

# **Summary of Workforce Development Provisions of The Workforce Investment Act Of 1998 (P.L. 105-220) BILL STRUCTURE**

Title I authorizes the new Workforce Investment System. Title II reauthorizes Adult Education and Literacy Programs. Title III contains amendments to the Wagner-Peyser Act, provides for linkages with other programs, and authorizes the Twenty-First Century Workforce Commission. Title IV contains amendments to the Rehabilitation Act. Title V contains General Provisions relating to the Act.

## **TITLE I -- WORKFORCE INVESTMENT SYSTEMS**

SUBTITLE A -- Workforce Investment Definitions

### **Definitions**

Contains the definitions used in title I of the Act.

SUBTITLE B -- Statewide and Local Workforce Investment Systems

### **State Workforce Investment Boards and State Plans**

States desiring grants for workforce investment programs are to establish state workforce investment boards to assist the Governor regarding a number of activities. The state board includes the Governor, two members of each chamber of the State legislature appointed by the presiding official of each chamber, and representatives appointed by the Governor. A majority of the board members are to be representatives of business. The remainder are to be representatives of chief local elected officials, labor organizations, individuals and organizations that have experience in the delivery of workforce investment activities and youth activities, and relevant state agency heads. The Governor may appoint other appropriate representatives.

The state board develops a 5-year strategic plan to be submitted to the Secretary of Labor, advises the Governor on developing the statewide workforce investment system and the statewide employment statistics (formerly labor market information) system, and assists the Governor in reporting to the Secretary of Labor and monitoring the statewide system. The comprehensive state plan developed by the board describes the workforce development activities

to be undertaken in the state, how the state will implement the key requirements of the Act, and how special populations, including welfare recipients, veterans and individuals with multiple barriers to employment, will be served. The plan is also to incorporate the detailed state plans under the Wagner-Peyser Act relating to the delivery of employment services. The state plan is to be approved within 90 days unless the Secretary determines that the plan is inconsistent with the provisions of the title or that the Wagner-Peyser plan does not meet the approval standard of that Act.

### **Local Workforce Investment Areas**

The Governor designates local workforce investment areas in which workforce activities are to be administered locally, taking into consideration factors such as consistency with labor market areas. The Governor must approve a request for designation from units of general local government with a population of 500,000 or more. In addition, pursuant to their request, units of local government (or combinations of such units) with a population of 200,000 or more that were service delivery areas under JTPA are to receive temporary designation if they met JTPA performance measures during the preceding two years and had sustained fiscal integrity. If such areas substantially meet local performance measures for up to two subsequent years, the designation extends through the end of the state plan. The Act also grandfathers service delivery areas established under previously enacted state laws.

### **Local Workforce Investment Boards, Youth Councils, and Local Plans**

Local workforce investment boards, in partnership with local elected officials, are responsible for planning and overseeing the local program. The local board is appointed by the local elected official and must have a majority of business representatives, and include representatives of education providers, labor organizations, community-based organizations (including those that serve the disabled and veterans), economic development agencies, and each of the one-stop partners (i.e., programs participating in the one-stop system). It may include other representatives the local elected official determines are appropriate. The Governor sets criteria for appointment of members and certifies the board. The board is responsible for developing the local plan to be submitted to the Governor for approval, designating local one-stop operators, designating eligible providers of training services, negotiating local performance measures, and assisting in developing a statewide employment statistics system. The board is prohibited from directly providing training services unless the Governor waives the prohibition based on a determination that another entity is not available to meet local demand for such training. In addition, the board may not directly provide non-training services unless the local elected official and the Governor agree to allow the board to provide such services.

A youth council is to be established in each local area as a subgroup of the local partnership. The youth council is appointed by the local board and is comprised of members of the local board, and representatives of youth service agencies, local public housing authorities, parents of youth seeking assistance, youths, the Job Corps, and others deemed appropriate. The youth council develops portions of the local plan relating to youth, recommends the providers of youth activities to be awarded grants by the local board, and coordinates youth activities in the local area.

## **Establishment of One-Stop Delivery Systems**

Each local area is to establish a one-stop delivery system through which core employment-related services are provided and through which access is provided to other employment and training services funded under this title and other Federal programs. The access to services must be provided through not less than one physical one-stop center in each local area, which may be supplemented by networks of affiliated sites. The programs providing services through the one-stop system are referred to as one-stop partners.

The local board, with the agreement of the local elected official, develops and enters into a memorandum of understanding with one-stop partners, designates one-stop service center operators and conducts oversight of the partners and centers. "Designated" one-stop partners are programs that must provide core services through the one-stop, and include programs authorized under: this title; the Wagner-Peyser Act; the Adult Education and Literacy title of this Act; the Vocational Rehabilitation Act; the Welfare-to-Work grants; title V of the Older Americans Act; postsecondary vocational education under the Perkins Act; Trade Adjustment Assistance; veterans employment services under chapter 41 of title 38, U.S.C.; unemployment compensation laws; Community Service Block Grants; and employment and training activities carried out by the Department of Housing and Urban Development. Additional programs also may be partners in the one-stop center with the approval of the local board and local elected official. The partners and local boards, subject to the approval of the chief elected official, enter into a written memorandum of understanding describing the services to be provided, how the costs of the services and operating costs of the system will be funded, methods for referral of individuals between the one-stop operators and partners for appropriate services and activities, and other matters deemed appropriate.

The local board, with the agreement of the chief elected official, selects the operator of a one-stop center through a competitive process or may designate a consortium of not less than three one-stop partners to operate a center. The operators may be a public or private entity, or a consortium of such entities, including postsecondary educational institutions, the Employment Service authorized under the Wagner-Peyser Act, private for-profit or non-profit entities, government agencies, one-stop partners, or other organizations. In addition, the bill contains a grandfathering provision that allows the Governor, local elected official, and local board to continue to designate any one-stop operator that was designated as an operator under a one-stop system established prior to the enactment of this title.

## **Eligible Training Providers**

The bill establishes requirements that a provider of a training program must meet in order to be eligible to receive adult or dislocated worker funds under this title. There are two sets of requirements -- the first set relating to a provider initially becoming eligible and the second set relating to a provider maintaining subsequent eligibility.

With respect to requirements for initial eligibility, a training provider that is a postsecondary education institution certified under the Higher Education Act and provides a program leading to a two or four-year degree or certificate, or that is an entity that carries out an apprenticeship program registered under the National Apprenticeship Act, is automatically eligible to receive funds if they file an appropriate application with the local board. Providers of programs not meeting either of those two conditions must satisfy alternative procedures that are established by the Governor for initial eligibility. That procedure is to include appropriate levels of performance if the provider previously provided training services and other appropriate criteria. Subsequent to the initial eligibility period, which will generally not exceed one year, all providers (including those that were automatically eligible) must meet performance criteria established by the Governor to maintain eligibility.

The performance criteria are to include levels of performance for all individuals participating in the provider's program relating to: the rate of completion; the percentage of all such individuals who obtain unsubsidized employment (which also may include the percentage of those who obtained such employment in occupations related to the program); and the wages at placement of such individuals. The criteria also are to include levels of performance relating only to participants receiving assistance under this title who participated in the provider's program. These criteria include the percentage of those participants who completed the program and obtained unsubsidized employment, the retention rate in such employment and the wage rate of those participants who completed the applicable program 6 months after employment; and the rates of licensure or certification as appropriate of those who completed. Each provider also must submit information relating to the costs of the program. The local board may modify the performance criteria for programs of providers in the local area by increasing the levels of performance above the minimum levels established by the Governor.

The performance information for each eligible program of a provider relating to these criteria are to be provided annually to the local board. Governors or local boards may require providers to submit other additional program-specific information, and if such requests impose extraordinary costs on providers, the governor or local board shall provide access to cost effective methods of collecting the information or the Governor shall provide additional resources to help collect such information. The local board or Governor also may accept performance information consistent with the requirements of the Higher Education Act to fulfill these requirements. On-the-job training (OJT) and customized training are not subject to these requirements; however, the Governor may require these providers to provide performance information to the one-stop operator and may establish performance criteria relating to such providers.

The local boards are to place all initially eligible applicants on a list and retain on the list providers that are determined subsequently eligible, accompanied by each provider's program performance and cost information. The local board submits the list to the state and if the state agency determines within 30 days that the provider does not meet the criteria, the state is to remove the provider from the list. At the end of the 30-day period, the provider is eligible to receive funds. The state distributes a single list of providers identified from all local areas, making it available through the One-Stop system. A participant may select any eligible program in the state if all other criteria relating to eligibility for training services are met. States may enter into reciprocal agreements to allow eligible providers of training in one state to accept Individual

Training Accounts provided in another state.

### **Allocation of Funds**

There are three funding streams to the states and localities: adults, dislocated workers, and youth. Eighty-five percent of adult and youth funds are allocated to local areas, with the remainder reserved for statewide activities. Funds in excess of \$1 billion that are appropriated for youth (up to \$250 million) are to be used by the Secretary for Youth Opportunity grants. Of the amounts appropriated for dislocated workers, 20 percent is to be reserved for the Secretary to carry out National Emergency Grants and dislocated worker demonstrations and technical assistance. Of the remainder, 60 percent of dislocated worker funds are allocated to local areas, with 15 percent reserved for statewide activities and 25 percent reserved for state rapid response activities. State and substate formulas under each of the funding streams are similar to current law. However, the minimum amount (known as the small state minimum) a state may receive would be increased under the adult and youth formulas if appropriations exceed the amount allocated to states in fiscal year 1998. Also, a 100% hold harmless has been added to the adult and youth formulas to ensure that no state would receive less than its fiscal year 1998 allocation. In addition, within states, there would be no local hold harmless for the first two years. Additional flexibility would be provided so that the state may adjust up to 30% of the adult and youth substate formulas by incorporating additional factors relating to excess poverty and excess unemployment. There is a separate authorization for national activities.

### **Youth Services**

Eligible youth must be ages 14 through 21, low-income, and have one or more of the following conditions: deficient in basic literacy skills; a school dropout; homeless, runaway, or foster child; pregnant or a parent; an offender; or require additional assistance to complete an educational program or to secure and hold employment. At minimum, 30 percent of the local funds must be used to provide activities to out-of-school youth, with an exception for small states that meet certain conditions. Not more than 5 percent of youth participants in a local area may be individuals who do not meet the minimum income criteria if they experience one or more specified barriers to school completion or employment.

Youth programs are to include an objective assessment of each youth's skill levels and service needs, a service strategy, preparation for postsecondary educational opportunities or unsubsidized employment (as appropriate), strong linkages between academic and occupational learning, and effective connections to intermediaries with strong links to the job market and employers. The other required elements of youth programs include: tutoring, study skills training and instruction leading to completion of secondary school, including dropout prevention; alternative school services; adult mentoring; paid and unpaid work experiences, including internships and job shadowing; occupational skills training; leadership development opportunities; supportive services; follow-up services for not less than 12 months as appropriate; and comprehensive guidance and counseling. In addition, each program must provide summer employment opportunities that are directly linked to academic and occupational learning, but unlike current law, no separate appropriation is authorized for the summer jobs program.

## **Adult and Dislocated Worker Services**

Funds allocated to local areas under the adult and dislocated worker funding streams are to be used at the local level to provide core services through the one-stop system, as well as to provide intensive and training services for program participants. Core services include: job search and placement assistance, including career counseling; labor market information identifying job vacancies, skills necessary for occupations in demand, and relevant employment trends in the local, regional and national economies; initial assessment of skills and needs; provision of information on available services and programs; and follow-up services to assist in job retention. Core services funded by the adult stream would be available on a universal basis with no eligibility requirement. Funds for dislocated workers would be used exclusively for services to such workers. These funds would be supplemented by resources from the one-stop partners to provide core services consistent with the laws governing such partners and the one-stop memorandum of understanding.

Adult and dislocated worker funds under this title also are to be used to provide intensive services to unemployed workers who are unable to obtain employment through the core services and to employed workers who are determined to need additional assistance to obtain or retain employment. Intensive services include comprehensive assessments, development of individual employment plans, group and individual counseling, case management and short-term prevocational services.

Training services may be provided to individuals who met the eligibility requirements for intensive services but have been unable to obtain or retain employment through such services, have the skills and qualifications to successfully participate in a selected program, select programs that are directly linked to employment opportunities in the local area, and are unable to obtain other grant assistance, including Pell grants, or need assistance above the levels provided by such other grants. Authorized training includes occupational skills training, on-the-job training, entrepreneurial training, skill upgrading, job readiness training, and adult education and literacy activities in conjunction with other training. If adult funds are limited in a local area, priority for intensive and training services must be given to recipients of public assistance and other low-income individuals.

The bill requires (with three exceptions) that training be provided through the use of Individual Training Accounts (ITAs), through which a participant chooses among eligible providers. Specifically, the one-stop system is to provide participants with the list of eligible providers and related performance information. The participant then is to choose the program that best meets the participant's needs, with payment arranged through the ITAs. Training may be provided through a contract for services in lieu of an ITA for: on-the-job training and customized training; where there are an insufficient number of providers to meet the competitive purposes of ITAs; and for programs offered by community-based organizations or other private agencies that serve special participant populations that face multiple barriers to employment.

## **Statewide Activities**

The state may reserve up to 15 percent of the funds under each funding stream to carry out

statewide workforce investment activities. The bill allows the state to merge these funds to carry out such activities, so that funds received from one funding stream (e.g., adults) may be used to carry out activities authorized under another stream (e.g., youth). Not more than 5 percent of the funds from each funding stream (i.e., one-third of the 15 percent reserve) may be used for administrative activities. The Act requires the funds to be used to carry out activities relating to disseminating the list of eligible training providers, conducting evaluations, providing incentive grants to local areas for coordination and performance, providing technical assistance to poor performing areas, and to support one-stop and management information system activities. In addition, the state may use the funds for implementation of incumbent worker programs, programs in high poverty areas, innovative programs relating to nontraditional employment and displaced homemakers, capacity building, research, and other assistance to local areas. The state also is to reserve 25 percent of the dislocated worker funds to provide rapid response services to workers affected by plant closings and other dislocations. This may include the provision of supplemental assistance to local areas.

### **Accountability**

The bill establishes a performance accountability system to assess the effectiveness of state and local areas in continuously improving workforce investment activities and to "optimize" the return on the investment of Federal taxpayer dollars in such activities. The bill specifies core indicators of performance that will apply to the workforce investment program administered by states and local areas, including rates of entry into unsubsidized employment by participants, retention in such employment and earnings 6 months after entry, and skill educational attainment documented through a recognized credential for those who enter unsubsidized employment. These indicators do not apply to participants who receive only self-service and information activities. They do apply separately to dislocated workers and adults. There also are different indicators for youth. The indicators for older youth ages 19- 21 generally track with those for dislocated workers and adults, but add the attainment of a recognized credential such as a high school diploma or its equivalent for those who enter postsecondary education or advanced training, as well as unsubsidized employment. The indicators for youth ages 14 - 18 include rates of basic skills and work readiness or occupational skills attainment; attainment of high school diplomas or the equivalent; and placement and retention in postsecondary education, advanced occupational training, apprenticeships, the military, or employment. Measures of customer satisfaction with services received also will be established for participants and for employers. States have the flexibility to add other measures of performance. To assure comparability of performance information, the Secretary, after broad consultation, is to define performance-related terms.

The expected level of performance for each of the core indicators and the customer satisfaction indicator for the first three years of the state plan will be negotiated by the Secretary of Labor with each Governor, and each Governor with local areas (the boards and chief elected officials), respectively. Negotiations are to take into account special economic and demographic factors and levels agreed to will be incorporated into the state and local plans prior to approval. The Secretary and each Governor will renegotiate levels of performance for the indicators for the fourth and fifth years of the state plan. Failure to meet expected levels of performance will lead to sanctions, and exceeding expected levels would lead to receipt of incentive funds.

States are to prepare and submit to the Secretary annual reports on progress in achieving state and local area performance measures. Among the information to be included in the report is the performance resulting from serving recipients of public assistance, out of school youth, veterans, individuals with disabilities, displaced homemakers, and older individuals. The Secretary will disseminate this information to the general public and Congress, including state-by-state comparisons. The bill also requires states to conduct evaluation studies of workforce investment activities, coordinating with evaluations carried out by the Secretary.

The Governor also is to establish a fiscal and management accountability information system in the state, based on guidelines issued by the Secretary, to monitor and report on activities carried out under this title. The state also is to use wage records, consistent with state law, to assist in measuring performance of participants, e.g, to verify employment and earnings.

### **Authorization of Appropriations**

The bill authorizes such sums as may be necessary for adult employment and training activities, dislocated worker employment and training activities, and youth employment and training activities for each of fiscal years 1999-2003.

#### **SUBTITLE C -- Job Corps**

Job Corps is retained as a separate national program. Job Corps provisions are amended to strengthen linkages between Job Corps centers and the state workforce development systems and the local communities in which they are located (e.g., each Job Corps center must establish an Industry Council to recommend appropriate vocational training for the center to meet local labor market needs). Applicants would be assigned to centers nearest to where they reside, with certain exceptions. Job Corps center performance indicators and expected levels of performance would be established for graduation, placement, retention, earnings, entry into postsecondary education or advanced training, and skill gains of graduates, and students would be provided with follow-up counseling for up to 12 months after graduation. The bill also codifies current administrative practices relating to a zero tolerance policy on the use of drugs or violence committed by an enrollee.

#### **SUBTITLE D -- National Programs**

##### **Native American Programs**

Grants to support employment and training activities for Indian, Alaska Native, and Native Hawaiian individuals are authorized in order: (1) to develop more fully the academic, occupational, and literacy skills of such individuals; (2) to make such individuals more competitive in the workforce; and (3) to promote the economic and social development of Indian, Alaska Native, and Native Hawaiian communities in accordance with the goals and values of such communities. Provisions are similar to current law. The Native American Employment and Training Council is retained to provide the Secretary with advice on program operations and administration. In addition, authority is added that allows the Secretary to waive

statutory or regulatory requirements of this program (other than labor standards) pursuant to a request from a grantee.

### **Migrant and Seasonal Farmworker Programs**

Similar to current law, grants to support migrant and seasonal farmworkers and their dependents are authorized to: (1) strengthen the ability of the eligible individuals to obtain or retain unsubsidized employment or stabilize their unsubsidized employment; and (2) provide supportive services and related assistance. The bill adds specific eligibility criteria for migrant and seasonal farmworkers.

### **Veterans' Workforce Investment Programs**

The bill retains the current law veterans' employment program and expands the eligibility for the program to include, in addition to veterans with service-connected disabilities and recently separated veterans, veterans who have significant barriers to employment and veterans who served on active duty in the armed forces during a war or in which a campaign badge has been authorized.

### **Youth Opportunity Grants**

The bill authorizes Youth Opportunity Area grants, reserving amounts appropriated for youth in excess of \$1 billion (up to \$250 million) in each fiscal year to increase the long-term employment of youth ages 14 through 21 who live in high poverty areas. The Secretary may award grants for up to five years to successful applicants, including local boards serving communities that are Empowerment Zones/Enterprise Communities, or other high poverty areas designated by the States, or high poverty areas located on Indian reservations or serving Oklahoma Indians or Alaska Native villages or Native groups. To be eligible, a local board or entity must submit an application to the Secretary containing such information as the Secretary may require, including a description of activities that will be provided to youth in the target community, performance measures, linkages to other activities, and community support, including financial support. The funds provided are to be used for the youth activities required under the formula program, and youth development activities such as leadership development, community service, and recreation activities. In addition, the program is to provide intensive placement services and follow-up services for not less than 24 months after a youth has completed participation in other activities.

### **Technical Assistance**

The bill authorizes the Secretary to provide, coordinate and support the development of appropriate technical assistance, staff development, and other activities, including assistance in replicating programs of demonstrated effectiveness. The Secretary is also authorized to assist states in making transitions from carrying out activities under the provisions of law repealed by this title to carrying out activities under this title. Awards to entities other than states or local units of government in excess of \$100,000 must be awarded on a competitive basis.

In addition, the Secretary may use not more than 5 percent of the dislocated worker funds

reserved at the national level to provide technical assistance to states that do not meet the state performance standards for dislocated workers. These funds may also be used to provide assistance to states, localities and other entities involved in providing assistance to dislocated workers, to promote the continuous improvement of assistance provided to dislocated workers.

### **Demonstration, Pilot, Multiservice, Research and Multistate Projects**

The Secretary is required to publish a plan, every 2 years, in the *Federal Register* that describes the demonstration and pilot, multiservice, research, and multistate project priorities of the Department of Labor. This plan is to cover the 5-year period following the submission of the plan.

*Demonstration and Pilot Projects.* The Secretary is required to carry out demonstration and pilot projects for the purpose of developing and implementing techniques and approaches, and demonstrating the effectiveness of specialized methods, in addressing employment and training needs. Demonstration and pilot projects are only to be awarded on a competitive basis, except that a noncompetitive award may be made in the case of a project that is funded jointly with other public or private sector entities that provide a portion of the funding for the project.

*Multiservice Projects, Research Projects, and Multistate Projects.* The Secretary is required to award grants or contracts to carry out multiservice, research and multistate projects. Awards over \$100,000 must be made on a competitive basis. However, a noncompetitive award may be made in the case of a project that is funded jointly with other public or private sector entities that provide a substantial portion of assistance for the project. The Secretary is required to utilize a peer review process to review and evaluate all grants in amounts that exceed \$500,000.

*Dislocated Worker Projects.* The Secretary is to use not use more than 10 percent of dislocated worker funds reserved at the national level to carry out demonstration and pilot projects, multiservice projects, and multistate projects, relating to the employment and training needs of dislocated workers.

### **Evaluations**

The Secretary is required to provide for continuing evaluation of the programs and activities authorized under this title in order to improve the management and effectiveness of such programs. The Secretary is authorized to conduct evaluations of other federally funded employment-related programs and activities under other provisions of law.

### **National Emergency Grants**

The Secretary is authorized to award national emergency grants: (1) to provide employment and training assistance to workers affected by major economic dislocations; (2) to provide assistance to the Governor of any state within the boundaries of which is an area that has suffered an emergency or major disaster; and (3) to provide additional assistance to a state or local board for eligible dislocated workers in a case in which the State or local board has expended the funds provided for National Emergency Grants and can demonstrate the need for additional funds to

provide appropriate services for such workers. Participant eligibility for employment and training assistance includes dislocated workers and certain civilian Department of Defense employees affected by downsizing and certain recently separated members of the armed forces. Participant eligibility for disaster relief includes in addition to dislocated workers, the long-term unemployed and individuals temporarily or permanently unemployed as a consequence of the disaster.

### **Authorization of Appropriations**

The bill earmarks specific funding levels for incentive grants, technical assistance, demonstration, pilot, multiservice, research, multistate projects and evaluations.

#### SUBTITLE E -- Administration

### **Requirements and Restrictions**

The bill contains provisions similar to current law relating to wages to be paid to participants; labor standards, including protections against displacement of employed workers; grievance procedures; prohibition on the use of funds to encourage employer relocation; and limitation of use of funds for activities such as economic development. The bill also authorizes a state to use state administrative funds to carry out drug testing of participants, and allows the state to sanction participants who test positive for drug use.

### **Miscellaneous Administrative Provisions**

The bill also includes provisions similar to current law with respect to the requirements for prompt allocation of funds and monitoring of the programs by the Secretary. In a change from current law, the bill applies the OMB circulars to the administration of funds under the title, including the circulars relating to cost principles and administrative requirements. The bill also includes provisions similar to current law with respect to sanctions for misuse of funds (although it changes current law by allowing states to deduct local administrative funds to pay for certain disallowed costs). The provisions relating to reporting, recordkeeping, administrative adjudication, and judicial review also are similar to current law. In addition, the bill incorporates nondiscrimination provisions that are similar to current law. The bill also provides that the Secretary may prescribe rules and regulations to carry out this title only to the extent necessary to administer and ensure compliance with the requirements of this title. The bill retains the program year cycle for funding (July 1 - June 30), but allows funds to be made available April 1 for youth activities including summer jobs. The bill allows states to expend funds during the year of obligation and two succeeding program years, but unlike current law, limits the expenditure period for local areas to the year of obligation and the succeeding program year.

### **Waivers**

The bill provides authority for the Secretary (currently contained in appropriations law) to waive statutory or regulatory requirements of the adult and youth training provisions of the Act and the Wagner-Peyser Act, with exceptions for labor standards, nondiscrimination and related

provisions. It clarifies that waivers previously granted to states may continue to be in effect under this Act for the duration of the waiver.

### **Work-Flex**

Eligibility for "Work-Flex (currently authorized for six States by appropriations law) is expanded to all states. Pursuant to an approved plan, Governors would be granted authority to approve requests for waivers of statutory or regulatory provisions of title I submitted by their local workforce areas (except for labor standards and certain other provisions). Work-Flex states also would be authorized to waive sections 8-10 of the Wagner-Peyser Act and provisions of the Senior Community Service Employment Program.

### **Continuation of State Activities and Policies**

Allows state law provisions, enacted prior to December 31, 1997, relating to designation of service areas, and sanctioning of local areas for poor performance that are inconsistent with title I requirements to continue in effect for the 5-year authorization period. In addition, all states and localities may retain their existing state councils and local boards created under JTPA if they substantially meet the requirements of this Act.

### **SUBTITLE F -- Repeals and Conforming Amendments**

Repeals the Job Training Partnership Act effective July 1, 2000. The Secretary of Labor must submit to Congress within 6 months after enactment, proposed technical and conforming amendments.

## **TITLE II -- ADULT EDUCATION AND LITERACY**

Title II reauthorizes Adult Education and Literacy programs for Fiscal Years 1999-2003.

## **TITLE III -- WORKFORCE INVESTMENT-RELATED ACTIVITIES**

A separate authorization and funding stream are retained for the Wagner-Peyser Act (Employment Service). The bill amends the Wagner-Peyser Act to require that public labor exchange activities be part of the one-stop system. The Wagner-Peyser plan is integrated into the state workforce development plan. The Wagner-Peyser amendments are effective July 1, 1999.

A national employment statistics system is established, which is to be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Department of Labor and the states. The Secretary, through the Bureau of Labor Statistics, and in cooperation

with the states, is to prepare an annual plan to manage the nationwide system.

Linkages are established between the Workforce Investment Act programs and the Trade Adjustment Assistance (TAA) and NAFTA-TAA programs, veterans' employment programs, and the Senior Community Service Employment Program through conforming amendments to those programs.

A "Twenty-First Century Workforce Commission" would be established to study matters relating to the information technology workforce in the United States. Composed of 15 members, the Commission is required to submit to the President and Congress their report within 6 months of their first meeting and would be terminated within 90 days after submitting their report.

## **TITLE IV -- REHABILITATION ACT AMENDMENTS**

Title VI reauthorizes Rehabilitation Act programs through Fiscal Year 2003, and contains a number of provisions linking these programs to workforce development systems.

## **TITLE V -- GENERAL PROVISIONS**

### **State Unified Plan**

The bill permits and encourages the submission of "unified" state plans to ensure coordination of, and avoid duplication between, workforce development activities. The plan continues to be subject to the requirements of the plan or application under the Federal statute authorizing the program. Fifteen programs are specified that may be included, including programs authorized under this Act, the Wagner-Peyser Act, the Food Stamp Act, etc. Plans are approved unless the appropriate Secretary indicates within 90 days of receipt that the plan is not consistent with the requirements of the Federal statute authorizing the activity. The state legislature must approve the inclusion of secondary vocational education in the unified plan.

### **Incentive Grants**

Beginning on July 1, 2000, the Secretary is required to award an incentive grant to each state that exceeds the state adjusted levels of performance for each of three programs: workforce investment, adult education, and vocational education -- and submits an application for funds. The funds are to be used by the state for carrying out an innovative program consistent with the requirements relating to any one or more of the three programs. The Secretary may review an application for an incentive grant only to ensure that the application contains the following assurances: (1) the legislature of the state was consulted with respect to the development of the application; (2) the application was approved by the Governor, the eligible agency for adult education, and the state agency responsible for vocational education, and (3) the state and

eligible agencies, as appropriate, exceeded the adjusted performance levels. An incentive grant provided to a state shall be awarded in an amount that is not less than \$750,000 and not more than \$3,000,000. If the amount available for grants under this section for a fiscal year is insufficient to award a grant to each state or eligible agency that is eligible for a grant, the Secretary shall reduce the minimum and maximum grant amount by a uniform percentage.

### **Transition Provisions**

The Secretary of Labor and the Secretary of Education are each authorized to take such actions as they determine to be appropriate to provide for orderly transition to the new programs under their purview.

### **Effective Date in General**

The Act is effective on the date of enactment, except as otherwise provided in the Act. (Later specific effective dates and repeals are described earlier in this summary).