

Policy Points

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Summary of the Workforce Investment Act of 1998

President Clinton recently signed the Workforce Investment Act of 1998, which brings together several existing workforce development programs under one act and changes the way that they are to be implemented at the state and local level. The following summary has been developed to provide information to those individuals and organizations who have an interest in workforce development programs and their ability to prepare the state's residents for careers that will allow them to support their families and to be economically independent. This summary focuses mainly on the sections of the Act that replace the JTPA programs for adults.

I. Governance

State Workforce Investment Boards. To obtain funding, a state must establish a workforce investment board. Board members include the Governor, two members of each chamber of the state legislature appointed by the presiding official of each chamber, and representatives appointed by the Governor. A majority of board members must be representatives of business. These business representatives must be owners, CEOs or COOs, or other executives with policy and hiring authority; reflective of the employment opportunities in the state; and appointed from among individuals nominated by state business organizations and trade associations. The remainder of board members must be representatives of chief local elected officials, labor organizations, individuals and organizations that have experience in the delivery of workforce investment activities and youth activities, and relevant state agency heads. The members must represent diverse regions of the state, including urban, rural, and suburban areas.

Duties of the Workforce Investment Board. The board is to assist the Governor in developing a plan to be submitted to the Secretary of Labor; developing a statewide workforce investment system; designating local areas; developing funding allocation formulas; developing a statewide

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THE WORKFORCE INVESTMENT ACT

- *Mandates one-stop delivery systems*
- *Makes one-stop delivery systems the access point for all services*
- *Provides job training through vouchers*
- *Requires training providers to meet performance standards to qualify to receive vouchers*

employment statistics (formerly labor market information) system; developing state performance measures; preparing an annual report; and developing applications for incentive grants.

State Plan. The state plan developed by the board must outline a 5-year strategy for the statewide workforce investment system. The plan must include the following:

- a description of the state board including a description of the manner in which the board collaborated in the development of the state plan;
- a description of the state-imposed requirements for the statewide workforce investment system;
- a description of the State performance accountability system developed for the workforce investment activities;
- information describing the needs of the state regarding current and projected employment opportunities; the job skills necessary to obtain such employment; the skills and economic development needs of the state; and the type and availability of workforce investment activities in the state;
- an identification of local areas designated in the state;
- an identification of criteria to be used by chief elected officials for the appointment of members of local boards;
- the detailed plans required for Wagner-Peyser Act Employment Services activities;
- a description of the procedures that will be taken by the state to assure coordination and avoid duplication of workforce investment programs;
- a description of the common data collection and reporting processes for these programs;
- a description of the process used by the state to provide an opportunity for public comment on the state plan;
- information identifying how the state will use the funds from this act to leverage other resources;
- a description of the methods and factors that state will use in distributing funds to local areas;
- a description of the competitive process to be used by the state to award grants and contracts;
- a description of the state's strategy for assisting local areas in the development and implementation of fully operational one-stop delivery systems; and,
- a description of the employment and training activities that will be carried out with the funds including the procedures that local boards will use to identify eligible providers and how the state will serve low-income individuals (including recipients of public assistance and other individuals with multiple barriers to employment).

Designation of Local Workforce Investment Areas. The Governor must designate local workforce investment areas in which workforce activities are to be administered locally, taking into consideration factors such as consistency with labor market areas, the distance that individuals will need to travel to receive services, and geographic areas served by educational institutions. Units of local government (or combinations of such units) with a population of 200,000 or more that were service delivery areas under JTPA are to receive temporary designation, if they met JTPA performance measures during the preceding two years and had sustained fiscal integrity. If such areas substantially meet local performance measures for up to two subsequent years, the designation extends through the end of the state plan.

Local Workforce Investment Boards. Local workforce investment boards, in partnership with local elected officials, are responsible for planning and overseeing the local program. The local board is appointed by the local elected official(s). The Governor sets criteria for appointment of members

and certifies the board. The majority of board members must be business representatives. The business representatives must be business owners, CEOs or COOs, or other executives with hiring and policy authority; reflective of local employment opportunities; and appointed from among individuals nominated by local business and trade organizations. Other members should include representatives of education entities selected from individuals nominated by regional or local educational agencies, representatives of labor organizations selected from individuals nominated by local labor federations or other representatives of employees, community-based organizations (including those that serve the disabled and veterans), economic development agencies, and each of the one-stop partners. The board may include other representatives the local elected official determines are appropriate.

Duties of Local Workforce Investment Boards. The board is responsible for the following:

- developing the local plan to be submitted to the Governor;
- selection of local one-stop operators;
- selection of youth providers;
- identification of eligible providers of training services;
- identification of eligible providers for intensive services if the one-stop operator does not provide them;
- negotiating local performance measures;
- assisting in developing a statewide employment statistics system;
- coordinating the workforce investment activities with local economic development strategies;
- promoting the participation of private employers in the statewide workforce investment system; and,
- making available to the public on a regular basis, through open meetings, information regarding the activities of the board, the local plan prior to its submission, the designation and certification of one-stop operators, and the awarding of grants or contracts for youth activities.

The local elected official is to serve as the local grant recipient unless he or she designates an alternate entity to serve as the grant subrecipient or fiscal agent. The local elected official, however, retains liability for misuse of funds.

Limitations on Local Workforce Investment Boards. The board is prohibited from directly providing training services unless a waiver is obtained from the Governor. To obtain the waiver, the board must provide: 1) satisfactory evidence that there is an insufficient number of eligible providers of such a program of training services to meet local demand; 2) documentation that the board meets the performance requirements for training providers; 3) documentation that the training program will prepare participants for an occupation that is in demand in the local area; 4) notice to eligible providers that the board intends to submit the waiver (with 30 days for comment); 5) and documentation of those comments.

The local board may provide core services or intensive services or be designated or certified as a one-stop center only with the agreement of the chief elected official(s) and the governor.

Youth Councils. A youth council is to be established in each local area as a subgroup of the local partnership. The youth council is appointed by the local board and is comprised of members of the local board, and representatives of youth service agencies, local public housing authorities, parents of youth seeking assistance, youths, the Job Corps, and others deemed appropriate. The youth council

develops portions of the local plan relating to youth, recommends the providers of youth activities to be awarded grants by the local board, and coordinates youth activities in the local area.

Local Plans. Each local board must submit a 5-year plan to the governor. The plan is to include:

- an identification of the workforce investment needs of businesses, jobseekers, and workers in the local area, the current and projected employment opportunities, and the job skills necessary to obtain such employment;
- a description of the one-stop delivery system;
- a description of the local levels of performance negotiated with the governor and chief elected official(s);
- a description and assessment of the type and availability of adult and dislocated work employment and training activities in the local area;
- a description of how the board will coordinate workforce investment activities;
- a description and assessment of the type and availability of youth activities;
- a description of the process used by the local board to provide an opportunity for public comment on the plan;
- an identification of the local fiscal agent; and,
- a description of the competitive process to be used to award grants and contracts.

II. Services to Be Provided

The Act breaks the types of services provided through the One-Stop System into three categories.

Core Services. Core services are to be provided to adults or dislocated workers through the one-stop delivery system. Those services include:

- determination of eligibility for assistance;
- outreach, intake, and orientation to the services available;
- initial assessment of skills levels, aptitudes, abilities, and supportive services;
- job search and placement assistance, including career counseling;
- labor market information identifying job vacancies, skills necessary for occupations in demand, and relevant employment trends in the local, regional and national economies;
- performance information on training providers;
- information on and referrals to supportive services including child care and transportation;
- assistance in establishing eligibility for Welfare to Work and financial aid for training and education programs; and,
- follow-up services to assist in job retention.

Core services funded by the adult funding stream are to be available on a universal basis with no eligibility requirement. Funds for dislocated workers are to be used exclusively for services to such workers. These funds are to be supplemented by resources from the one-stop partners to provide core services consistent with the laws governing such partners and the one-stop memorandum of understanding.

Intensive Services. Adult and dislocated worker funds are also to be used to provide intensive services to 1) unemployed workers who are unable to obtain employment through the core services and

who have been determined by a one-stop center to be in need of more intensive services in order to obtain employment and 2) to employed workers who are determined to need additional assistance to obtain or retain employment that allows for self-sufficiency. Intensive services are to be provided directly through one-stop centers or through contracts with service providers, which can be public or private. If funds are limited in a local area, priority for intensive services must be given to recipients of public assistance and other low-income individuals.

Intensive services include:

- comprehensive and specialized assessments which may include diagnostic testing and the use of other assessment tools and in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals;
- development of individual employment plans;
- group and individual counseling;
- case management; and,
- short-term prevocational services including development of learning skills, interviewing skills, punctuality, personal maintenance skills, and professional conduct, to prepare individuals for unsubsidized employment or training.

Training Services. Training services may be provided to individuals who 1) met the eligibility requirements for intensive services but have been unable to obtain or retain employment through such services, 2) have the skills and qualifications to successfully participate in the selected training program, 3) select programs that are directly linked to employment opportunities in the local area, and 4) are unable to obtain other grant assistance, including Pell grants, or need assistance above the levels provided by such other grants.

Authorized training activities include:

- occupational skills training;
- on-the-job training;
- programs that provide workplace training with related instruction;
- training programs operated by the private sector;
- skill upgrading and retraining;
- entrepreneurial training;
- job readiness training;
- adult education and literacy activities in conjunction with other training; and,
- customized training conducted with a commitment by an employer or group of employers to employ individuals upon successful completion of the training.

If funds are limited in a local area, priority for training services must be given to recipients of public assistance and other low-income individuals.

III. Delivery of Services

One-Stop Delivery Systems. Each local area is to establish a one-stop delivery system through which core employment-related services are provided and through which access is provided to other employment and training services funded under this Act and other Federal programs. The access to services

must be provided through not less than one physical one-stop center in each local area, which may be supplemented by networks of affiliated sites. The programs providing services through the one-stop system are referred to as one-stop partners.

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

One-Stop Partners. Designated one-stop partners are programs that must provide core services through the one-stop. The partners include those programs under the Wagner-Peyser Act; the Adult Education and Literacy title of this Act; the Vocational Rehabilitation Act; the Welfare-to-Work grants; title V of the Older Americans Act; postsecondary vocational education under the Perkins Act; Trade Adjustment Assistance; veterans employment services under chapter 41 of title 38, U.S.C.; unemployment compensation laws; Community Service Block Grants; and employment and training activities carried out by the Department of Housing and Urban Development. Additional programs also may be partners in the one-stop center with the approval of the local board and local elected official(s).

Relationship between One-Stop Centers, One-Stop Partners, and Boards. The partners and local boards, subject to the approval of the chief elected official(s), enter into a written memorandum of understanding describing the services to be provided, how the costs of the services and operating costs of the system will be funded, methods for referral of individuals between the one-stop operators and partners for appropriate services and activities, and other matters deemed appropriate.

Eligible Training Providers. There are three types of entities that are eligible to be certified as training providers and receive funding under this Act: postsecondary education institutions certified under the Higher Education Act that provide a program leading to a two or four-year degree or certificate; entities that carry out apprenticeship programs registered under the National Apprenticeship Act; and other public or private providers of training. The first two are automatically eligible to receive funds if they file an appropriate application with the local board. The third group must satisfy alternative procedures that are established by the Governor for initial eligibility. Those procedures must include an assessment of performance if the provider previously provided training services and other appropriate criteria. The Governor must provide an opportunity for public comment during the development of these procedures.

Maintaining Eligibility as a Training Provider. Subsequent to the initial eligibility period, which will generally not exceed one year, all providers (including those that were automatically eligible) must meet performance criteria established by the Governor to maintain eligibility.

The performance criteria are to include levels of performance for all individuals participating in the provider's program relating to: the rate of completion; the percentage of all such individuals who obtain unsubsidized employment (which also may include the percentage of those who obtained such employment in occupations related to the program); and the wages at placement of such individuals.

The criteria are also to include levels of performance relating specifically to program participants whose activities were funded under the Workforce Investment Act. These criteria include the percentage of those participants who completed the program and obtained unsubsidized employment, the retention rate in such employment and the wage rate of those participants who completed the applicable program 6 months after employment; and the rates of licensure or certification as appropriate of those who completed. Each provider also must submit information relating to the costs of the program. The local board may modify the performance criteria for programs of providers in the local area by increasing the levels of performance above the minimum levels established by the Governor.

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

List of Training Providers. The local boards are to place all initially eligible applicants on a list, which includes each provider's program performance and cost information. The local board submits the list to the state and if the state agency determines within 30 days that the provider does not meet the criteria, the state is to remove the provider from the list. Neither postsecondary institutions nor apprenticeship programs, as defined above, can be removed from the list. The state distributes a single list of providers identified from all local areas, making it available through the One-Stop system. A participant may select any eligible program in the state if all other criteria relating to eligibility for training services are met. States may enter into reciprocal agreements to allow eligible providers of training in one state to accept Individual Training Accounts provided in another state.

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

IV. Youth Activities

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

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

V. Funding

Allocation of Funds. There are three funding streams to the states and localities: adults, dislocated workers, and youth. Eighty-five percent of adult and youth funds are allocated to local areas, with the remainder reserved for statewide activities. Of the amounts appropriated for dislocated workers, 20 percent is to be reserved for the Secretary to carry out National Emergency Grants and dislocated worker demonstrations and technical assistance. Of the remainder, 60 percent of dislocated worker funds are allocated to local areas, with 15 percent reserved for statewide activities and 25 percent reserved for state rapid response activities.

State and Substate Formulas. State and substate formulas under each of the funding streams are similar to the JTPA formulas which take into account the numbers of unemployed individuals residing in areas of substantial unemployment, the amount of excess unemployment, and the number of economically disadvantaged adults. However, the minimum amount (known as the small state minimum) a state may receive would be increased under the adult and youth formulas if appropriations exceed the amount allocated to states in fiscal year 1998. Also, a provision has been added to the adult and youth formulas to ensure that no state would receive less than its fiscal year 1998 allocation. In addition, within states, no local area would receive less than its fiscal year 1998 allocation for the first two years. Additional flexibility would be provided so that the state may adjust up to 30% of the adult and youth substate formulas by incorporating additional factors relating to excess poverty and excess unemployment.

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

VI. Accountability

Performance Indicators for Adult Activities. The bill specifies core indicators of performance that will apply to the workforce investment program administered by states and local areas, including rates of entry into unsubsidized employment by participants, retention in such employment and earnings 6 months after entry, and skill educational attainment documented through a recognized credential for those who enter unsubsidized employment. These indicators do not apply to participants who receive only self-service and information activities. They do apply separately to dislocated workers and adults. Measures of customer satisfaction with services received also will be established for participants and for employers. States have the flexibility to add other measures of performance. To assure comparability of performance information, the Secretary, after broad consultation, is to define performance-related terms.

Performance Indicators for Youth Activities. The indicators for older youth ages 19- 21 generally track with those for dislocated workers and adults, but add the attainment of a recognized credential such as a high school diploma or its equivalent for those who enter postsecondary education or advanced training, as well as unsubsidized employment. The indicators for youth ages 14 - 18 include rates of basic skills and work readiness or occupational skills attainment; attainment of high school diplomas or the equivalent; and placement and retention in postsecondary education, advanced occupational training, apprenticeships, the military, or employment.

Negotiation of Performance Indicators. Indicators for the first three years of the state plan will be negotiated by the Secretary of Labor with each Governor, and each Governor with local areas, respectively. Negotiations are to take into account special economic and demographic factors and levels agreed to will be incorporated into the state and local plans prior to approval. The Secretary and each Governor will renegotiate levels of performance for the indicators for the fourth and fifth years of the state plan. Failure to meet expected levels of performance will lead to sanctions, and exceeding expected levels would lead to receipt of incentive funds.

Reporting. States are to prepare and submit to the Secretary annual reports on progress in achieving state and local area performance measures. Among the information to be included in the report is the

performance resulting from serving recipients of public assistance, out of school youth, veterans, individuals with disabilities, displaced homemakers, and older individuals. The Secretary will disseminate this information to the general public and Congress, including state-by-state comparisons. The bill also requires states to conduct evaluation studies of workforce investment activities, coordinating with evaluations carried out by the Secretary.

VII. National Activities

Native American Programs. Grants to support employment and training activities for Indian, Alaska Native, and Native Hawaiian individuals are authorized. Provisions are similar to current law.

Migrant and Seasonal Farmworker Programs. Similar to current law, grants to support migrant and seasonal farmworkers and their dependents are authorized. The bill adds specific eligibility criteria for migrant and seasonal farmworkers.

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

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

Technical Assistance. The bill authorizes the Secretary to provide, coordinate and support the development of appropriate technical assistance, staff development, and other activities, including assistance in replicating programs of demonstrated effectiveness. The Secretary is also authorized to assist states in making transitions from carrying out activities under the provisions of law repealed by this title to carrying out activities under this title.

Demonstration, Pilot, Multiservice, Research and Multistate Projects. The Secretary is required to publish a plan, every 2 years, in the *Federal Register* that describes the demonstration and pilot, multiservice, research, and multistate project priorities of the Department of Labor.

Evaluations. The Secretary is required to provide for continuing evaluation of the programs and activities authorized under this title.

National Emergency Grants. The Secretary is authorized to award national emergency grants: (1) to provide employment and training assistance to workers affected by major economic dislocations; (2) to provide assistance to the Governor of any state within the boundaries of which is an area that has suffered an emergency or major disaster; and (3) to provide additional assistance to a state or local board for eligible dislocated workers in a case in which the State or local board has expended the funds provided for National Emergency Grants and can demonstrate the need for additional funds to provide appropriate services for such workers. Participant eligibility for employment and training assistance includes dislocated workers and certain civilian Department of Defense employees affected by downsizing and certain recently separated members of the armed forces. Participant eligibility for disaster relief includes in addition to dislocated workers, the long-term unemployed and individuals temporarily or permanently unemployed as a consequence of the disaster.

Waivers. The bill provides authority for the Secretary (currently contained in appropriations law) to waive statutory or regulatory requirements of the adult and youth training provisions of the Act and the Wagner-Peyser Act, with exceptions for labor standards, nondiscrimination and related provisions. It clarifies that waivers previously granted to states may continue to be in effect under this Act for the duration of the waiver.

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

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

VIII. Related Programs

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

Adult Education and Literacy. The act reauthorizes Adult Education and Literacy programs for Fiscal Years 1999-2003.

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

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

Employment Statistics System. A national employment statistics system is established, which is to be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Department of Labor and the states. The Secretary, through the Bureau of Labor Statistics, and in cooperation with the states, is to prepare an annual plan to manage the nationwide system.

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

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

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

Incentive Grants. Beginning on July 1, 2000, the Secretary is required to award an incentive grant to each state that exceeds the state adjusted levels of performance for each of three programs: workforce investment, adult education, and vocational education -- and submits an application for funds. The funds are to be used by the state for carrying out an innovative program consistent with the requirements relating to any one or more of the three programs. The Secretary may review an application for an incentive grant only to ensure that the application contains the following assurances: (1) the legislature of the state was consulted with respect to the development of the application; (2) the application was approved by the Governor, the eligible agency for adult education, and the state agency responsible for vocational education, and (3) the state and eligible agencies, as appropriate, exceeded the adjusted performance levels. An incentive grant provided to a state shall be awarded in an amount that is not less than \$750,000 and not more than \$3,000,000. If the amount available for grants under this section for a fiscal year is insufficient to award a grant to each state or eligible agency that is eligible for a grant, the Secretary shall reduce the minimum and maximum grant amount by a uniform percentage.