

House passes SECTORS ACT (HR 1855)

The House of Representatives has passed the SECTORS Act; the bill now moves to the Senate, where action is uncertain. We will be tracking the legislation and notify states of any progress.

Strengthening Employment Clusters to Organize Regional Success (SECTORS) Act (HR 1855)

FLOOR SITUATION: The bill will be considered under suspension of the rules; 40 minutes of debate; not subject to amendment; two-thirds majority vote required for passage. The measure will be managed by Chairman George Miller, D-Calif., or his designee. The Republican manager will be Rep. Kline, R-Minn., or his designee.

BACKGROUND: The bill was introduced in April 2009 by Rep. Dave Loebsack, D-Iowa, and was referred to the Education and Labor, the Ways and Means and the Judiciary committees, none of which acted on the measure. A companion bill (S 777) was introduced in April 2009 by Sen. Sherrod Brown, D-Ohio.

The Workforce Investment Act (PL 105-220), which this bill amends, established a workforce development program that offers a variety of workforce activities in conjunction with state and local governments and organizations. The purpose of the activities is to promote and increase employment opportunities, improve retention, wages and skills in an effort to reduce dependency on welfare and improve the quality and competitiveness of the workforce and industries.

Jobs that require more than a high school diploma, but less than a four-year degree, make up the largest part of the U.S. workforce. Industry or sector partnerships organize stakeholders and include, among others, multiple businesses, employees, unions, education and training providers, and local workforce and education system administrators. The partnerships develop plans for growing or saving the industry. There is a particular focus on building new workforce pipelines where skilled worker shortages exist and transforming the ways existing workers are utilized.

One way in which partnerships try to maximize industry potential is to create industry clusters, which are concentrations of interconnected businesses, suppliers, research and development, service providers, and associated institutions in a particular field that are linked by common workforce needs. Many economists argue that industry clusters help businesses become more efficient and productive, ultimately leading to innovation and stronger economic growth than would otherwise be the case if an industry was more disparate. Well known industry clusters include the financial industry in New York City, the technology industry in northern California and the pharmaceutical and biotech industries in the Boston metro area.

The bill sponsor, Rep. Dave Loebsack, D-Iowa, argues that this bill would help connect workers with emerging industries during the current difficult economic environment and it would strengthen industries and provide training and employment opportunities.

SUMMARY: This measure amends the Workforce Investment Act (PL 105-220) to establish an industry or sector partnership grant program, which would promote partnerships that lead collaborative planning, resource alignment and training efforts in order to encourage industry growth, competitiveness, worker training, worker retention and worker advancement in industry clusters.

The bill requires grant recipients to develop the following:

- Strategies for regions to fulfill skilled workforce needs;
- long-term plans to grow industry clusters with better training and a more productive workforce;
- core competencies and competitive advantages for regions undergoing structural economic redevelopment; and
- cross-firm skill standards, "career ladders", job redefinitions, employer practices and shared training and support capacities that facilitate the advancement of workers at all skill levels.

Types of Grants

The bill authorizes the Labor Department to award the following types of competitive grants:

- **Planning Grants** — planning grants would be capped at \$250,000 and would be provided to a newly formed industry or partnership. The grants would be available for one year.
- **Implementation Grants** — implementation grants would be capped at \$2.5 million over a three-year period, and would be provided to an entity that already received a planning grant or an established industry or sector. The federal share of an implementation grant would be 90% of the costs in the first year of the grant, 80% of the costs in the second year of the grant, and 70% of the costs in the third year of the grant. The Labor Department could provide an exception and allow a 100% federal share if the entity receiving the grant is located in a state that is receiving a national emergency grant.
- **Renewal Grants** — renewal grants would be capped at \$1.5 million over a three year period and be used to renew implementation grants for no more than an additional three years. The measure requires the Labor Department to prioritize renewal grants to entities that can demonstrate the long-term sustainability of an industry or sector partnership. As a condition of renewing the grant, the department would reduce the federal dollar share of the grant so that the non-federal share includes at least 25% of the grant value.

The measure authorizes such sums as may be necessary for the grants and stipulates that appropriated amounts would remain available until the end of the second fiscal year following the fiscal year that the amounts were first appropriated.

Grant Application & Award Process

The bill requires an eligible entity applying for a grant to identify an industry cluster that could benefit from the grant program. Identification would involve speaking with businesses, industry associations, labor organizations and other organizations about the most appropriate opportunities for the region based on the regions characteristics. It also would include working with employment agencies, workforce development boards, economic development agencies, community organizations and other organizations that can determine the most appropriate criteria related to the workforce.

The measure requires the entity applying for the grant to provide the Labor Department with an application that describes specified characteristics about the business, industry and workforce and that provides the strategic objectives — e.g., job quality, wages, facilitation of economies of scale, training, etc. — that would be carried out in order to achieve its goals.

The measure requires the Labor Department to distribute the grants in a manner that would ensure geographic diversity. It requires the department to give priority to recipients that would retain and expand employment in high-wage and high-growth areas; help workers move toward economic self-sufficiency; address the need of firms with limited human resources; and coordinate out of state workforce investment, economic development and education activities.

The measure permits a grant recipient to retain no more than 10% of a grant past the designated period in order to pay administrative costs that are still pending from the program.

Performance Measures

The bill requires grant recipients to provide quantifiable performance measures that would be used to measure the progress toward the strategic objectives.

At a minimum, the performance measures would include:

- The number of workers receiving portable industry recognized credentials;
- the number of workers with increased wages, the percentage of workers with increased wages, and the average wage increase;
- for dislocated or non-incumbant workers, the number of workers placed in sector-related jobs;
- the creation or updating of an industry plan to meet current and future workforce demand;
- the creation or updating of published industry-wide skill standards or career pathways;
- the creation or updating of portable, industry credentials or training curriculum;

- the number of firms and the percentage of the local industry, participating in the partnership;
- the number of firms and the percentage of the local industry receiving workers or services through the grant;
- a timeline for achieving progress toward the strategic objective; and
- an assurance from the recipient that it would leverage other funding sources.

Reports

The measure requires grant recipients to provide a progress report to the Labor Department within one year of receiving a grant and annually thereafter.

The measure requires the Labor Department to review entities that received a grant on an annual basis. The report would include an overview assessing the strengths and weaknesses of the manner in which the recipient used the grant money and a description of entities that have used the grant money in a particularly effective manner. The reports would be made available on the Internet.

The bill requires the Labor Department to provide Congress with a report within 18 months of enactment of the bill and annually thereafter. The report would contain the name of the grant recipients, the activities being carried out with the grant award, and an assessment of the results.

Agency Coordination

The measure requires federal agencies to coordinate and share information when necessary to facilitate interagency cooperation and in order to make the program run effectively and efficiently.

CBO Cost Estimate

The Congressional Budget Office (CBO) had not released a cost estimate as of press time Friday.

AMENDMENTS: None permitted.

111TH CONGRESS
2^D SESSION

H. R. 1855

AN ACT

To promote industry growth and competitiveness and to improve worker training, retention, and advancement, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Strengthening Employ-
3 ment Clusters to Organize Regional Success Act of 2010”
4 or the “SECTORS Act of 2010”.

5 **SEC. 2. INDUSTRY OR SECTOR PARTNERSHIP GRANT.**

6 (a) AMENDMENT.—Subtitle D of title I of the Work-
7 force Investment Act of 1998 (29 U.S.C. 2911 et seq.)
8 is amended by inserting after section 171 the following:

9 **“SEC. 171A. INDUSTRY OR SECTOR PARTNERSHIP GRANT**
10 **PROGRAM.**

11 “(a) PURPOSE.—It is the purpose of this section to
12 promote industry or sector partnerships that lead collabo-
13 rative planning, resource alignment, and training efforts
14 across multiple firms for a range of workers employed or
15 potentially employed by a targeted industry cluster, in
16 order to encourage industry growth and competitiveness
17 and to improve worker training, retention, and advance-
18 ment in targeted industry clusters, including by devel-
19 oping—

20 “(1) immediate strategies for regions and com-
21 munities to fulfill pressing skilled workforce needs;

22 “(2) long-term plans to grow targeted industry
23 clusters with better training and a more productive
24 workforce;

1 “(3) core competencies and competitive advan-
2 tages for regions and communities undergoing struc-
3 tural economic redevelopment; and

4 “(4) cross-firm skill standards, career ladders,
5 job redefinitions, employer practices, and shared
6 training and support capacities that facilitate the
7 advancement of workers at all skill levels.

8 “(b) DEFINITIONS.—In this section:

9 “(1) CAREER LADDER.—The term ‘career lad-
10 der’ means an identified series of positions, work ex-
11 periences, and educational benchmarks or credentials
12 that offer occupational and financial advancement
13 within a specified career field or related fields over
14 time.

15 “(2) ECONOMIC SELF-SUFFICIENCY.—The term
16 ‘economic self-sufficiency’ means, with respect to a
17 worker, earning a wage sufficient to support a fam-
18 ily adequately over time, based on factors such as—

19 “(A) family size;

20 “(B) the number and ages of children in
21 the family;

22 “(C) the cost of living in the worker’s com-
23 munity; and

24 “(D) other factors that may vary by re-
25 gion.

1 “(3) ELIGIBLE ENTITY.—The term ‘eligible en-
2 tity’ means—

3 “(A) an industry or sector partnership; or

4 “(B) an eligible State agency.

5 “(4) ELIGIBLE STATE AGENCY.—The term ‘eli-
6 gible State agency’ means a State agency designated
7 by the Governor of the State in which the State
8 agency is located for the purposes of the grant pro-
9 gram under this section.

10 “(5) HIGH-PRIORITY OCCUPATION.—The term
11 ‘high-priority occupation’ means an occupation
12 that—

13 “(A) has a significant presence in an in-
14 dustry cluster;

15 “(B) is in demand by employers;

16 “(C) pays family-sustaining wages that en-
17 able workers to achieve economic self-suffi-
18 ciency, or can reasonably be expected to lead to
19 such wages;

20 “(D) has or is in the process of developing
21 a documented career ladder; and

22 “(E) has a significant impact on a region’s
23 economic development strategy.

24 “(6) INDUSTRY CLUSTER.—The term ‘industry
25 cluster’ means a concentration of interconnected

1 businesses, suppliers, research and development,
2 service providers, and associated institutions in a
3 particular field that are linked by common workforce
4 needs.

5 “(7) INDUSTRY OR SECTOR PARTNERSHIP.—
6 The term ‘industry or sector partnership’ means a
7 workforce collaborative that is described as follows:

8 “(A) REQUIRED MEMBERS.—

9 “(i) IN GENERAL.—A workforce col-
10 laborative that organizes key stakeholders
11 in a targeted industry cluster into a work-
12 ing group that focuses on the workforce
13 needs of the targeted industry cluster and
14 that includes, at the appropriate stage of
15 development of the partnership—

16 “(I) representatives of multiple
17 firms or employers in the targeted in-
18 dustry cluster, including small- and
19 medium-sized employers when prac-
20 ticable;

21 “(II) 1 or more representatives of
22 State labor organizations, central
23 labor coalitions, or other labor organi-
24 zations, except instances where no
25 labor representation exists;

1 “(III) 1 or more representatives
2 of local boards;

3 “(IV) 1 or more representatives
4 of postsecondary educational institu-
5 tions or other training providers; and

6 “(V) 1 or more representatives of
7 State workforce agencies or other en-
8 tities providing employment services.

9 “(ii) DIVERSE AND DISTINCT REP-
10 RESENTATION.—No individual may serve
11 as a member in an industry or sector part-
12 nership for more than 1 of the required
13 categories described in subclauses (I)
14 through (V) of clause (i).

15 “(B) AUTHORIZED MEMBERS.—An indus-
16 try or sector partnership may include represent-
17 atives of—

18 “(i) State or local government;

19 “(ii) State or local economic develop-
20 ment agencies;

21 “(iii) other State or local agencies;

22 “(iv) chambers of commerce;

23 “(v) nonprofit organizations;

24 “(vi) philanthropic organizations;

1 “(vii) economic development organiza-
2 tions;

3 “(viii) industry associations; and

4 “(ix) other organizations, as deter-
5 mined necessary by the members com-
6 prising the industry or sector partnership.

7 “(8) TARGETED INDUSTRY CLUSTER.—The
8 term ‘targeted industry cluster’ means an industry
9 cluster that has—

10 “(A) economic impact in a local or regional
11 area, such as advanced manufacturing, clean
12 energy technology, and health care;

13 “(B) immediate workforce development
14 needs, such as advanced manufacturing, clean
15 energy, technology, and health care; and

16 “(C) documented career opportunities.

17 “(c) GRANTS AUTHORIZED.—

18 “(1) IN GENERAL.—From amounts appro-
19 priated to carry out this section, the Secretary shall
20 award, on a competitive basis, grants described in
21 paragraph (3) to eligible entities to enable the eligi-
22 ble entities to plan and implement, respectively, the
23 eligible entities’ strategic objectives in accordance
24 with subsection (d)(2)(D).

25 “(2) MAXIMUM AMOUNT.—

1 “(A) IMPLEMENTATION GRANTS.—An im-
2 plementation grant awarded under paragraph
3 (3)(A) may not exceed a total of \$2,500,000 for
4 a 3-year period.

5 “(B) RENEWAL GRANTS.—A renewal grant
6 awarded under paragraph (3)(C) may not ex-
7 ceed a total of \$1,500,000 for a 3-year period.

8 “(3) IMPLEMENTATION AND RENEWAL
9 GRANTS.—

10 “(A) IN GENERAL.—The Secretary may
11 award an implementation grant under this sec-
12 tion to an eligible entity that has established, or
13 is in the process of establishing, an industry or
14 sector partnership.

15 “(B) DURATION.—An implementation
16 grant shall be for a duration of not more than
17 3 years, and may be renewed in accordance
18 with subparagraph (C).

19 “(C) RENEWAL.—The Secretary may
20 renew an implementation grant for not more
21 than 3 years. A renewal of such grant shall be
22 subject to the requirements of this section, ex-
23 cept that the Secretary shall—

24 “(i) prioritize renewals to eligible enti-
25 ties that can demonstrate the long-term

1 sustainability of an industry or sector part-
2 nership funded under this section; and

3 “(ii) require assurances that the eligi-
4 ble entity will leverage, in accordance with
5 subparagraph (D)(ii), each year of the
6 grant period, additional funding sources
7 for the non-Federal share of the grant
8 which shall—

9 “(I) be in an amount greater
10 than—

11 “(aa) the non-Federal share
12 requirement described in sub-
13 paragraph (D)(i)(III); and

14 “(bb) for the second and
15 third year of the grant period,
16 the non-Federal share amount
17 the eligible entity provided for
18 the preceding year of the grant;
19 and

20 “(II) include at least a 50 per-
21 cent cash match from the State, the
22 industry cluster, or some combination
23 thereof, of the eligible entity.

24 “(D) FEDERAL AND NON-FEDERAL
25 SHARE.—

1 “(i) FEDERAL SHARE.—Except as
2 provided in subparagraph (C)(ii) and
3 clause (iii) of this subparagraph, the Fed-
4 eral share of a grant under this section
5 shall be—

6 “(I) 90 percent of the costs of
7 the activities described in subsection
8 (f), in the first year of the grant;

9 “(II) 80 percent of such costs in
10 the second year of the grant; and

11 “(III) 70 percent of such costs in
12 the third year of the grant.

13 “(ii) NON-FEDERAL.—The non-Fed-
14 eral share of a grant under this section
15 may be in cash or in-kind, and may come
16 from State, local, philanthropic, private, or
17 other sources.

18 “(iii) EXCEPTION.—The Secretary
19 may require the Federal share of a grant
20 under this section to be 100 percent if an
21 eligible entity receiving such grant is lo-
22 cated in a State or local area that is re-
23 ceiving a national emergency grant under
24 section 173.

1 “(4) FISCAL AGENT.—Each eligible entity re-
2 ceiving a grant under this section that is an industry
3 or sector partnership shall designate an entity in the
4 partnership as the fiscal agent for purposes of this
5 grant.

6 “(5) USE OF GRANT FUNDS DURING GRANT PE-
7 RIODS.—An eligible entity receiving grant funds
8 under a grant under this section shall expend grant
9 funds or obligate grant funds to be expended by the
10 last day of the grant period.

11 “(d) APPLICATION PROCESS.—

12 “(1) IDENTIFICATION OF A TARGETED INDUS-
13 TRY CLUSTER.—In order to qualify for a grant
14 under this section, an eligible entity shall identify a
15 targeted industry cluster that could benefit from
16 such grant by—

17 “(A) working with businesses, industry as-
18 sociations and organizations, labor organiza-
19 tions, State boards, local boards, economic de-
20 velopment agencies, and other organizations
21 that the eligible entity determines necessary, to
22 identify an appropriate targeted industry clus-
23 ter based on criteria that include, at a min-
24 imum—

1 “(i) data showing the competitiveness
2 of the industry cluster;

3 “(ii) the importance of the industry
4 cluster to the economic development of the
5 area served by the eligible entity, including
6 estimation of jobs created or preserved;

7 “(iii) the identification of supply and
8 distribution chains within the industry
9 cluster; and

10 “(iv) research studies on industry
11 clusters; and

12 “(B) working with appropriate employment
13 agencies, workforce investment boards, eco-
14 nomic development agencies, community organi-
15 zations, and other organizations that the eligi-
16 ble entity determines necessary to ensure that
17 the targeted industry cluster identified under
18 subparagraph (A) should be targeted for invest-
19 ment, based primarily on the following criteria:

20 “(i) Demonstrated demand for job
21 growth potential.

22 “(ii) Employment base.

23 “(iii) Wages and benefits.

1 “(iv) Demonstrated importance of the
2 targeted industry cluster to the area’s
3 economy.

4 “(v) Workforce development needs.

5 “(2) APPLICATION.—An eligible entity desiring
6 to receive a grant under this section shall submit an
7 application to the Secretary at such time, in such
8 manner, and containing such information as the Sec-
9 retary may require. An application submitted under
10 this paragraph shall contain, at a minimum, the fol-
11 lowing:

12 “(A) A description of the eligible entity,
13 evidence of the eligible entity’s capacity to carry
14 out activities in support of the strategic objec-
15 tives identified in the application under sub-
16 paragraph (D), and a description of the ex-
17 pected participation and responsibilities of each
18 of the mandatory partners described in sub-
19 section (b)(7)(A).

20 “(B) A description of the targeted industry
21 cluster for which the eligible entity intends to
22 carry out activities through a grant under this
23 section, and a description of how such targeted
24 industry cluster was identified in accordance
25 with paragraph (1).

1 “(C) A description of the workers that will
2 be targeted or recruited by the partnership, in-
3 cluding an analysis of the existing labor market,
4 a description of potential barriers to employ-
5 ment for targeted workers, and a description of
6 strategies that will be employed to help workers
7 overcome such barriers.

8 “(D) A description of the strategic objec-
9 tives that the eligible entity intends to carry out
10 for the targeted industry cluster, which objec-
11 tives shall include—

12 “(i) recruiting key stakeholders in the
13 targeted industry cluster, such as multiple
14 businesses and employers, labor organiza-
15 tions, local boards, and education and
16 training providers, and regularly convening
17 the stakeholders in a collaborative struc-
18 ture that supports the sharing of informa-
19 tion, ideas, and challenges common to the
20 targeted industry cluster;

21 “(ii) identifying the training needs of
22 multiple businesses, especially skill gaps
23 critical to competitiveness and innovation
24 to the targeted industry cluster;

1 “(iii) facilitating economies of scale by
2 aggregating training and education needs
3 of multiple employers;

4 “(iv) helping postsecondary edu-
5 cational institutions, training institutions,
6 apprenticeship programs, and all other
7 training programs authorized under this
8 Act, align curricula entrance requirements
9 and programs to industry demand, particu-
10 larly for higher skill, high-priority occupa-
11 tions validated by the industry;

12 “(v) ensuring that the State agency,
13 including services provided by State merit
14 staff authorized under the Wagner-Peyser
15 Act program, shall inform recipients of un-
16 employment insurance of the job and train-
17 ing opportunities that may result from the
18 implementation of this grant;

19 “(vi) informing and collaborating with
20 organizations such as youth councils, busi-
21 ness-education partnerships, apprenticeship
22 programs, secondary schools, and postsec-
23 ondary educational institutions, and with
24 parents and career counselors, for the pur-
25 pose of addressing the challenges of con-

1 necting disadvantaged adults as defined in
2 section 132(b)(1)(B)(v) and disadvantaged
3 youth as defined in section 127(b) to ca-
4 reers;

5 “(vii) helping companies identify, and
6 work together to address, common organi-
7 zational and human resource challenges,
8 such as—

9 “(I) recruiting new workers;

10 “(II) implementing effective
11 workplace practices;

12 “(III) retraining dislocated and
13 incumbent workers;

14 “(IV) implementing a high-per-
15 formance work organization;

16 “(V) recruiting and retaining
17 women in nontraditional occupations;

18 “(VI) adopting new technologies;

19 and

20 “(VII) fostering experiential and
21 contextualized on-the-job learning;

22 “(viii) developing and strengthening
23 career ladders within and across compa-
24 nies, in order to enable dislocated, incum-

1 bent and entry-level workers to improve
2 skills and advance to higher-wage jobs;

3 “(ix) improving job quality through
4 improving wages, benefits, and working
5 conditions;

6 “(x) helping partner companies in in-
7 dustry or sector partnerships to attract po-
8 tential employees from a diverse job seeker
9 base, including individuals with barriers to
10 employment (such as job seekers who are
11 low income, youth, older workers, and indi-
12 viduals who have completed a term of im-
13 prisonment), by identifying such barriers
14 through analysis of the existing labor mar-
15 ket and implementing strategies to help
16 such workers overcome such barriers; and

17 “(xi) strengthening connections
18 among businesses in the targeted industry
19 cluster, leading to cooperation beyond
20 workforce issues that will improve competi-
21 tiveness and job quality, such as joint pur-
22 chasing, market research, or centers for
23 technology and innovation.

24 “(E) A description of the manner in which
25 the eligible entity intends to make sustainable

1 progress toward the strategic objectives de-
2 scribed in subparagraph (D).

3 “(F) Performance measures for measuring
4 progress toward the strategic objectives. Such
5 performance measures—

6 “(i) may consider the benefits pro-
7 vided by the grant activities funded under
8 this section for workers employed in the
9 targeted industry cluster, disaggregated by
10 gender and race, such as—

11 “(I) the number of workers re-
12 ceiving portable industry-recognized
13 credentials;

14 “(II) the number of workers with
15 increased wages, the percentage of
16 workers with increased wages, and the
17 average wage increase; and

18 “(III) for dislocated or non-
19 incumbent workers, the number of
20 workers placed in sector-related jobs;
21 and

22 “(ii) may consider the benefits pro-
23 vided by the grant activities funded under
24 this section for firms and industries in the
25 targeted industry cluster, such as—

1 “(I) the creation or updating of
2 an industry plan to meet current and
3 future workforce demand;

4 “(II) the creation or updating of
5 published industry-wide skill stand-
6 ards or career pathways;

7 “(III) the creation or updating of
8 portable, industry-recognized creden-
9 tials, including national credentials or
10 where there is not such a credential,
11 the creation or updating of a training
12 curriculum that can lead to the devel-
13 opment of such a credential;

14 “(IV) the number of firms, and
15 the percentage of the local industry,
16 participating in the industry or sector
17 partnership; and

18 “(V) the number of firms, and
19 the percentage of the local industry,
20 receiving workers or services through
21 the grant funded under this section.

22 “(G) A timeline for achieving progress to-
23 ward the strategic objectives.

24 “(H) In the case of an eligible entity desir-
25 ing an implementation grant under this section,

1 an assurance that the eligible entity will lever-
2 age other funding sources, in addition to the
3 amount required for the non-Federal share
4 under subsection (c)(3)(D), to provide training
5 or supportive services to workers under the
6 grant program. Such additional funding sources
7 may include—

8 “(i) funding under this title used for
9 such training and supportive services;

10 “(ii) funding under the Adult Edu-
11 cation and Family Literacy Act of 1998
12 (20 U.S.C. 9201 et seq.);

13 “(iii) economic development funding;

14 “(iv) employer contributions to train-
15 ing initiatives; or

16 “(v) providing employees with em-
17 ployee release time for such training or
18 supportive services.

19 “(e) AWARD BASIS.—

20 “(1) GEOGRAPHIC DISTRIBUTION.—The Sec-
21 retary shall award grants under this section in a
22 manner to ensure geographic diversity.

23 “(2) PRIORITIES.—In awarding grants under
24 this section, the Secretary shall give priority to eligi-
25 ble entities that—

1 “(A) work with employers within a tar-
2 geted industry cluster to retain and expand em-
3 ployment in high wage, high growth areas;

4 “(B) focus on helping workers move to-
5 ward economic self-sufficiency and ensuring the
6 workers have access to adequate supportive
7 services;

8 “(C) address the needs of firms with lim-
9 ited human resources or in-house training ca-
10 pacity, including small- and medium-sized
11 firms; and

12 “(D) coordinate with entities carrying out
13 State and local workforce investment, economic
14 development, and education activities.

15 “(f) ACTIVITIES.—

16 “(1) IN GENERAL.—An eligible entity receiving
17 a grant under this section shall carry out the activi-
18 ties necessary to meet the strategic objectives, in-
19 cluding planning activities if applicable, described in
20 the entity’s application in a manner that—

21 “(A) integrates services and funding
22 sources in a way that enhances the effectiveness
23 of the activities; and

24 “(B) uses grant funds awarded under this
25 section efficiently.

1 “(2) PLANNING ACTIVITIES.—Planning activi-
2 ties may only be carried out by an eligible entity re-
3 ceiving an implementation grant under this section
4 during the first year of the grant period with not
5 more than \$250,000 or 10 percent, whichever is
6 greater of the grant funds.

7 “(3) ADMINISTRATIVE COSTS.—An eligible enti-
8 ty may retain a portion of a grant awarded under
9 this section for a fiscal year to carry out the admin-
10 istration of this section in an amount not to exceed
11 5 percent of the grant amount.

12 “(g) EVALUATION AND PROGRESS REPORTS.—

13 “(1) ANNUAL ACTIVITY REPORT AND EVALUA-
14 TION.—Not later than 1 year after receiving a grant
15 under this section, and annually thereafter, an eligi-
16 ble entity shall—

17 “(A) report to the Secretary, and to the
18 Governor of the State that the eligible entity
19 serves, on the activities funded pursuant to a
20 grant under this section; and

21 “(B) evaluate the progress the eligible enti-
22 ty has made toward the strategic objectives
23 identified in the application under subsection
24 (d)(2)(D), and measure the progress using the

1 performance measures identified in the applica-
2 tion under subsection (d)(2)(F).

3 “(2) REPORT TO THE SECRETARY.—An eligible
4 entity receiving a grant under this section shall sub-
5 mit to the Secretary a report containing the results
6 of the evaluation described in subparagraph (B) at
7 such time and in such manner as the Secretary may
8 require.

9 “(h) ADMINISTRATION BY THE SECRETARY.—

10 “(1) ADMINISTRATIVE COSTS.—The Secretary
11 may retain not more than 2 percent of the funds ap-
12 propriated to carry out this section for each fiscal
13 year to administer this section.

14 “(2) TECHNICAL ASSISTANCE AND OVER-
15 SIGHT.—The Secretary shall provide technical assist-
16 ance and oversight to assist the eligible entities in
17 applying for and administering grants awarded
18 under this section. The Secretary shall also provide
19 technical assistance to eligible entities in the form of
20 conferences and through the collection and dissemi-
21 nation of information on best practices. The Sec-
22 retary may award a grant or contract to 1 or more
23 national or State organizations to provide technical
24 assistance to foster the planning, formation, and im-
25 plementation of industry cluster partnerships.

1 “(3) GEOGRAPHIC EQUALITY.—The Secretary
2 shall ensure that, to the extent practicable, grants
3 are awarded on a geographically equal basis.

4 “(4) PERFORMANCE MEASURES.—The Sec-
5 retary shall issue a range of performance measures,
6 with quantifiable benchmarks, and methodologies
7 that eligible entities may use to evaluate the effec-
8 tiveness of each type of activity in making progress
9 toward the strategic objectives described in sub-
10 section (d)(2)(D). Such measures shall consider the
11 benefits of the industry or sector partnership and its
12 activities for workers, firms, industries, and commu-
13 nities.

14 “(5) DISSEMINATION OF INFORMATION.—The
15 Secretary shall—

16 “(A) coordinate the annual review of each
17 eligible entity receiving a grant under this sec-
18 tion and produce an overview report that, at a
19 minimum, includes—

20 “(i) the critical learning of each in-
21 dustry or sector partnership, such as—

22 “(I) the training that was most
23 effective;

24 “(II) the human resource chal-
25 lenges that were most common;

1 “(III) how technology is changing
2 the targeted industry cluster; and

3 “(IV) the changes that may im-
4 pact the targeted industry cluster over
5 the next 5 years; and

6 “(ii) a description of what eligible en-
7 tities serving similar targeted industry
8 clusters consider exemplary practices, such
9 as—

10 “(I) how to work effectively with
11 postsecondary educational institutions;

12 “(II) the use of internships;

13 “(III) coordinating with appren-
14 ticeships and cooperative education
15 programs;

16 “(IV) how to work effectively
17 with schools providing vocational edu-
18 cation;

19 “(V) how to work effectively with
20 adult populations, including—

21 “(aa) dislocated workers;

22 “(bb) women in nontradi-
23 tional occupations; and

1 “(cc) individuals with bar-
2 riers to employment, such as job
3 seekers who—

4 “(AA) are economically
5 disadvantaged;

6 “(BB) have limited
7 English proficiency;

8 “(CC) require remedial
9 education;

10 “(DD) are older work-
11 ers;

12 “(EE) are individuals
13 who have completed a sen-
14 tence for a criminal offense;
15 and

16 “(FF) have other bar-
17 riers to employment;

18 “(VI) employer practices that are
19 most effective;

20 “(VII) the types of training that
21 are most effective; and

22 “(VIII) other areas where indus-
23 try or sector partnerships can assist
24 each other;

1 “(B) make resource materials, including all
2 reports published and all data collected under
3 this section, available on the Internet; and

4 “(C) conduct conferences and seminars
5 to—

6 “(i) disseminate information on best
7 practices developed by eligible entities re-
8 ceiving a grant under this section; and

9 “(ii) provide information to the com-
10 munities of eligible entities.

11 “(6) REPORT.—Not later than 18 months after
12 the date of enactment of this Act and on an annual
13 basis, the Secretary shall transmit a report to Con-
14 gress on the industry or sector partnership grant
15 program established by this section. The report shall
16 include a description of—

17 “(A) the eligible entities receiving funding;

18 “(B) the activities carried out by the eligi-
19 ble entities;

20 “(C) how the eligible entities were selected
21 to receive funding under this section; and

22 “(D) an assessment of the results achieved
23 by the grant program including findings from
24 the annual reviews described in paragraph
25 (4)(A).

1 “(i) RULE OF CONSTRUCTION.—Nothing in this sec-
2 tion shall be construed to permit—

3 “(1) the reporting or sharing of personally iden-
4 tifiable information collected or made available
5 under this section; and

6 “(2) the Secretary to share with, or report to,
7 any person, any personally identifiable information
8 collected or made available under this section.”.

9 (b) CONFORMING AMENDMENT.—The table of con-
10 tents in section 1(b) of the Workforce Investment Act of
11 1998 (20 U.S.C. 9201 note) is amended by inserting after
12 the item relating to section 171 the following:

“171A. Industry or sector partnership grant program.”.

Passed the House of Representatives July 19, 2010.

Attest:

Clerk.

111TH CONGRESS
2^D SESSION

H. R. 1855

AN ACT

To promote industry growth and competitiveness
and to improve worker training, retention, and
advancement, and for other purposes.