



Workforce Investment Act (WIA) Reauthorization Proposals in the 112th Congress: Comparison of Major Features of Current Law and H.R. 4297

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Summary

The Workforce Investment Act of 1998 (WIA; P.L. 105-220) is the primary federal program that supports workforce development activities, including job search assistance, career development, and job training. WIA established the One-Stop delivery system as a way to co-locate and coordinate the activities of multiple employment programs for adults, youth, and various targeted subpopulations. The delivery of these services occurs primarily through more than 3,000 One-Stop career centers nationwide.

The authorizations for appropriations for most programs under the WIA expired at the end of Fiscal Year (FY) 2003. Since that time, WIA programs have been funded through the annual appropriations process. In the 108th and 109th Congresses, bills to reauthorize WIA were passed in both the House and the Senate; however, no further action was taken. In the 112th Congress, the Senate Committee on Health, Education, Labor, and Pensions (HELP) released discussion drafts in June 2011 of legislation to amend and reauthorize WIA. While markup of this legislation was scheduled, it was ultimately postponed indefinitely. No legislation has been introduced.

The House Committee on Education and the Workforce, however, has ordered reported H.R. 4297—the Workforce Investment Improvement Act of 2012. This bill was introduced on March 29, 2012, by Representative Virginia Foxx of North Carolina, the chair of the Subcommittee on Higher Education and Workforce Training (for herself, Representative Howard P. “Buck” McKeon of California, and Representative Joseph Heck of Nevada). A legislative hearing on H.R. 4297 was held before the full Committee on Education and the Workforce on April 17, 2012. On June 7, 2012, the committee, after considering 23 amendments to H.R. 4297, ordered the bill reported by a vote of 23 to 15.

H.R. 4297 would maintain the One-Stop delivery system established by WIA but would repeal numerous programs authorized by WIA and other federal legislation, and it would consolidate other programs into a new single funding source—the Workforce Investment Fund. In addition, H.R. 4297 would increase the role of business representatives in the state and local governance structure of WIA and would increase the ability for states to propose further program consolidation in the funding and delivery of workforce services. Adult Education and Vocational Rehabilitation retain separate titles and funding in H.R. 4297.

This report first provides a brief introduction to the four main titles of WIA and then compares the proposed provisions of H.R. 4297 to the current law provisions by each of the four titles.

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Introduction

The Workforce Investment Act of 1998 (WIA; P.L. 105-220) is the primary federal program that supports workforce development. WIA includes four main titles:

- Title I—Workforce Investment Systems—provides job training and related services to unemployed or underemployed individuals. Title I programs, which are primarily administered through the Employment and Training Administration (ETA) of the U.S. Department of Labor (DOL), include three state formula grant programs, multiple national programs, Job Corps, and demonstration programs. In addition, Title I authorizes the establishment of a One-Stop delivery system through which state and local WIA training and employment activities are provided and through which certain partner programs must be coordinated;
- Title II—Adult Education and Literacy—provides education services to assist adults in improving their literacy and completing secondary education;
- Title III—Workforce Investment-Related Activities—amends the Wagner-Peyser Act of 1933 to integrate the U.S. Employment Service (ES) into the One-Stop system established by WIA; and
- Title IV—Rehabilitation Act Amendments of 1998—amends the Rehabilitation Act of 1973, which provides employment-related services to individuals with disabilities.

The authorizations for appropriations for most programs under the Workforce Investment Act (WIA) of 1998 (P.L. 105-220) expired at the end of Fiscal Year (FY) 2003. Since that time, WIA programs have been funded through the annual appropriations process. In the 108th and 109th Congresses, bills to reauthorize WIA were passed in both the House and the Senate; however, no further action was taken.¹

In the 112th Congress, the Senate Committee on Health, Education, Labor, and Pensions (HELP) released discussion drafts in June 2011 of legislation to amend and reauthorize WIA.² While markup of this legislation was scheduled, it was ultimately postponed indefinitely. No legislation has been introduced.

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¹ H.R. 1261 (108th) and H.R. 27 (109th). For further information, see CRS Report RS21484, *Workforce Investment Act of 1998 (WIA): Reauthorization of Title I Job Training Programs in the 108th Congress*, by (name redacted); and CRS Report RL32778, *The Workforce Investment Act of 1998 (WIA): Reauthorization of Job Training Programs in the 109th Congress*, by (name redacted) and (name redacted).

² The discussion draft was posted by the National Skills Coalition at <http://www.nationalskillscoalition.org/federal-policies/workforce-investment-act/>.

This report summarizes each of the WIA titles and highlights the major features of H.R. 4297 pertaining to each title. The report also compares the proposed provisions of H.R. 4297 to current law in the following tables:

Table 1. Major Provisions of Title I. This table covers provisions governing the “workforce investment systems” that provide for, among other things, state formula grants, state and local planning procedures, and the establishment of the One-Stop delivery system.³ WIA established the One-Stop delivery system as a way to co-locate and coordinate the activities of multiple employment programs for adults, youth, and various targeted subpopulations. The delivery of these services occurs primarily through more than 3,000 career centers nationwide.

Table 2. Major Provisions of Title II. This table covers provisions for adult education and literacy activities.

Table 3. Major Provisions of Title III. This table covers changes to the Wagner-Peyser Act of 1933, which was also amended in Title III of WIA. Wagner-Peyser provides authorization for the Employment Service.

Table 4. Major Provisions of Title IV of WIA and Title V of H.R. 4297. This table addresses amendments to the Rehabilitation Act of 1973, in particular to the Vocational Rehabilitation and other employment-related provisions of that act, which authorizes various employment services for individuals with disabilities.⁴

³ For more information on existing workforce investment systems, see CRS Report R41135, *The Workforce Investment Act and the One-Stop Delivery System*, by (name redacted).

⁴ For more information on the Vocational Rehabilitation Program, see CRS Report R42148, *Vocational Rehabilitation Grants to States: Program Overview*, by (name redacted).

Title I: Workforce Investment Systems⁵

Title I of the Workforce Investment Act—Workforce Investment Systems—authorizes the establishment of a One-Stop delivery system through which state and local WIA training and employment activities are provided and through which certain partner programs must be coordinated. Title I also authorizes funding for the three major state formula grant programs (Adult, Youth, and Dislocated Worker), Job Corps (a DOL-administered program for low-income youth), and several other national programs that are directed toward subpopulations with barriers to employment (e.g., Native Americans).

H.R. 4297 takes a fundamentally different approach from current law to the federal role in the delivery of workforce development services by consolidating multiple programs into a single block grant that is allocated to states by formula. At the same time, H.R. 4297 maintains the One-Stop delivery system as the delivery mechanism for employment and training services.

⁵ This section was prepared by David Bradley.

Table I. Major Provisions of Title I of Current Law and H.R. 4297

Provision—Title I	Current WIA Law—Workforce Investment Systems	H.R. 4297—Amendments to the Workforce Investment Act of 1998
Authorization and Funding Levels	Authorizes Title I programs (Adult, Youth, and Dislocated Worker State Formula Grants, Job Corps, and National Programs) at “such sums as may be necessary” for each of fiscal years 1999 through 2003. Annual appropriations have funded programs since 2003. YouthBuild (Section 173A) authorized at “such sums as may be necessary” for each of fiscal years 2007 through 2012. FY2012 funding for all Title I programs is \$4,909,236,000.	Authorizes Title I programs at \$6,292,486,000 for each of FY2013 through FY2018.
The One-Stop Delivery System and Program Consolidation	<p>Establishes required and optional One-Stop partners, requires development of local memoranda of understanding between partner programs primarily regarding costs of One-Stop operations, and provides a process for designating operators of One-Stop centers. The purpose of the One-Stop centers is to coordinate a set of interrelated programs and services.</p> <p>Requires partner programs as part of the One-Stop delivery system. The required partner programs are^a</p> <ul style="list-style-type: none"> • WIA Adult Activities • WIA Dislocated Worker Activities • WIA Youth Activities • Job Corps • WIA Native American Programs • WIA Migrant and Seasonal Farmworker Programs • YouthBuild • Reintegration of Ex-Offenders • Veterans Workforce Investment Program • Community Service Employment for Older Americans • Disabled Veterans’ Outreach Program • Local Veterans’ Employment Representatives • Employment Service • Adult Education and Family Literacy • Vocational Rehabilitation • Postsecondary Vocational Education • Trade Adjustment Assistance • Community Service Block Grants • State Unemployment Compensation 	<p>Maintains the One-Stop system to deliver workforce services but consolidates funding from some of the existing partner programs/activities into a new Workforce Investment Fund (WIF) and maintains some of the existing programs as partners but does not consolidate funding into the WIF.</p> <p>Current partner program funding to be consolidated into WIF:</p> <ul style="list-style-type: none"> • WIA Adult Activities • WIA Dislocated Worker Activities • WIA Youth Activities • Job Corps • WIA Native American Programs • WIA Migrant and Seasonal Farmworker Programs • YouthBuild • Reintegration of Ex-Offenders • Veterans Workforce Investment Program • Community Service Employment for Older Americans • Disabled Veterans’ Outreach Program • Local Veterans’ Employment Representatives • Employment Service <p>Non-partner program funding to be consolidated into WIF:</p> <ul style="list-style-type: none"> • WIA Evaluation • Workforce Innovation Fund • WIA Pilots and Demonstration Programs • Workforce Data Quality Initiative • Women in Apprenticeships and Non-Traditional Occupations • Homeless Veterans Reintegration Programs • Transition Assistance Program

Provision—Title I	Current WIA Law—Workforce Investment Systems	H.R. 4297—Amendments to the Workforce Investment Act of 1998
		<p>Current partner programs not to be consolidated into WIF:</p> <ul style="list-style-type: none"> • Adult Education and Family Literacy • Vocational Rehabilitation • Postsecondary Vocational Education • Trade Adjustment Assistance • Community Service Block Grants • State Unemployment Compensation <p>Adds to the list of optional One-Stop partners employment and training programs carried out by the Social Security Administration, the Small Business Administration, and public libraries (including literacy).</p> <p>Consolidates funds used to support a broad range of employment and training activities, including those of previously separate programs.</p> <p>As part of program consolidation, the legislation requires that the Secretary of Labor reduce the number of FTE positions at the Department of Labor to reflect the reduced federal role in WIA.</p>
Repeals	Not applicable.	<p>The legislation repeals</p> <ul style="list-style-type: none"> • WIA Youth Activities (WIA Sec. 126-129; Funding Consolidated into WIF) • WIA Identification of Eligible Providers of Youth Activities (WIA Sec. 123) • Job Corps Advisory Committees (WIA Sec. 155) • WIA Native American Programs (WIA Sec. 166; Funding Consolidated into WIF) • WIA Migrant and Seasonal Farmworker Programs (WIA Sec. 167; Funding Consolidated into WIF) • WIA Veterans' Workforce Investment Programs (WIA Sec. 168; Funding Consolidated into WIF) • WIA Youth Opportunity Grants (WIA Sec. 169) • WIA Demonstration, Pilot, Multiservice, Research, and Multistate Projects (WIA Sec. 171; Funding Consolidated into WIF) • WIA National Emergency Grants (WIA Sec. 173) • WIA YouthBuild (WIA Sec. 173A; Funding Consolidated into WIF)

Provision—Title I	Current WIA Law—Workforce Investment Systems	H.R. 4297—Amendments to the Workforce Investment Act of 1998
		<ul style="list-style-type: none"> • WIA Workforce Flexibility Plans (WIA Sec. 192) • WIA Incentive Grants (WIA Sec. 503) • Community Service Employment for Older Americans (Title V of the Older Americans Act of 1965; Funding Consolidated into WIF) • Employment Service (Sections 1-14 of the Wagner-Peyser Act; Funding Consolidated into WIF) • Grants for Job Training for Employment in High Growth Industries (H-IB) • Youth Conservation Corps Act of 1970 • Grants for Workplace and Community Transition Training for Incarcerated Individuals • Section 412 of the Immigration and Nationality Act (Refugee assistance for employment and training) • Section 501 (a) of the Refugee Education Assistance Act of 1980 • Section 231 of the Second Chance Act • The Women in Apprenticeship and Nontraditional Occupations Act (WANTO; Funding Consolidated into WIF)
State Workforce Investment Boards (WIB) Membership	<p>Establishes state WIBs. A WIB is part of the governance structure for programs that form the workforce development system under WIA and is responsible for planning and implementing WIA-funded activities.</p> <p>Requires the state WIB to include representatives of state legislatures, businesses, labor organizations, youth organizations, organizations with experience delivering workforce investment activities, and lead state agency officials of WIA partner programs.</p> <p>Requires the majority of the WIB to be business representatives.</p>	<ul style="list-style-type: none"> • Disabled Veterans' Outreach Program (Funding Consolidated into WIF) • Local Veterans' Employment Representatives (Funding Consolidated into WIF) • Homeless Veterans Reintegration Program (Funding Consolidated into WIF) • Transition Assistance Program (Funding Consolidated into WIF) <p>Increases the business majority requirement to two-thirds of WIB and adds a requirement for the WIB to include a state economic development official and representatives of large and small businesses. Strikes all other required membership on the state WIB.</p>

Provision—Title I	Current WIA Law—Workforce Investment Systems	H.R. 4297—Amendments to the Workforce Investment Act of 1998
State WIB Functions	Requires the WIB to develop the state plan, develop and continuously improve statewide workforce development activities, designate local areas, and prepare an annual report to the Secretary of Labor.	Additional functions include requirements for the state WIB to determine whether the state should consolidate additional programs into the Workforce Investment Fund (as part of state plan), develop strategies to engage businesses, disseminate information on best practices for operating One-Stop centers, and ensure the appropriate use of management of funds for statewide employment and training activities.
State Plans	Requires the submission of a five-year strategic plan including information on performance accountability, labor market conditions and strategies to deal with skills needs, local area designation, coordination of WIA partner programs, and a description of employment and training activities.	Requires the submission of a three-year strategic plan. Requires inclusion in the state plan the following new elements: <ul style="list-style-type: none"> • Criteria for evaluating training providers on performance and the match between training programs and in-demand occupations. • Strategies for serving subpopulations that may have barriers to employment (including those with disabilities, the long-term unemployed, and at-risk and out-of-school youth). • Strategies to “fully engage” business and meet needs of business in the state. • Strategies to encourage industry or sector partnerships. • Strategies to encourage regional cooperation within and across state borders. • A process and methodology for determining One-Stop partner programs’ contributions for infrastructure costs in One-Stop centers.
State Unified Plan	Allows states the option of submitting a unified plan, which must cover one or more of WIA Title I, WIA Title II, and activities authorized under the Carl D. Perkins Career and Technical Education Act of 2006. The unified plan may also cover activities authorized by other WIA partner programs. Requires a unified plan to include a description of methods used for joint planning and coordination and to be approved by the appropriate federal secretary with jurisdiction over programs included in the plan.	Maintains the option for states to submit a unified plan but adds the authority for states to submit a proposal to consolidate funds allotted to the state under WIA partner programs into the Workforce Investment Fund, with the exception of funds allotted through the Carl D. Perkins Career and Technical Education Act of 2006 and through the Rehabilitation Act of 1973. If fund consolidation is approved by the appropriate secretaries (typically Labor or Education), a state may treat the consolidated funds as if these funds were allocated under the authority of WIA Adult Employment and Training activities.

Provision—Title I	Current WIA Law—Workforce Investment Systems	H.R. 4297—Amendments to the Workforce Investment Act of 1998
Local Workforce Investment Areas (LWIA)	Generally provides the governor with the authority to designate LWIAs after consultation with the state WIB and chief elected officials in local areas. LWIAs are designated based on local labor markets and factors such as the presence of education providers. Requires “automatic designation” of LWIAs for areas with a population of 500,000 or greater, with prior designation as a “rural concentrated employment program” grant recipient, and an area previously serving as a service delivery area under the Job Training Partnership Act (JTPA) in a state with a population of no more than 1.1 million and a population density greater than 900 persons per square mile. Also requires “temporary designation” for certain areas that served as service delivery areas under JTPA. In addition, allows for a governor to designate a state that was a single service delivery area under JTPA as a single LWIA. Allows states to require regional planning by local WIBs.	Eliminates required “automatic designation,” “temporary designation,” and “single state” criteria for designation of LWIAs. Prohibits the Secretary of Labor from issuing regulations to states on the designation of LWIAs. Allows governors to designate a state as a single LWIA based on same criteria used for designation of local areas, which include alignment with labor market areas and economic development regions and the availability of education and training providers in the area.
Local Workforce Investment Boards	Requires local WIBs to include representatives of business in the local area, local educational entities, labor organizations, community-based organizations, economic development agencies, and each of the WIA partner programs. Requires that the majority of local WIB’s membership be business representatives and that the chairperson also be a representative of local business, and that the chief elected local official appoints local WIB members. Requires local WIBs to submit a local plan, select and oversee One-Stop operators and eligible training providers, develop a budget, oversee programs, negotiate local performance measures, assist in development of statewide employment statistics, and promote private sector employer participation in the local workforce system.	Increases the business majority requirement to two-thirds of local WIBs and eliminates all other required membership on local WIBs. Maintains requirements to submit local plan, develop a budget, provide program oversight, select One-Stop operators and eligible training providers, and negotiate local performance measures. Adds new functions for the local WIB: requires local WIBs to conduct and update analysis of local economic conditions and local workforce (including the needs of in-demand industries and the supply of the workforce able to meet those needs), develop strategies to “meet the needs” of business, set a percentage of funds to provide training services, and develop strategies for technology improvements to improve access to services.
Local Plans	Requires submission of a five-year strategic plan including information on local labor market conditions and strategies to deal with skills needs, memoranda of understanding for each local area on infrastructure funding of One-Stop centers, and a description of employment and training activities.	Requires the submission of a three-year strategic plan. Adds requirements for local plans including strategies for serving subpopulations that may have barriers to employment (including at-risk and out-of-school youth), strategies to “fully engage” business and meet needs of business in the local area, strategies to encourage industry or sector partnerships, coordination activities with statewide workforce initiatives, and coordination with the local area’s disability community to provide “comprehensive, high-quality” services to individuals with disabilities.

Provision—Title I	Current WIA Law—Workforce Investment Systems	H.R. 4297—Amendments to the Workforce Investment Act of 1998
Performance Accountability	<p>Requires core indicators of performance for Title I programs:</p> <ul style="list-style-type: none"> • Four “General Core Indicators of Performance” for adults, dislocated workers, and youth ages 19-21. For each group of participants, the indicators are entry into employment, retention in employment, earnings, and attainment of a credential. • Three “Core Indicators for Eligible Youth” ages 14-18. These are attainment of basics skills, attainment of a secondary school diploma, and placement and retention in postsecondary education or employment. • Two “Customer Satisfaction Indicators.” <p>In addition to the Title I performance indicators, there are also separate indicators for other programs authorized or amended under WIA (the Adult Education and Family Literacy Act (Title II), the Employment Service, and Vocational Rehabilitation (Title IV).</p>	<p>Creates six core indicators of performance for individuals in activities funded by the WIF, the Adult Education and Family Literacy Act (Title II), and Vocational Rehabilitation (Title V):</p> <ul style="list-style-type: none"> • Entry into unsubsidized employment. • Retention in unsubsidized employment. • Change in earnings. • Credential and educational attainment. • Participation in education or training and achievement of a gain in basic skills. • Entry into unsubsidized employment in the occupation in which the training was received. <p>Requires that each of the performance indicators be disaggregated by the subpopulations that are identified in the state and local plans.</p>
One-Stop Infrastructure Funding	<p>Requires the local WIBs to develop memoranda of understanding (MOU) between One-Stop partner programs on how the costs of services and the operating costs of the system will be funded.</p>	<p>Requires the governor of each state, in consultation with the state WIB, to reserve a portion of funds from One-Stop partner programs to fund infrastructure costs of One-Stop centers. The portion of funds must come only from federal funds that are made available for costs of administration and are subject to limits placed on administrative costs of the relevant program. After determining the portion to be withheld, the governor then must develop an allocation formula to distribute infrastructure funding to One-Stop centers in the state.</p>
State Grant Allocation Formulas	<p>Funds for WIA Adult, Youth, and Dislocated Worker Activities are allocated to states by three different three-factor formulas. Each of the three programs has separate formulas based on each state’s relative share of the factors in the formula. WIA Adult activities is a three-factor formula based on unemployment in areas of substantial unemployment, excess unemployment, and disadvantaged adults. WIA Youth activities is a three-factor formula based on unemployment in areas of substantial unemployment, excess unemployment, and disadvantaged youth. WIA Dislocated Worker activities is a three-factor formula based on unemployment, excess unemployment, and long-term unemployment. Adult and Youth formulas have hold harmless (90% of previous fiscal year allotment percentage) and stop gain (130% of previous fiscal year allotment percentage) provisions that prevent large funding losses or gains from year to year.</p>	<p>Creates a formula for the new Workforce Investment Fund based on each state’s relative share of four factors—unemployment in areas of substantial unemployment, civilian labor force, long-term unemployment (15 or more weeks), and disadvantaged youth (defined as individuals ages 16-24 with income below poverty line).</p> <p>For FY2013, no state receives an allotment percentage less than 100% of its FY2012 allotment percentage for the component programs that comprise the WIF.</p> <p>For FY2014 and thereafter, formula maintains hold harmless and stop gain provisions of current WIA formulas (not less than 90% of allotment percentage of previous fiscal year and not more than 130% of allotment percentage of previous fiscal year).</p>

Provision—Title I	Current WIA Law—Workforce Investment Systems	H.R. 4297—Amendments to the Workforce Investment Act of 1998
State Reserve	Governors may reserve up to 15% of WIA Adult, Dislocated Worker, and Youth Activities state formula grant funds. ^b In addition, governors may reserve an additional 25% of WIA Dislocated Worker Activities state formula grant funds.	Allows governors to reserve up to 10% of the total Workforce Investment Fund state allocation for statewide activities (from this reserve, up to 10% may be reserved for Rapid Response Activities) and requires governors to reserve 2% of total Workforce Investment Fund state allocation for the Statewide Individuals with Barriers to Employment Grant program.
Reservations from Annual Appropriations	From Dislocated Worker Activities formula grant program, 20% is reserved for the National Reserve.	From the total WIF allocation, reserves <ul style="list-style-type: none"> • 0.5% for technical assistance and evaluations, • 2% for Native American employment and training activities, • 28% for Job Corps, and • 0.15% for the Military Transitional Assistance program.
Outlying Areas	From state formula grant allocation amounts, 0.0025% is reserved for allocation to outlying areas.	From the WIF allocation amounts (following the DOL Reserves), reserves 0.0025% for allocation to outlying areas.
Employment and Training Activities	Allows and requires a range of employment and training services, including job search assistance, career counseling, occupational training, and on-the-job training.	<p>Adds a new statewide competitive grant program—Individuals with Barriers to Employment—to assist youth and adults with barriers to employment gain education, skills, and/or employment to succeed in the labor market. Also allows pay-for-performance contracting strategies at the state and local levels as part of service delivery and allows “customer supports” (including transportation and child care) to assist individuals with multiple barriers to employment.</p> <p>Adds incumbent worker training as an allowable training activity at the local level. Currently incumbent worker training is an allowable statewide activity but not an allowable local activity.</p> <p>Eliminates priority of service for low-income individuals when resources are limited.</p> <p>Requires that each local area hire at least one “veteran employment specialist” to carry out employment and training activities for veterans in the local area. Specifies that the hiring preference for this specialist should be for a disabled or other veteran.</p>
Sequence of Services	Requires that individuals follow a sequence of services, starting with “core” (e.g., job search), followed by “intensive” (e.g., career planning), and concluding in training. Service at one level is a prerequisite for service at the next level.	Combines “core” and “intensive” services into single category of “work ready services.” An individual may be determined eligible for training after an interview, evaluation, assessment, or case management by a One-Stop operator or partner, but the individual need not have necessarily received work-ready services.

Provision—Title I	Current WIA Law—Workforce Investment Systems	H.R. 4297—Amendments to the Workforce Investment Act of 1998
Job Corps	Consists of residential centers throughout the country. The purpose of the program is to provide disadvantaged youth with the skills needed to obtain and hold a job, enter the Armed Forces, or enroll in advanced training or higher education. In addition to receiving academic and employment training, youth also engage in social and other services to promote their overall well-being.	Reserves not more than 28% of total allocation to WIF for Job Corps, which for FY2012 equals \$1.76 billion. Maintains current two-year contract term for Job Corps operators (with three one-year extension options) but requires Job Corps site to meet or exceed performance metrics. In addition, prohibits the secretary from extending contracts (and thus requires recompeting) for Job Corps centers that rank in the bottom 20% of performance outcomes. Also provides for closing low-performing Job Corps centers.
National Programs—Changes	In addition to state formula grants and Job Corps, WIA authorizes a number of competitive grant-based programs to provide employment and training services to special populations. These include programs for Native Americans, migrant and seasonal farmworkers, veterans, and various demonstration projects.	Consolidates WIA National Programs into a new Workforce Investment Fund.
National Programs—New	Not applicable.	Requires governors to reserve 2% of total Workforce Investment Fund state allocation to create the Statewide Individuals with Barriers to Employment Grant program. This grant program provides competitive grants to local WIBs and other eligible entities to provide employment and training programs to individuals with barriers to labor force participation.

Source: CRS analysis of P.L. 105-220 and H.R. 4297, as ordered to be reported by the House Committee on Education and the Workforce.

- a. See CRS Report R41135, *The Workforce Investment Act and the One-Stop Delivery System*, by (name redacted) for details on the WIA partner programs.
- b. The 15% reserve is the WIA statutory limit. However, in the FY2011 and FY2012 appropriations acts, Congress lowered this reserve to 5%.

Title II: Adult Education and Literacy⁶

The Adult Education and Family Literacy Act (AEFLA) is the current law that authorizes funds supporting programs related to basic education (i.e., instruction at the secondary school level and below) for individuals who are beyond school age, not enrolled in school, and lacking a high school diploma or equivalent. The program also funds educational services for English learners. The largest portion of AEFLA funds are grants to states that are subsequently allotted to local entities that conduct educational programs.

H.R. 4297 reauthorizes Title II programs through 2018. It limits the annual authorized appropriation level to FY2012 levels and changes several AEFLA provisions to emphasize the relationship between adult education and employment. AEFLA is also amended to align with the new WIA performance indicators.⁷

⁶ This section was prepared by (name redacted).

⁷ For additional information on current performance indicators under AEFLA, see CRS Report R41135, *The Workforce Investment Act and the One-Stop Delivery System*, by (name redacted). For information on the performance indicators proposed under H.R. 4297, see “Performance Accountability” section in **Table 1**.

Table 2. Major Provisions of Title II of Current Law and H.R. 4297

Provision	Current Law—Adult Education and Literacy	H.R. 4297—Adult Education and Family Literacy Education
Authorization and Funding	Authorization expired after FY2003 but program has continued under annual appropriations. FY2012 appropriation was \$606,294,933.	Authorizes \$606,294,933 for each of FY2013-FY2018.
Objectives of Adult Education	Issues grants to states to allot to local entities that <ul style="list-style-type: none"> assist adults in becoming literate and developing the skills necessary for employment; assist adults in obtaining the skills necessary to be full partners in their children's education; or assist adults in the completion of a secondary school education. 	Maintains existing provisions and increases emphasis on specific core skills (e.g., basic reading, writing, and math skills). Expands completion of secondary school objective to include transition to postsecondary education. Adds new provision identifying English language proficiency as a program objective.
Reservations from Annual Appropriations	1.5% for National Leadership Activities, not to exceed \$8,000,000. 1.5% for National Institute for Literacy, (NIFL; not funded since FY2009; described below), not to exceed \$8,000,000. 1.72% for DOL incentive grants (described in Title I).	Increases reservation for National Activities (revised version of National Leadership Activities) to 2.0%. Repeals other reservations.
Allotments to States	Allots funds on the basis of a state's share of the national population that is over the age of 16, beyond the state's age for compulsory education, not enrolled in school, and lacking a secondary school diploma or equivalent. Establishes a minimum grant of \$250,000 for states and \$100,000 for territories. Establishes a hold harmless provision which, presuming availability of funds, specifies that no state may be allotted less than 90% of what it was allotted in the prior fiscal year.	Does not change formula factors, minimum grant levels, or hold harmless provision from current law.

Provision	Current Law—Adult Education and Literacy	H.R. 4297—Adult Education and Family Literacy Education
Performance Accountability	<p>Establishes a comprehensive performance accountability system that considers agencies' performance regarding both core indicators (e.g., improvements in literacy, retention of employment) as well as any additional indicators specified in the state plan.</p> <p>Requires each state to submit an annual report on the progress and performance of agencies that received funding under this title.</p>	<p>Repeals current performance accountability provisions and replaces them with six common performance indicators across WIA programs. These indicators are described in the "Performance Accountability" row in Table I.</p> <p>Allows states to incorporate additional indicators into their state plans.</p>
State Plan Requirements	<p>Requires five-year plans from each state agency.</p> <p>Requires plans to include 12 discrete components including how the state will assess needs, including the specialized needs of specific populations; what services the state will provide; and how those services will be monitored and evaluated.</p> <p>States must describe how their adult education activities will be integrated with other career development activities in the state. Plans must also specify how the state agency will conduct a public participation and comment process.</p>	<p>Requires three-year plans from each state agency. The plan may be part of a state unified plan, described in the "State Unified Plan" row of Table I.</p> <p>Modifies required plan content in several ways, including</p> <ul style="list-style-type: none"> • specifies stakeholders that must be consulted in the process of developing the plan (e.g., WIBs, agencies that implement TANF and rehabilitation programs); • requires states to describe how business and industry will participate in adult education programs; • requires states to consult with postsecondary education agencies to develop programs that align with and allow transition to postsecondary education; • requires states to have a teacher assessment mechanism to ensure teacher quality and a plan on how to use funds to improve teacher quality; and • eliminates provisions that require states to award at least one grant to an educational provider that aligns adult education with other supportive services like transportation and child care.

Provision	Current Law—Adult Education and Literacy	H.R. 4297—Adult Education and Family Literacy Education
Distribution of State Grant Funds and State Matching Requirement	<p>Requires that at least 82.5% of state grant allotment be awarded to local service providers.</p> <p>Limits funding for State Leadership Activities to 12.5% of state grant allotment.</p> <p>Limits administrative costs to 5% of state allotment or \$65,000, whichever is greater.</p> <p>States provide 25% matching funds for federal allotment. Territories must provide 12% match.</p>	<p>No changes from current law.</p>
Characteristics of State Leadership Activities	<p>Establishes 11 allowable activities related to program and personnel development, program monitoring and evaluation, and collaboration with other stakeholders such as employers and other educational entities.</p>	<p>Establishes 11 allowable activities that are substantively similar to current law. New provisions include activities related to technology and distance learning and the promotion of workplace literacy programs.</p>
Requirements for Recipients of Grants and Contracts for Local Activities	<p>Defines eligible grant recipients as entities that provide (1) adult education and literacy services, (2) family literacy services, or (3) English literacy programs.</p>	<p>Redefines eligible grant recipients as entities that provide (1) adult education and literacy activities; (2) adult education and literacy activities in conjunction with postsecondary education, training, or employment activities; or (3) credit-bearing postsecondary coursework.</p> <p>Expands applications requirements to require applicants to detail how they will meet each of the measureable goals described in the next row.</p>
Criteria for Awarding Grants for Local Activities	<p>Lists 12 considerations largely related to program performance, including past performance, existing capacity, and accommodation of high-need populations.</p>	<p>Replaces considerations with “measurable goals” that grant recipients must be able to demonstrate. These goals are broadly similar to the considerations in current law.</p> <p>Alters language to reflect new terminology elsewhere in the bill (e.g., incorporates new performance accountability language and explicitly requires reading, writing, and math training rather than broad “adult education”).</p>
Programs for Corrections Education and Other Institutionalized Individuals (subset of Local Activities)	<p>Permits states to use up to 10% of the funds allocated to local activities for programs that target individuals in corrections facilities or similar institutions.</p> <p>Program content may include basic education, English literacy, and secondary school coursework.</p>	<p>Maintains current law regarding allowable portion of local activities funding that may go to corrections education and similar activities.</p> <p>Expands allowed program content to include integrated education and job training, postsecondary education related to employment, and re-entry initiatives and post-release services with the goal of reducing recidivism.</p>

Provision	Current Law—Adult Education and Literacy	H.R. 4297—Adult Education and Family Literacy Education
National Leadership Activities (NLA)	<p>Establishes that the Department of Education will provide technical assistance to service providers such as</p> <ul style="list-style-type: none"> • assistance in developing performance measures; • assistance related to professional development activities; and • assistance in developing distance learning programs. <p>Provides funding for activities related to research and the recognition and dissemination of best practices in the adult education field.</p> <p>Several specific research objectives related to adult education are specified in statute.</p> <p>NLA may be conducted by the Department of Education or by a grantee.</p>	<p>Establishes “National Activities,” which replace both NLA and the National Institute for Literacy. National Activities will provide technical assistance similar to the assistance under the NLA provisions.</p> <p>National Activities includes several new research objectives that are not in current law such as improving coordination between adult education and other workforce development services and several initiatives related to English learners.</p>
National Institute for Literacy (NIFL)	<p>Establishes an interagency cooperative effort between DOL, the Department of Education, and the Department of Health and Human Services.</p> <p>Duties include maintaining a database of information related to literacy programs; coordinating support for literacy initiatives at the federal, state, and local levels; coordinating support for reliable and replicable research related to literacy; providing technical assistance to federal, state, and local governments on literacy-related issues; and advising the federal government on relevant issues.</p>	<p>Eliminates statutory provisions that authorize NIFL. Research and coordination activities may be conducted under the authority of NLA (described above).</p>

Source: CRS analysis of P.L. 105-220 and H.R. 4297, as ordered to be reported by the House Committee on Education and the Workforce.

Title III: Amendments to the Wagner-Peyser Act⁸

Title III of the Workforce Investment Act—Workforce Investment-Related Activities—makes amendments to the Wagner-Peyser Act of 1933 (29 U.S.C. 49 *et seq.*), which authorizes the Employment Service (ES). The ES is the central component of most states' One-Stop delivery systems, as ES services are universally accessible to job seekers and employers and ES offices may not exist outside of the One-Stop delivery system. Although the ES is one of the required partners in the One-Stop delivery system, its central mission—to facilitate the match between individuals seeking work and employers seeking workers—makes it critical to the functioning of the workforce development system under WIA. Title III adds Section 15 ("Employment Statistics") to Wagner-Peyser, which requires the Secretary of Labor to develop, provide, and improve various types of labor market information.

H.R. 4297 repeals Sections 1-14, which authorize the Employment Service. Funding from the ES is consolidated into the new Workforce Investment Fund.

⁸ This section was prepared by David Bradley.

Table 3. Major Provisions of Title III of Current Law and H.R. 4297

Provision—Title III	Current WIA Law—Workforce Investment-Related Activities	H.R. 4297—Amendments to the Wagner-Peyser Act
Authorization and Funding Levels	Authorizes Wagner-Peyser programs at “such sums as may be necessary” for each of FY1999-FY2004.	Repeals Sections 1-14 of the Wagner-Peyser Act. These sections provide the authorization for the Employment Service. Authorizes \$63,473,000 for each of FY2013-FY2018 to carry out activities authorized by Section 15 of the Wagner-Peyser Act, which authorizes the Secretary of Labor to develop and maintain a nationwide system of employment statistics.
Service Delivery	Requires Employment Service to be a required One-Stop partner but does not require collocation.	Repeals authorization for Employment Service.
Outlying Areas	From total amount appropriated, requires allotments to Guam and the Virgin Islands first.	Not applicable.
Use of Funds	Amends Wagner-Peyser Act to include the development and implementation of a system of labor market information.	Adds new system responsibility to include developing national electronic tools to facilitate work ready services. Requires the Secretary of Labor to regularly consult with state agencies carrying out workforce information activities and requires the Secretary of Labor to establish a formal consultation procedure for meetings at least twice a year between the secretary and representatives from each of the federal regions of the Bureau of Labor Statistics.
Performance Accountability	Authorizes the Secretary of Labor to establish performance standards.	Repeals authorization for Employment Service.

Source: CRS analysis of P.L. 105-220 and H.R. 4297, as ordered to be reported by the House Committee on Education and the Workforce.

Title V: Amendments to the Rehabilitation Act⁹

The Rehabilitation Act, as amended, authorizes grants to support programs related to employment and independent living for individuals with disabilities. Most programs under the Rehabilitation Act are administered by the Rehabilitation Services Administration (RSA) of the Department of Education (ED). In FY2012, the Vocational Rehabilitation (VR) grants to the states program accounted for the majority of the funds that were appropriated under the Rehabilitation Act. VR is a mandatory One-Stop partner program.

Title V of H.R. 4297 reauthorizes the VR grants to the states program through FY2018 and limits authorization to the prior year's appropriation plus an increase equal to inflation. It also increases emphasis on students transitioning out of school by requiring state plans to address how they will serve this population and requiring that 10% of each state's federal allotments be set aside for services to transitioning students. H.R. 4297 also repeals several smaller programs that were authorized under the Rehabilitation Act.

⁹ This section was prepared by (name redacted).

Table 4. Major Provisions of Current Law and Title V of H.R. 4297

Provision	Current Law—Rehabilitation Act, as Amended	H.R. 4297—Amendments to the Rehabilitation Act of 1973
Head Administrator of Rehabilitation Services Administration (RSA) of the Department of Education	States that RSA is headed by a commissioner who is appointed by the President and confirmed by the Senate.	States that RSA is headed by a director who is appointed by the Secretary of Education.
Vocational Rehabilitation (VR) Grants to the States: Authorization and Funding	<p>States that in the absence of congressional action, the program will automatically be reauthorized each year. The program has operated under these provisions since it expired after FY2003.</p> <p>Requires that each year's appropriation be equal to the prior year's appropriation plus a change equal to inflation.</p>	<p>Authorizes FY2012 funding level (\$3,121,712,000) per fiscal year for FY2013-FY2018.</p> <p>In spite of fixed authorization level, maintains current law regarding annual inflation adjustment, effectively increasing annual authorization level.</p>
Allotment Formula and Matching Requirement	<p>Appropriation is allotted to states based on a formula that is positively correlated with the state's population and VR allotment in 1978 and negatively correlated with the state's per capita personal income.</p> <p>The minimum allotment for each state is one-third of 1% of the total appropriation. (Does not apply to territories other than Puerto Rico.)</p> <p>States must match federal funds so that federal allotments constitute no more than 78.7% of each state agency's VR funding.</p>	No changes to allotment formula, minimum allotments, or matching requirements.
Standards and Indicators / Performance Accountability	<p>Declares that performance standards and indicators will be determined by the Department of Education "with input from State vocational rehabilitation agencies, related professional and consumer organizations, recipients of vocational rehabilitation services, and other interested parties."</p> <p>Requires states to produce annual performance reports and for the RSA Commissioner to review state's performance on a biennial basis.</p>	<p>Replaces current standards and indicators with six common performance indicators across WIA programs. These indicators are described in the "Performance Accountability" row in Table I.</p> <p>Allows states to establish additional indicators in their state plans.</p> <p>Maintains annual reports and biennial review by RSA Director.</p>

Provision	Current Law—Rehabilitation Act, as Amended	H.R. 4297—Amendments to the Rehabilitation Act of 1973
Initiatives Related to Transitional Activities for Students with Disabilities	<p>Considers transition activities to be an applicable VR service but does not place any specific requirements on the states.</p> <p>Defines transition activities as “a coordinated set of activities for a student ... that promotes movement from school to post school activities, including postsecondary education, vocational training, integrated employment (including supported employment), continuing and adult education, adult services, independent living, or community participation.”</p>	<p>Reserves 10% of state VR funds for providing services to students with disabilities as they transition from school activities to post-school activities and employment.</p> <p>Requires state plans to include an estimate of the population size, an assessment of the needs, and a strategy for serving students with disabilities.</p> <p>Requires state plans and annual reports to address coordination between VR and programs authorized under the Individuals with Disabilities Education Act (IDEA).</p>
VR Initiatives Related to Collaborative Activities with Employers	Requires no collaboration under the VR grants to states program.	<p>Creates <i>Collaboration with Industry</i> program, which requires each state to allot 0.5% of its grant for collaborations with private sector and for-profit entities to “create practical job and career readiness and training programs, and to provide job placements and career advancement.” This program is somewhat similar to the existing Projects with Industry program (repealed below).</p> <p>Requires each state’s VR plan to specify how it will carry out collaborations with industry.</p>
Coordination between State VR Agencies and State Agencies that Carry Out the Assistive Technology Act (ATA).	Does not require formal coordination.	Requires state VR plan to describe coordination and working relationship between state VR agency and state agency that carries out the ATA.
Supported Employment State Grants for Individuals with the Most Severe Disabilities	<p>Authorization expired after FY2003.</p> <p>FY2012 appropriations were \$29,067,957.</p>	Repeals the program and consolidates its functions to state VR agencies.
Training for VR Personnel	<p>Provides funding to train new VR agency staff and provide professional development for existing staff.</p> <p>Requires that 15% of funds be allotted to in-service training of current VR personnel.</p>	<p>Reauthorizes program is through FY2018 at FY2012 levels.</p> <p>Repeals in-service training.</p>
Migrant and Seasonal Farmworkers Program, Recreational Programs for Individuals with Disabilities, and Projects with Industry Grants Program	<p>Authorization expired after FY2003.</p> <p>Some programs continued under appropriations. Only Migrant and Seasonal Farmworkers program was funded in FY2012.</p>	Repeals the programs.

Source: CRS analysis of P.L. 105-220 and H.R. 4297, as ordered to be reported by the House Committee on Education and the Workforce.

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