parents and students, on a  
18                 voluntary basis, in achieving the purposes of  
19                 this title as described in section 202; and

20                 “(B) is of sufficient intensity in terms of  
21                 hours and of sufficient duration to make sus-  
22                 tainable changes in a family, is based upon sci-  
23                 entifically based research, and, for the purpose  
24                 of substantially increasing the ability of parents

1 and children to read, write, and speak English,  
2 integrates—

3 “(i) interactive literacy activities be-  
4 tween parents and their children;

5 “(ii) training for parents regarding  
6 how to be the primary teacher for their  
7 children and full partners in the education  
8 of their children;

9 “(iii) parent literacy training that  
10 leads to economic self-sufficiency; and

11 “(iv) an age-appropriate education to  
12 prepare children for success in school and  
13 life experiences.

14 “(7) GOVERNOR.—The term ‘Governor’ means  
15 the chief executive officer of a State or outlying  
16 area.

17 “(8) INDIVIDUAL WITH A DISABILITY.—

18 “(A) IN GENERAL.—The term ‘individual  
19 with a disability’ means an individual with any  
20 disability (as defined in section 3 of the Ameri-  
21 cans with Disabilities Act of 1990).

22 “(B) INDIVIDUALS WITH DISABILITIES.—  
23 The term ‘individuals with disabilities’ means  
24 more than one individual with a disability.

1           “(9) INDIVIDUAL WITH LIMITED ENGLISH PRO-  
2           FICIENCY.—The term ‘individual with limited  
3           English proficiency’ means an adult or out-of-school  
4           youth who has limited ability in reading, writing,  
5           speaking, or understanding the English language,  
6           and—

7                   “(A) whose native language is a language  
8                   other than English; or

9                   “(B) who lives in a family or community  
10                  environment where a language other than  
11                  English is the dominant language.

12           “(10) INSTITUTION OF HIGHER EDUCATION.—  
13           The term ‘institution of higher education’ has the  
14           meaning given the term in section 101 of the Higher  
15           Education Act of 1965.

16           “(11) LITERACY.—The term ‘literacy’ means an  
17           individual’s ability to read, write, and speak in  
18           English, compute, and solve problems at a level of  
19           proficiency necessary to obtain employment and to  
20           successfully make the transition to post-secondary  
21           education.

22           “(12) LOCAL EDUCATIONAL AGENCY.—The  
23           term ‘local educational agency’ has the meaning  
24           given the term in section 9101 of the Elementary  
25           and Secondary Education Act of 1965.

1           “(13) OUTLYING AREA.—The term ‘outlying  
2 area’ has the meaning given the term in section 101  
3 of this Act.

4           “(14) POST-SECONDARY EDUCATIONAL INSTI-  
5 TUTION.—The term ‘post-secondary educational in-  
6 stitution’ means—

7                   “(A) an institution of higher education  
8 that provides not less than a 2-year program of  
9 instruction that is acceptable for credit toward  
10 a bachelor’s degree;

11                   “(B) a tribally controlled community col-  
12 lege; or

13                   “(C) a nonprofit educational institution of-  
14 fering certificate or apprenticeship programs at  
15 the post-secondary level.

16           “(15) READING.—The term ‘reading’ has the  
17 meaning given the term in section 1208 of the Ele-  
18 mentary and Secondary Education Act of 1965.

19           “(16) SCIENTIFICALLY BASED RESEARCH.—  
20 The term ‘scientifically based research’ has the  
21 meaning given the term in section 9101 of the Ele-  
22 mentary and Secondary Education Act of 1965.

23           “(17) SECRETARY.—The term ‘Secretary’  
24 means the Secretary of Education.

1           “(18) STATE.—The term ‘State’ means each of  
2           the several States of the United States, the District  
3           of Columbia, and the Commonwealth of Puerto Rico.

4           “(19) STATE EDUCATIONAL AGENCY.—The  
5           term ‘State educational agency’ has the meaning  
6           given the term in section 9101 of the Elementary  
7           and Secondary Education Act of 1965.

8           “(20) WORKPLACE LITERACY PROGRAM.—The  
9           term ‘workplace literacy program’ means an edu-  
10          cational program that is offered in collaboration be-  
11          tween eligible providers and employers or employee  
12          organizations for the purpose of improving the pro-  
13          ductivity of the workforce through the improvement  
14          of reading, writing, speaking, and math skills.

15 **“SEC. 204. HOME SCHOOLS.**

16          “Nothing in this title shall be construed to affect  
17          home schools, whether or not a home school is treated as  
18          a home school or a private school under State law, or to  
19          compel a parent engaged in home schooling to participate  
20          in an English language acquisition program, a family lit-  
21          eracy education program, or an adult education and family  
22          literacy education program.



1 **“SEC. 205. AUTHORIZATION OF APPROPRIATIONS.**

2 “There are authorized to be appropriated to carry out  
3 this title such sums as may be necessary for fiscal years  
4 2013 through 2017.

5 **“CHAPTER 1—FEDERAL PROVISIONS**

6 **“SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE**  
7 **AGENCIES; ALLOTMENTS.**

8 “(a) RESERVATION OF FUNDS.—From the sums ap-  
9 propriated under section 205 for a fiscal year, the Sec-  
10 retary—

11 “(1) shall reserve up to 1.72 percent for incen-  
12 tive grants under section 213;

13 “(2) shall reserve 1.75 percent to carry out sec-  
14 tion 242; and

15 “(3) shall reserve up to 1.55 percent to carry  
16 out section 243.

17 “(b) GRANTS TO ELIGIBLE AGENCIES.—

18 “(1) IN GENERAL.—From the sums appro-  
19 priated under section 205 and not reserved under  
20 subsection (a) for a fiscal year, the Secretary shall  
21 award a grant to each eligible agency having a State  
22 plan approved under section 224 in an amount equal  
23 to the sum of the initial allotment under subsection  
24 (c)(1) and the additional allotment under subsection  
25 (c)(2) for the eligible agency for the fiscal year, sub-  
26 ject to subsections (f) and (g).

1           “(2) PURPOSE OF GRANTS.—The Secretary  
2           may award a grant under paragraph (1) only if the  
3           eligible agency involved agrees to expend the grant  
4           in accordance with the provisions of this title.

5           “(c) ALLOTMENTS.—

6           “(1) INITIAL ALLOTMENTS.—From the sums  
7           appropriated under section 205 and not reserved  
8           under subsection (a) for a fiscal year, the Secretary  
9           shall allot to each eligible agency having a State  
10          plan approved under section 224—

11                  “(A) \$100,000, in the case of an eligible  
12                  agency serving an outlying area; and

13                  “(B) \$250,000, in the case of any other el-  
14                  igible agency.

15          “(2) ADDITIONAL ALLOTMENTS.—From the  
16          sums appropriated under section 205, not reserved  
17          under subsection (a), and not allotted under para-  
18          graph (1), for a fiscal year, the Secretary shall allot  
19          to each eligible agency that receives an initial allot-  
20          ment under paragraph (1) an additional amount  
21          that bears the same relationship to such sums as the  
22          number of qualifying adults in the State or outlying  
23          area served by the eligible agency bears to the num-  
24          ber of such adults in all States and outlying areas.

1       “(d) QUALIFYING ADULT.—For the purpose of sub-  
2 section (c)(2), the term ‘qualifying adult’ means an adult  
3 who—

4           “(1) is at least 16 years of age;

5           “(2) is beyond the age of compulsory school at-  
6 tendance under the law of the State or outlying  
7 area;

8           “(3) does not have a secondary school diploma,  
9 General Educational Development credential (GED),  
10 or other State-recognized equivalent; and

11          “(4) is not enrolled in secondary school.

12       “(e) SPECIAL RULE.—

13           “(1) IN GENERAL.—From amounts made avail-  
14 able under subsection (c) for the Republic of Palau,  
15 the Secretary shall award grants to Guam, American  
16 Samoa, the Commonwealth of the Northern Mariana  
17 Islands, or the Republic of Palau to carry out activi-  
18 ties described in this title in accordance with the  
19 provisions of this title as determined by the Sec-  
20 retary.

21           “(2) TERMINATION OF ELIGIBILITY.—Notwith-  
22 standing any other provision of law, the Republic of  
23 Palau shall be eligible to receive a grant under this  
24 title until an agreement for the extension of United  
25 States education assistance under the Compact of

1 Free Association for the Republic of Palau becomes  
2 effective.

3 “(3) ADMINISTRATIVE COSTS.—The Secretary  
4 may provide not more than 5 percent of the funds  
5 made available for grants under this subsection to  
6 pay the administrative costs of the Pacific Region  
7 Educational Laboratory regarding activities assisted  
8 under this subsection.

9 “(f) HOLD-HARMLESS PROVISIONS.—

10 “(1) IN GENERAL.—Notwithstanding subsection  
11 (c), and subject to paragraphs (2) and (3), for fiscal  
12 year 2012 and each succeeding fiscal year, no eligi-  
13 ble agency shall receive an allotment under this title  
14 that is less than 90 percent of the allotment the eli-  
15 gible agency received for the preceding fiscal year  
16 under this title.

17 “(2) EXCEPTION.—An eligible agency that re-  
18 ceives for the preceding fiscal year only an initial al-  
19 lotment under subsection (c)(1) (and no additional  
20 allotment under subsection (c)(2)) shall receive an  
21 allotment equal to 100 percent of the initial allot-  
22 ment.

23 “(3) RATABLE REDUCTION.—If for any fiscal  
24 year the amount available for allotment under this  
25 title is insufficient to satisfy the provisions of para-

1 graph (1), the Secretary shall ratably reduce the  
2 payments to all eligible agencies, as necessary.

3 “(g) REALLOTMENT.—The portion of any eligible  
4 agency’s allotment under this title for a fiscal year that  
5 the Secretary determines will not be required for the pe-  
6 riod such allotment is available for carrying out activities  
7 under this title, shall be available for reallocation from  
8 time to time, on such dates during such period as the Sec-  
9 retary shall fix, to other eligible agencies in proportion to  
10 the original allotments to such agencies under this title  
11 for such year.

12 **“SEC. 212. PERFORMANCE ACCOUNTABILITY SYSTEM.**

13 “(a) PURPOSE.—The purpose of this section is to es-  
14 tablish a comprehensive performance accountability sys-  
15 tem, composed of the activities described in this section,  
16 to assess the effectiveness of eligible agencies in achieving  
17 continuous improvement of adult education and family lit-  
18 eracy education programs funded under this title, in order  
19 to optimize the return on investment of Federal funds in  
20 adult education and family literacy education programs.

21 “(b) ELIGIBLE AGENCY PERFORMANCE MEAS-  
22 URES.—

23 “(1) IN GENERAL.—For each eligible agency,  
24 the eligible agency performance measures shall con-  
25 sist of—

1           “(A)(i) the core indicators of performance  
2 described in paragraph (2)(A); and

3           “(ii) employment performance indicators  
4 identified by the eligible agency under para-  
5 graph (2)(B); and

6           “(B) an eligible agency adjusted level of  
7 performance for each indicator described in  
8 subparagraph (A).

9           “(2) INDICATORS OF PERFORMANCE.—

10           “(A) CORE INDICATORS OF PERFORM-  
11 ANCE.—The core indicators of performance  
12 shall include the following:

13           “(i) Measurable improvements in lit-  
14 eracy, including basic skill levels in read-  
15 ing, writing, and speaking the English lan-  
16 guage and basic math, leading to pro-  
17 ficiency in each skill.

18           “(ii) Receipt of a secondary school di-  
19 ploma, General Educational Development  
20 credential (GED), or other State-recog-  
21 nized equivalent.

22           “(iii) Placement in post-secondary  
23 education or other training programs.

24           “(B) EMPLOYMENT PERFORMANCE INDI-  
25 CATORS.—Consistent with applicable Federal

1 and State privacy laws, an eligible agency shall  
 2 identify in the State plan the following indi-  
 3 vidual participant employment performance in-  
 4 dicators:

5 “(i) Entry into employment.

6 “(ii) Retention in employment.

7 “(iii) Increase in earnings.

8 “(3) LEVELS OF PERFORMANCE.—

9 “(A) ELIGIBLE AGENCY ADJUSTED LEVELS  
 10 OF PERFORMANCE FOR CORE INDICATORS.—

11 “(i) IN GENERAL.—For each eligible  
 12 agency submitting a State plan, there shall  
 13 be established, in accordance with this sub-  
 14 paragraph, levels of performance for each  
 15 of the core indicators of performance de-  
 16 scribed in paragraph (2)(A) for adult edu-  
 17 cation and family literacy education pro-  
 18 grams authorized under this title. The lev-  
 19 els of performance established under this  
 20 subparagraph shall, at a minimum—

21 “(I) be expressed in an objective,  
 22 quantifiable, and measurable form;  
 23 and

24 “(II) show the progress of the el-  
 25 ible agency toward continuously and

1 significantly improving the agency's  
2 performance outcomes in an objective,  
3 quantifiable, and measurable form.

4 “(ii) IDENTIFICATION IN STATE  
5 PLAN.—Each eligible agency shall identify,  
6 in the State plan submitted under section  
7 224, expected levels of performance for  
8 each of the core indicators of performance  
9 for the first 3 program years covered by  
10 the State plan.

11 “(iii) AGREEMENT ON ELIGIBLE  
12 AGENCY ADJUSTED LEVELS OF PERFORM-  
13 ANCE FOR FIRST 3 YEARS.—In order to en-  
14 sure an optimal return on the investment  
15 of Federal funds in adult education and  
16 family literacy education programs author-  
17 ized under this title, the Secretary and  
18 each eligible agency shall reach agreement  
19 on levels of student performance for each  
20 of the core indicators of performance, for  
21 the first 3 program years covered by the  
22 State plan, taking into account the levels  
23 identified in the State plan under clause  
24 (ii) and the factors described in clause (iv).  
25 The levels agreed to under this clause shall



1 be considered to be the eligible agency ad-  
2 justed levels of performance for the eligible  
3 agency for such years and shall be incor-  
4 porated into the State plan prior to the ap-  
5 proval of such plan.

6 “(iv) FACTORS.—The agreement de-  
7 scribed in clause (iii) or (v) shall take into  
8 account—

9 “(I) how the levels involved com-  
10 pare with the eligible agency’s ad-  
11 justed levels of performance, taking  
12 into account factors including the  
13 characteristics of participants when  
14 the participants entered the program;  
15 and

16 “(II) the extent to which such  
17 levels promote continuous and signifi-  
18 cant improvement in performance on  
19 the student proficiency measures used  
20 by such eligible agency and ensure op-  
21 timal return on the investment of  
22 Federal funds.

23 “(v) AGREEMENT ON ELIGIBLE AGEN-  
24 CY ADJUSTED LEVELS OF PERFORMANCE  
25 FOR SECOND 3 YEARS.—Prior to the fourth

1 program year covered by the State plan,  
2 the Secretary and each eligible agency  
3 shall reach agreement on levels of student  
4 performance for each of the core indicators  
5 of performance for the fourth, fifth, and  
6 sixth program years covered by the State  
7 plan, taking into account the factors de-  
8 scribed in clause (iv). The levels agreed to  
9 under this clause shall be considered to be  
10 the eligible agency adjusted levels of per-  
11 formance for the eligible agency for such  
12 years and shall be incorporated into the  
13 State plan.

14 “(vi) REVISIONS.—If unanticipated  
15 circumstances arise in a State resulting in  
16 a significant change in the factors de-  
17 scribed in clause (iv)(I), the eligible agency  
18 may request that the eligible agency ad-  
19 justed levels of performance agreed to  
20 under clause (iii) or (v) be revised.

21 “(B) LEVELS OF EMPLOYMENT PERFORM-  
22 ANCE.—The eligible agency shall identify, in the  
23 State plan, eligible agency levels of performance  
24 for each of the employment performance indica-  
25 tors described in paragraph (2)(B). Such levels

1           shall be considered to be eligible agency ad-  
2           justed levels of performance for purposes of this  
3           title.

4           “(c) DEFINITIONS FOR INDICATORS OF PERFORM-  
5 ANCE.—In order to ensure comparability of performance  
6 data across States, the Secretary shall issue definitions for  
7 the indicators of performance under paragraph (2).

8           “(d) REPORT.—

9           “(1) IN GENERAL.—Each eligible agency that  
10          receives a grant under section 211(b) shall annually  
11          prepare and submit to the Secretary, the Governor,  
12          the State legislature, and eligible providers a report  
13          on the progress of the eligible agency in achieving el-  
14          igible agency performance measures, including the  
15          following:

16                 “(A) Information on the levels of perform-  
17                 ance achieved by the eligible agency with re-  
18                 spect to the core indicators of performance and  
19                 employment performance indicators.

20                 “(B) The number and type of each eligible  
21                 provider that receives funding under such  
22                 grant.

23           “(2) INFORMATION DISSEMINATION.—The Sec-  
24          retary—

1           “(A) shall make the information contained  
2           in such reports available to the general public  
3           through publication (including on the Internet  
4           site of the Department of Education) and other  
5           appropriate methods;

6           “(B) shall disseminate State-by-State com-  
7           parisons of the information; and

8           “(C) shall provide the appropriate commit-  
9           tees of the Congress with copies of such re-  
10          ports.

11 **“SEC. 213. INCENTIVE GRANTS FOR STATES.**

12          “(a) IN GENERAL.—From funds appropriated under  
13          section 211(a)(1), the Secretary may award grants to  
14          States for exemplary performance in carrying out pro-  
15          grams under this title. Such awards shall be based on  
16          States exceeding the core indicators of performance estab-  
17          lished under section 212(b)(2)(A) and may be based on  
18          the performance of the State in serving populations, such  
19          as those described in section 224(b)(10), including the lev-  
20          els of service provided and the performance outcomes, and  
21          such other factors relating to the performance of the State  
22          under this title as the Secretary determines appropriate.

23          “(b) USE OF FUNDS.—The funds awarded to a State  
24          under this paragraph may be used to carry out any activi-

1 ties authorized under this title, including demonstrations  
2 and innovative programs for hard-to-serve populations.

3 **“CHAPTER 2—STATE PROVISIONS**

4 **“SEC. 221. STATE ADMINISTRATION.**

5 “Each eligible agency shall be responsible for the fol-  
6 lowing activities under this title:

7 “(1) The development, submission, implementa-  
8 tion, and monitoring of the State plan.

9 “(2) Consultation with other appropriate agen-  
10 cies, groups, and individuals that are involved in, or  
11 interested in, the development and implementation  
12 of activities assisted under this title.

13 “(3) Coordination and avoidance of duplication  
14 with other Federal and State education, training,  
15 corrections, public housing, and social service pro-  
16 grams.

17 **“SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING RE-**  
18 **QUIREMENT.**

19 “(a) STATE DISTRIBUTION OF FUNDS.—Each eligi-  
20 ble agency receiving a grant under this title for a fiscal  
21 year—

22 “(1) shall use an amount not less than 82.5  
23 percent of the grant funds to award grants and con-  
24 tracts under section 231 and to carry out section

1 225, of which not more than 10 percent of such  
2 amount shall be available to carry out section 225;

3 “(2) shall use not more than 12.5 percent of  
4 the grant funds to carry out State leadership activi-  
5 ties under section 223; and

6 “(3) shall use not more than 5 percent of the  
7 grant funds, or \$75,000, whichever is greater, for  
8 the administrative expenses of the eligible agency.

9 “(b) MATCHING REQUIREMENT.—

10 “(1) IN GENERAL.—In order to receive a grant  
11 from the Secretary under section 211(b), each eligi-  
12 ble agency shall provide, for the costs to be incurred  
13 by the eligible agency in carrying out the adult edu-  
14 cation and family literacy education programs for  
15 which the grant is awarded, a non-Federal contribu-  
16 tion in an amount at least equal to—

17 “(A) in the case of an eligible agency serv-  
18 ing an outlying area, 12 percent of the total  
19 amount of funds expended for adult education  
20 and family literacy education programs in the  
21 outlying area, except that the Secretary may  
22 decrease the amount of funds required under  
23 this subparagraph for an eligible agency; and

24 “(B) in the case of an eligible agency serv-  
25 ing a State, 25 percent of the total amount of

1 funds expended for adult education and family  
2 literacy education programs in the State.

3 “(2) NON-FEDERAL CONTRIBUTION.—An eligi-  
4 ble agency’s non-Federal contribution required under  
5 paragraph (1) may be provided in cash or in kind,  
6 fairly evaluated, and shall include only non-Federal  
7 funds that are used for adult education and family  
8 literacy education programs in a manner that is con-  
9 sistent with the purpose of this title.

10 **“SEC. 223. STATE LEADERSHIP ACTIVITIES.**

11 “(a) IN GENERAL.—Each eligible agency may use  
12 funds made available under section 222(a)(2) for any of  
13 the following adult education and family literacy education  
14 programs:

15 “(1) The establishment or operation of profes-  
16 sional development programs to improve the quality  
17 of instruction provided pursuant to local activities  
18 required under section 231(b), including instruction  
19 incorporating the essential components of reading  
20 instruction and instruction provided by volunteers or  
21 by personnel of a State or outlying area.

22 “(2) The provision of technical assistance to eli-  
23 gible providers of adult education and family literacy  
24 education programs, including for the development  
25 and dissemination of scientifically based research in-

1 instructional practices in reading, writing, speaking,  
2 math, and English language acquisition programs.

3 “(3) The provision of assistance to eligible pro-  
4 viders in developing, implementing, and reporting  
5 measurable progress in achieving the objectives of  
6 this title.

7 “(4) The provision of technology assistance, in-  
8 cluding staff training, to eligible providers of adult  
9 education and family literacy education programs,  
10 including distance learning activities, to enable the  
11 eligible providers to improve the quality of such ac-  
12 tivities.

13 “(5) The development and implementation of  
14 technology applications or distance learning, includ-  
15 ing professional development to support the use of  
16 instructional technology.

17 “(6) Coordination with other public programs,  
18 including welfare-to-work, workforce development,  
19 and job training programs.

20 “(7) Coordination with existing support serv-  
21 ices, such as transportation, child care, and other  
22 assistance designed to increase rates of enrollment  
23 in, and successful completion of, adult education and  
24 family literacy education programs, for adults en-  
25 rolled in such activities.



1           “(8) The development and implementation of a  
2           system to assist in the transition from adult basic  
3           education to post-secondary education.

4           “(9) Activities to promote workplace literacy  
5           programs.

6           “(10) Activities to promote and complement  
7           local outreach initiatives described in section 243(7).

8           “(11) Other activities of statewide significance,  
9           including assisting eligible providers in achieving  
10          progress in improving the skill levels of adults who  
11          participate in programs under this title.

12          “(12) Integration of literacy, instructional, and  
13          occupational skill training and promotion of linkages  
14          with employees.

15          “(b) COORDINATION.—In carrying out this section,  
16          eligible agencies shall coordinate where possible, and avoid  
17          duplicating efforts, in order to maximize the impact of the  
18          activities described in subsection (a).

19          “(c) STATE-IMPOSED REQUIREMENTS.—Whenever a  
20          State or outlying area implements any rule or policy relat-  
21          ing to the administration or operation of a program au-  
22          thorized under this title that has the effect of imposing  
23          a requirement that is not imposed under Federal law (in-  
24          cluding any rule or policy based on a State or outlying  
25          area interpretation of a Federal statute, regulation, or

1 guideline), the State or outlying area shall identify, to eli-  
2 gible providers, the rule or policy as being imposed by the  
3 State or outlying area.

4 **“SEC. 224. STATE PLAN.**

5 “(a) 5-YEAR PLANS.—

6 “(1) IN GENERAL.—Each eligible agency desir-  
7 ing a grant under this title for any fiscal year shall  
8 submit to, or have on file with, the Secretary a 5-  
9 year State plan.

10 “(2) COMPREHENSIVE PLAN OR APPLICA-  
11 TION.—The eligible agency may submit the State  
12 plan as part of a comprehensive plan or application  
13 for Federal education assistance.

14 “(b) PLAN CONTENTS.—The eligible agency shall in-  
15 clude in the State plan or any revisions to the State plan—

16 “(1) an objective assessment of the needs of in-  
17 dividuals in the State or outlying area for adult edu-  
18 cation and family literacy education programs, in-  
19 cluding individuals most in need or hardest to serve;

20 “(2) a description of the adult education and  
21 family literacy education programs that will be car-  
22 ried out with funds received under this title;

23 “(3) a description of how the eligible agency  
24 will evaluate and measure annually the effectiveness  
25 and improvement of the adult education and family

1 literacy education programs based on the perform-  
2 ance measures described in section 212 including—

3 “(A) how the eligible agency will evaluate  
4 and measure annually such effectiveness on a  
5 grant-by-grant basis; and

6 “(B) how the eligible agency—

7 “(i) will hold eligible providers ac-  
8 countable regarding the progress of such  
9 providers in improving the academic  
10 achievement of participants in adult edu-  
11 cation programs under this title and re-  
12 garding the core indicators of performance  
13 described in section 212(b)(2)(A); and

14 “(ii) will use technical assistance,  
15 sanctions, and rewards (including alloca-  
16 tion of grant funds based on performance  
17 and termination of grant funds based on  
18 nonperformance);

19 “(4) a description of the performance measures  
20 described in section 212 and how such performance  
21 measures have significantly improved adult edu-  
22 cation and family literacy education programs in the  
23 State or outlying area;

24 “(5) an assurance that the eligible agency will,  
25 in addition to meeting all of the other requirements

1 of this title, award not less than one grant under  
2 this title to an eligible provider that—

3 “(A) offers flexible schedules and necessary  
4 support services (such as child care and trans-  
5 portation) to enable individuals, including indi-  
6 viduals with disabilities, or individuals with  
7 other special needs, to participate in adult edu-  
8 cation and family literacy education programs;  
9 and

10 “(B) attempts to coordinate with support  
11 services that are not provided under this title  
12 prior to using funds for adult education and  
13 family literacy education programs provided  
14 under this title for support services;

15 “(6) an assurance that the funds received under  
16 this title will not be expended for any purpose other  
17 than for activities under this title;

18 “(7) a description of how the eligible agency  
19 will fund local activities in accordance with the  
20 measurable goals described in section 231(d);

21 “(8) an assurance that the eligible agency will  
22 expend the funds under this title only in a manner  
23 consistent with fiscal requirements in section 241;

1           “(9) a description of the process that will be  
2 used for public participation and comment with re-  
3 spect to the State plan, which process—

4           “(A) shall include consultation with the  
5 State workforce investment board, the State  
6 board responsible for administering community  
7 or technical colleges, the Governor, the State  
8 educational agency, the State board or agency  
9 responsible for administering block grants for  
10 temporary assistance to needy families under  
11 title IV of the Social Security Act, the State  
12 council on disabilities, the State vocational re-  
13 habilitation agency, other State agencies that  
14 promote the improvement of adult education  
15 and family literacy education programs, and di-  
16 rect providers of such programs; and

17           “(B) may include consultation with the  
18 State agency on higher education, institutions  
19 responsible for professional development of  
20 adult education and family literacy education  
21 programs instructors, representatives of busi-  
22 ness and industry, refugee assistance programs,  
23 and faith-based organizations;

1           “(10) a description of the eligible agency’s  
2 strategies for serving populations that include, at a  
3 minimum—

4                   “(A) low-income individuals;

5                   “(B) individuals with disabilities;

6                   “(C) the unemployed;

7                   “(D) the underemployed; and

8                   “(E) individuals with multiple barriers to  
9 educational enhancement, including individuals  
10 with limited English proficiency;

11           “(11) a description of how the adult education  
12 and family literacy education programs that will be  
13 carried out with any funds received under this title  
14 will be integrated with other adult education, career  
15 development, and employment and training activities  
16 in the State or outlying area served by the eligible  
17 agency;

18           “(12) a description of the steps the eligible  
19 agency will take to ensure direct and equitable ac-  
20 cess, as required in section 231(c)(1), including—

21                   “(A) how the State will build the capacity  
22 of community-based and faith-based organiza-  
23 tions to provide adult education and family lit-  
24 eracy education programs; and

1           “(B) how the State will increase the par-  
2           ticipation of business and industry in adult edu-  
3           cation and family literacy education programs;

4           “(13) an assessment of the adequacy of the sys-  
5           tem of the State or outlying area to ensure teacher  
6           quality and a description of how the State or out-  
7           lying area will use funds received under this subtitle  
8           to improve teacher quality, including professional de-  
9           velopment on the use of scientifically based research  
10          to improve instruction; and

11          “(14) a description of how the eligible agency  
12          will consult with any State agency responsible for  
13          post-secondary education to develop adult education  
14          that prepares students to enter post-secondary edu-  
15          cation without the need for remediation upon com-  
16          pletion of secondary school equivalency programs.

17          “(c) PLAN REVISIONS.—When changes in conditions  
18          or other factors require substantial revisions to an ap-  
19          proved State plan, the eligible agency shall submit the re-  
20          visions of the State plan to the Secretary.

21          “(d) CONSULTATION.—The eligible agency shall—

22                  “(1) submit the State plan, and any revisions to  
23                  the State plan, to the Governor, the chief State  
24                  school officer, or the State officer responsible for ad-

1 ministering community or technical colleges, or out-  
2 lying area for review and comment; and

3 “(2) ensure that any comments regarding the  
4 State plan by the Governor, the chief State school  
5 officer, or the State officer responsible for admin-  
6 istering community or technical colleges, and any re-  
7 vision to the State plan, are submitted to the Sec-  
8 retary.

9 “(e) PLAN APPROVAL.—The Secretary shall—

10 “(1) establish a peer review process to assist in  
11 the review and approval of State plans;

12 “(2) appoint individuals representing the range  
13 of stakeholders to the peer-review process, includ-  
14 ing—

15 “(A) representatives of adult learners,  
16 adult education, and literacy providers, eligible  
17 agencies, State educational agencies, institu-  
18 tions of higher education, representatives of  
19 local or State workforce investment boards; and

20 “(B) experts in the fields of adult edu-  
21 cation and literacy;

22 “(3) approve a State plan within 120 days after  
23 receiving the plan unless the Secretary makes a writ-  
24 ten determination within 30 days after receiving the  
25 plan that the plan does not meet the requirements



1 of this section or is inconsistent with specific provi-  
2 sions of this subtitle; and

3 “(4) not finally disapprove of a State plan be-  
4 fore offering the eligible agency the opportunity,  
5 prior to the expiration of the 30-day period begin-  
6 ning on the date on which the eligible agency re-  
7 ceived the written determination described in para-  
8 graph (3), to review the plan and providing technical  
9 assistance in order to assist the eligible agency in  
10 meeting the requirements of this subtitle.

11 **“SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND**  
12 **OTHER INSTITUTIONALIZED INDIVIDUALS.**

13 “(a) PROGRAM AUTHORIZED.—From funds made  
14 available under section 222(a)(1) for a fiscal year, each  
15 eligible agency shall carry out corrections education and  
16 education for other institutionalized individuals.

17 “(b) USES OF FUNDS.—The funds described in sub-  
18 section (a) shall be used for the cost of educational pro-  
19 grams for criminal offenders in correctional institutions  
20 and for other institutionalized individuals, including aca-  
21 demic programs for—

22 “(1) basic skills education;

23 “(2) special education programs as determined  
24 by the eligible agency;

1           “(3) reading, writing, speaking, and math pro-  
2           grams; and

3           “(4) secondary school credit or diploma pro-  
4           grams or their recognized equivalent.

5           “(c) PRIORITY.—Each eligible agency that is using  
6 assistance provided under this section to carry out a pro-  
7 gram for criminal offenders within a correctional institu-  
8 tion shall give priority to serving individuals who are likely  
9 to leave the correctional institution within 5 years of par-  
10 ticipation in the program.

11          “(d) DEFINITIONS.—For purposes of this section:

12           “(1) CORRECTIONAL INSTITUTION.—The term  
13           ‘correctional institution’ means any—

14                   “(A) prison;

15                   “(B) jail;

16                   “(C) reformatory;

17                   “(D) work farm;

18                   “(E) detention center; or

19                   “(F) halfway house, community-based re-  
20 habilitation center, or any other similar institu-  
21 tion designed for the confinement or rehabilita-  
22 tion of criminal offenders.

23           “(2) CRIMINAL OFFENDER.—The term ‘crimi-  
24 nal offender’ means any individual who is charged  
25 with, or convicted of, any criminal offense.

1           **“CHAPTER 3—LOCAL PROVISIONS**

2   **“SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PRO-**  
3                           **VIDERS.**

4           “(a) GRANTS AND CONTRACTS.—From grant funds  
5 made available under section 211(b), each eligible agency  
6 shall award multi year grants or contracts, on a competi-  
7 tive basis, to eligible providers within the State or outlying  
8 area that meet the conditions and requirements of this  
9 title to enable the eligible providers to develop, implement,  
10 and improve adult education and family literacy education  
11 programs within the State.

12          “(b) LOCAL ACTIVITIES.—The eligible agency shall  
13 require eligible providers receiving a grant or contract  
14 under subsection (a) to establish or operate one or more  
15 programs of instruction that provide services or instruc-  
16 tion in one or more of the following categories:

17               “(1) Adult education and family literacy edu-  
18 cation programs (including proficiency in reading,  
19 writing, speaking, and math).

20               “(2) Workplace literacy programs.

21               “(3) English language acquisition programs.

22               “(4) Family literacy education programs.

23          “(c) DIRECT AND EQUITABLE ACCESS; SAME PROC-  
24 ESS.—Each eligible agency receiving funds under this title  
25 shall ensure that—

1           “(1) all eligible providers have direct and equi-  
2           table access to apply for grants or contracts under  
3           this section; and

4           “(2) the same grant or contract announcement  
5           process and application process is used for all eligi-  
6           ble providers in the State or outlying area.

7           “(d) MEASURABLE GOALS.—The eligible agency shall  
8           require eligible providers receiving a grant or contract  
9           under subsection (a) to demonstrate—

10           “(1) the eligible provider’s measurable goals for  
11           participant outcomes to be achieved annually on the  
12           core indicators of performance and employment per-  
13           formance indicators described in section 212(b)(2);

14           “(2) the past effectiveness of the eligible pro-  
15           vider in improving the basic academic skills of adults  
16           and, for eligible providers receiving grants in the  
17           prior year, the success of the eligible provider receiv-  
18           ing funding under this title in exceeding its perform-  
19           ance goals in the prior year;

20           “(3) the commitment of the eligible provider to  
21           serve individuals in the community who are the most  
22           in need of basic academic skills instruction services,  
23           including individuals who are low-income or have  
24           minimal reading, writing, speaking, and math skills,  
25           or limited English proficiency;

1           “(4) the program—

2                   “(A) is of sufficient intensity and duration  
3           for participants to achieve substantial learning  
4           gains; and

5                   “(B) uses instructional practices that in-  
6           clude the essential components of reading in-  
7           struction;

8           “(5) educational practices are based on scientif-  
9           ically based research;

10           “(6) the activities of the eligible provider effec-  
11           tively employ advances in technology, as appropriate,  
12           including the use of computers;

13           “(7) the activities provide instruction in real-life  
14           contexts, when appropriate, to ensure that an indi-  
15           vidual has the skills needed to compete in the work-  
16           place and exercise the rights and responsibilities of  
17           citizenship;

18           “(8) the activities are staffed by well-trained in-  
19           structors, counselors, and administrators;

20           “(9) the activities are coordinated with other  
21           available resources in the community, such as  
22           through strong links with elementary schools and  
23           secondary schools, post-secondary educational insti-  
24           tutions, one-stop centers, job training programs,

1 community-based and faith-based organizations, and  
2 social service agencies;

3 “(10) the activities offer flexible schedules and  
4 support services (such as child care and transpor-  
5 tation) that are necessary to enable individuals, in-  
6 cluding individuals with disabilities or other special  
7 needs, to attend and complete programs;

8 “(11) the activities include a high-quality infor-  
9 mation management system that has the capacity to  
10 report measurable participant outcomes and to mon-  
11 itor program performance against the performance  
12 measures established by the eligible agency;

13 “(12) the local communities have a dem-  
14 onstrated need for additional English language ac-  
15 quisition programs;

16 “(13) the capacity of the eligible provider to  
17 produce valid information on performance results,  
18 including enrollments and measurable participant  
19 outcomes;

20 “(14) adult education and family literacy edu-  
21 cation programs offer rigorous reading, writing,  
22 speaking, and math content that are based on sci-  
23 entificallly based research; and

24 “(15) applications of technology, and services to  
25 be provided by the eligible providers, are of sufficient

1 intensity and duration to increase the amount and  
2 quality of learning and lead to measurable learning  
3 gains within specified time periods.

4 “(e) SPECIAL RULE.—Eligible providers may use  
5 grant funds under this title to serve children participating  
6 in family literacy programs assisted under this part, pro-  
7 vided that other sources of funds available to provide simi-  
8 lar services for such children are used first.

9 **“SEC. 232. LOCAL APPLICATION.**

10 “Each eligible provider desiring a grant or contract  
11 under this title shall submit an application to the eligible  
12 agency containing such information and assurances as the  
13 eligible agency may require, including—

14 “(1) a description of how funds awarded under  
15 this title will be spent consistent with the require-  
16 ments of this title;

17 “(2) a description of any cooperative arrange-  
18 ments the eligible provider has with other agencies,  
19 institutions, or organizations for the delivery of  
20 adult education and family literacy education pro-  
21 grams; and

22 “(3) each of the demonstrations required by  
23 section 231(d).

1 **“SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.**

2 “(a) IN GENERAL.—Subject to subsection (b), of the  
3 amount that is made available under this title to an eligi-  
4 ble provider—

5 “(1) at least 95 percent shall be expended for  
6 carrying out adult education and family literacy edu-  
7 cation programs; and

8 “(2) the remaining amount shall be used for  
9 planning, administration, personnel and professional  
10 development, development of measurable goals in  
11 reading, writing, speaking, and math, and inter-  
12 agency coordination.

13 “(b) SPECIAL RULE.—In cases where the cost limits  
14 described in subsection (a) are too restrictive to allow for  
15 adequate planning, administration, personnel develop-  
16 ment, and interagency coordination, the eligible provider  
17 may negotiate with the eligible agency in order to deter-  
18 mine an adequate level of funds to be used for noninstruc-  
19 tional purposes.

20 **“CHAPTER 4—GENERAL PROVISIONS**

21 **“SEC. 241. ADMINISTRATIVE PROVISIONS.**

22 “(a) SUPPLEMENT NOT SUPPLANT.—Funds made  
23 available for adult education and family literacy education  
24 programs under this title shall supplement and not sup-  
25 plant other State or local public funds expended for adult  
26 education and family literacy education programs.



1       “(b) MAINTENANCE OF EFFORT.—

2               “(1) IN GENERAL.—

3                       “(A) DETERMINATION.—An eligible agency  
4                       may receive funds under this title for any fiscal  
5                       year if the Secretary finds that the fiscal effort  
6                       per student or the aggregate expenditures of  
7                       such eligible agency for activities under this  
8                       title, in the second preceding fiscal year, were  
9                       not less than 90 percent of the fiscal effort per  
10                      student or the aggregate expenditures of such  
11                      eligible agency for adult education and family  
12                      literacy education programs, in the third pre-  
13                      ceding fiscal year.

14                     “(B) PROPORTIONATE REDUCTION.—Sub-  
15                     ject to paragraphs (2), (3), and (4), for any fis-  
16                     cal year with respect to which the Secretary de-  
17                     termines under subparagraph (A) that the fiscal  
18                     effort or the aggregate expenditures of an eligi-  
19                     ble agency for the preceding program year were  
20                     less than such effort or expenditures for the  
21                     second preceding program year, the Secretary—

22                               “(i) shall determine the percentage  
23                               decreases in such effort or in such expendi-  
24                               tures; and

1                   “(ii) shall decrease the payment made  
2                   under this title for such program year to  
3                   the agency for adult education and family  
4                   literacy education programs by the lesser  
5                   of such percentages.

6                   “(2) COMPUTATION.—In computing the fiscal  
7                   effort and aggregate expenditures under paragraph  
8                   (1), the Secretary shall exclude capital expenditures  
9                   and special one-time project costs.

10                  “(3) DECREASE IN FEDERAL SUPPORT.—If the  
11                  amount made available for adult education and fam-  
12                  ily literacy education programs under this title for a  
13                  fiscal year is less than the amount made available  
14                  for adult education and family literacy education  
15                  programs under this title for the preceding fiscal  
16                  year, then the fiscal effort per student and the ag-  
17                  gregate expenditures of an eligible agency required  
18                  in order to avoid a reduction under paragraph  
19                  (1)(B) shall be decreased by the same percentage as  
20                  the percentage decrease in the amount so made  
21                  available.

22                  “(4) WAIVER.—The Secretary may waive the  
23                  requirements of this subsection for not more than 1  
24                  fiscal year, if the Secretary determines that a waiver  
25                  would be equitable due to exceptional or uncontrol-

1       lable circumstances, such as a natural disaster or an  
2       unforeseen and precipitous decline in the financial  
3       resources of the State or outlying area of the eligible  
4       agency. If the Secretary grants a waiver under the  
5       preceding sentence for a fiscal year, the level of ef-  
6       fort required under paragraph (1) shall not be re-  
7       duced in the subsequent fiscal year because of the  
8       waiver.

9       **“SEC. 242. NATIONAL LEADERSHIP ACTIVITIES.**

10       “The Secretary shall establish and carry out a pro-  
11       gram of national leadership activities that may include the  
12       following:

13               “(1) Technical assistance, on request, including  
14       assistance—

15                       “(A) on request to volunteer community-  
16                       and faith-based organizations, including but not  
17                       limited to, improving their fiscal management,  
18                       research-based instruction, and reporting re-  
19                       quirements, and the development of measurable  
20                       objectives to carry out the requirements of this  
21                       title;

22                       “(B) in developing valid, measurable, and  
23                       reliable performance data, and using perform-  
24                       ance information for the improvement of adult

1 education, English language acquisition, and  
2 family literacy education programs;

3 “(C) on adult education professional devel-  
4 opment; and

5 “(D) in using distance learning and im-  
6 proving the application of technology in the  
7 classroom, including instruction in English lan-  
8 guage acquisition for individuals who have lim-  
9 ited English proficiency.

10 “(2) Providing for the conduct of research on  
11 national literacy basic skill acquisition levels among  
12 adults, including the number of limited English pro-  
13 ficient adults functioning at different levels of read-  
14 ing proficiency.

15 “(3) Improving the coordination, efficiency, and  
16 effectiveness of adult education and workforce devel-  
17 opment services at the national, State, and local lev-  
18 els.

19 “(4) Determining how participation in adult  
20 education, English language acquisition, and family  
21 literacy education programs prepares individuals for  
22 entry into and success in post-secondary education  
23 and employment, and in the case of prison-based  
24 services, the effect on recidivism.

1           “(5) Evaluating how different types of pro-  
2           viders, including community and faith-based organi-  
3           zations or private for-profit agencies measurably im-  
4           prove the skills of participants in adult education,  
5           English language acquisition, and family literacy  
6           education programs.

7           “(6) Identifying model integrated basic and  
8           workplace skills education programs, including pro-  
9           grams for individuals with limited English pro-  
10          ficiency coordinated literacy and employment serv-  
11          ices, and effective strategies for serving adults with  
12          disabilities.

13          “(7) Initiating other activities designed to im-  
14          prove the measurable quality and effectiveness of  
15          adult education, English language acquisition, and  
16          family literacy education programs nationwide.”.

17           **TITLE III—AMENDMENTS TO**  
18           **THE WAGNER-PEYSER ACT**

19           **SEC. 301. AMENDMENTS TO THE WAGNER-PEYSER ACT.**

20           The Wagner-Peyser Act (29 U.S.C. 49 et seq.) is  
21           amended—

22                   (1) by striking sections 1 through 13;

23                   (2) in section 14 by inserting “of Labor” after  
24           “Secretary”; and

25                   (3) by amending section 15 to read as follows:

1 **“SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION**  
2 **SYSTEM.**

3 “(a) SYSTEM CONTENT.—

4 “(1) IN GENERAL.—The Secretary of Labor, in  
5 accordance with the provisions of this section, shall  
6 oversee the development, maintenance, and contin-  
7 uous improvement of a nationwide workforce and  
8 labor market information system that includes—

9 “(A) statistical data from cooperative sta-  
10 tistical survey and projection programs and  
11 data from administrative reporting systems  
12 that, taken together, enumerate, estimate, and  
13 project employment opportunities and condi-  
14 tions at national, State, and local levels in a  
15 timely manner, including statistics on—

16 “(i) employment and unemployment  
17 status of national, State, and local popu-  
18 lations, including self-employed, part-time,  
19 and seasonal workers;

20 “(ii) industrial distribution of occupa-  
21 tions, as well as current and projected em-  
22 ployment opportunities, wages, benefits  
23 (where data is available), and skill trends  
24 by occupation and industry, with particular  
25 attention paid to State and local condi-  
26 tions;

1           “(iii) the incidence of, industrial and  
2           geographical location of, and number of  
3           workers displaced by, permanent layoffs  
4           and plant closings; and

5           “(iv) employment and earnings infor-  
6           mation maintained in a longitudinal man-  
7           ner to be used for research and program  
8           evaluation;

9           “(B) information on State and local em-  
10          ployment opportunities, and other appropriate  
11          statistical data related to labor market dynam-  
12          ics, which—

13                 “(i) shall be current and comprehen-  
14                 sive;

15                 “(ii) shall meet the needs identified  
16                 through the consultations described in sub-  
17                 paragraphs (A) and (B) of subsection  
18                 (e)(2); and

19                 “(iii) shall meet the needs for the in-  
20                 formation identified in section 134(c);

21           “(C) technical standards (which the Sec-  
22           retary shall publish annually) for data and in-  
23           formation described in subparagraphs (A) and  
24           (B) that, at a minimum, meet the criteria of  
25           chapter 35 of title 44, United States Code;

1           “(D) procedures to ensure compatibility  
2 and additivity of the data and information de-  
3 scribed in subparagraphs (A) and (B) from na-  
4 tional, State, and local levels;

5           “(E) procedures to support standardization  
6 and aggregation of data from administrative re-  
7 porting systems described in subparagraph (A)  
8 of employment-related programs;

9           “(F) analysis of data and information de-  
10 scribed in subparagraphs (A) and (B) for uses  
11 such as—

12                 “(i) national, State, and local policy-  
13 making;

14                 “(ii) implementation of Federal poli-  
15 cies (including allocation formulas);

16                 “(iii) program planning and evalua-  
17 tion; and

18                 “(iv) researching labor market dynam-  
19 ics;

20           “(G) wide dissemination of such data, in-  
21 formation, and analysis in a user-friendly man-  
22 ner and voluntary technical standards for dis-  
23 semination mechanisms; and

24           “(H) programs of—



1           “(i) training for effective data dis-  
2           semination;

3           “(ii) research and demonstration; and

4           “(iii) programs and technical assist-  
5           ance.

6           “(2) INFORMATION TO BE CONFIDENTIAL.—

7           “(A) IN GENERAL.—No officer or em-  
8           ployee of the Federal Government or agent of  
9           the Federal Government may—

10           “(i) use any submission that is fur-  
11           nished for exclusively statistical purposes  
12           under the provisions of this section for any  
13           purpose other than the statistical purposes  
14           for which the submission is furnished;

15           “(ii) disclose to the public any publi-  
16           cation or media transmittal of the data  
17           contained in the submission described in  
18           clause (i) that permits information con-  
19           cerning an individual subject to be reason-  
20           ably inferred by either direct or indirect  
21           means; or

22           “(iii) permit anyone other than a  
23           sworn officer, employee, or agent of any  
24           Federal department or agency, or a con-  
25           tractor (including an employee of a con-

1           tractor) of such department or agency, to  
2           examine an individual submission described  
3           in clause (i),  
4           without the consent of the individual, agency, or  
5           other person who is the subject of the submis-  
6           sion or provides that submission.

7           “(B) IMMUNITY FROM LEGAL PROCESS.—  
8           Any submission (including any data derived  
9           from the submission) that is collected and re-  
10          tained by a Federal department or agency, or  
11          an officer, employee, agent, or contractor of  
12          such a department or agency, for exclusively  
13          statistical purposes under this section shall be  
14          immune from the legal process and shall not,  
15          without the consent of the individual, agency, or  
16          other person who is the subject of the submis-  
17          sion or provides that submission, be admitted  
18          as evidence or used for any purpose in any ac-  
19          tion, suit, or other judicial or administrative  
20          proceeding.

21          “(C) RULE OF CONSTRUCTION.—Nothing  
22          in this section shall be construed to provide im-  
23          munity from the legal process for such submis-  
24          sion (including any data derived from the sub-  
25          mission) if the submission is in the possession

1 of any person, agency, or entity other than the  
2 Federal Government or an officer, employee,  
3 agent, or contractor of the Federal Government,  
4 or if the submission is independently collected,  
5 retained, or produced for purposes other than  
6 the purposes of this Act.

7 “(b) SYSTEM RESPONSIBILITIES.—

8 “(1) IN GENERAL.—The workforce and labor  
9 market information system described in subsection  
10 (a) shall be planned, administered, overseen, and  
11 evaluated through a cooperative governance struc-  
12 ture involving the Federal Government and States.

13 “(2) DUTIES.—The Secretary, with respect to  
14 data collection, analysis, and dissemination of work-  
15 force and labor market information for the system,  
16 shall carry out the following duties:

17 “(A) Assign responsibilities within the De-  
18 partment of Labor for elements of the work-  
19 force and labor market information system de-  
20 scribed in subsection (a) to ensure that all sta-  
21 tistical and administrative data collected is con-  
22 sistent with appropriate Bureau of Labor Sta-  
23 tistics standards and definitions.

24 “(B) Actively seek the cooperation of other  
25 Federal agencies to establish and maintain

1 mechanisms for ensuring complementarity and  
2 nonduplication in the development and oper-  
3 ation of statistical and administrative data col-  
4 lection activities.

5 “(C) Eliminate gaps and duplication in  
6 statistical undertakings, with the systemization  
7 of wage surveys as an early priority.

8 “(D) In collaboration with the Bureau of  
9 Labor Statistics and States, develop and main-  
10 tain the elements of the workforce and labor  
11 market information system described in sub-  
12 section (a), including the development of con-  
13 sistent procedures and definitions for use by the  
14 States in collecting the data and information  
15 described in subparagraphs (A) and (B) of sub-  
16 section (a)(1).

17 “(E) Establish procedures for the system  
18 to ensure that—

19 “(i) such data and information are  
20 timely;

21 “(ii) paperwork and reporting for the  
22 system are reduced to a minimum; and

23 “(iii) States and localities are fully in-  
24 volved in the development and continuous  
25 improvement of the system at all levels.

1       “(c) NATIONAL ELECTRONIC TOOLS TO PROVIDE  
2 SERVICES.—The Secretary is authorized to assist in the  
3 development of national electronic tools that may be used  
4 to facilitate the delivery of work ready services described  
5 in section 134 and to provide workforce information to in-  
6 dividuals through the one-stop delivery systems described  
7 in section 121 and through other appropriate delivery sys-  
8 tems.

9       “(d) COORDINATION WITH THE STATES.—

10           “(1) IN GENERAL.—The Secretary, working  
11 through the Bureau of Labor Statistics and the Em-  
12 ployment and Training Administration, shall regu-  
13 larly consult with representatives of State agencies  
14 carrying out workforce information activities regard-  
15 ing strategies for improving the workforce and labor  
16 market information system.

17           “(2) FORMAL CONSULTATIONS.—At least twice  
18 each year, the Secretary, working through the Bu-  
19 reau of Labor Statistics, shall conduct formal con-  
20 sultations regarding programs carried out by the  
21 Bureau of Labor Statistics with representatives of  
22 each of the 6 Federal regions of the Bureau of  
23 Labor Statistics, elected (pursuant to a process es-  
24 tablished by the Secretary) from the State directors

1 affiliated with State agencies that perform the duties  
2 described in subsection (e)(2).

3 “(e) STATE RESPONSIBILITIES.—

4 “(1) IN GENERAL.—In order to receive Federal  
5 financial assistance under this section, the Governor  
6 of a State shall—

7 “(A) be responsible for the management of  
8 the portions of the workforce and labor market  
9 information system described in subsection (a)  
10 that comprise a statewide workforce and labor  
11 market information system and for the State’s  
12 participation in the development of the annual  
13 plan;

14 “(B) establish a process for the oversight  
15 of such system;

16 “(C) consult with State and local employ-  
17 ers, participants, and local workforce invest-  
18 ment boards about the labor market relevance  
19 of the data to be collected and disseminated  
20 through the statewide workforce and labor mar-  
21 ket information system;

22 “(D) consult with State educational agen-  
23 cies and local educational agencies concerning  
24 the provision of employment statistics in order  
25 to meet the needs of secondary school and post-

1 secondary school students who seek such infor-  
2 mation;

3 “(E) collect and disseminate for the sys-  
4 tem, on behalf of the State and localities in the  
5 State, the information and data described in  
6 subparagraphs (A) and (B) of subsection  
7 (a)(1);

8 “(F) maintain and continuously improve  
9 the statewide workforce and labor market infor-  
10 mation system in accordance with this section;

11 “(G) perform contract and grant respon-  
12 sibilities for data collection, analysis, and dis-  
13 semination for such system;

14 “(H) conduct such other data collection,  
15 analysis, and dissemination activities as will en-  
16 sure an effective statewide workforce and labor  
17 market information system;

18 “(I) actively seek the participation of other  
19 State and local agencies in data collection, anal-  
20 ysis, and dissemination activities in order to en-  
21 sure complementarity, compatibility, and useful-  
22 ness of data;

23 “(J) participate in the development of the  
24 annual plan described in subsection (c); and

1           “(K) utilize the quarterly records described  
2           in section 136(f)(2) of the Workforce Invest-  
3           ment Act of 1998 to assist the State and other  
4           States in measuring State progress on State  
5           performance measures.

6           “(2) RULE OF CONSTRUCTION.—Nothing in  
7           this section shall be construed as limiting the ability  
8           of a Governor to conduct additional data collection,  
9           analysis, and dissemination activities with State  
10          funds or with Federal funds from sources other than  
11          this section.

12          “(f) NONDUPLICATION REQUIREMENT.—None of the  
13          functions and activities carried out pursuant to this sec-  
14          tion shall duplicate the functions and activities carried out  
15          under the Carl D. Perkins Career and Technical Edu-  
16          cation Act of 2006 (20 U.S.C. 2301 et seq.).

17          “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
18          are authorized to be appropriated to carry out this section  
19          such sums as may be necessary for each of the fiscal years  
20          2013 through 2017.

21          “(h) DEFINITION.—In this section, the term ‘local  
22          area’ means the smallest geographical area for which data  
23          can be produced with statistical reliability.”.



1 **TITLE IV—AMENDMENTS TO THE**  
2 **REHABILITATION ACT OF 1973**

3 **SEC. 401. FINDINGS.**

4 Section 2(a) of the Rehabilitation Act of 1973 (29  
5 U.S.C. 701(a)) is amended—

6 (1) in paragraph (5), by striking “and” at the  
7 end;

8 (2) in paragraph (6), by striking the period and  
9 inserting “; and”; and

10 (3) by adding at the end the following:

11 “(7) there is a substantial need to improve and  
12 expand services for students with disabilities under  
13 this Act.”.

14 **SEC. 402. REHABILITATION SERVICES ADMINISTRATION.**

15 Section 3(a) of the Rehabilitation Act of 1973 (29  
16 U.S.C. 702(a)) is amended—

17 (1) by striking “Office of the Secretary” and  
18 inserting “Department of Education”;

19 (2) by striking “President by and with the ad-  
20 vice and consent of the Senate” and inserting “Sec-  
21 retary, except that the Commissioner appointed  
22 under the authority existing on the day prior to the  
23 date of enactment of the Workforce Investment Im-  
24 provement Act of 2011 may continue to serve in the  
25 former capacity”; and

1           (3) by striking “, and the Commissioner shall  
2           be the principal officer,”.

3 **SEC. 403. DIRECTOR.**

4           (a) IN GENERAL.—The Rehabilitation Act of 1973  
5 (29 U.S.C. 701 et seq.) is amended—

6           (1) by striking “Commissioner” each place it  
7           appears, except in sections 3(a) (as amended by sec-  
8           tion 402) and 21, and inserting “Director”;

9           (2) in section 100(d)(2)(B), by striking “**COM-**  
10 **MISSIONER**” and inserting “**DIRECTOR**”;

11           (3) in section 706, by striking “**COMMIS-**  
12 **SIONER**” and inserting “**DIRECTOR**”; and

13           (4) in section 723(a)(3), by striking “**COMMIS-**  
14 **SIONER**” and inserting “**DIRECTOR**”.

15           (b) EXCEPTION.—Section 21 of the Rehabilitation  
16 Act of 1973 (29 U.S.C. 718) is amended—

17           (1) in subsection (b)(1)—

18           (A) by striking “Commissioner” the first  
19           place it appears and inserting “Director of the  
20           Rehabilitation Services Administration”; and

21           (B) by striking “(referred to in this sub-  
22           section as the ‘Director’)”; and

23           (2) by striking “Commissioner and the Direc-  
24           tor” each place it appears and inserting “both such  
25           Directors”.

1 **SEC. 404. DEFINITIONS.**

2 Section 7 of the Rehabilitation Act of 1973 (29  
3 U.S.C. 705) is amended—

4 (1) by redesignating paragraphs (35) through  
5 (39) as paragraphs (36), (37), (38), (40), and (41),  
6 respectively;

7 (2) in subparagraph (A)(ii) of paragraph (36)  
8 (as redesignated by paragraph (1)), by striking  
9 “paragraph (36)(C)” and inserting “paragraph  
10 (37)(C)”;

11 (3) by inserting after paragraph (34) the fol-  
12 lowing:

13 “(35)(A) The term ‘student with a disability’  
14 means an individual with a disability who—

15 “(i) is not younger than 16 and not older  
16 than 21;

17 “(ii) has been determined to be eligible  
18 under section 102(a) for assistance under this  
19 title; and

20 “(iii)(I) is eligible for, and is receiving,  
21 special education under part B of the Individ-  
22 uals with Disabilities Education Act (20 U.S.C.  
23 1411 et seq.); or

24 “(II) is an individual with a disability, for  
25 purposes of section 504.

1           “(B) The term ‘students with disabilities’  
2 means more than 1 student with a disability.”; and

3           (4) by inserting after paragraph (38) (as reded-  
4 igned by paragraph (1)) the following:

5           “(39) The term ‘transition services expansion  
6 year’ means—

7                   “(A) the first fiscal year for which the  
8 amount appropriated under section 100(b) ex-  
9 ceeds the amount appropriated under section  
10 100(b) for fiscal year 2012 by not less than  
11 \$100,000,000; and

12                   “(B) each fiscal year subsequent to that  
13 first fiscal year.”.

14 **SEC. 405. STATE PLAN.**

15           (a) **COORDINATION WITH EDUCATION OFFICIALS**  
16 **AND ASSISTIVE TECHNOLOGY PROGRAMS.**—Section  
17 101(a)(11) of the Rehabilitation Act of 1973 (29 U.S.C.  
18 721(a)(11)) is amended—

19                   (1) in subparagraph (D)(i) by inserting “,  
20 which may be provided using alternative means of  
21 meeting participation (such as video conferences and  
22 conference calls)” before the semicolon; and

23                   (2) by adding at the end the following:

24                           “(G) **COORDINATION WITH ASSISTIVE**  
25 **TECHNOLOGY PROGRAMS.**—The State plan shall

1 include an assurance that the designated State  
2 unit and the lead agency responsible for car-  
3 rying out duties under the Assistive Technology  
4 Act of 1998 (29 U.S.C. 3001 et seq.), as  
5 amended, have developed working relationships  
6 and coordinate their activities.”.

7 (b) ASSESSMENT AND STRATEGIES.—Section  
8 101(a)(15) of the Rehabilitation Act of 1973 (29 U.S.C.  
9 721(a)(15)) is amended—

10 (1) in subparagraph (A)—

11 (A) in clause (i)—

12 (i) in subclause (II), by striking  
13 “and” at the end;

14 (ii) in subclause (III), by adding  
15 “and” at the end; and

16 (iii) by adding at the end the fol-  
17 lowing:

18 “(IV) in a transition services ex-  
19 pansion year, students with disabil-  
20 ities, including their need for transi-  
21 tion services;”; and

22 (B) by redesignating clauses (ii) and (iii)  
23 as clauses (iii) and (iv), respectively, and insert-  
24 ing after clause (i) the following:

1           “(ii) include an assessment of the  
2           transition services provided under this Act,  
3           and coordinated with transition services  
4           under the Individuals with Disabilities  
5           Education Act, as to those services meet-  
6           ing the needs of individuals with disabil-  
7           ities;” and

8           (2) in subparagraph (D)—

9           (A) by redesignating clauses (iii), (iv), and  
10          (v) as clauses (iv), (v), and (vi), respectively;  
11          and

12          (B) by inserting after clause (ii) the fol-  
13          lowing:

14               “(iii) in a transition services expan-  
15               sion year, the methods to be used to im-  
16               prove and expand vocational rehabilitation  
17               services for students with disabilities, in-  
18               cluding the coordination of services de-  
19               signed to facilitate the transition of such  
20               students from the receipt of educational  
21               services in school to the receipt of voca-  
22               tional rehabilitation services under this  
23               title or to post-secondary education or em-  
24               ployment;”.

1           (c) SERVICES FOR STUDENTS WITH DISABILITIES.—  
2 Section 101(a) of the Rehabilitation Act of 1973 (29  
3 U.S.C. 721(a)) is further amended by adding at the end  
4 the following:

5           “(25) SERVICES FOR STUDENTS WITH DISABIL-  
6 ITIES.—The State plan for a transition services ex-  
7 pansion year shall provide an assurance satisfactory  
8 to the Secretary that the State—

9           “(A) has developed and implemented strat-  
10 egies to address the needs identified in the as-  
11 sessment described in paragraph (15), and  
12 achieve the goals and priorities identified by the  
13 State, to improve and expand vocational reha-  
14 bilitation services for students with disabilities  
15 on a statewide basis in accordance with para-  
16 graph (15); and

17           “(B) from funds reserved under section  
18 110A, shall carry out programs or activities de-  
19 signed to improve and expand vocational reha-  
20 bilitation services for students with disabilities  
21 that—

22           “(i) facilitate the transition of the stu-  
23 dents with disabilities from the receipt of  
24 educational services in school, to the re-  
25 ceipt of vocational rehabilitation services

1 under this title, including, at a minimum,  
2 those services specified in the interagency  
3 agreement required in paragraph (11)(D);

4 “(ii) improve the achievement of post-  
5 school goals of students with disabilities,  
6 including improving the achievement  
7 through participation (as appropriate when  
8 career goals are discussed) in meetings re-  
9 garding individualized education programs  
10 developed under section 614 of the Individ-  
11 uals with Disabilities Education Act (20  
12 U.S.C. 1414);

13 “(iii) provide career guidance, career  
14 exploration services, and job search skills  
15 and strategies and technical assistance to  
16 students with disabilities;

17 “(iv) support the provision of training  
18 and technical assistance to State and local  
19 educational agency and designated State  
20 agency personnel responsible for the plan-  
21 ning and provision of services to students  
22 with disabilities; and

23 “(v) support outreach activities to stu-  
24 dents with disabilities who are eligible for,  
25 and need, services under this title.”.



1 **SEC. 406. SCOPE OF SERVICES.**

2 Section 103 of the Rehabilitation Act of 1973 (29  
3 U.S.C. 723) is amended—

4 (1) in subsection (a), by striking paragraph  
5 (15) and inserting the following:

6 “(15) transition services for students with dis-  
7 abilities, that facilitate the achievement of the em-  
8 ployment outcome identified in the individualized  
9 plan for employment, including, in a transition serv-  
10 ices expansion year, services described in clauses (i)  
11 through (iii) of section 101(a)(25)(B);”;

12 (2) in subsection (b), by striking paragraph (6)  
13 and inserting the following:

14 “(6)(A)(i) Consultation and technical assistance  
15 services to assist State and local educational agen-  
16 cies in planning for the transition of students with  
17 disabilities from school to post-school activities, in-  
18 cluding employment.

19 “(ii) In a transition services expansion year,  
20 training and technical assistance described in section  
21 101(a)(25)(B)(iv).

22 “(B) In a transition services expansion year,  
23 services for groups of individuals with disabilities  
24 who meet the requirements of clauses (i) and (iii) of  
25 section 7(35)(A), including services described in  
26 clauses (i), (ii), (iii), and (v) of section

1 101(a)(25)(B), to assist in the transition from  
2 school to post-school activities.”; and

3 (3) in subsection (b) by inserting at the end,  
4 the following:

5 “(7) The establishment, development, or im-  
6 provement of assistive technology demonstration,  
7 loan, reutilization, or financing programs in coordi-  
8 nation with activities authorized under the Assistive  
9 Technology Act of 1998 (29 U.S.C. 3001), as  
10 amended, to promote access to assistive technology  
11 for individuals with disabilities and employers.”.

12 **SEC. 407. STANDARDS AND INDICATORS.**

13 Section 106(a) of the Rehabilitation Act of 1973 (29  
14 U.S.C. 726(a)) is amended by striking paragraph (1)(C)  
15 and all that follows through paragraph (2) and inserting  
16 the following:

17 “(2) MEASURES.—The standards and indica-  
18 tors shall include outcome and related measures of  
19 program performance that—

20 “(A) facilitate the accomplishment of the  
21 purpose and policy of this title;

22 “(B) to the maximum extent practicable,  
23 are consistent with the core indicators of per-  
24 formance, and corresponding State adjusted lev-

1           els of performance, established under section  
2           136(b); and

3           “(C) include measures of the program’s  
4           performance with respect to the transition to  
5           post-school career activities, and achievement of  
6           the post-school career goals, of students with  
7           disabilities served under the program.”.

8 **SEC. 408. RESERVATION FOR EXPANDED TRANSITION**  
9           **SERVICES.**

10          The Rehabilitation Act of 1973 is amended by insert-  
11         ing after section 110 (29 U.S.C. 730) the following:

12 **“SEC. 110A. RESERVATION FOR EXPANDED TRANSITION**  
13           **SERVICES.**

14          “(a) RESERVATION.—From the State allotment  
15         under section 110 in a transition services expansion year,  
16         each State shall reserve an amount calculated by the Di-  
17         rector under subsection (b) to carry out programs and ac-  
18         tivities under sections 101(a)(25)(B) and 103(b)(6).

19          “(b) CALCULATION.—The Director shall calculate the  
20         amount to be reserved for such programs and activities  
21         for a fiscal year by each State by multiplying \$50,000,000  
22         by the percentage determined by dividing—

23                 “(1) the amount allotted to that State under  
24                 section 110 for the prior fiscal year, by

1           “(2) the total amount allotted to all States  
2           under section 110 for that prior fiscal year.”.

3 **SEC. 409. CLIENT ASSISTANCE PROGRAM.**

4           Section 112(e)(1) of the Rehabilitation Act of 1973  
5 (29 U.S.C. 732(e)(1)) is amended by redesignating sub-  
6 paragraph (D) as subparagraph (E) and inserting after  
7 subparagraph (C) the following:

8           “(D) The Secretary shall make grants to the protec-  
9 tion and advocacy system serving the American Indian  
10 Consortium to provide services in accordance with this sec-  
11 tion. The amount of such grants shall be the same as pro-  
12 vided to territories under this subsection.”.

13 **SEC. 410. PROTECTION AND ADVOCACY OF INDIVIDUAL**  
14 **RIGHTS.**

15           Section 509(g)(2) of the Rehabilitation Act of 1973  
16 (29 U.S.C. 794e(g)(2)) is amended by striking “was paid”  
17 and inserting “was paid, except that program income gen-  
18 erated from such amount shall remain available to such  
19 system for one additional fiscal year”.

20 **SEC. 411. CHAIRPERSON.**

21           Section 705(b)(5) of the Rehabilitation Act of 1973  
22 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

23           “(5) CHAIRPERSON.—The Council shall select a  
24 chairperson from among the voting membership of  
25 the Council.”.

1 **SEC. 412. AUTHORIZATIONS OF APPROPRIATIONS.**

2 The Rehabilitation Act of 1973 (29 U.S.C. 701 et  
3 seq.) is further amended—

4 (1) in section 100(b)(1) by striking “fiscal  
5 years 1999 through 2003” and inserting “fiscal  
6 years 2013 through 2017”;

7 (2) in section 100(d)(1)(B) by striking “fiscal  
8 year 2003” and inserting “fiscal year 2017”;

9 (3) in section 110(c) by amending paragraph  
10 (2) to read as follows:

11 “(2) The sum referred to in paragraph (1) shall  
12 be, as determined by the Secretary, not less than 1  
13 percent and not more than 1.5 percent of the  
14 amount referred to in paragraph (1) for each of fis-  
15 cal years 2013 through 2017.”;

16 (4) in section 112(h) by striking “fiscal years  
17 1999 through 2003” and inserting “fiscal years  
18 2013 through 2017”;

19 (5) in section 201(a) by striking “fiscal years  
20 1999 through 2003” each place it appears and in-  
21 serting “fiscal years 2013 through 2017”;

22 (6) in section 302(i) by striking “fiscal years  
23 1999 through 2003” and inserting “fiscal years  
24 2013 through 2017”;

1           (7) in section 303(e) by striking “fiscal years  
2           1999 through 2003” and inserting “fiscal years  
3           2013 through 2017”;

4           (8) in section 304(b) by striking “fiscal years  
5           1999 through 2003” and inserting “fiscal years  
6           2013 through 2017”;

7           (9) in section 305(b) by striking “fiscal years  
8           1999 through 2003” and inserting “fiscal years  
9           2013 through 2017”;

10          (10) in section 405 by striking “fiscal years  
11          1999 through 2003” and inserting “fiscal years  
12          2013 through 2017”;

13          (11) in section 502(j) by striking “fiscal years  
14          1999 through 2003” and inserting “fiscal years  
15          2013 through 2017”;

16          (12) in section 509(l) by striking “fiscal years  
17          1999 through 2003” and inserting “fiscal years  
18          2013 through 2017”;

19          (13) in section 612 by striking “fiscal years  
20          1999 through 2003” and inserting “fiscal years  
21          2013 through 2017”;

22          (14) in section 628 by striking “fiscal years  
23          1999 through 2003” and inserting “fiscal years  
24          2013 through 2017”;

1 (15) in section 714 by striking “fiscal years  
2 1999 through 2003” and inserting “fiscal years  
3 2013 through 2017”;

4 (16) in section 727 by striking “fiscal years  
5 1999 through 2003” and inserting “fiscal years  
6 2013 through 2017”; and

7 (17) in section 753 by striking “fiscal years  
8 1999 through 2003” and inserting “fiscal years  
9 2013 through 2017”.

10 **SEC. 413. CONFORMING AMENDMENT.**

11 Section 1(b) of the Rehabilitation Act of 1973 is  
12 amended by inserting after the item relating to section  
13 110 the following:

“Sec. 110A. Reservation for expanded transition services.”.

14 **SEC. 414. HELEN KELLER NATIONAL CENTER ACT.**

15 (a) GENERAL AUTHORIZATION OF APPROPRIA-  
16 TIONS.—The first sentence of section 205(a) of the Helen  
17 Keller National Center Act (29 U.S.C. 1904(a)) is amend-  
18 ed by striking “1999 through 2003” and inserting “2013  
19 through 2017”.

20 (b) HELEN KELLER NATIONAL CENTER FEDERAL  
21 ENDOWMENT FUND.—The first sentence of section  
22 208(h) of such Act (29 U.S.C. 1907(h)) is amended by  
23 striking “1999 through 2003” and inserting “2013  
24 through 2017”.

1           **TITLE V—TRANSITION AND**  
2                           **EFFECTIVE DATE**

3 **SEC. 501. TRANSITION PROVISIONS.**

4           The Secretary of Labor shall take such actions as the  
5 Secretary determines to be appropriate to provide for the  
6 orderly implementation of this Act.

7 **SEC. 502. EFFECTIVE DATE.**

8           Except as otherwise provided in this Act, this Act and  
9 the amendments made by this Act, shall take effect on  
10 the date of enactment of this Act.

○