

**SIDE-BY-SIDE COMPARISON**  
**Workforce Investment Act Reauthorization:**  
**Comparison of Administration Proposal, H.R. 1261 (as Passed by the House), and S. 1627 (as Passed by the Senate<sup>1</sup>)**

Administration Reauth. Proposal	H.R. 1261, as Passed	S. 1627, as Passed
<b>STATE GOVERNANCE</b>		
<p><b>State Workforce Investment Board</b>  Streamlines membership requirements to include: (1) the state agencies responsible for administering the One-Stop partner programs; (2) the state economic development agency [new]; (3) business representatives; (4) labor representatives; (5) state legislators; and (6) the Governor. The amended provision removes the requirement for business majority, but continues to require a member of the business community to chair the board. As in current law, Governors have the authority to expand Board membership. Removes requirement to include chief local elected officials, organizations with expertise in youth activities, and organizations with expertise in workforce activities.</p> <p>Adds director of the Voc. Rehab. Program if not the head of a state agency.</p> <p>Requires State Boards to develop statewide policies affecting the integrated provision of services through the One-Stop delivery system. Policies would include criteria for certifying One-Stop centers and the Board would issue certifications.</p> <p>Eliminates the grandfathering provisions for state and local boards that were in existence prior to the enactment of WIA.</p>	<p><b>State Workforce Investment Board</b>  Similar to Administration proposal, but retains the business majority requirement, and includes chief local elected officials.</p> <p>Same as Administration.</p> <p>Similar to Administration proposal, but does not refer to policies relating to the appropriate roles of one-stop operators.</p> <p>Same as the Administration proposal</p>	<p><b>State Workforce Investment Board</b>  Same as House, except adds reference to small business.</p> <p>Similar to Administration and House.</p> <p>Includes development of statewide policies but does not provide for issuance of certifications of One-Stop centers (only criteria to assess effectiveness of centers). Also, adds to functions reviewing and providing comment on state plans of One-Stop partner programs and establishing statewide policies on coordinated provision of services.</p> <p>Retains grandfathering provision, except if state fails to perform successfully.</p>
<p><b>State Plan</b>  Reduces the planning cycle for state plans from 5</p>	<p><b>State Plan</b>  Reduces the plan period from 5 years to 2 years.</p>	<p><b>State Plan</b>  Reduces plan period from 5 years to 4 years. State</p>

<sup>1</sup> On November 14, 2003, the Senate incorporated S. 1627 in H.R. 1261 and passed H.R. 1261 in lieu of S. 1627

<b>Administration Reauth. Proposal</b>	<b>H.R. 1261, as Passed</b>	<b>S. 1627, as Passed</b>
years to 2 years.		Board reviews and amends after 2 years regarding area designations, performance measures for third and fourth years, and other issues as appropriate. Significantly expands contents of state plan.
<p><b>Local Area Designation</b> The population for automatic designation remains at 500,000, as in current law. Provides that continued automatic designation may be denied if the local area did not perform successfully during the preceding two-year period. Eliminates automatic designation of rural CEPs.</p> <p>Eliminates automatic designation of local areas that had been designated as service delivery areas under JTPA.</p> <p>Continues to grandfather single local area states that were single areas prior to WIA and adds authority for Governor of other states to designate state as a single local area.</p> <p>Eliminates appeal provision.</p>	<p><b>Local Area Designation</b> Same as Administration.</p> <p>Retains current law automatic designation of rural CEPs</p> <p>Retains current law provision that applies to initial designation of local areas.</p> <p>Does not expand authority to add other states.</p> <p>Retains appeal provision.</p>	<p><b>Local Area Designation</b> Similar to Administration.</p> <p>Similar to House.</p> <p>Adds provision grandfathering all local areas if they continue to perform successfully and sustain fiscal integrity.</p> <p>Similar to Administration.</p> <p>Retains appeal to State Board, but eliminates appeal to the Secretary.</p>
<b>LOCAL GOVERNANCE</b>		
<p><b>Local Workforce Investment Boards</b> Streamlines membership by removing the requirement that One-Stop partner programs have a seat on the local boards. One-Stop partner programs retain involvement in the local system through the local One-Stop memorandum of understanding (MOU) process. Local Boards have the option of creating a Council of One-Stop partners to advise the Local Board. Eliminates requirement for establishment of youth councils. Local boards have option of retaining such councils.</p>	<p><b>Local Workforce Investment Boards</b> Similar to Administration proposal, but adds administrator of entities providing adult education and literacy activities in the area.</p>	<p><b>Local Workforce Investment Boards</b> Similar to Administration and House Also adds provision that if local board does not establish youth council, local board must include representatives with experience serving out-of-school youth.</p>
<p><b>Local Plan</b> Reduces the planning cycle for local plans from 5 to 2 years.</p>	<p><b>Local Plan</b> Same as Administration proposal.</p>	<p><b>Local Plan</b> Reduces the planning cycle to 4 years, with a review by the local board after 2 years. Otherwise, similar to Administration and House. Adds language on facilitating remote access to services, ensuring</p>

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<b>ONE-STOP DELIVERY SYSTEM</b>		
<p><b>One-Stop Partners</b> Amends the list of required One-Stop partner programs by replacing the Wagner-Peyser Act and defunct Welfare-to-Work program with two programs currently authorized as optional additional partners: the Temporary Assistance for Needy Families program (TANF) authorized under title IV-A of the Social Security Act and the Food Stamp Employment and Training and Food Stamp Work programs authorized under sections 6(d)(4) and 6(o) of the Food Stamp Act of 1977. These programs would be required partners unless the Governor notified the Secretary of Labor in writing of the Governor's determination not to include these programs as required partners.</p> <p>The list of additional One-Stop partners is amended to specify that other programs administered by the Social Security Administration or under the Social Security Act (such as Ticket-to-Work, and child support enforcement programs) and programs serving individuals with disabilities may serve as One-Stop partner programs.</p>	<p><b>One-Stop Partners</b> Similar to Administration proposal. Adds TANF per Administration proposal but does not include Food Stamp Employment and Training and Food Stamp Work programs.</p> <p>Same as Administration proposal.</p>	<p><b>One-Stop Partners</b> Retains separate Wagner-Peyser and WIA dislocated worker partner programs. Adds TANF per Administration proposal but does not include Food Stamp Employment and Training.</p> <p>Similar to Administration and House, but does not include child support enforcement or programs for individuals with disabilities, and adds employment and training programs carried out by the Small Business Administration.</p>
<p><b>One-Stop Infrastructure Funding</b> Section 121 of WIA would be amended to provide for infrastructure funding of one-stop centers. Each of the One-Stop partner programs would provide a portion of program funds to the Governor, who then would allocate the funds to local areas for the certified One-Stop centers in the State.</p>	<p><b>One-Stop Infrastructure Funding</b> Similar to Administration proposal.</p>	<p><b>One-Stop Infrastructure Funding</b> Local areas are allowed two options for infrastructure funding: (1) to develop (with the agreement of all partner programs) a funding mechanism in the local memorandum of understanding (MOU); or (2) to participate in a state process similar to the Administration's proposal. In the event that the MOU developed under option 1 is not agreed to by all partner programs, the state process would then come into effect.</p> <p>WIA formula and Wagner-Peyser contributions are capped at 3% of state allotment and other partners</p>

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<p>Provides for a new subsection (i) of section 121 to address these common costs not covered by infrastructure funds. Essentially, this is the same provision that is currently contained in section 134(d)(1)(B) of WIA that applies to all operating costs. Under this subsection, the partners would provide funding to cover infrastructure costs in excess of the amount provided by the new infrastructure grants, other common costs not included in the infrastructure definition (such as personnel), and the costs of providing the core services that are applicable to participants from each program. The local MOU would remain the vehicle for determining how to allocate these costs since these costs would be more locally variable.</p>	<p>Similar to Administration proposal.</p>	<p>are capped at 1 ½ unless existing local MOU provides for a greater contribution. There is a special cap for Vocational Rehabilitation, increasing from .75% for the second program year after enactment to 1.5% for the fifth year after enactment.</p> <p>Similar to Administration proposal but does not include specific reference to infrastructure costs in excess of the amount provided by the infrastructure grant, but does refer, more generally, to common costs.</p>
<p><b>One-Stop Certification</b> The State Board is required to establish procedures and criteria for periodically certifying One-Stop centers and issuing certifications. The criteria would include minimum standards relating to the scope and degree of service integration achieved by the center with respect to One-Stop partner programs and other factors relating to the quality and effectiveness of the centers. Certification is required to be eligible for infrastructure funding.</p>	<p><b>One-Stop Certification</b> Similar to Administration proposal.</p>	<p><b>One-Stop Certification</b> Certification is not mentioned. The State Board (in consultation with local elected officials and Local Boards) are to establish procedures and objective criteria for use by Local Boards in periodically assessing the effectiveness and continuous improvement of One-Stop centers.</p>
<b>ELIGIBLE TRAINING PROVIDERS</b>		
<p><b>Eligible Training Provider Provisions</b> Governors, after consultation with State Board, would establish criteria and procedures relating to the eligibility of providers of training services to receive WIA. Governors may authorize local areas to establish additional criteria or modify the criteria established by the Governor.</p>	<p><b>Eligible Training Provider Provisions</b> Similar to Administration proposal.</p> <p>Adds provision requiring that Governor, in developing criteria and procedures, solicit and take into consideration recommendations of local boards and training service providers.</p>	<p><b>Eligible Training Provider Provisions</b> Similar to Administration and House. Does not include House provision re. taking into consideration recommendations of local boards and training service providers. Local areas may establish additional criteria beyond those set by Governor. Includes current law sanctions for intentionally</p>

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<p><b>Eligible Providers of Youth Activities</b> Repeals section 123.</p>	<p>Adds a limitation that no personally identifiable information regarding a student (such as SSN) may be disclosed without prior written consent of a parent or student.</p> <p><b>Eligible Training Providers of Youth Activities</b> Similar to current law, local boards will select providers on a <u>competitive basis</u>, based on criteria contained in the state plan, but no longer based on youth council recommendations (consistent with eliminating mandatory youth councils). Where there is not a sufficient number of eligible providers of training services to award grants on a competitive basis (such as in rural areas), grants may be awarded on a <u>sole source</u> basis.</p>	<p>supplying inaccurate information. As under current law, providers of on-the-job training and customized training are not subject to the eligible training provider provisions, but Governors may set performance criteria and disseminate information identifying providers that meet criteria as eligible providers. Includes transition period for implementation (must be implemented by Dec. 31, 2004). Apprenticeship programs are to be included on the list of eligible providers as long as they are certified by DOL.</p> <p>Does not include House limitation.</p> <p><b>Eligible Training Providers of Youth Activities</b> Same as House.</p>
<b>YOUTH</b>		
<p><b>Youth Funding Level</b> Authorizes \$1,001,000,000 for youth activities in FY 2004. Twenty-five percent to be used for Youth Challenge Grants.</p>	<p><b>Youth Funding Level</b> Authorizes \$1,250,000,000 for youth activities in FY 2004. Of the amount appropriated, the Secretary must reserve 25% for Youth Challenge Grants. If the amount appropriated exceeds \$1 billion, the Secretary reserves only \$250 million for Youth Challenge Grants. Any amount above \$1.25 billion is allotted to states, territories and Native Americans.</p>	<p><b>Youth Funding Level</b> Authorizes such sums for youth activities. Appropriations over \$1 billion (up to \$250,000,000) is used to fund Youth Challenge Grants. Any amount above \$1.25 billion is allotted to states and territories.</p>
<p><b>State Allotments for Youth</b> Allotments of funds to states are based on three factors: 1/3 based on civilian labor force aged 16-21; 1/3 based on unemployed individuals; and 1/3</p>	<p><b>State Allotments for Youth</b> With respect to amounts that are less than or equal to the amount received under the WIA of 1998, the funds will be allocated in accordance with current</p>	<p><b>State Allotments for Youth</b> Similar to House.</p>

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<p>based on disadvantaged youth aged 16-21. There is a 90 percent hold harmless, a 130 percent stop-gain, and a small state minimum.</p>	<p>law factors: 1/3 based on number of unemployed living in areas of substantial unemployment; 1/3 excess unemployment (greater than 4.5 percent); and 1/3 based on disadvantaged youth.</p> <p>If excess funds are available, they will be allotted and distributed by formula: 1/3 based on the number of 16-19 year olds in the state's civilian labor force compared to the number of 16 - 19 year olds in all states' civilian labor force; 1/3 allotted based on the number of unemployed in the state versus the number of unemployed in all states; and 1/3 allotted based on the number of disadvantaged youth in each state. There is a 90 percent hold harmless, a 130 percent stop-gain, and a small state minimum.</p>	<p>Similar to House, but uses 16-21 year olds in state's civilian labor force, as in Administration proposal. There is a 90 percent hold harmless, a 130 percent stop-gain and small state minimum.</p>
<p><b>Youth Eligibility</b> Under the revised youth formula program, services would be targeted exclusively to out-of-school youth.</p> <p>The age for eligibility would be changed from 14 through 21 years old to 16 through 21 years old. To be eligible, youths must be one or more of the following: (1) school dropouts; or (2) recipients of a secondary school diploma or its equivalent, but are basic skills deficient and not attending any school. Priority in the provision of services would be given to school dropouts.</p>	<p><b>Youth Eligibility</b> Both out-of-school and in-school youth are eligible, but not more than 30 percent of funds may be expended on in-school youth.</p> <p>Changes age eligibility to 16 through 24. To be eligible, youth must be one or more of the following: (1) school dropouts, (2) recipients of secondary school diploma but are basic skills deficient, (3) court-involved youth attending alternative school, (4) youth in foster care (or have been in foster care); or in-school youth who are low income and have one or more specified barriers from current law.</p>	<p><b>Youth Eligibility</b> Both out-of-school and in-school youth are eligible. Places a 60 percent limit on state or local allocated funds spent for in-school youth (unless Secretary approves higher level in response to state request).</p> <p>To be eligible, a youth must be:  (1) out-of-school who is age 16 through 21 and one or more of the following: (a) school dropout; (b) youth within age for compulsory school attendance but has not attended school for at least one quarter; (c) recipient of a secondary school diploma or its equivalent, but are basic skills deficient, low-income, and not attending any school; (d) subject to the juvenile justice system and attending an alternative school; (e) a low income individual who is pregnant or parenting;; (f) a youth who has a diploma or GED (or is not in school or is in an alternative school) and is homeless, a runaway, a foster child, or in an out-of-home placement; or (g) a low income individual who requires additional assistance to complete an educational program or to secure or hold employment; or  (2) an in-school youth aged 14 through 21 who is</p>

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<p>Includes in definition of low income those who receive or are eligible to receive a free or reduced price lunch.</p>	<p>Same as Administration.</p> <p>Activities for in-school youth must be carried out during non-school hours or when school is not in session.</p>	<p>low income and one or more barriers similar to the barriers identified in current law.</p> <p>Not more than 5% of in-school youth may be individuals who do not meet low income criteria. Does not include priority for school dropouts</p> <p>Same as Administration.</p> <p>Does not include House provision.</p>
<p><b>Youth Challenge Grants</b>            Authorizes Youth Challenge Grants, competitive grants to promote collaboration and innovation in providing activities to assist youth in acquiring the skills, credentials, and employment experience necessary to succeed in the labor market. Under the amended section 169(a), of the 25 percent of the funds reserved from the youth appropriation for these grants, 80 percent would be available for competitive grants and 20 percent would be available for discretionary grants.</p> <p>The competitive grants may be awarded to States, local boards, recipients of Native American program grants, and public or private entities (including consortia of such entities) applying in conjunction with local boards. Initial awards would be made for one year, with four option years available depending upon satisfactory progress and availability of funds. The Secretary is authorized to require that grantees provide a nonfederal share of the cost of activities carried out under a grant.</p> <p>Youth ages 14 through 19 as of the time the eligibility determination is made may be eligible to participate in activities provided under this</p>	<p><b>Youth Challenge Grants</b>            Similar to Administration proposal.</p>	<p><b>Youth Challenge Grants</b>            Similar to Administration proposal.</p>

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subsection. Activities are to assist in acquiring skills, credentials and employment experience.		
<b>ADULTS AND DISLOCATED WORKERS</b>		
<p><b>Consolidated Funding Stream</b> The WIA Adult, WIA Dislocated Worker, and Wagner-Peyser funding streams would be consolidated into a single formula grant.</p>	<p><b>Consolidated Funding Stream</b> Same as Administration proposal.</p>	<p><b>Consolidated Funding Stream</b> Retains current law (i.e., separate adult, dislocated worker and Wagner-Peyser funding streams). Requires collocation of employment service offices with One-Stop centers.</p>
<p><b>State Allotments</b> The 88% that remains (after 12% is taken for the national reserve) flows to states under one funding stream, and is allocated based on two formulas.</p> <ul style="list-style-type: none"> <li>• 26% is allocated in accordance with a <u>base formula</u>; and</li> <li>• 74% is allocated in accordance with a <u>consolidated formula</u>.</li> </ul> <p><u>Base formula</u>: In FY 2004, the amount less than or equal to funding available to states under section 6 of the Wagner-Peyser Act is allotted based on the allotment percentage each state received in FY 2003. If the funding available for allocation under the base formula exceeds the funding available to states in FY 2003 under Wagner-Peyser, the <u>excess</u> is distributed based on the number of individuals in each state's civilian labor force, adjusted to ensure that no state receives less than 3/10 of 1% of the excess amount. In FY 2005 and thereafter, the amount less than or equal to the prior year total base amount is allocated on the basis of the percentage of the base amount each state received. If the funding available exceeds the funding available for the previous fiscal year, the <u>excess</u> is allotted based on the relative number of individuals in the civilian labor force in each state, and modified to ensure that no state receives less than .3% of the excess amount.</p> <p><u>Consolidated formula</u>: Allotments under the consolidated formula are based on three factors:</p>	<p><b>State Allotments</b> The 90% that remains (after 10% is taken for the national reserve) flows to states under one funding stream, and is allocated based on two formulas, which are the same as the Administration, but the bill adds:</p> <p><b>Adjustments in Allotments:</b> Allotments must be adjusted if a state receives an amount of funds through the new formulas (base and consolidated formulas) that is less than the amount the state would receive under unconsolidated formulas under: the WIA of 1998 Adult and Dislocated Worker formulas, Section 6 of Wagner-Peyser and Reemployment Service Grants, using each program's total state funding proportionate percentage in FY 2003.</p> <p>The Secretary will reduce the amounts received by states who gain more than 3% through the new formula (or more if the Secretary determines appropriate) and distribute it to the losing states.</p> <p>The Secretary must use Dislocated Worker National Reserve Account funds to provide any additional amount needed to restore losing states' allotments to levels equivalent to the unconsolidated formula amounts.</p>	<p><b>State Allotments</b> Retains current law with separate funding streams for adults and dislocated workers. The formula for State allotments for dislocated workers remains as in current law. The formula for allotting adult funds to the states is 40% based on unemployed in areas of substantial unemployment, 25% based on civilian labor force, 35% based on disadvantaged adults. The adult formula retains the current \$960 million state funding threshold. There is a small state minimum of .3% of the amount equal or below \$960 million. If above the threshold, there is a minimum equal to the state PY 1998 adult allotment and a 90% hold harmless.</p>

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<ul style="list-style-type: none"> <li>• 60% is based on the relative number of unemployed individuals (a factor currently used in WIA dislocated worker and Wagner-Peyser formulas);</li> <li>• 25% is based on the excess number of unemployed, which is the number of individuals in excess of 4.5% of the civilian labor force (WIA adult and dislocated worker formulas); and</li> <li>• 15% is allotted based on the number of disadvantaged adults, which includes those 22-72 who receive an income or are members of families receiving income that does not exceed the poverty line (currently used as a factor in the WIA adult formula, which also uses Lower Living Standard Income Level as income criteria).</li> </ul> <p>Under the consolidated formula, a state cannot receive less than 90% or more than 130% of the allotment percentage the state received under this paragraph in the preceding fiscal year. The allotment percentage for FY 2003 is the amount allotted under section 132(b) of the WIA of 1998. In addition, there is a small state minimum allotment of .20%.</p> <p>The allotment formula includes a 90 percent hold-harmless and a 130 percent stop-gain.</p>		
<p><b>Core, Intensive and Training Services</b> Broadens core services to include determinations of whether individuals are eligible to receive assistance under programs administered by one-stop partners.</p> <p>The eligibility requirements for intensive services are amended to provide that if an individual is <u>unlikely</u> or unable to obtain <u>suitable</u> employment through core services and, as in current law, is determined to need those services, they would be eligible. This provision also provides that the Governor is to</p>	<p><b>Core, Intensive and Training Services</b> Same as Administration proposal.</p> <p>Similar to Administration proposal.</p>	<p><b>Core, Intensive and Training Services</b> Retains current law.</p> <p>The eligibility for intensive services is individuals who are unemployed and who are unlikely or unable through core services to obtain employment that leads to self-sufficiency, or wages comparable or higher than previous employment. For employed workers, eligibility is limited to those who are</p>

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<p>define the term "suitable employment." A similar change is made with respect to the progression from intensive to training services.</p> <p>The intensive services provisions also are amended to remove the limitation that case management may only be provided to participants receiving training services. In addition, three services are added to the list of allowable intensive services: internships and work experience; literacy activities relating to basic work readiness and financial literacy activities; and out-of-area job search assistance and relocation assistance.</p> <p>Priority is given to unemployed individuals for the provision of intensive and training services. Additional priority for recipients of public assistance and other low income individuals if funds for serving them are insufficient.</p>	<p>Similar to Administration proposal.</p> <p>Similar to Administration proposal.</p>	<p>unlikely or unable through core services to obtain employment that leads to self-sufficiency. For training, for both employed and unemployed workers, eligibility is limited to individuals who are unlikely or unable through intensive services to obtain employment that leads to self-sufficiency, or wages comparable or higher than previous employment. Adds as a required local employment and training activity, designation of a dedicated business liaison at each one-stop.</p> <p>Similar to Administration and House.</p> <p>Retains current law priority for public assistance and low-income individuals.</p>
<p><b>Expanded Use of Individual Training Accounts</b> Amends WIA to change the term "individual training account" to "career scholarship account". to better reflect the career objectives and the type of assistance being provided. The amended provision also authorizes local areas to assist participants in enhancing these accounts so that funds from sources other than the adult program may be included.</p>	<p><b>Expanded Use of Individual Training Accounts</b> Similar to Administration proposal but are called enhanced ITAs.</p>	<p><b>Expanded Use of Individual Training Accounts</b> Provides for coordination between Career Scholarship Accounts and other programs funding training.</p>
<b>PERFORMANCE ACCOUNTABILITY</b>		
<p><b>Core Indicators of Performance</b></p> <p>The current seventeen WIA title I performance indicators would be replaced by the eight common</p>	<p><b>Core Indicators of Performance</b></p> <p>Similar to Administration proposal.</p>	<p><b>Core Indicators of Performance</b></p> <p>Differs from Administration proposal and House bill as noted below.</p>

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<p>indicators of performance: four for youth, being 1) entry into employment, advanced training or the military, 2) attainment of secondary school diploma or equivalent, 3) attainment of literacy or numeracy skills, and 4) an efficiency measure; and four for adults, being 1) entry into employment, 2) retention in employment, 3) rate of earnings change after employment, and 4) an efficiency measure. These indicators were developed by Federal partner agencies as part of the new common measures initiative for employment and job training programs. Drops the exclusion of those receiving self-service and information activities from the measures.</p> <p>Performance indicators may include customer satisfaction of employers and participants with services received from workforce investment activities. The customer satisfaction indicators are no longer required.</p> <p>Governors would have the authority to add additional measures for use within their state, including the customer satisfaction and adult credential attainment measures.</p> <p>Requires Secretary to use core indicators to assess effectiveness of other required one-stop partner programs carried out by Secretary.</p> <p>Requires Secretary to establish long-term national goals for levels of performance.</p>	<p>Similar to Administration proposal.</p> <p>Does not include Administration provision.</p> <p>Long-term national goals not included.</p>	<p>Retains current law customer satisfaction and adult credential measures. Does not include efficiency as a core indicator of performance, rather adds reporting requirement of cost per participant.</p> <p>Includes Administration provision (but limits requirement to programs under jurisdiction of the Senate HELP Committee).</p> <p>Same as Administration.</p>
<p><b>Performance Sanctions</b> Retains current law provision authorizing reduction of grants to States that fail to meet negotiated levels of performance for core indicators for two consecutive years. DOL has administratively provided that a state may be sanctioned if it does not meet 80 percent of the negotiated level of performance for the same core indicator for two consecutive years.</p>	<p><b>Performance Sanctions</b> Same as Administration.</p>	<p><b>Performance Sanctions</b> Provides that sanctions may be applied if a state fails to perform at 80 percent of negotiated levels for the core indicators. The Senate Committee Report states that the intent of the provision is to only permit the imposition of sanctions if the state performs at less than 80 percent of the local area's sum or cumulative adjusted level of performance for the core indicators for two consecutive years. If a</p>

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<p><b>Incentive Grants</b> Secretary is authorized to award incentive grants for exemplary performance to States, which may be based on exceeding negotiated performance measures under WIA title I formula programs, serving special populations, or other appropriate factors.</p>	<p><b>Incentive Grants</b> Same as Administration.</p>	<p>state fails to meet a single measure, but maintains an 80 percent cumulative average, it would not be subject to sanctions</p> <p><b>Incentive Grants</b> Similar to current law, requires Secretary to award incentive grants to each State that meet criteria. The criteria are to include the current law factor of exceeding negotiated performance measures for WIA title I formula programs, the Adult Education program and the Perkins Vocational Education. Adds to required criteria exemplary performance in serving hard-to-serve populations; coordinating Wagner-Peyser and WIA activities; expanding access to training by leveraging additional resources; and implementing innovative business and economic development initiatives. Secretary may add additional factors.</p>
<b>ADMINISTRATIVE PROVISIONS</b>		
<p><b>Administrative Cost Limitation</b> No change from current law: 5% state, 10% local. Defined in regulation.</p>	<p><b>Administrative Cost Limitation</b> Same as Administration.</p>	<p><b>Administrative Cost Limitation</b> Same as Administration and House.</p>
<p><b>Non-Discrimination</b> Provides an exemption for religious organizations with respect to the employment of individuals with a particular religion to work connected with carrying out the organizations activities. This incorporates the exemption in hiring by religious organizations contained in title VII of the Civil Rights Act.</p>	<p><b>Non-Discrimination</b> Similar to Administration proposal.</p>	<p><b>Non-Discrimination</b> Administration's provision not included.</p>
<p><b>Expanded Waiver Authority</b> Adds a provision of "expedited process for extending approved waivers to additional states", enabling the Secretary to expedite waiver authorizations.</p> <p>Also expands list of provisions subject to waiver.</p>	<p><b>Expanded Waiver Authority</b> Same language as Administration proposal.</p> <p>Not included.</p>	<p><b>Expanded Waiver Authority</b> Specifies that the Secretary shall expedite requests for waivers that have been approved.</p> <p>Not included.</p>
<p><b>Block Grant Authority</b> Current law provisions would be simplified to allow a "State Option" in which Governors could apply for block grant authority, replacing the current work-flex authority. Under this option, Governors would</p>	<p><b>Block Grant Authority</b> Does not expand state flexibility. Retains the current Work-Flex authority in WIA.</p>	<p><b>Block Grant Authority</b> Same as House.</p>

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<p>have complete discretion as to how to administer WIA title I formula programs – both adult and youth. The Governors would determine sub-state funding and governance structures.</p> <p>This plan would include expected levels of performance under the Federal common measures for employment and job training programs. A state that fails to meet negotiated levels of performance two years in a row would be subject to sanctions and loss of the authority to run programs under this option.</p>		