

109TH CONGRESS
1ST SESSION

H. R. 3976

To accelerate the reemployment and employment of individuals affected by Hurricanes Katrina and Rita by establishing grants to eligible entities to provide worker recovery accounts to eligible individuals.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 2005

Mr. BOUSTANY (for himself, Mr. BOEHNER, Mr. McKEON, Mr. WILSON of South Carolina, Mr. PORTER, Mr. JINDAL, Mr. ALEXANDER, Mr. BAKER, Mr. McCRERY, and Mr. PICKERING) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To accelerate the reemployment and employment of individuals affected by Hurricanes Katrina and Rita by establishing grants to eligible entities to provide worker recovery accounts to eligible individuals.

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 “Worker Recovery Act
5 of 2005”.

1 **SEC. 2. PURPOSES.**

2 The purposes of this act are to accelerate the reem-
3 ployment and employment of individuals affected by Hur-
4 ricanes Katrina and Rita, and provide such individuals
5 with enhanced flexibility, choice, and control in obtaining
6 intensive reemployment, training, and supportive services.

7 **SEC. 3. GRANTS TO SUPPORT WORKER RECOVERY AC-**
8 **COUNTS.**

9 Subtitle F of title I of the Workforce Investment Act
10 of 1998 (29 U.S.C. 2801 et seq.) is amended by redesignig-
11 nating subtitle F as subtitle G and inserting after subtitle
12 E the following:

13 **“Subtitle F—Temporary Program**
14 **to Provide Worker Recovery Ac-**
15 **counts to Workers Affected by a**
16 **Gulf Hurricane Disaster**

17 **“SEC. 196. ESTABLISHMENT OF WORKER RECOVERY AC-**
18 **COUNTS GRANT PROGRAM.**

19 “(a) IN GENERAL.—The Secretary shall make grants
20 to eligible entities to provide worker recovery accounts to
21 eligible individuals in accordance with this subtitle in order
22 to meet the employment and training needs of individuals
23 affected by Hurricane Katrina or Hurricane Rita.

24 “(b) ELIGIBLE ENTITIES.—For purposes of this sub-
25 title, an eligible entity means—

1 “(1) the States of Louisiana, Mississippi, Ala-
2 bama, and Texas;

3 “(2) States to which a significant number of in-
4 dividuals described in subsection (d)(2)(A)(i) and (ii)
5 have relocated; and

6 “(3) a local board or a consortium of local
7 boards established in a local area or areas—

8 “(A) within the boundaries of which is an
9 area that has been declared a major disaster
10 under section 401 of the Robert T. Stafford
11 Disaster Relief and Emergency Assistance Act
12 (42 U.S.C. 5170) as a result of Hurricane
13 Katrina or Hurricane Rita and where the Presi-
14 dent has determined payment of assistance
15 under section 410(a) of such Act is warranted;
16 or

17 “(B) to which a significant number of indi-
18 viduals described in subsection (d)(2)(A)(i) and
19 (ii) have relocated.

20 “(c) USE OF GRANT FUNDS.—

21 “(1) IN GENERAL.—An eligible entity that re-
22 ceives a grant under this subtitle shall use the grant
23 funds to provide, through a local area or areas, eligi-
24 ble individuals with worker recovery accounts. An el-

1 eligible individual may receive only 1 worker recovery
2 account.

3 “(2) AMOUNT IN ACCOUNTS.—The eligible enti-
4 ty shall establish the amount to be provided for each
5 worker recovery account, which shall be uniform
6 throughout the State or local area and shall not be
7 in excess of \$5,000.

8 “(3) LIMITATION ON ADMINISTRATIVE COSTS.—
9 Of the amount awarded to an eligible entity under
10 a grant under this subtitle, not more than 5 percent
11 of the amount may be used for the costs of adminis-
12 tration.

13 “(d) ELIGIBLE INDIVIDUALS.—

14 “(1) IN GENERAL.—Each eligible entity shall
15 establish eligibility criteria for individuals for worker
16 recovery accounts in accordance with this subsection.

17 “(2) ELIGIBILITY CRITERIA REQUIREMENTS.—

18 “(A) IN GENERAL.—An individual shall be
19 eligible to receive a worker recovery account
20 under a grant awarded under this subtitle if the
21 individual—

22 “(i)(I) was employed in a county in
23 Mississippi or Alabama, or a parish in
24 Louisiana, where a major disaster has been
25 declared under section 401 of the Robert

1 T. Stafford Disaster Relief and Emergency
2 Assistance Act (42 U.S.C. 5170) as a re-
3 sult of Hurricane Katrina and where the
4 President has determined payment of as-
5 sistance under section 410(a) of such Act
6 is warranted; or

7 “(II) was employed in a county in
8 Texas or a parish in Louisiana where a
9 major disaster has been declared under
10 section 401 of the Robert T. Stafford Dis-
11 aster Relief and Emergency Assistance Act
12 as a result of Hurricane Rita and where
13 the President has determined payment of
14 assistance under section 410(a) of such
15 Act is warranted;

16 “(ii) has lost the employment de-
17 scribed in clause (i) as a direct result of a
18 Hurricane Katrina or Hurricane Rita; and

19 “(iii) either

20 “(I)(aa) has been identified by
21 the State pursuant to section
22 303(j)(1) of the Social Security Act
23 (42 U.S.C. 503(j)(1)) as likely to ex-
24 haust regular unemployment com-
25 pensation and in need of job search

1 assistance to make a successful transi-
2 tion to new employment;

3 “(bb) is receiving regular
4 unemployment compensation as
5 defined in section 205(2) of the
6 Federal-State Extended Unem-
7 ployment Compensation Act of
8 1970; and

9 “(cc) filed the claim for un-
10 employment compensation not
11 later than 9 months after the
12 declaration of the major disaster
13 described in clause (i); or

14 “(II) is receiving disaster unem-
15 ployment assistance under section
16 410(a) of the Robert T. Stafford Dis-
17 aster Relief and Emergency Assist-
18 ance Act (42 U.S.C. 5177(a)).

19 “(B) ADDITIONAL ELIGIBILITY AND PRI-
20 ORITY CRITERIA.—An eligible entity may estab-
21 lish criteria that are in addition to the criteria
22 described in subparagraph (A) for the eligibility
23 of individuals to receive a worker recovery ac-
24 count under this subtitle. An eligible entity may
25 also establish criteria for priority in the provi-

1 sion of a worker recovery account to such eligi-
2 ble individuals under a grant awarded under
3 this subtitle.

4 “(3) NO INDIVIDUAL ENTITLEMENT.—Nothing
5 in this subtitle shall be construed to entitle any indi-
6 vidual to receive a worker recovery account.

7 “(e) ADMINISTRATION.—

8 “(1) INFORMATION AND ATTESTATION.—Prior
9 to the establishment of a worker recovery account
10 for an eligible individual, the eligible entity receiving
11 a grant, through the one-stop delivery system in the
12 participating local area or areas, shall ensure that
13 the individual—

14 “(A) is informed of the requirements appli-
15 cable to the worker recovery account, including
16 the allowable uses of funds from the account,
17 the limitations on access to services described in
18 section 196B and a description of such services,
19 and the conditions for receiving a reemployment
20 bonus;

21 “(B) has the option to develop a worker
22 recovery plan which will identify the employ-
23 ment goals and appropriate combination of
24 services selected by the individual to achieve the
25 employment goals; and

1 “(C) signs an attestation that the indi-
2 vidual has been given the option to develop a
3 worker recovery plan in accordance with sub-
4 paragraph (B), will comply with the require-
5 ments under this subtitle relating to the worker
6 recovery accounts, and will reimburse the ac-
7 count or, if the account has been terminated,
8 the grant awarded under this subtitle, for any
9 amounts expended from the account that are
10 not allowable.

11 “(2) PERIODIC INTERVIEWS.—If a recipient ex-
12 hausts his or her rights to any unemployment com-
13 pensation and the recipient has a remaining balance
14 in his or her worker recovery account, the one-stop
15 delivery system shall conduct periodic interviews
16 with the recipient to assist the recipient in meeting
17 his or her individual employment goals.

18 “(3) USE OF WORKER RECOVERY ACCOUNTS.—
19 The eligible entity receiving a grant shall ensure
20 that eligible individuals receiving a worker recovery
21 account use the account in accordance with section
22 196B.

23 **“SEC. 196A. APPLICATION FOR GRANTS.**

24 “To be eligible to receive a grant under this subtitle,
25 an eligible entity shall submit an application to the Sec-

1 retary at such time, in such manner, and containing such
2 information as the Secretary may require, including at a
3 minimum—

4 “(1) if the eligible entity is a State—

5 “(A) assurance that the application was
6 developed in conjunction with the local board or
7 boards and chief elected officials where the
8 worker recovery accounts shall be made avail-
9 able; and

10 “(B) a description of the methods and pro-
11 cedures for providing funds, including adminis-
12 trative funds, to local areas where the worker
13 recovery accounts shall be made available;

14 “(2) a description of the criteria and methods
15 to be used for determining eligibility for the worker
16 recovery account, including the additional criteria
17 and priority for service that the eligible entity in-
18 tends to apply, if any, pursuant to section
19 196(d)(2)(B);

20 “(3) a description of the methods or procedures
21 to be used to provide eligible individuals information
22 relating to services and providers;

23 “(4) a description of safeguards to ensure that
24 funds from the worker recovery accounts are used
25 for purposes authorized under this subtitle and to

1 ensure the quality and integrity of services and pro-
2 viders, consistent with the purpose of providing eligi-
3 ble individuals with enhanced flexibility, choice, and
4 control in obtaining intensive reemployment, train-
5 ing, and supportive services;

6 “(5) a description of how the eligible entity will
7 coordinate the activities carried out under this sub-
8 title with the employment and training activities car-
9 ried out under section 134 and other activities car-
10 ried out by local boards through the one-stop deliv-
11 ery system in the State or local area; and

12 “(6) an assurance that the eligible entity will
13 comply with any evaluation and reporting require-
14 ments the Secretary may require.

15 **“SEC. 196B. USE OF WORKER RECOVERY ACCOUNTS.**

16 “(a) ALLOWABLE ACTIVITIES.—

17 “(1) IN GENERAL.—Subject to the require-
18 ments contained in paragraphs (2) and (3), a recipi-
19 ent of a worker recovery account may use amounts
20 in a worker recovery account to purchase 1 or more
21 of the following:

22 “(A) Intensive services, including those
23 type of services specified in section
24 134(d)(3)(C).

1 “(B) Training services, including those
2 types of services specified in section
3 134(d)(4)(D).

4 “(C) Supportive services (except for needs
5 related payments) and relocation assistance.

6 “(2) DELIVERY OF SERVICES.—The following
7 requirements relating to delivery of services shall
8 apply to the grants under this subtitle:

9 “(A) Recipients may use funds from the
10 worker recovery account to purchase the serv-
11 ices described in paragraph (1) through the
12 one-stop delivery system on a fee-for-service
13 basis, or through other providers, consistent
14 with the safeguards described in section
15 196A(d).

16 “(B) The eligible entity, through the one-
17 stop delivery system in the participating local
18 area or areas, may pay costs for such services
19 directly on behalf of the recipient, through a
20 voucher system, through arrangements with pri-
21 vate financial institutions, or by reimbursement
22 to the recipient upon receipt of appropriate cost
23 documentation.

24 “(C) Each eligible entity, through the one-
25 stop delivery system in the participating local

1 area or areas, shall make available to recipients
2 information on training providers, including in-
3 formation specified in section 134(d)(4)(F)(ii),
4 information available to the one-stop delivery
5 system on providers of the intensive and sup-
6 portive services described in paragraph (1), in-
7 cluding child care, and information relating to
8 occupations in demand in the local area and oc-
9 cupations in demand in the home State of an
10 individual who has relocated.

11 “(3) LIMITATIONS.—The following limitations
12 shall apply with respect to worker recovery accounts
13 under this subtitle:

14 “(A) Amounts in a worker recovery ac-
15 count may be used for up to 1 year from the
16 date of the establishment of the account.

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

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

1 “(D) Amounts in a worker recovery ac-
2 count shall be nontransferable.

3 “(b) REEMPLOYMENT BONUS.—

4 “(1) IN GENERAL.—Subject to paragraph (2),
5 if a recipient determined eligible under section
6 196(d) obtains full-time employment before the 13th
7 week of unemployment for which unemployment
8 compensation (including disaster unemployment as-
9 sistance) is paid, or if such individual was already
10 receiving unemployment compensation (including
11 disaster unemployment assistance) on the date of
12 enactment of this subtitle and obtains full-time em-
13 ployment before the 13th week after the week in
14 which the worker recovery account is established, the
15 balance of his or her worker recovery account in an
16 amount not to exceed \$1,000 shall be provided di-
17 rectly to the recipient in cash.

18 “(2) LIMITATIONS.—The following limitations
19 shall apply with respect to a recipient described in
20 paragraph (1):

21 “(A) 60 percent of the remaining worker
22 recovery account balance as determined under
23 paragraph (1), up to a maximum of \$600, shall
24 be paid to the recipient at the time of employ-
25 ment.

1 “(B) 40 percent of the remaining worker
2 recovery account balance as determined under
3 paragraph (1), up to a maximum of \$400, shall
4 be paid to the recipient after 26 weeks of em-
5 ployment retention.

6 “(3) EXCEPTION REGARDING SUBSEQUENT EM-
7 PLOYMENT.—If a recipient described in paragraph
8 (1) subsequently becomes unemployed due to a lack
9 of work after receiving the portion of the reemploy-
10 ment bonus specified under paragraph (2)(A), the
11 individual may use the amount remaining in the
12 worker recovery account for the purposes described
13 in subsection (a) but may not be eligible for addi-
14 tional cash payments under this subparagraph.

15 **“SEC. 196C. PROGRAM INFORMATION AND EVALUATION.**

16 “(a) INFORMATION.—The Secretary may require eli-
17 gible entities receiving a grant under this subtitle to collect
18 and report on such financial, performance, and other pro-
19 gram-related information as the Secretary determines is
20 appropriate to carry out this subtitle, including the evalua-
21 tion described in subsection (b).

22 “(b) EVALUATION.—

23 “(1) IN GENERAL.—The Secretary, pursuant to
24 the authority provided in section 172, shall, directly
25 or through grants, contracts, or cooperative agree-

1 ment with appropriate entities, conduct an evalua-
2 tion of the activities carried out under any grants
3 awarded under this subtitle.

4 “(2) REPORT.—The Secretary shall report to
5 Congress relating to the results of the evaluations
6 required under paragraph (1), which shall include
7 any recommendations the Secretary deems appro-
8 priate with respect to the use of worker recovery ac-
9 count as a mechanism to assist individuals in obtain-
10 ing and retaining employment.

11 **“SEC. 196D. AUTHORIZATION OF APPROPRIATIONS.**

12 “(a) IN GENERAL.—There are authorized to be ap-
13 propriated to carry out this subtitle \$650,000,000 for fis-
14 cal year 2006.

15 “(b) AVAILABILITY OF FUNDS.— Funds authorized
16 under this subtitle shall be available for obligation upon
17 the date of enactment of the appropriation and shall re-
18 main available for obligation until September 30, 2006
19 and for expenditure until September 30, 2007.”.

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