

CLASP

CENTER FOR LAW AND SOCIAL POLICY

Recommended Legislative Language to Strengthen HR 27 EAS

All of our recommended changes have been made to the Senate bill, except where noted that we have suggested changes to current law. CLASP suggestions for new legislative language appear in italics, and suggestions for deletions appear in strikeout.

Section 101. Definitions

CLASP Recommendation: Ensure that funds used for economic development, on-the-job training, or customized training are targeted at businesses that provide good jobs by requiring that employers who receive government subsidies through the workforce system provide jobs which meet certain quality standards. To clarify what is meant by “job quality standards,” add a definition of the term.

Proposed Change: Amend Section 101(12) [which amends 29 U.S.C. 2801] by adding a new paragraph on p. 11 on line 5:

“(23) JOB QUALITY STANDARDS—The term ‘job quality standards’ means a requirement that companies which receive government subsidies provide jobs that meet certain locally or state defined criteria, including, but not limited to, wage levels, availability of benefits (such as healthcare, paid leave, or retirement plans), reliable hours, opportunities for advancement, paid leave, or release time for training.”;”

CLASP Recommendation: Change the definition of “low-income individual” to refer to those earning 100 percent or less of the lower living standard income level (LLSIL), to ensure that more low-income individuals and low-wage workers are eligible for intensive and training services.

Proposed change: Amend Section 101 (13) [which amends 29 U.S.C. 2801 (25)] by adding a new paragraph on p. 11, line 7 to read *“(A) In (B)(ii) by striking “70” and inserting “100” before “percent”*. Re-designate Section 101(13) accordingly.

Section 111. Purposes

CLASP Recommendation: Add retention and advancement of low-wage workers to the purposes of WIA. Research has shown that many workers are stuck in low-wage jobs and that getting a job does not necessarily lead to an escape from poverty. As a result, a key function of the workforce system should be to help low-wage workers retain employment and advance to better jobs through a longer-term approach that simultaneously helps

individuals increase their skills, labor market attachment, and earnings over time to achieve self-sufficiency.

Proposed Change: Amend Subtitle B, Section 111 [which amends 29 U.S.C. 2811] by inserting the following new number (14) on p. 15, line 9, *“(14) To increase retention and advancement opportunities for low-wage workers”*.

Section 113. State Plan

CLASP Recommendation: Require states to include in the state plan detailed information about strategies that will be used to make one-stop services more accessible to low-wage workers.

Proposed Change: (See Section 116 for an additional change associated with the above recommendation.) Amend Section 113 (b)(6)(A)(iii) [which amends 29 U.S.C. 2822] on p. 26, line 11 by striking “and” after “staff” and inserting a new number (vi) as follows:

“(vi) a description of how the State will make one-stop services accessible to low-wage workers”; and”

CLASP Recommendation: Require states to include in the state plan the process that the state will use to ensure that local areas implement the priority system for recipients of public assistance and low-income individuals to receive intensive and training services (in effect under Section 121(c)(2)(E)).

Proposed Change: Amend Section 113 (b)(6)(A)(iii) [which amends 29 U.S.C. 2822] by inserting on p.26, line 12, *“(vii) how the state will ensure that local areas develop and implement policies to comply with the priority system for intensive and training services in effect under Section 121(c)(2)(E)” and”*.

Section 116. Local Plan

CLASP Recommendation: Require local areas to include in the local plan detailed information about strategies that will be used to make one-stop services more accessible to low-wage workers.

Proposed Change: (See Section 113 for an additional change associated with this recommendation.) Amend Section 116 (b) [which amends 29 U.S.C. 2833] by striking “and” from p.47, line 2, and inserting the following: *“(16) a description of how the local board will make one-stop services more accessible to low-wage workers; and”*.

Section 121. Adult and Dislocated Workers Employment and Training Activities

Section 121(b) Within State Allocations

CLASP Recommendation: Require that local areas requesting approval from the governor for a transfer of funds between the adult and dislocated worker program which

exceeds 30 percent provide an explanation, subject to public comment, of how both target populations will be adequately served through the transfer.

Proposed Change: Amend Section 121(b)(2) [which amends 29 U.S.C. 2863] on p. 115, line 20, as follows:

“(2) TRANSFER AUTHORITY.—Section 133(b)(4) (29 U.S.C. 2863(b)(4)) is amended by striking “20 percent” each place it appears and inserting “100 percent”—and inserting at the end of Sec. 133(b)(4)(B) *“except that any local board requesting approval from the governor to transfer more than 30 percent of funds between adult employment and training activities and dislocated worker employment and training activities must provide a written explanation, subject to public comment, of how both target populations will be adequately served through the transfer of funds.”*”

Section 121 (c) Use of Funds for Employment and Training Activities

CLASP Recommendation: 1) Require Workforce Investment Boards (WIBs) to collaborate with economic development entities to establish job quality standards when WIA funds are being used for economic development purposes; and 2) if WIA funds are being used for economic development activities, require state and local WIBs to have formal agreements in place with economic development authorities that specify how low-income individuals will be trained for and have equitable access to jobs created.

Proposed Change: (See Sections 161 and 151 for additional changes associated with this recommendation). Add a new subparagraph in Section 121(c)(1)(C) [which amends 29 U.S.C. 2864] after p. 128, line 24, to read as follows:

“(xi) Section 134(a)(3)(B) is amended by inserting a new (iii) as follows: “When funds are being used in collaboration with economic development agencies, the Workforce Board must establish job quality standards for the jobs being created through such collaboration. Formal agreements must also be drafted which describe the way in which low-income individuals will be trained for and have equitable access to the jobs being created.”

CLASP Recommendation: Allow business liaisons to provide technical assistance to employers about how to improve the quality of new and existing jobs and increase employment retention. For example, the business liaison could work with employers to improve human resource practices, create internal career ladders, allow release time for training, improve supervision, provide on-the-job training, implement flexible scheduling, provide paid leave, and facilitate access to work supports.

Proposed Change: Amend Section 121 (c)(2)(A)(iv) [which amends 29 U.S.C. 2864] by striking “; and” and inserting “.” following “their intermediaries” on p. 129, line 18, and then inserting:

“An allowable activity for the business liaison is to provide technical assistance to employers about how to improve human resource practices and employment conditions, expand career advancement opportunities, and improve employment retention.”

CLASP Recommendation: Expand upon the language in the Senate bill that requires one-stops to provide information about work supports so that it also requires them to assist customers with the submission of applications for such programs.

Proposed Change: Amend Section 121(c)(2)(B)(vi) [which amends 29 U.S.C. 2864] by striking “or assistance as appropriate;” and” on p. 132, lines 5 through 6, after “services”, and inserting, *“and assistance with the completion of applications for such services, or other assistance as appropriate;” and”*.

CLASP Recommendation: Eliminate the sequence of service. After receiving core services, participants can immediately receive any intensive or training service if they are determined to be eligible. Eliminating sequential eligibility requirements for intensive and training services will allow local boards and one-stop centers the flexibility to provide appropriate services to help customers achieve self-sufficiency in a timely manner.

Proposed Changes:

1. In Section (121)(c)(2)(C)(i) [which Amends 29 U.S.C. 2864(d)(3)] strike (aa) on p. 133, lines 4 through 9:

~~“(aa) unlikely or unable to obtain employment, that leads to self-sufficiency or wages comparable to or higher than previous employment, through core services described in paragraph (2);”~~

2. In Section (121)(c)(2)(D)(i) [which Amends 29 U.S.C. 2864(d)(4)] strike (aa) on p. 135, lines 15 through 21:

~~“(aa) be unlikely or unable to obtain or retain employment, that leads to self-sufficiency or wages comparable to or higher than previous employment, through the intensive services described in paragraph (3)”~~

3. At the end of section (121)(c)(2)(D)(i) [which Amends 29 U.S.C. 2864(d)(4)] on p. 136, line 20, insert the following new number (ii) and re-designate as appropriate:

“(ii) Special Rule. -Nothing in this section shall be construed to mean that individuals must receive intensive services before receiving training services. Eligible individuals can receive training services without receiving intensive services, or in conjunction with intensive services.”;

CLASP Recommendation: Clarify that WIA funds for training can supplement Pell grants when necessary.

Proposed Change: Amend Section 121 (c)(2)(D) [which amends Section 29 U.S.C. 2864(d)(4)(B)(1)] by inserting on p.137, line 8, the following new number (iii) and re-designate as appropriate:

“(iii) In subparagraph (B)(i)(II), after “including Federal Pell Grants.”, insert the following: “In deciding whether someone needs aid beyond a Federal Pell Grant, the One-Stop operator must take into consideration the full costs of participating in training, including child care, transportation, and lost wages due to reducing work hours enough to successfully complete a postsecondary program.”

CLASP Recommendation: Allow training to be provided through Individual Training Accounts (renamed Career Scholarship Accounts in HR 27 EAS) or through contract training, in order to ensure that states and local areas have maximum flexibility to provide the most appropriate type of training to program participants. Under current law, on-the-job training (OJT), customized training, and other forms of contract training are only available through exceptions to Individual Training Accounts (ITAs). This unnecessarily discourages the use of contract training, which research suggests may be better suited to the needs of hard-to-serve adults. We recommend preserving the law’s emphasis on customer choice and ensuring that there is an open and fair process for awarding contracts by inserting similar protections to those used successfully in Title II of WIA.

Proposed Changes:

1. Amend current law Section 134(c)(1)(B) [29 U.S.C. 2864 (c)(1)(B)] by striking “individual training accounts for” after “access to” as illustrated below:
 - (c) ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEM.—
 - (1) IN GENERAL.—There shall be established in a State that receives an allotment under section 132(b) a one-stop delivery system, which—
 - (A) shall provide the core services described in subsection (d)(2);
 - (B) shall provide access to intensive services and training services as described in paragraphs (3) and (4) of subsection (d), including serving as the point of access to ~~individual training accounts~~ for training services to participants in accordance with subsection (d)(4)(G);
2. HR 27 EAS Section 121(c)(2)(D)(v) amends 29 U.S.C. 2864(d)(4)(G) by replacing Individual Training Accounts with Career Scholarship Accounts and adding an additional exception for contract training to the ITA requirements. Although these changes are an improvement over current law, CLASP believes additional changes are necessary. We recommend striking 121(c)(2)(D)(v)(I) through

121(c)(2)(D)(v)(III) starting on p. 138, line 24 through p. 140, line 13, and inserting the following amendments to Section 134(d)(4)(G) of current law:

~~(G) USE OF INDIVIDUAL TRAINING ACCOUNTS~~ *Provision of Training Services* —

(i) ~~IN GENERAL.~~— Except as provided in clause (ii), ~~Training~~ services provided under this paragraph shall be provided *in a way that maximizes customer choice* through the use of ~~individual training~~ *career scholarship* accounts ~~in accordance with this paragraph,~~ *customized training, on-the-job-training, or other forms of contract training,* and shall be provided to eligible individuals through the one stop delivery system.

(ii) ~~EXCEPTIONS.~~— Training services authorized under this paragraph may be provided pursuant to a contract for services in lieu of an individual training account if the requirements of subparagraph (F) are met and if—
(I) ~~such services are on-the-job training provided by an employer or customized training;~~

(II) ~~the local board determines there are an insufficient number of eligible providers of training services in the local area involved (such as in 112 STAT. 998 PUBLIC LAW 105 220—AUG. 7, 1998 a rural area) to accomplish the purposes of a system of individual training accounts; or~~
(III) ~~the local board determines that there is a training services program of demonstrated effectiveness offered in the local area by a community based organization or another private organization to serve special participant populations that face multiple barriers to employment.~~

(iii) ~~(ii)~~ *LINKAGE TO OCCUPATIONS IN DEMAND.*— Training services provided under this paragraph shall be directly linked to occupations that are in demand in the local area, or in another area to which an adult or dislocated worker receiving such services is willing to relocate, except that a local board may approve training services for occupations determined by the local board to be in sectors of the economy that have a high potential for sustained demand or growth in the local area.

(iii). DIRECT AND EQUITABLE ACCESS TO CONTRACTS. Local boards that develop contracts for training services shall ensure that—
(1) all providers have direct and equitable access to apply for contracts under this section; and
(2) the same grant or contract announcement process and application process is used for all providers in the local area.

CLASP Recommendation: Require the inclusion of job quality standards in the development of on-the-job training (OJT), customized training, and incumbent worker training contracts. This will ensure that limited funds are targeted at employers who provide good jobs.

Proposed Change: At the end of current law Section 134(d)(4)(G) as revised by the preceding CLASP amendment, add the following paragraph:

“(iv) JOB QUALITY STANDARDS FOR TRAINING SUBSIDIES TO EMPLOYERS. – On-the-job training and customized training services provided under this paragraph shall be subject to job quality standards to be developed by the local boards.”

CLASP Recommendation: Explicitly state that the 10 percent cap on the share of federal funds dedicated to the incumbent worker training program authorized under Section 121(c)(3)(B) does not apply to the use of funds for training services to incumbent workers authorized under Section 121(c)(2)(D).

Proposed Change: Amend Section 121(c)(3)(B) [which amends Section 29 U.S.C. 2864 (e)] by inserting the following paragraph after “with statewide impact” on line 3, p. 149:

“The 10 percent cap on funds in this paragraph applies only to incumbent worker training programs authorized by this paragraph and shall not be construed to prohibit or discourage the use of funds for services to incumbent workers under Section 134(d).”

CLASP Recommendation: Allow funds dedicated to the incumbent worker training program, authorized in Section 121(c)(3)(B) to be used to promote advancement for low-wage workers in addition to job retention and layoff aversion.

Proposed Change: Amend Section 121(c)(3)(B) [which amends Section 29 U.S.C. 2864 (e)] by inserting “*or advance in*” after “retain” p. 149, on line 10.

Section 151. Requirements and Restrictions

CLASP Recommendation: 1) Require WIBs to collaborate with economic development entities to establish job quality standards when WIA funds are being used for economic development purposes; and 2) When WIA funds are being used for economic development activities, require state and local WIBs to have formal agreements in place with economic development authorities that specify how low-income individuals will be trained for and have equitable access to jobs created.

Proposed Change: (See Sections 121 and 161 for additional changes associated with this recommendation). Amend Section 151 on p. 233, line 6, as follows:

“SEC. 151. REQUIREMENTS AND RESTRICTIONS.

Section 181 (29 U.S.C. 2931) is amended—

“(1) by adding after (b) the following:

(c) Job Quality Standards—

No funds provided under this title shall be used for economic development activities unless job quality standards are established and formal agreements are in place with economic development

entities that specify how low-income individuals will be trained for and have equitable access to jobs being created.”

“(2) In (e) Section 181(e) (29 U.S.C. 2931 (e)) is amended by striking “economic development activities.””

Section 161. Incentive Grants

CLASP Recommendation: Direct the Secretary of Labor to award incentive grants to states which have demonstrated an expansion of access to training for low-income individuals through the one-stop partner programs.

Proposed Change: Amend Section 161(1) [which amends Section 20 U.S.C. 9273] by inserting on p. 239, line 14, *“for low-income adults”* after “expansion of access to training”.

CLASP Recommendation: 1) Require WIBs to collaborate with economic development entities to establish job quality standards when WIA funds are being used for economic development purposes, and 2) if WIA funds are being used for economic development activities, require state and local WIBs to have formal agreements in place with economic development authorities that specify how low-income individuals will be trained for and have equitable access to jobs created.

Proposed Change: (See Sections 121 and 151 for additional changes associated with this recommendation.) Amend Section 161(1) [which amends 20 U.S.C. 9273] on p. 241, line 23, by striking “;” and inserting *“, provided that when these funds are used for economic development purposes, Workforce Investment Boards collaborate with economic development agencies to establish job quality standards for the jobs being created, and to establish formal agreements as to how low-income individuals will be trained for and have equitable access to the jobs being created;”*.