

119TH CONGRESS
2D SESSION

H. R. 8102

To amend the Workforce Innovation and Opportunity Act to enhance the performance accountability system and dedicate funding to skills development.

IN THE HOUSE OF REPRESENTATIVES

MARCH 26, 2026

Ms. FOXX introduced the following bill; which was referred to the Committee on Education and Workforce

A BILL

To amend the Workforce Innovation and Opportunity Act to enhance the performance accountability system and dedicate funding to skills development.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Workforce Investments
5 Accountability Act”.

6 **SEC. 2. PERFORMANCE ACCOUNTABILITY SYSTEM.**

7 (a) STATE PERFORMANCE ACCOUNTABILITY MEAS-
8 URES.—

9 (1) PRIMARY INDICATORS OF PERFORMANCE.—

10 Section 116(b)(2)(A) of the Workforce Innovation

1 and Opportunity Act (29 U.S.C. 3141(b)(2)(A)) is
2 amended—

3 (A) in clause (i)—

4 (i) in subclause (II)—

5 (I) by striking “fourth” and in-
6 serting “second”; and

7 (II) by inserting “and remain in
8 unsubsidized employment during the
9 fourth quarter after exit from the pro-
10 gram” after “the program”;

11 (ii) in subclause (IV), by striking
12 “secondary school diploma” and inserting
13 “regular high school diploma”;

14 (iii) in subclause (V)—

15 (I) by striking “, during a pro-
16 gram year, are in” and inserting
17 “enter into”; and

18 (II) by inserting before the semi-
19 colon at the end the following: “within
20 12 months after the quarter in which
21 the participant enters into the edu-
22 cation and training program”; and

23 (iv) by amending subclause (VI) to
24 read as follows:

“(VI) of the program participants who received training services during a program year, the percentage of such program participants who participated in on-the-job training, employer-directed skills development, incumbent worker training, or an apprenticeship.”;

(B) in clause (ii)—

(i) in subclause (II)—

(I) by striking “fourth” and inserting “second”;

(II) by inserting “, and who remain either in such activities or unsubsidized employment during the fourth quarter after exit from the program” after “the program”; and

(III) by striking “and” at the end;

(ii) in subclause (III)—

(I) by striking “(VI)” and inserting “(V)”; and

(II) by striking the period at the end and inserting “; and”; and

1 (iii) by adding at the end the fol-
 2 lowing:

3 “(IV) of the program partici-
 4 pants who exited the program during
 5 a program year, the percentage of
 6 such program participants who com-
 7 pleted, prior to such exit, a work ex-
 8 perience as described in section
 9 129(c)(2)(C).”;

10 (C) in clause (iii), by striking “secondary
 11 school diploma” and inserting “regular high
 12 school diploma”; and

13 (D) by striking clause (iv).

14 (2) LEVELS OF PERFORMANCE.—Section
 15 116(b)(3)(A) of the Workforce Innovation and Op-
 16 portunity Act (29 U.S.C. 3141(b)(3)(A)) is amend-
 17 ed—

18 (A) by amending clause (iii) to read as fol-
 19 lows:

20 “(iii) IDENTIFICATION IN STATE
 21 PLAN.—

22 “(I) SECRETARIES.—For each
 23 State submitting a State plan, the
 24 Secretary of Labor and the Secretary
 25 of Education shall, not later than

1 January 15 of the year in which such
2 State plan is submitted, for the first
3 2 program years covered by the State
4 plan, and not later than January 15
5 of the second program year covered by
6 the State plan, for the third and
7 fourth program years covered by the
8 State plan—

9 “(aa) propose to the State
10 expected levels of performance,
11 for each of the corresponding pri-
12 mary indicators of performance
13 for each of the programs de-
14 scribed in clause (ii) for such
15 State, which shall—

16 “(AA) be consistent
17 with the factors listed in
18 clause (v); and

19 “(BB) be proposed in a
20 manner that ensures suffi-
21 cient time is provided for
22 the State to evaluate and re-
23 spond to such proposals; and

24 “(bb) publish, on a public
25 website of the Department of

1 Labor, the statistical model de-
2 veloped under clause (viii) and
3 the methodology used to develop
4 each such expected level of per-
5 formance.

6 “(II) STATES.—Each State
7 shall—

8 “(aa) evaluate each of the
9 expected levels of performance
10 proposed under subclause (I)
11 with respect to such State;

12 “(bb) based on such evalua-
13 tion of each such expected level
14 of performance—

15 “(AA) accept the ex-
16 pected level of performance
17 as so proposed; or

18 “(BB) provide a coun-
19 terproposal for such ex-
20 pected level of performance,
21 including an analysis of how
22 the counterproposal address-
23 es factors or circumstances
24 unique to the State that
25 may not have been ac-

1 counted for in the expected
 2 level of performance; and
 3 “(cc) include in the State
 4 plan, with respect to each of the
 5 corresponding primary indicators
 6 of performance for each of the
 7 programs described in clause (ii)
 8 for such State—

9 “(AA) the expected
 10 level of performance pro-
 11 posed under subclause (I);

12 “(BB) the counter-
 13 proposal for such proposed
 14 level, if any; and

15 “(CC) the level of per-
 16 formance that is agreed to
 17 under clause (iv).”;

18 (B) in clause (iv)—

19 (i) in subclause (I)—

20 (I) in the second sentence, by
 21 striking “the levels identified in the
 22 State plan under clause (iii) and the
 23 factors described in clause (v)” and
 24 inserting “the factors described in
 25 clause (v) and any counterproposal,

1 and the analysis provided by the State
 2 with such counterproposal, described
 3 in clause (iii)(II)(bb)(BB)”; and

4 (II) in the third sentence, by
 5 striking “incorporated into the State
 6 plan” and inserting “included in the
 7 State plan, as described in clause
 8 (iii)(II)(cc),”; and
 9 (ii) in subclause (II)—

10 (I) in the second sentence, by
 11 striking “the factors described in
 12 clause (v)” and inserting “the factors
 13 described in clause (v) and any coun-
 14 terproposal, and the analysis provided
 15 by the State with such counter-
 16 proposal, described in clause
 17 (iii)(II)(bb)(BB)”; and

18 (II) in the third sentence, by
 19 striking “incorporated into the State
 20 plan” and inserting “included in the
 21 State plan, as described in clause
 22 (iii)(II)(cc),”; and

23 (C) in clause (v)(II)—

24 (i) in the matter preceding item (aa),
 25 by striking “based on” and inserting

1 “based on each consideration that is found
2 to be predictive of performance on an indi-
3 cator for a program and consists of”; and
4 (ii) in item (bb), by inserting “, foster
5 care status, school status, education level,
6 highest grade level completed, and low-in-
7 come status”.

8 (b) PERFORMANCE REPORTS.—Section 116(d) of the
9 Workforce Innovation and Opportunity Act (29 U.S.C.
10 3141(d)) is amended—

11 (1) by amending paragraph (1) to read as fol-
12 lows:

13 “(1) IN GENERAL.—

14 “(A) TEMPLATES FOR PERFORMANCE RE-
15 PORTS.—Not later than 12 months after the
16 date of enactment of the Workforce Invest-
17 ments Accountability Act, the Secretary of
18 Labor, in conjunction with the Secretary of
19 Education, shall develop, or review and modify,
20 as appropriate, to comply with the requirements
21 of this subsection, the templates for perform-
22 ance reports that shall be used by States (in-
23 cluding by States on behalf of eligible providers
24 of training services under section 122) and local
25 areas to produce a report on outcomes achieved

1 by the core programs. In developing, or review-
2 ing and modifying, such templates, the Sec-
3 retary of Labor, in conjunction with the Sec-
4 retary of Education, shall take into account the
5 need to maximize the value of the templates for
6 workers, jobseekers, employers, local elected of-
7 ficials, State officials, Federal policymakers,
8 and other key stakeholders.

9 “(B) STANDARDIZED REPORTING.—In de-
10 veloping, or reviewing and modifying, the tem-
11 plates under subparagraph (A), the Secretary of
12 Labor, in conjunction with the Secretary of
13 Education, shall ensure that States and local
14 areas, in producing performance reports for
15 core programs and eligible providers of training
16 services, collect and report information on com-
17 mon data elements—

18 “(i) in a comparable and uniform for-
19 mat; and

20 “(ii) using terms that are assigned
21 identical meanings across all such reports.

22 “(C) ADDITIONAL REPORTING.—The Sec-
23 retary of Labor, in conjunction with the Sec-
24 retary of Education—

1 “(i) in addition to the information on
2 the common data elements, may require
3 additional information with respect to any
4 core program as necessary for effective re-
5 porting; and

6 “(ii) shall periodically review any such
7 requirement for additional information to
8 ensure the requirement is necessary and
9 does not impose an undue reporting bur-
10 den.

11 “(D) PRIVACY.—The Secretary of Labor,
12 in conjunction with the Secretary of Education,
13 shall ensure subparagraph (B) is carried out in
14 a manner that protects and promotes individual
15 privacy and data security, in accordance with
16 applicable Federal privacy laws.

17 “(E) ACCESS TO WAGE RECORDS.—

18 “(i) ACCESS.—A State may facilitate
19 for a local area that meets the require-
20 ments of clause (ii), for the sole purpose of
21 fulfilling the reporting requirements under
22 this subsection, access to the quarterly
23 wage records (excluding such records made
24 available by any other State) of program
25 participants in the local area.

1 “(ii) PRIVACY PROTECTIONS.—To re-
 2 ceive access to such quarterly wage
 3 records, the local area shall have dem-
 4 onstrated to the State the ability to com-
 5 ply, and agree to comply, with all applica-
 6 ble Federal and State requirements relat-
 7 ing to the access and use of such quarterly
 8 wage records, including requirements relat-
 9 ing to data privacy and cybersecurity.”;

10 (2) in paragraph (2)—

11 (A) in subparagraph (B), by inserting “,
 12 and aggregated to compare those levels of per-
 13 formance for all individuals with barriers to em-
 14 ployment with those levels of performance for
 15 all other individuals” before the semicolon at
 16 the end;

17 (B) in subparagraphs (D) and (F), by
 18 striking “career and training services, respec-
 19 tively” and inserting “career services, training
 20 services, and supportive services, respectively”;

21 (C) by redesignating subparagraphs (J)
 22 through (L) as subparagraphs (K) through (M),
 23 respectively and inserting after subparagraph
 24 (I) the following:

“(J) the median earnings gain of participants who received training services, calculated as the median value of the difference between—

“(i) participant earnings in unsubsidized employment during the 4 quarters after program exit; and

“(ii) participant earnings in the 4 quarters prior to entering the program;”;
and

(D) in subparagraph (L), as so redesignated—

(i) by striking clause (ii); and

(ii) by striking “strategies for programs” and all that follows through “the performance”, and inserting “strategies for programs, the performance”;

(3) in paragraph (3)—

(A) in subparagraph (A), by striking “(L)” and inserting “(M)”;

(B) in subparagraph (B), by striking “and” at the end;

(C) by redesignating subparagraph (C) as subparagraph (F); and

(D) by inserting after subparagraph (B) the following:

“(C) the percentage of the local area’s allocation under section 133(b) that the local area spent on services paid for through an individual training account described in section 134(c)(3)(F)(iii) or a training contract described in section 134(c)(3)(G)(ii);

“(D) the percentage of the local area’s allocation under section 133(b) that the local area spent on supportive services;

“(E) the percentage of the local area’s allocation under section 133(b), if any, that is spent on incumbent worker training; and”;

(4) by amending paragraph (4) to read as follows:

“(4) CONTENTS OF ELIGIBLE TRAINING PROVIDERS PERFORMANCE REPORT.—

“(A) IN GENERAL.—The State shall use the information submitted by the eligible providers of training services under section 122 and administrative records, including quarterly wage records, of the participants of the programs offered by the providers to produce a performance report on the eligible providers of training services in the State, which shall include, subject to paragraph (6)(C)—

1 “(i) with respect to each program of
2 study (or the equivalent) of a provider on
3 the list described in section 122(d)—

4 “(I) information specifying the
5 levels of performance achieved with
6 respect to the primary indicators of
7 performance described in subclauses
8 (I) through (IV) of subsection
9 (b)(2)(A)(i) with respect to all individ-
10 uals engaging in the program of study
11 (or the equivalent); and

12 “(II) the total number of individ-
13 uals exiting from the program of
14 study (or the equivalent),
15 disaggregated by whether such indi-
16 viduals completed the program of
17 study (or equivalent); and

18 “(ii) with respect to all eligible pro-
19 viders of training services under section
20 122—

21 “(I) the total number of partici-
22 pants who received training services
23 through each adult and dislocated
24 worker program authorized under
25 chapter 3 of subtitle B, disaggregated

1 by the type of entity that provided the
2 training services, during the most re-
3 cent program year and the 3 pre-
4 ceding program years;

5 “(II) the total number of partici-
6 pants who exited from training serv-
7 ices, disaggregated by the type of en-
8 tity that provided the training serv-
9 ices, and by whether such participants
10 completed the training services, dur-
11 ing the most recent program year and
12 the 3 preceding program years;

13 “(III) the average cost per par-
14 ticipant for the participants who re-
15 ceived training services, disaggregated
16 by the type of entity that provided the
17 training, during the most recent pro-
18 gram year and the 3 preceding pro-
19 gram years;

20 “(IV) the average of the per-pro-
21 gram ratios of median earnings in-
22 crease for a participant to the total
23 cost of the provider’s program; and

24 “(V) the number of individuals
25 with barriers to employment served by

1 each adult and dislocated worker pro-
2 gram authorized under chapter 3 of
3 subtitle B, disaggregated by each sub-
4 population of such individuals, and by
5 race, ethnicity, sex, and age; and

6 “(iii) to the extent practicable, with
7 respect to each recognized postsecondary
8 credential awarded by eligible providers in
9 the State described in section 122(d)—

10 “(I) information specifying the
11 levels of performance achieved with
12 respect to the primary indicators of
13 performance described in subclauses
14 (I) through (IV) of subsection
15 (b)(2)(A)(i) for all participants in the
16 State receiving such credential; and

17 “(II) information specifying the
18 levels of performance achieved with
19 respect to the primary indicators of
20 performance described in subclauses
21 (I) through (IV) of subsection
22 (b)(2)(A)(i) for participants in the
23 State receiving such credential who
24 are individuals with barriers to em-
25 ployment, disaggregated by each sub-

1 population of such individuals, and by
2 race, ethnicity, sex, and age.”; and

3 (5) in paragraph (6)—

4 (A) by amending subparagraph (A) to read
5 as follows:

6 “(A) STATE PERFORMANCE REPORTS.—

7 The Secretary of Labor and the Secretary of
8 Education shall annually make available the
9 performance reports for States containing the
10 information described in paragraph (2), which
11 shall include making such reports available—

12 “(i) digitally using transparent,
13 linked, open, and interoperable data for-
14 mats that are human readable and ma-
15 chine actionable such that the data from
16 these reports—

17 “(I) are easily understandable;
18 and

19 “(II) can be easily included in
20 web-based tools and services sup-
21 porting search, discovery, comparison,
22 analysis, navigation, and guidance;

23 “(ii) in a printable format; and

24 “(iii) in multiple languages, to the ex-
25 tent practicable.”;

1 (B) in subparagraph (B)—

2 (i) by striking “(including by elec-
3 tronic means), in an easily understandable
4 format,”; and

5 (ii) by adding at the end the fol-
6 lowing: “The Secretary of Labor and the
7 Secretary of Education shall include, on
8 the website where the State performance
9 reports are required under subparagraph
10 (A) to be made available, a link to local
11 area performance reports and the eligible
12 provider of training services report for
13 each State. Such reports shall be made
14 available in each of the formats described
15 in subparagraph (A).”; and

16 (C) by adding at the end the following:

17 “(E) RULE OF CONSTRUCTION.—Nothing
18 in this subsection shall be construed to require
19 the retroactive collection of information, from
20 program years beginning prior to the date of
21 the enactment of the Workforce Investments
22 Accountability Act, that was not required under
23 this subsection prior to such enactment.”.

1 (c) EVALUATION OF STATE PROGRAMS.—Section
 2 116(e) of the Workforce Innovation and Opportunity Act
 3 (29 U.S.C. 3141(e)) is amended—

4 (1) in paragraph (1)—

5 (A) in the first sentence, by striking “shall
 6 conduct ongoing” and inserting “shall use data
 7 to conduct analyses and ongoing”; and

8 (B) in the second sentence, by striking
 9 “conduct the” and inserting “conduct such
 10 analyses and”; and

11 (2) in paragraph (2), by adding “A State may
 12 use various forms of analysis, such as machine
 13 learning or other advanced analytics, to improve pro-
 14 gram operations and outcomes and to identify areas
 15 for further evaluation.” at the end.

16 (d) SANCTIONS FOR STATE FAILURE TO MEET
 17 STATE PERFORMANCE ACCOUNTABILITY MEASURES.—
 18 Section 116(f) of the Workforce Innovation and Oppor-
 19 tunity Act (29 U.S.C. 3141(f)) is amended to read as fol-
 20 lows:

21 “(f) SANCTIONS FOR STATE FAILURE TO MEET
 22 STATE PERFORMANCE ACCOUNTABILITY MEASURES.—

23 “(1) TARGETED SUPPORT AND ASSISTANCE.—

24 “(A) IN GENERAL.—If a State fails to
 25 meet 80 percent of the State adjusted level of

1 performance for an indicator described in sub-
2 section (b)(2)(A) (referred to in the regulations
3 carrying out this section as an ‘individual indi-
4 cator score’) for a core program for any pro-
5 gram year, the Secretary of Labor and the Sec-
6 retary of Education shall provide technical as-
7 sistance.

8 “(B) SANCTIONS.—

9 “(i) IN GENERAL.—If the State fails
10 in the manner described in subclause (I) or
11 (II) of clause (ii) with respect to the pro-
12 gram year specified in that subclause, the
13 percentage of each amount that could (in
14 the absence of this subsection) be reserved
15 by the Governor under section 128(a)(1)
16 for the immediately succeeding program
17 year shall be reduced by 5 percent and an
18 amount equivalent to the amount reduced
19 shall be returned to the Secretary of Labor
20 until such date as the Secretary of Labor
21 or the Secretary of Education, as appro-
22 priate, determines that the State meets the
23 State adjusted level of performance, in the
24 case of a failure described in clause (ii)(II),
25 or has submitted the reports for the appro-

1 priate program years, in the case of a fail-
 2 ure described in clause (ii)(I).

3 “(ii) FAILURES.—A State shall be
 4 subject to clause (i)—

5 “(I) if (except in the case of ex-
 6 ceptional circumstances as determined
 7 by the Secretary of Labor or the Sec-
 8 retary of Education, as appropriate),
 9 such State fails to submit a report
 10 under subsection (d) for any program
 11 year; or

12 “(II) for a failure under subpara-
 13 graph (A) that has continued for a
 14 second consecutive program year.

15 “(2) COMPREHENSIVE SUPPORT AND ASSIST-
 16 ANCE.—

17 “(A) IN GENERAL.—If a State fails to
 18 meet an average of 90 percent of the State ad-
 19 justed levels of performance for a single core
 20 program across all indicators of performance
 21 (referred to in the regulations carrying out this
 22 section as an ‘overall State program score’) for
 23 any program year, or if a State fails to meet an
 24 average of 90 percent of the State adjusted lev-
 25 els of performance for a single indicator of per-

1 formance across all core programs (referred to
2 in the regulations carrying out this section as
3 an ‘overall State indicator score’) for any pro-
4 gram year, the Secretary of Labor and the Sec-
5 retary of Education shall provide technical as-
6 sistance, as described and authorized under sec-
7 tion 168(b), including assistance in the develop-
8 ment of a comprehensive performance improve-
9 ment plan.

10 “(B) SECOND CONSECUTIVE YEAR FAIL-
11 URE.—If such failure under subparagraph (A)
12 continues for a second consecutive program
13 year, the percentage of each amount that could
14 (in the absence of this subsection) be reserved
15 by the Governor under section 128(a)(1) for the
16 immediately succeeding program year shall be
17 reduced by 8 percent and an amount equivalent
18 to the amount reduced shall be returned to the
19 Secretary of Labor until such date as the Sec-
20 retary of Labor or the Secretary of Education,
21 as appropriate, determines that the State meets
22 such State adjusted levels of performance.

23 “(3) LIMITATION.—The total reduction under
24 this subsection to the percentage of each amount
25 that could (in the absence of this subsection) be re-

1 served by the Governor under section 128(a)(1) may
2 not exceed 10 percent for a program year.

3 “(4) REALLOTMENT OF REDUCTIONS.—

4 “(A) IN GENERAL.—The amounts available
5 for reallocation for a program year shall be re-
6 allotted to a State (in this paragraph referred
7 to as an ‘eligible State’) that—

8 “(i) was not subject to a reduction of
9 funds under paragraph (1)(B) or para-
10 graph (2)(B) of this subsection for such
11 program year;

12 “(ii) in the case of amounts available
13 under section 127(b)(1)(C), was 1 of the 5
14 States that achieved, in the most recent
15 program year, the greatest increase from
16 the prior year to the average of the State’s
17 adjusted levels of performance across all
18 indicators of performance for the youth
19 program under chapter 2 of subtitle B;

20 “(iii) in the case of amounts available
21 under section 132(b)(1)(B), was 1 of the 5
22 States that achieved, in the most recent
23 program year, the greatest increase from
24 the prior year to the average of the State’s
25 adjusted levels of performance across all

1 indicators of performance for the adult
2 program under chapter 3 of subtitle B;
3 and

4 “(iv) in the case of amounts available
5 under section 132(b)(2)(B), was 1 of the 5
6 States that achieved, in the most recent
7 program year, the greatest increase from
8 the prior year to the average of the State’s
9 adjusted levels of performance across all
10 indicators of performance for the dis-
11 located worker program under chapter 3 of
12 subtitle B.

13 “(B) AMOUNTS AVAILABLE FOR REALLOT-
14 MENT.—In this paragraph, the term ‘amounts
15 available for reallocation for a program year’
16 means the amounts available under section
17 127(b)(1)(C) and paragraphs (1)(B) and (2)(B)
18 of section 132(b) for such program year which
19 could (in the absence of the requirements to re-
20 turn funds of paragraph (1)(B) or paragraph
21 (2)(B) of this subsection) have otherwise been
22 reserved under section 128(a)(1) by a Governor
23 of a State for such program year.

24 “(C) REALLOTMENT AMOUNTS.—In mak-
25 ing reallocations under subparagraph (A) for a

1 program year to eligible States, the Secretary
2 shall allot to each eligible State—

3 “(i) in the case of amounts available
4 under section 127(b)(1)(C), an amount
5 based on the relative amount of the allot-
6 ment made (before the reallotments under
7 this paragraph are made) to such eligible
8 State under section 127(b)(1)(C) for such
9 program year, compared to the total allot-
10 ments made (before the reallotments under
11 this paragraph are made) to all eligible
12 States under section 127(b)(1)(C) for such
13 program year;

14 “(ii) in the case of amounts available
15 under paragraph (1)(B) of section 132(b),
16 an amount based on the relative amount of
17 the allotment made (before the reallot-
18 ments under this paragraph are made) to
19 such eligible State under paragraph (1)(B)
20 of section 132(b) for such program year,
21 compared to the total allotments made (be-
22 fore the reallotments under this paragraph
23 are made) to all eligible States under para-
24 graph (1)(B) of section 132(b) for such
25 program year; and

1 “(iii) in the case of amounts available
 2 under paragraph (2)(B) of section 132(b),
 3 an amount based on the relative amount of
 4 the allotment made (before the reallocot-
 5 ments under this paragraph are made) to
 6 such eligible State under paragraph (2)(B)
 7 of section 132(b) for such program year,
 8 compared to the total allotments made (be-
 9 fore the reallocotments under this paragraph
 10 are made) to all eligible States under para-
 11 graph (2)(B) of section 132(b) for such
 12 program year.”.

13 (e) SANCTIONS FOR LOCAL AREA FAILURE TO MEET
 14 LOCAL PERFORMANCE ACCOUNTABILITY MEASURES.—
 15 Section 116(g) of the Workforce Innovation and Oppor-
 16 tunity Act (29 U.S.C. 3141(g)) is amended—

17 (1) in paragraph (1)—

18 (A) by inserting “80 percent of the” before
 19 “local performance”; and

20 (B) by striking “local performance ac-
 21 countability measures established under sub-
 22 section (c)” and inserting “local level of per-
 23 formance established under subsection (c) for
 24 an indicator of performance described in sub-
 25 section (b)(2)(A) for a single program, an aver-

age of 90 percent of the local levels of performance across all such indicators for a single program, or an average of 90 percent of the local levels of performance for a single such indicator across all programs,”; and

(2) in paragraph (2)—

(A) by amending subparagraph (A) to read as follows:

“(A) IN GENERAL.—If such failure continues, the Governor shall take corrective actions, which shall include—

“(i) in the case of such failure, as described in paragraph (1), for a second consecutive year, on any single indicator, across indicators for a single program, or on a single indicator across programs, a 5-percent reduction in the amount that would (in the absence of this clause) be allocated to the local area for the immediately succeeding program year under chapter 2 or 3 of subtitle B for the program subject to the performance failure;

“(ii) in the case of such failure, as described in paragraph (1), for a third consecutive year, the development of a reorga-

nization plan through which the Governor shall—

“(I) require the appointment and certification of a new local board, consistent with the criteria established under section 107(b);

“(II) prohibit the use of one-stop delivery system contractors or service providers identified as achieving a poor level of performance; and

“(III) redesignate a local area (which may include merging a local area with another local area), if the Governor determines that the likely cause of such continued performance failure of a local area is due to such local area’s designation being granted without the appropriate consideration of parameters described under section 106(b)(1)(B); or

“(iii) taking another significant action determined appropriate by the Governor.”;

(B) in subparagraph (B)(i), by inserting

“(ii)” after “subparagraph (A)”; and

(C) by adding at the end the following:

“(D) REALLOCATION OF REDUCTIONS.—

With respect to any amounts available to carry out section 128(b), paragraph (2)(A) or (3) of section 133(b), and section 133(b)(2)(B) to a Governor for a program year which would (in the absence of subparagraph (A)(i)) have otherwise been allocated by such Governor to a local area (referred to individually in this subparagraph as an ‘unallocated amount’) for such program year—

“(i) 10 percent of those 3 unallocated amounts shall be reserved by the Governor to provide technical assistance to local areas within the State that were subject to a reduction of allocation amounts pursuant to subparagraph (A)(i) for such program year; and

“(ii) the amounts remaining after the reservations under clause (i) shall be reallocated by the Governor, to the local areas within the State that were not subject to a reduction of allocation amounts pursuant to subparagraph (A)(i) for such program year, in a manner determined by the Governor, which may take into consid-

1 eration the extent to which local areas
 2 serve a significant number, as determined
 3 by the Governor, of individuals with bar-
 4 riers to employment.”.

5 (f) ESTABLISHING PAY-FOR-PERFORMANCE CON-
 6 TRACT STRATEGY INCENTIVES.—Section 116(h) of the
 7 Workforce Innovation and Opportunity Act (29 U.S.C.
 8 3141(h)) is amended by striking “non-Federal funds” and
 9 inserting “not more than 5 percent of the funds reserved
 10 under section 128(a)(1)”.

11 (g) INFORMATION AND TECHNICAL ASSISTANCE.—
 12 Section 116 of the Workforce Innovation and Opportunity
 13 Act (29 U.S.C. 3141) is amended—

14 (1) by redesignating subsection (i) as subsection
 15 (j); and

16 (2) by inserting after subsection (h) the fol-
 17 lowing:

18 “(i) INFORMATION AND TECHNICAL ASSISTANCE.—
 19 Beginning not later than 12 months after the date of en-
 20 actment of the Workforce Investments Accountability Act,
 21 the Secretary of Labor shall hold meetings with each State
 22 board and State agency that administers a core program,
 23 and that requests such a meeting, to provide information
 24 and technical assistance concerning the performance ac-
 25 countability measures established in accordance with sub-

1 section (b), and related requirements for States under this
 2 section.”.

3 (h) FISCAL AND MANAGEMENT ACCOUNTABILITY IN-
 4 FORMATION SYSTEMS.—Section 116(j) of the Workforce
 5 Innovation and Opportunity Act (29 U.S.C. 3141(j)), as
 6 so redesignated, is amended—

7 (1) in the first sentence of paragraph (2), by
 8 inserting “, and may use information provided from
 9 the National Directory of New Hires in accordance
 10 with section 453(j)(8) of the Social Security Act (42
 11 U.S.C. 653(j)(8))” after “State law”;

12 (2) by redesignating paragraph (3) as para-
 13 graph (4); and

14 (3) by inserting after paragraph (2) the fol-
 15 lowing:

16 “(3) DESIGNATED ENTITY.—The Governor
 17 shall designate a State agency (or appropriate State
 18 entity) to assist in carrying out the performance re-
 19 porting requirements of this section for core pro-
 20 grams and eligible providers of training services.
 21 The designated State agency (or appropriate State
 22 entity) shall be responsible for—

23 “(A) facilitating data matches using quar-
 24 terly wage record information, including wage
 25 record information made available by other

1 States, to measure employment and earnings
2 outcomes;

3 “(B) notifying State agencies that admin-
4 ister core programs and eligible providers of
5 training services of the State’s procedures for
6 data validation and reliability, as described in
7 subsection (d)(5); and

8 “(C) protection against disaggregation that
9 would violate applicable privacy standards, as
10 described in subsection (d)(6)(C).”.

11 (i) IMPLEMENTATION OF PERFORMANCE ACCOUNT-
12 ABILITY MEASURES.—Section 116 of the Workforce Inno-
13 vation and Opportunity Act (29 U.S.C. 3141) is amended
14 by adding at the end the following:

15 “(k) IMPLEMENTATION OF PERFORMANCE ACCOUNT-
16 ABILITY MEASURES.—Not later than 12 months after the
17 date of enactment of the Workforce Investments Account-
18 ability Act, the Secretary of Labor and the Secretary of
19 Education shall fully implement the requirements of this
20 section for programs described in subsection (b)(3)(A)(iv),
21 including—

22 “(1) developing and disseminating the objective
23 statistical adjustment model described in subsection
24 (b)(3)(A)(viii) and using the model as described in
25 subsection (b)(3)(A)(viii) for each program; and

1 “(2) notifying the State agencies carrying out
 2 such programs of the performance accountability
 3 measures established under this section, of the re-
 4 porting and evaluation requirements for such pro-
 5 grams, and of the sanctions requirements for pro-
 6 grams that fail to meet State adjusted levels of per-
 7 formance under subsection (b)(3)(A)(iv).”.

8 **SEC. 3. MINIMUM AMOUNT FOR SKILLS DEVELOPMENT.**

9 Section 134(c)(1) of the Workforce Innovation and
 10 Opportunity Act (29 U.S.C. 3174(c)(1)) is amended—

11 (1) by redesignating subparagraph (B) as sub-
 12 paragraph (C); and

13 (2) by inserting after subparagraph (A), the fol-
 14 lowing:

15 “(B) MINIMUM AMOUNT FOR SKILLS DE-
 16 VELOPMENT.—Not less than 50 percent of the
 17 funds described in subparagraph (A) shall be
 18 used by the local area for the payment of train-
 19 ing services—

20 “(i) provided to adults and dislocated
 21 workers under paragraph (3)(F)(iii); and

22 “(ii) provided to adults and dislocated
 23 workers under paragraph (3)(G)(ii).”.

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