

108TH CONGRESS
1ST SESSION

H. R. 1261

To enhance the workforce investment system of the Nation by strengthening one-stop career centers, providing for more effective governance arrangements, promoting access to a more comprehensive array of employment, training, and related services, establishing a targeted approach to serving youth, and improving performance accountability, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 13, 2003

Mr. MCKEON (for himself and Mr. BOEHNER) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To enhance the workforce investment system of the Nation by strengthening one-stop career centers, providing for more effective governance arrangements, promoting access to a more comprehensive array of employment, training, and related services, establishing a targeted approach to serving youth, and improving performance accountability, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Workforce Reinvest-
5 ment and Adult Education Act of 2003”.

1 SEC. 2. TABLE OF CONTENTS.

2 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. References.

TITLE I—AMENDMENTS TO TITLE I OF THE WORKFORCE
INVESTMENT ACT OF 1998

- Sec. 101. Definitions.
- Sec. 102. Purpose.
- Sec. 103. State workforce investment boards.
- Sec. 104. State plan.
- Sec. 105. Local workforce investment areas.
- Sec. 106. Local workforce investment boards.
- Sec. 107. Local plan.
- Sec. 108. Establishment of one-stop delivery systems.
- Sec. 109. Eligible providers of training services.
- Sec. 110. Eligible providers of youth activities.
- Sec. 111. Youth activities.
- Sec. 112. Comprehensive program for adults.
- Sec. 113. Personal reemployment accounts.
- Sec. 114. Performance accountability system.
- Sec. 115. Authorization of appropriations.
- Sec. 116. Job Corps.
- Sec. 117. Native American programs.
- Sec. 118. Youth challenge grants.
- Sec. 119. Technical assistance.
- Sec. 120. Demonstration, pilot, multiservice, research and multistate projects.
- Sec. 121. Evaluations.
- Sec. 122. Authorization of appropriations for national activities.
- Sec. 123. Requirements and restrictions.
- Sec. 124. Nondiscrimination.
- Sec. 125. Administrative provisions.

TITLE II—ADULT EDUCATION

- Sec. 201. Table of contents.
- Sec. 202. Amendment.

TITLE III—AMENDMENTS TO OTHER PROVISIONS OF LAW

- Sec. 301. Repeal of Wagner-Peyser provisions.

TITLE IV—AMENDMENTS TO THE REHABILITATION ACT OF 1973

- Sec. 401. Chairperson.
- Sec. 402. Rehabilitation Services Administration.
- Sec. 403. Director.
- Sec. 404. State goals.
- Sec. 405. Authorizations of appropriations.

TITLE V—TRANSITION AND EFFECTIVE DATE

Sec. 501. Transition provisions.

Sec. 502. Effective date.

1 **SEC. 3. REFERENCES.**

2 Except as otherwise expressly provided, wherever in
3 this Act an amendment or repeal is expressed in terms
4 of an amendment to, or repeal of, a section or other provi-
5 sion, the amendment or repeal shall be considered to be
6 made to a section or other provision of the Workforce In-
7 vestment Act of 1998 (20 U.S.C. 9201 et seq.).

8 **TITLE I—AMENDMENTS TO**
9 **TITLE I OF THE WORKFORCE**
10 **INVESTMENT ACT OF 1998**

11 **SEC. 101. DEFINITIONS.**

12 Section 101 (29 U.S.C. 2801) is amended—

13 (1) in paragraph (8)(C), by striking “not less
14 than 50 percent of the cost of training” and insert-
15 ing “a significant portion of the cost of training, as
16 determined by the local board”;

17 (2) by striking paragraph (13) and redesign-
18 ating paragraphs (14) through (23) as paragraphs
19 (13) through (22), respectively;

20 (3) by striking paragraph (24) and redesign-
21 ating paragraphs (25) through (32) as paragraphs
22 (23) through (30), respectively; and

1 (4) by striking paragraph (33) and redesignig-
2 nating paragraphs (34) through (53) as paragraphs
3 (31) through (50), respectively.

4 **SEC. 102. PURPOSE.**

5 Section 106 (29 U.S.C. 2811) is amended to insert
6 the following sentence after the period: “It is also the pur-
7 pose of this subtitle to provide workforce investment ac-
8 tivities in a manner that promotes the informed choice of
9 participants and actively involves participants in decisions
10 affecting their participation in such activities.”.

11 **SEC. 103. STATE WORKFORCE INVESTMENT BOARDS.**

12 (a) MEMBERSHIP.—

13 (1) IN GENERAL.—Section 111(b) (29 U.S.C.
14 2821(b)) is amended—

15 (A) by amending paragraph (1)(C) to read
16 as follows:

17 “(C) representatives appointed by the Gov-
18 ernor, who are—

19 “(i)(I) the lead State agency officials
20 with responsibility for the programs and
21 activities that are described in section
22 121(b) and carried out by one-stop part-
23 ners;

24 “(II) in any case in which no lead
25 State agency official has responsibility for

1 such a program or activity, a representa-
2 tive in the State with expertise relating to
3 such program or activity; and

4 “(III) if not included under subclause
5 (I), the director of the designated State en-
6 tity responsible for carrying out title I of
7 the Rehabilitation Act (29 U.S.C. 701 et
8 seq.);

9 “(ii) the State agency officials respon-
10 sible for economic development;

11 “(iii) representatives of business in
12 the State who—

13 “(I) are owners of businesses,
14 chief executive officers of businesses,
15 and other business executives or em-
16 ployers with optimum policy making
17 or hiring authority, including mem-
18 bers of local boards described in sec-
19 tion 117(b)(2)(A)(i);

20 “(II) represent businesses with
21 employment opportunities that reflect
22 employment opportunities in the
23 State; and

24 “(III) are appointed from among
25 individuals nominated by State busi-

1 ness organizations and business trade
2 associations;

3 “(iv) chief elected officials (rep-
4 resenting both cities and counties, where
5 appropriate;

6 “(v) representatives of labor organiza-
7 tions, who have been nominated by State
8 labor federations; and

9 “(vi) such other representatives and
10 State agency officials as the Governor may
11 designate.”; and

12 (B) in paragraph (3), by striking “para-
13 graph (1)(C)(i)” and inserting “paragraph
14 (1)(C)(iii)”.

15 (2) CONFORMING AMENDMENT.—Section
16 111(c) (29 U.S.C 2811(c)) is amended by striking
17 “section (b)(1)(C)(i)” and inserting “section
18 (b)(1)(C)(iii)”.

19 (b) FUNCTIONS.—Section 111(d) (29 U.S.C.
20 2811(d)) is amended—

21 (1) by amending paragraph (3) to read as fol-
22 lows:

23 “(3) development and review of statewide poli-
24 cies affecting the integrated provision of services

1 through the one-stop delivery system described in
2 section 121, including—

3 “(A) the development of criteria for, and
4 the issuance of, certifications of one-stop cen-
5 ters;

6 “(B) the criteria for the allocation of one-
7 stop center infrastructure funding under section
8 121(g), and oversight of the use of such funds;

9 “(C) approaches to facilitating equitable
10 and efficient cost allocation in one-stop delivery
11 systems; and

12 “(D) such other matters that may promote
13 statewide objectives for, and enhance the per-
14 formance of, one-stop delivery systems within
15 the State;”;

16 (2) in paragraph (4), by inserting “and the de-
17 velopment of State criteria relating to the appoint-
18 ment and certification of local boards under section
19 117” after “section 116”;

20 (3) in paragraph (5), by striking “sections
21 128(b)(3)(B) and 133(b)(3)(B)” and inserting “sec-
22 tions 128(b)(3) and 133(b)(3)”;

23 (4) in paragraph (8), by striking “section 15(e)
24 of the Wagner-Peyser Act” and inserting “section
25 302(e)”;

1 (5) in paragraph (9), by striking “section 503”
2 and inserting “section 136(i)”.

3 (c) **ELIMINATION OF ALTERNATIVE ENTITY AND**
4 **PROVISION OF AUTHORITY TO HIRE STAFF.**—Section
5 111(e) (29 U.S.C. 2811(e)) is amended to read as follows:

6 “(e) **AUTHORITY TO HIRE STAFF.**—The State board
7 may hire staff to assist in carrying out the functions de-
8 scribed in subsection (d).”.

9 **SEC. 104. STATE PLAN.**

10 (a) **PLANNING CYCLE.**—Section 112(a) (29 U.S.C.
11 2822(a)) is amended by striking “5-year strategy” and in-
12 serting “2-year strategy”.

13 (b) **CONTENTS.**—Section 112(b)(17)(A) (29 U.S.C.
14 2822(b)(17(A)) is amended—

15 (1) in clause (iii) by striking “and”;

16 (2) in clause (iv)—

17 (A) by inserting “homeless individuals,”
18 after “public assistance,”; and

19 (B) by striking “and individuals with dis-
20 abilities”; and

21 (3) by adding the following new clause after
22 clause (iv):

23 “(v) how the State will serve the em-
24 ployment and training needs of individuals,
25 consistent with section 188 and Executive

1 Order 13217 (relating to community-based
2 alternatives for individuals with disabili-
3 ties) including the provision of outreach,
4 intake, assessments, and service delivery,
5 the development of performance measures,
6 and the training of staff; and”.

7 (c) MODIFICATION TO PLAN.—Section 112(d) (29
8 U.S.C. 2822(d)) is amended by striking “5-year period”
9 and inserting “2-year period”.

10 **SEC. 105. LOCAL WORKFORCE INVESTMENT AREAS.**

11 (a) DESIGNATION OF AREAS.—

12 (1) CONSIDERATIONS.—Section 116(a)(1)(B)
13 (29 U.S.C. 2831(a)(1)(B)) is amended by adding at
14 the end the following clause:

15 “(vi) The extent to which such local
16 areas will promote efficiency in the admin-
17 istration and provision of services.”.

18 (2) AUTOMATIC DESIGNATION.—Section
19 116(a)(2) (29 U.S.C. 2831(a)(2)) is amended to
20 read as follows:

21 “(2) AUTOMATIC DESIGNATION.—

22 “(A) IN GENERAL.—Except as provided in
23 subparagraph (B) of this paragraph and sub-
24 section (b)(2), the Governor shall approve a re-
25 quest for designation as a local area from any

1 unit of general local government with a popu-
2 lation of 500,000 or more for the 2-year period
3 covered by a State plan under section 112 if
4 such request is made not later than the date of
5 the submission of the State plan.

6 “(B) CONTINUED DESIGNATION BASED ON
7 PERFORMANCE.—The Governor may deny a re-
8 quest for designation submitted pursuant to
9 subparagraph (A) if such unit of government
10 was designated as a local area for the preceding
11 2-year period covered by a State plan and the
12 Governor determines that such local area did
13 not perform successfully during such period.”.

14 (3) REPEAL OF APPEALS.—Section 116(a) is
15 further amended by striking paragraph (5).

16 (b) REGIONAL PLANNING.—Section 116(c)(1) (29
17 U.S.C. 2831(c)(1)) is amended by adding at the end the
18 following: “The State may require the local boards for the
19 designated region to prepare a single regional plan that
20 incorporates the elements of the local plan under section
21 118 and that is submitted and approved in lieu of separate
22 local plans under such section.”.

23 **SEC. 106. LOCAL WORKFORCE INVESTMENT BOARDS.**

24 (a) COMPOSITION.—Section 117(b)(2)(A) (29 U.S.C.
25 2832(a)) is amended—

1 (1) in clause (i)(II), by inserting “, businesses
2 that are in the leading industries in the local area,
3 and large and small businesses in the local area”
4 after “local area”;

5 (2) by amending clause (ii) to read as follows:

6 “(ii) superintendents of the local sec-
7 ondary school systems and the presidents
8 of community colleges;”;

9 (3) in clause (iv), by striking the semicolon and
10 inserting “and faith-based organizations; and”;

11 (4) by striking clause (vi).

12 (b) **AUTHORITY OF BOARD MEMBERS.**—Section
13 117(b)(3) (29 U.S.C. 2832(b)) is amended—

14 (1) in the heading, by inserting “AND REP-
15 RESENTATION” after “MEMBERS”; and

16 (2) by adding at the end the following: “The
17 members of the board shall represent diverse geo-
18 graphic sections within the local area.”.

19 (c) **FUNCTIONS.**—Section 117(d) (29 U.S.C.
20 2832(d)) is amended—

21 (1) in paragraph (2)(B), by striking “local
22 area” and all that follows and inserting “local
23 area.”;

1 (2) in paragraph (3)(B)(i)(I), by striking “sec-
2 tions 128 and 133” and inserting “sections 128,
3 133, and 135D”; and

4 (3) in paragraph (4)—

5 (A) by inserting “, activities authorized
6 under section 135F” after “section 134”; and

7 (B) by inserting “and ensure the appro-
8 priate use and management of the funds pro-
9 vided under this title for such programs, activi-
10 ties, and system” after “area”.

11 (d) AUTHORITY TO ESTABLISH COUNCILS AND
12 ELIMINATION OF REQUIREMENT FOR YOUTH COUN-
13 CILS.—Section 117(h) (29 U.S.C. (h)) is amended to read
14 as follows:

15 “(h) ESTABLISHMENT OF COUNCILS.—The local
16 board may establish councils to provide information and
17 advice to assist the local board in carrying out activities
18 under this title. Such councils may include a council com-
19 posed of one-stop partners to advise the local board on
20 the operation of the one-stop delivery system, a youth
21 council composed of experts and stakeholders in youth
22 programs to advise the local board on activities for youth,
23 and such other councils as the local board determines are
24 appropriate.”.

1 (e) REPEAL OF ALTERNATIVE ENTITY PROVISION.—
2 Section 117(i) (29 U.S.C. 2832(i)) is repealed.

3 **SEC. 107. LOCAL PLAN.**

4 (a) PLANNING CYCLE.—Section 118(a) (29 U.S.C.
5 2833(a)) is amended by striking “5-year” and inserting
6 “2-year”.

7 (b) CONTENTS.—Section 118(b) (29 U.S.C. 2833(b))
8 is amended—

9 (1) by amending paragraph (2) to read as fol-
10 lows:

11 “(2) a description of the one-stop delivery sys-
12 tem to be established or designated in the local area,
13 including a description of how the local board will
14 ensure the continuous improvement of eligible pro-
15 viders of services through the system and ensure
16 that such providers meets the employment needs of
17 local employers and participants.”; and

18 (2) in paragraph (4), by striking “and dis-
19 located worker”.

20 **SEC. 108. ESTABLISHMENT OF ONE-STOP DELIVERY SYS-**
21 **TEMS.**

22 (a) ONE-STOP PARTNERS.—Section 121(b)(2)(B)
23 (29 U.S.C. 2841(b)(2)(B)) is amended—

24 (1) in clause (iv) by striking “; and” and insert-
25 ing “;”;

1 (2) in clause (v) by striking the period; and

2 (3) by adding at the end the following new
3 clauses:

4 “(vi) employment and training pro-
5 grams administered by the Social Security
6 Administration, including the Ticket to
7 Work program;

8 “(vii) programs under part D of title
9 IV of the Social Security Act (relating to
10 child support enforcement); and

11 “(viii) programs carried out in the
12 local area for individuals with disabilities,
13 including programs carried out by State
14 agencies relating to mental health, mental
15 retardation, and developmental disabilities,
16 State Medicaid agencies, State Inde-
17 pendent Living Councils, and Independent
18 Living Centers;”.

19 (b) PROVISION OF SERVICES.—Subtitle B of title I
20 is amended—

21 (1) by striking subsection (e) of section 121;

22 (2) by moving subsection (c) of section 134
23 from section 134, redesignating such subsection as
24 subsection (e), and inserting such subsection (as so
25 redesignated) after subsection (d) of section 121;

1 (3) by amending subsection (e) (as moved and
2 redesignated by paragraph (3))—

3 (A) in paragraph (1)(A), by striking “sub-
4 section (d)(2)” and inserting “section
5 134(d)(2)”;

6 (B) in paragraph (1)(B)—

7 (i) by striking “subsection (d)” and
8 inserting “section 134(d)”; and

9 (ii) by striking “subsection (d)(4)(G)”
10 and inserting “section 134(d)(4)(G)”;

11 (C) in paragraph (1)(C), by striking “sub-
12 section (e)” and inserting “section 134(e)”;

13 (D) in paragraph (1)(D)—

14 (i) by striking “section 121(b)” and
15 inserting “subsection (b)”;

16 (ii) by striking “; and” at the end and
17 inserting “;”;

18 (E) by amending paragraph (1)(E) to read
19 as follows:

20 “(E) shall provide access to the informa-
21 tion described in section 302(e); and”;

22 (F) by adding at the end the following:

23 “(F) shall provide access to personal reem-
24 ployment accounts in accordance with section
25 135E.”.

1 (c) CERTIFICATION AND FUNDING OF ONE-STOP
2 CENTERS.—Section 121 (as amended by subsection (b))
3 is further amended by adding at the end the following new
4 subsections:

5 “(g) CERTIFICATION OF ONE-STOP CENTERS.—

6 “(1) IN GENERAL.—The State board shall es-
7 tablish procedures and criteria for periodically certi-
8 fying one-stop centers.

9 “(2) CRITERIA.—The criteria for certification
10 under this subsection shall include minimum stand-
11 ards relating to the scope and degree of service inte-
12 gration achieved by the centers involving the pro-
13 grams provided by the one-stop partners.

14 “(3) EFFECT OF CERTIFICATION.—one-stop
15 centers certified under this subsection shall be eligi-
16 ble to receive the infrastructure grants authorized
17 under subsection (h).

18 “(h) ONE-STOP INFRASTRUCTURE FUNDING.—

19 “(1) PARTNER CONTRIBUTIONS.—

20 “(A) PROVISION OF FUNDS.—Notwith-
21 standing any other provision of law, as deter-
22 mined under subparagraph (B), a portion of the
23 Federal funds provided to the State and areas
24 within the State under the Federal laws author-
25 izing the one-stop partner programs described

1 in subsection (b) for a fiscal year shall be pro-
2 vided to the Governor by such programs to
3 carry out this subsection.

4 “(B) DETERMINATION.—The portion of
5 funds to be provided under subparagraph (A)
6 by each one-stop partner shall be determined by
7 the Governor, after consultation with the State
8 board.

9 “(2) ALLOCATION BY GOVERNOR.—From the
10 funds provided under paragraph (1), the Governor
11 shall allocate funds to local areas for the purposes
12 of assisting in paying the costs of the infrastructure
13 of One-Stop centers certified under subsection (g).

14 “(3) ALLOCATION FORMULA.—The State board
15 shall develop a formula to be used by the Governor
16 to allocate the funds described in paragraph (1).
17 The formula shall include such factors as the State
18 board determines are appropriate, which may in-
19 clude factors such as the number of centers in the
20 local area that have been certified, the population
21 served by such centers, and the performance of such
22 centers.

23 “(4) COSTS OF INFRASTRUCTURE.—For pur-
24 poses of this subsection, the term ‘costs of infra-
25 structure’ means the nonpersonnel costs that are

1 necessary for the general operation of a one-stop
2 center, including the rental costs of the facilities, the
3 costs of utilities and maintenance, equipment (in-
4 cluding adaptive technology for individuals with dis-
5 abilities), strategic planning activities for the center,
6 and common outreach activities.

7 “(i) OTHER FUNDS.—

8 “(1) IN GENERAL.—In addition to the funds
9 provided to carry out subsection (h), a portion of
10 funds made available under Federal law authorizing
11 the one-stop partner programs described in sub-
12 section (b) shall be used to pay the costs relating to
13 the operation of the one-stop delivery system that
14 are not paid for from the funds provided under sub-
15 section (h), to the extent not inconsistent with the
16 Federal law involved including—

17 “(A) infrastructure costs that are in excess
18 of the funds provided under subsection (g);

19 “(B) common costs that are in addition to
20 the costs of infrastructure; and

21 “(C) the costs of the provision of core serv-
22 ices applicable to each program.

23 “(2) DETERMINATION AND GUIDANCE.—The
24 method for determining the appropriate portion of
25 funds to be provided by each program under para-

1 graph (1) shall be determined as part of the memo-
2 randum of understanding under subsection (c). The
3 State board shall provide guidance to facilitate the
4 determination of appropriate funding allocation in
5 local areas.”.

6 **SEC. 109. ELIGIBLE PROVIDERS OF TRAINING SERVICES.**

7 Section 122 (29 U.S.C. 2842) is amended to read as
8 follows:

9 **“SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF**
10 **TRAINING SERVICES.**

11 “(a) IN GENERAL.—The Governor shall establish cri-
12 teria and procedures regarding the eligibility of providers
13 of training services described in section 134(b)(4) to re-
14 ceive funds provided under section 133(b) for the provision
15 of such training services.

16 “(b) CRITERIA.—The criteria established pursuant to
17 subsection (a) shall take into account the performance of
18 providers of training services with respect to the indicators
19 described in section 136 or other appropriate indicators
20 (taking into consideration the characteristics of the popu-
21 lation served and relevant economic conditions), and such
22 other factors as the Governor determines are appropriate
23 to ensure the quality of services, the accountability of pro-
24 viders, and the informed choice of participants under
25 chapter 5. Such criteria shall require that the provider

1 submit appropriate, accurate and timely information to
2 the State for purposes of carrying out subsection (d). The
3 criteria shall also provide for periodic review and renewal
4 of eligibility under this section for providers of training
5 services. The Governor may authorize local areas in the
6 State to establish additional criteria or to modify the cri-
7 teria established by the Governor under this section for
8 purposes of determining the eligibility of providers of
9 training services to provide such services in the local area.

10 “(c) PROCEDURES.—The procedures established
11 under subsection (a) shall identify the application process
12 for a provider of training services to become eligible to
13 receive funds under section 133(b), and identify the re-
14 spective roles of the State and local areas in receiving and
15 reviewing applications and in making determinations of
16 eligibility based on the criteria established under this sec-
17 tion. The procedures shall also establish a process for a
18 provider of training services to appeal a denial or termi-
19 nation of eligibility under this section that includes an op-
20 portunity for a hearing and prescribes appropriate time
21 limits to ensure prompt resolution of the appeal.

22 “(d) INFORMATION TO ASSIST PARTICIPANTS IN
23 CHOOSING PROVIDERS.—In order to facilitate and assist
24 participants under chapter 5 in choosing providers of
25 training services, the Governor shall ensure that an appro-

1 p r i a t e list or lists of providers determined eligible under
2 this section in the State, accompanied by such information
3 as the Governor determines is appropriate, is provided to
4 the local boards in the State to be made available to such
5 participants and to members of the public through the
6 one-stop delivery system in the State.

7 “(e) AGREEMENTS WITH OTHER STATES.—States
8 may enter into agreements, on a reciprocal basis, to per-
9 mit eligible providers of training services to accept career
10 scholarship accounts provided in another State.

11 “(f) RECOMMENDATIONS.—In developing the criteria,
12 procedures, and information required under this section,
13 the Governor shall solicit and take into consideration the
14 recommendations of local boards and providers of training
15 services within the State.

16 “(g) OPPORTUNITY TO SUBMIT COMMENTS.—Dur-
17 ing the development of the criteria, procedures, and infor-
18 mation required under this section, the Governor shall
19 provide an opportunity for interested members of the pub-
20 lic, including representatives of business and labor organi-
21 zations, to submit comments regarding such criteria, pro-
22 cedures, and information.”.

23 **SEC. 110. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.**

24 Section 123 (29 U.S.C. 2843) and the item relating
25 to such section in the table of contents are repealed.

1 **SEC. 111. YOUTH ACTIVITIES.**

2 (a) STATE ALLOTMENTS.—Section 127(a) (29
3 U.S.C. 2852(a)) is amended to read as follows:

4 “(a) ALLOTMENT AMONG STATES.—

5 “(1) YOUTH ACTIVITIES.—

6 “(A) YOUTH CHALLENGE GRANTS.—Of the
7 amount appropriated under section 137(a) for
8 each fiscal year, the Secretary shall reserve 25
9 percent to provide youth challenge grants under
10 section 169.

11 “(B) OUTLYING AREAS AND NATIVE AMER-
12 ICANS.—After determining the amount to be re-
13 served under subparagraph (A), of the remain-
14 der of the amount appropriated under section
15 137(a) for each fiscal year the Secretary
16 shall—

17 “(i) reserve not more than $\frac{1}{4}$ of one
18 percent of such amount to provide assist-
19 ance to the outlying areas to carry out
20 youth activities and statewide workforce in-
21 vestment activities; and

22 “(ii) reserve not more than 1 and $\frac{1}{2}$
23 percent of such amount to provide youth
24 activities under section 166 (relating to
25 Native Americans).

26 “(C) STATES.—

1 “(i) IN GENERAL.—After determining
2 the amounts to be reserved under subpara-
3 graphs (A) and (B), the Secretary shall
4 allot the remainder of the amount appro-
5 priated under section 137(a) for each fiscal
6 year to the States pursuant to clause (ii)
7 for youth activities and statewide work-
8 force investment activities.

9 “(ii) FORMULA.—Subject to clauses
10 (iii) and (iv), of the remainder—

11 “(I) 33 and $\frac{1}{3}$ percent shall be
12 allotted on the basis of the relative
13 number of high school dropouts who
14 are ages 16 through 21 in the State,
15 compared to the total number of high
16 school dropouts who are ages 16
17 through 21 in all States;

18 “(II) 33 and $\frac{1}{3}$ percent shall be
19 allotted on the basis of the relative
20 number of jobless out-of-school youth
21 who are ages 16 through 21 in the
22 State, compared to the total number
23 of jobless out-of-school youth who are
24 ages 16 through 21 in all States; and

1 “(III) 33 and $\frac{1}{3}$ percent shall be
2 allotted on the basis of the relative
3 number of disadvantaged youth who
4 are ages 16 through 21 in the State,
5 compared to the total number of dis-
6 advantaged youth who are ages 16
7 through 21 in all States.

8 “(iii) MINIMUM AND MAXIMUM PER-
9 CENTAGES.—The Secretary shall ensure
10 that no State shall receive an allotment for
11 a fiscal year that is less than 90 percent
12 or greater than 130 percent of the allot-
13 ment percentage of that State for the pre-
14 ceding fiscal year.

15 “(iv) SMALL STATE MINIMUM ALLOT-
16 MENT.—Subject to clause (iii), the Sec-
17 retary shall ensure that no State shall re-
18 ceive an allotment under this paragraph
19 that is less than $\frac{3}{10}$ of 1 percent of the
20 amount available under subparagraph (A).

21 “(2) DEFINITIONS.—For the purposes of para-
22 graph (1), the following definitions apply:

23 “(A) ALLOTMENT PERCENTAGE.—The
24 term ‘allotment percentage’, used with respect
25 to fiscal year 2004 or a subsequent fiscal year,

1 means a percentage of the remainder described
2 in paragraph (1)(C)(i) that is received through
3 an allotment made under this subsection for the
4 fiscal year. The term, with respect to fiscal year
5 2003, means the percentage of the amounts al-
6 lotted to States under this chapter (as in effect
7 on the day before the date of enactment of the
8 Workforce Investment Act Amendments of
9 2003) that is received by the State involved for
10 fiscal year 2003.

11 “(B) DISADVANTAGED YOUTH.—The term
12 ‘disadvantaged youth’ means an individual who
13 is age 16 through 21 who received an income,
14 or is a member of a family that received a total
15 family income, that, in relation to family size,
16 does not exceed the poverty line.

17 “(C) NUMBER OF HIGH SCHOOL DROP-
18 OUTS.—The term ‘number of high school drop-
19 outs’ means the number of high school dropouts
20 as is determined by the Secretary based on the
21 Current Population Survey.

22 “(D) NUMBER OF JOBLESS OUT-OF-
23 SCHOOL YOUTH.—The term ‘number of jobless
24 out-of-school youth’ means the number of job-
25 less out-of-school youth as is determined by the

1 Secretary based on the Current Population Sur-
2 vey.

3 “(3) SPECIAL RULE.—For purposes of the for-
4 mula specified in paragraph (1)(C), the Secretary
5 shall, as appropriate and to the extent practicable,
6 exclude college students and members of the Armed
7 Forces from the determination of the number of dis-
8 advantaged youth.”.

9 (b) WITHIN STATE ALLOCATIONS.—

10 (1) RESERVATION FOR STATEWIDE ACTIVI-
11 TIES.—Section 128(a) is amended to read as follows:

12 “(a) RESERVATION FOR STATEWIDE ACTIVITIES.—

13 “(1) IN GENERAL.—The Governor of a State
14 shall reserve not more than 10 percent of the
15 amount allotted to the State under section
16 127(a)(1)(C) for a fiscal year for statewide activi-
17 ties.

18 “(2) USE OF FUNDS.—Regardless of whether
19 the amounts are allotted under section 127(a)(1)(C)
20 and reserved under paragraph (1) or allotted under
21 section 132 and reserved under section 133(a), the
22 Governor may use the reserved amounts to carry out
23 statewide youth activities under section 129(b) or
24 statewide employment and training activities under
25 section 133.”.

1 (2) WITHIN STATE ALLOCATION.—Paragraphs
2 (1), (2), and (3) of section 128(b) are amended to
3 read as follows:

4 “(1) IN GENERAL.—Of the amounts allotted to
5 the State under section 127(a)(1)(C) and not re-
6 served under subsection (a)(1)—

7 “(A) 80 percent of such amounts shall be
8 allocated by the Governor to local areas in ac-
9 cordance with paragraph (2); and

10 “(B) 20 percent of such amounts shall be
11 allocated by the Governor to local areas in ac-
12 cordance with paragraph (3).

13 “(2) ESTABLISHED FORMULA.—

14 “(A) IN GENERAL.—Of the amounts de-
15 scribed in paragraph (1)(A), the Governor shall
16 allocate—

17 “(i) percent on the basis of the rel-
18 ative number of high school dropouts who
19 are ages 16 through 21 in each local area,
20 compared to the total number of high
21 school dropouts who are ages 16 through
22 21 in all local areas in the State;

23 “(ii) 33 and $\frac{1}{3}$ percent on the basis
24 of the relative number of jobless out-of-
25 school youth who are ages 16 through 21

1 in each local area, compared to the total
2 number of jobless out-of-school youth who
3 are ages 16 through 21 in all local areas
4 in the State; and

5 “(iii) 33 and $\frac{1}{3}$ percent on the basis
6 of the relative number of disadvantaged
7 youth who are ages 16 through 21 in each
8 local area, compared to the total number of
9 disadvantaged youth who are ages 16
10 through 21 in all local areas in the State.

11 “(B) MINIMUM AND MAXIMUM PERCENT-
12 AGES.—The Governor shall ensure that no local
13 area shall receive an allocation for a fiscal year
14 under this paragraph that is less than 90 per-
15 cent or greater than 130 percent of the alloca-
16 tion percentage of the local area for the pre-
17 ceding fiscal year.

18 “(C) DEFINITIONS.—

19 “(i) ALLOCATION PERCENTAGE.—For
20 purposes of this paragraph, the term ‘allo-
21 cation percentage’, used with respect to fis-
22 cal year 2004 or a subsequent fiscal year,
23 means a percentage of amount described in
24 paragraph (1)(A) that is received through
25 an allocation made under this paragraph

1 for the fiscal year. The term, with respect
2 to fiscal year 2003, means the percentage
3 of the amounts allocated to local areas
4 under this chapter (as in effect on the day
5 before the date of enactment of the Work-
6 force Investment Act Amendments of
7 2003) that is received by the local area in-
8 volved for fiscal year 2003.

9 “(ii) OTHER TERMS.—For purposes of
10 this paragraph, all other terms shall have
11 the meaning given such terms in section
12 127(a)(2).

13 “(3) YOUTH DISCRETIONARY ALLOCATION.—
14 The Governor shall allocate to local areas the
15 amounts described in paragraph (1)(B) in accord-
16 ance with such demographic and economic factors as
17 the Governor, after consultation with the State
18 board and local boards, determines are appropriate.

19 “(4) LOCAL ADMINISTRATIVE COST LIMIT.—

20 “(A) IN GENERAL.—Of the amounts allo-
21 cated to a local area under this subsection and
22 section 133(b) for a fiscal year, not more than
23 10 percent of the amount may be used by the
24 local boards for the administrative costs of car-

1 rying out local workforce investment activities
2 under this chapter or chapter 5.

3 “(B) USE OF FUNDS.—Funds made avail-
4 able for administrative costs under subpara-
5 graph (A) may be used for the administrative
6 costs of any of the local workforce investment
7 activities described in this chapter or chapter 5,
8 regardless of whether the funds were allocated
9 under this subsection or section 133(b).”.

10 (c) YOUTH PARTICIPANT ELIGIBILITY.—Section
11 129(a) (29 U.S.C. 2854(a)) is amended to read as follows:

12 “(a) YOUTH PARTICIPANT ELIGIBILITY.—

13 “(1) IN GENERAL.—The individuals partici-
14 pating in activities carried out under this chapter by
15 a local area during any program year shall be indi-
16 viduals who, at the time the eligibility determination
17 is made, are—

18 “(A) not younger than age 16 or older
19 than age 21; and

20 “(B) one or more of the following:

21 “(i) school dropouts;

22 “(ii) recipients of a secondary school
23 diploma or its equivalent, but are basic
24 skills deficient and are not attending any
25 school;

1 “(iii) court-involved youth attending
2 an alternative school; or

3 “(iv) youth aging out of foster care.

4 “(2) PRIORITY FOR SCHOOL DROPOUTS.—A
5 priority in the provision of services under this chap-
6 ter shall be given to individuals who are school drop-
7 outs.”.

8 (d) STATEWIDE YOUTH ACTIVITIES.—Section 129(b)
9 (29 U.S.C. 2854(b)) is amended to read as follows:

10 “(b) STATEWIDE ACTIVITIES.—

11 “(1) IN GENERAL.—Funds reserved by a Gov-
12 ernor for a State as described in sections 128(a) and
13 133(a)(1) may be used for statewide activities in-
14 cluding—

15 “(A) additional assistance to local areas
16 that have high concentrations of eligible youth;

17 “(B) supporting the provision of core serv-
18 ices described in section 134(d)(2) in the one-
19 stop delivery system;

20 “(C) conducting evaluations under section
21 136(e) of activities authorized under this chap-
22 ter and chapter 5 in coordination with evalua-
23 tions carried out by the Secretary under section
24 172, research, and demonstration projects;

1 “(D) providing incentive grants to local
2 areas for regional cooperation among local
3 boards (including local boards in a designated
4 region as described in section 116(c)), for local
5 coordination of activities carried out under this
6 Act, and for exemplary performance by local
7 areas on the local performance measures;

8 “(E) providing technical assistance and ca-
9 pacity building to local areas, one-stop opera-
10 tors, one-stop partners, and eligible providers,
11 including the development and training of staff,
12 the development of exemplary program activi-
13 ties, and the provision of technical assistance to
14 local areas that fail to meet local performance
15 measures;

16 “(F) operating a fiscal and management
17 accountability system under section 136(f); and

18 “(G) carrying out monitoring and over-
19 sight of activities under this chapter and chap-
20 ter 5.

21 “(2) LIMITATION.—Not more than 5 percent of
22 the funds allotted under section 127(b) shall be used
23 by the State for administrative activities carried out
24 under this subsection and section 133(a).

1 “(3) PROHIBITION.—No funds described in this
2 subsection or in section 134(a) may be used to de-
3 velop or implement education curricula for school
4 systems in the State.”.

5 (e) LOCAL ELEMENTS AND REQUIREMENTS.—

6 (1) PROGRAM DESIGN.—Section 129(c)(1) (29
7 U.S.C. 2854(c)(1)) is amended—

8 (A) in the text that precedes subparagraph
9 (A), by striking “paragraph (2)(A) or (3), as
10 appropriate, of”;

11 (B) in subparagraph (B), by inserting “are
12 directly linked to one or more of the perform-
13 ance outcomes relating to this chapter under
14 section 136, and that” after “for each partici-
15 pant that”; and

16 (C) in subparagraph (C)—

17 (i) by redesignating clauses (i)
18 through (iv) as clauses (ii) through (v), re-
19 spectively;

20 (ii) by inserting the following new
21 clause (i):

22 “(i) activities leading to the attain-
23 ment of a secondary school diploma or its
24 recognized equivalent;”;

1 (iii) in clause (ii) (as redesignated by
2 this subparagraph), by inserting “and ad-
3 vanced training” after “opportunities”;

4 (iv) in clause (iii) (as redesignated by
5 this subparagraph), by inserting “that lead
6 to the attainment of recognized creden-
7 tials” after “learning”; and

8 (v) by amending clause (v) (as redesi-
9 gnated by this subparagraph) to read as
10 follows:

11 “(v) effective connections to employers
12 in sectors of the local labor market experi-
13 encing high growth in employment oppor-
14 tunities.”.

15 (2) PROGRAM ELEMENTS.—Section 129(c)(2)
16 (29 U.S.C. 2854(c)(2)) is amended—

17 (A) in subparagraph (A), by striking “sec-
18 ondary school, including dropout prevention
19 strategies” and inserting “secondary school di-
20 ploma or its recognized equivalent”; and

21 (B) by amending subparagraph (C) to read
22 as follows:

23 “(C) on-the-job training opportunities;”.

24 (3) ADDITIONAL REQUIREMENTS.—Section
25 129(c)(3) (29 U.S.C. 2854(c)(3)) is amended by

1 striking “or applicant who meets the minimum in-
2 come criteria to be considered an eligible youth”;

3 (4) PRIORITY AND EXCEPTIONS.—Section
4 129(c) (29 U.S.C. 2854(c)) is further amended—

5 (A) by striking paragraphs (4) and (5);

6 (B) by redesignating paragraph (6) as
7 paragraph (4);

8 (C) by redesignating paragraph (7) as
9 paragraph (5), and in such redesignated para-
10 graph (5) by striking “youth councils” and in-
11 serting “local boards”; and

12 (D) by redesignating paragraph (8) as
13 paragraph (6).

14 **SEC. 112. COMPREHENSIVE PROGRAM FOR ADULTS.**

15 (a) TITLE OF CHAPTER 5.— The title of chapter 5
16 is amended to read as follows:

17 **“CHAPTER 5—COMPREHENSIVE EMPLOY-
18 MENT AND TRAINING ACTIVITIES FOR
19 ADULTS”.**

20 (b) GENERAL AUTHORIZATION.—Section 131 (29
21 U.S.C. 2861) is amended—

22 (1) by striking “paragraphs (1)(B) and (2)(B)
23 of”; and

24 (2) by striking “, and dislocated workers,”.

25 (c) STATE ALLOTMENTS.—

1 (1) IN GENERAL.—Section 132(a) (29 U.S.C.
2 2862(a)) is amended to read as follows:

3 “(a) IN GENERAL.—The Secretary shall—

4 “(1) reserve 10 percent of the amount appro-
5 priated under section 137(b) for a fiscal year, of
6 which—

7 “(A) not less than 75 percent shall be used
8 for national emergency grants under section
9 173;

10 “(B) not more than 20 percent may be
11 used for demonstration projects under section
12 171; and

13 “(C) not more than 5 percent may be used
14 to provide technical assistance under section
15 170; and

16 “(2) make allotments from 90 percent of the
17 amount appropriated under section 137(b) for a fis-
18 cal year in accordance with subsection (b).”.

19 (2) ALLOTMENT AMONG STATES.—Section
20 132(b) (29 U.S.C. 2862(b)) is amended to read as
21 follows:

22 “(b) ALLOTMENT AMONG STATES FOR ADULT EM-
23 PLOYMENT AND TRAINING ACTIVITIES.—

24 “(1) RESERVATION FOR OUTLYING AREAS.—
25 From the amount made available under subsection

1 (a)(2) for a fiscal year, the Secretary shall reserve
2 not more than $\frac{1}{4}$ of 1 percent to provide assistance
3 to outlying areas to carry out employment and train-
4 ing activities for adults and statewide workforce in-
5 vestment activities.

6 “(2) STATES.—

7 “(A) IN GENERAL.—After determining the
8 amount to be reserved under paragraph (1), the
9 Secretary shall allot the remainder of the
10 amount referred to under subsection (a)(2) for
11 a fiscal year to the States pursuant to subpara-
12 graph (B) for employment and training activi-
13 ties for adults and statewide workforce invest-
14 ment activities.

15 “(B) FORMULA.—Subject to subpara-
16 graphs (C) and (D), of the remainder—

17 “(i) 60 percent shall be allotted on the
18 basis of the relative number of unemployed
19 individuals in each State, compared to the
20 total number of unemployed individuals in
21 all States;

22 “(ii) 15 percent shall be allotted on
23 the basis of the relative excess number of
24 unemployed individuals in each State, com-

1 pared to the total excess number of unem-
2 ployed individuals in all States;

3 “(iii) 15 percent shall be allotted on
4 the basis of the relative number of individ-
5 uals in the civilian labor force in each
6 State, compared to the total number of in-
7 dividuals in the civilian labor force in all
8 States; and

9 “(iv) 10 percent shall be allotted on
10 the basis of the relative number of dis-
11 advantaged adults in each State, compared
12 to the total number of disadvantaged
13 adults in all States.

14 “(C) MINIMUM AND MAXIMUM PERCENT-
15 AGES.—The Secretary shall ensure that no
16 State shall receive an allotment for a fiscal year
17 that is less than 90 percent or greater than 130
18 percent of the allotment percentage of the State
19 for the preceding fiscal year.

20 “(D) SMALL STATE MINIMUM ALLOT-
21 MENT.—Subject to subparagraph (C), the Sec-
22 retary shall ensure that no State shall receive
23 an allotment under this paragraph that is less
24 than $\frac{3}{10}$ of 1 percent of the amount available
25 under subparagraph (A).

1 “(E) DEFINITIONS.—For the purposes of
2 this paragraph, the following definitions apply:

3 “(i) ALLOTMENT PERCENTAGE.—The
4 term ‘allotment percentage’, used with re-
5 spect to fiscal year 2004 or a subsequent
6 fiscal year, means a percentage of the re-
7 mainder described in subparagraph (A)
8 that is received through an allotment made
9 under this paragraph for the fiscal year.
10 The term, with respect to fiscal year 2003,
11 means the percentage of the amounts allot-
12 ted to States under this chapter (as in ef-
13 fect on the day before the date of enact-
14 ment of the Workforce Investment Act
15 Amendments of 2003) and under section 6
16 of the Wagner-Peyser Act that is received
17 by the State involved for fiscal year 2003.

18 “(ii) DISADVANTAGED ADULT.—The
19 term ‘disadvantaged adult’ means an indi-
20 vidual who is age 22 through 72 who re-
21 ceived an income, or is a member of a fam-
22 ily that received a total family income,
23 that, in relation to family size, does not ex-
24 ceed the poverty line.

1 “(iii) EXCESS NUMBER.—The term
2 ‘excess number’ means, used with respect
3 to the excess number of unemployed indi-
4 viduals within a State, the number that
5 represents the number of unemployed indi-
6 viduals in excess of 4.5 percent of the civil-
7 ian labor force in the State.”.

8 (d) WITHIN STATE ALLOCATIONS.—

9 (1) RESERVATION FOR STATE ACTIVITIES.—

10 Section 133(a) (29 U.S.C. 2863(a)) is amended to
11 read as follows:

12 “(a) RESERVATION FOR STATEWIDE ACTIVITIES.—

13 The Governor of a State may reserve up to 40 percent
14 of the total amount allotted to the State under section 132
15 for a fiscal year to carry out the statewide activities de-
16 scribed in section 134(a).”.

17 (2) ALLOCATIONS TO LOCAL AREAS.—Section

18 133(b) (29 U.S.C. 2863(b)) is amended to read as
19 follows:

20 “(b) ALLOCATIONS TO LOCAL AREAS.—

21 “(1) IN GENERAL.—Of the amounts allotted to
22 the State under section 132(b)(2) and not reserved
23 under subsection (a)—

1 “(A) 80 percent of such amounts shall be
2 allocated by the Governor to local areas in ac-
3 cordance with paragraph (2); and

4 “(B) 20 percent of such amounts shall be
5 allocated by the Governor to local areas in ac-
6 cordance with paragraph (3).

7 “(2) ESTABLISHED FORMULA.—

8 “(A) IN GENERAL.—Of the amounts de-
9 scribed in paragraph (1)(A), the Governor shall
10 allocate—

11 “(i) 60 percent on the basis of the rel-
12 ative number of unemployed individuals in
13 each local area, compared to the total
14 number of unemployed individuals in all
15 local areas in the State;

16 “(ii) 15 percent on the basis of the
17 relative excess number of unemployed indi-
18 viduals in each local area, compared to the
19 total excess number of unemployed individ-
20 uals in all local areas in the State;

21 “(iii) 15 percent on the basis of the
22 relative number of individuals in the civil-
23 ian labor force in each local area, com-
24 pared to the total number of individuals in

1 the civilian labor force in all local areas in
2 the State; and

3 “(iv) 10 percent shall be allotted on
4 the basis of the relative number of dis-
5 advantaged adults in each local area, com-
6 pared to the total number of disadvantaged
7 adults in all States.

8 “(B) MINIMUM AND MAXIMUM PERCENT-
9 AGES.—The Governor shall ensure that no local
10 area shall receive an allocation for a fiscal year
11 under this paragraph that is less than 90 per-
12 cent or greater than 130 percent of the alloca-
13 tion percentage of the local area for the pre-
14 ceding fiscal year.

15 “(C) DEFINITIONS.—

16 “(i) ALLOCATION PERCENTAGE.—The
17 term ‘allocation percentage’, used with re-
18 spect to fiscal year 2004 or a subsequent
19 fiscal year, means a percentage of amount
20 described in paragraph (1)(A) that is re-
21 ceived through an allocation made under
22 this paragraph for the fiscal year. The
23 term, with respect to fiscal year 2003,
24 means the percentage of the amounts allo-
25 cated to local areas under this chapter (as

1 in effect on the day before the date of en-
2 actment of the Workforce Investment Act
3 Amendments of 2003) that is received by
4 the local area involved for fiscal year 2003.

5 “(ii) DISADVANTAGED ADULT.—The
6 term ‘disadvantaged adult’ means an indi-
7 vidual who is age 22 through 72 who re-
8 ceived an income, or is a member of a fam-
9 ily that received a total family income,
10 that, in relation to family size, does not ex-
11 ceed the poverty line.

12 “(iii) EXCESS NUMBER.—The term
13 ‘excess number’ means, used with respect
14 to the excess number of unemployed indi-
15 viduals within a local area, the number
16 that represents the number of unemployed
17 individuals in excess of 4.5 percent of the
18 civilian labor force in the local area.

19 “(3) DISCRETIONARY ALLOCATION.—The Gov-
20 ernor shall allocate to local areas the amounts de-
21 scribed in paragraph (1)(B) in accordance with such
22 demographic and economic factors as the Governor,
23 after consultation with the State board and local
24 boards, determines are appropriate.

25 “(4) LOCAL ADMINISTRATIVE COST LIMIT.—

1 “(A) IN GENERAL.—Of the amounts allo-
2 cated to a local area under this subsection and
3 section 128(b) for a fiscal year, not more than
4 10 percent of the amount may be used by the
5 local boards for the administrative costs of car-
6 rying out local workforce investment activities
7 under this chapter or chapter 4.

8 “(B) USE OF FUNDS.—Funds made avail-
9 able for administrative costs under subpara-
10 graph (A) may be used for the administrative
11 costs of any of the local workforce investment
12 activities described in this chapter or chapter 4,
13 regardless of whether the funds were allocated
14 under this subsection or section 128(b).”.

15 (e) USE OF FUNDS FOR EMPLOYMENT AND TRAIN-
16 ING ACTIVITIES.—

17 (1) STATEWIDE EMPLOYMENT AND TRAINING
18 ACTIVITIES.—

19 (A) IN GENERAL.—Section 134(a)(1) (29
20 U.S.C. 2864(a)) is amended to read as follows:

21 “(1) IN GENERAL.—Funds reserved by a Gov-
22 ernor for a State—

23 “(A) under section 133(a) shall be used for
24 statewide rapid response activities described in
25 paragraph (2); and

1 “(B) under section 133(a) and section
2 128(a) may be used to carry out any of the
3 statewide employment and training activities
4 described in paragraph (3).”.

5 (B) STATEWIDE RAPID RESPONSE ACTIVI-
6 TIES.—Section 134(a)(2) is amended to read as
7 follows:

8 “(2) STATEWIDE RAPID RESPONSE ACTIVI-
9 TIES.—A State shall use funds reserved as described
10 in section 133(a) to carry out statewide rapid re-
11 sponse activities, which shall include—

12 “(A) provision of rapid response activities,
13 carried out in local areas by the State or by an
14 entity designated by the State, working in con-
15 junction with the local boards and the chief
16 elected officials in the local areas; and

17 “(B) provision of additional assistance to
18 local areas that experience disasters, mass lay-
19 offs or plant closings, or other events that pre-
20 cipitate substantial increases in the number of
21 unemployed individuals, carried out in local
22 areas by the State, working in conjunction with
23 the local boards and the chief elected officials in
24 the local areas.”.

1 (C) STATEWIDE EMPLOYMENT AND TRAIN-
2 ING ACTIVITIES.—Section 134(a)(3) is amended
3 to read as follows:

4 “(3) STATEWIDE ACTIVITIES.—Funds reserved
5 by a Governor for a State as described in sections
6 133(a) and 128(a) may be used for statewide activi-
7 ties including—

8 “(A) supporting the provision of core serv-
9 ices described in section 134(d)(2) in the one-
10 stop delivery system;

11 “(B) conducting evaluations under section
12 136(e) of activities authorized under this chap-
13 ter and chapter 4 in coordination with evalua-
14 tions carried out by the Secretary under section
15 172, research, and demonstration projects;

16 “(C) providing incentive grants to local
17 areas for regional cooperation among local
18 boards (including local boards in a designated
19 region as described in section 116(c)), for local
20 coordination of activities carried out under this
21 Act, and for exemplary performance by local
22 areas on the local performance measures;

23 “(D) providing technical assistance and ca-
24 pacity building to local areas, one-stop opera-
25 tors, one-stop partners, and eligible providers,

1 including the development and training of staff,
2 the development of exemplary program activi-
3 ties, and the provision of technical assistance to
4 local areas that fail to meet local performance
5 measures;

6 “(E) operating a fiscal and management
7 accountability system under section 136(f);

8 “(F) carrying out monitoring and oversight
9 of activities carried out under this chapter and
10 chapter 4;

11 “(G) implementing innovative programs,
12 such as incumbent worker training programs,
13 programs serving individuals with disabilities
14 consistent with section 188; and

15 “(H) developing strategies for effectively
16 serving hard-to-serve populations and for inte-
17 grating programs and services among one-stop
18 partners.”.

19 (D) LIMITATION ON STATE ADMINISTRA-
20 TIVE EXPENDITURES.—Section 134(a) is fur-
21 ther amended by adding the following new
22 paragraph:

23 “(4) LIMITATION.—Not more than 5 percent of
24 the funds allotted under section 132(b) shall be used

1 by the State for administrative activities carried out
2 under this subsection and section 128(a).”.

3 (2) LOCAL EMPLOYMENT AND TRAINING AC-
4 TIVITIES.—Section 134(b) is amended—

5 (A) by striking “under paragraph (2)(A)”
6 and all that follows through “section
7 133(B)(2)(B)” and inserting “under section
8 133(b)”;

9 (B) in paragraphs (1) and (2), by striking
10 “or dislocated workers” both places it appears;
11 and

12 (C) by redesignating subsections (d) and
13 (e) as subsections (c) and (d), respectively.

14 (3) REQUIRED LOCAL EMPLOYMENT AND
15 TRAINING ACTIVITIES.—

16 (A) ALLOCATED FUNDS.—Section
17 134(c)(1) (as redesignated by paragraph (2)) is
18 amended to read as follows:

19 “(1) IN GENERAL.—Funds allocated to a local
20 area for adults under paragraph 2(A) or (3), as ap-
21 propriate, of section 133(b) and funds allocated to
22 the local area for dislocated workers under section
23 133(b)(2)(B), shall be used—

24 “(A) to establish a one-stop delivery sys-
25 tem as described in section 121(e);

1 “(B) to provide the core services described
2 in paragraph (2) to adults and dislocated work-
3 ers, respectively, through the one-stop delivery
4 system in accordance with such paragraph;

5 “(C) to provide the intensive services de-
6 scribed in paragraph (3) to adults and dis-
7 located workers, respectively, described in such
8 paragraph; and

9 “(D) to provide training services described
10 in paragraph (4) to adults and dislocated work-
11 ers, respectively, described in such paragraph.”.

12 (B) CORE SERVICES.—Section 134(c)(2)
13 (as redesignated by paragraph (2)) is amend-
14 ed—

15 (i) by striking “who are adults or dis-
16 located workers”;

17 (ii) in subparagraph (A), by striking
18 “under this subtitle” and inserting “under
19 the one-stop partner programs described in
20 section 121(b)”;

21 (iii) in subparagraph (D), by inserting
22 “and appropriate recruitment services for
23 employers” after “counseling”;

24 (iv) in subparagraph (I), by inserting
25 “and the administration of the work test

1 for the unemployment compensation sys-
2 tem” after “compensation”; and

3 (v) by amending subparagraph (J) to
4 read as follows:

5 “(J) assistance in establishing eligibility
6 for programs of financial aid assistance for
7 training and education programs that are not
8 funded under this Act and are available in the
9 local area; and”.

10 (C) INTENSIVE SERVICES.—Section
11 134(b)(3) (as redesignated by paragraph (2) of
12 this subsection) is amended—

13 (i) by amending subparagraph (A) to
14 read as follows:

15 “(A) IN GENERAL.—

16 “(i) ELIGIBILITY.—Funds allocated to
17 a local area under section 133(b) shall be
18 used to provide intensive services for
19 adults who—

20 “(I) are unemployed and who
21 have been determined by the one-stop
22 operator to be—

23 “(aa) unlikely or unable to
24 obtain suitable employment

1 through core services provided;
2 and

3 “(bb) in need of intensive
4 services in order to obtain suit-
5 able employment; or

6 “(II) are employed, but who are
7 determined by a one-stop operator to
8 be in need of intensive services to ob-
9 tain or retain suitable employment.

10 “(ii) DEFINITION.—The Governor
11 shall define the term ‘suitable employment’
12 for purposes of this subparagraph.”;

13 (ii) in subparagraph (C)—

14 (I) in clause (v), by striking “for
15 participants seeking training services
16 under paragraph (4)”;

17 (II) by adding the following
18 clauses after clause (vi):

19 “(vii) Internships and work experi-
20 ence.

21 “(viii) Literacy activities relating to
22 basic work readiness, and financial literacy
23 activities.

24 “(ix) Out-of-area job search assistance
25 and relocation assistance.”.

1 (D) TRAINING SERVICES.—Section
2 134(b)(4) (as redesignated by paragraph (2) of
3 this subsection) is amended—

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

6 “(A) IN GENERAL.—

7 “(i) ELIGIBILITY.—Funds allocated to
8 a local area under section 133(b) shall be
9 used to provide training services to adults
10 who—

11 “(I) after an interview, evalua-
12 tion, or assessment, and case manage-
13 ment, have been determined by a one-
14 stop operator or one-stop partner, as
15 appropriate, to—

16 “(aa) be unlikely or unable
17 to obtain or retain suitable em-
18 ployment through intensive serv-
19 ices under paragraph (3)(A);

20 “(bb) be in need of training
21 services to obtain or retain suit-
22 able employment; and

23 “(cc) have the skills and
24 qualifications to successfully par-

1 ticipate in the selected program
2 of training services;

3 “(II) select programs of training
4 services that are directly linked to the
5 employment opportunities in the local
6 area involved or in another area in
7 which the adults receiving such serv-
8 ices are willing to commute or relo-
9 cate;

10 “(III) who meet the requirements
11 of subparagraph (B); and

12 “(IV) who are determined eligible
13 in accordance with the priority system
14 in effect under subparagraph (E).

15 “(ii) The Governor shall define the
16 term ‘suitable employment’ for purposes of
17 this subparagraph.”;

18 (ii) in subparagraph (B)(i), by strik-
19 ing “Except” and inserting “Notwith-
20 standing section 479B of the Higher Edu-
21 cation Act of 1965 (20 U.S.C. 1077uu)
22 and except”;

23 (iii) by amending subparagraph (E) to
24 read as follows:

25 “(E) PRIORITY.—

1 “(i) IN GENERAL.—A priority shall be
2 given to unemployed individuals for the
3 provision of intensive and training services
4 under this subsection.

5 “(ii) ADDITIONAL PRIORITY.—If the
6 funds in the local area, including the funds
7 allocated under section 133(b), for serving
8 recipients of public assistance and other
9 low-income individuals is limited, the pri-
10 ority for the provision of intensive and
11 training services under this subsection
12 shall include such recipients and individ-
13 uals.

14 “(iii) DETERMINATIONS.—The Gov-
15 ernor and the appropriate local board shall
16 direct the one-stop operators in the local
17 area with regard to making determinations
18 with respect to the priority of service under
19 this subparagraph.”;

20 (iv) in subparagraph (F), by adding
21 the following clause after clause (iii):

22 “(iv) ENHANCED INDIVIDUAL TRAIN-
23 ING ACCOUNTS.—Each local board may,
24 through one-stop centers, assist individuals
25 receiving individual training accounts

1 through the establishment of such accounts
2 that include, in addition to the funds pro-
3 vided under this paragraph, funds from
4 other programs and sources that will assist
5 the individual in obtaining training serv-
6 ices.”; and

7 (v) in subparagraph (G)(iv), by redес-
8 ignating subclause (IV) as subclause (V)
9 and inserting the following new subclause
10 (IV):

11 “(IV) Individuals with disabil-
12 ities.”.

13 (4) PERMISSIBLE ACTIVITIES.—Section 134(d)
14 (as redesignated by paragraph (2)) is amended—

15 (A) by amending paragraph (1) to read as
16 follows:

17 “(1) DISCRETIONARY ONE-STOP DELIVERY AC-
18 TIVITIES.—

19 “(A) IN GENERAL.—Funds allocated to a
20 local area under section 133(b) may be used to
21 provide, through the one-stop delivery system—

22 “(i) customized screening and referral
23 of qualified participants in training serv-
24 ices to employers on a fee-for-service basis;

1 “(ii) customized employment-related
2 services to employers on a fee-for-service
3 basis;

4 “(iii) customer support to navigate
5 among multiple services and activities for
6 special participant populations that face
7 multiple barriers to employment, including
8 individuals with disabilities; and

9 “(iv) employment and training assist-
10 ance provided in coordination with child
11 support enforcement activities of the State
12 agency carrying out subtitle D of title IV
13 of the Social Security Act.

14 “(B) WORK SUPPORT ACTIVITIES FOR
15 LOW-WAGE WORKERS.—

16 “(i) IN GENERAL.—Funds allocated to
17 a local area under section 133(b) may be
18 used to provide, through the one-stop deliv-
19 ery system and in collaboration with the
20 appropriate programs and resources of the
21 one-stop partners, work support activities
22 designed to assist low-wage workers in re-
23 taining and enhancing employment.

24 “(ii) ACTIVITIES.—The activities de-
25 scribed in clause (i) may include assistance

1 in accessing financial supports for which
2 such workers may be eligible and the provi-
3 sion of activities available through the one-
4 stop delivery system in a manner that en-
5 hances the opportunities of such workers
6 to participate, such as the provision of em-
7 ployment and training activities during
8 nontraditional hours and the provision of
9 on-site child care while such activities are
10 being provided.”; and

11 (B) by adding after paragraph (3) the fol-
12 lowing new paragraph:

13 “(4) INCUMBENT WORKER TRAINING PRO-
14 GRAMS.—

15 “(A) IN GENERAL.—The local board may
16 use up to 10 percent of the funds allocated to
17 a local area under section 133(b) to carry out
18 incumbent worker training programs in accord-
19 ance with this paragraph.

20 “(B) TRAINING ACTIVITIES.—The training
21 programs for incumbent workers under this
22 paragraph shall be carried out by the local area
23 in conjunction with the employers of such work-
24 ers for the purpose of assisting such workers in

1 obtaining the skills necessary to retain employ-
2 ment and avert layoffs.

3 “(C) EMPLOYER MATCH REQUIRED.—

4 “(i) IN GENERAL.—Employers partici-
5 pating in programs under this paragraph
6 shall be required to pay a proportion of the
7 costs of providing the training to the in-
8 cumbent workers. The Governor shall es-
9 tablish, or may authorize the local board to
10 establish, the required portion of such
11 costs, which shall not be less than—

12 “(I) 10 percent of the costs, for
13 employers with 50 or fewer employees;

14 “(II) 25 percent of the costs, for
15 employers with more than 50 employ-
16 ees but fewer than 100 employees;
17 and

18 “(III) 50 percent of the costs, for
19 employers with 100 or more employ-
20 ees.

21 “(ii) CALCULATION OF MATCH.—The
22 wages paid by an employer to a worker
23 while they are attending training may be
24 included as part of the requirement pay-
25 ment of the employer.”.

1 **SEC. 113. PERSONAL REEMPLOYMENT ACCOUNTS.**

2 Subtitle B of title I (29 U.S.C. 2811 et seq.) is
3 amended by inserting after chapter 5 the following new
4 chapter:

5 **“CHAPTER 5A—PERSONAL**
6 **REEMPLOYMENT ACCOUNTS**

7 **“SEC. 135A. PURPOSES.**

8 “The purposes of this chapter are to provide for the
9 establishment of personal reemployment accounts for cer-
10 tain individuals identified as likely to exhaust their unem-
11 ployment compensation in order to—

12 “(1) accelerate the reemployment of such indi-
13 viduals;

14 “(2) promote the retention in employment of
15 such individuals; and

16 “(3) provide such individuals with enhanced
17 flexibility, choice, and control in obtaining intensive
18 reemployment, training, and supportive services.

19 **“SEC. 135B. DEFINITION.**

20 “In this chapter, the term ‘State’ means each of the
21 several States of the United States, the District of Colum-
22 bia, the Commonwealth of Puerto Rico, and the United
23 States Virgin Islands.

24 **“SEC. 135C. GRANTS TO STATES.**

25 “(a) GRANTS.—The Secretary shall—

1 “(1) reserve $\frac{2}{10}$ of 1 percent of the amount ap-
2 propriated under section 137(d) for use under sec-
3 tion 135I; and

4 “(2) use the remainder of the amount appro-
5 priated under section 137(d) to make allotments in
6 accordance with subsection (b).

7 “(b) ALLOTMENT AMONG STATES.—

8 “(1) IN GENERAL.—From the amount made
9 available under subsection (a)(2), the Secretary shall
10 allot to each State an amount that is proportionate
11 to the relative number of unemployed individuals in
12 the State as compared to the total number of unem-
13 ployed individuals in all States in order to provide
14 assistance for eligible individuals in accordance with
15 this chapter.

16 “(2) SMALL STATE MINIMUM ALLOTMENT.—
17 The Secretary shall ensure that—

18 “(A) each State (other than the United
19 States Virgin Islands) shall receive an allotment
20 under paragraph (1) that is not less than $\frac{3}{10}$
21 of 1 percent of the amount made available
22 under subsection (a)(2) for the fiscal year; and

23 “(B) the United States Virgin Islands shall
24 receive an allotment under paragraph (1) that
25 is not less than $\frac{1}{10}$ of 1 percent of the amount

1 made available under subsection (a)(2) for the
2 fiscal year.

3 “(c) AVAILABILITY.—Notwithstanding section
4 189(g)(1), amounts made available under subsection (a)
5 to carry out this chapter shall be available for obligation
6 and expenditure beginning on the date of the enactment
7 of the Back to Work Incentive Act of 2003.

8 **“SEC. 135D. WITHIN STATE ALLOCATION.**

9 “(a) ALLOCATION.—Of the amount allotted to a
10 State under section 135C—

11 “(1) not more than 2 percent of the amount
12 may be reserved by the Governor of the State to en-
13 hance the system of worker profiling described in
14 section 303(j) of the Social Security Act and to es-
15 tablish and operate a data management system, as
16 necessary, and carry out other appropriate activities
17 to implement this chapter;

18 “(2) 5 percent of the amount shall be allocated
19 by the State to local areas in accordance with the
20 formula described in subsection (b) for start-up
21 costs and other operating costs related to the provi-
22 sion of assistance under this chapter; and

23 “(3) the remainder of the amount shall be pro-
24 vided to local areas consistent with the methods and
25 procedures described in section 135G(a)(4) for the

1 establishment of personal reemployment accounts
2 described in section 135E for eligible individuals in
3 such local areas.

4 “(b) FORMULA.—A State shall allocate funds to local
5 areas in the State under subsection (a)(2) in an amount
6 that is proportionate to the relative number of unemployed
7 individuals in the local area as compared to the total num-
8 ber of unemployed individuals in the State.

9 “(c) AVAILABILITY.—Notwithstanding section
10 189(g)(2), amounts allotted to a State under section
11 135C, and amounts subsequently provided to a local area
12 under this section, shall be available for obligation and ex-
13 penditure only for the 3-year period beginning on the date
14 of the enactment of the Back to Work Incentive Act of
15 2003.

16 **“SEC. 135E. PERSONAL REEMPLOYMENT ACCOUNTS.**

17 “(a) ACCOUNTS.—

18 “(1) IN GENERAL.—Funds provided to a local
19 area under section 135D shall be used to provide eli-
20 gible individuals with personal reemployment ac-
21 counts to be used in accordance with section 135F.
22 An eligible individual may receive only one personal
23 reemployment account.

24 “(2) AMOUNT.—The State shall establish the
25 amount of a personal reemployment account, which

1 shall be uniform throughout the State, and shall not
2 exceed \$3,000.

3 “(b) ELIGIBLE INDIVIDUALS.—

4 “(1) IN GENERAL.—Each State shall establish
5 eligibility criteria for individuals for personal reem-
6 ployment accounts in accordance with this sub-
7 section.

8 “(2) ELIGIBILITY CRITERIA REQUIREMENTS.—

9 “(A) IN GENERAL.—Subject to subpara-
10 graph (B), an individual shall be eligible to re-
11 ceive assistance under this chapter if, beginning
12 after the date of enactment of the Back to
13 Work Incentive Act of 2003, the individual—

14 “(i) is identified by the State pursu-
15 ant to section 303(j)(1) of the Social Secu-
16 rity Act as likely to exhaust regular unem-
17 ployment compensation and in need of job
18 search assistance to make a successful
19 transition to new employment or an indi-
20 vidual’s unemployment can be attributed in
21 substantial part to unfair competition from
22 Federal Prison Industries, Inc.;

23 “(ii) is receiving regular unemploy-
24 ment compensation under any State or

1 Federal unemployment compensation pro-
2 gram administered by the State; and

3 “(iii) is eligible for not less than 20
4 weeks of regular unemployment compensa-
5 tion described in clause (ii).

6 “(B) ADDITIONAL ELIGIBILITY AND PRI-
7 ORITY CRITERIA.—A State may establish cri-
8 teria that is in addition to the criteria described
9 in subparagraph (A) for the eligibility of indi-
10 viduals to receive assistance under this chapter.
11 A State may also establish criteria for priority
12 in the provision of assistance to such eligible in-
13 dividuals under this chapter.

14 “(3) TRANSITION RULE.—

15 “(A) PREVIOUSLY IDENTIFIED AS LIKELY
16 TO EXHAUST UNEMPLOYMENT COMPENSA-
17 TION.—

18 “(i) IN GENERAL.—At the option of
19 the State, and subject to clause (ii), an in-
20 dividual may be eligible to receive assist-
21 ance under this chapter if the individual—

22 “(I) during the 13-week period
23 ending the week prior to the date of
24 the enactment of the Back to Work
25 Incentive Act of 2003, was identified

1 by the State pursuant to section
2 303(j)(1) of the Social Security Act as
3 likely to exhaust regular unemploy-
4 ment compensation and in need of job
5 search assistance to make a successful
6 transition to new employment; and

7 “(II) otherwise meets the re-
8 quirements of clauses (ii) and (iii) of
9 paragraph (2)(A).

10 “(ii) ADDITIONAL ELIGIBILITY AND
11 PRIORITY CRITERIA.—A State may estab-
12 lish criteria that is in addition to the cri-
13 teria described in clause (i) for the eligi-
14 bility of individuals to receive assistance
15 under this chapter. A State may also es-
16 tablish criteria for priority in the provision
17 of assistance to such eligible individuals
18 under this chapter.

19 “(B) PREVIOUSLY EXHAUSTED UNEM-
20 PLOYMENT COMPENSATION.—At the option of
21 the State, an individual may be eligible to re-
22 ceive assistance under this chapter if the indi-
23 vidual—

24 “(i) during the 26-week period ending
25 the week prior to the date of the enact-

1 ment of the Back to Work Incentive Act of
2 2003, exhausted all rights to any unem-
3 ployment compensation; and

4 “(ii)(I) is enrolled in training and
5 needs additional support to complete such
6 training, with a priority of service to be
7 provided to such individuals who are train-
8 ing for shortage occupations or high-
9 growth industries; or

10 “(II) is separated from employment in
11 an industry or occupation that has experi-
12 enced declining employment, or no longer
13 provides any employment, in the local labor
14 market during the two-year period ending
15 on the date of the determination of eligi-
16 bility of the individual under this subpara-
17 graph.

18 “(4) NO INDIVIDUAL ENTITLEMENT.—Nothing
19 in this chapter shall be construed to entitle any indi-
20 vidual to receive a personal reemployment account.

21 “(c) LOCAL ADMINISTRATION.—

22 “(1) INFORMATION AND ATTESTATION.—Prior
23 to the establishment of a personal reemployment ac-
24 count for an eligible individual under this chapter,

1 the local board, through the one-stop delivery sys-
2 tem, shall ensure that the individual—

3 “(A) is informed of the requirements appli-
4 cable to the personal reemployment account, in-
5 cluding the allowable uses of funds from the ac-
6 count, the limitations on access to services de-
7 scribed under section 135F(a)(3)(C) and a de-
8 scription of such services, and the conditions for
9 receiving a reemployment bonus;

10 “(B) has the option to develop a personal
11 reemployment plan which will identify the em-
12 ployment goals and appropriate combination of
13 services selected by the individual to achieve the
14 employment goals; and

15 “(C) signs an attestation that the indi-
16 vidual has been given the option to develop a
17 personal reemployment plan in accordance with
18 subparagraph (B), will comply with the require-
19 ments relating to the personal reemployment
20 accounts under this chapter, and will reimburse
21 the account or, if the account has been termi-
22 nated, the program under this chapter, for any
23 amounts expended from the account that are
24 not allowable.

1 “(2) PERIODIC INTERVIEWS.—If a recipient ex-
2 hausts his or her rights to any unemployment com-
3 pensation, and the recipient has a remaining balance
4 in his or her personal reemployment account, the
5 one-stop delivery system shall conduct periodic inter-
6 views with the recipient to assist the recipient in
7 meeting his or her individual employment goals.

8 **“SEC. 135F. USE OF FUNDS.**

9 “(a) ALLOWABLE ACTIVITIES.—

10 “(1) IN GENERAL.—Subject to the require-
11 ments contained in paragraphs (2) and (3), a recipi-
12 ent may use amounts in a personal reemployment
13 account to purchase one or more of the following:

14 “(A) Intensive services, including those
15 types of services specified in section
16 134(d)(3)(C).

17 “(B) Training services, including those
18 types of services specified in section
19 134(d)(4)(D).

20 “(C) Supportive services, except for needs-
21 related payments.

22 “(D) Assistance to purchase or lease an
23 automobile, if such assistance is necessary to
24 allow the recipient to accept a bona fide offer

1 of employment for which there is a reasonable
2 expectation of long-term duration.

3 “(2) DELIVERY OF SERVICES.—The following
4 requirements relating to delivery of services shall
5 apply to the program under this chapter:

6 “(A) Recipients may use funds from the
7 personal reemployment account to purchase the
8 services described in paragraph (1) through the
9 one-stop delivery system on a fee-for-service
10 basis, or through other providers, consistent
11 with safeguards described in the State and local
12 plans under section 135G.

13 “(B) The local board, through the one-stop
14 delivery system, may pay costs for such services
15 directly on behalf of the recipient, through a
16 voucher system, or by reimbursement to the re-
17 cipient upon receipt of appropriate cost docu-
18 mentation, consistent with safeguards described
19 in the State plan under section 135G.

20 “(C) Each local board, through the one-
21 stop delivery system, shall make available to re-
22 cipients information on training providers speci-
23 fied in section 134(d)(4)(F)(ii), information
24 available to the one-stop delivery system on pro-
25 viders of the intensive and supportive services

1 described in paragraph (1), and information re-
2 lating to occupations in demand in the local
3 area.

4 “(3) LIMITATIONS.—The following limitations
5 shall apply with respect to personal reemployment
6 accounts under this chapter:

7 “(A)(i) Amounts in a personal reemploy-
8 ment account may be used for up to one year
9 from the date of the establishment of the ac-
10 count.

11 “(ii) No personal reemployment account
12 may be established beginning 2 years after the
13 date of the enactment of the Back to Work In-
14 centive Act of 2003.

15 “(B) Each recipient shall submit cost doc-
16 umentation as required by the one-stop delivery
17 system.

18 “(C) For the 1-year period following the
19 establishment of the account, recipients may
20 not receive intensive, supportive, or training
21 services funded under this title except on a fee-
22 for-services basis as specified in paragraph
23 (2)(A).

24 “(D) Amounts in a personal reemployment
25 account shall be nontransferable.

1 “(b) INCOME SUPPORT.—A State may authorize re-
2 cipients determined eligible under section 135E(b)(3)(B)
3 to withdraw amounts from the personal reemployment ac-
4 count on a weekly basis for purposes of income support
5 in amounts up to the average weekly amount of unemploy-
6 ment compensation that the individual received prior to
7 his or her exhaustion of rights to unemployment com-
8 pensation if the individual is engaged in job search, inten-
9 sive services, or training that is expected to lead to em-
10 ployment.

11 “(c) REEMPLOYMENT BONUS.—

12 “(1) IN GENERAL.—Subject to paragraph (2)—

13 “(A) if a recipient determined eligible
14 under section 135E(b)(2) obtains full-time em-
15 ployment before the end of the 13th week of
16 unemployment for which unemployment com-
17 pensation is paid, the balance of his or her per-
18 sonal reemployment account shall be provided
19 directly to the recipient in cash; and

20 “(B) if a recipient determined eligible
21 under section 135E(b)(3) obtains full-time em-
22 ployment before the end of the 13th week after
23 the date on which the account is established,
24 the balance of his or her personal reemployment

1 account shall be provided directly to the recipi-
2 ent in cash.

3 “(2) LIMITATIONS.—The following limitations
4 shall apply with respect to a recipient described in
5 paragraph (1):

6 “(A) 60 percent of the remaining personal
7 reemployment account balance shall be paid to
8 the recipient at the time of reemployment.

9 “(B) 40 percent of the remaining personal
10 reemployment account balance shall be paid to
11 the recipient after 26 weeks of employment re-
12 tention.

13 “(3) EXCEPTION REGARDING SUBSEQUENT UN-
14 EMPLOYMENT.—If a recipient described in para-
15 graph (1) subsequently becomes unemployed due to
16 a lack of work after receiving the portion of the re-
17 employment bonus specified under paragraph (2)(A),
18 the individual may use the amount remaining in the
19 personal reemployment account for the purposes de-
20 scribed in subsection (a) but may not be eligible for
21 additional cash payments under this subsection.

22 **“SEC. 135G. STATE AND LOCAL PLANS.**

23 “(a) STATE PLAN.—In order for a State to receive
24 an allotment under section 135C, the Governor of the
25 State shall submit to the Secretary a plan for approval

1 that includes a description of how the State intends to
2 carry out the personal reemployment accounts authorized
3 under this chapter, including—

4 “(1) the criteria and methods to be used for de-
5 termining eligibility for the personal reemployment
6 accounts, including whether the State intends to in-
7 clude the optional categories described in section
8 135E(b)(3), and the additional criteria and priority
9 for service that the State intends to apply, if any,
10 pursuant to section 135E(b)(2)(B);

11 “(2) the methods or procedures, developed in
12 consultation with local boards and chief elected offi-
13 cials, to be used to provide eligible individuals infor-
14 mation relating to services and providers, and safe-
15 guards, developed in consultation with such boards
16 and officials, to ensure that funds from the personal
17 reemployment accounts are used for purposes au-
18 thorized under this chapter and to ensure the quality
19 and integrity of services and providers, consistent
20 with the purpose of providing such individuals with
21 enhanced flexibility, choice, and control in obtaining
22 intensive reemployment, training, and supportive
23 services;

24 “(3) how the State will coordinate the activities
25 carried out under this chapter with the employment

1 and training activities carried out under section 134
2 and other activities carried out by each local board
3 through the one-stop delivery system in the State;
4 and

5 “(4) the methods and procedures for providing
6 funds to local areas under section 135D(a)(3).

7 “(b) LOCAL PLAN.—In order for a local area to re-
8 ceive an allocation under section 135D, the local board,
9 in partnership with the chief elected official for the local
10 area involved, shall submit to the Governor a plan for ap-
11 proval that includes a description of how the local board
12 intends to carry out the personal reemployment accounts,
13 consistent with the requirements of this chapter and with
14 the State plan established under subsection (a), includ-
15 ing—

16 “(1) a description of how the local board will
17 coordinate the activities carried out under this chap-
18 ter with the employment and training activities car-
19 ried out in the local area under section 134; and

20 “(2) a description of the methods or procedures
21 to be used to provide eligible individuals information
22 relating to the jobs that are available in the local
23 area in high demand occupations and information on
24 services and providers, and the safeguards the local
25 area will initiate to ensure that funds from the per-

1 sonal reemployment accounts are used for purposes
2 authorized under this chapter and to ensure the
3 quality and integrity of services and providers, con-
4 sistent with the purpose of providing such individ-
5 uals with enhanced flexibility, choice, and control in
6 obtaining intensive reemployment, training, and sup-
7 portive services, and consistent with the State plan.

8 “(c) STATE PLAN SUBMISSION AND APPROVAL.—A
9 State plan submitted to the Secretary under subsection
10 (a) by a Governor shall be considered to be approved by
11 the Secretary at the end of the 30-day period beginning
12 on the date the Secretary receives the plan, unless the Sec-
13 retary makes a written determination during such period
14 that the plan is incomplete or otherwise inconsistent with
15 the provisions of this chapter.

16 **“SEC. 135H. PROGRAM INFORMATION.**

17 “The Secretary may require from States the collec-
18 tion and reporting on such financial, performance, and
19 other program-related information as the Secretary deter-
20 mines is appropriate to carry out this chapter, including
21 the evaluation described in section 135I.

22 **“SEC. 135I. EVALUATION.**

23 “(a) EVALUATION.—From the amount made avail-
24 able under section 135C(a)(1), the Secretary, pursuant to
25 the authority provided under section 172, shall, directly

1 or through grants, contracts, or cooperative agreements
2 with appropriate entities, conduct an evaluation of the ac-
3 tivities carried out under this chapter.

4 “(b) CONDUCT OF EVALUATION.—The evaluation
5 shall examine the effectiveness of such activities in achiev-
6 ing the purposes described in section 135A and such other
7 purposes as the Secretary determines are appropriate.

8 “(c) REPORT.—The report to Congress under section
9 172(e) relating to the results of the evaluations required
10 under section 172 shall include the recommendation of the
11 Secretary with respect to the use of personal reemploy-
12 ment accounts as a mechanism to assist individuals in ob-
13 taining and retaining employment.”.

14 **SEC. 114. PERFORMANCE ACCOUNTABILITY SYSTEM.**

15 (a) STATE PERFORMANCE MEASURES.—

16 (1) IN GENERAL.—Section 136(b)(1) (29
17 U.S.C. 2871(b)(1)) is amended—

18 (A) in subparagraph (A)(i), by striking
19 “and the customer satisfaction indicator of per-
20 formance described in paragraph (2)(B)”;

21 (B) in subparagraph (A)(ii), by striking
22 “paragraph (2)(C)” and inserting “paragraph
23 (2)(B)”.

24 (2) INDICATORS OF PERFORMANCE.—Section
25 136(b)(2) (29 U.S.C. 2871(b)(2)) is amended—

1 (A) in subparagraph (A)(i), by striking
2 “(except for self-service and information activi-
3 ties) and (for participants who are eligible
4 youth age 19 through 21) for youth activities
5 authorized under section 129”;

6 (B) by amending subparagraph (A)(i)(IV)
7 to read as follows:

8 “(IV) the efficiency of the pro-
9 gram in obtaining the outcomes de-
10 scribed in subclauses (I) through
11 (III).”;

12 (C) by amending subparagraph (A)(ii) to
13 read as follows:

14 “(ii) CORE INDICATORS FOR ELIGIBLE
15 YOUTH.—The core indicators of perform-
16 ance for youth activities authorized under
17 section 129 shall consist of—

18 “(I) entry into employment, edu-
19 cation or advanced training, or mili-
20 tary service;

21 “(II) attainment of secondary
22 school diplomas or their recognized
23 equivalents;

24 “(III) attainment of literacy or
25 numeracy skills; and

1 “(IV) the efficiency of the pro-
2 gram in obtaining the outcomes de-
3 scribed in subclauses (I) through
4 (III).”;

5 (D) by striking subparagraph (B); and

6 (E) by redesignating subparagraph (C) as
7 subparagraph (B).

8 (3) LEVELS OF PERFORMANCE.—Section
9 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amend-
10 ed—

11 (A) in clause (i), by striking “and the cus-
12 tomer satisfaction indicator described in para-
13 graph (2)(B)”;

14 (B) in clause (ii), by striking “and the cus-
15 tomer satisfaction indicator of performance, for
16 the first 3” and inserting “for the 2”;

17 (C) in clause (iii)—

18 (i) in the heading, by striking “FOR
19 FIRST 3 YEARS”;

20 (ii) by striking “and the customer sat-
21 isfaction indicator of performance, for the
22 first 3” and inserting “for the 2”;

23 (D) in clause (iv)—

24 (i) by striking subclause (I);

1 (ii) by redesignating subclauses (II)
2 and (III) as subclauses (I) and (II), re-
3 spectively; and

4 (iii) in subclause (I) (as so redesign-
5 nated)—

6 (I) by inserting “such as unem-
7 ployment rates and job losses or gains
8 in particular industries” after “eco-
9 nomic conditions”; and

10 (II) by inserting “such as indica-
11 tors of poor work history, lack of work
12 experience, low levels of literacy or
13 English proficiency, and welfare de-
14 pendency” after “program”;

15 (E) by striking clause (v); and

16 (F) by redesignating clause (vi) as clause
17 (v).

18 (4) ADDITIONAL INDICATORS.—Section
19 136(b)(3)(B) is amended by striking “paragraph
20 (2)(C)” and inserting “paragraph (2)(B)”.

21 (b) LOCAL PERFORMANCE MEASURES.—Section
22 136(c) (29 U.S.C 2871(c)) is amended—

23 (1) in paragraph (1)(A)(i), by striking “, and
24 the customer satisfaction indicator of performance
25 described in subsection (b)(2)(B),”;

1 (2) in paragraph (1)(A)(ii), by striking “sub-
2 section (b)(2)(C)” and inserting “subsection
3 (b)(2)(B)”;

4 (3) by amending paragraph (3) to read as fol-
5 lows:

6 “(3) DETERMINATIONS.—In determining such
7 local levels of performance, the local board, the chief
8 elected official, and the Governor shall ensure such
9 levels are adjusted based on the specific economic
10 characteristics (such as unemployment rates and job
11 losses or gains in particular industries), demographic
12 characteristics, or other characteristics of the popu-
13 lation to be served in the local area, such as poor
14 work history, lack of work experience, low levels of
15 literacy or English proficiency, and welfare depend-
16 ency.”.

17 (c) REPORT.—Section 136(d) (29 U.S.C. 2871(d)) is
18 amended—

19 (1) in paragraph (1), by striking “and the cus-
20 tomer satisfaction indicator” in both places that it
21 appears; and

22 (2) in paragraph (1)(E), by striking “(excluding
23 participants who received only self-service and infor-
24 mational activities)”.

1 (d) SANCTIONS FOR STATE.—Section 136(g) (29
2 U.S.C. 2871(g)) is amended—

3 (1) in paragraph (1)(A), by striking “or (B)”;

4 and

5 (2) in paragraph (2), by striking “section 503”

6 and inserting “section 136(i)”.

7 (e) SANCTIONS FOR LOCAL AREAS.—Section 136(h)
8 (29 U.S.C. 2871(h)) is amended—

9 (1) in paragraph (1), by striking “or (B)”;

10 (2) by amending paragraph 2(B) to read as fol-

11 lows:

12 “(B) APPEAL TO GOVERNOR.—A local area
13 that is subject to a reorganization plan under
14 subparagraph (A) may, not later than 30 days
15 after receiving notice of the reorganization plan,
16 appeal to the Governor to rescind or revise such
17 plan. In such case, the Governor shall make a
18 final decision not later than 30 days after the
19 receipt of the appeal.”.

20 (f) INCENTIVE GRANTS.—Section 136(i) (29 U.S.C.
21 2871(i)) is amended to read as follows:

22 “(i) INCENTIVE GRANTS FOR STATES AND LOCAL
23 AREAS.—

24 “(1) INCENTIVE GRANTS FOR STATES.—

1 “(A) IN GENERAL.—From funds appro-
2 priated under section 174, the Secretary may
3 award grants to States for exemplary perform-
4 ance in carrying programs under chapters 4
5 and 5 of this title. Such awards may be based
6 on States meeting or exceeding the performance
7 measures established under this section, on the
8 performance of the State in serving special pop-
9 ulations, including the levels of service provided
10 and the performance outcomes, and such other
11 factors relating to the performance of the State
12 under this title as the Secretary determines is
13 appropriate.

14 “(B) USE OF FUNDS.—The funds awarded
15 to a State under this paragraph may be used to
16 carry out any activities authorized under chap-
17 ters 4 and 5 of this title, including demonstra-
18 tions and innovative programs for special popu-
19 lations.

20 “(2) INCENTIVE GRANTS FOR LOCAL AREAS.—

21 “(A) IN GENERAL.—From funds reserved
22 under sections 128(a) and 133(a), the Governor
23 may award incentive grants to local areas for
24 exemplary performance with respect to the
25 measures established under this section and

1 with the performance of the local area in serv-
2 ing special populations, including the levels of
3 service and the performance outcomes.

4 “(B) USE OF FUNDS.—The funds awarded
5 to a local area may be used to carry out activi-
6 ties authorized for local areas under chapters 4
7 and 5 of this title, and such demonstration or
8 other innovative programs to serve special pop-
9 ulations as may be approved by the Governor.”.

10 (g) REPEAL OF DEFINITIONS.—Sections 502 and
11 503 are repealed.

12 **SEC. 115. AUTHORIZATION OF APPROPRIATIONS.**

13 (a) YOUTH ACTIVITIES.— Section 137(a) is amended
14 by striking “such sums as may be necessary for each of
15 fiscal years 1999 through 2003” and inserting
16 “\$1,001,000,000 for fiscal year 2004 and such sums as
17 may be necessary for each of fiscal years 2005 through
18 2009”.

19 (b) ADULT EMPLOYMENT AND TRAINING ACTIVI-
20 TIES.—Section 137(b) is amended by striking “section
21 132(a)(1), such sums as may be necessary for each of fis-
22 cal years 1999 through 2003” and inserting “132(a),
23 \$3,079,800,000 for fiscal year 2004 and such sums as
24 may be necessary for each of fiscal years 2005 through
25 2009”.

1 (c) DISLOCATED WORKER EMPLOYMENT AND
2 TRAINING ACTIVITIES.—Section 137 is further amended
3 by striking subsection (c), and adding the following new
4 subsection:

5 “(c) PERSONAL REEMPLOYMENT ACCOUNTS.—Out
6 of any money in the Treasury of the United States not
7 otherwise appropriated, there are appropriated
8 \$3,600,000 for fiscal year 2003 to carry out chapter 5A.”.

9 **SEC. 116. JOB CORPS.**

10 (a) COMMUNITY PARTICIPATION.— Section 153 (29
11 U.S.C. 2983) is amended—

12 (1) by amending subsection (a) to read as fol-
13 lows:

14 “(a) BUSINESS AND COMMUNITY PARTICIPATION.—
15 The director of each Job Corps center shall ensure the
16 establishment and development of the business and com-
17 munity relationships and networks described in subsection
18 (b) in order to enhance the effectiveness of such center.”;

19 (2) in subsection (b)—

20 (A) in the heading, by striking “RESPON-
21 SIBILITIES” and inserting “NETWORKS”; and

22 (B) by striking “The responsibilities of the
23 Liaison” and inserting “The activities carried
24 out by each Job Corps center under this sec-
25 tion”; and

1 (3) in subsection (c), by striking “The Liaison
2 for” and inserting “The director of”.

3 (b) INDUSTRY COUNCILS.—Section 154(b) (29
4 U.S.C. 2894) is amended—

5 (1) in paragraph (1)(A), by striking “local and
6 distant”; and

7 (2) by adding the following new paragraph (3):

8 “(3) EMPLOYERS OUTSIDE OF LOCAL AREAS.—
9 The industry council may include, or otherwise pro-
10 vide for consultation with, employers from outside
11 the local area who are likely to hire a significant
12 number of enrollees from the Job Corps center.”.

13 (c) INDICATORS OF PERFORMANCE AND ADDITIONAL
14 INFORMATION.—Section 159(c) (29 U.S.C. 2983(c)) is
15 amended—

16 (1) by amending paragraph (1) to read as fol-
17 lows:

18 “(1) CORE INDICATORS.—The Secretary shall
19 annually establish expected levels of performance for
20 Job Corps centers and the Job Corps program relat-
21 ing to each of the core indicators for youth identified
22 in section 136(b)(2)(A)(ii).”; and

23 (2) in paragraph (2), by striking “measures” in
24 each place it appears and inserting “indicators”.

1 **SEC. 117. NATIVE AMERICAN PROGRAMS.**

2 (a) AUTHORIZED ACTIVITIES.—Section 166(d)(2)
3 (29 U.S.C. 2911(d)(2)) is amended to read as follows:

4 “(2) WORKFORCE INVESTMENT ACTIVITIES AND
5 SUPPLEMENTAL SERVICES.—Funds made available
6 under subsection (c) shall be used for—

7 “(A) comprehensive workforce investment
8 activities for Indians or Native Hawaiians; or

9 “(B) supplemental services for Indian or
10 Native Hawaiian youth on or near Indian res-
11 ervations and in Oklahoma, Alaska, or Ha-
12 waii.”.

13 (b) ADVISORY COUNCIL.—Section 166(h)(4)(C) (29
14 U.S.C. 2911(h)(4)(C)) is amended to read as follows:

15 “(c) DUTIES.—The Council shall advise
16 the Secretary on the operation and administra-
17 tion of the programs assisted under this sec-
18 tion.”.

19 (c) ASSISTANCE TO AMERICAN SAMOANS IN HA-
20 WAI.—Section 166(j) (29 U.S.C. 2911(j)) is repealed.

21 **SEC. 118. YOUTH CHALLENGE GRANTS.**

22 Section 169 (29 U.S.C. 2914) is amended to read as
23 follows:

24 **“SEC. 169 YOUTH CHALLENGE GRANTS.**

25 “(a) IN GENERAL.—Of the amounts reserved by the
26 Secretary under section 127(a)(1)(A) for a fiscal year—

1 “(1) the Secretary shall use not less than 80
2 percent to award competitive grants under sub-
3 section (b); and

4 “(2) the Secretary may use not more than 20
5 percent to award discretionary grants under sub-
6 section (c).

7 “(b) COMPETITIVE GRANTS TO STATES AND LOCAL
8 AREAS.—

9 “(1) ESTABLISHMENT.—From the funds de-
10 scribed in subsection (a)(1), the Secretary shall
11 award competitive grants to eligible entities to carry
12 out activities authorized under this section to assist
13 eligible youth in acquiring the skills, credentials and
14 employment experience necessary to succeed in the
15 labor market.

16 “(2) ELIGIBLE ENTITIES.—Grants under this
17 subsection may be awarded to States, local boards,
18 recipients of grants under section 166 (relating to
19 Native American programs), and public or private
20 entities (including consortia of such entities) apply-
21 ing in conjunction with local boards.

22 “(3) GRANT PERIOD.—The Secretary may
23 make a grant under this section for a period of 1
24 year and may renew the grants for each of the 4
25 succeeding years.

1 “(4) AUTHORITY TO REQUIRE MATCH.—The
2 Secretary may require that grantees under this sub-
3 section provide a non-Federal share of the cost of
4 activities carried out under a grant awarded under
5 this subsection.

6 “(5) PARTICIPANT ELIGIBILITY.—Youth ages
7 14 through 19 as of the time the eligibility deter-
8 mination is made may be eligible to participate in
9 activities provided under this subsection.

10 “(6) USE OF FUNDS.—Funds under this sub-
11 section may be used for activities that are designed
12 to assist youth in acquiring the skills, credentials
13 and employment experience that are necessary to
14 succeed in the labor market, including the activities
15 identified in section 129. The activities may include
16 activities such as—

17 “(A) training and internships for out-of-
18 school youth in sectors of economy experiencing
19 or projected to experience high growth;

20 “(B) after-school dropout prevention activi-
21 ties for in-school youth;

22 “(C) activities designed to assist special
23 youth populations, such as court-involved youth
24 and youth with disabilities; and

1 “(D) activities combining remediation of
2 academic skills, work readiness training, and
3 work experience, and including linkages to post-
4 secondary education, apprenticeships, and ca-
5 reer-ladder employment.

6 “(7) APPLICATIONS.—To be eligible to receive a
7 grant under this subsection, an eligible entity shall
8 submit an application to the Secretary at such time,
9 in such manner, and containing such information as
10 the Secretary may require, including—

11 “(A) a description of the activities the eli-
12 gible entity will provide to eligible youth under
13 this subsection;

14 “(B) a description of the programs of dem-
15 onstrated effectiveness on which the provision
16 of the activities under subparagraph (A) are
17 based, and a description of how such activities
18 will expand the base of knowledge relating to
19 the provision of activities for youth;

20 “(C) a description of the private and pub-
21 lic, and local and State resources that will be le-
22 veraged to provide the activities described under
23 subparagraph (A) in addition the funds pro-
24 vided under this subsection; and

1 “(D) the levels of performance the eligible
2 entity expects to achieve with respect to the in-
3 dicators of performance for youth specified in
4 section 136(b)(2)(A)(ii).

5 “(8) FACTORS FOR AWARD.—In awarding
6 grants under this subsection the Secretary may con-
7 sider the quality of the proposed project, the goals
8 to be achieved, the likelihood of successful implemen-
9 tation, the extent to which the project is based on
10 proven strategies or the extent to which the project
11 will expand the knowledge base on activities for
12 youth, and the additional State, local or private re-
13 sources that will be provided.

14 “(9) EVALUATION.—The Secretary may reserve
15 up to 5 percent of the funds described in subsection
16 (a)(1) to conduct evaluations of the projects funded
17 under this subsection.

18 “(c) DISCRETIONARY GRANTS FOR YOUTH ACTIVI-
19 TIES.—

20 “(1) IN GENERAL.—From the funds described
21 in subsection (a)(2), the Secretary may award
22 grants to eligible entities to provide activities that
23 will assist youth in preparing for, and entering and
24 retaining, employment.

1 “(2) ELIGIBLE ENTITIES.—Grants under this
2 subsection may be awarded to public or private enti-
3 ties that the Secretary determines would effectively
4 carry out activities relating to youth under this sub-
5 section.

6 “(3) PARTICIPANT ELIGIBILITY.—Youth ages
7 14 through 19 at the time the eligibility determina-
8 tion is made may be eligible to participate in activi-
9 ties under this subsection.

10 “(4) USE OF FUNDS.—Funds provided under
11 this subsection may be used for activities that will
12 assist youth in preparing for, and entering and re-
13 taining, employment, including the activities de-
14 scribed in section 129 for out-of-school youth, activi-
15 ties designed to assist in-school youth to stay in
16 school and gain work experience, and such other ac-
17 tivities that the Secretary determines are appro-
18 priate.

19 “(5) APPLICATIONS.—To be eligible to receive a
20 grant under this subsection, an eligible entity shall
21 submit an application to the Secretary at such time,
22 in such manner, and containing such information as
23 the Secretary may require.

24 “(6) ADDITIONAL REQUIREMENTS.—The Sec-
25 retary may require the provision of a non-Federal

1 share for projects funded under this subsection and
2 may require participation of grantees in evaluations
3 of such projects”.

4 **SEC. 119. TECHNICAL ASSISTANCE.**

5 Section 170 (29 U.S.C. 2915) is amended—

6 (1) by striking subsection (b);

7 (2) by striking “(a) GENERAL TECHNICAL AS-
8 SISTANCE”;

9 (3) by redesignating paragraphs (1), (2), and
10 (3) as subsections (a), (b), and (c) respectively; and

11 (4) in subsection (a) (as redesignated by para-
12 graph (3)—

13 (A) by inserting “the training of staff pro-
14 viding rapid response services, the training of
15 other staff of recipients of funds under this
16 title, peer review activities,” after “localities,”
17 and

18 (B) by striking “from carrying out activi-
19 ties” and all that follows up to the period and
20 inserting “to implement the amendments made
21 by the Workforce Investment Act Amendments
22 of 2003”.

1 **SEC. 120. DEMONSTRATION, PILOT, MULTISERVICE, RE-**
2 **SEARCH AND MULTISTATE PROJECTS.**

3 (a) DEMONSTRATION AND PILOT PROJECTS.—Sec-
4 tion 171(b) (29 U.S.C. 2916(b)(1)) is amended—

5 (1) in paragraph (1)—

6 (A) by striking “Under a” and inserting
7 “Consistent with the priorities specified in the”;

8 (B) by amending subparagraphs (A)
9 through (D) to read as follows:

10 “(A) projects that assist national employ-
11 ers in connecting with the workforce investment
12 system established under this title in order to
13 facilitate the recruitment and employment of
14 needed workers and to provide information to
15 such system on skills and occupations in de-
16 mand;

17 “(B) projects that promote the develop-
18 ment of systems that will improve the effective-
19 ness and efficiency of programs carried out
20 under this title;

21 “(C) projects that focus on opportunities
22 for employment in industries and sectors of in-
23 dustries that are experiencing or are likely to
24 experience high rates of growth;

1 “(D) projects carried out by States and
2 local areas to test innovative approaches to de-
3 livering employment-related services;”;

4 (C) by striking subparagraph (E);

5 (D) by redesignating subparagraphs (F)
6 and (G) as subparagraphs (E) and (F), respec-
7 tively; and

8 (E) by striking subparagraph (H); and

9 (2) in paragraph (2)—

10 (A) by striking subparagraph (B); and

11 (B) by redesignating subparagraph (C) as
12 subparagraph (B).

13 (b) MULTISERVICE PROJECTS.—Section
14 171(c)(2)(B) is amended to read as follows:

15 “(b) NET IMPACT STUDIES AND RE-
16 PORTS.—The Secretary shall conduct studies to
17 determine the net impacts of programs, serv-
18 ices, and activities carried out under this title.
19 The Secretary shall prepare and disseminate to
20 the public reports containing the results of such
21 studies.”.

22 (c) WAIVER AUTHORITY TO CARRY OUT DEM-
23 ONSTRATIONS AND EVALUATIONS.—Section 171 (29
24 U.S.C. 2916(d)) is further amended by striking subsection
25 (d).

1 **SEC. 121. EVALUATIONS.**

2 (a) IN GENERAL.—Section 173 (29 U.S.C. 2916) is
3 amended—

4 (1) by amending the heading to read as follows:
5 “NATIONAL DISLOCATED WORKER
6 GRANTS”;

7 (2) in subsection (a)—

8 (A) by striking “national emergency
9 grants” and inserting “national dislocated
10 worker grants”;

11 (B) in paragraph (1), by striking “sub-
12 section (c)” and inserting “subsection (b)”; and

13 (C) in paragraph (4), by striking the mat-
14 ter that precedes subparagraph (A).

15 (b) ADMINISTRATION.—Section 173 (29 U.S.C.
16 2916) is further amended—

17 (1) by striking subsection (b) and redesignating
18 subsections (c) and (d) as subsections (b) and (c),
19 respectively; and

20 (2) by striking subsection (e) and redesignating
21 subsections (f) and (g) as subsections (d) and (e),
22 respectively.

23 (c) ELIGIBLE ENTITIES.—Section 173(b)(1)(B) (as
24 redesignated by subsection (b) of this section) is amended
25 by striking “, and other entities” and all that follows up
26 to the period.

1 **SEC. 122. AUTHORIZATION OF APPROPRIATIONS FOR NA-**
2 **TIONAL ACTIVITIES.**

3 (a) IN GENERAL.—Section 174(a)(1) is amended by
4 striking “1999 through 2003” and inserting “2004
5 through 2009”.

6 (b) RESERVATIONS.—Section 174(b) is amended to
7 read as follows:

8 “(b) TECHNICAL ASSISTANCE; DEMONSTRATION AND
9 PILOT PROJECTS; EVALUATIONS; INCENTIVE GRANTS.—
10 There are authorized to be appropriated to carry out sec-
11 tions 170 through 172 and section 136 such sums as may
12 be necessary for each of fiscal years 2004 through 2009.”.

13 **SEC. 123. REQUIREMENTS AND RESTRICTIONS.**

14 (a) IN GENERAL.—Section 181(c)(2)(A) is amended
15 by striking “shall” and inserting “may”.

16 (b) LIMITATIONS.—Section 181(e) is amended by
17 striking the first sentence.

18 **SEC. 124. NONDISCRIMINATION.**

19 Section 188(a)(2) is amended—

20 (1) by striking “No” and inserting “(A) IN
21 GENERAL.—Except as provided in subparagraph
22 (B), no”; and

23 (2) by adding the following subparagraph:

24 “(B) EXEMPTION FOR RELIGIOUS ORGANIZA-
25 TIONS.—Subparagraph (A) shall not apply to recipi-
26 ents of financial assistance under this title that is a

1 religious corporation, association, educational insti-
2 tution, or society, with respect to the employment of
3 individuals of a particular religion to perform work
4 connected with the carrying on by such corporation,
5 association, educational institution, or society of its
6 activities. Such recipients shall comply with the
7 other requirements contained in subparagraph (A).”.

8 **SEC. 125. ADMINISTRATIVE PROVISIONS.**

9 (a) PROGRAM YEAR.—Section 189(g)(1) (29 U.S.C.
10 2939(g)(1)) is amended—

11 (1) by striking “(A) PROGRAM YEAR.—Except”
12 and inserting “Except”; and

13 (2) by striking subparagraph (B)

14 (b) AVAILABILITY.—Section 189(g)(2) (29 U.S.C.
15 2939(g)(2)) is amended by striking “each State” and in-
16 serting “each recipient”.

17 (c) GENERAL WAIVERS.—Section 189(i)(4) (29
18 U.S.C. 2939(i)(4)) is amended—

19 (1) in subparagraph (A), by inserting “, or in
20 accordance with subparagraph (D),” after “subpara-
21 graph (B)”;

22 (2) by adding the following subparagraph:

23 “(D) EXPEDITED PROCESS FOR EXTEND-
24 ING APPROVED WAIVERS TO ADDITIONAL
25 STATES.—In lieu of the requirements of sub-

1 paragraphs (B) and (C), the Secretary may es-
 2 tablish an expedited procedure for the purpose
 3 of extending to additional States the waiver of
 4 statutory or regulatory requirements that have
 5 been approved for a State pursuant to a request
 6 under subparagraph (B). Such procedure shall
 7 ensure that the extension of such waivers to ad-
 8 ditional States are accompanied by appropriate
 9 conditions relating the implementation of such
 10 waivers.”.

11 **TITLE II—ADULT EDUCATION**

12 **SEC. 201. TABLE OF CONTENTS.**

13 The table of contents at section 1 is amended by
 14 amending the items relating to title II to read as follows:

“TITLE II—ADULT BASIC SKILLS EDUCATION

- “Sec. 201. Short title.
- “Sec. 202. Purpose.
- “Sec. 203. Definitions.
- “Sec. 204. Home schools.
- “Sec. 205. Authorization of appropriations.

“CHAPTER 1—FEDERAL PROVISIONS

- “Sec. 211. Reservation of funds; grants to eligible agencies; allotments.
- “Sec. 212. Performance accountability system.

“CHAPTER 2—STATE PROVISIONS

- “Sec. 221. State administration.
- “Sec. 222. State distribution of funds; matching requirement.
- “Sec. 223. State leadership activities.
- “Sec. 224. State plan.
- “Sec. 225. Programs for corrections education and other institutionalized individuals.

“CHAPTER 3—LOCAL PROVISIONS

- “Sec. 231. Grants and contracts for eligible providers.
- “Sec. 232. Local application.

“Sec. 233. Local administrative cost limits.

“CHAPTER 4—GENERAL PROVISIONS

“Sec. 241. Administrative provisions.

“Sec. 242. National leadership activities.”.

1 **SEC. 202. AMENDMENT.**

2 Title II is amended to read as follows:

3 **“TITLE II—ADULT BASIC SKILLS**
4 **EDUCATION**

5 **“SEC. 201. SHORT TITLE.**

6 “This title may be cited as the ‘Adult Basic Skills
7 Education Act’.

8 **“SEC. 202. PURPOSE.**

9 “It is the purpose of this title to provide instructional
10 opportunities for adults seeking to improve their basic
11 reading, writing, speaking, and math skills, and support
12 States and local communities in providing, on a voluntary
13 basis, adult basic skills and literacy education, in order
14 to—

15 “(1) increase the basic reading, writing, speak-
16 ing, and math skills necessary for adults to obtain
17 employment and self-sufficiency and to successfully
18 advance in the workforce;

19 “(2) assist adults in the completion of a sec-
20 ondary school education (or its equivalent) and the
21 transition to postsecondary education;

1 “(3) increase the basic reading, writing, speak-
2 ing, and math skills of parents to enable them to
3 support the educational development of their chil-
4 dren and make informed choices regarding their
5 children’s education; and

6 “(4) assist immigrants who are not proficient in
7 English in improving their reading, writing, speak-
8 ing, and math skills and acquiring an understanding
9 of the American free enterprise system, individual
10 freedom, and the responsibilities of citizenship.

11 **“SEC. 203. DEFINITIONS.**

12 “In this title:

13 “(1) ADULT EDUCATION.—The term ‘adult edu-
14 cation’ means a sequence of academic instruction
15 and educational services below the postsecondary
16 level that increase an individual’s ability to read,
17 write, and speak in English and perform mathe-
18 matical computations leading to a level of proficiency
19 equivalent to secondary school completion that is
20 provided for individuals—

21 “(A) who are at least 16 years of age;

22 “(B) who are not enrolled or required to be
23 enrolled in secondary school under State law;
24 and

25 “(C) who—

1 “(i) lack sufficient mastery of basic
2 reading, writing, speaking, and math skills
3 to enable the individuals to function effec-
4 tively in society;

5 “(ii) do not have a secondary school
6 diploma or its recognized equivalent, and
7 have not achieved an equivalent level of
8 education; or

9 “(iii) are unable to read, write, or
10 speak the English language.

11 “(2) ADULT EDUCATION AND BASIC SKILLS AC-
12 TIVITIES.—The term ‘adult education and basic
13 skills activities’ means activities described in section
14 231(b).

15 “(3) ELIGIBLE AGENCY.—The term ‘eligible
16 agency’—

17 “(A) means the sole entity or agency in a
18 State or an outlying area responsible for admin-
19 istering or supervising policy for adult edu-
20 cation and basic skills activities in the State or
21 outlying area, respectively, consistent with the
22 law of the State or outlying area, respectively;
23 and

24 “(B) may be the State educational agency,
25 the State agency responsible for administering

1 workforce investment activities, or the State
2 agency responsible for administering community
3 or technical colleges.

4 “(4) ELIGIBLE PROVIDER.—The term ‘eligible
5 provider’ means—

6 “(A) a local educational agency;

7 “(B) a community-based or faith-based or-
8 ganization of demonstrated effectiveness;

9 “(C) a volunteer literacy organization of
10 demonstrated effectiveness;

11 “(D) an institution of higher education;

12 “(E) a public or private agency;

13 “(F) a library;

14 “(G) a public housing authority;

15 “(H) an institution that is not described in
16 any of subparagraphs (A) through (G) and has
17 the ability to provide adult basic education and
18 basic skills activities to adults and families; or

19 “(I) a consortium of the agencies, organi-
20 zations, institutions, libraries, or authorities de-
21 scribed in any of subparagraphs (A) through
22 (H).

23 “(5) ENGLISH LANGUAGE ACQUISITION PRO-
24 GRAM.—The term ‘English language acquisition pro-
25 gram’ means a program of instruction designed to

1 help individuals with limited English proficiency
2 achieve competence in reading, writing, and speaking
3 the English language.

4 “(6) ESSENTIAL COMPONENTS OF READING IN-
5 STRUCTION.—The term ‘essential components of
6 reading instruction’ has the meaning given to that
7 term in section 1208 of the Elementary and Sec-
8 ondary Education Act of 1965 (20 U.S.C. 6368).

9 “(7) FAMILY LITERACY PROGRAMS.—The term
10 ‘family literacy programs’ means educational pro-
11 grams that—

12 “(A) assist parents and students, on a vol-
13 untary basis, in achieving the purposes of this
14 title as described in section 202; and

15 “(B) are of sufficient intensity in terms of
16 hours, of sufficient duration, and based upon
17 scientific research-based principles, so as to
18 substantially increase the ability of both parents
19 and children to read, write, and speak English
20 and perform mathematical computations.

21 “(8) GOVERNOR.—The term ‘Governor’ means
22 the chief executive officer of a State or outlying
23 area.

24 “(9) INDIVIDUAL WITH A DISABILITY.—

1 “(A) IN GENERAL.—The term ‘individual
2 with a disability’ means an individual with any
3 disability (as defined in section 3 of the Ameri-
4 cans with Disabilities Act of 1990 (42 U.S.C.
5 12102)).

6 “(B) INDIVIDUALS WITH DISABILITIES.—
7 The term ‘individuals with disabilities’ means
8 more than one individual with a disability.

9 “(10) INDIVIDUAL WITH LIMITED ENGLISH
10 PROFICIENCY.—The term ‘individual with limited
11 English proficiency’ means an adult or out-of-school
12 youth who has limited ability in reading, writing,
13 speaking, or understanding the English language,
14 and—

15 “(A) whose native language is a language
16 other than English; or

17 “(B) who lives in a family or community
18 environment where a language other than
19 English is the dominant language.

20 “(11) INSTITUTION OF HIGHER EDUCATION.—
21 The term ‘institution of higher education’ has the
22 meaning given to that term in section 101 of the
23 Higher Education Act of 1965 (20 U.S.C. 1001).

1 “(12) LITERACY.—The term ‘literacy’ means
2 the ability to read and write the English language
3 with competence, knowledge, and comprehension.

4 “(13) LOCAL EDUCATIONAL AGENCY.—The
5 term ‘local educational agency’ has the meaning
6 given to that term in section 9101 of the Elemen-
7 tary and Secondary Education Act of 1965 (20
8 U.S.C. 7801).

9 “(14) OUTLYING AREA.—The term ‘outlying
10 area’ has the meaning given to that term in section
11 101 of this Act.

12 “(15) POSTSECONDARY EDUCATIONAL INSTITU-
13 TION.—The term ‘postsecondary educational institu-
14 tion’ means—

15 “(A) an institution of higher education
16 that provides not less than a 2-year program of
17 instruction that is acceptable for credit toward
18 a bachelor’s degree;

19 “(B) a tribally controlled community col-
20 lege; or

21 “(C) a nonprofit educational institution of-
22 fering certificate or apprenticeship programs at
23 the postsecondary level.

24 “(16) READING.—The term ‘reading’ has the
25 meaning given to that term in section 1208 of the

1 Elementary and Secondary Education Act of 1965
2 (20 U.S.C. 6368).

3 “(17) SCIENTIFICALLY BASED READING RE-
4 SEARCH.—The term ‘scientifically based reading re-
5 search’ has the meaning given to that term in sec-
6 tion 1208 of the Elementary and Secondary Edu-
7 cation Act of 1965 (20 U.S.C. 6368).

8 “(18) SECRETARY.—The term ‘Secretary’
9 means the Secretary of Education.

10 “(19) STATE.—The term ‘State’ means each of
11 the several States of the United States, the District
12 of Columbia, and the Commonwealth of Puerto Rico.

13 “(20) STATE EDUCATIONAL AGENCY.—The
14 term ‘State educational agency’ has the meaning
15 given to that term in section 9101 of the Elemen-
16 tary and Secondary Education Act of 1965 (20
17 U.S.C. 7801).

18 “(21) WORKPLACE LITERACY PROGRAM.—The
19 term ‘workplace literacy program’ means an edu-
20 cational program that is offered for the purpose of
21 improving the productivity of the workforce through
22 the improvement of reading, writing, speaking, and
23 math skills.

1 **“SEC. 204. HOME SCHOOLS.**

2 “Nothing in this title shall be construed to affect
3 home schools, or to compel a parent engaged in home
4 schooling to participate in an English literacy program,
5 family literacy services, or adult education.

6 **“SEC. 205. AUTHORIZATION OF APPROPRIATIONS.**

7 “There are authorized to be appropriated to carry out
8 this title \$584,300,000 for fiscal year 2004 and such sums
9 as may be necessary for fiscal years 2005 through 2009.

10 **“CHAPTER 1—FEDERAL PROVISIONS**

11 **“SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE**
12 **AGENCIES; ALLOTMENTS.**

13 “(a) RESERVATION OF FUNDS.—From the sums ap-
14 propriated under section 205 for a fiscal year, the Sec-
15 retary—

16 “(1) shall make available, to the Secretary of
17 Labor, 1.72 percent for incentive grants under sec-
18 tion 503; and

19 “(2) shall reserve up to 1.55 percent to carry
20 out section 242.

21 “(b) GRANTS TO ELIGIBLE AGENCIES.—

22 “(1) IN GENERAL.—From the sums appro-
23 priated under section 205 and not reserved under
24 subsection (a) for a fiscal year, the Secretary shall
25 award a grant to each eligible agency having a State
26 plan approved under section 224 in an amount equal

1 to the sum of the initial allotment under subsection
2 (c)(1) and the additional allotment under subsection
3 (c)(2) for the eligible agency for the fiscal year, sub-
4 ject to subsections (f) and (g).

5 “(2) PURPOSE OF GRANTS.—The Secretary
6 may award a grant under paragraph (1) only if the
7 eligible agency involved agrees to expend the grant
8 in accordance with the provisions of this title.

9 “(c) ALLOTMENTS.—

10 “(1) INITIAL ALLOTMENTS.—From the sums
11 appropriated under section 205 and not reserved
12 under subsection (a) for a fiscal year, the Secretary
13 shall allot to each eligible agency having a State
14 plan approved under section 224—

15 “(A) \$100,000, in the case of an eligible
16 agency serving an outlying area; and

17 “(B) \$250,000, in the case of any other el-
18 igible agency.

19 “(2) ADDITIONAL ALLOTMENTS.—From the
20 sums appropriated under section 205, not reserved
21 under subsection (a), and not allotted under para-
22 graph (1), for a fiscal year, the Secretary shall allot
23 to each eligible agency that receives an initial allot-
24 ment under paragraph (1) an additional amount
25 that bears the same relationship to such sums as the

1 number of qualifying adults in the State or outlying
2 area served by the eligible agency bears to the num-
3 ber of such adults in all States and outlying areas.

4 “(d) QUALIFYING ADULT.—For the purpose of sub-
5 section (c)(2), the term ‘qualifying adult’ means an adult
6 who—

7 “(1) is at least 16 years of age;

8 “(2) is beyond the age of compulsory school at-
9 tendance under the law of the State or outlying
10 area;

11 “(3) does not have a secondary school diploma
12 or its recognized equivalent; and

13 “(4) is not enrolled in secondary school.

14 “(e) SPECIAL RULE.—

15 “(1) IN GENERAL.—From amounts made avail-
16 able under subsection (c) for the Republic of the
17 Marshall Islands, the Federated States of Micro-
18 nesia, and the Republic of Palau, the Secretary shall
19 award grants to Guam, American Samoa, the Com-
20 monwealth of the Northern Mariana Islands, the Re-
21 public of the Marshall Islands, the Federated States
22 of Micronesia, or the Republic of Palau to carry out
23 activities described in this title in accordance with
24 the provisions of this title as determined by the Sec-
25 retary.

1 “(2) TERMINATION OF ELIGIBILITY.—Notwith-
2 standing any other provision of law, the Republic of
3 the Marshall Islands, the Federated States of Micro-
4 nesia, and the Republic of Palau shall be eligible to
5 receive a grant under this title until an agreement
6 for the extension of United States education assist-
7 ance under the Compact of Free Association for
8 each of the Freely Associated States becomes effec-
9 tive.

10 “(3) ADMINISTRATIVE COSTS.—The Secretary
11 may provide not more than 5 percent of the funds
12 made available for grants under this subsection to
13 pay the administrative costs of the Pacific Region
14 Educational Laboratory regarding activities assisted
15 under this subsection.

16 “(f) HOLD-HARMLESS PROVISIONS.—

17 “(1) IN GENERAL.—Notwithstanding subsection
18 (c), for fiscal year 2004 and each succeeding fiscal
19 year, no eligible agency shall receive an allotment
20 under this title that is less than 90 percent of the
21 allotment the eligible agency received for the pre-
22 ceding fiscal year under this title.

23 “(2) RATABLE REDUCTION.—If for any fiscal
24 year the amount available for allotment under this
25 title is insufficient to satisfy the provisions of para-

1 graph (1), the Secretary shall ratably reduce the
2 payments to all eligible agencies, as necessary.

3 “(g) REALLOTMENT.—The portion of any eligible
4 agency’s allotment under this title for a fiscal year that
5 the Secretary determines will not be required for the pe-
6 riod such allotment is available for carrying out activities
7 under this title, shall be available for reallocation from
8 time to time, on such dates during such period as the Sec-
9 retary shall fix, to other eligible agencies in proportion to
10 the original allotments to such agencies under this title
11 for such year.

12 **“SEC. 212. PERFORMANCE ACCOUNTABILITY SYSTEM.**

13 “(a) PURPOSE.—The purpose of this section is to es-
14 tablish a comprehensive performance accountability sys-
15 tem, composed of the activities described in this section,
16 to assess the effectiveness of eligible agencies in achieving
17 continuous improvement of adult education and basic
18 skills activities funded under this title, in order to optimize
19 the return on investment of Federal funds in adult edu-
20 cation and basic skills activities.

21 “(b) ELIGIBLE AGENCY PERFORMANCE MEAS-
22 URES.—

23 “(1) IN GENERAL.—For each eligible agency,
24 the eligible agency performance measures shall con-
25 sist of—

1 “(A)(i) the core indicators of performance
2 described in paragraph (2)(A); and

3 “(ii) employment performance indicators
4 identified by the eligible agency under para-
5 graph (2)(B); and

6 “(B) an eligible agency adjusted level of
7 performance for each indicator described in
8 subparagraph (A).

9 “(2) INDICATORS OF PERFORMANCE.—

10 “(A) CORE INDICATORS OF PERFORM-
11 ANCE.—The core indicators of performance
12 shall include the following:

13 “(i) Measurable improvements in
14 basic skill levels in reading, writing, and
15 speaking the English language and math,
16 and English language acquisition leading
17 to proficiency in each skill.

18 “(ii) Receipt of a secondary school di-
19 ploma or its recognized equivalent.

20 “(iii) Placement in postsecondary edu-
21 cation.

22 “(B) EMPLOYMENT PERFORMANCE INDI-
23 CATORS.—An eligible agency shall identify in
24 the State plan the following individual partici-
25 pant employment performance indicators—

1 “(i) entry into employment;

2 “(ii) retention in employment; and

3 “(iii) increase in earnings.

4 “(3) LEVELS OF PERFORMANCE.—

5 “(A) ELIGIBLE AGENCY ADJUSTED LEVELS
6 OF PERFORMANCE FOR CORE INDICATORS.—

7 “(i) IN GENERAL.—For each eligible
8 agency submitting a State plan, there shall
9 be established, in accordance with this sub-
10 paragraph, levels of performance for each
11 of the core indicators of performance de-
12 scribed in paragraph (2)(A) for adult edu-
13 cation and basic skills activities authorized
14 under this title. The levels of performance
15 established under this subparagraph shall,
16 at a minimum—

17 “(I) be expressed in an objective,
18 quantifiable, and measurable form;
19 and

20 “(II) show the progress of the el-
21 igible agency toward continuously and
22 significantly improving its perform-
23 ance outcomes in an objective, quan-
24 tifiable, and measurable form.

1 “(ii) IDENTIFICATION IN STATE
2 PLAN.—Each eligible agency shall identify,
3 in the State plan submitted under section
4 224, expected levels of performance for
5 each of the core indicators of performance
6 for the first 3 program years covered by
7 the State plan.

8 “(iii) AGREEMENT ON ELIGIBLE
9 AGENCY ADJUSTED LEVELS OF PERFORM-
10 ANCE FOR FIRST 3 YEARS.—In order to en-
11 sure an optimal return on the investment
12 of Federal funds in adult education and
13 basic skills activities authorized under this
14 title, the Secretary and each eligible agen-
15 cy shall reach agreement on levels of stu-
16 dent proficiency for each of the core indi-
17 cators of performance, for the first 3 pro-
18 gram years covered by the State plan, tak-
19 ing into account the levels identified in the
20 State plan under clause (ii) and the factors
21 described in clause (iv). The levels agreed
22 to under this clause shall be considered to
23 be the eligible agency adjusted levels of
24 performance for the eligible agency for
25 such years and shall be incorporated into

1 the State plan prior to the approval of
2 such plan.

3 “(iv) FACTORS.—The agreement de-
4 scribed in clause (iii) or (v) shall take into
5 account—

6 “(I) how the levels involved com-
7 pare with the eligible agency’s ad-
8 justed levels of performance, taking
9 into account factors including the
10 characteristics of participants when
11 the participants entered the program;
12 and

13 “(II) the extent to which such
14 levels promote continuous and signifi-
15 cant improvement in performance on
16 the student proficiency measures used
17 by such eligible agency and ensure op-
18 timal return on the investment of
19 Federal funds.

20 “(v) AGREEMENT ON ELIGIBLE AGEN-
21 CY ADJUSTED LEVELS OF PERFORMANCE
22 FOR SECOND 3 YEARS.—Prior to the fourth
23 program year covered by the State plan,
24 the Secretary and each eligible agency
25 shall reach agreement on levels of perform-

1 ance for each of the core indicators of stu-
2 dent proficiency for the fourth, fifth, and
3 sixth program years covered by the State
4 plan, taking into account the factors de-
5 scribed in clause (iv). The levels agreed to
6 under this clause shall be considered to be
7 the eligible agency adjusted levels of per-
8 formance for the eligible agency for such
9 years and shall be incorporated into the
10 State plan.

11 “(vi) REVISIONS.—If unanticipated
12 circumstances arise in a State resulting in
13 a significant change in the factors de-
14 scribed in clause (iv)(I), the eligible agency
15 may request that the eligible agency ad-
16 justed levels of performance agreed to
17 under clause (iii) or (v) be revised.

18 “(B) LEVELS OF EMPLOYMENT PERFORM-
19 ANCE.—The eligible agency shall identify, in the
20 State plan, eligible agency levels of performance
21 for each of the employment performance indica-
22 tors described in paragraph (2)(B). Such levels
23 shall be considered to be eligible agency ad-
24 justed levels of performance for purposes of this
25 title.

1 “(c) REPORT.—

2 “(1) IN GENERAL.—Each eligible agency that
3 receives a grant under section 211(b) shall annually
4 prepare and submit to the Secretary, the Governor,
5 the State legislature, eligible providers, and the gen-
6 eral public within the State, a report on the progress
7 of the eligible agency in achieving eligible agency
8 performance measures, including the following:

9 “(A) Information on the levels of perform-
10 ance achieved by the eligible agency with re-
11 spect to the core indicators of performance and
12 employment performance indicators.

13 “(B) The number and type of each eligible
14 provider that receives funding under such
15 grant.

16 “(2) INFORMATION DISSEMINATION.—The Sec-
17 retary—

18 “(A) shall make the information contained
19 in such reports available to the general public
20 through publication and other appropriate
21 methods;

22 “(B) shall disseminate State-by-State com-
23 parisons of the information; and

24 “(C) shall provide the appropriate commit-
25 tees of Congress with copies of such reports.

1 **“CHAPTER 2—STATE PROVISIONS**

2 **“SEC. 221. STATE ADMINISTRATION.**

3 “Each eligible agency shall be responsible for the fol-
4 lowing activities under this title:

5 “(1) The development, submission, implementa-
6 tion, and monitoring of the State plan.

7 “(2) Consultation with other appropriate agen-
8 cies, groups, and individuals that are involved in, or
9 interested in, the development and implementation
10 of activities assisted under this title.

11 “(3) Coordination and avoidance of duplication
12 with other Federal and State education, training,
13 corrections, public housing, and social service pro-
14 grams.

15 “(4) Assisting eligible providers in providing
16 sufficiently rigorous instructional practices for con-
17 tinuous and significant improvement and in imple-
18 menting and reporting measurable progress in
19 achieving the objectives of this title.

20 **“SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING RE-**
21 **QUIREMENT.**

22 “(a) STATE DISTRIBUTION OF FUNDS.—Each eligi-
23 ble agency receiving a grant under this title for a fiscal
24 year—

1 “(1) shall use an amount not less than 82.5
2 percent of the grant funds to award grants and con-
3 tracts under section 231 and to carry out section
4 225, of which not more than 10 percent of such
5 amount shall be available to carry out section 225;

6 “(2) shall use not more than 12.5 percent of
7 the grant funds to carry out State leadership activi-
8 ties under section 223; and

9 “(3) shall use not more than 5 percent of the
10 grant funds, or \$65,000, whichever is greater, for
11 the administrative expenses of the eligible agency.

12 “(b) MATCHING REQUIREMENT.—

13 “(1) IN GENERAL.—In order to receive a grant
14 from the Secretary under section 211(b), each eligi-
15 ble agency shall provide, for the costs to be incurred
16 by the eligible agency in carrying out the adult edu-
17 cation and basic skills activities for which the grant
18 is awarded, a non-Federal contribution in an amount
19 at least equal to—

20 “(A) in the case of an eligible agency serv-
21 ing an outlying area, 12 percent of the total
22 amount of funds expended for adult education
23 and literacy activities in the outlying area, ex-
24 cept that the Secretary may decrease the

1 amount of funds required under this subpara-
2 graph for an eligible agency; and

3 “(B) in the case of an eligible agency serv-
4 ing a State, 25 percent of the total amount of
5 funds expended for adult education and basic
6 skills activities in the State.

7 “(2) NON-FEDERAL CONTRIBUTION.—An eligi-
8 ble agency’s non-Federal contribution required under
9 paragraph (1) may be provided in cash or in kind,
10 fairly evaluated, and shall include only non-Federal
11 funds that are used for adult education and basic
12 skills activities in a manner that is consistent with
13 the purpose of this title.

14 **“SEC. 223. STATE LEADERSHIP ACTIVITIES.**

15 “(a) IN GENERAL.—Each eligible agency may use
16 funds made available under section 222(a)(2) for any of
17 the following adult education and basic skills activities:

18 “(1) The establishment or operation of profes-
19 sional development programs to improve the quality
20 of instruction provided pursuant to local activities
21 required under section 231(b), including instruction
22 incorporating the essential components of reading
23 instruction and instruction provided by volunteers or
24 by personnel of a State or outlying area.

1 “(2) The provision of technical assistance to eli-
2 gible providers of adult education and basic skills ac-
3 tivities for development and dissemination of sci-
4 entific research-based instructional practices in read-
5 ing, writing, speaking, math, and English language
6 acquisition programs.

7 “(3) The provision of assistance to eligible pro-
8 viders in developing, implementing, and reporting
9 measurable progress in achieving the objectives of
10 this title.

11 “(4) The provision of technology assistance, in-
12 cluding staff training, to eligible providers of adult
13 education and basic skills activities, including dis-
14 tance learning activities, to enable the eligible pro-
15 viders to improve the quality of such activities.

16 “(5) The development and implementation of
17 technology applications or distance learning, includ-
18 ing professional development to support the use of
19 instructional technology.

20 “(6) Coordination with other public programs,
21 including welfare-to-work, workforce development,
22 and job training programs.

23 “(7) Coordination with existing support serv-
24 ices, such as transportation, child care, and other
25 assistance designed to increase rates of enrollment

1 in, and successful completion of, adult education and
2 basic skills activities, for adults enrolled in such ac-
3 tivities.

4 “(8) The development and implementation of a
5 system to assist in the transition from adult basic
6 education to postsecondary education.

7 “(9) Activities to promote workplace literacy
8 programs.

9 “(10) Other activities of statewide significance,
10 including assisting eligible agencies in achieving
11 progress in improving the skill levels of adults who
12 participate in programs under this title.

13 “(b) COORDINATION.—In carrying out this section,
14 eligible agencies shall coordinate where possible, and avoid
15 duplicating efforts, in order to maximize the impact of the
16 activities described in subsection (a).

17 “(c) STATE-IMPOSED REQUIREMENTS.—Whenever a
18 State or outlying area implements any rule or policy relat-
19 ing to the administration or operation of a program au-
20 thorized under this title that has the effect of imposing
21 a requirement that is not imposed under Federal law (in-
22 cluding any rule or policy based on a State or outlying
23 area interpretation of a Federal statute, regulation, or
24 guideline), the State or outlying area shall identify, to eli-

1 gible providers, the rule or policy as being imposed by the
2 State or outlying area.

3 **“SEC. 224. STATE PLAN.**

4 “(a) 6-YEAR PLANS.—

5 “(1) IN GENERAL.—Each eligible agency desir-
6 ing a grant under this title for any fiscal year shall
7 submit to, or have on file with, the Secretary a 6-
8 year State plan.

9 “(2) COMPREHENSIVE PLAN OR APPLICA-
10 TION.—The eligible agency may submit the State
11 plan as part of a comprehensive plan or application
12 for Federal education assistance.

13 “(b) PLAN CONTENTS.—The eligible agency shall in-
14 clude in the State plan or any revisions to the State plan—

15 “(1) an objective assessment of the needs of in-
16 dividuals in the State or outlying area for adult edu-
17 cation and basic skills activities, including individ-
18 uals most in need or hardest to serve;

19 “(2) a description of the adult education and
20 basic skills activities that will be carried out with
21 funds received under this title;

22 “(3) a description of how the eligible agency
23 will evaluate and measure annually the effectiveness
24 and improvement of the adult education and basic

1 skills activities based on the performance measures
2 described in section 212 including—

3 “(A) how the eligible agency will evaluate
4 and measure annually such effectiveness on a
5 grant-by-grant basis; and

6 “(B) how the eligible agency—

7 “(i) will hold eligible providers ac-
8 countable regarding the progress of such
9 providers in improving the academic
10 achievement of participants in adult edu-
11 cation programs under this title and re-
12 garding the core indicators of performance
13 described in section 212(b)(2)(A); and

14 “(ii) will use technical assistance,
15 sanctions, and rewards (including alloca-
16 tion of grant funds based on performance
17 and termination of grant funds based on
18 nonperformance);

19 “(4) a description of the performance measures
20 described in section 212 and how such performance
21 measures have significantly improved adult edu-
22 cation and basic skills activities in the State or out-
23 lying area;

24 “(5) an assurance that the eligible agency will,
25 in addition to meeting all of the other requirements

1 of this title, award not less than one grant under
2 this title to an eligible provider that—

3 “(A) offers flexible schedules and necessary
4 support services (such as child care and trans-
5 portation) to enable individuals, including indi-
6 viduals with disabilities, or individuals with
7 other special needs, to participate in adult edu-
8 cation and basic skills activities; and

9 “(B) attempts to coordinate with support
10 services that are not provided under this title
11 prior to using funds for adult education and
12 basic skills activities provided under this title
13 for support services;

14 “(6) an assurance that the funds received under
15 this title will not be expended for any purpose other
16 than for activities under this title;

17 “(7) a description of how the eligible agency
18 will fund local activities in accordance with the
19 measurable goals described in section 231(d);

20 “(8) an assurance that the eligible agency will
21 expend the funds under this title only in a manner
22 consistent with fiscal requirements in section 241;

23 “(9) a description of the process that will be
24 used for public participation and comment with re-
25 spect to the State plan, which process—

1 “(A) shall include consultation with the
2 State workforce investment board, the State
3 board responsible for administering community
4 or technical colleges, the Governor, the State
5 educational agency, the State board or agency
6 responsible for administering block grants for
7 temporary assistance to needy families under
8 title IV of the Social Security Act, the State
9 council on disabilities, the State vocational re-
10 habilitation agency, other State agencies that
11 promote the improvement of adult basic edu-
12 cation and literacy levels, and direct providers
13 of adult basic skills education programs; and

14 “(B) may include consultation with the
15 State agency on higher education, institutions
16 responsible for professional development of
17 adult basic education and reading instructors,
18 representatives of business and industry, ref-
19 ugee assistance programs, and faith-based orga-
20 nizations;

21 “(10) a description of the eligible agency’s
22 strategies for serving populations that include, at a
23 minimum—

24 “(A) low-income individuals;

25 “(B) individuals with disabilities;

1 “(C) the unemployed;

2 “(D) the underemployed; and

3 “(E) individuals with multiple barriers to
4 educational enhancement, including individuals
5 with limited English proficiency;

6 “(11) a description of how the adult education
7 and basic skills activities that will be carried out
8 with any funds received under this title will be inte-
9 grated with other adult education, career develop-
10 ment, and employment and training activities in the
11 State or outlying area served by the eligible agency;

12 “(12) a description of the steps the eligible
13 agency will take to ensure direct and equitable ac-
14 cess, as required in section 231(c)(1), including—

15 “(A) how the State will build the capacity
16 of community-based and faith-based organiza-
17 tions to provide adult basic and literacy edu-
18 cation; and

19 “(B) how the State will increase the par-
20 ticipation of business and industry in adult
21 basic and literacy education; and

22 “(13) a description of how the eligible agency
23 will consult with any State agency responsible for
24 postsecondary education to develop adult education
25 that prepares students to enter postsecondary edu-

1 cation without the need for remediation upon com-
2 pletion of secondary school equivalency programs.

3 “(c) PLAN REVISIONS.—When changes in conditions
4 or other factors require substantial revisions to an ap-
5 proved State plan, the eligible agency shall submit the re-
6 visions to the State plan to the Secretary.

7 “(d) CONSULTATION.—The eligible agency shall—

8 “(1) submit the State plan, and any revisions to
9 the State plan, to the Governor of the State or out-
10 lying area for review and comment; and

11 “(2) ensure that any comments regarding the
12 State plan by the Governor, the chief State school
13 officer, or the State officer responsible for admin-
14 istering community or technical colleges, and any re-
15 vision to the State plan, are submitted to the Sec-
16 retary.

17 “(e) PLAN APPROVAL.—A State plan submitted to
18 the Secretary shall be approved by the Secretary only if
19 the plan is consistent with the specific provisions of this
20 title.

21 “(f) TRANSITION.—The provisions of this section
22 shall be subject to section 506(b).

1 **“SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND**
2 **OTHER INSTITUTIONALIZED INDIVIDUALS.**

3 “(a) PROGRAM AUTHORIZED.—From funds made
4 available under section 222(a)(1) for a fiscal year, each
5 eligible agency shall carry out corrections education and
6 education for other institutionalized individuals.

7 “(b) USES OF FUNDS.—The funds described in sub-
8 section (a) shall be used for the cost of educational pro-
9 grams for criminal offenders in correctional institutions
10 and for other institutionalized individuals, including aca-
11 demic programs for—

12 “(1) basic skills education;

13 “(2) special education programs as determined
14 by the eligible agency;

15 “(3) reading, writing, speaking, and math pro-
16 grams; and

17 “(4) secondary school credit or diploma pro-
18 grams or their recognized equivalent.

19 “(c) PRIORITY.—Each eligible agency that is using
20 assistance provided under this section to carry out a pro-
21 gram for criminal offenders within a correctional institu-
22 tion shall give priority to serving individuals who are likely
23 to leave the correctional institution within 5 years of par-
24 ticipation in the program.

25 “(d) DEFINITION OF CRIMINAL OFFENDER.—

1 “(1) CRIMINAL OFFENDER.—The term ‘crimi-
2 nal offender’ means any individual who is charged
3 with, or convicted of, any criminal offense.

4 “(2) CORRECTIONAL INSTITUTION.—The term
5 ‘correctional institution’ means any—

6 “(A) prison;

7 “(B) jail;

8 “(C) reformatory;

9 “(D) work farm;

10 “(E) detention center; or

11 “(F) halfway house, community-based re-
12 habilitation center, or any other similar institu-
13 tion designed for the confinement or rehabilita-
14 tion of criminal offenders.

15 **“CHAPTER 3—LOCAL PROVISIONS**

16 **“SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PRO-** 17 **VIDERS.**

18 “(a) GRANTS AND CONTRACTS.—From grant funds
19 made available under section 211(b), each eligible agency
20 shall award multiyear grants or contracts, on a competi-
21 tive basis, to eligible providers within the State or outlying
22 area that meet the conditions and requirements of this
23 title to enable the eligible providers to develop, implement,
24 and improve adult education and basic skills activities
25 within the State.

1 “(b) LOCAL ACTIVITIES.—The eligible agency shall
2 require eligible providers receiving a grant or contract
3 under subsection (a) to establish or operate one or more
4 programs of instruction that provide services or instruc-
5 tion in one or more of the following categories:

6 “(1) Adult basic skills education and literacy
7 programs, including essential workplace skills (in-
8 cluding proficiency in reading, writing, speaking,
9 and math).

10 “(2) Workplace literacy programs.

11 “(3) English language acquisition programs.

12 “(4) Family literacy programs.

13 “(c) DIRECT AND EQUITABLE ACCESS; SAME PROC-
14 ESS.—Each eligible agency receiving funds under this title
15 shall ensure that—

16 “(1) all eligible providers have direct and equi-
17 table access to apply for grants or contracts under
18 this section; and

19 “(2) the same grant or contract announcement
20 process and application process is used for all eligi-
21 ble providers in the State or outlying area.

22 “(d) MEASURABLE GOALS.—The eligible agency shall
23 require eligible providers receiving a grant or contract
24 under subsection (a) to demonstrate—

1 “(1) the eligible provider’s measurable goals for
2 participant outcomes to be achieved annually on the
3 core indicators of performance and employment per-
4 formance indicators described in section 212(b)(2);

5 “(2) the past effectiveness of the eligible pro-
6 vider in improving the basic academic skills of adults
7 and, for eligible providers receiving grants in the
8 prior year, the success of the eligible provider receiv-
9 ing funding under this title in meeting or exceeding
10 its performance goals in the prior year;

11 “(3) the commitment of the eligible provider to
12 serve individuals in the community who are the most
13 in need of basic academic skills instruction services,
14 including individuals who are low-income or have
15 minimal reading, writing, speaking, and math skills,
16 or limited English proficiency.

17 “(4) whether or not the program—

18 “(A) is of sufficient intensity and duration
19 for participants to achieve substantial learning
20 gains; and

21 “(B) uses instructional practices that in-
22 clude the essential components of reading in-
23 struction;

24 “(5) whether educational practices are based on
25 scientifically based research;

1 “(6) whether the activities of the eligible pro-
2 vider effectively employ advances in technology, as
3 appropriate, including the use of computers;

4 “(7) whether the activities provide instruction
5 in real-life contexts, to ensure that an individual has
6 the skills needed to compete in the workplace and
7 exercise the rights and responsibilities of citizenship;

8 “(8) whether the activities are staffed by well-
9 trained instructors, counselors, and administrators;

10 “(9) whether the activities are coordinated with
11 other available resources in the community, such as
12 through strong links with elementary schools and
13 secondary schools, postsecondary educational institu-
14 tions, one-stop centers, job training programs, com-
15 munity-based and faith-based organizations, and so-
16 cial service agencies;

17 “(10) whether the activities offer flexible sched-
18 ules and support services (such as child care and
19 transportation) that are necessary to enable individ-
20 uals, including individuals with disabilities or other
21 special needs, to attend and complete programs;

22 “(11) whether the activities include a high-qual-
23 ity information management system that has the ca-
24 pacity to report measurable participant outcomes
25 and to monitor program performance against the

1 performance measures established by the eligible
2 agency;

3 “(12) whether the local communities have a
4 demonstrated need for additional English language
5 acquisition programs;

6 “(13) the capacity of the eligible provider to
7 produce valid information on performance results,
8 including enrollments and measurable participant
9 outcomes; and

10 “(14) whether there is a sequence of rigorous
11 courses in reading, writing, speaking, and math, in-
12 structional practices based on scientific research, ap-
13 plications of technology, and services to be provided
14 by the eligible provider, of sufficient intensity and
15 duration to increase the amount and quality of
16 learning and lead to measurable learning gains with-
17 in specified time periods.

18 **“SEC. 232. LOCAL APPLICATION.**

19 “Each eligible provider desiring a grant or contract
20 under this title shall submit an application to the eligible
21 agency containing such information and assurances as the
22 eligible agency may require, including—

23 “(1) a description of how funds awarded under
24 this title will be spent consistent with the require-
25 ments of this title;

1 “(2) a description of any cooperative arrange-
2 ments the eligible provider has with other agencies,
3 institutions, or organizations for the delivery of
4 adult education and basic skills activities; and

5 “(3) each of the demonstrations required by
6 section 231(d).

7 **“SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.**

8 “(a) IN GENERAL.—Subject to subsection (b), of the
9 amount that is made available under this title to an eligi-
10 ble provider—

11 “(1) at least 95 percent shall be expended for
12 carrying out adult education and basic skills activi-
13 ties; and

14 “(2) the remaining amount shall be used for
15 planning, administration, personnel and professional
16 development, development of measurable goals in
17 reading, writing, speaking, and math, and inter-
18 agency coordination.

19 “(b) SPECIAL RULE.—In cases where the cost limits
20 described in subsection (a) are too restrictive to allow for
21 adequate planning, administration, personnel develop-
22 ment, and interagency coordination, the eligible provider
23 may negotiate with the eligible agency in order to deter-
24 mine an adequate level of funds to be used for noninstruc-
25 tional purposes.

1 **“CHAPTER 4—GENERAL PROVISIONS**

2 **“SEC. 241. ADMINISTRATIVE PROVISIONS.**

3 “(a) SUPPLEMENT NOT SUPPLANT.—Funds made
4 available for adult education and basic skills activities
5 under this title shall supplement and not supplant other
6 State or local public funds expended for adult education
7 and basic skills activities.

8 “(b) MAINTENANCE OF EFFORT.—

9 “(1) IN GENERAL.—

10 “(A) DETERMINATION.—An eligible agency
11 may receive funds under this title for any fiscal
12 year if the Secretary finds that the fiscal effort
13 per student or the aggregate expenditures of
14 such eligible agency for activities under this
15 title, in the second preceding fiscal year, were
16 not less than 90 percent of the fiscal effort per
17 student or the aggregate expenditures of such
18 eligible agency for adult education and basic
19 skills activities, in the third preceding fiscal
20 year.

21 “(B) PROPORTIONATE REDUCTION.—Sub-
22 ject to paragraphs (2), (3), and (4), for any fis-
23 cal year with respect to which the Secretary de-
24 termines under subparagraph (A) that the fiscal
25 effort or the aggregate expenditures of an eligi-

1 ble agency for the preceding program year were
2 less than such effort or expenditures for the
3 second preceding program year, the Secretary—

4 “(i) shall determine the percentage
5 decreases in such effort or in such expendi-
6 tures; and

7 “(ii) shall decrease the payment made
8 under this title for such program year to
9 the agency for adult education and basic
10 skills activities by the lesser of such per-
11 centages.

12 “(2) COMPUTATION.—In computing the fiscal
13 effort and aggregate expenditures under paragraph
14 (1), the Secretary shall exclude capital expenditures
15 and special one-time project costs.

16 “(3) DECREASE IN FEDERAL SUPPORT.—If the
17 amount made available for adult education and basic
18 skills activities under this title for a fiscal year is
19 less than the amount made available for adult edu-
20 cation and basic skills activities under this title for
21 the preceding fiscal year, then the fiscal effort per
22 student and the aggregate expenditures of an eligible
23 agency required in order to avoid a reduction under
24 paragraph (1)(B) shall be decreased by the same

1 percentage as the percentage decrease in the amount
2 so made available.

3 “(4) WAIVER.—The Secretary may waive the
4 requirements of this subsection for not more than 1
5 fiscal year, if the Secretary determines that a waiver
6 would be equitable due to exceptional or uncontrol-
7 lable circumstances, such as a natural disaster or an
8 unforeseen and precipitous decline in the financial
9 resources of the State or outlying area of the eligible
10 agency. If the Secretary grants a waiver under the
11 preceding sentence for a fiscal year, the level of ef-
12 fort required under paragraph (1) shall not be re-
13 duced in the subsequent fiscal year because of the
14 waiver.

15 **“SEC. 242. NATIONAL LEADERSHIP ACTIVITIES.**

16 “The Secretary shall establish and carry out a pro-
17 gram of national leadership activities that may include the
18 following:

19 “(1) Technical assistance, on request, including
20 assistance—

21 “(A) to volunteer community- and faith-
22 based organizations, including but not limited
23 to, improving their fiscal management, re-
24 search-based instruction, and reporting require-
25 ments, and the development of measurable ob-

1 jectives to carry out the requirements of this
2 title;

3 “(B) in developing valid, measurable, and
4 reliable performance data, and using perform-
5 ance information for the improvement of adult
6 basic and literacy education programs;

7 “(C) on adult education professional devel-
8 opment; and

9 “(D) in using distance learning and im-
10 proving the application of technology in the
11 classroom.

12 “(2) Providing for the conduct of research on
13 basic skills acquisition among adults, including the
14 number of adults functioning at different levels of
15 reading proficiency.

16 “(3) Improving the coordination, efficiency, and
17 effectiveness of adult education and workforce devel-
18 opment services at the national, State, and local lev-
19 els.

20 “(4) Determining how participation in adult
21 basic and literacy education programs prepares indi-
22 viduals for entry into and success in postsecondary
23 education and employment, and in the case of pris-
24 on-based services, the effect on recidivism.

1 “(5) Evaluating how different types of pro-
2 viders, including community and faith-based organi-
3 zations or private for-profit agencies measurably im-
4 prove the skills of participants in adult basic and lit-
5 eracy education programs.

6 “(6) Identifying model integrated basic and
7 workplace skills education programs, coordinated lit-
8 eracy and employment services, and effective strate-
9 gies for serving adults with disabilities.

10 “(7) Initiating other activities designed to im-
11 prove the measurable quality and effectiveness of
12 adult education and literacy programs nationwide.”.

13 **TITLE III—AMENDMENTS TO**
14 **OTHER PROVISIONS OF LAW**

15 **SEC. 301. REPEAL OF WAGNER-PEYSER PROVISIONS.**

16 Sections 1 through 13 of the Wagner-Peyser Act (29
17 U.S.C. 49 et. seq.) are repealed.

18 **TITLE IV—AMENDMENTS TO THE**
19 **REHABILITATION ACT OF 1973**

20 **SEC. 401. CHAIRPERSON.**

21 Section 705(b)(5) of the Rehabilitation Act of 1973
22 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

23 “(5) CHAIRPERSON.—The Council shall select a
24 chairperson from among the voting membership of
25 the Council.”.

1 **SEC. 402. REHABILITATION SERVICES ADMINISTRATION.**

2 Section 3(a) of the Rehabilitation Act of 1973 (29
3 U.S.C. 702(a)) is amended—

4 (1) by striking “Office of the Secretary” and
5 inserting “Department of Education”;

6 (2) by striking “President of the United States
7 by and with the advice and consent of the Senate”
8 and inserting “Secretary”; and

9 (3) by striking “, and the Commissioner shall
10 be the principal officer,”.

11 **SEC. 403. DIRECTOR.**

12 The Rehabilitation Act of 1973 (29 U.S.C. 701 et
13 seq.) is amended by striking “Commissioner” each place
14 it appears and inserting “Director”.

15 **SEC. 404. STATE GOALS.**

16 Section 101(a)(29 U.S.C. 721(a)) is amended—

17 (1) in paragraph (11)(D)(i) by inserting “,
18 which may be provided using alternative means of
19 meeting participation (such as video conferences and
20 conference calls),” before the semicolon; and

21 (2) in paragraph (15)—

22 (A) in subparagraph (A), by redesignating
23 clauses (ii) and (iii) as clauses (iii) and (iv), re-
24 spectively, and inserting the following new
25 clause:

1 “(ii) include an assessment of the
2 transition services provided under this Act,
3 and coordinated with transition services
4 under the Individuals with Disabilities
5 Education Act, as to those services meet-
6 ing the needs of individuals with disabil-
7 ities.”; and

8 (B) by amending subparagraph (D)(i) to
9 read as follows:

10 “(i) the methods to be used to expand
11 and improve the services to individuals
12 with disabilities including—

13 “(I) how a broad range of assist-
14 ive technology services and assistive
15 technology devices will be provided to
16 such individuals at each stage of the
17 rehabilitative process and how such
18 services and devices will be provided
19 to such individuals on a statewide
20 basis; and

21 “(II) how transition services will
22 be better coordinated with those serv-
23 ices under the Individuals with Dis-
24 abilities Education Act in order to im-
25 prove transition services for individ-

1 uals with disabilities served under this
2 Act;”.

3 **SEC. 405. AUTHORIZATIONS OF APPROPRIATIONS.**

4 The Rehabilitation Act of 1973 is further amended—

5 (1) in section 100(b)(1) by striking “fiscal
6 years 1999 through 2003” and inserting “fiscal
7 years 2004 through 2009”;

8 (2) in section 100(d)(B) by striking “fiscal year
9 2003” and inserting “fiscal year 2009”;

10 (3) in section 110(c) by amending paragraph
11 (2) to read as follows:

12 “(2) The sum referred to in paragraph (1) shall
13 be, as determined by the Secretary, not less than 1
14 percent and not more than 1.5 percent of the
15 amount referred to in paragraph (1) for each of fis-
16 cal years 2003 through 2009.”;

17 (4) in section 112(h) by striking “fiscal years
18 1999 through 2003” and inserting “fiscal years
19 2004 through 2009”;

20 (5) in section 201 by striking “fiscal years
21 1999 through 2003” and inserting “fiscal years
22 2004 through 2009” each place it appears;

23 (6) in section 302(i) by striking “fiscal years
24 1999 through 2003” and inserting “fiscal years
25 2004 through 2009”;

1 (7) in section 303(e) by striking “fiscal years
2 1999 through 2003” and inserting “fiscal years
3 2004 through 2009”;

4 (8) in section 304(b) by striking “fiscal years
5 1999 through 2003” and inserting “fiscal years
6 2004 through 2009”;

7 (9) in section 305(b) by striking “fiscal years
8 1999 through 2003” and insert “fiscal years 2004
9 through 2009”;

10 (10) in section 405 by striking “fiscal years
11 1999 through 2003” and inserting “fiscal years
12 2004 through 2009”;

13 (11) in section 502(j) by striking “fiscal years
14 1999 through 2003” and inserting “fiscal years
15 2004 through 2009”;

16 (12) in section 509(l) by striking “fiscal years
17 1999 through 2003” and inserting “fiscal years
18 2004 through 2009”;

19 (13) in section 612 by striking “fiscal years
20 1999 through 2003” and inserting “fiscal years
21 2004 through 2009”;

22 (14) in section 628 by striking “fiscal years
23 1999 through 2003” and inserting “fiscal years
24 2004 through 2009”;

1 (15) in section 714 by striking “fiscal years
2 1999 through 2003” and inserting “fiscal years
3 2004 through 2009”;

4 (16) in section 727 by striking “fiscal years
5 1999 through 2003” and inserting “fiscal years
6 2004 through 2009”; and

7 (17) in section 753 by striking “fiscal years
8 1999 through 2003” and inserting “fiscal years
9 2004 through 2009”.

10 **TITLE V—TRANSITION AND**
11 **EFFECTIVE DATE**

12 **SEC. 501. TRANSITION PROVISIONS.**

13 The Secretary of Labor shall take such actions as the
14 Secretary determines to be appropriate to provide for the
15 orderly implementation of this Act.

16 **SEC. 502. EFFECTIVE DATE.**

17 Except as otherwise provided in this Act, this Act and
18 the amendments made by this Act, shall take effect on
19 the date of enactment of this Act.

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