



BILL SUMMARY

EDUCATION & THE WORKFORCE COMMITTEE

The Supporting Knowledge and Investing in Lifelong Skills (SKILLS) Act (H.R. 803)

As approved by the committee.

- ✓ **Streamlines Federal Workforce Development Programs.** The *SKILLS Act* eliminates and streamlines 35 ineffective and duplicative programs, including 26 identified in a 2011 report by the nonpartisan Government Accountability Office. Additionally, the proposal creates a Workforce Investment Fund to serve as a single source of support for employers, workers, and job seekers. States are required to reserve a certain percentage of funds to specifically target individuals with unique barriers to finding employment, including at-risk youth.
- ✓ **Strengthens a Dynamic, Employer-Driven Job Training System.** The *SKILLS Act* reinforces the role of America's job creators in our workforce investment system by ensuring two-thirds of state and local Workforce Investment Board members are employers.
- ✓ **Expands Decision Making at the Local Level.** The *SKILLS Act* eliminates 19 federal mandates regarding local workforce board representation and empowers locally elected officials to determine the remaining board members. Similar requirements are lifted for state workforce boards, as well. This will help ensure workforce investment boards better reflect the needs and priorities of local communities. The local workforce boards will regularly conduct analyses of area workforce needs, including economic conditions, the knowledge and skills of workers, and existing workforce development activities to enhance support services for local workers and employers.
- ✓ **Improves Accountability and Transparency.** The *SKILLS Act* requires state and local leaders to adhere to "common performance measures" for all workforce development services to help eliminate waste and ensure taxpayer dollars are used effectively. The bill also requires an independent evaluation of training programs every five years.
- ✓ **Creates a Seamless Workforce Development System.** The *SKILLS Act* strengthens the authority of governors to designate the location of workforce areas in their states, which will help ensure resources and support services are more readily available to workers and employers and the system is aligned to regional economic and labor markets.
- ✓ **Empowers Governors to Further Reduce Administrative Burdens.** The *SKILLS Act* allows states to continue submitting a unified statewide workforce development plan to the federal government for all employment and training services and related

programs. The bill also allows governors to consolidate additional programs into their state Workforce Investment Fund for the express purpose of providing greater administrative flexibility and reducing overly burdensome paperwork requirements. If a state decides to consolidate additional programs, it will still be responsible for meeting the goals and requirements of the programs.

- ✓ **Facilitates Greater Collaboration with Community Colleges.** The *SKILLS Act* allows states to determine the standards required for eligible training providers, simplifying the bureaucratic requirements that have forced many community colleges and other providers out of the system. It also allows local boards to contract with community colleges directly to provide training to large groups of participants instead of on an individual basis.
- ✓ **Encourages More Training to Meet In-Demand Job Opportunities.** The *SKILLS Act* eliminates arbitrary provisions under current law that prevent individuals from accessing training immediately by streamlining the delivery of services to help individuals receive the support that best meets their needs. The proposal also requires local boards to designate a portion of resources to spend directly on training. Finally, the bill requires service providers to contribute a portion of their resources to support the infrastructure of the One-Stop Career Centers, providing more resources to training and other efforts that directly serve workers.
- ✓ **Reforms the Job Corps Program.** The *SKILLS Act* reforms Job Corps to ensure that career and technical education and training is geared toward in-demand occupations and that disadvantaged youth receive a regular high school diploma and/or a recognized postsecondary credential that prepares them for employment in the global economy. It establishes a new performance accountability and management system and requires all grantees to re-compete for funding. These reforms will help ensure grantees are high-quality and have expertise in serving disadvantaged youth. Adopting an earlier proposal offered by President Obama, the legislation closes persistently low-performing centers, so that limited taxpayer dollars are invested in a more effective program. These changes will help at-risk youth become more employable, responsible, and productive citizens.
- ✓ **Improves Adult Education and Vocational Rehabilitation.** The *SKILLS Act* also amends the Adult Education and Family Literacy Act and the Rehabilitation Act of 1973. The bill increases the focus on delivery of basic literacy and math skills, and works to build this instruction into employment activities. The legislation also focuses on helping individuals with disabilities transition into employment. Both programs are required to meet the common performance measures outlined in the bill.