

NGA Center for Best Practices SIDE BY SIDE ANALYSIS OF STATE AND LOCAL PROVISIONS IN THE WORKFORCE INVESTMENT ACT REAUTHORIZATION BILLS

Note: Based on House-Passed Bill and Senate-Passed Bill. Italics indicate differences between the Senate bill prior to committee action and as reported.

Current Law	H.R. 1261	S. 1627/Amended H.R. 1261
Governance		
<p>State Workforce Investment Board Membership: The State board includes the Governor, 2 members of each chamber of the state legislature, business representatives, chief elected officials, labor representatives, lead state agency officials responsible for one-stop partner programs, representatives of organizations with experience in delivery of youth and workforce services, plus such others as the Governor may designate.</p> <p>A majority must consist of business representatives and the chair must be a business member.</p>	<p>Same as current law, but drops representatives of organizations with experience in delivery of youth and other workforce activities. Adds the head of state vocational rehabilitation unit (if not head of a state agency) and state economic development officials. Governors may still expand board membership.</p> <p>Same as current law.</p>	<p>Same as House, except adds a reference to small businesses.</p> <p>Same as House.</p>
<p>State Board Functions: The state board must assist the Governor in development of a state plan, designation of local areas, development and continuous improvement of state performance measures, preparation of annual report, among other functions.</p>	<p>Adds function of developing and reviewing statewide policies affecting provision of integrated services through one-stop system. Policies would include development of criteria for certifying one-stop centers and the board would issue certification of centers. Board also sets criteria for allocation of one-stop infrastructure funding which would go to certified centers.</p> <p>Adds development of criteria for appointment and certification of local boards.</p>	<p>Adds function of developing and reviewing statewide policies affecting provision of coordinated services through the one-stop system. However, it stops short of authorizing the state board to certify one-stop centers. The board’s role is to set “objective procedures and criteria for use by local boards in assessing one-stop centers.”</p> <p>Similar to House.</p>

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<p>State board must comment on state vocational education (Perkins) performance measures.</p>	<p>Removes requirement to review state vocational education performance measures.</p>	<p>Same as current law, and adds a role in reviewing and commenting on the state plans of all one-stop partner programs.</p> <p>Adds other functions, such as determining policy for one-stop partner roles and contributions.</p>
<p>Alternative Entity: Governors have broad authority to grandfather state boards that were in existence prior to WIA.</p>	<p>Eliminates this grandfathering provision.</p>	<p>Same as current law, except a new state board may be formed if the state fails to meet performance measures.</p>
<p>Local Area Designation: Governor must designate local areas after taking into account a number of considerations, such as consistency with labor market areas and available resources.</p> <p>Governors must approve a request for designation from any single jurisdiction with a population of 500,000 or more, a rural concentrated employment program and local areas in Rhode Island.</p> <p>A jurisdiction with a population of 200,000 or more that was a service delivery area under JTPA could win 2-year designation and continued designation if it performed successfully and sustained fiscal integrity.</p> <p>Jurisdictions may appeal to the state board and to the Secretary of Labor.</p> <p>States that were single state areas under JTPA as of July 1, 1998 may be designated as single state local areas under WIA.</p>	<p>Adds a new consideration for designating an area: efficiency in administration and provision of services.</p> <p>Same as current law, but drops automatic designation for local areas in Rhode Island. Designation can be denied for substandard performance in previous two years.</p> <p>Same as current law.</p> <p>Same as current law.</p> <p>Does not allow more states to designate single state local areas.</p>	<p>Adds a new consideration for designating an area: maximum effectiveness in administration and provision of services.</p> <p><i>Same as current law</i>—but states that after two years, designation is tied to successful performance on core indicators and maintenance of fiscal integrity.</p> <p>Eliminates temporary designation criteria and adds a provision granting automatic designation to any local area that performed successfully and sustained fiscal integrity in the previous 2 years.</p> <p>Eliminates appeal to the Secretary of Labor.</p> <p>Allows states that were not single state local areas prior to WIA to be designated as such but only if no local area (that meets the standard for designation) seeks designation as a separate local area.</p>

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States may require local boards in a region to participate in a regional planning process that results in regional performance measures.	Authorizes states to require local boards to prepare a single regional plan that incorporates elements of local plans and is submitted in lieu of separate plans.	Same as House, but does not specify that the regional plan should replace separate local plans.
<p>Local Workforce Boards: Local boards must include representatives of business, labor, local education entities and community-based organizations. There must be a business majority and a business chair.</p> <p>Representatives of each of the one-stop partners also have seats on the local board.</p> <p>Local boards must establish a youth council to coordinate youth activities and develop youth portions of local plan among other tasks.</p>	<p>Same as current law, but specifies superintendents of local schools, presidents or CEOs of postsecondary education institutions, administrators of adult education programs, and requires representatives of faith-based organizations.</p> <p>Eliminates requirement for one-stop partner programs to have seats on local board.</p> <p>Removes requirement for local youth councils. However, local boards may establish advisory councils (such as a one-stop partners' council and a youth council).</p>	<p>Similar to House, except that representatives of faith-based organizations are not required.</p> <p>Same as House.</p> <p>Same as House. Adds that if a youth council is not established, the local board must include representatives with experience serving out-of-school youth.</p>
<p>Planning: States and local areas must submit a plan that outlines a 5-year strategy. The plan describes workforce investment activities, how key requirements will be met and how special populations (dislocated workers, low-income individuals and others) will be served.</p>	<p>Requires 2-year plans.</p> <p>Adds homeless, ex-offenders and transitioning farmers as new special populations that must be addressed.</p> <p>Adds separate requirement to address how the needs of individuals with disabilities will be met.</p>	<p>Requires 4-year plans. State and local boards must review and amend plan after 2 years.</p> <p>Replaces references to several specific populations with a reference to "hard-to-serve populations and individuals training for nontraditional employment."</p> <p>Same as House.</p> <p>Greatly expands contents of state plan, including a description of the state strategy for coordinating workforce and economic development activities and a description of how the state will implement innovative strategies to meet the needs of all businesses</p>

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		(such as incumbent worker training, sectoral and industry cluster strategies, regional skills alliances and other strategies).
One-Stop System		
<p>One-Stop Partners: Local one-stop systems bring together a range of required (mandatory) partners who must make their services available to customers and participate in the operation of the local system. Required partners include WIA, Employment Service and vocational rehabilitation.</p> <p>Additional (voluntary) partners may opt to participate in the one-stop system.</p>	<p>Eliminates Wagner-Peyser Act (Employment Service) as a required partner.</p> <p>Adds TANF as a required partner, unless the Governor notifies Labor and HHS Departments that TANF is not to be included.</p> <p>Adds as additional partners: Ticket to Work, child support enforcement and special programs for people with disabilities (including mental health, mental retardation, development disabilities and independent living).</p>	<p>Same as current law, but requires collocation of employment service offices with comprehensive one-stop centers.</p> <p>Same as House.</p> <p>Same as House, but adds programs run by the Small Business Administration and does not add child support enforcement or special programs for people with disabilities.</p> <p>Adds language specifying roles and responsibilities of one-stop partners (such as using a portion of program funds to maintain one-stop system).</p>
<p>One-Stop Infrastructure Funding: Local boards are required to develop Memoranda of Understanding (MOU) that specify resource sharing and referral arrangements among one-stop partners.</p>	<p>Establishes new state-determined infrastructure funding mechanism.</p> <p>The Governor, in consultation with state board, determines the amount that each one-stop partner program must contribute to support one-stop infrastructure (defined as non-</p>	<p>Provides local areas with two options for infrastructure funding: 1) to develop a funding mechanism, with agreement of partners, in the local MOU; 2) to receive a grant from a new state infrastructure funding mechanism. If local partners fail to develop a MOU by July 1, 2004, the state mechanism becomes mandatory for that local area.</p> <p>Same as House, except consultation must include chief local elected officials, local boards as well as the state board, the Governor must exclude from the state funding</p>

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	<p>personnel costs necessary for operation of one-stop centers). The Governor allocates infrastructure funds to local areas based on a formula developed by state board.</p> <p>Funds must come from administration. TANF, UI and other federal direct spending programs must be charged for proportionate use.</p> <p>Authorizes partners to pay for infrastructure costs beyond what is covered in the new infrastructure grants, common costs and costs of providing core services. Local MOUs will set amounts from each partner.</p>	<p>mechanism any funds and centers in local areas where partners have agreed to share infrastructure costs through the MOU process and the Governor must establish an appeals process for one-stop partners.</p> <p>Same as House.</p> <p>Caps contributions from WIA and Wagner-Peyser Act at 3 percent; other partners at 1.5 percent unless existing local MOU provides for a larger contribution; vocational rehabilitation starting at 0.75 percent and rising to 1.5 percent. Native American programs are not required to make contributions.</p> <p>Similar to House, except there is no reference to infrastructure costs beyond those covered by the new infrastructure grants.</p>
Eligible Training Providers		
<p>Requirements for Eligible Providers of Training: States are required to establish a two-phased system for determining the eligibility of training providers under WIA Title I. The first phase is initial eligibility determination and the second phase is subsequent eligibility determination, which involves reporting performance information, such as completion rates, employment, wages and retention. Local boards identify eligible providers and states prepare and issue a statewide list based on submissions from the</p>	<p>Eliminates current statutory requirements for eligible training providers. Provides Governors with flexibility to establish performance criteria and procedures for identifying eligible training providers. Requires Governor to make available a list of all eligible providers.</p> <p>Requires Governor to solicit and take into consideration recommendations of local boards and training providers.</p> <p>Allows Governor to authorize local areas to</p>	<p>Similar to House, except in establishing: apprenticeship programs as automatically eligible as long as they are certified by DOL; factors for the Governor to consider in developing criteria; sanctions for supplying inaccurate information; and an implementation deadline of December 31, 2004.</p> <p>Requires Governor to consult with state board in establishing criteria and procedures.</p> <p>Authorizes local boards to establish criteria in</p>

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<p>local boards.</p> <p>Providers of on-the-job training and customized training are not subject to these requirements.</p>	<p>establish additional criteria for training providers.</p> <p>Strikes exception for on-the-job training and customized training.</p> <p>Adds limitation that no personally identifiable information regarding a student (such as SSN) may be disclosed without prior consent.</p>	<p>addition to state criteria or higher levels of performance.</p> <p>Same as current law.</p> <p>No such limitation.</p>
Adult Services		
<p>State Allotments: States receive separate allotments for the Wagner-Peyser Act, WIA adults and WIA dislocated workers.</p> <p>A fraction of the WIA adult allotment to states is reserved for outlying areas and the remainder is distributed to states using the following formula factors:</p> <ul style="list-style-type: none"> ➤ One-third based on the relative number of unemployed individuals in areas of substantial unemployment (above 6.5 percent unemployment rate) ➤ One-third is based on relative excess number of unemployed individuals ➤ One-third is based on relative number of disadvantaged adults <p>A fraction of the WIA dislocated worker allotment to states is reserved for outlying areas. The remainder is distributed to states using the following formula factors:</p> <ul style="list-style-type: none"> ➤ One-third based on the relative number of unemployed individuals ➤ One-third based on the relative excess 	<p>Combines WIA adult and dislocated worker funding streams with Wagner-Peyser Act funds to form a single funding stream.</p> <p>A fraction of the allotment among states is reserved for outlying areas. The remainder is distributed using a <u>new three-part formula</u>.</p> <p>Part One distributes 26 percent based on FY 2003 state allotments under the Wagner-Peyser Act.</p> <p>Part Two distributes 74 percent on the basis of three factors:</p> <ul style="list-style-type: none"> ➤ 60 percent based on the relative number of unemployed individuals ➤ 25 percent based on the relative excess number (above 4.5 percent) of unemployed individuals ➤ 15 percent based on relative number of disadvantaged adults <p>Part Three compares the results of preceding calculations with results using current WIA formulas for the separate state allotments and adjusts them so that no state loses funds from</p>	<p>Same as current law.</p> <p>The formula for allotting adult funds to states is revised as follows:</p> <ul style="list-style-type: none"> ➤ 40 percent based the relative number of unemployed individuals in areas of substantial unemployment ➤ 25 percent based on the relative number of individuals in the civilian labor force ➤ 35 percent based on the relative number of disadvantaged adults <p>If a state loses funds under the new formula, the Secretary is required to use national discretionary funds (up to \$20 million) to ensure that each state receives the amount it would have received under the current formula for adult activities.</p> <p>The formula for allotting dislocated worker funds is untouched and remains the same as in current law.</p>

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<p>number (above 4.5 percent) of unemployed individuals</p> <ul style="list-style-type: none"> ➤ One-third based on the relative number of people unemployed for 15 weeks or longer <p>No state receives an adult allotment that is less than 90 percent or greater than 130 percent of the prior year's share of the total adult allotment to states. No hold harmless or stop-gain is applied to the dislocated worker allotment. A small state minimum is applied.</p> <p>Reallotment authority is based on obligations. The Secretary is authorized to reallot among states the amount by which a state's unobligated balance exceeds 20 percent of its allotment for the prior program year.</p>	<p>this year's level or gains more than 3 percent from year to year. Any shortfall after this adjustment among state allotments would be made up out of national discretionary funds.</p> <p>Hold harmless and stop-gain provisions apply to the first two parts of the formula and have less importance than in the past given the guarantee that no state will lose dollars or gain more than 3 percent from year to year. Modifies small state minimum.</p> <p>Changes the basis of reallotment to expenditures defined to include accrued expenditures. The Secretary would reallot any unexpended funds in excess of 30 percent of a year's allotment to a state and the Governor may do so to any local area on the same terms.</p>	<p>Similar to current law.</p> <p>Similar to House, except that it specifies the effective date to be the later of program year 2004 or the program year after reauthorization is enacted.</p>
<p>Within State Allocations: Currently, all Wagner-Peyser Act funds are retained at the state level. The Governor reserves up to 15 percent of the WIA adult, dislocated worker and youth allotments for statewide activities. In addition, the Governor may reserve up to 25 percent of the dislocated worker funding stream for rapid response activities.</p> <p>To send adult funds to local areas, states may use a formula allocation using the national factors. Alternatively, states may adopt a discretionary allocation in which at least 70 percent of funds are distributed based on the same factors the Secretary uses to allot funds to states and not more than 30 percent of funds are distributed based on a formula that looks at additional factors (excess poverty and excess</p>	<p>Authorizes the Governor to reserve up to 50 percent of the consolidated funding stream for statewide activities.</p> <p>Allocates the remaining 50 percent to local areas. 15 percent of the local share is distributed using a discretionary formula determined by the Governor in consultation with the state and local boards. 85 percent is allocated using the formula specified in Part Two of the allotments to states (as detailed above).</p>	<p>Same as current law.</p> <p>Same as current law.</p>

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<p>unemployment). The dislocated worker funds are allocated to local areas based on an allocation formula prescribed by the Governor.</p> <p>The Governor can authorize local boards to transfer up to 20 percent of funds between adult and dislocated worker activities.</p>	<p>Eliminates transfer authority since a consolidated adult program is created.</p>	<p>Same as current law.</p>
<p>Statewide Activities: States use 15 percent reserved from each of the three WIA funding streams to carry out a series of required activities, such as disseminating list of eligible training providers and providing incentive grants. States may also use the 15 percent funds to carry out allowable activities, such as implementation of innovative incumbent worker programs.</p>	<p>Specifies that one-half of the funds reserved by the Governor (25 percent of the combined funds for the new adult program) must be used to support core services in the one-stop centers either by allocating funds to local areas or by providing state personnel to deliver the services.</p> <p>Authorizes use of the remaining 25 percent of statewide funds to carry out activities which are no longer required but are now simply allowable, including supporting core services in local one-stop centers and developing strategies for serving hard-to-serve populations.</p>	<p>Contains no such requirement as that in the House bill.</p> <p>Authorizes states to use 15 percent from each WIA funding stream to carry out an expanded list of required and allowable activities. Additional required activities include disseminating performance and cost information and developing strategies for placing men and women in jobs, education and training that lead to comparable pay.</p> <p>Additional allowable activities include implementing strategies that meet the needs of businesses (such as incumbent worker training programs, sectoral and industry cluster strategies, career ladder programs and others); promoting remote access to services; coordination with child welfare, child support, disability and economic development programs; and adopting a self-sufficiency</p>

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<p>States may use up to 5 percent of the state allotment for administration.</p> <p>States may use up to 25 percent reserved from the dislocated worker allotment to carry out rapid response activities and provide additional assistance to local areas that experience unexpected and substantial dislocation.</p>	<p>Same as current law.</p> <p>Authorizes use of the remaining 25 percent of statewide funds to carry out rapid response activities and provide additional assistance to local areas.</p>	<p>standard.</p> <p>Same as House.</p> <p>Same as current law. Also authorizes Governor to use unexpended rapid response funds to carry out other statewide activities.</p>
<p>Access to Core, Intensive and Training Services: Core services are available to all adults and dislocated workers.</p> <p>Unemployed adults and dislocated workers are eligible for intensive services if they are “unable to obtain employment” through core services. Employed workers are eligible if they are determined to need intensive services “to obtain or retain jobs that allow for self-sufficiency.” Other criteria are also applied.</p> <p>Training services are available to adults and dislocated workers who are “unable to obtain or retain employment” through intensive services. Other criteria are also applied.</p> <p>Limited local funds trigger a priority of service for public assistance recipients and other low-</p>	<p>Strikes limitation of core services to adults and dislocated workers, thus opening core services to youth.</p> <p>Amends eligibility to allow intensive services if an unemployed adult is determined to be “unlikely or unable to obtain suitable employment.” Employed adults are eligible if they are determined to need services “to obtain or retain suitable employment.” Other eligibility criteria in current law are maintained. The Governor defines the term “suitable employment” as the basis for eligibility.</p> <p>Training services are available to adults who are determined to be “unlikely or unable to obtain or retain suitable employment” through intensive services. Other criteria in current law are maintained.</p> <p>Shifts priority of service to unemployed individuals. Maintains that, if local funds are</p>	<p>Same as current law.</p> <p>Amends eligibility to allow intensive services if an unemployed adult or dislocated worker is determined to be “unlikely or unable to obtain employment that leads to self-sufficiency or wages comparable to or higher than previous employment.” Employed workers are eligible if they are determined to need services “to obtain or retain employment that leads to self-sufficiency.”</p> <p>Training services are available to adults and dislocated workers who are determined to be “unlikely or unable to obtain or retain employment that leads to self-sufficiency or wages comparable to or higher than previous employment” through intensive services. Other eligibility criteria are maintained.</p> <p>Same as current law with priority for public assistance and low-income individuals if local</p>

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income individuals.	limited, public assistance recipients and other low-income individuals also get priority.	funds are limited.
<p>Authorized Adult and Dislocated Worker Services: Local areas are required to provide a battery of core services (such as job search assistance and information on the labor market, supportive services and unemployment insurance).</p> <p>Intensive services include case management (for training participants) and development of a plan.</p> <p>Training services include occupational skills training, on-the-job training, etc. Customers must exercise customer choice through use of Individual Training Accounts (ITAs). There are three exceptions where contracts may be used for training.</p> <p>In addition, local areas can provide discretionary services (such as supportive services).</p>	<p>Clarifies that core services include labor exchange services for individuals and employers.</p> <p>Adds administration of the work test for UI as core service.</p> <p>Clarifies that case management is not simply for training participants. Adds the following intensive services: internships and work experience, literacy activities and out-of-area job search assistance and relocation assistance.</p> <p>Authorizes local boards to create “enhanced ITAs” that store funds from WIA and other programs.</p> <p>Additional discretionary services include: customer support to navigate among multiple services, coordination with child support activities and work support activities for low-wage workers (such as assistance in accessing food stamps and other financial supports).</p> <p>Authorizes local boards to use up to 10 percent of funds to support incumbent worker training programs with an employer match established</p>	<p>Similar to House though with greater emphasis on high-wage, high-skill jobs and other factors.</p> <p>No such provision.</p> <p>Requires a designated business liaison to work with local employers.</p> <p>Similar to House, but adds English language acquisition/integrated training programs as a new intensive and training service.</p> <p>Changes ITAs to Career Scholarship Accounts and requires local boards to coordinate those accounts with other funding sources. Also allows use of contract for training where it is deemed appropriate for a higher education institution to train multiple individuals in high-demand occupations.</p> <p>Similar to House. Expands the scope of discretionary services to include: strategies to meet employers’ needs, such as sectoral, industry cluster, career ladder and other business services; coordination with economic development programs and other services.</p> <p>Similar to House, except the Governor or state board may make recommendations concerning training with statewide impact and the local</p>

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	by Governor (or local board if authorized by Governor) and adjusted for employer's size.	board establishes the appropriate employer share.
<p>National Reserve/Emergency Grants: The Secretary retains 20 percent of the appropriated amount for dislocated workers and uses it for national emergency grants, dislocated worker projects and other projects.</p> <p>The Secretary is authorized to award national emergency grants in the event of major economic dislocations and natural disasters or due to the need for additional assistance where allotted funds are exhausted.</p>	<p>Allots 10 percent of the annual appropriation (for combined adult funds) for national dislocated worker grants, demonstration projects and technical assistance.</p> <p>Changes national emergency grants to national dislocated worker grants. Eliminates need to establish a national dislocated worker office.</p>	<p>Same as current law.</p> <p>Same as House.</p> <p>Adds new goals for grants, including providing additional assistance to state or local area with a higher than average demand for services for dislocated members of the armed forces or their spouses and responding to layoffs in multiple sectors or across several local areas.</p> <p><i>Specifies timelines for the Labor Department to take action on grant applications and issue a notice of obligation.</i></p>
<p>Wagner-Peyser Act: States currently receive annual allotments to carry out labor exchange activities. 90 percent of the funds are for job search and placement services, appropriate recruitment services for employers and for other activities, such as labor market information and administering the work test for UI. 10 percent of funds are reserved by the Governor for performance incentives, services for groups with special needs and exemplary service delivery models. In most states, state personnel deliver these services through a combination of employment services offices</p>	<p>Repeals all of the Wagner-Peyser Act, except modified provisions for Workforce and Labor Market Information.</p> <p>Authorizes Secretary to assist in development of national electronic tools and eliminates need for annual plan for employment statistics.</p>	<p>Same as current law, but requires collocation of employment services offices with comprehensive one-stop centers.</p> <p>Same as House, but requires a 2-year plan for cooperative management of the nation's workforce and labor market information system.</p> <p><i>Requires use of current method for distributing funding for labor market information (ALMIS) to states.</i></p>

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and one-stop centers.		
Youth Services		
<p>State Allotments: States receive 100 percent of the first \$1 billion in appropriations for youth. In years when appropriations exceed \$1 billion, the excess amount (up to \$250 million) is used to fund youth opportunity grants and youth activities related to migrant and seasonal farmworker programs.</p> <p>The formula for allocation to states incorporates the following factors:</p> <ul style="list-style-type: none"> ➤ One-third based on the relative number of unemployed individuals in areas of substantial unemployment ➤ One-third based on relative excess number of unemployed individuals ➤ One-third based on relative number of 16-21 year old disadvantaged youth <p>No state shall receive an allotment that is less than 90 percent or greater than 130 percent of prior year's share of the total allotment to states. Small state minimum is applied.</p> <p>The Secretary is authorized to reallocate among states the amount by which a state's unobligated balance exceeds 20 percent of its allotment for the prior program year.</p>	<p>Gives states 75 percent of the first \$1 billion for youth activities and everything over \$1 billion appropriated for a fiscal year. House bill authorizes \$1.25 billion in appropriations for youth in FY 2004, subject to appropriation.</p> <p>If the total amount available to states is the same or less than what was provided in PY 2003 (\$977 million), then funds would be allotted based on the formula in current law. Additional appropriations (above \$977 million) would be allotted based on three factors:</p> <ul style="list-style-type: none"> ➤ One-third based on the relative number of individuals in the civilian labor force ages 16-19 ➤ One-third based on relative number of unemployed individuals ➤ One-third based on relative number of 16-21 year old disadvantaged youth <p>Similar to current law, but small state minimum is modified.</p> <p>Changes the basis of reallocation to expenditures, defined to include accrued expenditures (the value of goods or services delivered but not yet paid for). The Secretary would reallocate any unexpended funds in excess</p>	<p>Same as current law, except "youth opportunity grants" become "youth challenge grants."</p> <p>Same as House, but uses 16-21 year olds in the state's civilian labor force rather than 16-19 year olds.</p> <p>Similar to current law.</p> <p>Similar to House, except that it specifies the effective date to be the program year after reauthorization is enacted.</p>

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	of 30 percent of a year's allotment to a state and the Governor may do so to any local area on the same terms.	
<p>Within State Allocations: The Governor reserves not more than 15 percent of the state's allocation for statewide activities.</p> <p>To send funds to local areas, states may use a formula allocation using the national factors. Alternatively, states may adopt a discretionary allocation in which at least 70 percent of funds are distributed based on the same factors the Secretary uses to allot funds to states and not more than 30 percent of funds are distributed based on a formula that reflects excess youth poverty and unemployment.</p>	<p>Reduces amount that Governor may reserve to 10 percent of the state's allocation.</p> <p>Allocates 80 percent of funds based on a formula using the national factors.</p> <p>Allocates 20 percent of funds based on demographic and economic factors determined by the Governor, after consultation with state and local boards.</p>	<p>Same as current law.</p> <p>Same as House, but uses 16-21 year olds in the state's civilian labor force.</p> <p>Allocates 20 percent of funds to local areas where there are a "significant number of eligible youth," after consultation with state and local boards.</p>
<p>Statewide Activities: Funds reserved by the Governor must be used to carry out required activities, such as conducting evaluations, providing incentive grants, providing technical assistance and providing additional assistance to local areas that have high concentrations of eligible youth. The Governor's discretionary funds may also be used for a range of allowable activities.</p> <p>Not more than 5 percent of the state allotment may be used for administration.</p>	<p>Strikes required activities and lists authorized activities similar to those in current law. Explicit authority is added to support provision of core services at one-stop centers.</p> <p>Same as current law.</p>	<p>Similar to House, but adds supporting development of alternative programs as another authorized use of funds.</p> <p>Same as House.</p>
<p>Youth Eligibility: Both in-school and out-of-school youth are eligible.</p> <p>Thirty percent of funds must be used to serve out-of-school youth unless the Secretary approves a request reducing the required percentage.</p>	<p>Same as current law, though a new priority is given to school dropouts.</p> <p>Not more than 30 percent of funds may be used to provide services to in-school youth.</p>	<p>Same as House, but priority for school dropouts is not added.</p> <p>Not more than 60 percent of funds may be used to provide services to in-school youth—unless the Secretary approves a request to exceed the ceiling.</p>

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<p>Eligible youth must be 14-21 years old, low-income and have one or more barriers (such as basic skills deficiency or school dropout). There are no separate eligibility criteria for out-of-school and in-school youth.</p> <p>The definition of low-income individual does not allow school lunch eligibility as a proxy for eligibility.</p> <p>Not more than 5 percent of participants can be eligible regardless of income level provided they have one or more barriers, including basic skills deficient, pregnant or parenting, etc.</p>	<p>Activities for in-school youth must be carried out in non-school hours.</p> <p>Changes overall eligibility to 16-24 years old. Eligible out-of-school youth must be one or more of the following: school dropout; recipient of a secondary school diploma or GED who is basic skills deficient; court-involved youth attending an alternative school; youth in foster care or who have been in foster care.</p> <p>Eligible in-school youth must be low-income individuals and have one or more of the barriers as in current law.</p> <p>Modifies low-income criteria to make eligible those who receive free or reduced price school lunches.</p> <p>Strikes this provision.</p>	<p>No such provision.</p> <p>Changes eligibility for out-of-school youth to 16-21 years old. Eligible youth must meet one of a broad list of criteria: school dropout; a recipient of a secondary school diploma or equivalent who is basic skills deficient, low-income and not attending any school; subject to the juvenile justice system or ordered by a court to alternative school, plus other criteria.</p> <p>Eligible in-school youth are 14-21 years old, low-income and have one or more barriers similar to those in current law.</p> <p>Same as House.</p> <p>Not more than 5 percent of participants may be individuals who are not low-income where income criteria are applicable.</p>
<p>Local Program Design: Funds must be used to provide an assessment, develop service strategies and provide preparation for employment and postsecondary education.</p> <p>Local programs must incorporate 10 required elements.</p>	<p>Strengthens emphasis on attainment of recognized credentials and pursuit of jobs in high-growth sectors.</p> <p>Maintains 10 program elements and adds on-the-job training opportunities and financial literacy skills.</p>	<p>Similar to House, but clarifies that academic instruction be based on content and standards set by No Child Left Behind legislation.</p> <p>Same as House, but adds entrepreneurial skills training/micro-enterprise services and information about average wages.</p>
<p>Eligible Providers of Youth Services:</p>	<p>Similar to current law, but adds an exception</p>	<p>Same as House.</p>

Current Law	H.R. 1261	S. 1627/Amended H.R. 1261
Local boards must award grants or contracts on a competitive basis.	for local areas where there is an insufficient number of eligible providers.	
<p>Youth Challenge Grants: Youth Opportunity Grants are awarded to selected high-poverty areas.</p>	<p>Authorizes Secretary to reserve 25 percent of the appropriated amount for youth challenge grants. If the total appropriation exceeds \$1 billion, only \$250 million could be used for such grants.</p> <p>The bulk of funds would be used for competitive grants to states, local boards and other entities to assist youth ages 14-19 in acquiring skills, credentials and work experience needed for labor market success. A portion of the funds would be used for discretionary grants awarded by the Secretary.</p>	<p>Authorizes Secretary to reserve funding for youth challenge grants only if the total appropriation exceeds \$1 billion. Up to \$250 million could be used for such grants.</p> <p>Similar to House, except eligible youth are 14-21 years old, a non-federal match is required, grant period is 2 years, among other differences.</p>
Performance Accountability		
<p>Core Indicators: States are subject to four core indicators (entered employment, retention, earnings and attainment of a credential).</p> <p>Core indicators are applied to older youth and all adult and dislocated worker services.</p> <p>Accountability measures are not applied to self-service and information activities.</p> <p>Three additional indicators apply to youth (attainment of basic skills, attainment of diploma or equivalent and placement and retention).</p>	<p>Same as current law, but replaces attainment of a credential with an efficiency measure. These are the common measures approved by a federal interagency group.</p> <p>Eliminates application of core indicators to older youth.</p> <p>Eliminates the current exclusion for self-service and information services.</p> <p>Replaces core indicators for youth with entry into employment, attainment of diploma or GED, attainment of literacy or numeracy skills and efficiency. These are the common measures approved by a federal interagency group.</p>	<p>Same as current law, but modifies earnings to focus on increases in earnings from unsubsidized employment. Does <i>not</i> include efficiency measure as a core indicator.</p> <p>Same as House.</p> <p>Same as current law.</p> <p>Similar to House, except does <i>not</i> add an efficiency measure.</p>

Current Law	H.R. 1261	S. 1627/Amended H.R. 1261
Customer satisfaction indicators are established for individuals and employers.	Eliminates customer satisfaction measures, but specifies that states may use them as additional indicators.	<p>Same as current law.</p> <p>Encourages states to identify additional indicators that track the system’s performance in meeting business needs.</p> <p>Authorizes Secretary to use WIA core indicators to assess performance of other one-stop programs in the Labor Department.</p>
Reporting Requirements: In addition to core indicators and customer satisfaction measures, states must report on a complex array of additional information, such as performance for special populations.	Leaves state reporting requirements intact except lifts the exclusion for reporting information on self-service and information activities. Also adds requirement for states to ensure data are valid and reliable.	<p>Same as House.</p> <p>Adds new requirements to report on cost per participant, number of participants served, new special populations, amount of adult and dislocated worker funds spent on core, intensive, training and business services.</p>
Negotiation of Performance Levels: States must negotiate levels for performance measures for three years and then for two years, “taking into account” economic conditions and characteristics of participants.	Requires states to set performance levels for two years—in line with duration of state plans. Negotiations must adjust (not simply take into account) core measures to reflect economic conditions and participant characteristics.	<p>Requires states to set performance levels for the first two years and then address years 3 and 4. Negotiations must adjust (using objective statistical methods) core measures to reflect economic conditions and participant characteristics.</p> <p>Requires Secretary to establish long-term national performance goals for core indicators in consultation with states and other parties.</p>
State Incentives and Sanctions: Incentive grants and sanctions are doled out to states and local areas. Incentive grants are awarded to states for performance that exceeds expectations for Title I, Title II (adult education) and vocational education.	Ties award of incentive grants to performance in WIA adult and youth activities, decoupling incentives from performance in adult and vocational education. Also turns requirement for Secretary to issue incentive awards to a mere authorization.	<p>Similar to current law, but broadens the basis of incentives beginning in PY 2005 to include exemplary performance in serving hard-to-serve groups, effective coordination, effective use of business strategies and other factors.</p> <p>Clarifies that states may face reduced grant</p>

Current Law	H.R. 1261	S. 1627/Amended H.R. 1261
		amounts if performance falls below 80 percent of the adjusted and negotiated level of performance for 2 consecutive years.
Administrative and Miscellaneous Provisions		
State Flexibility: States may request general waivers of any statutory or regulatory requirements in Title I-B with a number of exceptions (wage and labor standards etc.) and any of the statutory and regulatory requirements of the Wagner-Peyser Act with a number of exceptions. States may also pursue workforce flexibility plans that allow waivers of certain provisions of WIA, Wagner-Peyser Act and Older Americans Act.	Allows Secretary to establish an expedited process for extending waivers granted to one state to additional states. Retains workflex provisions.	Similar to House, though language on expedited waiver is less explicit. Excludes requirements for funding of one-stop infrastructure costs from waiver authority.
Low-Income Definition: The definition of low-income individual allows states and local grantees to use either the poverty line or 70 percent of the lower living standard income level to determine low-income eligibility.	Eliminates the lower living standard income level as a benchmark for determining low-income eligibility, leaving the poverty line as the sole benchmark.	<i>Same as current law.</i>
Prohibitions: Prohibits use of WIA Title I funds for “employment generating activities, economic development activities, investment in revolving loan funds...and similar activities that are not directly related to training for eligible individuals under this title.”	Repeals current prohibition on using WIA Title I funds. Prohibits use of WIA funds to establish stand-alone, fee-for-service enterprises that compete with private sector employment agencies. This prohibition does not apply to one-stop centers.	Repeals only the current prohibition on using WIA Title I funds for economic development activities, leaving other prohibitions in place. No such provision.
Administrative/Other: The youth program year begins on April 1 and the adult and dislocated program years begin on July 1. Prohibits WIA funded organizations from discriminating in employment on the basis of	Aligns youth program year with adult program year—both to be July 1. Exempts religious organizations from prohibition on discriminating in employment	<i>Same as current law.</i> No such provision.

Current Law	H.R. 1261	S. 1627/Amended H.R. 1261
religion, race, color, etc.	on the basis of religion.	