

**NGA Center for Best Practices**  
**Side-by-Side Comparison of Titles I and III Key State and Local Provisions**  
**in the Workforce Investment Act Reauthorization Bills and Proposals**

*(Compares Current Law to House-Passed Bill and S. 1021 (including Sen. Enzi's Draft Mgr's Amd.) and Administration's CAA Proposal)*

<b>Current Law Workforce Investment Act of 1998</b>	<b>H.R. 27 (as passed by House on 3/2/05) Job Training Improvement Act of 2005</b>	<b>S. 1021 (as approved by Senate HELP Committee on 5/18/05), with proposed Mgr's Amd.* The Workforce Investment Act Amendments of 2005</b>	<b>Administration's Career Advancement Accounts (CAA) Proposal**</b>
<b>Governance</b>			
<p><b>State Workforce Investment Board Membership:</b> The State board includes the Governor, 2 members of each chamber of the state legislature, business representatives, chief elected officials, labor representatives, lead state agency officials responsible for one-stop partner programs, representatives of organizations with experience in delivery of youth and workforce services, plus such others as the Governor may designate.</p>	<p>Same as current law, but drops representatives of organizations with experience in delivery of youth and other workforce activities. Adds the head of state vocational rehabilitation unit (if not head of a state agency) and state economic development officials. Governors may still expand board membership.</p> <p>Also adds as permissible partners, which, if made mandatory by the governor, would be required partners of the state board:</p> <ul style="list-style-type: none"> <li>➤ Employment and training programs administered by the Social Security Administration, including the Ticket-to-Work program;</li> <li>➤ Employment and training programs administered by the Small Business Administration;</li> <li>➤ Programs under the IV-D Child</li> </ul>	<p>Similar to House, except adds a reference to small businesses. Also stipulates that Rehab representatives shall be the director of the state designated unit as defined in Section 7 of the Rehab Act.</p> <p>Similar to House bill, but no reference to requirement that the permissible partners be on state board if made mandatory by the governor.</p>	<p>Not Addressed in Proposal.</p>

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<p>A majority must consist of business representatives and the chair must be a business member.</p>	<p>Support program;            ➤ Employment, training, and literacy services carried out by public libraries; and,            ➤ Programs carried out in the local areas for individuals with disabilities, including programs carried out by state agencies relating to mental health, mental retardation, and developmental disabilities, state Medicaid agencies; State Independent Living Councils; and Independent Living Centers.</p> <p>Same as current law.</p>	<p>Same as current law.</p>	<p>Not Addressed in Proposal.</p>
<p><b>State Board Functions:</b> The state board must assist the Governor in development of a state plan, designation of local areas, development and continuous improvement of state performance measures, preparation of annual report, among other functions.</p>	<p>Adds function of developing and reviewing statewide policies affecting provision of integrated services through one-stop system. Policies would include development of criteria for certifying one-stop centers and the board would issue certification of centers. Board also sets criteria for allocation of one-stop infrastructure funding which would go to certified centers.</p>	<p>Adds function of developing and reviewing statewide policies affecting provision of coordinated services through the one-stop system. However, it stops short of authorizing the state board to certify one-stop centers. The board's role is to set "objective criteria and procedures for use by local boards in assessing the effectiveness and continuous improvement of one-stop centers." The state board also responsible commenting at least once annually on the measures taken</p>	<p>Not Addressed in Proposal.</p>

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<p>State board must comment on state vocational education (Perkins) performance measures.</p>	<p>Adds development of criteria for appointment and certification of local boards.</p> <p>Explicitly authorizes state board to hire staff.</p> <p>Removes requirement to review state vocational education performance measures.</p>	<p>pursuant to the Perkins Program and Elementary and Secondary Programs.</p> <p>Similar to House.</p> <p>Similar to House. Limits the maximum salary rate to a GS-15 level.</p> <p>Same as current law, and adds a role in reviewing and commenting on the state plans of all one-stop partner programs.</p> <p>Adds other functions, such as determining policy for one-stop partner roles and contributions for the costs of the infrastructure of one-stop centers. Also adds function to develop strategies for the effective coordination of activities between the one-stop delivery system of the state and the State employment service under the Wagner-Peyser Act.</p>	<p>Not Addressed in Proposal.</p> <p>Not Addressed in Proposal.</p> <p>Not Addressed in Proposal.</p>
<p><b>Alternative Entity:</b> Governors have broad authority to grandfather state boards that were in existence prior to WIA.</p>	<p>Eliminates this grandfathering provision.</p>	<p>Same as current law, except a new state board may be formed if the state fails to meet performance measures.</p>	<p>Not Addressed in Proposal.</p>

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<p><b>Local Area Designation:</b> Governor must designate local areas after taking into account a number of considerations, such as consistency with labor market areas and available resources.</p>	<p>Adds a new consideration for designating an area: efficiency in administration and provision of services.</p>	<p>Adds a new consideration for designating an area: maximum effectiveness in administration and provision of services.</p>	<p>Not Addressed in Proposal.</p>
<p>Governors must approve a request for designation from any single jurisdiction with a population of 500,000 or more, a rural concentrated employment program and local areas in Rhode Island.</p>	<p>Same as current law, but drops automatic designation for local areas in Rhode Island. Designation can be denied for substandard performance in previous two years.</p>	<p>Same as current law—but states that after two years, designation is tied to successful performance on core indicators and maintenance of fiscal integrity.</p>	<p>Not Addressed in Proposal.</p>
<p>A jurisdiction with a population of 200,000 or more that was a service delivery area under JTPA could win 2-year designation and continued designation if it performed successfully and sustained fiscal integrity.</p>	<p>Same as current law.</p>	<p>Eliminates temporary designation criteria and adds a provision granting automatic designation to any local area that performed successfully and sustained fiscal integrity in the previous 2 years.</p>	<p>Not Addressed in Proposal.</p>
<p>Jurisdictions may appeal to the state board and to the Secretary of Labor.</p>	<p>Same as current law.</p>	<p>Eliminates appeal to the Secretary of Labor.</p>	<p>Not Addressed in Proposal.</p>
<p>States that were single state areas under JTPA as of July 1, 1998 may be designated as single state local areas under WIA.</p>	<p>Does not allow additional states to designate single state local areas.</p>	<p>Allows states that were not single state local areas prior to WIA to be designated as such but only if no local area (that meets the standard for designation) seeks designation as a separate local area.</p>	<p>Not Addressed in Proposal.</p>

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States may require local boards in a region to participate in a regional planning process that results in regional performance measures.	Authorizes states to require local boards to prepare a single regional plan that incorporates elements of local plans and is submitted in lieu of separate plans.	Same as House, but does not specify that the regional plan should replace separate local plans.	Not Addressed in Proposal.
<b>Local Workforce Boards:</b> Local boards must include representatives of business, labor, local education entities and community-based organizations. There must be a business majority and a business chair.	Same as current law, but adds that business reps should include business that are in the leading industries in the local area, and large & small businesses in the local area. Also specifies superintendents of local schools, an administrator of an entity providing adult education and literacy activities that is not a one-stop partner, the president or CEO of postsecondary education institutions (including comm. colleges where they exist), and requires representatives of faith-based organizations.	Similar to House, except that representatives of faith-based organizations are not required.  Provides authority to grandfather local boards that were in existence on August 7, 1998 (enactment date of WIA I).	Not Addressed in Proposal.
Representatives of each of the one-stop partners also have seats on the local board.	Eliminates requirement for one-stop partner programs to have seats on local board.	Similar to House except that it requires a representative from the State employment service under the Wagner-Peyser Act who is serving the local area to be on the local board.	Not Addressed in Proposal.
Local boards must establish a youth council to coordinate youth activities and develop youth portions of local plan	Removes requirement for local youth councils. However, local boards may establish advisory	Same as House. Adds that if a youth council is not established, the local board must include representatives	Not Addressed in Proposal.

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among other tasks.	councils (such as a one-stop partners' council and a youth council).	with experience serving out-of-school youth.  Adds that local boards must develop jointly with the head of the State employment service appropriate components of the local plan to maximize coordination, improve service delivery and avoid duplication of service.  Explicitly allows local board to hire staff and limits the maximum salary rate to a GS-15 level.	
<b>Planning:</b> States and local areas must submit a plan that outlines a 5-year strategy. The plan describes workforce investment activities, how key requirements will be met and how special populations (dislocated workers, low-income individuals and others) will be served.	Requires 2-year plans for both state and local plans.	Requires 4-year plans. State and local boards must review and amend plan after 2 years to reflect labor market and economic conditions.  <i>States that choose to participate in optional WIA E&amp;T Coordination Program would submit 4-year plans that would be updated every 2 years. At any time, a State may terminate a plan approved under the optional E&amp;T coordination program without obtaining approval from the Secretary by notifying the Secretary of such termination.</i>	Not Addressed in Proposal.

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	<p>Adds homeless, ex-offenders and transitioning farmers as new special populations that must be addressed in State Plan.</p> <p>Adds separate State Plan requirement to address how the needs of individuals with disabilities will be met, including the provision of outreach, intake, assessments, and service delivery, the development of performance measures, and the training of staff.</p> <p>Adds provision that State Plan must include a description of the methodology for determining one-stop partner contributions for the cost of the infrastructure of one-stop centers and of the formula for allocating such infrastructure funds to local areas.</p>	<p>Replaces references to several specific populations with a reference to "hard-to-serve populations and individuals training for nontraditional employment."</p> <p>Similar to House.</p> <p>Greatly expands contents of state and local plans, including a description of the state strategy for coordinating workforce and economic development activities and a description of how the state will implement innovative strategies to meet the needs of all businesses (such as incumbent worker training, sectoral and industry cluster strategies, regional skills alliances and other strategies).</p> <p>State plan also describes the process and methodology that the State Board will use to: review and provide guidance on state policies, establish</p>	

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	<p>State plan must also include a description of any new programs and strategies the State will utilize to meet the needs of businesses in the State, including small businesses, which may include providing incentives and technical assistance to assist local areas in engaging employers in local workforce development activities.</p> <p>Adds provision that Local plans must include a description of the one-stop delivery system to be established or designated in the local area, including a description of how the local board will ensure the continuous improvement of eligible providers of services through the system and ensure that such providers meets the employment needs of local employers and participants. Local</p>	<p>objective criteria and procedures for use by local boards in assessing effectiveness of physical and programmatic accessibility, and one-stop partner contributions and formula for infrastructure costs.</p> <p>Similar to House.</p> <p>Similar to House. Also places emphasis on access to services in remote areas and access to services for individuals with disabilities. Local plans must also include a description of the strategies and services that will be initiated in the local area to more full engage all employers, including small employers, in workforce investment activities, to make the system more relevant to the needs of area businesses and to better coordinate workforce</p>	

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	plan must also include a description of the strategies that will be initiated in the local area to engage employers, including small employers, in workforce development activities.	investment and economic development efforts, which may include incumbent worker training initiatives, sectoral and industry cluster strategies, regional skill alliance initiatives, career ladder programs, utilization of effective business intermediaries, and other business services and strategies designed to meet the needs of area employers.	
<b>One-Stop System</b>			
<p><b>Optional WIA E&amp;T Program:</b> Not included.</p> <p><b>One-Stop Partners:</b> Local one-stop systems bring together a range of required (mandatory) partners who must</p>	<p><b>Optional WIA E&amp;T Program:</b> Not included.</p> <p>Eliminates Wagner-Peyser Act (Employment Service) as a required partner.</p>	<p><b>Optional WIA E&amp;T Program:</b> <i>Provides states with the option of coordinating two or more of the following programs: WIA Dislocated Workers, WIA Adult, Wagner-Peyser, WIA Youth, and Adult Education. No additional programs could be added. Coordinate is defined as: "the authority of the Governor of the State to integrate the included programs and funding for the programs in such a manner as to bring together the funding into a unified stream of funds to align the programs, if the Governor chooses to participate in the optional program."</i></p> <p>Same as current law, but requires collocation of employment service offices with comprehensive one-stop</p>	<p><b>Optional WIA E&amp;T Program:</b> Not included.</p> <p>Proposal does not specifically address the list of</p>

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<p>make their services available to customers and participate in the operation of the local system. Required partners include WIA, Employment Service and vocational rehabilitation.</p> <p>Additional (voluntary) partners may opt to participate in the one-stop system.</p>	<p>Adds TANF as a required partner, unless the Governor notifies Labor and HHS Departments that TANF is not to be included.</p> <p>Adds as additional partners: Ticket to Work, child support enforcement and special programs for people with disabilities (including mental health, mental retardation, development disabilities and independent living).</p>	<p>centers.</p> <p>Same as House.</p> <p>Same as House, but adds programs run by the Small Business Administration and does not add child support enforcement or special programs for people with disabilities.</p> <p>Adds language specifying roles and responsibilities of one-stop partners (such as using a portion of program funds to maintain one-stop system).</p>	<p>required partners, but it does stipulate that the WIA Adult, WIA Dislocated Worker, and WIA Youth Programs and Employment Service programs (including ES formula grants and LMI grants) would be consolidated into a single funding stream to provide Career Advancement Accounts (CAAs). As proposed, CAAs would be self-managed accounts that “would enable current and future workers to gain the skills needed to successfully enter, navigate, and advance in 21<sup>st</sup> century jobs.”</p>

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<p><b>One-Stop Infrastructure Funding:</b> Local boards are required to develop Memoranda of Understanding (MOU) that specify resource sharing and referral arrangements among one-stop partners.</p>	<p>Establishes new state-determined infrastructure funding mechanism.</p> <p>The Governor, in consultation with state board, determines the proportionate amount that each one-stop partner program must contribute to support one-stop infrastructure (defined as non-personnel costs necessary for operation of one-stop centers). Funds must come from administration.</p>	<p>Provides local areas with two options for infrastructure funding: 1) to develop a funding mechanism, with agreement of partners, in the local MOU; 2) to receive a grant from a new state infrastructure funding mechanism. If local partners fail to develop a MOU by July 1, 2006, the state mechanism becomes mandatory for that local area.</p> <p>Same as House, except consultation must include chief local elected officials, local boards as well as the state board, the Governor must exclude from the state funding mechanism any funds and centers in local areas where partners have agreed to share infrastructure costs through the MOU process and the Governor must establish an appeals process for one-stop partners.</p> <p>Furthermore, in a state in which the State Constitution places policymaking authority that is independent of the Governor for adult education and literacy and post secondary Voc. Ed. (Perkins), and Voc. Rehab., the chief officer of the Education programs shall determine the appropriate one-stop</p>	<p>Not Addressed in Proposal.</p>

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	<p>The Governor allocates infrastructure funds to local areas based on a formula developed by state board.</p> <p>Native American programs contribution to support the one-stop infrastructure shall be determined as part of the development of a MOU.</p> <p>Authorizes partners to pay for infrastructure costs beyond what is covered in the new infrastructure grants, common costs and costs of</p>	<p>contribution in consultation with the Governor.</p> <p>Similar to House. The formula shall be based on factors including the number of one-stop centers in a local area, the population served by the centers, the services provided, and other factors relating to the performance of such centers that the State Board determines are appropriate.</p> <p>Same as House.</p> <p>Caps contributions from WIA and Wagner-Peyser Act at 3 percent; other partners at 1.5 percent unless existing local MOU provides for a larger contribution; vocational rehabilitation starting at 0.75 percent and rising to 1.5 percent. Native American programs are not required to make contributions.</p> <p>Similar to House, except there is no reference to infrastructure costs beyond those covered by the new infrastructure grants.</p>	

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	providing core services. Local MOUs will set amounts from each partner.		
<b>Eligible Training Providers</b>			
<p><b>Requirements for Eligible Providers of Training:</b> States are required to establish a two-phased system for determining the eligibility of training providers under WIA Title I. The first phase is initial eligibility determination and the second phase is subsequent eligibility determination, which involves reporting performance information, such as completion rates, employment, wages and retention. Local boards identify eligible providers and states prepare and issue a statewide list based on submissions from the local boards.</p>	<p>Eliminates current statutory requirements for eligible training providers. Provides Governors with flexibility to establish performance criteria and procedures for identifying eligible training providers. Requires Governor to make available a list of all eligible providers. Allows certified apprenticeship programs to be eligible training providers automatically. Allows Governors to consider whether providers of training allow participants to attain a certification, certificate, or mastery as they develop their criteria for determining eligible providers of training.</p> <p>Requires Governor to solicit and take into consideration recommendations of local boards and training providers.</p>	<p>Similar to House, except in establishing: apprenticeship programs as automatically eligible as long as they are certified by DOL; factors for the Governor to consider in developing criteria; sanctions for supplying inaccurate information; and an implementation deadline of December 31, 2006.</p> <p>Requires Governor to consult with state board in establishing criteria and procedures.</p>	<p>States would be responsible for ensuring the credibility and accountability of training and service providers that could be purchased by the CAAs. Any restrictions on the CAAs would be determined by each state. There would not be a federally mandated state list of eligible training providers as under current law.</p> <p>Not addressed in Proposal.</p>

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Providers of on-the-job training and customized training are not subject to these requirements.	<p>Allows Governor to authorize local areas to establish additional criteria for training providers.</p> <p>Maintains the current law exemption from eligible training provider requirements for on-the-job and customized training providers.</p> <p>Adds limitation that no personally identifiable information regarding a student (such as SSN) may be disclosed without prior consent.</p>	<p>Authorizes local boards to establish criteria in addition to state criteria or higher levels of performance.</p> <p>Same as current law.</p> <p>No such limitation.</p>	<p>Not Addressed in Proposal.</p> <p>Not Addressed in Proposal.</p> <p>Not Addressed in Proposal.</p>
<b>Adult Services</b>			
<b>State Allotments:</b> States receive separate allotments for the Wagner-Peyser Act, WIA adults and WIA dislocated workers.	Combines WIA adult and dislocated worker funding streams with Wagner-Peyser Act funds to form a single adult funding stream. House bill authorizes \$3.14 billion in appropriations for adults in FY 2006, subject to appropriation and "such sums as may be necessary for each of fiscal years 2007 through 2011."	<p>Same as current law. Funding levels for the three funding streams calls for "such sums as may be necessary for each of fiscal years 2006 through 2011."</p> <p><i>For those States that choose the optional WIA E&amp;T Coordination Program, upon approval of a State E&amp;T plan, the Secretary of Labor and, as appropriate, the Secretary of Education shall provide for an intra-agency or interagency transfer to join together funds otherwise available to a State under the included programs of a State in order for the State to carry out</i></p>	The WIA Adult, WIA Dislocated Worker, and WIA Youth Programs and Employment Service programs (including ES formula grants and LMI grants) would be consolidated into a single funding stream. (\$3.4 billion proposed in FY 2007) to provide CAAs.

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<p>A fraction of the WIA adult allotment to states is reserved for outlying areas and the remainder is distributed to states using the following formula factors:</p> <ul style="list-style-type: none"> <li>➤ One-third based on the relative number of unemployed individuals in areas of substantial unemployment (above 6.5 percent unemployment rate)</li> <li>➤ One-third is based on relative excess number of unemployed individuals</li> <li>➤ One-third is based on relative number of disadvantaged adults</li> </ul> <p>A fraction of the WIA dislocated worker allotment to states is reserved for outlying areas. The remainder is distributed to states using the following formula factors:</p> <ul style="list-style-type: none"> <li>➤ One-third based on the relative number of unemployed</li> </ul>	<p>A fraction of the allotment among states is reserved for outlying areas. The remainder is distributed using a <u>new three-part formula</u>.</p> <p>Part One distributes 26 percent based on FY 2006 state allotments under the Wagner-Peyser Act.</p> <p>Part Two distributes 74 percent on the basis of three factors:</p> <ul style="list-style-type: none"> <li>➤ 60 percent based on the relative number of unemployed individuals</li> <li>➤ 25 percent based on the relative excess number (above 4.5 percent) of unemployed individuals</li> <li>➤ 15 percent based on relative number of disadvantaged adults</li> </ul> <p>Part Three compares the results of preceding calculations with results using current WIA formulas for the separate state allotments and adjusts them so that no state loses funds from this year's level or gains more than 3 percent from</p>	<p><i>the optional State E&amp;T program.</i></p> <p>The formula for allotting adult funds to states is revised as follows:</p> <ul style="list-style-type: none"> <li>➤ 40 percent based the relative number of unemployed individuals in areas of substantial unemployment</li> <li>➤ 25 percent based on the relative number of individuals in the civilian labor force</li> <li>➤ 35 percent based on the relative number of disadvantaged adults</li> </ul> <p>If a state loses funds under the new formula, the Secretary is required to use national discretionary funds (up to \$20 million) to ensure that each state receives the amount it would have received under the current formula for adult activities.</p> <p>The formula for allotting dislocated worker funds remains the same as in current law.</p>	<p>No details on the state allotment formula are available at this time. But with consolidated funding stream, there would be no separate formulas for the Adult, DW, Youth or ES funds</p> <p>See above.</p>

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<p>individuals</p> <ul style="list-style-type: none"> <li>➤ One-third based on the relative excess number (above 4.5 percent) of unemployed individuals</li> <li>➤ One-third based on the relative number of people unemployed for 15 weeks or longer</li> </ul> <p>No state receives an adult allotment that is less than 90 percent or greater than 130 percent of the prior year's share of the total adult allotment to states. No hold harmless or stop-gain is applied to the dislocated worker allotment. A small state minimum is applied.</p> <p>Reallotment authority is based on obligations. The Secretary is authorized to reallot among states the amount by which a state's unobligated balance exceeds 20 percent of its allotment for the prior program year.</p>	<p>year to year. Any shortfall after this adjustment among state allotments would be made up out of national discretionary funds.</p> <p>Hold harmless and stop-gain provisions apply to the first two parts of the formula and have less importance than in the past given the guarantee that no state will lose dollars or gain more than 3 percent from year to year. Modifies small state minimum to no less than 2/10 of 1 percent of the amount available.</p> <p>Changes the basis of reallotment to expenditures defined to include accrued expenditures. Accrued expenditures is defined as "charges incurred by recipients of funds for a given period requiring the provision of funds for goods or other tangible property received; services performed by employees, contractors, subgrantees, and other payees; and other amounts</p>	<p>Similar to current law.</p> <p>Similar to House, except that it specifies the effective date to be the later of program year 2006 or the program year after reauthorization is enacted. Accrued expenditures is defined as: "charges incurred by recipients of funds for a given period requiring the provision of funds for goods or other tangible property received; services performed by employees, contractors, subgrantees,</p>	<p>Not Addressed in Proposal.</p> <p>Not Addressed in Proposal.</p>

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	<p>becoming owed under programs for which no current services or performance is required.” The Secretary would reallocate any unexpended funds in excess of 30 percent of a year’s allotment to a state and the Governor may do so to any local area on the same terms.</p>	<p>and other payees; and other amounts becoming owed under programs for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments.”</p>	
<p><b>Within State Allocations:</b> Currently, all Wagner-Peyser Act funds are retained at the state level. The Governor reserves up to 15 percent of the WIA adult, dislocated worker and youth allotments for statewide activities. In addition, the Governor may reserve up to 25 percent of the dislocated worker funding stream for rapid response activities.</p> <p>To send adult funds to local areas, states may use a formula allocation using the national factors. Alternatively, states may adopt a discretionary allocation in which at least 70 percent of funds are distributed based on the same factors the Secretary uses to allot funds to states and not more than 30 percent of funds are distributed based on a formula that looks at additional factors (excess poverty and excess unemployment). The dislocated worker funds are allocated to</p>	<p>Authorizes the Governor to reserve up to 50 percent of the consolidated funding stream for statewide activities.</p> <p>Allocates the remaining 50 percent to local areas. 15 percent of the local share is distributed using a discretionary formula determined by the Governor in consultation with the state and local boards. 85 percent is allocated using the relative share of the formula specified in Part Two of the allotments to states (as detailed above). Similar hold-harmless and stop-gain provisions for state apply</p>	<p>Same as current law.</p> <p>The formula for allotting adult funds within states is revised as follows:</p> <ul style="list-style-type: none"> <li>➤ 40 percent based the relative number of unemployed individuals in areas of substantial unemployment</li> <li>➤ 25 percent based on the relative number of individuals in the civilian labor force</li> <li>➤ 35 percent based on the relative number of disadvantaged adults</li> </ul>	<p>No details on the within-state formula are available at this time.</p>

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<p>local areas based on an allocation formula prescribed by the Governor.</p> <p>The Governor can authorize local boards to transfer up to 20 percent of funds between adult and dislocated worker activities.</p>	<p>to local areas.</p> <p>Eliminates transfer authority since a consolidated adult program is created.</p>	<p>The Governor can authorize local boards to transfer up to 45 percent of funds between adult and dislocated worker activities.</p> <p><i>If a State chooses the optional WIA E&amp;T Coordination Program, then it could transfer up to 100% of two or more of the following programs: WIA Dislocated Workers, WIA Adult, Wagner-Peyser, WIA Youth, and Adult Education.</i></p>	<p>Assume that transfer authority would be eliminated since a consolidated funding stream is created.</p>
<p><b>Statewide Activities:</b> States use 15 percent reserved from each of the three WIA funding streams to carry out a series of required activities, such as disseminating list of eligible training providers and providing incentive grants. States may also use the 15 percent funds to carry out allowable activities, such as implementation of innovative incumbent worker programs.</p>	<p>Specifies that one-half of the funds reserved by the Governor (25 percent of the combined funds for the new adult program) must be used to support core services in the one-stop centers either by allocating funds to local areas or by providing state personnel to deliver the services (in consultation with local board). The provision of these services must be consistent with the local plan, through the one-stop delivery systems.</p>	<p>Contains no such requirement as that in the House bill.</p>	<p>States would be required to use a minimum percentage of their state allocation (approximately 75%) for Career Advancement Accounts (CAAs). No details on the statewide formula provided.</p>

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	<p>Authorizes use of the remaining 25 percent of statewide funds to carry out activities which are no longer required but are now simply allowable, including supporting core services in local one-stop centers and developing strategies for serving hard-to-serve populations.</p>	<p>Authorizes states to use 15 percent from each WIA funding stream to carry out an expanded list of required and allowable activities. Additional required activities include disseminating performance and cost information and developing strategies for placing men and women in jobs, education and training that lead to comparable pay.</p> <p>Additional allowable activities include implementing strategies that meet the needs of businesses (such as incumbent worker training programs, sectoral and industry cluster strategies, career ladder programs and others); promoting remote access to services; coordination with child welfare, child support, disability and economic development programs; and adopting a self-sufficiency standard.</p>	<p>Not Addressed in Proposal.</p>
<p>States may use up to 5 percent of the state allotment for administration.</p>	<p>Same as current law.</p>	<p>Same as current law.</p>	<p>Administrative costs for states would be subject to a 3% cap.</p>
<p>States may use up to 25 percent reserved from the dislocated worker allotment to carry out rapid response activities and</p>	<p>Authorizes use of the remaining 25 percent of statewide funds to carry out rapid response activities,</p>	<p>Same as current law. Also authorizes Governor to use unexpended rapid response funds to carry out other</p>	<p>Not Addressed in Proposal.</p>

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provide additional assistance to local areas that experience unexpected and substantial dislocation.	conducting evaluations, providing incentive grants to local areas for regional cooperation, providing technical assistance and capacity building to local areas, operating a fiscal and management accountability system, monitoring and oversight activities, implementing innovative programs such as incumbent worker and displaced homemaker programs, developing strategies to effectively serving hard-to-serve populations, implementing programs to increase the number of individuals training in non-traditional occupations and carrying out activities to facilitate remote access to services.	statewide activities.	
<b>Access to Core, Intensive and Training Services:</b> Core services are available to all adults and dislocated workers.	Strikes limitation of core services to adults and dislocated workers, thus opening core services to youth.	Similar to current law. Expands definition of core services to include exposure to high wage, high skill jobs and appropriate recruitment and other business services for all employers, including small employers.	Not addressed in proposal, although the proposal does state that States would use approximately 22% of the consolidated funding stream to provide basic employment services to

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<p>Unemployed adults and dislocated workers are eligible for intensive services if they are “unable to obtain employment” through core services. Employed workers are eligible if they are determined to need intensive services “to obtain or retain jobs that allow for self-sufficiency.” Other criteria are also applied.</p>	<p>Amends eligibility to allow intensive services if an unemployed adult is determined to be “unlikely or unable to obtain suitable employment.” Employed adults are eligible if they are determined to need services “to obtain or retain suitable employment.” Other eligibility criteria in current law are maintained. The Governor defines the term “suitable employment” as the basis for eligibility.</p>	<p>Amends eligibility to allow intensive services if an unemployed adult or dislocated worker is determined to be “unlikely or unable to obtain employment that leads to self-sufficiency or wages comparable to or higher than previous employment.” Employed workers are eligible if they are determined to need services “to obtain or retain employment that leads to self-sufficiency.”</p>	<p>jobseekers and employers.</p> <p>Not Addressed in Proposal.</p>
<p>Training services are available to adults and dislocated workers who are “unable to obtain or retain employment” through intensive services. Other criteria are also applied.</p>	<p>Training services are available to adults who, after an interview, evaluation, or assessment, and case management, have been determined by the one-stop operator or partner to be “unlikely or unable to obtain or retain suitable employment” through intensive services. Other criteria in current law are maintained. Local one-stops are encouraged to provide individuals with information about entrepreneurial training, including providing information about</p>	<p>Training services are available to adults and dislocated workers who are determined to be “unlikely or unable to obtain or retain employment that leads to self-sufficiency or wages comparable to or higher than previous employment” through intensive services. Other eligibility criteria are maintained.</p> <p>Adds special rule that a new interview, evaluation or assessment of a participant is not required for intensive and training services if the one-stop</p>	<p>Proposal indicates that an individual interested in training would apply for a CAA at a community career center or other processes developed by states. States could also establish an online application system.</p>

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<p>Limited local funds trigger a priority of service for public assistance recipients and other low-income individuals.</p>	<p>obtaining microcredit loans for the purpose of starting a business, including contact information of microcredit lenders operating within the local area.</p> <p>Shifts priority of service for intensive and training services to unemployed individuals. Maintains that, if local funds are limited, public assistance recipients and other low-income individuals also get priority.</p>	<p>partner determines that it is appropriate to use a recent assessment of the participant conducted by another education or training program.</p> <p>Same as current law with priority for public assistance and low-income individuals if local funds are limited.</p>	<p>“Accounts would be available to both adults and out-of-school youth. Additional eligibility criteria would be established by states, but states would be expected to target those who need additional help accessing education and skills training, such as dislocated workers, low-income adults, and disadvantaged youth.” States must also determine priority of service consistent with the veterans’ priority of service requirement under the Jobs for Veterans Act (P.L. 107-288).</p>

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<p><b>Authorized Adult and Dislocated Worker Services:</b> Local areas are required to provide a battery of core services (such as job search assistance and information on the labor market, supportive services and unemployment insurance).</p> <p>Intensive services include case management (for training participants) and development of a plan.</p> <p>Training services include occupational skills training, on-the-job training, etc. Customers must exercise customer choice through use of Individual Training Accounts (ITAs). There are three exceptions where contracts may be used for training.</p>	<p>Clarifies that core services include labor exchange services for individuals and employers.</p> <p>Adds administration of the work test for UI as core service.</p> <p>Clarifies that case management is not simply for training participants. Adds the following intensive services: internships and work experience, literacy activities and out-of-area job search assistance and relocation assistance.</p> <p>Authorizes local boards to create "enhanced ITAs" that store funds from WIA and other programs. In providing training services, funds allocated to a local area may be used to purchase computer technology for use by an individual who is eligible only if such purchase is part of an ongoing training program; and, such purchase is necessary to ensure the individual can participate in such training program. Any purchase of</p>	<p>Similar to House though with greater emphasis on high-wage, high-skill jobs and other factors.</p> <p>No such provision. Requires a designated business liaison to work with local employers.</p> <p>Similar to House, but adds English language acquisition/integrated training programs as a new intensive and training service.</p> <p>Changes ITAs to Career Scholarship Accounts and requires local boards to coordinate those accounts with other funding sources. Also allows use of contract for training where it is deemed appropriate for a higher education institution to train multiple individuals in high-demand occupations.</p>	<p>Jobseekers would be able to receive basic employment services at community career centers, including job search assistance, assessment, job placement assistance, and basic career counseling. In addition, individuals would be able to apply for CAAs at the centers, and account recipients would receive assistance with using their accounts. Services to employers could include posting of job openings and assistance in finding trained workers.</p>

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<p>In addition, local areas can provide discretionary services (such as supportive services).</p>	<p>computer technology shall remain the property of the one-stop operator.</p> <p>Additional discretionary services include: customized screening and referral of qualified participants in training services to employers, customized employment-related services to employers on a fee-for-service basis, customer support to navigate among multiple services, coordination with child support activities and work support activities for low-wage workers (such as assistance in accessing food stamps and other financial supports), activities to improve services to local employers, activities to facilitate remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology.</p> <p>Authorizes local boards to use up to 10 percent of funds to support incumbent worker training programs with an employer match established by Governor (or local board if authorized by Governor)</p>	<p>Similar to House. Expands the scope of discretionary services to include: strategies to meet employers' needs, such as sectoral, industry cluster, career ladder and other business services; coordination with economic development programs and other services.</p> <p>Similar to House, except the Governor or state board may make recommendations concerning training with statewide impact and the local board establishes the appropriate employer share, within specific federal</p>	<p>Not Addressed in Proposal.</p> <p>Not Addressed in Proposal.</p>

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	and adjusted for employer's size.	statutory guidelines.	
<p><b>National Reserve/Emergency Grants:</b> The Secretary retains 20 percent of the appropriated amount for dislocated workers and uses it for national emergency grants, dislocated worker projects and other projects.</p> <p>The Secretary is authorized to award national emergency grants in the event of major economic dislocations and natural disasters or due to the need for additional assistance where allotted funds are exhausted.</p>	<p>Allots 10 percent of the annual appropriation (for combined adult funds) for national dislocated worker grants (not less than 75%, of which \$125 million can be used for the community-based job training grants), demonstration projects (not more than 20%) and technical assistance (not more than 5%).</p> <p>Changes national emergency grants to national dislocated worker grants. Eliminates need to establish a national dislocated worker office.</p> <p>Expands the use of the NEG/National Dislocated Worker Grants to include services for certain military spouses.</p>	<p>Same as current law.</p> <p>Same as House.</p> <p>Adds new goals for grants, including providing additional assistance to state or local area with a higher than average demand for services for dislocated members of the armed forces or their spouses and responding to layoffs in multiple sectors or across several local areas.</p> <p>Specifies timelines for the Labor Department to take action on grant applications (45 days) and issue a</p>	<p>Not Addressed in Proposal.</p> <p>Not Addressed in Proposal.</p>

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<p><b>Wagner-Peyser Act:</b> States currently receive annual allotments to carry out labor exchange activities. 90 percent of the funds are for job search and placement services, appropriate recruitment services for employers and for other activities, such as labor market information and administering the work test for UI. 10 percent of funds are reserved by the Governor for performance incentives, services for groups with special needs and exemplary service delivery models. In most states, state personnel deliver these services through a combination of employment services offices and one-stop centers.</p>	<p>Repeals all of the Wagner-Peyser Act, except modified provisions for Workforce and Labor Market Information.</p> <p>Authorizes Secretary to assist in development of national electronic tools and eliminates need for annual plan for employment statistics.</p>	<p>notice of obligation (10 days).</p> <p>Same as current law, but requires collocation of employment services offices with comprehensive one-stop centers.</p> <p><i>If a State chooses the optional WIA E&amp;T Coordination Program, then it could transfer up to 100% of two or more of the following programs: WIA Dislocated Workers, WIA Adult, Wagner-Peyser, WIA Youth, and Adult Education.</i></p> <p>Same as House, but requires a 2-year plan for cooperative management of the nation's workforce and labor market information system.</p> <p>Requires use of current method for distributing funding for labor market information (ALMIS) to states.</p>	<p>Wagner-Peyser Act included in the consolidated funding stream.</p> <p>Not Addressed in Proposal.</p>
<b>Youth Services</b>			
<p><b>State Allotments:</b> States receive 100 percent of the first \$1 billion in appropriations for youth. In years when appropriations exceed \$1 billion, the excess amount (up to \$250 million) is used to fund youth opportunity grants and youth activities related to migrant and seasonal farmworker programs.</p>	<p>Gives states 75 percent of the first \$1 billion for youth activities and everything over \$1 billion appropriated for a fiscal year. House bill authorizes \$1.25 billion in appropriations for youth in FY 2006, subject to appropriation, and "such sums as may be necessary for</p>	<p>Same as current law, except "youth opportunity grants" become "youth challenge grants."</p> <p><i>If a State chooses the optional WIA E&amp;T Coordination Program, then it could transfer up to 100% of two or more of the following programs: WIA</i></p>	<p>WIA Youth Program included in the consolidated funding stream.</p>

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<p>The formula for allocation to states incorporates the following factors:</p> <ul style="list-style-type: none"> <li>➤ One-third based on the relative number of unemployed individuals in areas of substantial unemployment</li> <li>➤ One-third based on relative excess number of unemployed individuals</li> <li>➤ One-third based on relative number of 16-21 year old disadvantaged youth</li> </ul> <p>No state shall receive an allotment that is less than 90 percent or greater than 130 percent of prior year's share of the total allotment to states. Small state minimum is applied.</p>	<p>each of fiscal years 2007 through 2011.”</p> <p>If the total amount available to states is the same or less than what was provided in FY 2005 (\$986 million), then funds would be allotted based on the formula in current law. Additional appropriations (above \$986 million) would be allotted based on three factors:</p> <ul style="list-style-type: none"> <li>➤ One-third based on the relative number of individuals in the civilian labor force ages 16-19</li> <li>➤ One-third based on relative number of unemployed individuals</li> <li>➤ One-third based on relative number of 16-21 year old disadvantaged youth</li> </ul> <p>Similar to current law, but small state minimum is modified to no less than 3/10 of one percent of the state allotments.</p>	<p><i>Dislocated Workers, WIA Adult, Wagner-Peyser, WIA Youth, and Adult Education.</i></p> <p>Same as House, but uses 16-21 year olds in the state's civilian labor force rather than 16-19 year olds.</p> <p>Similar to current law. Small state minimum is modified to no less than 3/10 of one percent of the state allotments.</p>	<p>No details on the consolidated funding formula are provided.</p> <p>Not Addressed in Proposal.</p>

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<p>The Secretary is authorized to reallocate among states the amount by which a state's unobligated balance exceeds 20 percent of its allotment for the prior program year.</p>	<p>Changes the basis of reallocation to expenditures, defined to include accrued expenditures (the value of goods or services delivered but not yet paid for). The Secretary would reallocate any unexpended funds in excess of 30 percent of a year's allotment to a state and the Governor may do so to any local area on the same terms.</p>	<p>Similar to House, except that it specifies the effective date to be the program year after reauthorization is enacted.</p>	<p>Not Addressed in Proposal.</p>
<p><b>Within State Allocations:</b> The Governor reserves not more than 15 percent of the state's allocation for statewide activities.</p> <p>To send funds to local areas, states may use a formula allocation using the national factors. Alternatively, states may adopt a discretionary allocation in which at least 70 percent of funds are distributed based on the same factors the Secretary uses to allot funds to states and not more than 30 percent of funds are distributed based on a formula that reflects excess youth poverty and unemployment.</p>	<p>Reduces amount that Governor may reserve to 10 percent of the state's allocation to carry out statewide youth activities.</p> <p>Allocates 80 percent of funds based on a formula using the national factors outlined above. Similar hold harmless (90%) and stop-gain (130%) provisions apply to local areas.</p> <p>Allocates 20 percent of funds based on demographic and economic factors determined by the Governor, after consultation with state and local boards.</p>	<p>Same as current law.</p> <p>Same as House, but uses 16-21 year olds in the state's civilian labor force.</p> <p>The Governor may allocate the 20 percent funds to local areas where there are a "significant number of eligible youth," after consultation with state and local boards.</p>	<p>No details on the within-state funding formula for the consolidated funding stream are provided.</p>

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<p><b>Statewide Activities:</b> Funds reserved by the Governor must be used to carry out required activities, such as conducting evaluations, providing incentive grants, providing technical assistance and providing additional assistance to local areas that have high concentrations of eligible youth. The Governor's discretionary funds may also be used for a range of allowable activities.</p> <p>Not more than 5 percent of the state allotment may be used for administration.</p>	<p>Strikes required activities and lists authorized activities similar to those in current law. Explicit authority is added to support provision of core services at one-stop centers.</p> <p>Same as current law.</p>	<p>Similar to House, but adds supporting development of alternative programs as another authorized use of funds.</p> <p>Same as current law.</p>	<p>Not Addressed in Proposal.</p> <p>Administrative costs for states would be subject to a 3% cap.</p>
<p><b>Youth Eligibility:</b> Both in-school and out-of-school youth are eligible.</p> <p>Thirty percent of funds must be used to serve out-of-school youth unless the Secretary approves a request reducing the required percentage.</p> <p>Eligible youth must be 14-21 years old, low-income and have one or more barriers (such as basic skills deficiency</p>	<p>Same as current law, though a new priority is given to school dropouts.</p> <p>Not more than 30 percent of funds may be used to provide services to in-school youth.</p> <p>Activities for in-school youth must be carried out in non-school hours.</p> <p>Changes overall eligibility to 16-24 years old. Eligible out-of-school youth must be one or more of the</p>	<p>Same as House, but priority for school dropouts is not added.</p> <p>Not more than 60 percent of funds may be used to provide services to in-school youth—unless the Secretary approves a request to exceed the ceiling.</p> <p>No such provision.</p> <p>Changes eligibility for out-of-school youth to 16-21 years old. Eligible youth must meet one of a broad list of</p>	<p>Not Addressed in Proposal.</p> <p>Not Addressed in Proposal.</p> <p>Not Addressed in Proposal.</p>

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<p>or school dropout). There are no separate eligibility criteria for out-of-school and in-school youth.</p> <p>The definition of low-income individual does not allow school lunch eligibility as a proxy for eligibility.</p> <p>Not more than 5 percent of participants can be eligible regardless of income level provided they have one or more</p>	<p>following: school dropout; recipient of a secondary school diploma or GED who is basic skills deficient; court-involved youth attending an alternative school; youth in foster care or who have been in foster care.</p> <p>Eligible in-school youth must be low-income individuals and have one or more of the barriers as in current law.</p> <p>Modifies low-income criteria to make eligible those who receive free or reduced price school lunches.</p> <p>Modifies the definition of disadvantaged youth to be: "an individual who is age 16 through 21 who received an income, or is a member of a family that received an income, that, in relation to family size, does not exceed the poverty line.</p> <p>Strikes this provision.</p>	<p>criteria: school dropout; a recipient of a secondary school diploma or equivalent who is basic skills deficient, low-income and not attending any school; subject to the juvenile justice system or ordered by a court to alternative school, plus other criteria.</p> <p>Eligible in-school youth are 14-21 years old, low-income and have one or more barriers similar to those in current law.</p> <p>Same as House.</p> <p>Not more than 5 percent of participants may be individuals who are not low-income where income criteria are</p>	<p>Not Addressed in Proposal.</p> <p>Not Addressed in Proposal.</p>

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barriers, including basic skills deficient, pregnant or parenting, etc.		applicable.	
<p><b>Local Program Design:</b> Funds must be used to provide an assessment, develop service strategies and provide preparation for employment and postsecondary education.</p> <p>Local programs must incorporate 10 required elements.</p>	<p>Strengthens emphasis on attainment of recognized credentials and pursuit of jobs in high-growth sectors.</p> <p>Maintains 10 program elements and adds on-the-job training opportunities and financial literacy skills.</p>	<p>Similar to House, but clarifies that academic instruction be based on content and standards set by No Child Left Behind legislation.</p> <p>Same as House, but adds entrepreneurial skills training/micro-enterprise services and information about average wages.</p>	<p>Not Addressed in Proposal.</p> <p>Not Addressed in Proposal.</p>
<p><b>Eligible Providers of Youth Services:</b> Local boards must award grants or contracts on a competitive basis.</p>	<p>Similar to current law, but adds an exception for local areas where there is an insufficient number of eligible providers.</p>	<p>Same as House.</p>	<p>Not Addressed in Proposal.</p>
<p><b>Youth Challenge Grants:</b> Youth Opportunity Grants are awarded to selected high-poverty areas.</p>	<p>Authorizes Secretary to reserve 25 percent of the appropriated amount for youth challenge grants. If the total appropriation exceeds \$1 billion, only \$250 million could be used for such grants.</p> <p>The bulk of funds would be used for competitive grants to states, local boards and other entities to assist youth ages 14-19 in acquiring skills, credentials and work experience needed for labor market</p>	<p>Authorizes Secretary to reserve funding for youth challenge grants only if the total appropriation exceeds \$1 billion. Up to \$250 million could be used for such grants.</p> <p>Similar to House, except eligible youth are 14-21 years old, a non-federal match is required; grant period is 2 years, among other differences.</p> <p>Also establishes a "Competitive First</p>	<p>Not Addressed in Proposal.</p>

Current Law Workforce Investment Act of 1998	H.R. 27 (as passed by House on 3/2/05) Job Training Improvement Act of 2005	S. 1021 (as approved by Senate HELP Committee on 5/18/05), with proposed Mgr's Amd.* The Workforce Investment Act Amendments of 2005	Administration's Career Advancement Accounts (CAA) Proposal**
	success. A portion of the funds would be used for discretionary grants awarded by the Secretary.	Jobs for Youth" program.	
<b>Performance Accountability</b>			
<p><b>Core Indicators:</b> States are subject to four core indicators (entered employment, retention, earnings and attainment of a credential).</p> <p>Core indicators are applied to older youth and all adult and dislocated worker services.</p> <p>Accountability measures are not applied to self-service and information activities.</p>	<p>Similar to current law, but deletes attainment of a credential and does not include an efficiency measure as in the OMB common measures.</p> <p>Eliminates application of core indicators to older youth.</p> <p>Eliminates the current exclusion for self-service and information services.</p>	<p>Same as current law, but modifies earnings to focus on increases in earnings from unsubsidized employment. Does not include efficiency measure as a core indicator.</p> <p><i>Includes similar set of core indicators for those states that choose the optional State WIA E&amp;T Coordination Program. Also references NGA Performance Measures Proposal (IPI Project) as possible core indicators (placeholder language).</i></p> <p>Same as House.</p> <p>Same as current law.</p>	<p>Although not specified, assume that Administration's proposal would incorporate OMB common measures.</p> <p>Not Addressed in Proposal.</p> <p>Not Addressed in Proposal, although TEGL 17-05 includes policies dealing with self-services.</p>

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<p>Three additional indicators apply to youth (attainment of basic skills, attainment of diploma or equivalent and placement and retention).</p> <p>Customer satisfaction indicators are established for individuals and employers.</p>	<p>Replaces core indicators for youth with entry into employment, attainment of diploma or GED, and attainment of literacy or numeracy skills (deletes efficiency measure). These are similar to OMB's common measures.</p> <p>Eliminates customer satisfaction measures, but specifies that states may use them as additional indicators.</p> <p>Provides for adjustments of local levels of performance to take into account various economic conditions, demographic characteristics, or other characteristics of the population. Adds service to veterans with disabilities as in indicator of one-stop performance.</p>	<p>Similar to House.</p> <p>Same as current law.</p> <p>Encourages states to identify additional indicators that track the system's performance in meeting business needs.</p> <p>Authorizes Secretary to use WIA core indicators to assess performance of other one-stop programs in the Labor Department.</p>	<p>Not Addressed in Proposal.</p> <p>Not Addressed in Proposal.</p>
<p><b>Reporting Requirements:</b> In addition to core indicators and customer satisfaction measures, states must report on a complex array of additional information, such as performance for special populations.</p>	<p>Leaves state reporting requirements intact except lifts the exclusion for reporting information on self-service and information activities. Also adds requirement for states to ensure data are valid and reliable.</p>	<p>Same as House.</p> <p>Adds new requirements to report on cost per participant, number of participants served, new special populations, amount of adult and dislocated worker funds spent on core, intensive, training and business services.</p>	<p>Not Addressed in Proposal.</p>

<b>Current Law</b> <b>Workforce Investment Act</b> <b>of 1998</b>	<b>H.R. 27 (as passed by House</b> <b>on 3/2/05)</b> <b>Job Training Improvement Act</b> <b>of 2005</b>	<b>S. 1021 (as approved by Senate</b> <b>HELP Committee on 5/18/05), with</b> <b>proposed Mgr's Amd.*</b> <b>The Workforce Investment Act</b> <b>Amendments of 2005</b>	<b>Administration's</b> <b>Career</b> <b>Advancement</b> <b>Accounts (CAA)</b> <b>Proposal**</b>
		<i>States that choose the optional WIA E&amp;T Coordination plan would use a single report format that would be developed by USDOL. Furthermore, DOL would be responsible for developing a single system of Federal oversight of the optional State E&amp;T programs as well as technical assistance.</i>	
<b>Negotiation of Performance Levels:</b> States must negotiate levels for performance measures for three years and then for two years, “taking into account” economic conditions and characteristics of participants.	Requires states to set performance levels for two years—in line with duration of state plans. Negotiations must adjust (not simply take into account) core measures to reflect economic conditions and participant characteristics.	Requires states to set performance levels for the first two years and then address years 3 and 4. Negotiations must adjust (using objective statistical methods) core measures to reflect economic conditions and participant characteristics.  Requires Secretary to establish long-term national performance goals for core indicators in consultation with states and other parties.	Not Addressed in Proposal.
<b>State Incentives and Sanctions:</b> Incentive grants and sanctions are doled out to states and local areas. Incentive grants are awarded to states for performance that exceeds expectations for Title I, Title II (adult education) and vocational education.	Ties award of incentive grants to performance in WIA adult and youth activities, decoupling incentives from performance in adult and vocational education. Also turns requirement for Secretary to issue incentive awards to a mere authorization.	Similar to current law, but broadens the basis of incentives to include exemplary performance in serving hard-to-serve groups, effective coordination, effective use of business strategies and other factors.  Clarifies that states may face reduced grant amounts if performance falls	Not Addressed in Proposal.

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		<p>below 80 percent of the adjusted and negotiated level of performance for 2 consecutive years.</p> <p><i>Under optional WIA E&amp;T Coordination Plan, if a State fails to meet the state-adjusted levels of performance relating to the core indicators for 4 consecutive years, the Secretary may withdraw approval of the State E&amp;T coordination plan.</i></p> <p>Stipulates that Secretary of Labor shall reserve <u>not less than 25 percent</u> of the funds appropriated for TA, Demos, Pilot Projects, Evaluations and Incentives, for Incentive Grants. <i>Also provides incentive grants for states that choose the optional E&amp;T plan.</i></p>	Not Addressed in Proposal.
<b>Administrative, Miscellaneous and New Provisions</b>			
<p><b>State Flexibility:</b> States may request general waivers of any statutory or regulatory requirements in Title I-B with a number of exceptions (wage and labor standards etc.) and any of the statutory and regulatory requirements of the Wagner-Peyser Act with a number of exceptions. States may also pursue workforce flexibility plans that allow waivers of certain provisions of WIA,</p>	<p>Allows Secretary to establish an expedited process for extending waivers granted to one state to additional states. Retains workflex provisions.</p>	<p>Similar to House, though language on expedited waiver is less explicit.</p> <p><i>Provides the Secretary with the authority to provide waivers (with a number of exceptions in current law) to those states that choose the optional program if it is "determined that the requirements to be waived impede the ability of the State to carry out the</i></p>	<p>Not specifically addressed in proposal, although consolidated funding stream would likely reduce the need for certain waivers.</p>

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Wagner-Peyser Act and Older Americans Act.		<p><i>optional State E&amp;T program, or if the State demonstrates that exceptional or uncontrollable circumstances, such as a natural disaster or precipitous decline in the economic conditions in the State, impede the ability of the State to carry out the optional State E&amp;T program; and the State provides assurances that it will meet outcomes (agreed on by the State and Secretary) and implement appropriate meaasures to ensure accountability."</i></p> <p>Excludes requirements for funding of one-stop infrastructure costs from waiver authority.</p>	
<b>Low-Income Definition:</b> The definition of low-income individual allows states and local grantees to use either the poverty line or 70 percent of the lower living standard income level to determine low-income eligibility.	Eliminates the lower living standard income level as a benchmark for determining low-income eligibility, leaving the poverty line as the sole benchmark.	Same as current law.	Not Addressed in Proposal.
<b>Prohibitions:</b> Prohibits use of WIA Title I funds for "employment generating activities, economic development activities, investment in revolving loan funds...and similar activities that are not directly related to training for eligible individuals under this title."	<p>Repeals current prohibition on using WIA Title I funds.</p> <p>Prohibits use of WIA funds to establish stand-alone, fee-for-service enterprises that compete with private sector employment</p>	<p>Repeals only the current prohibition on using WIA Title I funds for economic development activities, leaving other prohibitions in place.</p> <p>No provision.</p>	Not Addressed in Proposal.

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	agencies. This prohibition does not apply to one-stop centers.		
<p><b>Administrative/Other:</b> The youth program year begins on April 1 and the adult and dislocated program years begin on July 1.</p> <p>Prohibits WIA funded organizations from discriminating in employment on the basis of religion, race, color, etc.</p>	<p>Aligns youth program year with adult program year—both to be July 1.</p> <p>Exempts religious organizations from prohibition on discriminating in employment on the basis of religion.</p> <p>Defines Administrative Costs as “expenditures incurred by State and local workforce investment boards, direct recipients (including State grant recipients under subtitle B and recipients of awards under subtitle D), local grant recipients, local fiscal agents or local grant subrecipients, and one-stop operators in the performance of administrative functions and in carrying out activities under this title which are not related to the direct provision of workforce investment services (including services to participants and employers). Such costs include</p>	<p>Same as current law.</p> <p>No provision.</p>	<p>Not specifically addressed in proposal, although consolidated funding stream would likely address the alignment of program years.</p>

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	both personnel and non-personnel and both direct and indirect.”		
<b>Personal Reemployment Accounts:</b> No provision in current law, although the Secretary has used her discretionary authority to award 7 states with pilot PRA grants.	Includes authority under the pilots and demonstration section for the Secretary to award grants to states and local areas to offer PRAs to unemployed workers. The language is the same as H.R. 26 which was introduced by Rep. Jon Porter (R-NV).	No provision in Senate bill.	Not specifically addressed in proposal, although Career Advancement Accounts (CAAs) are similar in concept to PRAs.
<b>Community Based Job Training Grants:</b> No provision in current law.	Includes language that allows the Secretary of Labor to establish and implement the Community-Based Job Training Grants Demonstration Program. Community Colleges are the only eligible entities and in order to be eligible to receive a grant (which is competitive), they must work with the local workforce investment system and a business or businesses in a qualified industry or an industry association in a qualified industry. Grants awarded under this subsection may be used for-- (A) the development, by a community college, in consultation with representatives of qualified industries, of rigorous training and education programs related to	Similar to House bill.	Not Addressed in Proposal, although Administration's FY 2007 budget proposal includes funding for additional CBJTI grants.

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	<p>employment in a qualified industry identified in the eligible entity's application; (B) training of adults and dislocated workers in the skills and competencies needed to obtain or upgrade employment in a qualified industry identified in the eligible entity's application;(C) disseminating to adults and dislocated workers, through the one-stop delivery system, information on high-growth, high-demand occupations in qualified industries; (D) placing, through the one-stop delivery system, trained individuals into employment in qualified industries; and, (E) increasing the integration of community colleges with activities of businesses and the one-stop delivery system to meet the training needs for qualified industries.</p>		
<p><b>Demonstration, Pilot, Multiservice, Research, and Multistate Projects:</b> Same.</p>	<p>Similar to current law but also includes language that recommends projects that assist national employers in connecting with the workforce investment system in order to facilitate the recruitment and employment of needed workers and to provide information to such</p>	<p>Includes several recommended projects and research to assist national employers in connecting with the workforce investment system and to facilitate the recruitment and employment of needed workers for career ladder jobs and to provide information to such system on skills</p>	<p>Not Addressed in Proposal.</p>

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	<p>system on skills and occupations in demand; projects that promote the development of systems that will improve the effectiveness and efficiency of programs; projects that focus on opportunities for employment in industries and sectors of industries that are experiencing or are likely to experience high rates of growth; and other innovative projects.</p> <p>Also includes language that allows the Secretary of Labor to establish a demonstration program for the training and placement of “real time writers” in order to meet the requirements for closed captioning of video programming.</p> <p>The Secretary of Labor may also establish a demonstration program for and may make up to 10 competitive grants per year to eligible entities to expand local sector-focused training and workforce development in high growth, high wage industry sectors in one or more regions of particular States. Eligible entities include a business or business partnership, including associations of single or</p>	<p>and occupations in demand. Also requires Secretary of Labor to establish and carryout no more than 10 pilot projects to establish a system of industry-validated national certifications of skills.</p>	

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	<p>related industry employers and employee representatives, consortia of such employers, employee representatives, and workforce development community-based organizations, and higher education institutions.</p> <p>Authorizes \$211 million for National Activities (Demonstration and Pilot Programs), of which \$125 million could be used for the community-based job training initiative.</p>	<p>Authorizes such sums as may be necessary for each of fiscal years 2006 through 2011.</p>	<p>Not Addressed in Proposal.</p>