

104TH CONGRESS
1ST SESSION

S. 180

To streamline and reform Federal job training programs to create a world-class workforce development system for the 21st century, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 9, 1995

Mr. KENNEDY (for himself, Mr. SIMON, and Mr. DODD) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

A BILL

To streamline and reform Federal job training programs to create a world-class workforce development system for the 21st century, and for other purposes.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Workforce Development Act”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings and purpose.
- Sec. 3. Authorization of appropriations.

Sec. 4. Definitions.

TITLE I—STREAMLINING AND CONSOLIDATION

- Sec. 101. Purpose; findings; sense of the Congress.
- Sec. 102. Elimination of certain programs.
- Sec. 103. Streamlining and integration of adult training programs.
- Sec. 104. Process for establishing 21st century workforce development system.
- Sec. 105. Centralized waivers.

TITLE II—MARKET BUILDING ACTIVITIES

Subtitle A—Federal Level Activities

- Sec. 201. Purpose.
- Sec. 202. National Workforce Development Board.
- Sec. 203. Mechanisms for building high quality integrated workforce development systems.
- Sec. 204. Quality assurance system.

Subtitle B—State Level Activities

- Sec. 211. State Workforce Development Councils.
- Sec. 212. Membership.
- Sec. 213. Chairperson.
- Sec. 214. Duties and responsibilities.
- Sec. 215. Development of quality assurance systems and consumer reports.
- Sec. 216. Administration.
- Sec. 217. Establishment of unified service delivery areas.
- Sec. 218. Financial and management information systems.
- Sec. 219. Capacity building grants.
- Sec. 220. Performance standards for unified service delivery areas.

Subtitle C—Local Level Activities

- Sec. 231. Workforce development boards.
- Sec. 232. Workforce development board policy blueprint.
- Sec. 233. Report card.
- Sec. 234. One-stop career centers.
- Sec. 235. Capacity building.

TITLE III—ENHANCING INDIVIDUAL CHOICE THROUGH TRAINING ACCOUNTS

- Sec. 301. Purpose.
- Sec. 302. Establishment.
- Sec. 303. Participation of workforce development programs.
- Sec. 304. Administration.
- Sec. 305. Eligibility requirements for providers of education and training services.
- Sec. 306. Evaluation and recommendations.
- Sec. 307. Report relating to income support.

TITLE IV—PRIVATE-PUBLIC LINKAGES

- Sec. 401. Purpose.
- Sec. 402. Incentives to encourage worker training.
- Sec. 403. Labor Day report on private-public training practices.

Sec. 404. Matching grants to encourage incumbent worker training.

TITLE V—INTEGRATED LABOR MARKET INFORMATION SYSTEM

Sec. 501. Integrated labor market information.

Sec. 502. Responsibilities of the National Board.

Sec. 503. Responsibilities of the Secretary.

Sec. 504. Responsibilities of Governors.

1 **SEC. 2. FINDINGS AND PURPOSE.**

2 (a) FINDINGS.—Congress finds that—

3 (1) increasing international competition, techno-
4 logical advances, and structural changes in the Unit-
5 ed States economy present new challenges to private
6 firms and public policymakers in creating a skilled
7 workforce with the ability to adapt to change and
8 technological progress;

9 (2) the Federal Government should work with
10 the private sector to create a streamlined, high-per-
11 formance workforce development system that is driv-
12 en by the needs of its customers rather than bureau-
13 cratic requirements;

14 (3) such a system should actively encourage col-
15 laboration among private sector firms and publicly
16 funded education and training efforts in order to as-
17 sist jobseekers and workers to adjust to structural
18 economic changes;

19 (4) although it is necessary for the Federal
20 Government to consolidate or eliminate unnecessary
21 programs, the primary goal of Federal workforce de-
22 velopment policy should be to help facilitate trans-

1 actions taking place between jobseekers, workers,
2 and business in local labor markets;

3 (5) while the Federal Government must main-
4 tain its commitment to provide economically and
5 educationally disadvantaged individuals with skills
6 and support services necessary to succeed in the
7 labor market, Federal workforce development policy
8 must also begin to provide incentives to assist firms
9 to help upgrade the skills of their front-line workers;

10 (6) in order for labor markets to function more
11 effectively, there must be—

12 (A) timely, accurate information about the
13 supply, demand, price, and quality of services
14 available in the job training marketplace; and

15 (B) trained brokers available to assist cus-
16 tomers to choose the most suitable service;

17 (7) accordingly, the United States needs a com-
18 prehensive integrated labor market information sys-
19 tem to ensure that workforce development programs
20 are related to the demand for particular skills in
21 local labor markets, and a mechanism for providing
22 brokerage services to ensure that information about
23 the employment and earnings of the local workforce,
24 and the performance of education and training insti-

1 tutions, will be available to jobseekers, workers, and
2 firms;

3 (8) in order to bring more coherence to Federal
4 workforce development policy, there should be a sin-
5 gle entity at the Federal, State, and local level vest-
6 ed with the necessary authority to strategically plan
7 ways to transform the separate training and employ-
8 ment programs into an integrated and accountable
9 workforce development system;

10 (9) these Federal, State, and local strategic
11 planning bodies should be structured in such a way
12 to give businesses and workers a meaningful role in
13 shaping policy and overseeing the quality of
14 workforce development programs;

15 (10) in recent years, many States and commu-
16 nities have made progress in developing new ap-
17 proaches to better integrate Federal employment
18 and training programs;

19 (11) the Federal Government should take more
20 systematic measures to encourage experimentation
21 and flexibility, and to disseminate best practices in
22 the design and implementation of a comprehensive
23 workforce development system throughout the coun-
24 try; and

1 (12) the Federal Government should address
2 the findings of this subsection through the imple-
3 mentation of immediate and long-term improvements
4 that result in the establishment of a high-quality
5 workforce development system needed for the econ-
6 omy of the 21st century.

7 (b) PURPOSE.—It is the purpose of this Act—

8 (1) to take certain immediate actions, and to
9 establish a process for bringing about longer term
10 improvements, that are needed to begin the trans-
11 formation of federally funded education and job
12 training efforts from a collection of fragmented pro-
13 grams into a coherent, integrated, accountable
14 workforce development system that—

15 (A) is based on the needs of jobseekers,
16 workers, and employers, rather than bureau-
17 cratic requirements;

18 (B) is accessible to any jobseeker, worker,
19 or employer;

20 (C) focuses on accountability, performance,
21 and accurate information;

22 (D) provides flexibility and responsibility
23 to the States, and in turn to local communities,
24 for design and implementation of workforce de-
25 velopment systems;

1 (E) requires the active involvement of
 2 firms and workers in the governance, design,
 3 and implementation of such system;

4 (F) is linked directly to employment and
 5 training opportunities in the private sector; and

6 (G) adopts best practices of quality admin-
 7 istration and management that have been suc-
 8 cessful in the private sector; and

9 (2) to authorize appropriations under this Act
 10 for fiscal year 1996 at the same level as appropria-
 11 tions are authorized for fiscal year 1995 for the pro-
 12 grams repealed under section 102(a).

13 **SEC. 3. AUTHORIZATION OF APPROPRIATIONS.**

14 (a) IN GENERAL.—Subject to subsection (b), there
 15 are authorized to be appropriated to carry out titles II,
 16 III, and IV—

17 (1) \$160,000,000 for fiscal year 1996; and

18 (2) such sums as may be necessary for each of
 19 fiscal years 1997 through 1999.

20 (b) LIMITATIONS.—

21 (1) FISCAL YEAR 1996.—Of the funds made
 22 available pursuant to subsection (a) for fiscal year
 23 1996—

24 (A) not more than 5 percent shall be used
 25 for the activities of the National Board;

1 (B) not more than 10 percent shall be
2 used for matching grants pursuant to section
3 404;

4 (C) not more than 15 percent shall be used
5 for development grants pursuant to section
6 203(a); and

7 (D) not less than 70 percent shall be used
8 for implementation grants pursuant to section
9 203(b).

10 (2) FISCAL YEARS 1997 THROUGH 1999.—Of the
11 funds made available pursuant to subsection (a) for
12 each of fiscal years 1997 through 1999—

13 (A) not more than 5 percent shall be used
14 for the activities of the National Board;

15 (B) not more than 10 percent shall be
16 used for matching grants pursuant to section
17 404; and

18 (C) not less than 85 percent shall be used
19 for implementation grants pursuant to section
20 203(b).

21 (c) INTEGRATED LABOR MARKET INFORMATION SYS-
22 TEM.—To carry out title V, there are authorized to be ap-
23 propriated—

24 (1) \$90,000,000 for fiscal year 1996; and

1 (2) such sums as may be necessary for each
2 succeeding fiscal year.

3 **SEC. 4. DEFINITIONS.**

4 As used in this Act—

5 (1) DEVELOPMENT GRANT.—The term “devel-
6 opment grant” means a grant provided to each State
7 under section 203(a).

8 (2) IMPLEMENTATION GRANT.—The term “im-
9 plementation grant” means a grant provided under
10 section 203(b).

11 (3) LEADING EDGE STATE.—The term “leading
12 edge State” means a State that has been awarded
13 an implementation grant under section 203(b).

14 (4) WORKFORCE DEVELOPMENT PROGRAM.—
15 The term “workforce development program” means
16 any federally-funded or State-funded program that
17 provides job training assistance to individuals or as-
18 sists employers to identify or train workers.

19 (5) INTEGRATED WORKFORCE DEVELOPMENT
20 SYSTEM; INTEGRATED SYSTEM.—The terms “inte-
21 grated workforce development system” and “inte-
22 grated system” mean the system of employment,
23 training, and employment-related education pro-
24 grams, including the programs described in section
25 103(a) and any additional Federal or State pro-

1 grams designated by the Governor of a State, com-
2 prising the system described in section 203(b).

3 (6) NATIONAL BOARD.—The term “National
4 Board” means the National Workforce Development
5 Board established under section 202(b).

6 (7) NATIONAL REPORT CARD.—The term “Na-
7 tional Report Card” means the Nation’s Workforce
8 Development Report Card prepared pursuant to sec-
9 tion 202(c)(1).

10 (8) STATE COUNCIL.—The term “State Coun-
11 cil” means a State Workforce Development Council
12 established pursuant to section 211.

13 (9) STATE BLUEPRINT.—The term “State
14 Blueprint” means the State Workforce Development
15 Policy Blueprint prepared pursuant to section
16 214(a);

17 (10) STATE REPORT CARD.—The term “State
18 Report Card” means the State Workforce Develop-
19 ment Report Card issued pursuant to section
20 214(b).

21 (11) WORKFORCE DEVELOPMENT BOARD.—The
22 term “workforce development board” means a local
23 board established pursuant to section 202.

24 (12) UNIFIED SERVICE DELIVERY AREA.—The
25 term “unified service delivery area” means the com-

1 mon geographic service area boundaries established
 2 pursuant to section 217 and overseen by a workforce
 3 development board.

4 (13) ONE-STOP CAREER CENTER.—The term
 5 “one-stop career center” means an access point for
 6 intake, assessment, referral, and placement services,
 7 including services provided electronically, that is
 8 part of the network established pursuant to section
 9 234.

10 (14) HARD-TO-SERVE.—The term “hard-to-
 11 serve” means an individual meeting the require-
 12 ments of section 203(b) of the Job Training Part-
 13 nership Act (29 U.S.C. 1603(b)).

14 (15) SECRETARY.—The term “Secretary”
 15 means the Secretary of Labor, unless otherwise
 16 specified.

17 **TITLE I—STREAMLINING AND** 18 **CONSOLIDATION**

19 **SEC. 101. PURPOSE; FINDINGS; SENSE OF THE CONGRESS.**

20 (a) PURPOSE.—The purpose of this title is to stream-
 21 line the system of federally funded employment training
 22 services available to jobseekers, workers, and businesses.

23 (b) FINDINGS.—The Congress finds that—

24 (1) the process of streamlining the current col-
 25 lection of federally funded employment training pro-

1 grams begins with eliminating and consolidating sep-
2 arate employment training programs; and

3 (2) as such programs are eliminated, the fund-
4 ing for such programs should be utilized to support
5 the creation of a market-driven workforce develop-
6 ment system, as described in section 2(b).

7 (c) SENSE OF THE CONGRESS.—It is the sense of the
8 Congress that—

9 (1) any budget savings realized as a result of
10 the repeal of programs pursuant to section 102 or
11 through the consolidation of programs pursuant to
12 sections 103 and 104 should be reinvested in the
13 Nation’s job training system; and

14 (2) as programs are eliminated and merged, it
15 is imperative that such elimination and merging be
16 done without in any way reducing the commitment
17 or level of effort of the Federal Government to im-
18 proving the education, employment, and earnings of
19 all workers and jobseekers particularly hard-to-serve
20 individuals.

21 **SEC. 102. ELIMINATION OF CERTAIN PROGRAMS.**

22 (a) IN GENERAL.—The following provisions are re-
23 pealed:

24 (1) Section 6(d)(4) of the Food Stamp Act of
25 1977 (7 U.S.C. 2015(d)(4)).

1 (2) Section 211 of the Appalachian Regional
2 Development Act of 1965 (40 U.S.C. App. 211).

3 (3) Section 204 of the Immigration Reform and
4 Control Act of 1986 (8 U.S.C. 1255a note).

5 (4) Section 20 of the Federal Transit Act (49
6 U.S.C. App. 1616).

7 (5) The Displaced Homemaker Self-Sufficiency
8 Assistance Act (29 U.S.C. 2301 et seq.).

9 (6) Section 43 of the Airline Deregulation Act
10 of 1978 (49 U.S.C. App. 1552).

11 (7) Title II of Public Law 95–250 (92 Stat.
12 172).

13 (8) Section 413 of the Carl D. Perkins Voca-
14 tional and Applied Technology Education Act (21
15 U.S.C. 2413).

16 (9) Title V of the Job Training Partnership Act
17 (29 U.S.C. 1791 et seq.).

18 (10) Part J of title IV such Act (29 U.S.C.
19 1784 et seq.).

20 (11) Section 325 of such Act (29 U.S.C.
21 1662d).

22 (12) Section 325A of such Act (29 U.S.C.
23 1662d–1).

24 (13) Section 326 of such Act (29 U.S.C.
25 1662e).

1 (14) Sections 1141 through 1144 of title 10,
2 United States Code.

3 (15) Subtitle C of title VII of the Stewart B.
4 McKinney Homeless Assistance Act (42 U.S.C.
5 11441 et seq.).

6 (b) REPEALS OF EMPLOYMENT TRAINING PRO-
7 GRAMS.—The repeals made by subsection (a) shall take
8 effect on the date of enactment of this Act.

9 (c) TECHNICAL AND CONFORMING AMENDMENTS.—
10 The National Board shall include in the draft joint resolu-
11 tion submitted under section 104(b), technical and con-
12 forming amendments regarding the provisions repealed
13 under subsection (a). Such proposed amendments should
14 be consistent with the purposes of this Act.

15 **SEC. 103. STREAMLINING AND INTEGRATION OF ADULT**
16 **TRAINING PROGRAMS.**

17 (a) REQUIREMENTS.—

18 (1) IN GENERAL.—A State that receives an im-
19 plementation grant to develop an integrated
20 workforce development system—

21 (A) shall include in such system the com-
22 ponents of the program and activities carried
23 out on the date of enactment of this Act under
24 the provisions described in subsection (b)(1);
25 and

1 (B) may include any other Federal or
2 State workforce development program identified
3 by the Governor under paragraph (2).

4 (2) ADDITIONAL PROGRAMS.—Any other Fed-
5 eral or State workforce development program identi-
6 fied by the Governor pursuant to section 203(b),
7 subject to a two-thirds vote of the National Board,
8 may be included in the integrated system of a State
9 described in paragraph (1).

10 (b) REPEALS OF JOB TRAINING PROGRAMS.—

11 (1) IN GENERAL.—The following provisions are
12 repealed:

13 (A) Part A of title II of the Job Training
14 Partnership Act (29 U.S.C. 1601 et seq.).

15 (B) Title III of such Act (29 U.S.C. 1651
16 et seq.).

17 (C) Part C of title IV of such Act (29
18 U.S.C. 1721).

19 (D) The Wagner-Peyser Act (29 U.S.C. 40
20 et seq.).

21 (E) Sections 235 and 236 of the Trade
22 Act of 1974 (19 U.S.C. 2295 and 2296), and
23 paragraphs (1) and (2) of section 250(d) of
24 such Act (19 U.S.C. 2331(d)(1) and(2)).

1 (F) The Refugee Education Assistance Act
2 of 1980 (8 U.S.C. 1522 note).

3 (G) Title V of the Older Americans Act of
4 1965 (42 U.S.C. 3056 et seq.).

5 (2) EFFECTIVE DATE.—The repeals made by
6 paragraph (1) shall take effect on September 30,
7 1999.

8 (3) TECHNICAL AND CONFORMING AMEND-
9 MENTS.—The National Board shall include in the
10 draft joint resolution submitted under section
11 104(b), technical and conforming amendments re-
12 garding the provisions repealed under subsection (a).
13 Such proposed amendments should be consistent
14 with the purposes of this Act.

15 **SEC. 104. PROCESS FOR ESTABLISHING 21ST CENTURY**
16 **WORKFORCE DEVELOPMENT SYSTEM.**

17 (a) ANNUAL RECOMMENDATIONS.—Not later than
18 180 days after the date of enactment of this Act, and each
19 June 1 thereafter, the National Board shall make rec-
20 ommendations to the President and Congress for the
21 elimination of Federal workforce development programs,
22 or programs whose functions should be subsumed under
23 other Federal programs.

24 (b) REPORT AND JOINT RESOLUNTION.—

1 (1) REPORT.—Not later than June 1, 1999, the
2 National Board, based on such board’s analysis of
3 the experience of leading edge States and the
4 progress made toward establishing an integrated,
5 market-driven workforce development system, shall
6 prepare and submit to the Committee on Economic
7 and Educational Opportunities of the House of Rep-
8 resentatives and the Committee on Labor and
9 Human Resources of the Senate a report containing
10 the findings of such board, and recommendations for
11 proposed reforms.

12 (2) JOINT RESOLUTION.—Not later than June
13 1, 1999, the National Board shall submit to the
14 Congress a draft of a joint resolution containing pro-
15 visions to develop a streamlined, integrated, market-
16 driven workforce development system, from the pro-
17 grams described in section 103(b) and any other
18 Federal workforce development program determined
19 by the National Board as appropriate to be included
20 that is consistent with this Act, pursuant to section
21 2(b). The joint resolution shall include recommenda-
22 tions for standard outcome measures as described in
23 section 204(a)(2) and shall describe how the new
24 system will maintain services to hard-to-serve popu-
25 lations.

1 **SEC. 105. CENTRALIZED WAIVERS.**

2 (a) EXPEDITED PROCESS.—Not later than 180 days
3 after the date of enactment of this Act, the President shall
4 establish an expedited process to consider and act on waiv-
5 er requests submitted by the States under this section.

6 (b) STATES NOT RECEIVING IMPLEMENTATION
7 GRANTS.—

8 (1) IN GENERAL.—Any State may apply, in ac-
9 cordance with this section, for a waiver of statutory
10 or regulatory requirements under one or more of the
11 programs described in section 103(b)(1), for a pe-
12 riod of 2 years to facilitate the provision of assist-
13 ance for workforce development.

14 (2) WAIVER AUTHORITY.—A waiver may be
15 granted under this subsection only if—

16 (A) the requirement sought to be waived
17 impedes the ability of the State, or a local en-
18 tity in the States, to carry out the State or
19 local workforce development plan;

20 (B) the State has waived, or agrees to
21 waive, similar requirements of State law; and

22 (C) in the case of a statewide waiver, the
23 State—

24 (i) provides all State and local agen-
25 cies and appropriate organizations in the
26 State, including labor organizations, with

1 notice and an opportunity to comment on
2 the State's proposal to seek a waiver; and

3 (ii) submits the affected agency's com-
4 ments with the waiver application.

5 (3) APPLICATION.—Each application submitted
6 under this subsection shall—

7 (A) identify the statutory or regulatory re-
8 quirements that are requested to be waived and
9 the goals that the State or local agency intends
10 to achieve;

11 (B) describe the action that the State has
12 undertaken to remove State statutory or regu-
13 latory barriers identified in the application;

14 (C) describe the purpose of the waiver and
15 the expected programmatic outcomes if the re-
16 quest is granted;

17 (D) describe the numbers and types of peo-
18 ple to be affected by such waiver;

19 (E) describe a timetable for implementing
20 the waiver;

21 (F) describe the process the State will use
22 to monitor, on a biannual basis, the progress in
23 implementing the waiver; and

1 (G) describe how the goals of the program
2 or programs for which a waiver is granted will
3 continue to be met.

4 (c) STATES RECEIVING IMPLEMENTATION
5 GRANTS.—Subject to subsection (d), each State receiving
6 an implementation grant under section 203(b) shall have
7 the statutory or regulatory requirement, described in its
8 grant application or State Blueprint of such State waived
9 for the duration of the implementation grant.

10 (d) LIMITATIONS.—

11 (1) IN GENERAL.—A waiver shall not be grant-
12 ed under a workforce development program if such
13 waiver would alter—

14 (A) the purposes or goals of such program;

15 (B) the allocation of funds under such pro-
16 gram;

17 (C) any statutory or regulatory require-
18 ment under such program relating to public
19 health or safety, civil rights, protections granted
20 under title I and sections 503 and 504 of the
21 Rehabilitation Act of 1973 (29 U.S.C. 701 et
22 seq.), occupational safety and health, environ-
23 mental protection, displacement of current em-
24 ployees, or fraud and abuse; or

1 (D) eligibility requirements under such
2 program, except that a waiver may be granted
3 with respect to an eligibility requirement if such
4 waiver would provide for increased flexibility in
5 developing common definitions for individuals
6 eligible for such program.

7 (2) CIRCULARS AND RELATED REGULATIONS.—
8 The following circulars promulgated by the Office of
9 Management and Budget shall be subject to the
10 waiver authority of this subsection:

11 (A) A-87, relating to cost principles for
12 State and local governments.

13 (B) A-102, relating to grants and coopera-
14 tive agreements with State and local govern-
15 ments.

16 (C) A-122, relating to nonprofit organiza-
17 tions.

18 (D) A-110, relating to administrative re-
19 quirements for grants and cooperative agree-
20 ments with nonprofit organizations and institu-
21 tions of higher education.

22 (E) A-21, relating to cost principles for in-
23 stitutions of higher education.

1 (3) EFFECTIVE DATE.—A waiver granted under
2 this section shall take effect on the date such waiver
3 is granted.

4 (4) REVIEW OF APPLICATION.—Each applica-
5 tion submitted by a State pursuant to subsection
6 (b)(3) shall be reviewed by the Secretary or agency
7 head who has jurisdiction over the workforce devel-
8 opment program or programs to which such waiver
9 request relates.

10 (5) APPROVAL OR DISAPPROVAL OF APPLICA-
11 TION.—

12 (A) TIMING.—Each application submitted
13 by a State in accordance with subsection (b)(3)
14 shall be reviewed promptly upon receipt, and
15 shall be approved or disapproved not later than
16 the end of the 60-day period beginning on the
17 date such application is received.

18 (B) APPROVAL.—A waiver or waivers pro-
19 posed in an application may be approved for the
20 2-year period beginning on the date such appli-
21 cation is approved, if the State demonstrates in
22 the application that such waiver or waivers will
23 achieve coordination, expansion, and improve-
24 ment in the quality of services under its
25 workforce development system.

1 (C) DISAPPROVAL AND RESUBMISSION.—If
2 an application is incomplete or unsatisfactory,
3 the appropriate Federal official shall, before the
4 end of the period referred to in subparagraph
5 (A)—

6 (i) notify the State of the reasons for
7 the failure to approve the application;

8 (ii) notify the State that the applica-
9 tion may be resubmitted during the period
10 referred to in clause (iii); and

11 (iii) permit the State to resubmit a
12 corrected or amended application during
13 the 60-day period beginning on the date of
14 notification under this subparagraph.

15 (D) REVIEW OF RESUBMITTED APPLICA-
16 TION.—Any application resubmitted under sub-
17 paragraph (C) shall be approved or disapproved
18 before the expiration of the 60-day period be-
19 ginning on the date of the resubmission.

20 (6) REVOCATION OF WAIVER.—If, after the ap-
21 proval of an application under this subsection, the
22 Secretary determines that the waiver or waivers do
23 not achieve coordination, expansion, and improve-
24 ment in the quality of services under the workforce
25 development programs to which such waiver or waiv-

1 ers relate, the waiver or waivers may be revoked in
2 whole or in part.

3 **TITLE II—MARKET BUILDING**
4 **ACTIVITIES**
5 **Subtitle A—Federal Level**
6 **Activities**

7 **SEC. 201. PURPOSE.**

8 The purpose of this title is to establish a framework
9 at the Federal, State, and local levels for key stakeholders
10 to work cooperatively to build the infrastructure, broker-
11 age, and accountability systems needed to transform cur-
12 rent Federally funded job training programs into a mar-
13 ket-driven workforce development system.

14 **SEC. 202. NATIONAL WORKFORCE DEVELOPMENT BOARD.**

15 (a) FINDINGS.—The Congress finds that a national
16 workforce development board is necessary to ensure—

17 (1) the establishment and continuous improve-
18 ment of the national workforce development system;

19 (2) that integrated strategic planning takes
20 place among the Federal agencies currently respon-
21 sible for administering job training programs;

22 (3) incorporation of private sector expertise to
23 the governance of the national workforce develop-
24 ment system; and

1 (4) that unnecessary legislative and regulatory
2 barriers to service integration are removed as a mar-
3 ket-driven workforce development system is estab-
4 lished.

5 (b) ESTABLISHMENT.—

6 (1) IN GENERAL.—There is established the Na-
7 tional Workforce Development Board (referred to in
8 this Act as the “National Board”).

9 (2) COMPOSITION.—The National Board shall
10 be comprised of 16 members, of whom—

11 (A) one member shall be the Secretary of
12 Labor;

13 (B) one member shall be the Secretary of
14 Education;

15 (C) one member shall be the Secretary of
16 Health and Human Services;

17 (D) one member shall be the Secretary of
18 Commerce;

19 (E) three members shall be representatives
20 of business (including representatives of small
21 businesses and large employers);

22 (F) three members shall be representatives
23 of organized labor;

24 (G) three members shall be State and local
25 elected officials of whom two shall be Governors

1 of a State and one shall be a local elected offi-
2 cial; and

3 (H)(i) one member shall be selected from
4 representatives of community-based organiza-
5 tions;

6 (ii) one member shall be selected from rep-
7 resentatives of secondary schools or postsecond-
8 ary educational institutions; and

9 (iii) one member shall be selected from
10 representatives of nongovernmental organiza-
11 tions that have a history of successfully protect-
12 ing the rights of individuals with disabilities or
13 older persons.

14 (3) ADDITIONAL REQUIREMENTS.—The mem-
15 bers described in subparagraphs (E) and (F) of
16 paragraph (2) shall—

17 (A) in the aggregate, represent a broad
18 cross-section of occupations and industries;

19 (B) to the extent feasible, be geographi-
20 cally representative of the United States, and
21 reflect the racial, ethnic, and gender diversity of
22 the United States; and

23 (C) shall include at least one member of
24 the National Skill Standards Board established

1 pursuant to section 503 the National Skill
2 Standards Act of 1994.

3 (4) EXPERTISE.—The National Board and the
4 staff shall have sufficient expertise to effectively
5 carry out the duties and functions of the National
6 Board.

7 (5) APPOINTMENT.—The members described in
8 subparagraphs (E), (F), (G), and (H) of paragraph
9 (2) shall be appointed by the President, by and with
10 the advice and consent of the Senate.

11 (6) EX OFFICIO NONVOTING MEMBERS.—The
12 Director of the Office of Management and Budget
13 and the chairpersons and ranking minority members
14 of the Committee on Labor and Human Resources
15 of the Senate and the Committee on Economic and
16 Educational Opportunities of the House of Rep-
17 resentatives shall be ex officio, nonvoting members
18 of the National Board.

19 (7) TERMS.—Each member of the National
20 Board appointed under subparagraph (E), (F), (G),
21 and (H) of paragraph (2) shall be appointed for a
22 term of 4 years, except that of the initial members
23 of the National Board appointed under such sub-
24 paragraphs—

1 (A) four members shall be appointed for a
2 term of 2 years;

3 (B) four members shall be appointed for a
4 term of 3 years; and

5 (C) four members shall be appointed for a
6 term of 4 years.

7 (8) VACANCIES.—Any vacancy on the National
8 Board shall not affect the powers of the National
9 Board, but shall be filled in the same manner as the
10 original appointments.

11 (9) CHAIRPERSONS.—The President, by and
12 with the advice and consent of the Senate, shall se-
13 lect one cochairperson of the National Board from
14 among the members of the National Board ap-
15 pointed under paragraph (2)(E) and one cochairper-
16 son from among the members appointed pursuant to
17 paragraph (2)(F).

18 (10) COMPENSATION AND EXPENSES.—

19 (A) COMPENSATION.—Each member of the
20 National Board who is not a full-time employee
21 or officer of the Federal Government shall serve
22 without compensation. Each member of the Na-
23 tional Board who is an officer or employee of
24 the Federal Government shall serve without
25 compensation in addition to that received for

1 the services of such member as an officer or
2 employee of the Federal Government.

3 (B) EXPENSES.—The members of the Na-
4 tional Board shall be allowed travel expenses,
5 including per diem in lieu of subsistence, at
6 rates authorized for employees of agencies
7 under subchapter I of chapter 57 of title 5,
8 United States Code, while away from their
9 homes or regular places of business in the per-
10 formance of services for the National Board.

11 (11) EXECUTIVE DIRECTOR AND STAFF.—

12 (A) EXECUTIVE DIRECTOR.—The cochair-
13 persons of the National Board shall appoint an
14 Executive Director who shall be compensated at
15 a rate determined by the National Board, not
16 to exceed the rate payable for level V of the Ex-
17 ecutive Schedule under section 5316 of title 5,
18 United States Code.

19 (B) STAFF.—The Executive Director
20 may—

21 (i) appoint and compensate such addi-
22 tional staff as may be necessary to enable
23 the National Board to perform its duties;
24 and

1 (ii) fix the compensation of the staff
2 without regard to the provisions of chapter
3 51 and subchapter III of chapter 53 of
4 title 5, United States Code, relating to
5 classifications of positions and General
6 Schedule pay rates, except that the rate of
7 pay for the staff may not exceed the rate
8 payable for level V of the Executive Sched-
9 ule under section 5316 of such title.

10 (12) AGENCY SUPPORT.—

11 (A) USE OF FACILITIES.—The National
12 Board may use the research, equipment, serv-
13 ices, and facilities of any agency or instrumen-
14 tality of the United States with the consent of
15 such agency or instrumentality.

16 (B) STAFF OF FEDERAL AGENCIES.—Upon
17 the request of the National Board, the head of
18 any Federal agency may detail to the National
19 Board, on a reimbursable basis, any of the per-
20 sonnel of such Federal agency to assist the Na-
21 tional Board in carrying out this Act. Such de-
22 tail shall be without interruption or loss of civil
23 service status or privilege.

24 (13) PROCUREMENT OF TEMPORARY AND
25 INTERMITTENT SERVICES.—The co-chairpersons of

1 the National Board may procure temporary and
2 intermittent services of experts and consultants
3 under section 3109(b) of title 5, United States Code.

4 (c) DUTIES.—

5 (1) NATIONAL REPORT CARD.—

6 (A) IN GENERAL.—Not later than July 1,
7 1996, and each July 1 thereafter, the National
8 Board shall prepare a report to be known as
9 the Nation’s Workforce Development Report
10 Card (referred to in this Act as the “National
11 Report Card”).

12 (B) REQUIREMENTS.—The National Re-
13 port Card shall assess the performance of the
14 workforce development system of the United
15 States, based on the earnings and employment
16 gains and other nonemployment-related out-
17 comes of individuals assisted by the programs
18 comprising such system. The National Report
19 Card shall evaluate all workforce development
20 programs that receive Federal funding, and
21 shall—

22 (i) assess the performance of each
23 program;

24 (ii) assess performance based on the
25 type of assistance provided, including the

1 categories of services identified in section
2 204(b)(1)(C);

3 (iii) assess year-to-year changes in
4 performance;

5 (iv) report on the extent to which
6 hard-to-serve populations are receiving
7 services and the related outcomes in rela-
8 tion to services received in the preceding
9 three years;

10 (v) determine the annual Federal in-
11 vestment in workforce development in each
12 State;

13 (vi) assess the lessons learned from
14 the experience of leading-edge States, and
15 States that waive certain program require-
16 ments to experiment with alternative
17 workforce development strategies; and

18 (vii) assess the performance of the
19 workforce development system in each
20 State.

21 (2) CONGRESSIONAL TESTIMONY.—The cochair-
22 persons of the National Board shall, at least annu-
23 ally, provide testimony, during a joint hearing before
24 the Committee on Labor and Human Resources of
25 the Senate and the Committee on Economic and

1 Educational Opportunities of the House of Rep-
2 resentatives on the progress being made in—

3 (A) developing a more streamlined inte-
4 grated and accountable public and private
5 workforce development system in the United
6 States; and

7 (B) carrying out the purposes described in
8 section 2(b).

9 (3) REVIEW OF GRANT PROPOSALS.—The Na-
10 tional Board shall review the development grant pro-
11 posals pursuant section 203(a), the implementation
12 grant proposals pursuant to section 203(b), and the
13 matching grant proposals submitted pursuant to sec-
14 tion 404, and make recommendations to the Sec-
15 retary regarding such proposals.

16 (4) FINAL RECOMMENDATIONS.—Not later than
17 June 1, 1999, the National Board shall submit rec-
18 ommendations in the form of a joint resolution to
19 the President and Congress, pursuant to section
20 104(b).

21 (d) TERMINATION.—The National Board shall termi-
22 nate on the date on which the National Board submits
23 the joint resolution to President and Congress under sec-
24 tion 104(b).

25 (e) NATIONAL FOR EMPLOYMENT POLICY.—

1 (1) IN GENERAL.—Part F of title IV of the Job
2 Training Partnership Act (29 U.S.C. 1771 et seq.)
3 is repealed.

4 (2) CONFORMING AMENDMENT.—Subsection (i)
5 of section 106 of such Act (29 U.S.C. 1516(i)) is
6 amended by striking “(i) FUNCTIONS OF NCEP.—
7 The National Commission for Employment Policy”
8 and inserting “(i) FUNCTIONS OF NATIONAL
9 WORKFORCE DEVELOPMENT BOARD.—The National
10 Workforce Development Board established under
11 section 202 of the Workforce Development Act”.

12 **SEC. 203. MECHANISMS FOR BUILDING HIGH QUALITY IN-**
13 **TEGRATED WORKFORCE DEVELOPMENT SYS-**
14 **TEMS.**

15 (a) STATE DEVELOPMENT GRANTS.—

16 (1) PURPOSE.—The purpose of this subsection
17 is to assist States and communities in strategic
18 planning for integrated workforce development sys-
19 tems, including the development of a financial and
20 management information system, a quality assur-
21 ance system, and an integrated labor market infor-
22 mation system.

23 (2) GRANTS TO STATES.—The Secretary may
24 provide a development grant to a State in such
25 amount as the Secretary, in consultation with the

1 National Board, determines to be necessary to en-
2 able such State to develop a strategic plan, as de-
3 scribed in paragraph (1), for the development of a
4 comprehensive statewide integrated workforce devel-
5 opment system.

6 (3) APPLICATION.—To be eligible to receive a
7 development grant under this subsection, the Gov-
8 ernor of a State, on behalf of the State, shall submit
9 to the National Board and the Secretary an applica-
10 tion, at such time, in such form, and containing
11 such information as the Secretary may require.

12 (b) IMPLEMENTATION GRANTS TO LEADING-EDGE
13 STATES.—

14 (1) PURPOSE.—The purpose of this subsection
15 is to assist States in implementing statewide high-
16 quality integrated workforce development systems
17 that are accountable for achieving results.

18 (2) GRANTS TO STATES.—The Secretary, in
19 consultation with the National Board, may provide
20 an implementation grant to the State in such
21 amount as the Secretary determines to be necessary
22 to enable such State to implement an integrated
23 workforce development system.

24 (3) PERIOD OF GRANT.—The provision of pay-
25 ments under a grant under this subsection shall not

1 exceed 4 fiscal years, and shall be subject to the an-
2 nual approval of the Secretary, in consultation with
3 the National Board, and the availability of appro-
4 priations for the fiscal year involved.

5 (4) ALLOCATION REQUIREMENTS.—

6 (A) FIRST YEAR.—For the first fiscal year
7 for which a State receives amounts from an im-
8 plementation grant under this subsection, the
9 State shall use not less than 75 percent of such
10 amount to provide subgrants to local workforce
11 development boards.

12 (B) SECOND YEAR.—For the second fiscal
13 year for which a State receives amounts from
14 an implementation grant under this subsection,
15 the State shall use not less than 80 percent of
16 such amount to provide subgrants to local
17 workforce development boards.

18 (C) THIRD AND SUCCEEDING YEARS.—For
19 the third, and each succeeding, fiscal year for
20 which a State receives amounts from an imple-
21 mentation grant under this subsection, the
22 State shall use not less than 85 percent of such
23 amount to provide subgrants to local workforce
24 development boards.

1 (5) LIMITATION.—A State shall be eligible to
2 receive not more than 1 implementation grant under
3 this subsection.

4 (6) APPLICATION.—To be eligible to receive an
5 implementation grant under this subsection, the
6 Governor of a State, on behalf of the State, shall
7 submit to the National Board and the Secretary an
8 application that shall include a copy of the State
9 Blueprint and such other information as the Sec-
10 retary, with the advice of the National Board, may
11 require.

12 (c) DISSEMINATION OF INFORMATION ON BEST
13 PRACTICES.—The Secretary, in consultation with the Na-
14 tional Board, shall—

15 (1) collect and disseminate information that will
16 assist State and local communities undertaking ac-
17 tivities to streamline and reform their job training
18 systems, including information on—

19 (A) the successful experiences of States
20 and localities that—

21 (i) have received development or im-
22 plementation grants;

23 (ii) have been granted waivers; or

1 (iii) are experimenting with training
2 account systems established under title III
3 of this Act; and

4 (B) research concerning the restructuring
5 of workforce development systems; and

6 (2) facilitate the exchange of information and
7 ideas among States and local entities that are build-
8 ing market-based workforce development systems.

9 (d) WORKFORCE DEVELOPMENT IMPACT RE-
10 PORTS.—

11 (1) SUBMISSION.—For each bill or resolution
12 concerning workforce development reported by any
13 committee of the Senate or the House of Represent-
14 atives, the National Board shall determine whether
15 proposed Federal job training legislation complies
16 with the data reporting, common definitions, and
17 common funding cycles described in subsections (b)
18 and (e) of section 204. A determination of compli-
19 ance by the National Board under this subsection
20 shall be included in the committee report accom-
21 panying such legislation, if timely submitted to such
22 committee before such report is filed.

23 (2) PROCEDURE.—It shall not be in order in
24 the Senate or the House of Representatives to con-
25 sider any bill or resolution concerning workforce de-

1 velopment that would not comply with the national
2 workforce development system, as determined by the
3 National Board under paragraph (1).

4 (3) WAIVER.—This subsection may be waived
5 or suspended in the Senate or the House of Rep-
6 resentatives only by the affirmative vote of three-
7 fifths of the members of such House.

8 **SEC. 204. QUALITY ASSURANCE SYSTEM.**

9 (a) PURPOSE.—The purpose of this section is to im-
10 prove the quality of all Federal programs directed at im-
11 proving the knowledge, skills, and abilities of members of
12 the workforce by strengthening accountability and encour-
13 aging the adoption of quality improvement processes at
14 all levels of the workforce development system. In order
15 to accomplish this purpose, this Act—

16 (1) directs the Secretaries of Labor, Education,
17 and Health and Human Services to jointly, in con-
18 sultation with the National Board—

19 (A) develop common terms and definitions
20 as described in subsection (b);

21 (B) develop a placement accountability sys-
22 tem as described in subsection (c); and

23 (C) adjust existing program performance
24 standards as described in section 220(c); and

1 (2) directs the National Board to recommend a
2 system of performance standards in its joint resolu-
3 tion submitted to Congress pursuant to section
4 104(b) that includes standard outcome measures re-
5 lating to—

6 (A) employment;

7 (B) job retention;

8 (C) earnings; and

9 (D) nonemployment outcome measures,

10 such as learning and competency gains.

11 (b) COMMON TERMS AND DEFINITIONS.—

12 (1) IN GENERAL.—Each workforce development
13 program that receives Federal funds shall collect
14 and report to the Governor and the State Council,
15 if applicable, for each participant to whom assist-
16 ance is provided, the following information:

17 (A) The quarterly employment status and
18 earnings for 1 year after the participant no
19 longer receives assistance under such program.

20 (B) Economic and demographic character-
21 istics, including the participant's—

22 (i) social security number;

23 (ii) date of birth;

24 (iii) gender;

25 (iv) race or ethnicity;

- 1 (v) disability status;
- 2 (vi) education (highest formal grade
3 level achieved at commencement of partici-
4 pation in program);
- 5 (vii) academic degrees and credentials
6 at time of entry into the program; and
- 7 (viii) employment status at the time
8 of entry into the program.
- 9 (C) Services received, the extent, when ap-
10 propriate, and spending for such services, in-
11 cluding—
- 12 (i) assessments;
- 13 (ii) testing;
- 14 (iii) counseling;
- 15 (iv) job development or job search as-
16 sistance;
- 17 (v) occupational skills training;
- 18 (vi) work experience;
- 19 (vii) job readiness training;
- 20 (viii) basic skills education;
- 21 (ix) postsecondary academic education
22 (nonoccupational);
- 23 (x) supportive and supplementary
24 services; and
- 25 (xi) on-the-job training.

1 (D) Program outcomes, as specified by the
2 State, such as—

3 (i) advancement to higher level edu-
4 cation or training;

5 (ii) attainment of additional degrees
6 or credentials (including skill standards as
7 such standards become available);

8 (iii) assessment of learning gain in
9 basic skills programs;

10 (iv) attainment and retention of sub-
11 sidized or unsubsidized employment;

12 (v) quarterly earnings; and

13 (vi) reduction in welfare dependency.

14 (2) REPLACEMENT OF EXISTING REQUIRE-
15 MENTS.—Program monitoring under this section
16 shall supplant existing monitoring and reporting re-
17 quirements for program participants.

18 (3) ADOPTION OF COMMON TERMS AND DEFINI-
19 TIONS.—

20 (A) REPORT.—Not later than 180 days
21 after the date of enactment of this Act, each
22 Federal department and agency with respon-
23 sibility for a workforce development program
24 shall report to the National Board on its
25 progress in adopting the common terms and

1 definitions for program participants, service ac-
2 tivities, and outcomes by program operators
3 and grant recipients.

4 (B) IMPLEMENTATION.—Not later than 1
5 year after the date of enactment of this Act,
6 each workforce development program receiving
7 Federal funds shall use the common terms and
8 definitions.

9 (C) USE.—Upon adoption by the appro-
10 priate Federal agencies, the common definitions
11 for terminology developed and reported pursu-
12 ant to section 455 of the Job Training Partner-
13 ship Act (29 U.S.C. 1735(b)) shall be utilized
14 in interpreting and compiling the core data ele-
15 ments. Notwithstanding any other provision of
16 Federal law, such common definitions shall be
17 utilized in lieu of existing program definitions
18 for similar data elements.

19 (4) RECOMMENDATIONS.—Not later than 180
20 days after the date all of the Members of the Na-
21 tional Board are appointed, the National Board shall
22 make recommendations to the Secretaries of Labor,
23 Education, and Health and Human Services, and
24 the heads of other agencies operating workforce de-

1 velopment programs, on common definitions for
2 other terms, including terms relating to—

3 (A) program status, including—

4 (i) applicant;

5 (ii) participant;

6 (iii) trainee; and

7 (iv) training-related placement;

8 (B) program eligibility, including—

9 (i) family income; and

10 (ii) economically disadvantaged indi-
11 viduals; and

12 (C) other terms considered appropriate by
13 the National Board, such as common cost cat-
14 egories.

15 (5) AMENDMENTS.—If any of the proposed
16 common definitions require amendment to existing
17 laws, the National Board shall submit to Congress
18 recommendations for legislative action not later than
19 9 months after the date all of the members of the
20 National Board are appointed.

21 (c) PLACEMENT ACCOUNTABILITY.—

22 (1) IN GENERAL.—The purpose of this sub-
23 section is to establish a placement accountability
24 system using a cost-effective data source with infor-
25 mation on job placement, earnings, and job reten-

1 tion, to foster accountability by all federally funded
2 workforce development programs.

3 (2) PERFORMANCE MONITORING.—Each
4 workforce development program that receives Fed-
5 eral funds shall—

6 (A) engage in continuous performance self-
7 monitoring by measuring, at a minimum, the
8 quarterly employment status and earnings of
9 each recipient of assistance under such pro-
10 gram; and

11 (B) monitor each recipient of assistance
12 for a period of not less than 1 year, beginning
13 on the date on which the recipient no longer re-
14 ceives assistance under such program.

15 (3) INFORMATION MATCHING.—

16 (A) CORE DATA.—Each workforce develop-
17 ment program that receives Federal funds shall
18 provide the information described in subsection
19 (b) regarding program participants to the State
20 agency responsible for labor market information
21 designated in title V.

22 (B) MATCHING.—The State agency re-
23 sponsible for labor market information des-
24 ignated in title V shall, in conjunction with the
25 Bureau of Labor Statistics, match the informa-

1 tion provided pursuant to subparagraph (A)
2 with quarterly employment and earnings
3 records.

4 (4) REIMBURSEMENT.—Requesting programs
5 shall reimburse the State agency responsible for
6 wage record data for the cost of matching such in-
7 formation. Notwithstanding any other provision of
8 Federal law, requesting programs may use Federal
9 funds for such reimbursement.

10 (5) CONFIDENTIALITY.—Requesting pro-
11 grams—

12 (A) shall protect the confidentiality of
13 wage record data through the use of recognized
14 security procedures; and

15 (B) may not retain such data for more
16 than 10 years.

17 (6) SUBMISSION TO STATE COUNCIL.—The
18 State agency responsible for labor market informa-
19 tion shall submit the results of the matching to the
20 State Council, in accordance with procedures and
21 schedules specified by the National Board and the
22 Secretary.

23 (7) RESPONSIBILITY OF GOVERNORS.—The
24 Governor of each State shall ensure the submission
25 of the matched data to the State Council, the Na-

1 tional Board, the Secretary, and other Federal enti-
2 ties, as required by the National Board.

3 (d) DISSEMINATION OF QUALITY ASSURANCE.—The
4 information obtained under subsection (c) shall be made
5 available to—

6 (1) the State Council of the State in which the
7 program is located;

8 (2) the local workforce development boards in
9 the State in which the program is located; and

10 (3) consumers of labor market information to
11 judge individual program performance in an easily
12 accessible format.

13 (e) CONSISTENT FUNDING CYCLES.—

14 (1) IN GENERAL.—All federally funded
15 workforce development training activities shall, to
16 the extent practicable, be funded on a consistent
17 funding cycle basis.

18 (2) RECOMMENDATIONS FOR FUNDING
19 CYCLE.—Not later than 180 days after the date on
20 which all of the members of the National Board are
21 appointed, the National Board shall make rec-
22 ommendations to Congress on the appropriate fund-
23 ing cycle to be used for all workforce development
24 programs and activities.

1 **Subtitle B—State Level Activities**

2 **SEC. 211. STATE WORKFORCE DEVELOPMENT COUNCILS.**

3 (a) ESTABLISHMENT.—Each State desiring to par-
4 ticipate in the development of an integrated and account-
5 able workforce development system under the procedures
6 specified in section 203(b) shall establish a State
7 Workforce Development Council (referred to in this Act
8 as a “State Council”) or have located within such State
9 an existing entity that is similar to a State Council and
10 that includes members who are representatives of employ-
11 ers and workers.

12 (b) PURPOSE.—Each State Council shall serve as the
13 principal advisory board for the Governor of such State
14 for all programs included in the integrated workforce de-
15 velopment system of such State.

16 (c) FUNCTIONS.—Each State Council shall assume
17 the functions and responsibilities of councils and commis-
18 sions required under Federal law that are part of the inte-
19 grated workforce development system of such State.

20 **SEC. 212. MEMBERSHIP.**

21 (a) IN GENERAL.—

22 (1) REPRESENTATIVES OF BUSINESS AND IN-
23 DUSTRY AND ORGANIZED LABOR.—Each State
24 Council shall be comprised of individuals who are

1 appointed by the Governor for a term of not less
2 than 2 years from among—

3 (A) representatives of business and indus-
4 try, who shall constitute not less than 33 per-
5 cent of the membership of the State Council,
6 including individuals who are members of local
7 workforce development boards;

8 (B) representatives of organized labor who
9 shall constitute not less than 25 percent of the
10 membership of the State Council and shall be
11 selected from among individuals nominated by
12 recognized State labor federations; and

13 (C) representatives of secondary and post-
14 secondary academic or vocational education in-
15 stitutions.

16 (2) ADDITIONAL MEMBERS.—Each State Coun-
17 cil may include one or more qualified members who
18 are appointed by the Governor from among rep-
19 resentatives of the following:

20 (A) Community-based organizations.

21 (B) Nongovernmental organizations that
22 have a history of successfully protecting the
23 rights of individuals with disabilities or older
24 persons.

1 (C) Units of general local government or
2 consortia of such units.

3 (D) State officials responsible for admin-
4 istering programs described in sections 103 and
5 104 and included in the integrated system.

6 (E) The State legislature.

7 (F) Any local program that receives Fed-
8 eral funding from any program included in the
9 integrated workforce development system of the
10 State.

11 (b) EX OFFICIO.—

12 (1) NONVOTING MEMBERS.—The Governor may
13 appoint ex officio additional nonvoting members to
14 the State Council.

15 (2) EXPERTISE.—The Governor of the State
16 shall ensure that the State Council and the staff of
17 the State Council have sufficient expertise to effec-
18 tively carry out the duties and functions of the State
19 Council described under the laws relating to the ap-
20 plicable program.

21 **SEC. 213. CHAIRPERSON.**

22 The Governor of the State shall appoint a chairperson
23 of the State Council who shall be a representative of the
24 business community.

1 **SEC. 214. DUTIES AND RESPONSIBILITIES.**

2 (a) STATE WORKFORCE DEVELOPMENT POLICY
3 BLUEPRINT.—The State Council shall assist the Governor
4 to prepare and submit to the National Board a biennial
5 report to be known as the State Workforce Development
6 Policy Blueprint (referred to in this Act as the “State
7 Blueprint”). The State Blueprint shall—

8 (1) serve as a strategic plan for integrating fed-
9 erally funded workforce development programs in-
10 cluded in an integrated system of the State, estab-
11 lished pursuant to section 203(b), with State-funded
12 job training, employment, employment-related edu-
13 cation, and economic development activities;

14 (2) summarize and analyze information about
15 training needs of critical industries in the State con-
16 tained in the local workforce development policy
17 blueprints developed by the workforce development
18 boards;

19 (3) establish State goals for the integrated
20 workforce development system and a common core
21 set of performance measures and standards for pro-
22 grams included in the system, to be used in lieu of
23 existing performance measures and standards for
24 each of the included programs;

25 (4) analyze how the businesses and labor orga-
26 nizations of the State are—

1 (A) progressing in the restructuring of the
2 work place to provide continuous learning;

3 (B) improving the skills and abilities of
4 front-line workers of such businesses; and

5 (C) participating in State and local efforts
6 to transform federally funded education and job
7 training programs into a coherent and account-
8 able workforce development system;

9 (5) utilize information available from the State
10 Report Card and other sources to analyze the rel-
11 ative effectiveness of individual workforce develop-
12 ment programs within the State and of the State's
13 workforce development system as a whole;

14 (6) evaluate the progress being made within the
15 State in streamlining, consolidating, and reforming
16 the workforce development system of the State in ac-
17 cordance with the purposes contained in section 2(b)
18 and the framework for State implementation con-
19 tained in the implementation grant proposal of the
20 State;

21 (7) describe how service to special hard-to-serve
22 populations is to be maintained;

23 (8) identify how any funds that a State may be
24 receiving under section 203(b) are to be utilized in
25 conjunction with existing resources to continuously

1 improve the effectiveness of the workforce develop-
2 ment system of the State;

3 (9) describe the method to be used to allocate
4 funds received under section 203(b) in a fair and eq-
5 uitable manner among unified service delivery areas;

6 (10) specify the additional elements, if any, to
7 be included in operating agreements between local
8 workforce development boards and one-stop career
9 centers;

10 (11) specify additional criteria, if any, for selec-
11 tion of one-stop career centers;

12 (12) specify the nonemployment-related out-
13 come measures that will be used for the workforce
14 development system;

15 (13) specify the nature and scope of the budget
16 authority for local workforce development boards in
17 the State; and

18 (14) supplant federally required planning re-
19 ports for programs under the integrated workforce
20 development system of the State.

21 (b) STATE WORKFORCE DEVELOPMENT REPORT
22 CARD.—The State Council shall assist the Governor of the
23 State to issue an annual report to be known as the State
24 Workforce Development Report Card (referred to in this
25 Act as the “State Report Card”). The State Report Card

1 shall describe the performance of all workforce develop-
2 ment programs operating in the State that receive Federal
3 funding and any additional State-funded programs that
4 the Governor may choose to include. The State Report
5 Card shall—

6 (1) include an integrated budget that docu-
7 ments the annual spending, number of clients
8 served, and types of services provided for workforce
9 development programs for the State as a whole and
10 for each unified service delivery area within the
11 State;

12 (2) assess the level of services to hard-to-serve
13 populations in relation to the number served and
14 outcomes for those populations during the preceding
15 3 years;

16 (3) utilize information available from the qual-
17 ity assurance system established under section 204
18 to assess—

19 (A) employment and earnings experiences
20 of individuals who have received assistance from
21 each workforce development program operated
22 in the State; and

23 (B) relative employment and earnings ex-
24 periences of participants receiving services from
25 each one-stop career center in the State;

1 (4) include an analysis of other
2 nonemployment-related results for each workforce
3 development program operating within the State;
4 and

5 (5) include a report of annual employment
6 trends and earnings (by industry and occupation) in
7 the State and each unified service delivery area, to
8 assist State and local policymakers, training provid-
9 ers, and users of the system to link the training pro-
10 vided to the skill and labor force needs of local em-
11 ployers.

12 (c) WORKFORCE DEVELOPMENT BOARD CERTIFI-
13 CATION AND EFFECTIVENESS CRITERIA.—Each State
14 Council shall—

15 (1) assist the Governor to certify each local
16 workforce development board; and

17 (2) make recommendations to the Governor for
18 criteria that will be used to judge the effectiveness
19 of each of the workforce development boards of the
20 State.

21 **SEC. 215. DEVELOPMENT OF QUALITY ASSURANCE SYS-**
22 **TEMS AND CONSUMER REPORTS.**

23 (a) IN GENERAL.—The State Council shall develop
24 a quality assurance system to complement and expand
25 upon the quality assurance system established in section

1 204 in order to provide customers of job training services
2 with consumer reports on the supply, demand, price, and
3 quality of job training services in each unified service de-
4 livery area in the State.

5 (b) SELECTION OF TOOLS AND MEASURES.—Each
6 State shall select the tools and measures that are appro-
7 priate to the needs of such State, including—

8 (1) collecting and organizing service provider
9 performance data in accordance with information
10 generated from the State Report Card under section
11 214(b), the financial and management information
12 system designed pursuant to section 218, and the
13 labor market information system of the State de-
14 scribed in section 501; and

15 (2) conducting surveys as appropriate to ascer-
16 tain customer satisfaction.

17 (c) COLLECTION AND DISSEMINATION.—The State
18 Council shall, in conjunction with the local workforce de-
19 velopment boards, establish mechanisms for collecting and
20 disseminating the quality assurance information on a reg-
21 ular basis to—

22 (1) individuals seeking employment;

23 (2) employers;

24 (3) policymakers at the Federal, State, and
25 local levels; and

1 (4) training and education providers.

2 (d) ASSURANCES.—Each public and private edu-
3 cation, training, and career development service provider
4 receiving Federal funds under a program in an integrated
5 system of the State pursuant to section 203(b) shall col-
6 lect and provide the quality assurance information re-
7 quired under this section.

8 **SEC. 216. ADMINISTRATION.**

9 (a) AUTHORITIES.—Each State Council shall be inde-
10 pendent of other State workforce development agencies
11 and have the authority to—

12 (1) employ staff; and

13 (2) receive and disburse funds.

14 (b) SPECIAL PROJECTS.—Each State Council may
15 fund and operate special pilot or demonstration projects
16 for purposes of research or continuous improvement of
17 system performance.

18 (c) LIMITATION ON USE OF FUNDS.—Not more than
19 5 percent of the funds received by the State from an im-
20 plementation grant under section 203(b) shall be used for
21 the administration of the State Council.

22 **SEC. 217. ESTABLISHMENT OF UNIFIED SERVICE DELIVERY**
23 **AREAS.**

24 (a) RECOMMENDATIONS.—Each State Council shall
25 make recommendations to the Governor of such State for

1 the establishment of unified service delivery areas that
2 may be used as intrastate geographic boundaries, to the
3 extent practicable, for all workforce development programs
4 in an integrated system of the State pursuant to section
5 203(b).

6 (b) ESTABLISHMENT.—Each State receiving an im-
7 plementation grant under section 203(b) shall, based upon
8 the recommendations of the State Council, and in con-
9 sultation and cooperation with local communities, estab-
10 lish unified service delivery areas throughout the State for
11 the purpose of providing community-wide workforce devel-
12 opment assistance in one-stop career centers under section
13 234.

14 (c) RESPONSIBILITIES.—In establishing unified serv-
15 ice delivery areas, the Governor, in consultation with the
16 State Council and local communities—

17 (1) shall take into consideration existing—

18 (A) labor market areas;

19 (B) units of general local government;

20 (C) service delivery areas established under
21 section 101 of the Job Training Partnership
22 Act (29 U.S.C. 1511); and

23 (D) the distance traveled by individuals to
24 receive services;

1 (2) may merge existing service delivery areas;
2 and

3 (3) may not approve a total number of unified
4 service delivery areas that is greater than the total
5 number of service delivery areas in existence in the
6 State on the date of enactment of this Act.

7 **SEC. 218. FINANCIAL AND MANAGEMENT INFORMATION**
8 **SYSTEMS.**

9 (a) **IN GENERAL.**—Each State shall use a portion of
10 the funds it receives under section 203(a) to design a uni-
11 fied financial and management information system. Each
12 State that receives an implementation grant under section
13 203(b) shall require that all programs designated in the
14 integrated system use the unified financial and manage-
15 ment information system.

16 (b) **REQUIREMENTS.**—Each unified financial and
17 management information system shall—

18 (1) notwithstanding any other provision of Fed-
19 eral law, supplant federally required fiscal reporting
20 and monitoring for each individual program included
21 in the integrated system;

22 (2) be used by all agencies involved in
23 workforce development activities, including one-stop
24 career centers which shall have the capability to
25 track the overall public investments within the State

1 and unified service delivery areas, and to inform pol-
2 icymakers as to the results being achieved through
3 that investment;

4 (3) contain a common structure of financial re-
5 porting requirements, fiscal systems, and monitoring
6 for all workforce development expenditures included
7 in the integrated system that shall utilize the com-
8 mon data elements and definitions included in sub-
9 section (b) of section 204; and

10 (4) support local efforts to establish unified
11 service systems, including intake and eligibility de-
12 termination for all financial aid sources.

13 **SEC. 219. CAPACITY BUILDING GRANTS.**

14 From funds made available to a State for implemen-
15 tation pursuant to section 203(b) or development pursuant
16 to section 203(a), the State shall develop a strategy to
17 enhance the capacity of the institutions, organizations,
18 and staff involved in State and local workforce develop-
19 ment activities by providing services such as—

20 (1) training for members of the local workforce
21 development boards;

22 (2) training for front-line staff of any local edu-
23 cation or training service provider or one-stop career
24 center;

1 (3) technical assistance regarding managing
2 systemic change;

3 (4) customer service training;

4 (5) organization of peer-to-peer network for
5 training, technical assistance, and information shar-
6 ing;

7 (6) organizing a best practices database cover-
8 ing the various workforce development system com-
9 ponents; and

10 (7) training for State and local staff on the
11 principles of quality management and decentralizing
12 decisionmaking.

13 **SEC. 220. PERFORMANCE STANDARDS FOR UNIFIED SERV-**
14 **ICE DELIVERY AREAS.**

15 (a) IN GENERAL.—The Governor of each State that
16 implements an integrated workforce development system
17 under section 203(b) may, in consultation with the State
18 Council, the local workforce development boards in the
19 State, and employees of any of the job training programs
20 included in the integrated system or the employee organi-
21 zations of such employees, make adjustments to existing
22 performance standards for programs in such system in the
23 unified service delivery area of the State.

24 (b) CRITERIA.—Criteria developed pursuant to sub-
25 section (a) may include such factors as—

1 (1) placement, retention, and earnings of par-
2 ticipants in unsubsidized employment, including—

3 (A) earnings at 1, 2, and 4 quarters after
4 termination from the program; and

5 (B) comparability of wages 1 year after
6 termination from the program with wages prior
7 to participation in the program;

8 (2) acquisition of skills pursuant to a skill
9 standards and skill certification system endorsed by
10 the National Skill Standards Board established pur-
11 suant to section 503 of the National Skill Standards
12 Act of 1994;

13 (3) the satisfaction of participants and employ-
14 ers with services provided and employment out-
15 comes; and

16 (4) the quality of services provided and the level
17 of services provided to hard-to-serve populations,
18 such as low-income individuals and older workers.

19 (c) ADJUSTMENTS.—Each Governor of a State that
20 implements an integrated workforce development system
21 under section 203(b) shall, within parameters established
22 by the National Board, and after consultation with the
23 workforce development boards in the State, prescribe ad-
24 justments to the performance criteria prescribed under

1 subsections (a) and (b) for the unified service delivery
2 areas based on—

3 (1) specific economic, geographic, and demo-
4 graphic factors in the State and in regions within
5 the State; and

6 (2) the characteristics of the population to be
7 served, including the demonstrated difficulties in
8 serving special populations.

9 (d) USE OF CRITERIA.—The performance criteria de-
10 veloped pursuant to this section shall be utilized in lieu
11 of similar criteria for programs receiving Federal funding
12 included in the integrated system of the State, to the ex-
13 tent determined by the State Council subject to the ap-
14 proval of the National Board.

15 **Subtitle C—Local Level Activities**

16 **SEC. 231. WORKFORCE DEVELOPMENT BOARDS.**

17 (a) ESTABLISHMENT.—In each State receiving an
18 implementation grant under section 203(b), and subject
19 to subsection (b) of this section, the local elected officials
20 of each unified service delivery area shall establish a
21 workforce development board to administer the workforce
22 development assistance provided by all the programs in
23 the integrated workforce development system in such area.

1 (b) EXCEPTION.—States with a single unified deliv-
2 ery area with contiguous borders shall not be subject to
3 the requirement of subsection (a).

4 (c) MEMBERSHIP.—

5 (1) IN GENERAL.—Each workforce development
6 board shall be comprised of—

7 (A) representatives of business and indus-
8 try, who shall constitute a majority of the board
9 and who shall be business leaders in the unified
10 service delivery area;

11 (B)(i) representatives of State and local
12 organized labor organizations, who shall be se-
13 lected from among individuals nominated by
14 recognized State labor federations; and

15 (ii) representatives of community-based or-
16 ganizations, who shall be selected from among
17 those individuals nominated by officers of such
18 organizations;

19 (C) representatives of educational institu-
20 tions;

21 (D) community leaders, such as leaders
22 of—

23 (i) economic development agencies;

24 (ii) human service agencies and insti-
25 tutions;

1 (iii) veterans organizations; and

2 (iv) entities providing job training;

3 (E) representatives of nongovernmental or-
4 ganizations that have a history of successfully
5 protecting the rights of individuals with disabil-
6 ities or older persons; and

7 (F) a local elected official, who shall be a
8 nonvoting member.

9 (2) SPECIAL RULE.—The representatives de-
10 scribed in paragraph (1)(B) shall comprise not less
11 than 33 percent of the membership of the Board.

12 (d) NOMINATIONS.—

13 (1) BUSINESS AND INDUSTRY REPRESENTA-
14 TIVES.—

15 (A) IN GENERAL.—The representatives of
16 business and industry under paragraph (1) of
17 subsection (c) shall be selected by local elected
18 officials from among individuals nominated by
19 general purpose business organizations after
20 consultation with, and receiving recommenda-
21 tions from, other business organizations in the
22 unified service delivery area.

23 (B) DEFINITION.—For purposes of this
24 paragraph, the term “general purpose business
25 organization” means an organization that ad-

1 mits to membership any for-profit business op-
2 erating within the unified service delivery area.

3 (2) LABOR REPRESENTATIVES.—The represent-
4 atives of organized labor under subsection
5 (c)(1)(B)(i) shall be selected from among individuals
6 recommended by recognized State and local labor
7 federations.

8 (3) OTHER MEMBERS.—The members of the
9 workforce development board described in subpara-
10 graphs (A), (D), and (E) of subsection (c)(1) shall
11 be selected by chief local elected officials in accord-
12 ance with subsection (e) from individuals rec-
13 ommended by interested organizations.

14 (4) EXPERTISE.—The State Council and Gov-
15 ernor of each State shall ensure that the workforce
16 development board and the staff of the State Council
17 have sufficient expertise to effectively carry out the
18 duties and functions of existing local boards de-
19 scribed under the laws relating to the applicable pro-
20 gram.

21 (e) APPOINTMENT PROCESS.—In the case of a uni-
22 fied service delivery area—

23 (1) in which there is one unit of general local
24 government, the chief elected official of such unit
25 shall determine the number of members to serve on

1 the workforce development board and appoint the
2 members to such board from the individuals nomi-
3 nated or recommended under subsection (d); and

4 (2) in which there are 2 or more units of gen-
5 eral local government, the chief elected officials of
6 such units shall determine the number of members
7 to serve on the workforce development board and ap-
8 point the members to such board from the individ-
9 uals nominated or recommended under subsection
10 (d), in accordance with an agreement entered into by
11 such units of general local government or, in the ab-
12 sence of such an agreement, by the Governor of the
13 State in which the unified service delivery area is lo-
14 cated.

15 (f) TERMS.—Each workforce development board shall
16 establish, in its bylaws, terms to be served by its members,
17 who may serve until the successors of such members are
18 appointed.

19 (g) VACANCIES.—Any vacancy on a workforce devel-
20 opment board shall be filled in the same manner as the
21 original appointment was made.

22 (h) REMOVAL FOR CAUSE.—Any member of a
23 workforce development board may be removed for cause
24 in accordance with procedures established by the
25 workforce development board.

1 (i) CHAIRPERSON.—Each workforce development
2 board shall select a chairperson, by a majority vote of the
3 members of the board, from among the members of the
4 workforce development board who are from business or in-
5 dustry. The term of the chairperson shall be determined
6 by the board.

7 (j) DUTIES.—Each workforce development board—

8 (1) shall—

9 (A) prepare a workforce development board
10 policy blueprint in accordance with section 232;

11 (B) issue an annual unified service delivery
12 area report card in accordance with section
13 233;

14 (C) review and comment on the local plans
15 for all programs included in the integrated
16 workforce development system of the State and
17 operating within the unified service delivery
18 area, prior to the submission of such plans to
19 the appropriate State Council, or the relevant
20 Federal agency, if no State approval is re-
21 quired;

22 (D) oversee the operations of the one-stop
23 career center established in the unified service
24 delivery area under section 234, including the
25 responsibility to—

1 (i) designate one-stop career center
2 operators within the unified service deliv-
3 ery area consistent with selection criteria
4 specified in section 214(a)(11);

5 (ii) develop and approve the budgets
6 and annual operating plans of the one-stop
7 career centers;

8 (iii) establish annual performance
9 standards, customer service quality cri-
10 teria, and outcome measures for the one-
11 stop career centers, consistent with meas-
12 ures developed pursuant to sections 220;

13 (iv) assess the results of programs
14 and services;

15 (v) ensure that services and skills pro-
16 vided through the centers are of high qual-
17 ity and are relevant to labor market de-
18 mands; and

19 (vi) determine priorities for client
20 services from Federal funding sources in
21 the system;

22 (E) develop a strategy to disseminate
23 consumer reports produced under section 215
24 to workers, jobseekers, and employers, and

1 other individuals in the unified service delivery
2 area; and

3 (2) may apply to the Secretary for a matching
4 grant pursuant to section 404 in the amount of 50
5 percent of the cost of establishing innovative models
6 of workplace training and upgrading of incumbent
7 workers.

8 (k) ADMINISTRATION.—

9 (1) IN GENERAL.—Each local workforce devel-
10 opment board shall have the authority to receive and
11 disburse funds made available for carrying out the
12 provisions of this Act and shall employ its own staff,
13 independent of local programs and service providers.

14 (2) FUNDING.—Each workforce development
15 board shall receive a portion of its funding from the
16 implementation grant of the State, with additional
17 funds made available from participating programs.

18 (l) CONFLICT OF INTEREST.—No member of a
19 workforce development board shall cast a vote on the pro-
20 vision of services by that member (or any organization
21 which that member directly represents) or vote on any
22 matter that would provide direct financial benefit to such
23 member.

1 **SEC. 232. WORKFORCE DEVELOPMENT BOARD POLICY**
2 **BLUEPRINT.**

3 (a) IN GENERAL.—Each workforce development
4 board shall prepare and submit to the State Council a bi-
5 ennial report, to be known as the workforce development
6 board policy blueprint, except that in States with a single
7 unified service delivery area, the additional elements re-
8 quired in the regional blueprint shall be incorporated into
9 the State Blueprint.

10 (b) REQUIREMENTS.—The workforce development
11 board policy blueprint shall—

12 (1) include a list of the key industries and in-
13 dustry clusters of small- to mid-size firms that are
14 most critical to the current and future economic
15 competitiveness of unified service delivery area;

16 (2) identify the workforce development needs of
17 the critical industries and industry clusters;

18 (3) summarize the capacity of local education
19 and training providers to respond to the workforce
20 development needs;

21 (4) indicate how the local workforce develop-
22 ment programs intend to strategically deploy re-
23 sources available from implementation grants and
24 existing programs operating in the unified service
25 delivery area to better meet the workforce develop-
26 ment needs of critical industries and industry clus-

1 ters in the unified service delivery area and enhance
2 program performance;

3 (5) include a plan to develop one-stop career
4 centers, as described in section 234, including an es-
5 timate of the costs in personnel and other resources
6 to develop a network adequate to provide universal
7 access to such centers in the local labor market;

8 (6) describe how services will be maintained to
9 all groups served by the participating programs in
10 accordance with their legislative intent, including
11 hard-to-serve populations;

12 (7) identify actions for building the capacity of
13 the workforce development system in the unified
14 service delivery area; and

15 (8) report on the level and recent changes in
16 earned income of workers in the local labor market,
17 in relation to State and national levels, by occupa-
18 tion and industry.

19 (c) USE IN OTHER REPORTS.—The workforce devel-
20 opment board policy blueprint may be utilized in lieu of
21 local planning reports required by any other Federal law
22 for any program included in the integrated workforce de-
23 velopment system, subject to the approval of the State
24 Council.

1 **SEC. 233. REPORT CARD.**

2 (a) IN GENERAL.—Each workforce development
3 board shall annually prepare and submit to the State
4 Council a unified service delivery area report card in ac-
5 cordance with this section. The report card shall describe
6 the performance of all workforce development programs
7 and service providers, including the one-stop career cen-
8 ters, operating in the area that is included in the inte-
9 grated workforce development system. In States with a
10 single unified service delivery area, the State Council shall
11 prepare the report card.

12 (b) REQUIREMENTS.—The report card shall—

13 (1) report on the relationship between services
14 provided and the local labor market needs as de-
15 scribed in the workforce development board policy
16 blueprint;

17 (2) using the quality assurance system informa-
18 tion established pursuant to section 215, include an
19 analysis of employment-related, and other outcomes
20 achieved by the programs and service providers oper-
21 ating in the area;

22 (3) identify the performance of the one-stop ca-
23 reer centers;

24 (4) detail the economic and demographic char-
25 acteristics of individuals served compared to the
26 characteristics of the general population of the uni-

1 fied service delivery area, and the jobseekers, work-
2 ers, and businesses of such area; and

3 (5) assess the level of services to hard-to-serve
4 populations in relation to the number served and the
5 outcomes for those during the preceding 3 years.

6 **SEC. 234. ONE-STOP CAREER CENTERS.**

7 (a) ESTABLISHMENT.—Each workforce development
8 board receiving funds under an implementation grant
9 awarded under section 203(b) shall develop and implement
10 a network of one-stop career centers in the unified service
11 delivery area of the workforce development board. The
12 one-stop career centers shall provide jobseekers, workers,
13 and businesses universal access to a comprehensive array
14 of quality employment, education, and training services.

15 (b) PROCEDURES.—Each workforce development
16 board shall, in conjunction with local elected official or of-
17 ficials in the unified service delivery area, and consistent
18 with criteria specified in section 214(a)(11), select a meth-
19 od for establishing one-stop career centers.

20 (c) ELIGIBLE ENTITIES.—Each entity within the uni-
21 fied service delivery area that performs the functions spec-
22 ified in subsections (e) and (f) for any of the programs
23 in the integrated workforce development system shall be
24 eligible to be selected as a one-stop career center.

1 (d) PERIOD OF SELECTION.—Each one-stop career
2 center operator shall be designated for two-year periods.
3 Every 2 years, one-stop career center designations shall
4 be reevaluated by the workforce development board based
5 on performance indicated in the unified service delivery
6 area report card and other criteria established by the
7 workforce development board and the State Council.

8 (e) BROKERAGE SERVICES TO INDIVIDUALS.—Each
9 one-stop career center shall make available to the public,
10 at no cost—

11 (1) outreach to make individuals aware of, and
12 encourage the use of, services available from
13 workforce development programs operating in the
14 unified service delivery area;

15 (2) intake and orientation to the information
16 and services available through the one-stop career
17 center;

18 (3) preliminary assessments of the skill levels
19 (including appropriate testing) and service needs of
20 individuals, including—

21 (A) basic skills;

22 (B) occupational skills;

23 (C) prior work experience;

24 (D) employability;

25 (E) interests;

1 (F) aptitude; and

2 (G) supportive service needs;

3 (4) job search assistance, including resume and
4 interview preparation and workshops;

5 (5) information relating to the supply, demand,
6 price, and quality of job training services available
7 in each unified service delivery area in the State
8 pursuant to section 501(c);

9 (6) information relating to eligibility require-
10 ments and sources of financial assistance for enter-
11 ing the programs described in 501(c)(2)(C); and

12 (7) referral to appropriate job training, employ-
13 ment, and employment-related education or support
14 services in the unified service delivery area.

15 (f) BROKERAGE SERVICES TO EMPLOYERS.—Each
16 one-stop career center shall provide to each requesting em-
17 ployer—

18 (1) information relating to supply, demand,
19 price, and quality of job training services available
20 in each unified service delivery area in the State,
21 consistent with the consumer reports described in
22 section 215;

23 (2) customized screening and referral of individ-
24 uals for employment;

1 (3) customized assessment of skills of the cur-
2 rent workers of the employer;

3 (4) an analysis of the skill needs of the em-
4 ployer; and

5 (5) other specialized employment and training
6 services.

7 (g) CONFLICTS.—Any entity that performs one-stop
8 career center functions shall be prohibited from making
9 an education and training referral to itself.

10 (h) FEES.—

11 (1) IN GENERAL.—Except as provided in para-
12 graph (2), each one-stop career center may charge
13 fees for the services described in subsection (f), sub-
14 ject to approval by the workforce development board.

15 (2) LIMITATION.—No fee may be charged for
16 any service that an individual would be eligible to re-
17 ceive at no cost under a participating program.

18 (3) INCOME.—Income received by a one-stop
19 career center from the fees collected shall be used by
20 the workforce development board to expand or en-
21 hance one-stop career centers available within the
22 unified service delivery area.

23 (i) CORE DATA ELEMENTS AND COMMON DEFINI-
24 TIONS.—Each one-stop career center shall adopt the core

1 data elements and common definitions as specified in sec-
2 tion 204(b), and updated by the National Board.

3 (j) OPERATING AGREEMENTS.—

4 (1) IN GENERAL.—Each one-stop career center
5 operator shall enter into a written agreement with
6 the workforce development board concerning the op-
7 eration of the center.

8 (2) APPROVAL.—The agreement shall—

9 (A) be subject to the approval of—

10 (i) the local chief elected official or of-
11 ficials;

12 (ii) the State Council; and

13 (iii) the Governor of the State in
14 which the center is located; and

15 (B) shall address—

16 (i) the services to be provided;

17 (ii) the role that local officials of the
18 United States Employment Service will
19 play in the operation of one stop career
20 centers in the unified service delivery area;

21 (iii) the financial and nonfinancial
22 contributions to be made to the centers
23 from funds made available pursuant to sec-
24 tion 203(b) and all participating workforce
25 development programs;

- 1 (iv) methods of administration;
- 2 (v) procedures to be used to ensure
3 compliance with statutory requirements of
4 the programs in the integrated workforce
5 development system; and
- 6 (vi) other elements, as required by the
7 workforce development board or the State
8 Council under section 214(a).

9 **SEC. 235. CAPACITY BUILDING.**

10 (a) IN GENERAL.—Each workforce development
11 board shall identify actions to be taken for building the
12 capacity of the workforce development system in such uni-
13 fied service delivery, except that in States with a single
14 unified delivery area, the State Council shall be respon-
15 sible for carrying out the activities under this section.

16 (b) FUNDING.—The State Council shall make funds
17 available to each workforce development board for capacity
18 building activities from funds made available under section
19 203(b) and any other funds within the integrated
20 workforce development budget of the State. For the activi-
21 ties described in subsection (c), the workforce development
22 board may also submit requests to the State Council to
23 redirect a portion of training and technical assistance re-
24 sources available from any of the workforce development
25 programs included in the integrated system within the uni-

1 fied service development area of the workforce develop-
2 ment board.

3 (c) TYPES OF ACTIVITIES.—Capacity building activi-
4 ties may include—

5 (1) training of workforce development board
6 members;

7 (2) staff training;

8 (3) technical assistance regarding managing
9 systemic change;

10 (4) customer service training;

11 (5) organization of a peer-to-peer network for
12 training, technical assistance, and information shar-
13 ing;

14 (6) organizing a best practices database cover-
15 ing the various system activities; and

16 (7) training for local staff on the principles of
17 quality management and decentralized decisionmak-
18 ing.

19 **TITLE III—ENHANCING INDIVID-**
20 **UAL CHOICE THROUGH**
21 **TRAINING ACCOUNTS**

22 **SEC. 301. PURPOSE.**

23 It is the purpose of this title to promote the establish-
24 ment of a market-driven system for the provision of serv-
25 ices that will enhance the quality and range of choices

1 available to individuals for obtaining appropriate edu-
2 cation and training.

3 **SEC. 302. ESTABLISHMENT.**

4 (a) IN GENERAL.—Each State receiving an imple-
5 mentation grant pursuant to section 203(b) shall establish
6 a training account system for the provision of education
7 and training that meets the requirements of this title.

8 (b) DEFINITION.—For purposes of this title, the term
9 “education and training” means the services described in
10 clauses (v) and (ix) of section 204(b)(1)(C) and such other
11 services as the Secretary, in consultation with the Sec-
12 retary of Education, the Secretary of Health and Human
13 Services, and the National Board, determines are appro-
14 priate.

15 **SEC. 303. PARTICIPATION OF WORKFORCE DEVELOPMENT**
16 **PROGRAMS.**

17 (a) DISLOCATED WORKERS.—Notwithstanding the
18 Job Training Partnership Act, each State that receives an
19 implementation grant pursuant to section 203(b) shall use
20 the funds made available under title III of the Job Train-
21 ing Partnership Act and the funds appropriated under sec-
22 tion 3(a) to provide education and training under title III
23 of such Act only through the training account system es-
24 tablished pursuant to this title. Notwithstanding section
25 315 of such Act, not less than 60 percent of the funds

1 available to the State under such title III shall be used
2 to carry out the training account system.

3 (b) ADDITIONAL PROGRAMS.—Beginning 1 year or
4 later after a State has commenced administration of the
5 training account system described in subsection (a), the
6 State may provide education and training through the
7 training account system to adults eligible to participate
8 in other workforce development programs if—

9 (1) the State—

10 (A) identifies the additional workforce de-
11 velopment programs in the State blueprint de-
12 veloped pursuant to section 214(a) or in an
13 amendment to such blueprint; and

14 (B) describes how such programs will be
15 integrated into such system; and

16 (2) not less than two-thirds of the voting mem-
17 bers of the National Workforce Development Board
18 approves the inclusion of the programs identified
19 pursuant to paragraph (1) into the training account
20 system established in the State.

21 **SEC. 304. ADMINISTRATION.**

22 (a) APPLICATION TO ESTABLISH ACCOUNT.—

23 (1) IN GENERAL.—An individual who is eligible
24 to receive education and training under a workforce
25 development program participating in the training

1 account system pursuant to this title may apply to
2 establish a training account only at a one-stop ca-
3 reer center established under section 234.

4 (2) DUTIES OF CAREER CENTERS.—The career
5 center shall—

6 (A) assist such individual in completing the
7 application;

8 (B) provide information relating to the op-
9 eration of the training account system; and

10 (C) ensure that such individual is aware of
11 consumer information available in the center re-
12 lating to providers of education and training,
13 local occupations in demand, and other appro-
14 priate labor market factors.

15 (b) DURATION; AMOUNT OF ACCOUNT.—

16 (1) DURATION.—Upon approval of an applica-
17 tion submitted pursuant to subsection (a), an indi-
18 vidual may be provided a training account for a
19 maximum of 2 years within any 5-year period.

20 (2) AMOUNT OF ACCOUNT.—The total amount
21 deposited into a training account for an individual
22 for any fiscal year shall be equal to the greater of
23 the maximum amount of a Pell grant established—

1 (A) pursuant to paragraphs (2)(A) and
2 (3)(A) of section 401(b) of the Higher Edu-
3 cation Act of 1965 for such year; or

4 (B) by an appropriation Act for such year.

5 (c) USE OF FUNDS.—An account established under
6 subsection (b) may be used by an individual to pay for
7 education and training provided by a service provider
8 meeting the eligibility requirements described in section
9 305.

10 (d) ADMINISTRATIVE PROCEDURES.—Not later than
11 180 days after the date of enactment of this Act, the Sec-
12 retary, in consultation with the Secretary of Education,
13 and the Secretary of Health and Human Services shall
14 issue regulations applicable to the administration of a
15 training account under this title that, consistent with the
16 other provisions of this title, specify—

17 (1) the application requirements relating to a
18 training account;

19 (2) the method of payment to providers from a
20 training account, including appropriate payment
21 schedules and appropriate payment for education or
22 training in which an individual enrolled but did not
23 complete;

1 funds from a training account under this title if such pro-
2 vider—

3 (1) is either—

4 (A) eligible to participate in programs
5 under title IV of the Higher Education Act of
6 1965; or

7 (B) determined to be eligible under the
8 procedures described in subsection (b); and

9 (2) uses the common definitions and perform-
10 ance-based information described in section 204(b).

11 (b) ALTERNATIVE ELIGIBILITY PROCEDURE.—

12 (1) IN GENERAL.—The Governor of each State
13 receiving an implementation grant pursuant to sec-
14 tion 203(b) shall establish an alternative eligibility
15 procedure for providers of education and training
16 services in such State that desire to receive funds
17 from a training account under this title, but are not
18 eligible to participate in programs under title IV of
19 the Higher Education Act of 1965. Such procedure
20 shall establish minimum acceptable levels of per-
21 formance for such providers based on factors and
22 guidelines developed by the Secretary, after con-
23 sultation with the Secretary of Education. Such fac-
24 tors shall be comparable in rigor and scope to those
25 provisions of part H of such title of such Act that

1 are used to determine an institution of higher edu-
2 cation's eligibility to participate in programs under
3 such title as are appropriate to the type of provider
4 seeking eligibility under this subsection and the na-
5 ture of the education and training services to be pro-
6 vided.

7 (2) LIMITATION.—Notwithstanding paragraph
8 (1), if the participation of an institution of higher
9 education in any of the programs under title IV of
10 the Higher Education Act of 1965 is terminated,
11 such institution shall not be eligible to receive funds
12 under this Act for a period of 2 years beginning on
13 the date of such termination.

14 (c) ADMINISTRATION.—

15 (1) STATE AGENCY.—Upon the recommenda-
16 tion of the State Council, the Governor of each State
17 receiving an implementation grant pursuant to sec-
18 tion 203(b) shall designate a State agency or agen-
19 cies to collect, verify, and disseminate the perform-
20 ance-based information submitted by eligible provid-
21 ers.

22 (2) APPLICATION.—A provider of education and
23 training services that desires to be eligible to receive
24 funds under this title shall submit to the State agen-
25 cy or agencies the information required under para-

1 graph (1) at such time and in such form as such
2 State agency or agencies may require.

3 (3) LIST OF ELIGIBLE PROVIDERS.—The State
4 agency or agencies shall compile a list of eligible pro-
5 viders, accompanied by the performance-based infor-
6 mation submitted, and disseminate such list and in-
7 formation to the one-stop career centers in the
8 State.

9 **SEC. 306. EVALUATION AND RECOMMENDATIONS.**

10 The National Workforce Development Board shall
11 evaluate the administration and effectiveness of the train-
12 ing account system in enhancing individual choice and
13 promoting high-quality education and training and shall
14 include the evaluation, accompanied by recommendations,
15 in the National Report Card developed pursuant to section
16 202(c)(1) and the joint resolution to the President and
17 the Congress pursuant to section 104(b).

18 **SEC. 307. REPORT RELATING TO INCOME SUPPORT.**

19 (a) SENSE OF CONGRESS.—It is the sense of the Con-
20 gress that—

21 (1) many dislocated workers and economically
22 disadvantaged adults are unable to enroll in long-
23 term job training because such workers and adults
24 lack income support after unemployment compensa-
25 tion is exhausted;

1 (2) evidence suggests that long-term job train-
 2 ing is among the most effective adjustment service
 3 in assisting dislocated workers and economically dis-
 4 advantaged adults to obtain employment and en-
 5 hance wages; and

6 (3) there is a need to identify options relating
 7 to how income support may be provided to enable
 8 dislocated workers and economically disadvantaged
 9 adults to participate in long-term job training.

10 (b) REPORT.—Not later than 120 days after the date
 11 of enactment of this Act, the Secretary of Labor shall sub-
 12 mit to the Congress a report that—

13 (1) examines the need for income support to en-
 14 able dislocated workers and economically disadvan-
 15 taged adults to participate in long-term job training;

16 (2) identifies options relating to how income
 17 support can be provided to such workers and adults;
 18 and

19 (3) contains such recommendations as the Sec-
 20 retary of Labor determines are appropriate.

21 **TITLE IV—PRIVATE-PUBLIC**
 22 **LINKAGES**

23 **SEC. 401. PURPOSE.**

24 The purpose of this title is to begin to more explicitly
 25 link federally funded workforce development programs

1 with training practices and systems utilized by workers
2 and firms in the private sector.

3 **SEC. 402. INCENTIVES TO ENCOURAGE WORKER TRAINING.**

4 Not later than 180 days after the date of enactment
5 of this Act, the National Board shall make recommenda-
6 tions to the appropriate committees of Congress and the
7 President on what measures can be taken, including
8 changes in the tax codes—

9 (1) to encourage employers and workers to in-
10 vest in training and skills upgrading;

11 (2) to encourage employers to hire and train
12 hard-to-serve individuals; and

13 (3) to provide income support to enable job-
14 seekers and workers to participate in long-term
15 training programs.

16 **SEC. 403. LABOR DAY REPORT ON PRIVATE-PUBLIC TRAIN-**
17 **ING PRACTICES.**

18 Beginning on September 1, 1996, and in each suc-
19 ceeding year thereafter, the National Board shall issue a
20 report that—

21 (1) analyzes how businesses in the United
22 States are—

23 (A) restructuring the workplace to provide
24 continuous learning for the employees of such
25 businesses;

1 (B) improving the skills and abilities of the
2 front-line workers of such businesses; and

3 (C) integrating public workforce develop-
4 ment programs into private sector training sys-
5 tems;

6 (2) highlights innovative approaches that other
7 countries are taking to encourage firms to invest in
8 training the front-line workers of such firms and to
9 ensure that publicly funded workforce development
10 programs in such countries are relevant to the train-
11 ing needs of workers and firms in the private sector;

12 (3) reports on the progress being made by the
13 National Skills Standards Board established pursu-
14 ant to section 503 of the National Skill Standards
15 Act and the degree to which publicly funded edu-
16 cation and training providers throughout the United
17 States are incorporating industry-based skill stand-
18 ards developed by the Board into program offerings
19 of such programs; and

20 (4) makes recommendations to Congress and
21 the President on ways to improve linkages between
22 federally funded industrial modernization programs
23 and federally funded workforce development pro-
24 grams.

1 **SEC. 404. MATCHING GRANTS TO ENCOURAGE INCUMBENT**
2 **WORKER TRAINING.**

3 (a) PURPOSE.—The purpose of this section is to es-
4 tablish a program to award competitive matching grants
5 to assist local workforce development boards respond to
6 the training needs of front-line workers in the commu-
7 nities in which such boards are located.

8 (b) APPLICATION.—Each local workforce develop-
9 ment board seeking a grant under this section shall submit
10 an application to the State Council of the State in which
11 such board is located, at such time, in such manner, and
12 containing such information as the Secretary may pre-
13 scribe. Not later than 30 days after receiving an applica-
14 tion, the State Council shall review and forward the appli-
15 cation, with comments, to the National Board and the
16 Secretary.

17 (c) SELECTION OF GRANTEES.—

18 (1) IN GENERAL.—The Secretary, with the ad-
19 vice of the National Board, shall award a grant
20 under this section only if the Secretary determines,
21 from the grant application, that the grant will be
22 used to maintain or enhance the competitive position
23 of local industries that are committed to making the
24 investments necessary to develop the skills of their
25 workers.

1 (2) CRITERIA.—In awarding grants under this
2 section, the Secretary shall take into account—

3 (A) the policy priorities and training needs
4 of local industries identified in the local
5 workforce development policy blueprints;

6 (B) whether there is a demonstrated need
7 for skill upgrading to maintain firm or industry
8 competitiveness;

9 (C) whether the application contains pro-
10 posals for training that will directly lead to in-
11 creased earnings of front-line workers;

12 (D) whether the labor organizations rep-
13 resenting such front-line workers support the
14 grant proposal;

15 (E) initiatives by firms or firm partner-
16 ships to develop high performance work organi-
17 zations;

18 (F) whether the grant proposal meets the
19 training needs of small- and medium-sized
20 firms;

21 (G) whether the grant proposal is focused
22 on workers with substantial firm or industry
23 tenure; and

24 (H) whether the proposed industry activi-
25 ties are integrated with private sector activities

1 under the School-to-Work Opportunities Act of
2 1994.

3 (d) USE OF FUNDS.—Grants awarded under this sec-
4 tion shall be used for skill enhancement and training ac-
5 tivities that may include—

6 (1) basic skills;

7 (2) occupational skills;

8 (3) statistical process control training;

9 (4) total quality management techniques;

10 (5) team building and problem solving skills;

11 and

12 (6) other training or activities that will result in
13 the increased likelihood of job retention, higher
14 wages, or increased firm competitiveness.

15 (e) FUNDING.—

16 (1) COST SHARE.—

17 (A) FEDERAL SHARE.—A grant awarded
18 under this section shall be in an amount equal
19 to 50 percent of the cost of carrying out the
20 grant proposal.

21 (B) LOCAL SHARE.—As a condition to re-
22 ceiving Federal funds under this section, local
23 businesses, industry associations, and worker
24 organizations shall provide funding in an

1 amount equal to 50 percent of the cost of carry-
2 ing out the grant proposal.

3 (2) LIMITATIONS.—

4 (A) USE OF FUNDS.—Amounts awarded
5 under this section shall not be used to pay the
6 wages of workers during the training of such
7 workers.

8 (B) ADDITIONAL FUNDING.—Each recipi-
9 ent of funds under this section shall certify that
10 such funds shall supplement and not supplant
11 other public or private funds otherwise spent on
12 worker training.

13 **TITLE V—INTEGRATED LABOR**
14 **MARKET INFORMATION SYSTEM**

15 **SEC. 501. INTEGRATED LABOR MARKET INFORMATION.**

16 (a) FINDINGS.—The Congress finds that accurate,
17 timely, and relevant data for the Nation, States, and local-
18 ities are required to achieve Federal domestic policy goals,
19 such as—

20 (1) economic growth and productivity
21 through—

22 (A) career planning and successful job
23 training and job searching by youth and adults;
24 and

1 (B) efficient hiring, effective worker train-
2 ing, and appropriate location and organization
3 of work by employers;

4 (2) accountability, through planning and eval-
5 uation, in workforce development and job placement
6 programs funded by the Federal Government or de-
7 veloped by other public or private entities;

8 (3) equity and efficiency in the allocation of
9 Federal funds; and

10 (4) greater understanding of local labor market
11 dynamics through the support of research.

12 (b) PURPOSE.—The purpose of this title is to provide
13 for the development, maintenance, and continuous im-
14 provement of a nationwide integrated system for the col-
15 lection, analysis, and dissemination of labor market infor-
16 mation.

17 (c) SYSTEM.—

18 (1) DEVELOPMENT.—The Secretary, in co-
19 operation with the National Board, the State Coun-
20 cils, where appropriate, and the Governors, shall
21 oversee and ensure the development, maintenance,
22 and continuous improvement of a nationwide inte-
23 grated system of labor market information that
24 will—

1 (A) promote comprehensive workforce de-
2 velopment planning, evaluation, and service in-
3 tegration;

4 (B) meet and be responsive to the cus-
5 tomer needs of jobseekers, employers, and pub-
6 lic officials at all government levels who develop
7 economic and social policy, allocate funds, plan
8 and implement workforce development systems,
9 are involved in career planning or exploration,
10 and deliver integrated services;

11 (C) serve as the foundation for automated
12 information delivery systems that provide easy
13 access to labor market, occupational and career
14 information; and

15 (D) meet the Federal domestic policy goals
16 specified in section (a).

17 (2) INFORMATION TO BE INCLUDED.—The inte-
18 grated system described in paragraph (1) shall in-
19 clude statistical data from survey and projection
20 programs and data from administrative reporting
21 systems which, taken together, shall enumerate, esti-
22 mate, and project the supply of and demand for
23 labor at national, State, and local levels in a timely
24 manner, including data on—

25 (A) labor market demand, such as—

1 (i) profiles of occupations that de-
2 scribe job duties, education, and training
3 requirements, skills, wages, benefits, work-
4 ing conditions, and the industrial distribu-
5 tion of occupations;

6 (ii) current and projected employment
7 opportunities and trends, by industry and
8 occupation, including growth projections by
9 industry, and growth and replacement need
10 projections by occupation;

11 (iii) job openings, job locations, hiring
12 requirements, and application procedures;

13 (iv) profiles of industries and employ-
14 ers in the local labor market describing the
15 nature of the work performed, employment
16 skill and experience requirements, specific
17 occupations, wages, hours, and benefits,
18 and hiring patterns;

19 (v) industries, occupations, and geo-
20 graphic locations facing significant change
21 or dislocation; and

22 (vi) information maintained in a longi-
23 tudinal manner on the quarterly earnings,
24 establishment, industry affiliation, and ge-
25 ographic location of employment for all in-

1 individuals for whom such information is col-
2 lected by the States;

3 (B) labor supply, such as—

4 (i) educational attainment, training,
5 skills, skill levels, and occupations of the
6 population;

7 (ii) demographic, socioeconomic char-
8 acteristics, and current employment status
9 of the population, including self-employed,
10 part-time, and seasonal workers;

11 (iii) jobseekers, including their edu-
12 cation and training, skills, skill levels, em-
13 ployment experience, and employment
14 goals;

15 (iv) the number of workers displaced
16 by permanent layoffs and plant closings by
17 industry, occupation, and geographic loca-
18 tion; and

19 (v) current and projected training
20 completers who have acquired specific oc-
21 cupational or work skills and competencies;
22 and

23 (C) consumer information, which shall be
24 current, comprehensive, localized, automated,
25 and in a form useful for immediate employ-

1 ment, entry into training and education pro-
2 grams, and career exploration, including—

3 (i) job openings, locations, hiring re-
4 quirements, application procedures, and
5 profiles of employers in the local labor
6 market describing the nature of the work
7 performed, employment requirements,
8 wages, benefits, and hiring patterns;

9 (ii) jobseekers, including their edu-
10 cation and training, skills, skill levels, em-
11 ployment experience, and employment
12 goals;

13 (iii) the labor market experiences, in
14 terms of wages and annual earnings, by in-
15 dustry and occupation, of workers in local
16 labor markets, by sex and racial or ethnic
17 group, including information on hard-to-
18 serve populations;

19 (iv) education courses, training pro-
20 grams, and job placement programs, in-
21 cluding information derived from statis-
22 tically based performance evaluations and
23 their user satisfaction ratings; and

24 (v) eligibility for funding and other
25 assistance in job training, job search, in-

1 come support, supportive services, and
2 other employment services.

3 (3) TECHNICAL STANDARDS.—The integrated
4 labor market information system shall use common
5 standards that will include—

6 (A) standard classification and coding sys-
7 tems for industries, occupations, skills, pro-
8 grams, and courses;

9 (B) nationally standardized definitions of
10 terms consistent with subsections (b), (c), and
11 (d) of section 204 and with paragraph (2);

12 (C) a common system for designating geo-
13 graphic areas consistent with the unified service
14 delivery areas;

15 (D) data standards and quality control
16 mechanisms; and

17 (E) common schedules for data collection
18 and dissemination.

19 (4) AVAILABILITY OF INFORMATION.—Data
20 generated by the labor market information system
21 including information on quarterly employment and
22 earnings, together with matched data on individuals
23 who have participated in a federally supported job
24 training activity, shall be made available to the Na-
25 tional Board for use in the preparation of the Na-

1 tional Report Card. Aggregate level information
2 shall be made available to consumers in automated
3 information delivery systems.

4 (5) DISSEMINATION, TECHNICAL ASSISTANCE,
5 AND RESEARCH.—The Secretary, in cooperation with
6 the National Board, the Governors, and State Coun-
7 cils, where appropriate, shall oversee the develop-
8 ment, maintenance, and continuous improvement
9 of—

10 (A) dissemination mechanisms for data
11 and analysis, including mechanisms that may
12 be standardized among the States;

13 (B) programs of technical assistance and
14 staff development for States and localities, in-
15 cluding assistance in adopting and utilizing
16 automated systems and improving the access,
17 through electronic and other means, to labor
18 market information; and

19 (C) programs of research and demonstra-
20 tion, on ways to improve the products and proc-
21 esses authorized by this section.

22 **SEC. 502. RESPONSIBILITIES OF THE NATIONAL BOARD.**

23 (a) IN GENERAL.—The National Board shall plan,
24 review, and evaluate the Nation's integrated labor market
25 information system.

1 (b) DUTIES.—The National Board shall—

2 (1) be responsible for providing policy guidance;

3 (2) evaluate the integrated labor market infor-
4 mation system and ensure the cooperation of partici-
5 pating agencies; and

6 (3) recommend to the Secretary needed im-
7 provements in Federal, State, and local information
8 systems to support the development of an integrated
9 labor market information system.

10 **SEC. 503. RESPONSIBILITIES OF THE SECRETARY.**

11 (a) IN GENERAL.—The Secretary shall manage the
12 investment in an integrated labor market information sys-
13 tem by—

14 (1) reviewing all requirements for labor market
15 information across all programs within the system;

16 (2) developing a comprehensive annual budget,
17 including funds at the Federal level, funds allotted
18 to States by formula, and funds supplied to the
19 States by contracts with departmental entities;

20 (3) administering grants allotted to States by
21 formula;

22 (4) negotiating and executing contracts with the
23 States;

24 (5) coordinating the activities of Federal
25 workforce development agencies responsible for col-

1 lecting the statistics and program administrative
2 data that comprise the integrated system and dis-
3 seminating labor market information at the Na-
4 tional, State, regional, and local levels; and

5 (6) ensuring that standards are designed to
6 meet the requirements of chapter 35 of title 44,
7 United States Code, and are coordinated and con-
8 sistent with other appropriate Federal standards es-
9 tablished by the Bureau of Labor Statistics and
10 other statistical agencies.

11 (b) REQUIREMENTS.—In carrying out the duties of
12 the Secretary under this section, the Secretary shall—

13 (1) in consultation with the States and the pri-
14 vate sector, define a common core set of labor mar-
15 ket information data elements as specified in section
16 501(c)(2) that will be consistently available across
17 States in an integrated labor market information
18 system; and

19 (2) ensure that data is sufficiently timely and
20 locally detailed for use, including uses specified in
21 subsections (b) and (c)(2) of section 501.

22 (c) ANNUAL PLAN.—

23 (1) IN GENERAL.—The Secretary shall annually
24 prepare and submit to the National Board for re-
25 view, a plan for improving the Nation's integrated

1 labor market information system. The Secretary
2 shall also submit the plan, together with the com-
3 ments and recommendations of the National Board,
4 to the President and Congress.

5 (2) CONTENTS.—The plan shall describe the
6 budgetary needs of the labor market information
7 system, and shall describe the activities of such Fed-
8 eral agencies with respect to data collection, analy-
9 sis, and dissemination for each fiscal year succeeding
10 the fiscal year in which the plan is developed. The
11 plan shall—

12 (A) establish goals for system development
13 and improvement based on information needs
14 for achieving economic growth and productivity,
15 accountability, fund allocation equity, and an
16 understanding of labor market characteristics
17 and dynamics;

18 (B) specify the common core set of data
19 that shall be included in the integrated labor
20 market information system;

21 (C) describe the current spending on inte-
22 grated labor market information activities from
23 all sources, assess the adequacy of the funds
24 and identify the specific budget needs of the
25 Federal and State workforce development agen-

1 cies with respect to implementing and improv-
2 ing an integrated labor market information sys-
3 tem and the activities of such agencies with re-
4 spect to data compilation, analysis, and dis-
5 semination for each fiscal year in which the
6 plan is developed;

7 (D) develop a budget for an integrated
8 labor market information system that accounts
9 for all funds in subparagraph (C) and any new
10 funds made available pursuant to this Act, and
11 describes the relative allotments to be made
12 for—

13 (i) the operation of the cooperative
14 statistical programs under section
15 501(c)(2);

16 (ii) ensuring that technical standards
17 are met pursuant to section 501(c)(3); and

18 (iii) consumer information and analy-
19 sis, matching data, dissemination, technical
20 assistance, and research under paragraphs
21 (2)(C), (4), and (5) of section 501(c);

22 (E) describe the existing system, informa-
23 tion needs, and the development of new data
24 programs, analytical techniques, definitions and
25 standards, dissemination mechanisms, govern-

1 ance mechanisms, and funding processes to
2 meet new needs;

3 (F) summarize the results of an annual re-
4 view of the costs to the States of meeting con-
5 tract requirements for data production, includ-
6 ing a description of how the budget request for
7 an integrated labor market information system
8 will cover such costs;

9 (G) describe how the State Councils will be
10 reimbursed for carrying out the duties for labor
11 market information;

12 (H) recommend methods to simplify and
13 integrate automated client intake and eligibility
14 determination systems across workforce devel-
15 opment programs to permit easy determination
16 of eligibility for funding and other assistance in
17 job training, job search, income support, sup-
18 portive services, and other reemployment serv-
19 ices; and

20 (I) provide for the involvement of States in
21 developing the plan by holding formal consulta-
22 tions conducted in cooperation with representa-
23 tives of the Governor or State Council, where
24 appropriate, pursuant to a process established
25 by the National Board.

1 (d) ASSISTANCE FROM OTHER AGENCIES.—The Sec-
2 retary may receive assistance from member and other
3 Federal agencies (such as the Bureau of Labor Statistics
4 and the Employment and Training Administration of the
5 Department of Labor, the Administration on Children and
6 Families of the Department of Health and Human Serv-
7 ices, and the Office of Adult and Vocational Education
8 and the National Center for Education Statistics of the
9 Department of Education) to assist in the collection, anal-
10 ysis, and dissemination of labor market information, and
11 in the provision of training and technical assistance to
12 users of information, including States, employers, youth,
13 and adults.

14 **SEC. 504. RESPONSIBILITIES OF GOVERNORS.**

15 (a) DESIGNATION OF STATE AGENCY.—The Gov-
16 ernor of each State and the State Council, where appro-
17 priate, shall designate one State agency to be the agency
18 responsible for—

19 (1) the management and oversight of a state-
20 wide comprehensive integrated labor market infor-
21 mation system; and

22 (2) developing a State unified labor market in-
23 formation budget on an annual basis.

1 (b) REQUIREMENTS.—As a condition of receiving
2 Federal financial assistance under this title, the Governor
3 or State Council, where appropriate, shall—

4 (1) develop, maintain, and continuously improve
5 a comprehensive integrated labor market informa-
6 tion system, which shall—

7 (A) include the data specified in section
8 501(c)(2);

9 (B) be responsive to the needs of the State
10 and the localities of such State for planning
11 and evaluative data, including employment and
12 economic analyses and projections, and program
13 outcome data on employment and earnings for
14 the quality assurance system under section 204;
15 and

16 (C) meet Federal standards under chapter
17 35 of title 44, United States Code, and other
18 appropriate Federal standards established by
19 the Bureau;

20 (2) ensure the performance of contract and
21 grant responsibilities for data compilation, analysis,
22 and dissemination;

23 (3) conduct such other data collection, analysis,
24 and dissemination activities as will ensure the avail-

1 ability of comprehensive State and local labor mar-
 2 ket information;

3 (4) coordinate the data collection, analysis, and
 4 dissemination activities of other State and local
 5 agencies, with particular attention to State edu-
 6 cation, economic development, human services, and
 7 welfare agencies, to ensure complementary and com-
 8 patibility among data; and

9 (5) cooperate with the National Board and the
 10 Secretary by making available, as requested, data
 11 for the evaluation of programs covered by the labor
 12 market information and the quality assurance sys-
 13 tems under section 204.

14 (c) NONINTERFERENCE WITH STATE FUNCTIONS.—
 15 Nothing in this Act shall limit the ability of the State
 16 agency designated under this section to conduct additional
 17 data collection, analysis, and dissemination activities with
 18 funds derived from sources other than this Act.

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