



# Workforce Investment Act (WIA) Reauthorization Proposals in the 113<sup>th</sup> Congress: Comparison of Major Features of Current Law and H.R. 803

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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 FY2003. Since that time, WIA programs have been funded through the annual appropriations process. In the 108<sup>th</sup> and 109<sup>th</sup> Congresses, bills to reauthorize WIA were passed in both the House and the Senate; however, no further action was taken. In the 112<sup>th</sup> 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 ordered reported H.R. 4297—the Workforce Investment Improvement Act of 2012, on June 7, 2012, by a vote of 23 to 15. This legislation would have amended and reauthorized WIA. No further action was taken on H.R. 4297 in the 112<sup>th</sup> Congress.

In the 113<sup>th</sup> Congress, the House Committee on Education and the Workforce has ordered reported H.R. 803—the Supporting Knowledge and Investing in Lifelong Skills Act (SKILLS Act). This bill was introduced on February 25, 2013, by Representative Virginia Foxx of North Carolina, the chair of the Subcommittee on Higher Education and Workforce Training. A legislative hearing on H.R. 803 was held before the full Committee on Education and the Workforce on February 26, 2013. On March 6, 2013, the committee, after considering four amendments to H.R. 803, ordered the bill reported by a vote of 23 to 0. H.R. 803 was debated in the House of Representatives on March 15, 2013, and passed by a vote of 215-202.

H.R. 803 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. Adult Education and Vocational Rehabilitation retain separate titles and funding in H.R. 803.

This report first provides a brief introduction to the four main titles of WIA and then compares the proposed provisions of H.R. 803 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), which provides job search and job matching assistance to unemployed individuals, 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 FY2003. Since that time, WIA programs have been funded through the annual appropriations process. In the 108<sup>th</sup> and 109<sup>th</sup> Congresses, bills to reauthorize WIA were passed in both the House and the Senate; however, no further action was taken.<sup>1</sup>

In the 112<sup>th</sup> Congress, the Senate Committee on Health, Education, Labor, and Pensions (HELP) released discussion drafts in June 2011 of legislation to amend and reauthorize WIA.<sup>2</sup> 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, 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

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<sup>1</sup> H.R. 1261 (108<sup>th</sup>) and H.R. 27 (109<sup>th</sup>). 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).

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

June 7, 2012, the committee, after considering 23 amendments to H.R. 4297, ordered the bill reported by a vote of 23 to 15. No further action was taken on H.R. 4297 in the 112<sup>th</sup> Congress.

In the 113<sup>th</sup> Congress, the House Committee on Education and the Workforce has ordered reported H.R. 803—the Supporting Knowledge and Investing in Lifelong Skills Act (SKILLS Act). This bill was introduced on February 25, 2013, by Representative Virginia Foxx of North Carolina, the chair of the Subcommittee on Higher Education and Workforce Training. A legislative hearing on H.R. 803 was held before the full Committee on Education and the Workforce on February 26, 2013. On March 6, 2013, the committee, after considering four amendments to H.R. 803, ordered the bill reported by a vote of 23 to 0. No Democrats on the committee cast a vote on the measure, maintaining that they were not provided adequate input in the process.<sup>3</sup> H.R. 803 was debated in the House of Representatives on March 15, 2013, and passed by a vote of 215-202.

This report summarizes each of the WIA titles and highlights the major features of H.R. 803 pertaining to each title. The report also compares the proposed provisions of H.R. 803 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.<sup>4</sup> 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, which provides job matching and job search assistance for unemployed individuals.

**Table 4.** Major Provisions of Title IV of WIA and Title V of H.R. 803. 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.<sup>5</sup>

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<sup>3</sup> Committee on Education and the Workforce, Democrats, “Committee Dems Walk Out of Workforce Training Bill & Vote,” press release, March 6, 2013, <http://democrats.edworkforce.house.gov/press-release/committee-dems-walk-out-workforce-training-bill-debate-vote>.

<sup>4</sup> 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).

<sup>5</sup> 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 Systems<sup>6</sup>**

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. 803 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. 803 maintains the existing One-Stop delivery system as the delivery mechanism for employment and training services. Below is a brief summary of the major provisions of H.R. 803. This list is followed by a thematic comparison in **Table 1** of current law and H.R. 803.

### **Consolidation and Repeal**

H.R. 803 repeals 24 programs, activities, and provisions in WIA Title I, the Wagner-Peyser Act, and related workforce development legislation. Major Title I programs that are repealed include Youth Activities, Native American programs, Migrant and Seasonal Farmworker programs, Reintegration of Ex-Offender programs, and YouthBuild. In addition, H.R. 803 modifies several other programs to increase coordination with the WIA system. For example, H.R. 803 specifies that certain refugee assistance programs in the Department of Health and Human Services (HHS) coordinate training services with WIA programs.

### **Funding**

As part of the elimination and consolidation of multiple programs, H.R. 803 combines funding from 19 programs to create a new, single Workforce Investment Fund (WIF). From the \$6.25 billion in the WIF, the Secretary of Labor would set aside \$31.2 million for technical assistance and evaluations, \$62.5 million for Native American employment and training programs, \$1.56 billion for Job Corps, and \$218.6 million for national emergency/dislocated worker activities. From the remaining \$4.37 billion, \$11 million would be set aside for outlying areas and \$4.26 billion would be allocated to states through a new four-factor formula consisting of measures of unemployment, civilian labor force, long-term unemployment, and youth poverty. For the first three years of authorization (FY2014-FY2016), H.R. 803 provides that states would receive 100% of the relative share of funding they received under the 19 programs whose funding is consolidated into the WIF. For the remaining years of authorization (through FY2020), states would receive no less than 90% of their previous year's relative share of funding.

At the state level (i.e., after funds are allocated from DOL to the states), H.R. 803 requires that each state set aside up to 15% of the state allotment for various statewide activities, including

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<sup>6</sup> This section was prepared by David Bradley.

rapid response, statewide grants for individuals with barriers to employment, and administrative costs.

## **Workforce Investment Boards**

H.R. 803 changes the composition and majority requirements of both state and local Workforce Investment Boards (WIBs). Under current law, WIBs are required to have representatives from business, labor, government, and other organizations with workforce development experience, the majority of which must represent businesses. H.R. 803 would make business representatives the only required members of WIBs, and require that two-thirds of the WIB membership be comprised of business representatives. In addition, H.R. 803 requires that local WIBs reserve a percentage of funds to carry out training activities. Under current law, there is no required percentage to be spent on training.

## **Planning**

H.R. 803 expands the requirements for state and local plans to require that WIBs indicate how they will serve the employment and training needs of various subpopulations, including at-risk and out-of-school youth, disabled workers, ex-offenders, Native Americans, migrant and seasonal farmworkers, refugees and entrants, and veterans (including disabled and homeless veterans). In addition, H.R. 803 requires that state and local plans indicate strategies to develop or strengthen industry or sector partnerships.

In addition to enhanced provisions for state and local plans, H.R. 803 expands the scope of existing options for State Unified Plans. H.R. 803 allows governors to propose additional consolidation of funds into the WIF. Specifically, governors may propose to consolidate some or all of the funds from programs dedicated to employment and training activities into the WIF, subject to the approval of the secretary with jurisdiction over the program under consideration for consolidation. For example, governors may propose to consolidate some or all of the funding dedicated to employment and training in the Temporary Assistance for Needy Families (TANF) grant into the WIF, subject to approval by the Secretary of HHS.

## **Employment and Training Activities**

H.R. 803 combines “core” and “intensive” services into a new single category of “work ready services.” Under current law, an individual typically needs to move through core and intensive services before being considered for training (this is known as the “sequence of services” provision in WIA). Under H.R. 803, however, 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.

Under current law, there is a priority of service for low-income individuals when resources are limited at One-Stop centers. H.R. 803 eliminates this priority. H.R. 803 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.

Finally, H.R. 803 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. The bill specifies that the hiring preference for this specialist should be for a disabled or other veteran.

**Table I. Major Provisions of Title I of Current Law and H.R. 803**

Provision—Title I	Current WIA Law—Workforce Investment Systems	H.R. 803—Supporting Knowledge and Investing in Lifelong Skills Act (SKILLS Act)
<b>Authorization and Funding Levels</b>	<p>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.</p>	<p>Authorizes Title I programs at \$6,245,318,000 for each of FY2014 through FY2020.</p> <p>Changes definition of program year from July 1-June 30 to align with fiscal year (October 1-September 30).</p>
<b>The One-Stop Delivery System and Program Consolidation</b>	<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<sup>a</sup></p> <ul style="list-style-type: none"> <li>• WIA Adult Activities</li> <li>• WIA Dislocated Worker Activities</li> <li>• WIA Youth Activities</li> <li>• Job Corps</li> <li>• WIA Native American Programs</li> <li>• WIA Migrant and Seasonal Farmworker Programs</li> <li>• YouthBuild</li> <li>• Reintegration of Ex-Offenders</li> <li>• Veterans Workforce Investment Program</li> <li>• Community Service Employment for Older Americans</li> <li>• Disabled Veterans’ Outreach Program</li> <li>• Local Veterans’ Employment Representatives</li> <li>• Employment Service</li> <li>• Adult Education and Family Literacy</li> <li>• Vocational Rehabilitation</li> <li>• Postsecondary Vocational Education</li> <li>• Trade Adjustment Assistance</li> <li>• Community Service Block Grants</li> <li>• State Unemployment Compensation</li> </ul>	<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"> <li>• WIA Adult Activities</li> <li>• WIA Dislocated Worker Activities</li> <li>• WIA Youth Activities</li> <li>• Job Corps</li> <li>• WIA Native American Programs</li> <li>• WIA Migrant and Seasonal Farmworker Programs</li> <li>• YouthBuild</li> <li>• Reintegration of Ex-Offenders</li> <li>• WIA Evaluation</li> <li>• Workforce Innovation Fund</li> <li>• WIA Pilots and Demonstration Programs</li> <li>• Workforce Data Quality Initiative</li> <li>• Veterans Workforce Investment Program</li> <li>• Community Service Employment for Older Americans</li> <li>• Disabled Veterans’ Outreach Program</li> <li>• Local Veterans’ Employment Representatives</li> <li>• Employment Service</li> </ul> <p>Non-partner program funding to be consolidated into WIF:</p> <ul style="list-style-type: none"> <li>• Women in Apprenticeships and Non-Traditional Occupations</li> </ul>

Provision—Title I	Current WIA Law—Workforce Investment Systems	H.R. 803—Supporting Knowledge and Investing in Lifelong Skills Act (SKILLS Act)
		<p>Current partner programs not to be consolidated into WIF:</p> <ul style="list-style-type: none"> <li>• Adult Education and Family Literacy</li> <li>• Vocational Rehabilitation</li> <li>• Postsecondary Vocational Education</li> <li>• Trade Adjustment Assistance</li> <li>• Community Service Block Grants</li> <li>• State Unemployment Compensation</li> </ul> <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 Director of the Office of Management and Budget reduce the number of FTE employees in the federal government to reflect the reduced federal role in WIA.</p>
<b>Repeals</b>	Not applicable.	<p>The legislation repeals:</p> <ul style="list-style-type: none"> <li>• WIA Youth Activities (WIA §126-129; Funding Consolidated into WIF)</li> <li>• WIA Identification of Eligible Providers of Youth Activities (WIA §123)</li> <li>• Job Corps Advisory Committees (WIA §155)</li> <li>• WIA Native American Programs (WIA §166; Funding Consolidated into WIF)</li> <li>• WIA Migrant and Seasonal Farmworker Programs (WIA §167; Funding Consolidated into WIF)</li> <li>• WIA Veterans' Workforce Investment Programs (WIA §168; Funding Consolidated into WIF)</li> <li>• WIA Youth Opportunity Grants (WIA §169)</li> <li>• WIA Demonstration, Pilot, Multiservice, Research, and Multistate Projects (WIA §171; Funding Consolidated into WIF)</li> <li>• WIA National Emergency Grants (WIA §173)</li> </ul>

Provision—Title I	Current WIA Law—Workforce Investment Systems	H.R. 803—Supporting Knowledge and Investing in Lifelong Skills Act (SKILLS Act)
<p><b>State Workforce Investment Boards (WIB) Membership</b></p>	<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"> <li>• WIA YouthBuild (WIA §173A; Funding Consolidated into WIF)</li> <li>• Authorization of Appropriations (WIA §174)</li> <li>• WIA Workforce Flexibility Plans (WIA §192)</li> <li>• Continuation of State Activities and Policies (WIA §194)</li> <li>• Definitions for Indicators of Performance (WIA §502)</li> <li>• WIA Incentive Grants (WIA §503)</li> <li>• Transition Provisions (WIA §506)</li> <li>• Community Service Employment for Older Americans (Title V of the Older Americans Act of 1965; Funding Consolidated into WIF)</li> <li>• Employment Service (§§1-14 of the Wagner-Peyser Act; Funding Consolidated into WIF)</li> <li>• Twenty-First Century Workforce Commission</li> <li>• Youth Conservation Corps Act of 1970</li> <li>• Grants for Workplace and Community Transition Training for Incarcerated Individuals</li> <li>• The Women in Apprenticeship and Nontraditional Occupations Act (WANTO; Funding Consolidated into WIF)</li> <li>• Disabled Veterans’ Outreach Program (Funding Consolidated into WIF)</li> <li>• Local Veterans’ Employment Representatives (Funding Consolidated into WIF)</li> </ul> <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. 803—Supporting Knowledge and Investing in Lifelong Skills Act (SKILLS Act)
<b>State WIB Functions</b>	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.
<b>State Plans</b>	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 of the following new elements: <ul style="list-style-type: none"> <li>• Criteria for evaluating training providers on performance and the match between training programs and in-demand occupations.</li> <li>• 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).</li> <li>• Strategies to “fully engage” business and meet needs of business in the state.</li> <li>• Strategies to encourage industry or sector partnerships.</li> <li>• Strategies to encourage regional cooperation within and across state borders.</li> <li>• A process and methodology for determining One-Stop partner programs’ contributions for infrastructure costs in One-Stop centers.</li> </ul>
<b>State Unified Plan</b>	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 the portion of funds dedicated to employment and training that is allotted to the state under WIA partner (and related) 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 must still meet the requirements, limitations, intent, and purpose of the programs from which the consolidated funds originated.

Provision—Title I	Current WIA Law—Workforce Investment Systems	H.R. 803—Supporting Knowledge and Investing in Lifelong Skills Act (SKILLS Act)
<b>Local Workforce Investment Areas (LWIA)</b>	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. Limits state designation of local areas to a period of not more than three years.
<b>Local Workforce Investment Boards</b>	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.
<b>Local Plans</b>	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. 803—Supporting Knowledge and Investing in Lifelong Skills Act (SKILLS Act)
<b>Performance Accountability</b>	<p>Requires core indicators of performance for Title I programs:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Two “Customer Satisfaction Indicators.”</li> </ul> <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"> <li>• Entry into unsubsidized employment.</li> <li>• Retention in unsubsidized employment.</li> <li>• Change in earnings.</li> <li>• Credential and educational attainment.</li> <li>• Participation in education or training and achievement of a gain in basic skills.</li> <li>• Entry into unsubsidized employment in the occupation in which the training was received.</li> </ul> <p>Requires that each of the performance indicators be disaggregated by the subpopulations that are identified in the state and local plans.</p>
<b>One-Stop Infrastructure Funding</b>	<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 (e.g., investment in and development of physical facilities, including operation and maintenance costs). 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>
<b>State Grant Allocation Formulas</b>	<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 FY2014-FY2016, 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 FY2017 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. 803—Supporting Knowledge and Investing in Lifelong Skills Act (SKILLS Act)
<b>State Reserve</b>	Governors may reserve up to 15% of WIA Adult, Dislocated Worker, and Youth Activities state formula grant funds. <sup>b</sup> In addition, governors may reserve an additional 25% of WIA Dislocated Worker Activities state formula grant funds.	Allows governors to reserve up to 15% of the total Workforce Investment Fund state allocation for statewide activities. From this 15% reserve, governors may reserve up to 25% for Rapid Response Activities, must reserve 15% for the Statewide Grants for Individuals with Barriers to Employment program, and may reserve up to 5% for administrative costs.
<b>Reservations from Annual Appropriations</b>	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"> <li>• 0.5% for technical assistance and evaluations,</li> <li>• 1% for Native American employment and training activities,</li> <li>• 25% for Job Corps, and</li> <li>• 3.5% for the national emergency grant activities.</li> </ul>
<b>Outlying Areas</b>	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.
<b>Employment and Training Activities</b>	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—Statewide Grants for Individuals with Barriers to Employment—to assist youth and adults with barriers to employment to 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>
<b>Sequence of Services</b>	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. 803—Supporting Knowledge and Investing in Lifelong Skills Act (SKILLS Act)
<b>Job Corps</b>	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 25% of total allocation to WIF for Job Corps, which for FY2012 equals \$1.56 billion.  Specifies that an entity applying to operate a Job Corps center must submit certain information in its application pertaining to the type of activities that would be offered at the center, its demonstrated record of serving at-risk youth, and its fiscal controls in place, among other items. Makes changes to the Job Corps performance accountability management system, with some new and revised performance measures, including measures that apply specifically to recruiters and career transition service (CTS) providers. Requires the Secretary to develop and implement a program improvement plan for centers that report less than 50% on certain performance indicators, and includes new provisions to close low-performing centers that have not met performance criteria. Maintains current two-year contract term for Job Corps operators (with three one-year extension options) but requires centers to meet or exceed each of the performance metrics. In addition, prohibits the Secretary from extending contracts (and thus requires recompeting) for Job Corps centers that are in the bottom 20% of centers on performance rankings.
<b>National Programs—Changes</b>	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.

**Source:** CRS analysis of P.L. 105-220 and H.R. 803, 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 Family Literacy Act<sup>7</sup>**

The Adult Education and Family Literacy Act (AEFLA) is the primary federal legislation that supports basic education for out-of-school adults. Commonly called “adult education,” the programs funded by AEFLA typically support educational services at the secondary level and below, as well as English language training. Almost all AEFLA funding is allotted to the states via formula grants.<sup>8</sup> States are required to subgrant the large majority of their funds to local providers that deliver educational services.

The SKILLS Act reauthorizes AEFLA from FY2014 through FY2020 and makes largely administrative changes to the existing program. It also changes the program’s accountability measures to align with the standardized measures of the SKILLS Act.

### **Authorization and Set-Asides**

The SKILLS Act authorizes \$606,294,933 per year for FY2014 through FY2020. This authorization level equals the FY2012 funding level.

Under current law, approximately 5% of the AEFLA appropriation is set aside for national programs and incentive grants.<sup>9</sup> The SKILLS Act reduces the set-aside to 2% for modified and streamlined National Activities.

### **State and Local Activities**

The SKILLS Act does not substantially modify the formula that distributes state grants or matching requirements. It also maintains the current requirements for the portions of each state grant that must be allotted to specified activities.

To receive federal funds, each state must have an approved state plan. The SKILLS Act reduces the duration of each state’s plan from five years to three years and permits a state’s adult education plan to be part of a State Unified Plan (described in Title I). The SKILLS Act also increases the scope of each state’s required plan in several ways, such as increasing the range of stakeholders (e.g., representatives from other social service programs and postsecondary education) that must be consulted in the formulation of the state plan.

The SKILLS Act also updates language and makes minor changes to state and local activities. Most notably, it replaces considerations that states must make when awarding local grants with a group of “measurable goals” that local grantees must demonstrate.

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<sup>7</sup> This section was prepared by (name redacted).

<sup>8</sup> Outlying areas are also eligible for grants.

<sup>9</sup> Annual appropriations did not always meet these statutory criteria.

**Table 2. Major Provisions of Title II of Current Law and H.R. 803**

Provision	Current Law—Adult Education and Literacy	H.R. 803—Adult Education and Family Literacy Education
<b>Authorization and Funding</b>	<p>Authorization expired after FY2003 but program has continued under annual appropriations.</p> <p>FY2012 appropriation was \$606,294,933.</p>	<p>Authorizes \$606,294,933 for each of FY2014-FY2020.</p>
<b>Purposes of Adult Education</b>	<p>Issues grants to states to allot to local entities that</p> <ul style="list-style-type: none"> <li>• assist adults in becoming literate and developing the skills necessary for employment;</li> <li>• assist adults in obtaining the skills necessary to be full partners in their children’s education; or</li> <li>• assist adults in the completion of a secondary school education.</li> </ul>	<p>Maintains existing provisions and increases emphasis on specific core skills (e.g., basic reading, writing, and math skills).</p> <p>Expands completion of secondary school objective to include transition to postsecondary education.</p> <p>Adds new provision identifying English language proficiency as a program objective.</p>
<b>Reservations from Annual Appropriations</b>	<p>1.5% for National Leadership Activities, not to exceed \$8,000,000.</p> <p>1.5% for National Institute for Literacy, (NIFL; not funded since FY2009; described below), not to exceed \$8,000,000.</p> <p>1.72% for DOL incentive grants (described in Title I).</p>	<p>Increases reservation for National Activities (revised version of National Leadership Activities) to 2.0%.</p> <p>Repeals other reservations.</p>
<b>Allotments to States</b>	<p>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.</p> <p>Establishes a minimum grant of \$250,000 for states and \$100,000 for territories.</p> <p>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.</p>	<p>Does not substantially change formula factors, minimum grant levels, or hold harmless provision from current law.</p>

Provision	Current Law—Adult Education and Literacy	H.R. 803—Adult Education and Family Literacy Education
<b>Performance Accountability</b>	<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 common performance indicators across WIA programs. The indicators are described in Title I.</p> <p>Allows states to incorporate additional indicators into their state plans.</p>
<b>State Plan Requirements</b>	<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 Title I.</p> <p>Modifies required plan content in several ways, including</p> <ul style="list-style-type: none"> <li>• specifies stakeholders that must be consulted in the process of developing the plan (e.g., WIBs, agencies that implement TANF, and rehabilitation programs);</li> <li>• requires states to describe how business and industry will participate in adult education programs;</li> <li>• requires states to consult with postsecondary education agencies to develop programs that align with and allow transition to postsecondary education; and</li> <li>• requires states to have a teacher assessment mechanism to ensure teacher quality and a plan on how to use funds to improve teacher quality.</li> </ul>
<b>Distribution of State Grant Funds and State Matching Requirement</b>	<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 must provide a match so that federal funds account for no more than 75% of the funding for adult education activities.</p>	<p>No changes from current law.</p>

Provision	Current Law—Adult Education and Literacy	H.R. 803—Adult Education and Family Literacy Education
<b>Characteristics of State Leadership Activities</b>	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.	Establishes 12 allowable activities that are largely similar to current law. New provisions include activities related to program evaluation, technology and distance learning, and the promotion of workplace literacy programs.
<b>Requirements for Recipients of Grants and Contracts for Local Activities</b>	Defines eligible grant recipients as entities that provide (1) adult education and literacy services, (2) family literacy services, or (3) English literacy programs.	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.  Expands applications requirements to require applicants to detail how they will meet each of the measurable goals described in the next row.
<b>Criteria for Awarding Grants for Local Activities</b>	Lists 12 considerations largely related to program performance, including past performance, existing capacity, and accommodation of high-need populations.	Replaces considerations with “measurable goals” that grant recipients must be able to demonstrate. These goals are broadly similar to the considerations in current law.  New provisions include requirements that educational activities be evidence-based and that providers be able to produce valid program data.
<b>Programs for Corrections Education and Other Institutionalized Individuals (subset of Local Activities)</b>	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.  Program content may include basic education, English literacy, and secondary school coursework.	Maintains current law regarding allowable portion of local activities funding that may go to corrections education and similar activities.  Expands allowed program content to include integrated education and job training.

Provision	Current Law—Adult Education and Literacy	H.R. 803—Adult Education and Family Literacy Education
<b>National Leadership Activities (NLA)</b>	<p>Establishes that the Department of Education will provide technical assistance to service providers such as</p> <ul style="list-style-type: none"> <li>• assistance in developing performance measures;</li> <li>• assistance related to professional development activities; and</li> <li>• assistance in developing distance learning programs.</li> </ul> <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 evaluating the effectiveness of various provider types and several initiatives related to English learners.</p>
<b>National Institute for Literacy (NIFL)</b>	<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. 803, as ordered to be reported by the House Committee on Education and the Workforce.

### **Title III: Amendments to the Wagner-Peyser Act<sup>10</sup>**

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. ES is one of the required partners in the One-Stop delivery system. Its central mission is to facilitate the match between individuals seeking work and employers seeking workers. It has been a central component of the workforce development system through 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. 803 repeals Sections 1-14, which authorize the Employment Service. Funding from the ES is consolidated into the new Workforce Investment Fund.

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<sup>10</sup> This section was prepared by David Bradley.

**Table 3. Major Provisions of Title III of Current Law and H.R. 803**

Provision—Title III	Current WIA Law—Workforce Investment-Related Activities	H.R. 803—Supporting Knowledge and Investing in Lifelong Skills Act (SKILLS Act)
<b>Authorization and Funding Levels</b>	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 FY2014-FY2020 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.
<b>Service Delivery</b>	Requires Employment Service to be a required One-Stop partner but does not require collocation.	Repeals authorization for Employment Service.
<b>Outlying Areas</b>	From total amount appropriated, requires allotments to Guam and the Virgin Islands first.	Not applicable.
<b>Use of Funds</b>	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.
<b>Performance Accountability</b>	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. 803, as ordered to be reported by the House Committee on Education and the Workforce.

## **Title V: Amendments to the Rehabilitation Act<sup>11</sup>**

The Rehabilitation Act, as amended, authorizes grants to support programs related to employment and independent living for individuals with disabilities. The programs it funds are generally administered by the Department of Education. In FY2012, nearly 90% of the funds appropriated under the Rehabilitation Act were for Vocational Rehabilitation (VR) state grants.

The SKILLS Act authorizes the VR state grants program as well as other programs under the Rehabilitation Act from FY2014 through FY2020. The programs' performance indicators are also modified to align with the standardized metrics described in Title I.

### **Vocational Rehabilitation State Grants**

The VR grants to states program is mandatory spending.<sup>12</sup> The SKILLS Act authorizes \$3,121,712,000 per year for the VR State Grants program for FY2014 through FY2020. This authorization is equal to the FY2012 appropriation level. Funding for the VR State Grants program, however, is determined by a formula in the Rehabilitation Act that provides an inflationary increase each year. The SKILLS Act does not amend or repeal this formula. As such, the program's funding would be determined by this formula and not its authorization level.

### **Expanded Transition Services for Students with Disabilities**

The SKILLS Act increases emphasis on transitional services to students with disabilities. Transitional services vary by student but can generally be understood as a coordinated set of services for an eligible individual between the ages of 16 and 21 to assist that individual in moving from school activities to post-school activities and employment.

The SKILLS Act requires each state to set aside at least 10% of its VR state grant funds for transition services. The act also requires each state's VR plan to include strategies for serving the transition population as well as a description of how the VR services will coordinate with transition services provided under the Individuals with Disabilities Education Act (IDEA).

### **Other Authorizations and Repeals**

In addition to the VR State Grants program, the SKILLS Act authorizes approximately \$317 million per year for other grant programs that are administered by the Department of Education. These programs are authorized at their FY2012 funding levels for each year from FY2014 to FY2020; the authorization level is the same each year. The largest authorization among these programs is National Institute on Disability and Rehabilitation Research (NIDRR) grants, which is authorized at \$109 million per year. The SKILLS Act also extends authorization through

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<sup>11</sup> This section was prepared by (name redacted).

<sup>12</sup> Unlike other provisions of WIA, the VR state grants program has remained authorized. The Rehabilitation Act specifies that if the program expires and Congress has not acted to reauthorize it, the program will be automatically reauthorized for one year and its appropriation will equal the prior year's appropriation plus an increase equal to inflation.

FY2020 for the National Council on Disability (\$3.3 million per year) and the Access Board (\$7.4 million per year).

The SKILLS Act repeals four authorizations. The Supported Employment State Grants program (\$29 million appropriation in FY2012) is repealed and its functions are absorbed by the VR state agencies. Three competitive grant programs (two of which were unfunded in FY2012) are also repealed.

**Table 4. Major Provisions of Current Law and Title V of H.R. 803**

Provision	Current Law—Rehabilitation Act, as Amended	H.R. 803—Amendments to the Rehabilitation Act of 1973
<b>Vocational Rehabilitation (VR) Grants to the States: Authorization and Funding</b>	<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 FY2014-FY2020.</p> <p>Maintains current law regarding annual inflation adjustment, meaning annual appropriations will be above the authorized level.</p>
<b>Head Administrator of Rehabilitation Services Administration (RSA) of the Department of Education</b>	<p>States that RSA is headed by a commissioner who is appointed by the President and confirmed by the Senate.</p>	<p>States that RSA is headed by a director who is appointed by the Secretary of Education.</p>
<b>Allotment Formula and Matching Requirement</b>	<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>	<p>No changes to allotment formula, minimum allotments, or matching requirements.</p>
<b>Standards and Indicators / Performance Accountability</b>	<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 common performance indicators across WIA. These metrics are discussed in Title 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. 803—Amendments to the Rehabilitation Act of 1973
<b>Initiatives Related to Transitional Activities for Students with Disabilities</b>	<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>
<b>VR Initiatives Related to Collaborative Activities with Employers</b>	<p>Requires no collaboration under the VR grants to states program.</p>	<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 by H.R. 803).</p> <p>Requires each state’s VR plan to specify how it will carry out collaborations with industry.</p>
<b>Coordination between State VR Agencies and State Agencies that Carry Out the Assistive Technology Act (ATA).</b>	<p>Does not require formal coordination.</p>	<p>Requires state VR plan to describe coordination and working relationship between state VR agency and state agency that carries out the ATA.</p>
<b>Supported Employment State Grants for Individuals with the Most Severe Disabilities</b>	<p>Authorization expired after FY2003.</p> <p>FY2012 appropriations were \$29,067,957.</p>	<p>Repeals the program.</p>
<b>Training for VR Personnel</b>	<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 from FY2014 to FY2020 at FY2012 levels.</p> <p>Repeals in-service training provisions.</p>
<b>Migrant and Seasonal Farmworkers Program, Recreational Programs for Individuals with Disabilities, and Projects with Industry Grants Program</b>	<p>Authorization expired after FY2003.</p> <p>Some programs continued under appropriations. Only Migrant and Seasonal Farmworkers program was funded in FY2012.</p>	<p>Repeals the authorizations.</p>

Source: CRS analysis of P.L. 105-220 and H.R. 803, as ordered to be reported by the House Committee on Education and the Workforce.

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