

109TH CONGRESS
1ST SESSION

S. 1021

To reauthorize the Workforce Investment Act of 1998, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 12, 2005

Mr. ENZI (for himself and Mr. KENNEDY) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To reauthorize the Workforce Investment Act of 1998, 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 Investment
5 Act Amendments of 2005”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents of 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

Subtitle A—Definitions

Sec. 101. Definitions.

Subtitle B—Statewide and Local Workforce Investment Systems

- Sec. 111. Purpose.
- Sec. 112. State workforce investment boards.
- Sec. 113. State plan.
- Sec. 114. Local workforce investment areas.
- Sec. 115. Local workforce investment boards.
- Sec. 116. Local plan.
- Sec. 117. Establishment of one-stop delivery systems.
- Sec. 118. Eligible providers of training services.
- Sec. 119. Eligible providers of youth activities.
- Sec. 120. Youth activities.
- Sec. 121. Adult and dislocated worker employment and training activities.
- Sec. 122. Performance accountability system.
- Sec. 123. Authorization of appropriations.

Subtitle C—Job Corps

Sec. 131. Job Corps.

Subtitle D—National Programs

- Sec. 141. Native American programs.
- Sec. 142. Migrant and seasonal farmworker programs.
- Sec. 143. Veterans' workforce investment programs.
- Sec. 144. Youth challenge grants.
- Sec. 145. Technical assistance.
- Sec. 146. Demonstration, pilot, multiservice, research, and multistate projects.
- Sec. 147. National dislocated worker grants.
- Sec. 148. Authorization of appropriations for national activities.

Subtitle E—Administration

- Sec. 151. Requirements and restrictions.
- Sec. 152. Reports.
- Sec. 153. Administrative provisions.
- Sec. 154. Use of certain real property.
- Sec. 155. General program requirements.
- Sec. 156. Table of contents.

Subtitle F—Incentive Grants

Sec. 161. Incentive grants.

Subtitle G—Conforming Amendments

Sec. 171. Conforming amendments.

TITLE II—AMENDMENTS TO THE ADULT EDUCATION AND
FAMILY LITERACY ACT

- Sec. 201. Short title; purpose.
- Sec. 202. Definitions.
- Sec. 203. Authorization of appropriations.
- Sec. 204. Home schools.

- Sec. 205. Reservation of funds; grants to eligible agencies; allotments.
- Sec. 206. Performance accountability system.
- Sec. 207. State administration.
- Sec. 208. State distribution of funds; matching requirement.
- Sec. 209. State leadership activities.
- Sec. 210. State plan.
- Sec. 211. Programs for corrections education and other institutionalized individuals.
- Sec. 212. Grants and contracts for eligible providers.
- Sec. 213. Local application.
- Sec. 214. Local administrative cost limits.
- Sec. 215. Administrative provisions.
- Sec. 216. National Institute for Literacy.
- Sec. 217. National leadership activities.
- Sec. 218. Integrated English literacy and civics education.
- Sec. 219. Transition.

TITLE III—AMENDMENTS TO OTHER PROVISIONS OF LAW

- Sec. 301. Wagner-Peyser Act.

TITLE IV—REHABILITATION ACT AMENDMENTS

- Sec. 401. Short title.
- Sec. 402. Technical amendments to table of contents.
- Sec. 403. Purpose.
- Sec. 404. Definitions.
- Sec. 405. Administration of the Act.
- Sec. 406. Reports.
- Sec. 407. Carryover.

Subtitle A—Vocational Rehabilitation Services

- Sec. 411. Declaration of policy; authorization of appropriations.
- Sec. 412. State plans.
- Sec. 413. Eligibility and individualized plan for employment.
- Sec. 414. Vocational rehabilitation services.
- Sec. 415. State rehabilitation council.
- Sec. 416. Evaluation standards and performance indicators.
- Sec. 417. Monitoring and review.
- Sec. 418. State allotments.
- Sec. 419. Reservation for expanded transition services.
- Sec. 420. Client assistance program.
- Sec. 421. Incentive grants.
- Sec. 422. Vocational rehabilitation services grants.
- Sec. 423. GAO studies.

Subtitle B—Research and Training

- Sec. 431. Declaration of purpose.
- Sec. 432. Authorization of appropriations.
- Sec. 433. National Institute on Disability and Rehabilitation Research.
- Sec. 434. Interagency committee.
- Sec. 435. Research and other covered activities.
- Sec. 436. Rehabilitation Research Advisory Council.
- Sec. 437. Definition.

Subtitle C—Professional Development and Special Projects and
Demonstrations

- Sec. 441. Training.
- Sec. 442. Demonstration and training programs.
- Sec. 443. Migrant and seasonal farmworkers.
- Sec. 444. Recreational programs.

Subtitle D—National Council on Disability

- Sec. 451. Authorization of appropriations.

Subtitle E—Rights and Advocacy

- Sec. 461. Architectural and Transportation Barriers Compliance Board.
- Sec. 462. Protection and advocacy of individual rights.

Subtitle F—Employment Opportunities for Individuals With Disabilities

- Sec. 471. Projects with industry.
- Sec. 472. Projects with industry authorization of appropriations.
- Sec. 473. Services for individuals with significant disabilities authorization of appropriations.

Subtitle G—Independent Living Services and Centers for Independent Living

- Sec. 481. State plan.
- Sec. 482. Statewide Independent Living Council.
- Sec. 483. Independent living services authorization of appropriations.
- Sec. 484. Program authorization.
- Sec. 485. Grants to centers for independent living in States in which Federal funding exceeds State funding.
- Sec. 486. Grants to centers for independent living in States in which State funding equals or exceeds Federal funding.
- Sec. 487. Standards and assurances for centers for independent living.
- Sec. 488. Centers for independent living authorization of appropriations.
- Sec. 489. Independent living services for older individuals who are blind.
- Sec. 490. Program of grants.
- Sec. 491. Independent living services for older individuals who are blind authorization of appropriations.

Subtitle H—Miscellaneous

- Sec. 495. Helen Keller National Center Act.

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-

1 sion, the reference shall be considered to be made to a
2 section or other provision of the Workforce Investment Act
3 of 1998 (29 U.S.C. 2801 et seq.).

4 **TITLE I—AMENDMENTS TO**
5 **TITLE I OF THE WORKFORCE**
6 **INVESTMENT ACT OF 1998**

7 **Subtitle A—Definitions**

8 **SEC. 101. DEFINITIONS.**

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

10 (1) by redesignating paragraphs (1) through
11 (4), (5) through (16), (17), (18) through (41), and
12 (42) through (53) as paragraphs (2) through (5),
13 (7) through (18), (20), (23) through (46), and (48)
14 through (59), respectively;

15 (2) by inserting before paragraph (2) (as redес-
16 igned by paragraph (1)) the following:

17 “(1) ACCRUED EXPENDITURES.—The term ‘ac-
18 crued expenditures’ means charges incurred by re-
19 cipients of funds under this title for a given period
20 requiring the provision of funds for—

21 “(A) goods or other tangible property re-
22 ceived;

23 “(B) services performed by employees, con-
24 tractors, subgrantees, subcontractors, and other
25 payees; and

1 “(C) other amounts becoming owed under
2 programs assisted under this title for which no
3 current services or performance is required,
4 such as annuities, insurance claims, and other
5 benefit payments.”;

6 (3) in paragraph (2) (as redesignated by para-
7 graph (1)), by striking “Except in sections 127 and
8 132,” and inserting “Except in section 132,”;

9 (4) by striking paragraph (5) (as redesignated
10 by paragraph (1)) and inserting the following:

11 “(5) BASIC SKILLS DEFICIENT.—The term
12 ‘basic skills deficient’ means, with respect to an indi-
13 vidual, that the individual—

14 “(A) has English reading, writing, or com-
15 puting skills at or below the 8th grade level on
16 a generally accepted standardized test or a com-
17 parable score on a criterion-referenced test; or

18 “(B) is unable to compute or solve prob-
19 lems, read, write, or speak English at a level
20 necessary to function on the job, in the individ-
21 ual’s family, or in society.”;

22 (5) by inserting after paragraph (5) (as redesign-
23 ated by paragraph (1)) the following:

24 “(6) BUSINESS INTERMEDIARY.—The term
25 ‘business intermediary’ means an entity that brings

1 together various stakeholders with an expertise in an
2 industry or business sector.”;

3 (6) in paragraph (9) (as redesignated by para-
4 graph (1)), by inserting “, including a faith-based
5 organization,” after “nonprofit organization”;

6 (7) in paragraph (10) (as redesignated by para-
7 graph (1))—

8 (A) in subparagraph (B), by striking
9 “and” after the semicolon;

10 (B) in subparagraph (C)—

11 (i) by striking “for not less than 50
12 percent of the cost of the training.” and
13 inserting “for—

14 “(i) a significant portion of the cost of
15 training as determined by the local board,
16 taking into account the size of the em-
17 ployer and such other factors as the local
18 board determines to be appropriate; and

19 “(ii) in the case of customized train-
20 ing (as defined in subparagraphs (A) and
21 (B)) with an employer in multiple local
22 areas in the State, a significant portion of
23 the cost of the training, as determined by
24 the Governor, taking into account the size
25 of the employer and such other factors as

1 the Governor determines to be appro-
2 priate.”;

3 (8) in paragraph (11) (as redesignated by para-
4 graph (1))—

5 (A) in subparagraph (A)(ii)(II), by striking
6 “section 134(c)” and inserting “section
7 121(e)”;

8 (B) in subparagraph (C), by striking “or”
9 after the semicolon;

10 (C) in subparagraph (D), by striking the
11 period and inserting “; or”; and

12 (D) by adding at the end the following:

13 “(E)(i) is the spouse of a member of the
14 Armed Forces on active duty for a period of
15 more than 30 days (as defined in section
16 101(d)(2) of title 10, United States Code) who
17 has experienced a loss of employment as a di-
18 rect result of relocation to accommodate a per-
19 manent change in duty station of such member;
20 or

21 “(ii) is the spouse of a member of the
22 Armed Forces on active duty who meets the cri-
23 teria described in paragraph (12)(B).”;

24 (9) in paragraph (12)(A) (as redesignated by
25 paragraph (1))—

1 (A) by striking “and” after the semicolon
2 and inserting “or”;

3 (B) by striking “(A)” and inserting
4 “(A)(i)”; and

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

6 “(ii) is the dependent spouse of a member
7 of the Armed Forces on active duty for a period
8 of more than 30 days (as defined in section
9 101(d)(2) of title 10, United States Code)
10 whose family income is significantly reduced be-
11 cause of a deployment (as defined in section
12 991(b) of title 10, United States Code, or pur-
13 suant to paragraph (4) of such section), a call
14 or order to active duty pursuant to a provision
15 of law referred to in section 101(a)(13)(B) of
16 title 10, United States Code, a permanent
17 change of station, or the service-connected (as
18 defined in section 101(16) of title 38, United
19 States Code) death or disability of the member;
20 and”;

21 (10) in paragraph (14)(A) (as redesignated by
22 paragraph (1)), by striking “section 122(e)(3)” and
23 inserting “section 122”;

24 (11) by inserting after paragraph (18) (as re-
25 designated by paragraph (1)) the following:

1 “(19) HARD-TO-SERVE POPULATIONS.—The
2 term ‘hard-to-serve populations’ means populations
3 of individuals who are hard to serve, including dis-
4 placed homemakers, low-income individuals, Native
5 Americans, individuals with disabilities, older indi-
6 viduals, ex-offenders, homeless individuals, individ-
7 uals with limited English proficiency, individuals
8 who do not meet the definition of literacy in section
9 203, individuals facing substantial cultural barriers,
10 migrant and seasonal farmworkers, individuals with-
11 in 2 years of exhausting lifetime eligibility under
12 part A of title IV of the Social Security Act (42
13 U.S.C. 601 et seq.), single parents (including single
14 pregnant women), and such other groups as the
15 Governor determines to be hard to serve.”;

16 (12) by inserting after paragraph (20) (as re-
17 designated by paragraph (1)) the following:

18 “(21) INTEGRATED TRAINING PROGRAM.—The
19 term ‘integrated training program’ means a program
20 that combines occupational skills training with
21 English language acquisition.

22 “(22) INSTITUTION OF HIGHER EDUCATION.—
23 The term ‘institution of higher education’ has the
24 meaning given the term in section 101(a), and sub-
25 paragraphs (A) and (B) of section 102(a)(1), of the

1 Higher Education Act of 1965 (20 U.S.C. 1001(a),
2 1002(a)(1)).”;

3 (13) in paragraph (30) (as redesignated by
4 paragraph (1))—

5 (A) by redesignating subparagraphs (D)
6 through (F) as subparagraphs (E) through (G),
7 respectively; and

8 (B) by inserting after subparagraph (C)
9 the following:

10 “(D) receives or is eligible to receive a free
11 or reduced price lunch under the Richard B.
12 Russell National School Lunch Act (42 U.S.C.
13 1751 et seq.);”;

14 (14) in paragraph (31) (as redesignated by
15 paragraph (1)), by inserting after “fields of work”
16 the following: “, including occupations in computer
17 science and technology and other emerging high-skill
18 occupations,”;

19 (15) in paragraph (35) (as redesignated by
20 paragraph (1)), by inserting “, subject to section
21 121(b)(1)(C)” after “121(b)(1)”;

22 (16) by striking paragraph (38) (as redesignated by
23 paragraph (1)) and inserting the following:

1 “(38) OUT-OF-SCHOOL YOUTH.—The term ‘out-
2 of-school youth’ means an out-of-school youth as de-
3 fined in section 129(a)(1)(B).”;

4 (17) by inserting after paragraph (46) (as re-
5 designated by paragraph (1)) the following:

6 “(47) SELF-SUFFICIENCY.—The term ‘self-suf-
7 ficiency’ means self-sufficiency within the meaning
8 of subsections (a)(3)(A)(x) and (e)(1)(A)(xii) of sec-
9 tion 134.”;

10 (18) in paragraph (49) (as redesignated by
11 paragraph (1)), by striking “clause (iii) or (v) of
12 section 136(b)(3)(A)” and inserting “section
13 136(b)(3)(A)(iii)”;

14 (19) in paragraph (58) (as redesignated by
15 paragraph (1)), by striking “(or as described in sec-
16 tion 129(c)(5))” and inserting “(or as described in
17 section 129(a)(2))”; and

18 (20) in paragraph (59) (as redesignated by
19 paragraph (1)), by striking “established under sec-
20 tion 117(h)” and inserting “that may be established
21 under section 117(h)(2)”.

1 **Subtitle B—Statewide and Local**
2 **Workforce Investment Systems**

3 **SEC. 111. PURPOSE.**

4 Section 106 (29 U.S.C. 2811) is amended to read as
5 follows:

6 **“SEC. 106. PURPOSES.**

7 “The purposes of this subtitle are the following:

8 “(1)(A) Primarily, to provide workforce invest-
9 ment activities, through statewide and local work-
10 force investment systems, that increase the employ-
11 ment, retention, self-sufficiency, and earnings of
12 participants, and increase occupational skill attain-
13 ment by participants.

14 “(B) As a result of the provision of the activi-
15 ties, to improve the quality of the workforce, reduce
16 welfare dependency, increase self-sufficiency, and en-
17 hance the productivity and competitiveness of the
18 Nation.

19 “(2) To enhance the workforce investment sys-
20 tem of the Nation by strengthening one-stop centers,
21 providing for more effective governance arrange-
22 ments, promoting access to a more comprehensive
23 array of employment and training and related serv-
24 ices, establishing a targeted approach to serving

1 youth, improving performance accountability, and
2 promoting State and local flexibility.

3 “(3) To provide workforce investment activities
4 in a manner that promotes the informed choice of
5 participants and actively involves participants in de-
6 cisions affecting their participation in such activities.

7 “(4) To provide workforce investment systems
8 that are demand-driven and responsive to the needs
9 of all employers, including small employers.

10 “(5) To provide workforce investment systems
11 that work in all areas of the Nation, including urban
12 and rural areas.

13 “(6) To allow flexibility to meet State, local, re-
14 gional, and individual workforce investment needs.

15 “(7) To recognize and reinforce the vital link
16 between economic development and workforce invest-
17 ment activities.

18 “(8) To provide for accurate data collection, re-
19 porting, and performance measures that are not un-
20 duly burdensome.

21 “(9) To address the ongoing shortage of essen-
22 tial skills in the United States workforce related to
23 both manufacturing and knowledge-based economies
24 to ensure that the United States remains competi-
25 tive in the global economy.

1 “(10) To equip workers with higher skills and
2 contribute to lifelong education.

3 “(11) To eliminate training disincentives for
4 hard-to-serve populations and minority workers, in-
5 cluding effectively utilizing community programs,
6 services, and agencies.

7 “(12) To educate limited English proficient in-
8 dividuals about skills and language so the individ-
9 uals are employable.

10 “(13) To increase the employment, retention
11 and earnings of individuals with disabilities.”.

12 **SEC. 112. STATE WORKFORCE INVESTMENT BOARDS.**

13 (a) MEMBERSHIP.—

14 (1) IN GENERAL.—Section 111(b) (29 U.S.C.
15 2821(b)) is amended—

16 (A) in paragraph (1), by striking subpara-
17 graph (C) and inserting the following:

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

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

1 “(I) in any case in which no lead
2 State agency official has responsibility
3 for such a program or activity, the
4 representative shall be a representa-
5 tive in the State with expertise relat-
6 ing to such program or activity; and

7 “(II) in the case of the programs
8 authorized under title I of the Reha-
9 bilitation Act of 1973 (29 U.S.C. 720
10 et seq.), the representative shall be
11 the director of the designated State
12 unit, as defined in section 7 of the Re-
13 habilitation Act of 1973 (29 U.S.C.
14 705);

15 “(ii) are the State agency officials re-
16 sponsible for economic development;

17 “(iii) are representatives of business
18 in the State, including small businesses,
19 who—

20 “(I) are owners of businesses,
21 chief executive or operating officers of
22 businesses, or other business execu-
23 tives or employers with optimum pol-
24 icymaking or hiring authority;

1 “(II) represent businesses with
2 employment opportunities that reflect
3 employment opportunities in the
4 State; and

5 “(III) are appointed from among
6 individuals nominated by State busi-
7 ness organizations, business trade as-
8 sociations, and local boards;

9 “(iv) are chief elected officials (rep-
10 resenting cities and counties, where appro-
11 priate);

12 “(v) are representatives of labor orga-
13 nizations, who have been nominated by
14 State labor federations; and

15 “(vi) are such other State agency offi-
16 cials and other representatives as the Gov-
17 ernor may designate.”; and

18 (B) in paragraph (3), by striking “para-
19 graph (1)(C)(i)” and inserting “paragraph
20 (1)(C)(iii)”.

21 (2) CONFORMING AMENDMENT.—Section
22 111(c) (29 U.S.C. 2821(c)) is amended by striking
23 “subsection (b)(1)(C)(i)” and inserting “subsection
24 (b)(1)(C)(iii)”.

1 (b) FUNCTIONS.—Section 111(d) (29 U.S.C.
2 2821(d)) is amended—

3 (1) in paragraph (1), by striking “development”
4 and inserting “development, implementation, and re-
5 vision”;

6 (2) in paragraph (2)—

7 (A) by striking “section 134(e)” and in-
8 serting “section 121(e)”; and

9 (B) in subparagraph (A), by inserting after
10 “section 121(b)” the following: “, including
11 granting the authority for the State employ-
12 ment service under the Wagner-Peyser Act (29
13 U.S.C. 49 et seq.) to plan and coordinate em-
14 ployment and training activities with local
15 boards”;

16 (3) by striking paragraph (3) and inserting the
17 following:

18 “(3) reviewing and providing comment on the
19 State plans of all one-stop partner programs, where
20 applicable, in order to provide effective strategic
21 leadership in the development of a high quality, com-
22 prehensive statewide workforce investment system,
23 including commenting at least once annually on the
24 measures taken pursuant to section 113(b)(3) of the
25 Carl D. Perkins Vocational and Technical Education

1 Act of 1998 (20 U.S.C. 2323(b)(3)) and title II of
2 this Act;”;

3 (4) by redesignating paragraphs (4) through
4 (9) as paragraphs (5) through (10), respectively;

5 (5) by inserting after paragraph (3) the fol-
6 lowing:

7 “(4) development and review of statewide poli-
8 cies affecting the coordinated provision of services
9 through the one-stop delivery system described in
10 section 121(e) within the State, including—

11 “(A) the development of objective criteria
12 and procedures for use by local boards in as-
13 sessing the effectiveness and continuous im-
14 provement of one-stop centers under section
15 121(g);

16 “(B) the development of guidance for the
17 allocation of one-stop center infrastructure
18 funds under section 121(h)(1)(B);

19 “(C) the development of—

20 “(i) statewide policies relating to the
21 appropriate roles and contributions of one-
22 stop partner programs within the one-stop
23 delivery system, including approaches to
24 facilitating equitable and efficient cost allo-
25 cation in the one-stop delivery system;

1 “(ii) statewide strategies for providing
2 effective outreach to individuals, including
3 hard-to-serve populations, and employers
4 who could benefit from services provided
5 through the one-stop delivery system;

6 “(iii) strategies for technology im-
7 provements to facilitate access to services
8 provided through the one-stop delivery sys-
9 tem, in remote areas, and for individuals
10 with disabilities, which may be utilized
11 throughout the State; and

12 “(iv) strategies for the effective co-
13 ordination of activities between the one-
14 stop delivery system of the State and the
15 State employment service under the Wag-
16 ner-Peyser Act (29 U.S.C. 49 et seq.);

17 “(D) identification and dissemination of
18 information on best practices for effective oper-
19 ation of one-stop centers, including use of inno-
20 vative business outreach, partnerships, and
21 service delivery strategies, including for hard-to-
22 serve populations; and

23 “(E) conduct of such other matters as may
24 promote statewide objectives for, and enhance

1 the performance of, the one-stop delivery sys-
2 tem;”;

3 (6) in paragraph (5) (as redesignated by para-
4 graph (4)), by inserting “and the development of
5 statewide criteria to be used by chief elected officials
6 for the appointment of local boards consistent with
7 section 117” after “section 116”;

8 (7) in paragraph (6) (as redesignated by para-
9 graph (4)), by striking “sections 128(b)(3)(B) and
10 133(b)(3)(B)” and inserting “sections 128(b)(3) and
11 133(b)(3)(B)”;

12 (8) in paragraph (9) (as redesignated by para-
13 graph (4))—

14 (A) by striking “employment statistics sys-
15 tem” and inserting “workforce and labor mar-
16 ket information system”; and

17 (B) by striking “and” after the semicolon;

18 (9) in paragraph (10) (as redesignated by para-
19 graph (4))—

20 (A) by inserting “section 136(i) and” be-
21 fore “section 503”; and

22 (B) by striking the period and inserting “;
23 and”; and

24 (10) by adding at the end the following:

1 “(11) increasing the availability of skills train-
2 ing, employment opportunities, and career advance-
3 ment, for hard-to-serve populations.”.

4 (c) ALTERNATIVE ENTITY.—Section 111(e) (29
5 U.S.C. 2821(e)) is amended—

6 (1) in paragraph (1), by striking “For” and in-
7 serting “Subject to paragraph (3), for”; and

8 (2) by adding at the end the following:

9 “(3) FAILURE TO MEET PERFORMANCE MEAS-
10 URES.—If a State fails to have performed success-
11 fully, as defined in section 116(a)(2), the Secretary
12 may require the State to establish a State board in
13 accordance with subsections (a), (b), and (c) in lieu
14 of the alternative entity established under paragraph
15 (1).”.

16 (d) CONFLICT OF INTEREST.—Section 111(f)(1) (29
17 U.S.C. 2821(f)(1)) is amended by inserting “or participate
18 in action taken on” after “vote”.

19 (e) SUNSHINE PROVISION.—Section 111(g) (29
20 U.S.C. 2821(g)) is amended—

21 (1) by inserting “, and modifications to the
22 State plan,” before “prior”; and

23 (2) by inserting “, and modifications to the
24 State plan” after “the plan”.

1 (f) AUTHORITY TO HIRE STAFF.—Section 111 (29
 2 U.S.C. 2821) is amended by adding at the end the fol-
 3 lowing:

4 “(h) AUTHORITY TO HIRE STAFF.—

5 “(1) IN GENERAL.—The State board may hire
 6 staff to assist in carrying out the functions described
 7 in subsection (d) using funds allocated under sec-
 8 tions 127(b)(1)(C) and 132(b).

9 “(2) LIMITATION ON RATE.—Funds appro-
 10 priated under this title shall not be used to pay staff
 11 employed by the State board, either as a direct cost
 12 or through any proration as an indirect cost, at a
 13 rate in excess of the maximum rate payable for a po-
 14 sition at GS–15 of the General Schedule as in effect
 15 on the date of enactment of the Workforce Invest-
 16 ment Act Amendments of 2005.”.

17 **SEC. 113. STATE PLAN.**

18 (a) PLANNING CYCLE.—Section 112(a) (29 U.S.C.
 19 2822(a)) is amended—

20 (1) by inserting “, or a State unified plan as
 21 described in section 501,” before “that outlines”;

22 (2) by striking “5-year strategy” and inserting
 23 “4-year strategy”; and

24 (3) by adding at the end the following: “At the
 25 end of the first 2-year period of the 4-year State

1 plan, the State board shall review and, as needed,
2 amend the 4-year State plan to reflect labor market
3 and economic conditions. In addition, the State shall
4 submit a modification to the State plan at the end
5 of the first 2-year period of the State plan, which
6 may include redesignation of local areas pursuant to
7 section 116(a) and specification of the levels of per-
8 formance under sections 136 for the third and
9 fourth years of the plan.”.

10 (b) CONTENTS.—Section 112(b) (29 U.S.C. 2822(b))
11 is amended—

12 (1) in paragraph (8)(A)—

13 (A) in clause (ix), by striking “and” after
14 the semicolon; and

15 (B) by adding at the end the following:

16 “(xi) programs authorized under title II of
17 the Social Security Act (42 U.S.C. 401 et seq.)
18 (relating to Federal old-age, survivors, and dis-
19 ability insurance benefits), title XVI of such Act
20 (42 U.S.C. 1381 et seq.) (relating to supple-
21 mental security income), title XIX of such Act
22 (42 U.S.C. 1396 et seq.) (relating to medicaid),
23 and title XX of such Act (42 U.S.C. 1397 et
24 seq.) (relating to block grants to States for so-
25 cial services), programs authorized under title

1 VII of the Rehabilitation Act of 1973 (29
2 U.S.C. 796 et seq.), and programs carried out
3 by State agencies relating to mental retardation
4 and developmental disabilities; and”;

5 (2) by striking paragraph (10) and inserting
6 the following:

7 “(10) a description of how the State will use
8 funds the State received under this subtitle to lever-
9 age other Federal, State, local, and private re-
10 sources, in order to maximize the effectiveness of
11 such resources, expand resources for the provision of
12 education and training services, and expand the par-
13 ticipation of businesses, employees, and individuals
14 in the statewide workforce investment system, in-
15 cluding a description of incentives and technical as-
16 sistance the State will provide to local areas for such
17 purposes;”;

18 (3) in paragraph (12)(A), by striking “sections
19 128(b)(3)(B) and 133(b)(3)(B)” and inserting “sec-
20 tions 128(b)(3) and 133(b)(3)(B)”;

21 (4) in paragraph (14), by striking “section
22 134(c)” and inserting “section 121(e)”;

23 (5) in paragraph (15), by striking “section
24 116(a)(5)” and inserting “section 116(a)(4)”;

25 (6) in paragraph (17)—

- 1 (A) in subparagraph (A)—
- 2 (i) in clause (iii)—
- 3 (I) by inserting “local” before
- 4 “customized training”; and
- 5 (II) by striking “and” at the end;
- 6 (ii) in clause (iv), by striking “(includ-
- 7 ing displaced homemakers),” and all that
- 8 follows through “disabilities)” and insert-
- 9 ing “, hard-to-serve populations, and indi-
- 10 viduals training for nontraditional employ-
- 11 ment”; and
- 12 (iii) by adding after clause (iv) the
- 13 following:
- 14 “(v) how the State will serve the em-
- 15 ployment and training needs of individuals
- 16 with disabilities, consistent with section
- 17 188 and Executive Order 13217 (42
- 18 U.S.C. 12131 note; relating to community-
- 19 based alternatives for individuals with dis-
- 20 abilities), including the provision of out-
- 21 reach, intake, the conduct of assessments,
- 22 service delivery, the development of adjust-
- 23 ments to performance measures established
- 24 under section 136, and the training of
- 25 staff; and”; and

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

3 (7) in paragraph (18)(D)—

4 (A) by striking “youth opportunity grants
5 under section 169” and inserting “youth chal-
6 lenge grants authorized under section 169 and
7 other federally funded youth programs”; and

8 (B) by striking the period and inserting a
9 semicolon; and

10 (8) by adding at the end the following:

11 “(19) a description of how the State will utilize
12 technology to facilitate access to services in remote
13 areas, which may be utilized throughout the State;

14 “(20) a description of the State strategy for co-
15 ordinating workforce investment activities and eco-
16 nomic development activities, and promoting entre-
17 preneurial skills training and microenterprise serv-
18 ices;

19 “(21) a description of the State strategy and
20 assistance to be provided for ensuring regional co-
21 operation within the State and across State borders
22 as appropriate;

23 “(22) a description of how the State will use
24 funds the State receives under this subtitle to—

1 “(A) implement innovative programs and
2 strategies designed to meet the needs of all
3 businesses in the State, including small busi-
4 nesses, which may include incumbent worker
5 training programs, sectoral and industry cluster
6 strategies, regional skills alliances, career ladder
7 programs, utilization of effective business inter-
8 mediaries, and other business services and
9 strategies that better engage employers in
10 workforce investment activities and make the
11 statewide workforce investment system more
12 relevant to the needs of State and local busi-
13 nesses, consistent with the objectives of this
14 title; and

15 “(B) provide incentives and technical as-
16 sistance to assist local areas in more fully en-
17 gaging all employers, including small employers,
18 in local workforce investment activities, to make
19 the workforce investment system more relevant
20 to the needs of area businesses, and to better
21 coordinate workforce investment and economic
22 development efforts to contribute to the eco-
23 nomic well-being of the local area, as deter-
24 mined appropriate by the local board;

25 “(23) a description of the State strategy—

1 “(A) for ensuring cooperation between
2 transportation providers, including public trans-
3 portation providers, and providers of workforce
4 investment activities; and

5 “(B) for ensuring coordination among ap-
6 propriate State agencies and programs to make
7 available skills training, employment services
8 and opportunities, and career advancement ac-
9 tivities, that will assist ex-offenders in reen-
10 tering the workforce;

11 “(24) a description of how the State will assist
12 local areas in assuring physical and programmatic
13 accessibility for individuals with disabilities at one-
14 stop centers;

15 “(25) a description of the process and method-
16 ology that will be used by the State board to—

17 “(A) review statewide policies and provide
18 guidance on the coordinated provision of serv-
19 ices through the one-stop delivery system de-
20 scribed in section 121(e);

21 “(B) establish, in consultation with chief
22 elected officials and local boards, objective cri-
23 teria and procedures for use by local boards in
24 periodically assessing the effectiveness, physical
25 and programmatic accessibility, and continuous

1 improvement of one-stop centers and the one-
2 stop delivery system as described in section
3 121(g); and

4 “(C) determine—

5 “(i) one-stop partner program con-
6 tributions for the costs of the infrastruc-
7 ture of one-stop centers under section
8 121(h)(2); and

9 “(ii) the formula for allocating the
10 funds described in section 121(h)(2) to
11 local areas;

12 “(26) a description of the State strategy for en-
13 suring that activities carried out under this title are
14 placing men and women in jobs, education, or train-
15 ing that lead to comparable pay; and

16 “(27) a description of the technical assistance
17 available to one-stop operators and providers of
18 training services for strategies to serve hard-to-serve
19 populations and promote placement in nontraditional
20 employment.”.

21 (c) MODIFICATIONS TO PLAN.—Section 112(d) (29
22 U.S.C. 2822(d)) is amended—

23 (1) by striking “5-year period” and inserting
24 “4-year period”; and

1 (2) by adding at the end the following: “In ad-
 2 dition, the State shall submit the modifications to
 3 the State plan required under subsection (a), under
 4 circumstances prescribed by the Secretary that are
 5 due to changes in Federal law that significantly af-
 6 fect elements of the State plan.”.

7 **SEC. 114. LOCAL WORKFORCE INVESTMENT AREAS.**

8 (a) DESIGNATION OF AREAS.—

9 (1) CONSIDERATIONS.—Section 116(a)(1) (29
 10 U.S.C. 2831(a)(1)) is amended—

11 (A) in subparagraph (A), by striking
 12 “paragraphs (2), (3), and (4)” and inserting
 13 “paragraphs (2) and (3)”; and

14 (B) in subparagraph (B), by adding at the
 15 end the following:

16 “*(vi)* The extent to which such local
 17 areas will promote maximum effectiveness
 18 in the administration and provision of serv-
 19 ices.”.

20 (2) AUTOMATIC DESIGNATION.—Section
 21 116(a)(2) (29 U.S.C. 2831(a)(2)) is amended to
 22 read as follows:

23 “(2) AUTOMATIC DESIGNATION.—

24 “(A) IN GENERAL.—The Governor shall
 25 approve a request for designation as a local

1 area that is submitted prior to the submission
2 of the State plan, or of a modification to the
3 State plan relating to area designation, from
4 any area that—

5 “(i) is a unit of general local govern-
6 ment with a population of 500,000 or
7 more, except that after the initial 2-year
8 period following such designation pursuant
9 to this clause that occurs after the date of
10 enactment of the Workforce Investment
11 Act Amendments of 2005, the Governor
12 shall only be required to approve a request
13 for designation from such area if such
14 area—

15 “(I) performed successfully; and

16 “(II) sustained fiscal integrity;

17 “(ii) was a local area under this title
18 for the preceding 2-year period, if such
19 local area—

20 “(I) performed successfully; and

21 “(II) sustained fiscal integrity;

22 “(iii) is served by a rural concentrated
23 employment program grant recipient, ex-
24 cept that after the initial 2-year period fol-
25 lowing any such designation under the ini-

1 tial State plan submitted after the date of
 2 enactment of the Workforce Investment
 3 Act Amendments of 2005, the Governor
 4 shall only be required to approve a request
 5 for designation under this clause for such
 6 area if such area—

7 “(I) performed successfully; and

8 “(II) sustained fiscal integrity; or

9 “(iv) was a local area under section
 10 116(a)(2)(C) (as in effect on the day be-
 11 fore the date of enactment of the Work-
 12 force Investment Act Amendments of
 13 2005), except that after the initial 2-year
 14 period following such designation pursuant
 15 to this clause that occurs after that date of
 16 enactment, the Governor shall only be re-
 17 quired to approve a request for designation
 18 under this clause for such area if such
 19 area—

20 “(I) performed successfully; and

21 “(II) sustained fiscal integrity.

22 “(B) DEFINITIONS.—For purposes of this
 23 paragraph:

24 “(i) PERFORMED SUCCESSFULLY.—

25 The term ‘performed successfully’, when

1 used with respect to a local area, means
2 the local area performed at 80 percent or
3 more of the adjusted level of performance
4 for core indicators of performance de-
5 scribed in section 136(b)(2)(A) for 2 con-
6 secutive years.

7 “(ii) SUSTAINED FISCAL INTEG-
8 RITY.—The term ‘sustained fiscal integ-
9 rity’, used with respect to an area, means
10 that the Secretary has not made a formal
11 determination during the preceding 2-year
12 period that either the grant recipient or
13 the administrative entity of the area
14 misexpended funds provided under this
15 title due to willful disregard of the require-
16 ments of the Act involved, gross neg-
17 ligence, or failure to comply with accepted
18 standards of administration.”.

19 (3) CONFORMING AMENDMENTS.—Section
20 116(a) (29 U.S.C. 2831(a)) is amended—

21 (A) by striking paragraph (3);

22 (B) by redesignating paragraphs (4) and
23 (5) as paragraph (3) and (4), respectively;

24 (C) in paragraph (3) (as redesignated by
25 subparagraph (B))—

1 (i) by striking “(including temporary
2 designation)”; and

3 (ii) by striking “(v)” and inserting
4 “(vi)”; and

5 (D) in paragraph (4) (as redesignated by
6 subparagraph (B))—

7 (i) by striking “under paragraph (2)
8 or (3)” and inserting “under paragraph
9 (2)”; and

10 (ii) by striking the second sentence.

11 (b) SINGLE LOCAL AREA STATES.—Section 116(b)
12 (29 U.S.C. 2831(b)) is amended to read as follows:

13 “(b) SINGLE LOCAL AREA STATES.—

14 “(1) CONTINUATION OF PREVIOUS DESIGNA-
15 TION.—Notwithstanding subsection (a)(2), the Gov-
16 ernor of any State that was a single local area for
17 purposes of this title as of July 1, 2004, may con-
18 tinue to designate the State as a single local area for
19 purposes of this title if the Governor identifies the
20 State as a local area in the State plan under section
21 112(b)(5).

22 “(2) REDESIGNATION.—The Governor of a
23 State not described in paragraph (1) may designate
24 the State as a single local area if, prior to the sub-
25 mission of the State plan or modification to such

1 plan so designating the State, no local area meeting
2 the requirements for automatic designation under
3 subsection (a)(2) requests such designation as a sep-
4 arate local area.

5 “(3) EFFECT ON LOCAL PLAN.—In any case in
6 which a State is designated as a local area pursuant
7 to this subsection, the local plan prepared under sec-
8 tion 118 for the area shall be submitted to the Sec-
9 retary for approval as part of the State plan under
10 section 112.”.

11 (c) REGIONAL PLANNING.—Section 116(c) (29
12 U.S.C. 2831(c)) is amended—

13 (1) by striking paragraph (1) and inserting the
14 following:

15 “(1) PLANNING.—

16 “(A) IN GENERAL.—As part of the process
17 for developing the State plan, a State may re-
18 quire regional planning by local boards for a
19 designated region in the State. The State may
20 require the local boards for a designated region
21 to participate in a regional planning process
22 that results in the establishment of regional
23 performance measures for workforce investment
24 activities authorized under this subtitle. The
25 State, after consultation with local boards and

1 chief elected officials, may require the local
2 boards for the designated region to prepare,
3 submit, and obtain approval of a single regional
4 plan that incorporates local plans for each of
5 the local areas in the region, as required under
6 section 118. The State may award regional in-
7 centive grants to the designated regions that
8 meet or exceed the regional performance meas-
9 ures pursuant to section 134(a)(2)(B)(iii).

10 “(B) TECHNICAL ASSISTANCE.—If the
11 State requires regional planning as provided in
12 subparagraph (A), the State shall provide tech-
13 nical assistance and labor market information
14 to such local areas in the designated regions to
15 assist with such regional planning and subse-
16 quent service delivery efforts.”;

17 (2) in paragraph (2), by inserting “information
18 about the skill requirements of existing and emerg-
19 ing industries and industry clusters,” after “infor-
20 mation about employment opportunities and
21 trends,”; and

22 (3) in paragraph (3), by adding at the end the
23 following: “Such services may be required to be co-
24 ordinated with regional economic development serv-
25 ices and strategies.”.

1 **SEC. 115. LOCAL WORKFORCE INVESTMENT BOARDS.**

2 (a) COMPOSITION.—Section 117(b) (29 U.S.C.
3 2832(b)) is amended—

4 (1) in paragraph (2)(A)—

5 (A) in clause (i), by striking subclause (II)
6 and inserting the following:

7 “(II) collectively, represent busi-
8 nesses with employment opportunities
9 that reflect the employment opportu-
10 nities of the local area, and include
11 representatives of businesses that are
12 in high-growth and emerging indus-
13 tries, and representatives of busi-
14 nesses, including small businesses, in
15 the local area; and”;

16 (B) by striking clause (ii) and inserting the
17 following:

18 “(ii)(I) a superintendent representing
19 the local school districts involved or an-
20 other high-level official from such districts;

21 “(II) the president or highest ranking
22 official of an institution of higher edu-
23 cation participating in the workforce in-
24 vestment activities in the local area; and

1 “(III) an administrator of local enti-
2 ties providing adult education and literacy
3 activities in the local area;”;

4 (C) in clause (iv), by inserting “, hard-to-
5 serve populations,” after “disabilities”;

6 (D) in clause (v), by striking “and” at the
7 end; and

8 (E) by striking clause (vi) and inserting
9 the following:

10 “(vi) a representative from the State
11 employment service under the Wagner-
12 Peyser Act (29 U.S.C. 49 et seq.) who is
13 serving the local area; and

14 “(vii) if the local board does not es-
15 tablish or continue a youth council, rep-
16 resentatives with experience serving out-of-
17 school youth, particularly out-of-school
18 youth facing barriers to employment; and”;

19 and

20 (2) by adding at the end the following:

21 “(6) SPECIAL RULE.—In the case that there
22 are multiple school districts or institutions of higher
23 education serving a local area, the representatives
24 described in subclause (I) or (II) of paragraph
25 (2)(A)(ii), respectively, shall be appointed from

1 among individuals nominated by regional or local
 2 educational agencies, institutions, or organizations
 3 representing such agencies or institutions.”.

4 (b) AUTHORITY OF BOARD MEMBERS.—Section
 5 117(b)(3) (29 U.S.C. 2832(b)(3)) is amended—

6 (1) in the heading, by inserting “AND REP-
 7 RESENTATION” after “AUTHORITY”; and

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

11 (c) CONFORMING AMENDMENT.—Section
 12 117(e)(1)(C) (29 U.S.C. 2832(e)(1)(C)) is amended by
 13 striking “section 116(a)(2)(B)” and inserting “section
 14 116(a)(2)(A)(ii)”.

15 (d) FUNCTIONS.—Section 117(d) (29 U.S.C.
 16 2832(d)) is amended—

17 (1) in paragraph (2)—

18 (A) in subparagraph (B)—

19 (i) by inserting “(except as provided
 20 in section 123(b))” after “basis”; and

21 (ii) by inserting “(where appro-
 22 priate)” after “youth council”; and

23 (B) by adding at the end the following:

24 “(E) CONSUMER CHOICE REQUIRE-
 25 MENTS.—Consistent with sections 122 and

1 paragraphs (3) and (4) of 134(d), the local
2 board shall work to ensure there are sufficient
3 providers of intensive services and training serv-
4 ices serving the local area in a manner that
5 maximizes consumer choice, including providers
6 with expertise in assisting individuals with dis-
7 abilities.”;

8 (2) in paragraph (3)(B), by striking clause (ii)
9 and inserting the following:

10 “(ii) STAFF.—

11 “(I) IN GENERAL.—The local
12 board may hire staff.

13 “(II) LIMITATION ON RATE.—

14 Funds appropriated under this title
15 shall not be used to pay staff em-
16 ployed by the local board, either as a
17 direct cost or through any proration
18 as an indirect cost, at a rate in excess
19 of the maximum rate payable for a
20 position at GS-15 of the General
21 Schedule, as in effect on the date of
22 enactment of the Workforce Invest-
23 ment Act Amendments of 2005.”;

24 (3) in paragraph (4), by inserting “, and shall
25 ensure the appropriate use and management of the

1 funds provided under this subtitle for such pro-
2 grams, activities, and system” after “area”;

3 (4) in paragraph (6)—

4 (A) by striking “EMPLOYMENT STATISTICS
5 SYSTEM” and inserting “WORKFORCE AND
6 LABOR MARKET INFORMATION SYSTEM”; and

7 (B) by striking “employment statistics sys-
8 tem” and inserting “workforce and labor mar-
9 ket information system”;

10 (5) in paragraph (8)—

11 (A) by inserting “, including small employ-
12 ers,” after “private sector employers”; and

13 (B) by striking the period and inserting “,
14 taking into account the unique needs of small
15 businesses.”; and

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

17 “(9) TECHNOLOGY IMPROVEMENTS.—The local
18 board shall develop strategies for technology im-
19 provements to facilitate access to services, in remote
20 areas, for services authorized under this subtitle and
21 carried out in the local area.”.

22 (e) CONFORMING AMENDMENT.—Section 117(f)(2)
23 (29 U.S.C. 2832(f)(2)) is amended by striking “described
24 in section 134(c)”.

1 (f) CONFLICT OF INTEREST.—Section 117(g)(1) (29
2 U.S.C. 2832(g)(1)) is amended by inserting “or partici-
3 pate in action taken on” after “vote.”

4 (g) AUTHORITY TO ESTABLISH COUNCILS AND
5 ELIMINATION OF REQUIREMENT FOR YOUTH COUN-
6 CILS.—Section 117(h) (29 U.S.C. 2832(h)) is amended to
7 read as follows:

8 “(h) COUNCILS.—The local board may establish or
9 continue councils to provide information and advice to as-
10 sist the local board in carrying out activities under this
11 title. Such councils may include—

12 “(1) a council composed of one-stop partners to
13 advise the local board on the operation of the one-
14 stop delivery system involved;

15 “(2) a youth council composed of experts and
16 stakeholders in youth programs to advise the local
17 board on youth activities; and

18 “(3) such other councils as the local board de-
19 termines are appropriate.”.

20 (h) ALTERNATIVE ENTITY PROVISION.—Section
21 117(i)(1) (29 U.S.C. 2832(i)(1)) is amended—

22 (1) in the matter preceding subparagraph (A),
23 by striking “and paragraphs (1) and (2) of sub-
24 section (h),”;

1 (2) by striking subparagraph (B) and inserting
2 the following:

3 “(B) was in existence on August 7, 1998,
4 pursuant to State law; and”;

5 (3) by striking subparagraph (C); and

6 (4) by redesignating subparagraph (D) as sub-
7 paragraph (C).

8 **SEC. 116. LOCAL PLAN.**

9 (a) **PLANNING CYCLE.**—Section 118(a) (29 U.S.C.
10 2833(a)) is amended—

11 (1) by striking “5-year” and inserting “4-year”;
12 and

13 (2) by adding at the end the following: “At the
14 end of the first 2-year period of the 4-year plan, the
15 local board shall review and, as needed, amend the
16 4-year plan to reflect labor market and economic
17 conditions.”.

18 (b) **CONTENTS.**—Section 118(b) (29 U.S.C. 2833(b))
19 is amended—

20 (1) in paragraph (2)—

21 (A) in subparagraph (A), by striking
22 “and” after the semicolon;

23 (B) by striking subparagraph (B) and in-
24 serting the following:

1 “(B) a description of how the local board
2 will facilitate access to services provided
3 through the one-stop delivery system involved,
4 in remote areas, including facilitating access
5 through the use of technology; and”;

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

7 “(C) a description of how the local board
8 will ensure physical and programmatic accessi-
9 bility for individuals with disabilities at one-stop
10 centers;”;

11 (2) in paragraph (9), by striking “; and” and
12 inserting a semicolon;

13 (3) by redesignating paragraph (10) as para-
14 graph (16); and

15 (4) by inserting after paragraph (9) the fol-
16 lowing:

17 “(10) a description of how the local board will
18 coordinate workforce investment activities carried
19 out in the local area with economic development ac-
20 tivities carried out in the local area, and promote en-
21 trepreneurial skills training and microenterprise
22 services;

23 “(11) a description of the strategies and serv-
24 ices that will be initiated in the local area to more
25 fully engage all employers, including small employ-

1 ers, in workforce investment activities, to make the
2 workforce investment system more relevant to the
3 needs of area businesses, and to better coordinate
4 workforce investment and economic development ef-
5 forts, which may include the implementation of inno-
6 vative initiatives such as incumbent worker training
7 programs, sectoral and industry cluster strategies,
8 regional skills alliance initiatives, career ladder pro-
9 grams, utilization of effective business inter-
10 mediaries, and other business services and strategies
11 designed to meet the needs of area employers and
12 contribute to the economic well-being of the local
13 area, as determined appropriate by the local board,
14 consistent with the objectives of this title;

15 “(12) a description of how the local board will
16 expand access to education and training services for
17 eligible individuals who are in need of such services
18 through—

19 “(A) the utilization of programs funded
20 under this title; and

21 “(B) the increased leveraging of resources
22 other than those provided under this title, in-
23 cluding tax credits, private sector-provided
24 training, and other Federal, State, local, and

1 private funds that are brokered through the
2 one-stop centers for training services;

3 “(13) a description of how the local board will
4 coordinate workforce investment activities carried
5 out in the local area with the provision of transpor-
6 tation, including public transportation, in the local
7 area;

8 “(14) a description of plans for, assurances
9 concerning, and strategies for maximizing coordina-
10 tion of services provided by the State employment
11 service under the Wagner-Peyser Act (29 U.S.C. 49
12 et seq.) and services provided in the local area
13 through the one-stop delivery system described in
14 section 121(e), to improve service delivery and avoid
15 duplication of services;

16 “(15) a description of how the local board will
17 coordinate workforce investment activities carried
18 out in the local area with other Federal, State, and
19 local area education, job training, and economic de-
20 velopment programs and activities; and”.

21 **SEC. 117. ESTABLISHMENT OF ONE-STOP DELIVERY SYS-**

22 **TEMS.**

23 (a) ONE-STOP PARTNERS.—

24 (1) REQUIRED PARTNERS.—Section 121(b)(1)

25 (29 U.S.C. 2841(b)(1)) is amended—

1 (A) by striking subparagraph (A) and in-
2 serting the following:

3 “(A) ROLES AND RESPONSIBILITIES OF
4 ONE-STOP PARTNERS.—Each entity that carries
5 out a program or activities described in sub-
6 paragraph (B) shall—

7 “(i) provide access through the one-
8 stop delivery system to the programs and
9 activities carried out by the entity, includ-
10 ing making the core services described in
11 section 134(d)(2) that are applicable to the
12 program of the entity available at the one-
13 stop centers (in addition to any other ap-
14 propriate locations);

15 “(ii) use a portion of the funds avail-
16 able to the program of the entity to main-
17 tain the one-stop delivery system, including
18 payment of the infrastructure costs of one-
19 stop centers in accordance with subsection
20 (h);

21 “(iii) enter into a local memorandum
22 of understanding with the local board re-
23 lating to the operation of the one-stop sys-
24 tem that meets the requirements of sub-
25 section (c);

1 “(iv) participate in the operation of
2 the one-stop system consistent with the
3 terms of the memorandum of under-
4 standing, the requirements of this title,
5 and the requirements of the Federal laws
6 authorizing the programs carried out by
7 the entity; and

8 “(v) provide representation on the
9 State board to the extent provided under
10 section 111.”;

11 (B) in subparagraph (B)—

12 (i) by striking clause (v);

13 (ii) by redesignating clauses (vi)
14 through (xii) as clauses (v) through (xi),
15 respectively;

16 (iii) in clause (x) (as redesignated by
17 clause (ii)), by striking “and” at the end;

18 (iv) in clause (xi) (as redesignated by
19 clause (ii)), by striking the period and in-
20 serting “; and”; and

21 (v) by adding at the end the following:

22 “(xii) programs authorized under part
23 A of title IV of the Social Security Act (42
24 U.S.C. 601 et seq.), subject to subpara-
25 graph (C).”; and

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

2 “(C) DETERMINATION BY THE GOV-
3 ERNOR.—

4 “(i) IN GENERAL.—An entity that
5 carries out programs referred to in sub-
6 paragraph (B)(xii) shall be included in the
7 one-stop partners for the local area, as a
8 required partner, for purposes of this title
9 unless the Governor of the State provides
10 the notification described in clause (ii).

11 “(ii) NOTIFICATION.—The notification
12 referred to in clause (i) is a notification
13 that—

14 “(I) is made in writing of a de-
15 termination by the Governor not to in-
16 clude such entity in the one-stop part-
17 ners described in clause (i); and

18 “(II) is provided to the Secretary
19 and the Secretary of Health and
20 Human Services.”.

21 (2) ADDITIONAL PARTNERS.—

22 (A) IN GENERAL.—Section 121(b)(2)(A)
23 (29 U.S.C. 2841(b)(2)(A)) is amended to read
24 as follows:

1 “(A) IN GENERAL.—With the approval of
2 the local board and chief elected official, in ad-
3 dition to the entities described in paragraph
4 (1), other entities that carry out human re-
5 source programs described in subparagraph (B)
6 may be one-stop partners and carry out the re-
7 sponsibilities described in paragraph (1)(A).”.

8 (B) ADDITIONAL PARTNERS.—Section
9 121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is
10 amended by striking clauses (i) through (iii)
11 and inserting the following:

12 “(i) employment and training pro-
13 grams administered by the Social Security
14 Administration, including the Ticket to
15 Work and Self-Sufficiency program estab-
16 lished under section 1148 of the Social Se-
17 curity Act (42 U.S.C. 1320b–19);

18 “(ii) employment and training pro-
19 grams carried out by the Small Business
20 Administration;

21 “(iii) programs authorized under sec-
22 tion 6(d)(4) of the Food Stamp Act of
23 1977 (7 U.S.C. 2015(d)(4));”.

1 (b) LOCAL MEMORANDUM OF UNDERSTANDING.—
2 Section 121(c)(2)(A) (29 U.S.C. 2841(c)(2)(A)) is amend-
3 ed to read as follows:

4 “(A) provisions describing—

5 “(i) the services to be provided
6 through the one-stop delivery system con-
7 sistent with the requirements of this sec-
8 tion, including the manner in which the
9 services will be coordinated through such
10 system;

11 “(ii) how the costs of such services
12 and the operating costs of such system will
13 be funded, through cash and in-kind con-
14 tributions, to provide a stable and equi-
15 table funding stream for ongoing one-stop
16 system operations, including the funding of
17 the infrastructure costs of one-stop centers
18 in accordance with subsection (h);

19 “(iii) methods of referral of individ-
20 uals between the one-stop operator and the
21 one-stop partners for appropriate services
22 and activities;

23 “(iv) methods to ensure the needs of
24 hard-to-serve populations are addressed in

1 providing access to services through the
2 one-stop system; and

3 “(v) the duration of the memorandum
4 of understanding and the procedures for
5 amending the memorandum during the
6 term of the memorandum, and assurances
7 that such memorandum shall be reviewed
8 not less than once every 2-year period to
9 ensure appropriate funding and delivery of
10 services; and”.

11 (c) CONFORMING AMENDMENT.—Section 121(d)(2)
12 (29 U.S.C. 2841(d)(2)) is amended by striking “section
13 134(c)” and inserting “section 121(e)”.

14 (d) PROVISION OF SERVICES.—

15 (1) ELIMINATION OF PROVISIONS CONCERNING
16 ESTABLISHED SYSTEMS.—Section 121 (29 U.S.C.
17 2841) is amended by striking subsection (e).

18 (2) REDESIGNATION.—Subtitle B of title I is
19 amended—

20 (A) in section 134 (29 U.S.C. 2864), by
21 redesignating subsection (c) as subsection (e);
22 and

23 (B) by transferring that subsection (e) so
24 that the subsection appears after subsection (d)
25 of section 121.

1 (3) ONE-STOP DELIVERY SYSTEMS.—Paragraph
2 (1) of section 121(e) (29 U.S.C. 2841(e)) (as reded-
3 ignated by paragraph (2)) is amended—

4 (A) in subparagraph (A), by striking “sub-
5 section (d)(2)” and inserting “section
6 134(d)(2)”;

7 (B) in subparagraph (B)—

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

10 (ii) by striking “individual training
11 accounts” and inserting “career scholar-
12 ship accounts”; and

13 (iii) by striking “subsection
14 (d)(4)(G)” and inserting “section
15 134(d)(4)(G)”;

16 (C) in subparagraph (C), by striking “sub-
17 section (e)” and inserting “section 134(e)”;

18 (D) in subparagraph (D), by striking “sec-
19 tion 121(b)” and inserting “subsection (b)”;
20 and

21 (E) in subparagraph (E), by striking “in-
22 formation described in section 15” and insert-
23 ing “data, information, and analysis described
24 in section 15(a)”.

1 (e) CONTINUOUS IMPROVEMENT OF ONE-STOP CEN-
2 TERS.—Section 121 (29 U.S.C. 2841) is amended by add-
3 ing at the end the following:

4 “(g) CONTINUOUS IMPROVEMENT OF ONE-STOP
5 CENTERS.—

6 “(1) IN GENERAL.—The State board, in con-
7 sultation with chief local elected officials and local
8 boards, shall establish objective criteria and proce-
9 dures for use by local boards in periodically assess-
10 ing the effectiveness, physical and programmatic ac-
11 cessibility, and continuous improvement of one-stop
12 centers and the one-stop delivery system.

13 “(2) CRITERIA.—The procedures and criteria
14 developed under this subsection shall include min-
15 imum standards relating to the scope and degree of
16 service coordination achieved by the one-stop deliv-
17 ery system with respect to the programs adminis-
18 tered by the one-stop partners at the one-stop cen-
19 ters, consistent with the guidelines and guidance
20 provided by the Governor and by the State board, in
21 consultation with the chief elected official and local
22 boards, for such partners’ participation under sub-
23 sections (h)(1)(B) and subsection (i), respectively,
24 and such other factors relating to the quality, acces-
25 sibility, and effectiveness of the one-stop delivery

1 system as the State board determines to be appro-
 2 priate.

3 “(3) LOCAL BOARDS.—Consistent with the cri-
 4 teria developed by the State, the local board may de-
 5 velop additional criteria of higher standards to re-
 6 spond to local labor market and demographic condi-
 7 tions and trends.

8 “(h) FUNDING OF ONE-STOP INFRASTRUCTURE.—

9 “(1) IN GENERAL.—

10 “(A) OPTIONS FOR INFRASTRUCTURE
 11 FUNDING.—

12 “(i) LOCAL OPTIONS.—The local
 13 board, chief elected officials, and one-stop
 14 partners in a local area may choose to
 15 fund the costs of the infrastructure of one-
 16 stop centers through—

17 “(I) methods described in the
 18 local memorandum of understanding,
 19 if, the local board, chief elected offi-
 20 cials, and one-stop partners agree to
 21 such methods; or

22 “(II) the State infrastructure
 23 funding mechanism described in para-
 24 graph (2).

1 “(ii) FAILURE TO REACH AGREEMENT
2 ON FUNDING METHODS.—If, as of July 1,
3 2006, the local board, chief elected offi-
4 cials, and one-stop partners in a local area
5 fail to reach agreement on methods of suf-
6 ficient funding of the infrastructure costs
7 of one-stop centers, as determined by the
8 local area, the State infrastructure funding
9 mechanism described in paragraph (2)
10 shall be applicable to such local area.

11 “(B) GUIDANCE FOR INFRASTRUCTURE
12 FUNDING.—In addition to carrying out the re-
13 quirements relating to the State mechanism for
14 one-stop center infrastructure funding described
15 in paragraph (2), the Governor, after consulta-
16 tion with chief local elected officials, local
17 boards, and the State board, and consistent
18 with the guidelines provided by the State board
19 under subsection (i), shall provide—

20 “(i) guidelines for State administered
21 one-stop partner programs in determining
22 such programs’ contributions to and par-
23 ticipation in the one-stop delivery system,
24 including funding for the costs of infra-
25 structure as defined in paragraph (2)(D),

1 negotiated pursuant to the local memo-
2 randum of understanding under subsection
3 (c); and

4 “(ii) guidance to assist local areas in
5 identifying equitable and stable alternative
6 methods of funding of the costs of the in-
7 frastructure of one-stop centers in local
8 areas.

9 “(2) STATE ONE-STOP INFRASTRUCTURE FUND-
10 ING.—

11 “(A) PARTNER CONTRIBUTIONS.—

12 “(i) IN GENERAL.—Subject to clause
13 (iii), a portion determined under clause (ii)
14 of the Federal funds provided to the State
15 and areas within the State under the Fed-
16 eral laws authorizing the programs de-
17 scribed in subsection (b)(1) and adminis-
18 tered by one-stop partners for a fiscal year
19 shall be provided to the Governor from
20 such programs to assist in paying the costs
21 of infrastructure of one-stop centers in
22 those local areas of the State not funded
23 under the option described in paragraph
24 (1)(A)(i)(I).

1 “(ii) DETERMINATION OF GOV-
2 ERNOR.—

3 “(I) IN GENERAL.—Subject to
4 subclause (II) and clause (iii), the
5 Governor, after consultation with chief
6 local elected officials, local boards,
7 and the State board, shall determine
8 the portion of funds to be provided
9 under clause (i) by each one-stop
10 partner from each program described
11 in clause (i). In making such deter-
12 mination, the Governor shall calculate
13 the proportionate use of the one-stop
14 centers for the purpose of determining
15 funding contributions pursuant to
16 clause (i)(II) or (ii) of paragraph
17 (1)(A) by each partner, and the costs
18 of administration for purposes not re-
19 lated to one-stop centers for each
20 partner. The Governor shall exclude
21 from such determination the portion
22 of funds and use of one-stop centers
23 attributable to the programs of one-
24 stop partners for those local areas of
25 the State where the infrastructure of

1 one-stop centers is funded under the
2 option described in paragraph
3 (1)(A)(i)(I).

4 “(II) SPECIAL RULE.—In a State
5 in which the State constitution places
6 policymaking authority that is inde-
7 pendent of the authority of the Gov-
8 ernor in an entity or official with re-
9 spect to the funds provided for adult
10 education and literacy activities au-
11 thorized under title II and for postsec-
12 ondary vocational and technical edu-
13 cation activities authorized under the
14 Carl D. Perkins Vocational and Tech-
15 nical Education Act of 1998 (20
16 U.S.C. 2301 et seq.), or vocational re-
17 habilitation services offered under the
18 Rehabilitation Act of 1973 (29 U.S.C.
19 701 et seq.), the determination de-
20 scribed in subclause (I) with respect
21 to the programs authorized under that
22 title and those Acts shall be made by
23 the chief officer of the entity with
24 such authority in consultation with
25 the Governor.

1 “(III) APPEAL BY ONE-STOP
2 PARTNERS.—The Governor shall es-
3 tablish a procedure for the one-stop
4 partner administering a program de-
5 scribed in subsection (b) to appeal a
6 determination regarding the portion of
7 funds to be contributed under this
8 paragraph on the basis that such de-
9 termination is inconsistent with the
10 criteria described in the State plan or
11 with the requirements of this para-
12 graph. Such procedure shall ensure
13 prompt resolution of the appeal.

14 “(iii) LIMITATIONS.—

15 “(I) PROVISION FROM ADMINIS-
16 TRATIVE FUNDS.—The funds provided
17 under this paragraph by each one-stop
18 partner shall be provided only from
19 funds available for the costs of admin-
20 istration under the program adminis-
21 tered by such partner, and shall be
22 subject to the program limitations
23 with respect to the portion of funds
24 under such program that may be used
25 for administration.

1 “(II) CAP ON REQUIRED CON-
2 TRIBUTIONS.—

3 “(aa) WIA FORMULA PRO-
4 GRAMS AND EMPLOYMENT SERV-
5 ICE.—The portion of funds re-
6 quired to be contributed under
7 clause (i)(II) or (ii) of paragraph
8 (1)(A) by the programs author-
9 ized under chapters 4 and 5 and
10 under the Wagner-Peyser Act
11 (29 U.S.C. 49 et seq.) shall not
12 be in excess of 3 percent of the
13 amount of Federal funds pro-
14 vided to carry out each such pro-
15 gram in the State for a fiscal
16 year.

17 “(bb) OTHER ONE-STOP
18 PARTNERS.—The portion of
19 funds required to be contributed
20 under clause (i)(II) or (ii) of
21 paragraph (1)(A) by a one-stop
22 partner from a program de-
23 scribed in subsection (b)(1) other
24 than the programs described
25 under item (aa) shall not be in

1 excess of 1½ percent of the
2 amount of Federal funds pro-
3 vided to carry out such program
4 in the State for a fiscal year.

5 “(cc) SPECIAL RULE.—Not-
6 withstanding items (aa) and (bb),
7 an agreement, including a local
8 memorandum of understanding,
9 entered into prior to the date of
10 enactment of the Workforce In-
11 vestment Act Amendments of
12 2005 by an entity regarding con-
13 tributions under this title that
14 permits the percentages described
15 in such items to be exceeded,
16 may continue to be in effect until
17 terminated by the parties.

18 “(dd) VOCATIONAL REHA-
19 BILITATION.—Notwithstanding
20 items (aa) and (bb), an entity ad-
21 ministering a program under title
22 I of the Rehabilitation Act of
23 1973 (29 U.S.C. 720 et seq.)
24 shall not be required to provide,

1 for the purposes of this para-
2 graph, an amount in excess of—

3 “(AA) 0.75 percent of
4 the amount provided for
5 such program in the State
6 for the second program year
7 that begins after the date of
8 enactment of the Workforce
9 Investment Act Amendments
10 of 2005;

11 “(BB) 1.0 percent of
12 the amount provided for
13 such program in the State
14 for the third program year
15 that begins after such date;

16 “(CC) 1.25 percent of
17 the amount provided for
18 such program in the State
19 for the fourth program year
20 that begins after such date;
21 and

22 “(DD) 1.5 percent of
23 the amount provided for
24 such program in the State
25 for the fifth and each suc-

1 ceeding program year that
2 begins after such date.

3 “(III) FEDERAL DIRECT SPEND-
4 ING PROGRAMS.—An entity admin-
5 istering a program funded with direct
6 spending as defined in section
7 250(c)(8) of the Balanced Budget and
8 Emergency Deficit Control Act of
9 1985 (2 U.S.C. 900(c)(8)) shall not
10 be required to provide, for purposes of
11 this paragraph, an amount in excess
12 of the amount determined to be equiv-
13 alent to the cost of the proportionate
14 use of the one-stop centers for such
15 program in the State.

16 “(IV) NATIVE AMERICAN PRO-
17 GRAMS.—Native American programs
18 established under section 166 shall
19 not be subject to the provisions of this
20 subsection or subsection (i). The
21 method for determining the appro-
22 priate portion of funds to be provided
23 by such Native American programs to
24 pay for the costs of infrastructure of
25 a one-stop center shall be determined

1 as part of the development of the
2 memorandum of understanding under
3 subsection (c) for the one-stop center
4 and shall be stated in the memo-
5 randum.

6 “(B) ALLOCATION BY GOVERNOR.—From
7 the funds provided under subparagraph (A), the
8 Governor shall allocate the funds to local areas
9 in accordance with the formula established
10 under subparagraph (C) for the purposes of as-
11 sisting in paying the costs of infrastructure of
12 one-stop centers.

13 “(C) ALLOCATION FORMULA.—The State
14 board shall develop a formula to be used by the
15 Governor to allocate the funds provided under
16 subparagraph (A) to local areas not funding in-
17 frastructure costs under the option described in
18 paragraph (1)(A)(i)(I). The formula shall be
19 based on factors including the number of one-
20 stop centers in a local area, the population
21 served by such centers, the services provided by
22 such centers, and other factors relating to the
23 performance of such centers that the State
24 board determines are appropriate.

1 “(D) COSTS OF INFRASTRUCTURE.—In
2 this subsection, the term ‘costs of infrastruc-
3 ture’, used with respect to a one-stop center,
4 means the nonpersonnel costs that are nec-
5 essary for the general operation of the one-stop
6 center, including the rental costs of the facili-
7 ties, the costs of utilities and maintenance,
8 equipment (including assessment-related prod-
9 ucts and adaptive technology for individuals
10 with disabilities), and technology to facilitate
11 remote access to the one-stop center’s strategic
12 planning activities, and common outreach ac-
13 tivities.

14 “(i) OTHER FUNDS.—

15 “(1) IN GENERAL.—Subject to the memo-
16 randum of understanding described in subsection (c)
17 for the one-stop delivery system involved, in addition
18 to the funds provided to carry out subsection (h), a
19 portion of funds made available under Federal law
20 authorizing the programs described in subsection (b)
21 and administered by one-stop partners, or the
22 noncash resources available under such programs,
23 shall be used to pay the additional costs relating to
24 the operation of the one-stop delivery system that
25 are not paid from the funds provided under sub-

1 section (h), as determined in accordance with para-
2 graph (2), to the extent not inconsistent with the
3 Federal law involved. Such costs shall include the
4 costs of the provision of core services described in
5 section 134(d)(2) applicable to each program and
6 may include common costs that are not paid from
7 the funds provided under subsection (h).

8 “(2) DETERMINATION AND GUIDANCE.—The
9 method for determining the appropriate portion of
10 funds and noncash resources to be provided by each
11 program under paragraph (1) for a one-stop center
12 shall be determined as part of the development of
13 the memorandum of understanding under subsection
14 (c) for the one-stop center and shall be stated in the
15 memorandum. The State board shall provide guid-
16 ance to facilitate the determination of an appro-
17 priate allocation of the funds and noncash resources
18 in local areas.”.

19 **SEC. 118. ELIGIBLE PROVIDERS OF TRAINING SERVICES.**

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

22 **“SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF**
23 **TRAINING SERVICES.**

24 “(a) ELIGIBILITY.—

1 “(1) IN GENERAL.—The Governor, after con-
2 sultation with the State board, shall establish cri-
3 teria and procedures regarding the eligibility of pro-
4 viders of training services described in section
5 134(d)(4) (referred to in this section as ‘training
6 services’) to receive funds provided under section
7 133(b) for the provision of training services.

8 “(2) PROVIDERS.—Subject to the provisions of
9 this section, to be eligible to receive the funds pro-
10 vided under section 133(b) for the provision of train-
11 ing services, the provider shall be—

12 “(A) a postsecondary educational institu-
13 tion that—

14 “(i) is eligible to receive Federal funds
15 under title IV of the Higher Education Act
16 of 1965 (20 U.S.C. 1070 et seq.); and

17 “(ii) provides a program that leads to
18 an associate degree, baccalaureate degree,
19 or industry-recognized certification;

20 “(B) an entity that carries out programs
21 under the Act of August 16, 1937 (commonly
22 known as the ‘National Apprenticeship Act’; 50
23 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.);
24 or

1 “(C) another public or private provider of
2 a program of training services.

3 “(3) INCLUSION IN LIST OF ELIGIBLE PRO-
4 VIDERS.—A provider described in subparagraph (A)
5 or (C) of paragraph (2) shall comply with the cri-
6 teria and procedures established under this section
7 to be included on the list of eligible providers of
8 training services described in subsection (d)(1). A
9 provider described in paragraph (2)(B) shall be in-
10 cluded on the list of eligible providers of training
11 services described in subsection (d)(1) for so long as
12 the provider remains certified by the Department of
13 Labor to carry out the programs described in para-
14 graph (2)(B).

15 “(b) CRITERIA.—

16 “(1) IN GENERAL.—The criteria established by
17 the Governor pursuant to subsection (a) shall take
18 into account—

19 “(A) the performance of providers of train-
20 ing services with respect to the performance
21 measures and other matters for which informa-
22 tion is required under paragraph (2) and other
23 appropriate measures of performance outcomes
24 for those participants receiving training services
25 under this subtitle (taking into consideration

1 the characteristics of the population served and
2 relevant economic conditions);

3 “(B) the need to ensure access to training
4 services throughout the State, including any
5 rural areas;

6 “(C) the information such providers are re-
7 quired to report to State agencies with respect
8 to Federal and State programs (other than the
9 program carried out under this subtitle), includ-
10 ing one-stop partner programs;

11 “(D) the requirements for State licensing
12 of providers of training services, and the licens-
13 ing status of each provider of training services
14 if applicable;

15 “(E) to the extent practicable, encouraging
16 the use of industry-recognized standards and
17 certification;

18 “(F) the ability of the providers to offer
19 programs that lead to a degree or an industry-
20 recognized certification;

21 “(G) the ability to provide training services
22 to hard-to-serve populations, including individ-
23 uals with disabilities; and

24 “(H) such other factors as the Governor
25 determines are appropriate to ensure—

1 “(i) the quality of services provided;

2 “(ii) the accountability of the pro-
3 viders;

4 “(iii) that the one-stop centers in the
5 State will ensure that such providers meet
6 the needs of local employers and partici-
7 pants;

8 “(iv) the informed choice of partici-
9 pants under chapter 5; and

10 “(v) that the collection of information
11 required is not unduly burdensome or cost-
12 ly to providers.

13 “(2) INFORMATION.—The criteria established
14 by the Governor shall require that a provider of
15 training services submit appropriate, accurate, and
16 timely information to the State for purposes of car-
17 rying out subsection (d), with respect to participants
18 receiving training services under this subtitle in the
19 applicable program, including—

20 “(A) information on degrees and industry-
21 recognized certifications received by such par-
22 ticipants;

23 “(B) information on costs of attendance
24 for such participants;

1 “(C) information on the program comple-
2 tion rate for such participants; and

3 “(D) information on the performance of
4 the provider with respect to the performance
5 measures described in section 136 for such par-
6 ticipants (taking into consideration the charac-
7 teristics of the population served and relevant
8 economic conditions), which may include infor-
9 mation specifying the percentage of such par-
10 ticipants who entered unsubsidized employment
11 in an occupation related to the program.

12 “(3) RENEWAL.—The criteria established by
13 the Governor shall also provide for biennial review
14 and renewal of eligibility under this section for pro-
15 viders of training services.

16 “(4) LOCAL CRITERIA.—A local board in the
17 State may establish criteria in addition to the cri-
18 teria established by the Governor, or may require
19 higher levels of performance than required under the
20 criteria established by the Governor, for purposes of
21 determining the eligibility of providers of training
22 services to receive funds described in subsection (a)
23 to provide the services in the local area involved.

24 “(5) INFORMATION TO ESTABLISH INITIAL ELI-
25 GIBILITY.—

1 “(A) IN GENERAL.—In an effort to provide
2 the highest-quality training services and respon-
3 siveness to new and emerging industries, pro-
4 viders may seek initial eligibility under this sec-
5 tion as providers of training services. The cri-
6 teria established by the Governor shall require
7 that a provider who has not previously been an
8 eligible provider of training services under this
9 section provide the information described in
10 subparagraph (B).

11 “(B) INFORMATION.—The provider shall
12 provide verifiable program-specific performance
13 information supporting the provider’s ability to
14 serve participants under this subtitle. The in-
15 formation provided under this subparagraph
16 may include information on outcome measures
17 such as job placement and wage increases for
18 individuals participating in the program, infor-
19 mation on business partnerships and other fac-
20 tors that indicate high-quality training services,
21 and information on alignment with industries
22 targeted for potential employment opportuni-
23 ties.

24 “(C) PROVISION.—The provider shall pro-
25 vide the information described in subparagraph

1 (B) to the Governor and the local boards in a
2 manner that will permit the Governor and the
3 local boards to make a decision on inclusion of
4 the provider on the list of eligible providers de-
5 scribed in subsection (d).

6 “(c) PROCEDURES.—The procedures established
7 under subsection (a) shall identify the application process
8 for a provider of training services to become eligible to
9 receive funds provided under section 133(b) for the provi-
10 sion of training services, and identify the respective roles
11 of the State and local areas in receiving and reviewing the
12 applications and in making determinations of such eligi-
13 bility based on the criteria established under this section.
14 The procedures shall also establish a process for a pro-
15 vider of training services to appeal a denial or termination
16 of eligibility under this section, that includes an oppor-
17 tunity for a hearing and prescribes appropriate time limits
18 to ensure prompt resolution of the appeal.

19 “(d) INFORMATION TO ASSIST PARTICIPANTS IN
20 CHOOSING PROVIDERS.—In order to facilitate and assist
21 participants in choosing employment and training activi-
22 ties under chapter 5 and in choosing providers of training
23 services, the Governor shall ensure that an appropriate list
24 of providers determined to be eligible under this section
25 in the State, accompanied by appropriate information, is

1 provided to the one-stop delivery system in the State. The
2 accompanying information shall consist of information
3 provided by providers described in subparagraphs (A) and
4 (C) of subsection (a)(2) in accordance with subsection (b)
5 (including information on receipt of degrees and industry-
6 recognized certifications, and costs of attendance, for par-
7 ticipants receiving training services under this subtitle in
8 applicable programs) and such other information as the
9 Secretary determines is appropriate. The list and the ac-
10 companying information shall be made available to such
11 participants and to members of the public through the
12 one-stop delivery system in the State.

13 “(e) ENFORCEMENT.—

14 “(1) IN GENERAL.—The criteria and proce-
15 dures established under this section shall provide the
16 following:

17 “(A) INTENTIONALLY SUPPLYING INAC-
18 CURATE INFORMATION.—Upon a determination,
19 by an individual or entity specified in the cri-
20 teria or procedures, that a provider of training
21 services, or individual providing information on
22 behalf of the provider, intentionally supplied in-
23 accurate information under this section, the eli-
24 gibility of such provider to receive funds under

1 chapter 5 shall be terminated for a period of
2 time that is not less than 2 years.

3 “(B) SUBSTANTIAL VIOLATIONS.—Upon a
4 determination, by an individual or entity speci-
5 fied in the criteria or procedures, that a pro-
6 vider of training services substantially violated
7 any requirement under this title, the eligibility
8 of such provider to receive funds under the pro-
9 gram involved may be terminated, or other ap-
10 propriate action may be taken.

11 “(C) REPAYMENT.—A provider of training
12 services whose eligibility is terminated under
13 subparagraph (A) or (B) shall be liable for the
14 repayment of funds received under chapter 5
15 during a period of noncompliance described in
16 such subparagraph.

17 “(2) CONSTRUCTION.—Paragraph (1) shall be
18 construed to provide remedies and penalties that
19 supplement, but do not supplant, other civil and
20 criminal remedies and penalties.

21 “(f) AGREEMENTS WITH OTHER STATES.—States
22 may enter into agreements, on a reciprocal basis, to per-
23 mit eligible providers of training services to accept career
24 scholarship accounts provided in another State.

1 “(g) OPPORTUNITY TO SUBMIT COMMENTS.—In es-
2 tablishing criteria, procedures, requirements for informa-
3 tion, and the list of eligible providers described in sub-
4 section (d)(1), the Governor shall provide an opportunity
5 for interested members of the public to make rec-
6 ommendations and submit comments regarding such cri-
7 teria, procedures, requirements for information, and list.

8 “(h) TRANSITION PERIOD FOR IMPLEMENTATION.—
9 The requirements of this section shall be implemented not
10 later than December 31, 2006. In order to facilitate early
11 implementation of this section, the Governor may establish
12 transition procedures under which providers eligible to
13 provide training services under chapter 5 as such chapter
14 was in effect on the day before the date of enactment of
15 the Workforce Investment Act Amendments of 2005 may
16 continue to be eligible to provide such services until De-
17 cember 31, 2006, or until such earlier date as the Gov-
18 ernor determines to be appropriate.

19 “(i) ON-THE-JOB TRAINING, CUSTOMIZED TRAIN-
20 ING, OR INCUMBENT WORKER TRAINING EXCEPTION.—

21 “(1) IN GENERAL.—Providers of on-the-job
22 training, customized training, or incumbent worker
23 training shall not be subject to the requirements of
24 subsections (a) through (h).

1 “(2) COLLECTION AND DISSEMINATION OF IN-
2 FORMATION.—A one-stop operator in a local area
3 shall collect such performance information from pro-
4 viders of on-the-job training, customized training,
5 and incumbent worker training as the Governor may
6 require, determine whether the providers meet such
7 performance criteria as the Governor may require,
8 and disseminate information identifying providers
9 that meet the criteria as eligible providers, and the
10 performance information, through the one-stop deliv-
11 ery system. Providers determined to meet the cri-
12 teria shall be considered to be identified as eligible
13 providers of training services.”.

14 **SEC. 119. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.**

15 Section 123 (29 U.S.C. 2843) is amended to read as
16 follows:

17 **“SEC. 123. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.**

18 “(a) IN GENERAL.—From the funds allocated under
19 section 128(b) to a local area, the local board for such
20 area shall award grants or contracts on a competitive basis
21 to providers of youth activities identified based on the cri-
22 teria in the State plan described in section 112 and shall
23 conduct oversight with respect to such providers.

24 “(b) EXCEPTIONS.—A local board may award grants
25 or contracts on a sole-source basis if such board deter-

1 mines there is an insufficient number of eligible providers
2 of youth activities in the local area involved (such as a
3 rural area) for grants and contracts to be awarded on a
4 competitive basis under subsection (a).”.

5 **SEC. 120. YOUTH ACTIVITIES.**

6 (a) STATE ALLOTMENTS.—Section 127 (29 U.S.C.
7 2852) is amended—

8 (1) in subsection (a)(1), by striking “oppor-
9 tunity” and inserting “challenge”; and

10 (2) by striking subsection (b) and inserting the
11 following:

12 “(b) ALLOTMENT AMONG STATES.—

13 “(1) YOUTH ACTIVITIES.—

14 “(A) YOUTH CHALLENGE GRANTS AND
15 YOUTH ACTIVITIES FOR FARMWORKERS AND
16 NATIVE AMERICANS.—

17 “(i) IN GENERAL.—For each fiscal
18 year in which the amount appropriated
19 under section 137(a) exceeds
20 \$1,000,000,000, the Secretary shall re-
21 serve a portion of the amount to provide
22 youth activities under section 167 (relating
23 to migrant and seasonal farmworker pro-
24 grams) and provide youth challenge grants

1 and other activities under section 169 (re-
2 lating to youth challenge grants).

3 “(ii) PORTION.—The portion referred
4 to in clause (i) shall equal, for a fiscal
5 year—

6 “(I) except as provided in sub-
7 clause (II), the difference obtained by
8 subtracting \$1,000,000,000 from the
9 amount appropriated under section
10 137(a) for the fiscal year; or

11 “(II) for any fiscal year in which
12 the amount is \$1,250,000,000 or
13 greater, \$250,000,000.

14 “(iii) YOUTH ACTIVITIES FOR FARM-
15 WORKERS.—For a fiscal year described in
16 clause (i), the Secretary shall reserve the
17 greater of \$10,000,000 or 4 percent of the
18 portion described in clause (i) for a fiscal
19 year to provide youth activities under sec-
20 tion 167. For a fiscal year not described in
21 clause (i), the Secretary shall reserve
22 \$10,000,000 of the amount appropriated
23 under section 137(a) to provide youth ac-
24 tivities under section 167.

1 “(iv) YOUTH ACTIVITIES FOR NATIVE
2 AMERICANS.—From the amount appro-
3 priated under section 137(a) for each fiscal
4 year that is not reserved under clause (i)
5 or (iii), the Secretary shall reserve not
6 more than 1½ percent of such appro-
7 priated amount to provide youth activities
8 under section 166 (relating to Native
9 Americans).

10 “(B) OUTLYING AREAS.—

11 “(i) IN GENERAL.—From the amount
12 appropriated under section 137(a) for each
13 fiscal year that is not reserved under sub-
14 paragraph (A), the Secretary shall reserve
15 not more than ¼ of 1 percent of the ap-
16 propriated amount to provide assistance to
17 the outlying areas to carry out youth ac-
18 tivities and statewide workforce investment
19 activities.

20 “(ii) LIMITATION FOR FREELY ASSO-
21 CIATED STATES.—

22 “(I) COMPETITIVE GRANTS.—

23 The Secretary shall use funds de-
24 scribed in clause (i) to award grants
25 to Guam, American Samoa, the Com-

1 monwealth of the Northern Mariana
2 Islands, and the Freely Associated
3 States to carry out youth activities
4 and statewide workforce investment
5 activities.

6 “(II) AWARD BASIS.—The Sec-
7 retary shall award grants pursuant to
8 subclause (I) on a competitive basis
9 and pursuant to the recommendations
10 of experts in the field of employment
11 and training, working through the Pa-
12 cific Region Educational Laboratory
13 in Honolulu, Hawaii.

14 “(III) ASSISTANCE REQUIRE-
15 MENTS.—Any Freely Associated State
16 that desires to receive assistance
17 under this subparagraph shall submit
18 an application to the Secretary and
19 shall include in the application for as-
20 sistance—

21 “(aa) information dem-
22 onstrating that the Freely Asso-
23 ciated State will meet all condi-
24 tions that apply to States under
25 this title;

1 “(bb) an assurance that,
2 notwithstanding any other provi-
3 sion of this title, the Freely Asso-
4 ciated State will use such assist-
5 ance only for the direct provision
6 of services; and

7 “(cc) such other information
8 and assurances as the Secretary
9 may require.

10 “(IV) ADMINISTRATIVE COSTS.—
11 The Secretary may provide not more
12 than 5 percent of the funds made
13 available for grants under subclause
14 (I) to pay the administrative costs of
15 the Pacific Region Educational Lab-
16 oratory in Honolulu, Hawaii, regard-
17 ing activities assisted under this
18 clause.

19 “(iii) ADDITIONAL REQUIREMENT.—
20 The provisions of Public Law 95–134, per-
21 mitting the consolidation of grants by the
22 outlying areas, shall not apply to assist-
23 ance provided to those areas, including the
24 Freely Associated States, under this sub-
25 paragraph.

1 “(C) STATES.—

2 “(i) IN GENERAL.—From the remain-
3 der of the amount appropriated under sec-
4 tion 137(a) for a fiscal year that exists
5 after the Secretary determines the
6 amounts to be reserved under subpara-
7 graphs (A) and (B), the Secretary shall
8 allot to the States—

9 “(I) an amount of the remainder
10 that is less than or equal to the total
11 amount that was allotted to States for
12 fiscal year 2005 under section
13 127(b)(1)(C) of this Act (as in effect
14 on the day before the date of enact-
15 ment of the Workforce Investment Act
16 Amendments of 2005), in accordance
17 with the requirements of such section
18 127(b)(1)(C); and

19 “(II) the amount of the remain-
20 der, if any, in excess of the amount
21 referred to in subclause (I), in accord-
22 ance with clause (ii).

23 “(ii) FORMULA.—Subject to clauses
24 (iii) and (iv), of the amount described in
25 clause (i)(II)—

1 “(I) $33\frac{1}{3}$ percent shall be allot-
2 ted on the basis of the relative num-
3 ber of individuals in the civilian labor
4 force who are ages 16 through 21 in
5 each State, compared to the total
6 number of individuals in the civilian
7 labor force who are ages 16 through
8 21 in all States;

9 “(II) $33\frac{1}{3}$ percent shall be allot-
10 ted on the basis of the relative num-
11 ber of unemployed individuals in each
12 State, compared to the total number
13 of unemployed individuals in all
14 States; and

15 “(III) $33\frac{1}{3}$ percent shall be allot-
16 ted on the basis of the relative num-
17 ber of disadvantaged youth who are
18 ages 16 through 21 in each State,
19 compared to the total number of dis-
20 advantaged youth who are ages 16
21 through 21 in all States.

22 “(iii) MINIMUM AND MAXIMUM PER-
23 CENTAGES.—

24 “(I) MINIMUM PERCENTAGE.—

25 The Secretary shall ensure that no

1 State shall receive an allotment per-
2 centage under this subparagraph for a
3 fiscal year that is less than 90 percent
4 of the allotment percentage of the
5 State for the preceding fiscal year.

6 “(II) MAXIMUM PERCENTAGE.—
7 Subject to subclause (I), the Secretary
8 shall ensure that no State shall re-
9 ceive an allotment percentage under
10 this subparagraph for a fiscal year
11 that is more than 130 percent of the
12 allotment percentage of the State for
13 the preceding fiscal year.

14 “(iv) SMALL STATE MINIMUM ALLOT-
15 MENT.—Subject to clause (iii), the Sec-
16 retary shall ensure that no State shall re-
17 ceive an allotment under this subparagraph
18 that is less than the total of—

19 “(I) $\frac{3}{10}$ of 1 percent of
20 \$1,000,000,000 of the remainder de-
21 scribed in clause (i) for the fiscal
22 year; and

23 “(II) if the remainder described
24 in clause (i) for the fiscal year exceeds

1 \$1,000,000,000, $\frac{2}{5}$ of 1 percent of
2 the excess.

3 “(2) DEFINITIONS.—For the purposes of para-
4 graph (1):

5 “(A) ALLOTMENT PERCENTAGE.—The
6 term ‘allotment percentage’, used with respect
7 to fiscal year 2006 or a subsequent fiscal year,
8 means a percentage of the remainder described
9 in paragraph (1)(C)(i) that is received by the
10 State involved through an allotment made
11 under this subsection for the fiscal year. The
12 term, used with respect to fiscal year 2005,
13 means the percentage of the amounts allotted
14 to States under this chapter (as in effect on the
15 day before the date of enactment of the Work-
16 force Investment Act Amendments of 2005)
17 that is received by the State involved for fiscal
18 year 2005.

19 “(B) DISADVANTAGED YOUTH.—Subject to
20 paragraph (3), the term ‘disadvantaged youth’
21 means an individual who is age 16 through 21
22 who received an income, or is a member of a
23 family that received a total family income, that,
24 in relation to family size, does not exceed the
25 higher of—

1 “(i) the poverty line; or

2 “(ii) 70 percent of the lower living
3 standard income level.

4 “(C) FREELY ASSOCIATED STATE.—The
5 term ‘Freely Associated State’ means the Re-
6 public of the Marshall Islands, the Federated
7 States of Micronesia, and the Republic of
8 Palau.

9 “(3) SPECIAL RULE.—For purposes of the for-
10 mula specified in paragraph (1)(C), the Secretary
11 shall, as appropriate and to the extent practicable,
12 exclude college students and members of the Armed
13 Forces from the determination of the number of dis-
14 advantaged youth.”.

15 (b) REALLOTMENT.—

16 (1) AMENDMENT.—Section 127(c) (29 U.S.C.
17 2852(e)) is amended—

18 (A) by striking paragraph (2) and insert-
19 ing the following:

20 “(2) AMOUNT.—The amount available for real-
21 lotment for a program year is equal to the amount
22 by which the unexpended balance at the end of the
23 program year prior to the program year for which
24 the determination is made exceeds 30 percent of the
25 total amount of funds available to the State under

1 this section during such prior program year (includ-
2 ing amounts allotted to the State in all prior pro-
3 gram years that remained available). For purposes
4 of this paragraph, the unexpended balance is the
5 amount that is the difference between—

6 “(A) the total amount of funds available to
7 the State under this section during the program
8 year prior to the program year for which the
9 determination is made (including amounts allot-
10 ted to the State in all prior program years that
11 remained available); and

12 “(B) the accrued expenditures during such
13 prior program year.”;

14 (B) in paragraph (3)—

15 (i) by striking “for the prior program
16 year” and inserting “for the program year
17 for which the determination is made”; and

18 (ii) by striking “such prior program
19 year” and inserting “such program year”;

20 (C) by striking paragraph (4) and insert-
21 ing the following:

22 “(4) ELIGIBILITY.—For purposes of this sub-
23 section, an eligible State means a State that does
24 not have an amount available for reallocation under

1 paragraph (2) for the program year for which the
2 determination under paragraph (2) is made.”; and

3 (D) in paragraph (5), by striking “obliga-
4 tion” and inserting “accrued expenditure”.

5 (2) EFFECTIVE DATE.—The amendment made
6 by paragraph (1) shall take effect for the program
7 year that begins after the date of enactment of this
8 Act.

9 (c) WITHIN STATE ALLOCATIONS.—

10 (1) RESERVATION FOR STATEWIDE ACTIVI-
11 TIES.—Section 128(a) (29 U.S.C. 2853(a)) is
12 amended to read as follows:

13 “(a) RESERVATIONS FOR STATEWIDE ACTIVITIES.—

14 “(1) IN GENERAL.—The Governor of a State
15 shall reserve not more than 15 percent of each of
16 the amounts allotted to the State under section
17 127(b)(1)(C) and paragraphs (1)(B) and (2)(B) of
18 section 132(b) for a fiscal year for statewide work-
19 force investment activities.

20 “(2) USE OF FUNDS.—Regardless of whether
21 the reserved amounts were allotted under section
22 127(b)(1)(C), or under paragraph (1)(B) or (2)(B)
23 of section 132(b), the Governor may use the re-
24 served amounts to carry out statewide activities
25 under section 129(b) or statewide employment and

1 training activities, for adults or dislocated workers,
2 under section 134(a).”.

3 (2) WITHIN STATE ALLOCATION.—Section
4 128(b) (29 U.S.C. 2853(b)) is amended to read as
5 follows:

6 “(b) WITHIN STATE ALLOCATIONS.—

7 “(1) IN GENERAL.—Of the amount allotted to
8 the State under section 127(b)(1)(C) and not re-
9 served under subsection (a)(1)—

10 “(A) a portion equal to not less than 80
11 percent of such amount shall be allocated by
12 the Governor to local areas in accordance with
13 paragraph (2); and

14 “(B) a portion equal to not more than 20
15 percent of such amount may be allocated by the
16 Governor to local areas in accordance with
17 paragraph (3).

18 “(2) ESTABLISHED FORMULA.—

19 “(A) IN GENERAL.—Of the portion de-
20 scribed in paragraph (1)(A), the Governor shall
21 allocate—

22 “(i) $33\frac{1}{3}$ percent on the basis of the
23 relative number of individuals in the civil-
24 ian labor force who are ages 16 through 21
25 in each local area, compared to the total

1 number of individuals in the civilian labor
 2 force who are ages 16 through 21 in all
 3 local areas in the State;

4 “(ii) $33\frac{1}{3}$ percent on the basis of the
 5 relative number of unemployed individuals
 6 in each local area, compared to the total
 7 number of unemployed individuals in all
 8 local areas in the State; and

9 “(iii) $33\frac{1}{3}$ percent on the basis of the
 10 relative number of disadvantaged youth
 11 who are ages 16 through 21 in each local
 12 area, compared to the total number of dis-
 13 advantaged youth who are ages 16 through
 14 21 in all local areas in the State.

15 “(B) MINIMUM AND MAXIMUM PERCENT-
 16 AGES.—

17 “(i) MINIMUM PERCENTAGE.—The
 18 Governor shall ensure that no local area
 19 shall receive an allocation percentage under
 20 this paragraph for a fiscal year that is less
 21 than 90 percent of the allocation percent-
 22 age of the local area for the preceding fis-
 23 cal year.

24 “(ii) MAXIMUM PERCENTAGE.—Sub-
 25 ject to clause (i), the Governor shall ensure

1 that no local area shall receive an alloca-
2 tion percentage under this paragraph for a
3 fiscal year that is more than 130 percent
4 of the allocation percentage of the local
5 area for the preceding fiscal year.

6 “(C) DEFINITIONS.—In this paragraph:

7 “(i) ALLOCATION PERCENTAGE.—The
8 term ‘allocation percentage’, used with re-
9 spect to fiscal year 2006 or a subsequent
10 fiscal year, means a percentage of the por-
11 tion described in paragraph (1)(A) that is
12 received by the local area involved through
13 an allocation made under this paragraph
14 for the fiscal year. The term, used with re-
15 spect to fiscal year 2005, means the per-
16 centage of the amounts allocated to local
17 areas under this chapter (as in effect on
18 the day before the date of enactment of the
19 Workforce Investment Act Amendments of
20 2005) that is received by the local area in-
21 volved for fiscal year 2005.

22 “(ii) DISADVANTAGED YOUTH.—The
23 term ‘disadvantaged youth’ means an indi-
24 vidual who—

25 “(I) is age 16 through 21;

1 “(II) is not a college student or
2 member of the Armed Forces; and

3 “(III) received an income, or is a
4 member of a family that received a
5 total family income, that, in relation
6 to family size, does not exceed the
7 higher of—

8 “(aa) the poverty line; or

9 “(bb) 70 percent of the
10 lower living standard income
11 level.

12 “(3) YOUTH DISCRETIONARY ALLOCATION.—
13 The Governor may allocate the portion described in
14 paragraph (1)(B) to local areas where there are a
15 significant number of eligible youth, after consulta-
16 tion with the State board and local boards.

17 “(4) LOCAL ADMINISTRATIVE COST LIMIT.—

18 “(A) IN GENERAL.—Of the amount allo-
19 cated to a local area under this subsection and
20 section 133(b) for a fiscal year, not more than
21 10 percent of the amount may be used by the
22 local board involved for the administrative costs
23 of carrying out local workforce investment ac-
24 tivities under this chapter or chapter 5.

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

8 (3) REALLOCATION.—

9 (A) AMENDMENT.—Section 128(c) (29
10 U.S.C. 2853(c)) is amended—

11 (i) in paragraph (1), by striking
12 “paragraph (2)(A) or (3) of”;

13 (ii) by striking paragraph (2) and in-
14 serting the following:

15 “(2) AMOUNT.—The amount available for re-
16 allocation for a program year is equal to the amount
17 by which the unexpended balance at the end of the
18 program year prior to the program year for which
19 the determination is made exceeds 30 percent of the
20 total amount of funds available to the local area
21 under this section during such prior program year
22 (including amounts allocated to the local area in all
23 prior program years that remained available). For
24 purposes of this paragraph, the unexpended balance
25 is the amount that is the difference between—

1 “(A) the total amount of funds available to
2 the local area under this section during the pro-
3 gram year prior to the program year for which
4 the determination is made (including amounts
5 allocated to the local area in all prior program
6 years that remained available); and

7 “(B) the accrued expenditures during such
8 prior program year.”;

9 (iii) by amending paragraph (3)—

10 (I) by striking “subsection
11 (b)(3)” each place it appears and in-
12 serting “subsection (b)”;

13 (II) by striking “for the prior
14 program year” the first place it ap-
15 pears and inserting “for the program
16 year for which the determination is
17 made”;

18 (III) by striking “such prior pro-
19 gram year” and inserting “such pro-
20 gram year”; and

21 (IV) by striking the last sen-
22 tence; and

23 (iv) by striking paragraph (4) and in-
24 serting the following:

1 “(4) ELIGIBILITY.—For purposes of this sub-
2 section, an eligible local area means a local area that
3 does not have an amount available for reallocation
4 under paragraph (2) for the program year for which
5 the determination under paragraph (2) is made.”.

6 (B) EFFECTIVE DATE.—The amendments
7 made by subparagraph (A) shall take effect for
8 the later of—

9 (i) the program year that begins after
10 the date of enactment of this Act; or

11 (ii) program year 2006.

12 (d) YOUTH PARTICIPANT ELIGIBILITY.—Section
13 129(a) (29 U.S.C. 2854(a)) is amended to read as follows:

14 “(a) YOUTH PARTICIPANT ELIGIBILITY.—

15 “(1) ELIGIBILITY.—

16 “(A) IN GENERAL.—To be eligible to par-
17 ticipate in activities carried out under this
18 chapter during any program year an individual
19 shall, at the time the eligibility determination is
20 made, be an out-of-school youth or an in-school
21 youth.

22 “(B) OUT-OF-SCHOOL YOUTH.—In this
23 title the term ‘out-of-school youth’ means an in-
24 dividual who is—

1 “(i) not younger than age 16 nor
2 older than age 21; and

3 “(ii) one of the following:

4 “(I) A school dropout.

5 “(II) A youth who is within the
6 age for compulsory school attendance,
7 but has not attended school for at
8 least 1 school year calendar quarter.

9 “(III) A recipient of a secondary
10 school diploma or its equivalent who
11 is—

12 “(aa) deficient in basic
13 skills, including limited English
14 proficiency;

15 “(bb) a low-income indi-
16 vidual; and

17 “(cc) not attending any
18 school.

19 “(IV) Subject to the juvenile or
20 adult justice system or ordered by a
21 court to an alternative school.

22 “(V) A low-income individual who
23 is pregnant or parenting and not at-
24 tending any school.

1 “(VI) A youth who is not attend-
2 ing school or a youth attending an al-
3 ternative school, who is homeless, a
4 runaway, a foster child, a child eligi-
5 ble for assistance under section 477 of
6 the Social Security Act (42 U.S.C.
7 677), or in an out-of-home placement.

8 “(VII) A low-income individual
9 who is not attending school and re-
10 quires additional assistance to enter
11 or complete an educational program
12 or to secure or hold employment.

13 “(C) IN-SCHOOL YOUTH.—In this section
14 the term ‘in-school youth’ means an individual
15 who is—

16 “(i) not younger than age 14 nor
17 older than age 21;

18 “(ii) a low-income individual; and

19 “(iii) one or more of the following:

20 “(I) Deficient in basic literacy
21 skills, including limited English pro-
22 ficiency.

23 “(II) Homeless, a runaway, a
24 foster child, a child eligible for assist-
25 ance under section 477 of the Social

1 Security Act (42 U.S.C. 677), or in
2 an out-of-home placement.

3 “(III) Pregnant or parenting.

4 “(IV) An offender (other than an
5 individual described in subparagraph
6 (B)(ii)(IV)).

7 “(V) An individual who requires
8 additional assistance to complete an
9 educational program or to secure or
10 hold employment.

11 “(2) EXCEPTION.—Not more than 5 percent of
12 the individuals assisted under this section in each
13 local area, in the case of individuals for whom low
14 income is a requirement for eligibility under this sec-
15 tion, may be individuals who are not low income.

16 “(3) LIMITATIONS ON ACTIVITIES FOR IN-
17 SCHOOL YOUTH.—

18 “(A) IN GENERAL.—For any program
19 year, not more than 60 percent of the funds
20 available for statewide activities under sub-
21 section (b), and not more than 60 percent of
22 funds available to local areas under subsection
23 (c), may be used to provide activities for in-
24 school youth meeting the requirements of para-
25 graph (1)(B).

1 “(B) EXCEPTION.—A State that receives a
2 minimum allotment under section 127(b)(1) in
3 accordance with section 127(b)(1)(C)(iv) or
4 under section 132(b)(1) in accordance with sec-
5 tion 132(b)(1)(B)(iv)(II) may increase the per-
6 centage described in subparagraph (A) for a
7 local area in the State, if—

8 “(i) after an analysis of the eligible
9 youth population in the local area, the
10 State determines that the local area will be
11 unable to use at least 40 percent of the
12 funds available for activities under sub-
13 section (b) or (c) to serve out-of-school
14 youth due to a low number of out-of-school
15 youth; and

16 “(ii)(I) the State submits to the Sec-
17 retary, for the local area, a request includ-
18 ing a proposed increased percentage for
19 purposes of subparagraph (A), and the
20 summary of the eligible youth population
21 analysis; and

22 “(II) the request is approved by the
23 Secretary.

24 “(4) CONSISTENCY WITH COMPULSORY SCHOOL
25 ATTENDANCE LAWS.—In providing assistance under

1 this section to an individual who is required to at-
2 tend school under applicable State compulsory school
3 attendance laws, the priority in providing such as-
4 sistance shall be for the individual to attend school
5 regularly.”.

6 (e) STATEWIDE ACTIVITIES.—Section 129(b) (29
7 U.S.C. 2854(b)) is amended to read as follows:

8 “(b) STATEWIDE ACTIVITIES.—

9 “(1) IN GENERAL.—Funds reserved by a Gov-
10 ernor for a State as described in sections 128(a) and
11 133(a)(1) shall be used, regardless of whether the
12 funds were allotted to the State under section
13 127(b)(1)(C) or under paragraph (1)(B) or (2)(B)
14 of section 132(b) for statewide activities, which may
15 include—

16 “(A) conducting—

17 “(i) evaluations under section 136(e)
18 of activities authorized under this chapter
19 and chapter 5 in coordination with evalua-
20 tions carried out by the Secretary under
21 section 172;

22 “(ii) research; and

23 “(iii) demonstration projects;

24 “(B) providing incentive grants to local
25 areas for regional cooperation among local

1 boards (including local boards in a designated
2 region as described in section 116(c)), for local
3 coordination of activities carried out under this
4 title, and for performance by local areas as de-
5 scribed in section 136(i)(2);

6 “(C) providing technical assistance and ca-
7 pacity building activities to local areas, one-stop
8 operators, one-stop partners, and eligible pro-
9 viders, including the development and training
10 of staff, the development of exemplary program
11 activities, the provision of technical assistance
12 to local areas that fail to meet local perform-
13 ance measures described in section 136(c), and
14 the provision of technology to facilitate remote
15 access to services provided through the one-stop
16 delivery system in the State;

17 “(D) operating a fiscal and management
18 accountability information system under section
19 136(f);

20 “(E) carrying out monitoring and over-
21 sight of activities carried out under this chapter
22 and chapter 5, which may include a review com-
23 paring the services provided to male and female
24 youth;

1 “(F) providing additional assistance to
2 local areas that have high concentrations of eli-
3 gible youth;

4 “(G) supporting the development of alter-
5 native programs and other activities that en-
6 hance the choices available to eligible youth and
7 encourage such youth to reenter secondary edu-
8 cation, enroll in postsecondary education and
9 advanced training, and obtain career path em-
10 ployment;

11 “(H) supporting the provision of core serv-
12 ices described in section 134(d)(2) in the one-
13 stop delivery system in the State; and

14 “(I) supporting financial literacy, includ-
15 ing—

16 “(i) supporting the ability to create
17 household budgets, initiate savings plans,
18 and make strategic investment decisions
19 for education, retirement, home ownership,
20 wealth building, or other savings goals;

21 “(ii) supporting the ability to manage
22 spending, credit, and debt, including credit
23 card debt, effectively;

24 “(iii) increasing awareness of the
25 availability and significance of credit re-

1 ports and credit scores in obtaining credit,
2 the importance of their accuracy (and how
3 to correct inaccuracies), their effect on
4 credit terms, and the effect common finan-
5 cial decisions may have on credit scores;

6 “(iv) supporting the ability to ascer-
7 tain fair and favorable credit terms;

8 “(v) supporting the ability to avoid
9 abusive, predatory, or deceptive credit of-
10 fers and financial products;

11 “(vi) supporting the ability to under-
12 stand, evaluate, and compare financial
13 products, services, and opportunities;

14 “(vii) supporting the ability to under-
15 stand resources that are easily accessible
16 and affordable, and that inform and edu-
17 cate an investor as to the investor’s rights
18 and avenues of recourse when the investor
19 believes the investor’s rights have been vio-
20 lated by unprofessional conduct of market
21 intermediaries;

22 “(viii) increasing awareness of the
23 particular financial needs and financial
24 transactions (such as the sending of remit-
25 tances) of consumers who are targeted in

1 multilingual financial literacy and edu-
2 cation programs and improving the devel-
3 opment and distribution of multilingual fi-
4 nancial literacy and education materials;

5 “(ix) promoting bringing individuals
6 who lack basic banking services into the fi-
7 nancial mainstream by opening and main-
8 taining accounts with financial institutions;
9 and

10 “(x) improving financial literacy and
11 education through all other related skills,
12 including personal finance and related eco-
13 nomic education, with the primary goal of
14 programs not simply to improve knowl-
15 edge, but rather to improve consumers’ fi-
16 nancial choices and outcomes.

17 “(2) LIMITATION.—Not more than 5 percent of
18 the funds allotted to a State under section
19 127(b)(1)(C) shall be used by the State for adminis-
20 trative activities carried out under this subsection or
21 section 134(a).

22 “(3) PROHIBITION.—No funds described in this
23 subsection may be used to develop or implement
24 education curricula for school systems in the
25 State.”.

1 (f) LOCAL ELEMENTS AND REQUIREMENTS.—

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

4 (A) in the matter that precedes subpara-
5 graph (A), by striking “paragraph (2)(A) or
6 (3), as appropriate, of”;

7 (B) in subparagraph (B), by inserting “are
8 directly linked to 1 or more of the performance
9 measures relating to this chapter under section
10 136, and that” after “for each participant
11 that”; and

12 (C) in subparagraph (C)—

13 (i) by redesignating clauses (i)
14 through (iv) as clauses (ii) through (v), re-
15 spectively;

16 (ii) by inserting before clause (ii) (as
17 redesignated by clause (i)) the following:

18 “(i) activities leading to the attain-
19 ment of a secondary school diploma or its
20 equivalent, or another recognized creden-
21 tial;”;

22 (iii) in clause (ii) (as redesignated by
23 clause (i)), by inserting “and advanced
24 training” after “opportunities”;

1 (iv) in clause (iii) (as redesignated by
2 clause (i))—

3 (I) by inserting “instruction
4 based on State academic content and
5 student academic achievement stand-
6 ards established under section 1111 of
7 the Elementary and Secondary Edu-
8 cation Act of 1965 (20 U.S.C. 6311)”
9 after “academic”; and

10 (II) by inserting “that lead to the
11 attainment of recognized credentials”
12 after “learning”; and

13 (v) by striking clause (v) (as redesign-
14 ated by clause (i)) and inserting the fol-
15 lowing:

16 “(v) effective connections to all em-
17 ployers, including small employers, in sec-
18 tors of the local and regional labor markets
19 that are experiencing high growth in em-
20 ployment opportunities.”.

21 (2) PROGRAM ELEMENTS.—Section 129(c)(2)
22 (29 U.S.C. 2854(c)(2)) is amended—

23 (A) in subparagraph (A), by striking “sec-
24 ondary school, including dropout prevention
25 strategies” and inserting “the requirements for

1 a secondary school diploma or its recognized
2 equivalent (including recognized alternative
3 standards for individuals with disabilities) or
4 for another recognized credential, including
5 dropout prevention strategies”;

6 (B) in subparagraph (B), by inserting “,
7 with a priority on exposing youth to technology
8 and nontraditional jobs” before the semicolon;

9 (C) in subparagraph (F), by striking “dur-
10 ing nonschool hours”;

11 (D) in subparagraph (I), by striking “and”
12 at the end;

13 (E) in subparagraph (J), by striking the
14 period at the end and inserting a semicolon;
15 and

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

17 “(K) on-the-job training opportunities;

18 “(L) opportunities to acquire financial lit-
19 eracy skills;

20 “(M) entrepreneurial skills training and
21 microenterprise services; and

22 “(N) information about average wages for
23 a range of jobs available in the local area, in-
24 cluding technology jobs.”.

1 (3) ADDITIONAL REQUIREMENTS.—Section
2 129(c)(3)(A) (29 U.S.C. 2854(c)(3)(A)) is amended
3 in the matter preceding clause (i) by striking “or ap-
4 plicant who meets the minimum income criteria to
5 be considered an eligible youth”.

6 (4) PRIORITY AND EXCEPTIONS.—Section
7 129(c) (29 U.S.C. 2854(c)) is amended by striking
8 paragraphs (4) and (5).

9 (5) PROHIBITIONS AND LINKAGES.—Section
10 129(c) (29 U.S.C. 2854(c)), as amended by para-
11 graph (4), is further amended—

12 (A) by redesignating paragraphs (6), (7),
13 and (8) as paragraphs (4), (5), and (6), respec-
14 tively;

15 (B) in paragraph (4) (as redesignated by
16 subparagraph (A))—

17 (i) by striking subparagraph (B); and

18 (ii) by redesignating subparagraph

19 (C) as subparagraph (B); and

20 (C) in paragraph (5) (as redesignated by
21 subparagraph (A)), by striking “youth councils”
22 and inserting “local boards”.

23 **SEC. 121. ADULT AND DISLOCATED WORKER EMPLOYMENT**
24 **AND TRAINING ACTIVITIES.**

25 (a) STATE ALLOTMENTS.—

1 (1) RESERVATIONS.—Section 132(a)(2)(A) (29
2 U.S.C. 2862 (a)(2)(A)) is amended by striking “na-
3 tional emergency grants, other than under sub-
4 section (a)(4), (f), and (g)” and inserting “national
5 dislocated worker grants, other than under para-
6 graph (4) or (5) of subsection (a), subsection (e),
7 and subsection (f)”.

8 (2) ALLOTMENT AMONG STATES.—Section
9 132(b) (29 U.S.C. 2862(b)) is amended—

10 (A) in paragraph (1)(A)(ii), by striking
11 “section 127(b)(1)(B),” and all that follows and
12 inserting “section 127(b)(1)(B).”;

13 (B) by striking paragraph (1)(B)(ii) and
14 inserting the following:

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

17 “(I) 40 percent shall be allotted
18 on the basis of the relative number of
19 unemployed individuals in areas of
20 substantial unemployment in each
21 State, compared to the total number
22 of unemployed individuals in areas of
23 substantial unemployment in all
24 States;

1 “(II) 25 percent shall be allotted
2 on the basis of the relative number of
3 individuals in the civilian labor force
4 in each State, compared to the total
5 number of such individuals in all
6 States; and

7 “(III) 35 percent shall be allotted
8 on the basis of the relative number of
9 disadvantaged adults in each State,
10 compared to the total number of dis-
11 advantaged adults in all States, except
12 as described in clause (iii).”;

13 (C) in paragraph (1)(B)—

14 (i) in clause (iii), by striking “section
15 116(a)(2)(B)” and inserting “section
16 116(a)(2)(A)(iii)”;

17 (ii) in clause (iv)—

18 (I) in subclause (I)—

19 (aa) by striking “Subject to
20 subclause (IV), the” and insert-
21 ing “The”; and

22 (bb) by striking “than the
23 greater of” and all that follows
24 and inserting “than an amount
25 based on 90 percent of the allot-

1 ment percentage of the State for
2 the preceding fiscal year.”;

3 (II) in subclause (II), by striking
4 “subclauses (I), (III), and (IV)” and
5 inserting “subclauses (I) and (III)”;
6 and

7 (III) by striking subclause (IV);
8 and

9 (iii) in clause (v), by striking sub-
10 clause (VI); and

11 (D) in paragraph (2)(A)(ii), by striking
12 “section 127(b)(1)(B)” and all that follows and
13 inserting “section 127(b)(1)(B).”.

14 (3) REALLOTMENT.—Section 132(c) (29 U.S.C.
15 2862(c)) is amended—

16 (A) by striking paragraph (2) and insert-
17 ing the following:

18 “(2) AMOUNT.—The amount available for real-
19 lotment for a program year for programs funded
20 under subsection (b)(1)(B) (relating to adult em-
21 ployment and training) and subsection (b)(2)(B) (re-
22 lating to dislocated worker employment and train-
23 ing), respectively, is equal to the amount by which
24 the unexpended balance at the end of the program
25 year prior to the program year for which the deter-

1 mination is made exceeds 30 percent of the total
2 amount of funds available to the State under sub-
3 section (b)(1)(B) or (b)(2)(B), respectively, during
4 such prior program year (including amounts allotted
5 to the State in all prior program years under such
6 provisions that remained available). For purposes of
7 this paragraph, the unexpended balance is the
8 amount that is the difference between—

9 “(A) the total amount of funds available to
10 the State under subsection (b)(1)(B) or
11 (b)(2)(B), respectively, during the program year
12 prior to the program year for which the deter-
13 mination is made (including amounts allotted to
14 the State in all prior program years under such
15 provisions that remained available); and

16 “(B) the accrued expenditures from such
17 total amount of funds available under sub-
18 section (b)(1)(B) or (b)(2)(B), respectively,
19 during such prior program year.”;

20 (B) in paragraph (3)—

21 (i) by striking “under this section for
22 such activities for the prior program year”
23 and inserting “under subsection (b)(1)(B)
24 or (b)(2)(B), as appropriate, for the pro-

1 gram year for which the determination is
2 made”; and

3 (ii) by striking “under this section for
4 such activities for such prior program
5 year” and inserting “under subsection
6 (b)(1)(B) or (b)(2)(B), as appropriate, for
7 such program year”;

8 (C) by striking paragraph (4) and insert-
9 ing the following:

10 “(4) ELIGIBILITY.—For purposes of this sub-
11 section, an eligible State means—

12 “(A) with respect to funds allotted under
13 subsection (b)(1)(B), a State that does not have
14 an amount of such funds available for reallocot-
15 ment under paragraph (2) for the program year
16 for which the determination under paragraph
17 (2) is made; and

18 “(B) with respect to funds allotted under
19 subsection (b)(2)(B), a State that does not have
20 an amount of such funds available for reallocot-
21 ment under paragraph (2) for the program year
22 for which the determination under paragraph
23 (2) is made.”; and

24 (D) in paragraph (5), by striking “obliga-
25 tion” and inserting “accrued expenditure”.

1 (4) EFFECTIVE DATE.—The amendments made
2 by paragraph (3) shall take effect for the later of—

3 (A) the program year that begins after the
4 date of enactment of this Act; or

5 (B) program year 2006.

6 (b) WITHIN STATE ALLOCATIONS.—

7 (1) ALLOCATION.—Section 133(b)(2)(A)(i) (29
8 U.S.C. 2863(b)(2)(A)(i)) is amended—

9 (A) in subclause (I), by striking “33 $\frac{1}{3}$
10 percent” and inserting “40 percent”;

11 (B) in subclause (II), by striking “33 $\frac{1}{3}$
12 percent” and inserting “25 percent”; and

13 (C) in subclause (III), by striking “33 $\frac{1}{3}$
14 percent” and inserting “35 percent”.

15 (2) TRANSFER AUTHORITY.—Section 133(b)(4)
16 (29 U.S.C. 2863(b)(4)) is amended by striking “20
17 percent” each place it appears and inserting “45
18 percent”.

19 (3) REQUIREMENTS.—Clauses (i) and (ii) of
20 section 133(b)(5)(B) (29 U.S.C. 2863(b)(5)(B)) are
21 amended by striking “section 134(c)” and inserting
22 “section 121(e)”.

23 (4) REALLOCATION.—Section 133(c) (29
24 U.S.C. 2863(c)) is amended—

1 (A) in paragraph (1), by inserting “, and
2 under subsection (b)(2)(B) for dislocated work-
3 er employment and training activities,” after
4 “activities”;

5 (B) by striking paragraph (2) and insert-
6 ing the following:

7 “(2) AMOUNT.—The amount available for re-
8 allocation for a program year for programs funded
9 under paragraphs (2)(A) and (3) of subsection (b)
10 (relating to adult employment and training) and
11 subsection (b)(2)(B) (relating to dislocated worker
12 employment and training), respectively, is equal to
13 the amount by which the unexpended balance at the
14 end of the program year prior to the program year
15 for which the determination is made exceeds 30 per-
16 cent of the total amount of funds available to the
17 local area under paragraphs (2)(A) and (3) of sub-
18 section (b), or subsection (b)(2)(B), respectively,
19 during such prior program year (including amounts
20 allocated to the local area in all prior program years
21 under such provisions that remained available). For
22 purposes of this paragraph, the unexpended balance
23 is the amount that is the difference between—

24 “(A) the total amount of funds available to
25 the local area under paragraphs (2)(A) and (3)

1 of subsection (b), or subsection (b)(2)(B), re-
2 spectively, during the program year prior to the
3 program year for which the determination is
4 made (including amounts allotted to the local
5 area in all prior program years under such pro-
6 visions that remained available); and

7 “(B) the accrued expenditures from such
8 total amount of funds available under para-
9 graphs (2)(A) and (3) of subsection (b), or sub-
10 section (b)(2)(B), respectively, during such
11 prior program year.”;

12 (C) by striking paragraph (3) and insert-
13 ing the following:

14 “(3) REALLOCATION.—In making reallocations
15 to eligible local areas of amounts available pursuant
16 to paragraph (2) for a program year, the Governor
17 shall allocate to each eligible local area within the
18 State—

19 “(A) with respect to amounts that are
20 available for reallocation under paragraph (2)
21 that were allocated under paragraphs (2)(A) or
22 (3) of subsection (b), an amount based on the
23 relative amount allocated to such local area
24 under paragraphs (2)(A) or (3) of subsection
25 (b), as appropriate, for the program year for

1 which the determination is made, as compared
2 to the total amount allocated to all eligible local
3 areas under paragraphs (2)(A) or (3) of sub-
4 section (b), as appropriate, for such program
5 year; and

6 “(B) with respect to amounts that are
7 available for reallocation under paragraph (2)
8 that were allocated under subsection (b)(2)(B),
9 an amount based on the relative amount allo-
10 cated to such local area under subsection
11 (b)(2)(B) for the program year for which the
12 determination is made, as compared to the total
13 amount allocated to all eligible local areas
14 under subsection (b)(2)(B) for such program
15 year.”; and

16 (D) by striking paragraph (4) and insert-
17 ing the following:

18 “(4) ELIGIBILITY.—For purposes of this sub-
19 section, an eligible local area means—

20 “(A) with respect to funds allocated under
21 paragraphs (2)(A) or (3) of subsection (b), a
22 local area that does not have an amount of such
23 funds available for reallocation under paragraph
24 (2) for the program year for which the deter-
25 mination under paragraph (2) is made; and

1 “(B) with respect to funds allocated under
 2 subsection (b)(2)(B), a local area that does not
 3 have an amount of such funds available for re-
 4 allocation under paragraph (2) for the program
 5 year for which the determination under para-
 6 graph (2) is made.”.

7 (5) EFFECTIVE DATE.—The amendments made
 8 by paragraph (3) shall take effect for the later of—

9 (A) the program year that begins after the
 10 date of enactment of this Act; or

11 (B) program year 2006.

12 (c) USE OF FUNDS FOR EMPLOYMENT AND TRAIN-
 13 ING ACTIVITIES.—

14 (1) STATEWIDE EMPLOYMENT AND TRAINING
 15 ACTIVITIES.—

16 (A) STATEWIDE RAPID RESPONSE ACTIVI-
 17 TIES.—Section 134(a)(2)(A) (29 U.S.C.
 18 2864(a)(2)(A)) is amended to read as follows:

19 “(A) STATEWIDE RAPID RESPONSE ACTIVI-
 20 TIES.—

21 “(i) IN GENERAL.—A State shall
 22 carry out statewide rapid response activi-
 23 ties using funds reserved by a Governor for
 24 a State under section 133(a)(2). Such ac-
 25 tivities shall include—

1 “(I) provision of rapid response
2 activities, carried out in local areas by
3 the State or by an entity designated
4 by the State, working in conjunction
5 with the local boards and the chief
6 elected officials for the local areas;
7 and

8 “(II) provision of additional as-
9 sistance to local areas that experience
10 disasters, mass layoffs, or plant clos-
11 ings, or other events that precipitate
12 substantial increases in the number of
13 unemployed individuals, carried out in
14 local areas by the State, working in
15 conjunction with the local boards and
16 the chief elected officials for the local
17 areas.

18 “(ii) USE OF UNEXPENDED FUNDS.—
19 Funds reserved under section 133(a)(2) to
20 carry out this subparagraph that remain
21 unexpended after the first program year
22 for which such funds were allotted may be
23 used by the Governor to carry out state-
24 wide activities authorized under subpara-
25 graph (B) and paragraph (3)(A) in addi-

1 tion to activities under this subpara-
2 graph.”.

3 (B) STATEWIDE EMPLOYMENT AND TRAIN-
4 ING ACTIVITIES.—Section 134(a)(2) (29 U.S.C.
5 2864(a)(2)) is amended by striking subpara-
6 graph (B) and inserting the following:

7 “(B) STATEWIDE EMPLOYMENT AND
8 TRAINING ACTIVITIES.—Funds reserved by a
9 Governor for a State under sections 128(a)(1)
10 and 133(a)(1) and not used under paragraph
11 (1)(A) (regardless of whether the funds were al-
12 lotted to the States under section 127(b)(1)(C)
13 or paragraphs (1)(B) or (2)(B) of section
14 132(b)) shall be used for statewide employment
15 and training activities, including—

16 “(i) disseminating—

17 “(I) the State list of eligible pro-
18 viders of training services, including
19 eligible providers of nontraditional
20 training services and eligible providers
21 of apprenticeship programs described
22 in section 122(a)(2)(B);

23 “(II) information identifying eli-
24 gible providers of on-the-job training,

1 customized training, and incumbent
2 worker training;

3 “(III) information on effective
4 business outreach, partnerships, and
5 services;

6 “(IV) performance information
7 and information on costs of attend-
8 ance, as described in subsections (d)
9 and (i) of section 122; and

10 “(V) information on physical and
11 programmatic accessibility for individ-
12 uals with disabilities;

13 “(ii) conducting evaluations under
14 section 136(e) of activities authorized
15 under this chapter and chapter 5 in coordi-
16 nation with evaluations carried out by the
17 Secretary under section 172;

18 “(iii) providing incentive grants to
19 local areas, in accordance with section
20 136(i);

21 “(iv) developing strategies for ensur-
22 ing that activities carried out under this
23 section are placing men and women in
24 jobs, education, and training that lead to
25 comparable pay;

1 “(v) providing technical assistance
2 and capacity building to local areas, one-
3 stop operators, one-stop partners, and eli-
4 gible providers, including the development
5 and training of staff, the development of
6 exemplary program activities, and the pro-
7 vision of technical assistance to local areas
8 that fail to meet local performance meas-
9 ures described in section 136(e), which
10 may include the development and training
11 of staff to provide opportunities for hard-
12 to-serve populations to enter high-wage,
13 high-skilled, and nontraditional occupa-
14 tions;

15 “(vi) operating a fiscal and manage-
16 ment accountability system under section
17 136(f); and

18 “(vii) carrying out monitoring and
19 oversight of activities carried out under
20 this chapter and chapter 4.”.

21 (C) ALLOWABLE STATEWIDE EMPLOYMENT
22 AND TRAINING ACTIVITIES.—Section
23 134(a)(3)(A) (29 U.S.C. 2864(a)(3)(A) is
24 amended to read as follows:

1 “(A) IN GENERAL.—Funds reserved by a
2 Governor for a State under sections 128(a)(1)
3 and 133(a)(1) and not used under paragraph
4 (1)(A) or (2)(B) (regardless of whether the
5 funds were allotted to the State under section
6 127(b)(1)(C) or paragraph (1)(B) or (2)(B) of
7 section 132(b)) may be used to carry out addi-
8 tional statewide employment and training activi-
9 ties, which may include—

10 “(i) implementing innovative pro-
11 grams and strategies designed to meet the
12 needs of all businesses in the State, includ-
13 ing small businesses, which may include in-
14 cumbent worker training programs, sec-
15 toral and industry cluster strategies and
16 partnerships, including regional skills alli-
17 ances, career ladder programs, micro-en-
18 terprise and entrepreneurial training and
19 support programs, utilization of effective
20 business intermediaries, activities to im-
21 prove linkages between the one-stop deliv-
22 ery system in the State and all employers
23 (including small employers) in the State,
24 and other business services and strategies
25 that better engage employers in workforce

1 investment activities and make the work-
2 force investment system more relevant to
3 the needs of State and local businesses,
4 consistent with the objectives of this title;

5 “(ii) developing strategies for effec-
6 tively serving hard-to-serve populations
7 and for coordinating programs and services
8 among one-stop partners;

9 “(iii) implementing innovative pro-
10 grams for displaced homemakers, which for
11 purposes of this clause may include an in-
12 dividual who is receiving public assistance
13 and is within 2 years of exhausting lifetime
14 eligibility under part A of title IV of the
15 Social Security Act (42 U.S.C. 601 et
16 seq.);

17 “(iv) implementing programs to in-
18 crease the number of individuals training
19 for and placed in nontraditional employ-
20 ment;

21 “(v) carrying out activities to facili-
22 tate remote access to services, including
23 training services described in subsection
24 (d)(4), provided through a one-stop deliv-

1 ery system, including facilitating access
2 through the use of technology;

3 “(vi) supporting the provision of core
4 services described in subsection (d)(2) in
5 the one-stop delivery system in the State;

6 “(vii) coordinating with the child wel-
7 fare system to facilitate services for chil-
8 dren in foster care and those who are eligi-
9 ble for assistance under section 477 of the
10 Social Security Act (42 U.S.C. 677);

11 “(viii) activities—

12 “(I) to improve coordination be-
13 tween workforce investment activities
14 carried out within the State involved
15 and economic development activities,
16 and to promote entrepreneurial skills
17 training and microenterprise services;

18 “(II) to improve coordination be-
19 tween employment and training assist-
20 ance, child support services, and as-
21 sistance provided by State and local
22 agencies carrying out part D of title
23 IV of the Social Security Act (42
24 U.S.C. 651 et seq.);

1 “(III) to improve coordination
2 between employment and training as-
3 sistance and cooperative extension
4 programs carried out by the Depart-
5 ment of Agriculture;

6 “(IV) to improve coordination be-
7 tween employment and training assist-
8 ance and programs carried out in the
9 local area for individuals with disabil-
10 ities, including programs carried out
11 by State agencies relating to mental
12 retardation and developmental disabil-
13 ities, Statewide Independent Living
14 Councils established under section
15 705 of the Rehabilitation Act of 1973
16 (29 U.S.C. 796d), and centers for
17 independent living defined in section
18 702 of the Rehabilitation Act of 1973
19 (29 U.S.C. 796a);

20 “(V) to develop and disseminate
21 workforce and labor market informa-
22 tion;

23 “(VI) to improve coordination
24 with the corrections system to facili-
25 tate provision of training services and

1 employment opportunities that will as-
 2 sist ex-offenders in reentering the
 3 workforce; and

4 “(VII) to promote financial lit-
 5 eracy, including carrying out activities
 6 described in section 129(b)(1)(I);

7 “(ix) conducting—

8 “(I) research; and

9 “(II) demonstration projects; and

10 “(x) adopting, calculating, or commis-
 11 sioning a minimum self-sufficiency stand-
 12 ard that specifies the income needs of fam-
 13 ilies, by family size, the number and ages
 14 of children in the family, and sub-State
 15 geographical considerations.”.

16 (2) REQUIRED LOCAL EMPLOYMENT AND
 17 TRAINING ACTIVITIES.—

18 (A) ALLOCATED FUNDS.—Section
 19 134(d)(1)(A) (29 U.S.C. 2864(d)(1)(A)) is
 20 amended—

21 (i) in clause (i), by striking “described
 22 in subsection (c)”;

23 (ii) in clause (iii), by striking “and”
 24 at the end;

1 (iii) in clause (iv), by striking the pe-
2 riod and inserting a semicolon; and

3 (iv) by adding at the end the fol-
4 lowing:

5 “(v) to designate a dedicated business
6 liaison in the local area who may be funded
7 with funds provided under this title or
8 from other sources to establish and develop
9 relationships and networks with large and
10 small employers and their intermediaries;
11 and

12 “(vi) in order to improve service deliv-
13 ery to avoid duplication of services and en-
14 hance coordination of services, to require
15 the colocation of employment services pro-
16 vided under the Wagner-Peyser Act (29
17 U.S.C. 49 et seq.) at the one-stop cen-
18 ters.”.

19 (B) CORE SERVICES.—Section 134(d)(2)
20 (29 U.S.C. 2864(d)(2)) is amended—

21 (i) in the matter preceding subpara-
22 graph (A), by striking “paragraph (1)(A)”
23 and inserting “paragraph (1)”;

24 (ii) in subparagraph (C), by inserting
25 “(including literacy, numeracy, and

1 English language proficiency)” after “skill
2 levels”;

3 (iii) by striking subparagraph (D) and
4 inserting the following:

5 “(D) labor exchange services, including—

6 “(i) job search and placement assist-
7 ance and, in appropriate cases, career
8 counseling, including—

9 “(I) exposure to high wage, high
10 skill jobs; and

11 “(II) nontraditional employment;
12 and

13 “(ii) appropriate recruitment and
14 other business services for all employers,
15 including small employers, in the local
16 area, which may include services described
17 in this subsection, including information
18 and referral to specialized business services
19 not traditionally offered through the one-
20 stop delivery system;”;

21 (iv) in subparagraph (E)(iii)—

22 (I) by inserting “, career lad-
23 ders,” after “earnings”; and

24 (II) by striking “and” at the end;

25 (v) in subparagraph (F)—

1 (I) by striking “and program cost
2 information”; and

3 (II) by striking “described in sec-
4 tion 123”;

5 (vi) by striking subparagraph (H) and
6 inserting the following:

7 “(H) provision of accurate information, in
8 formats that are usable and understandable to
9 all one-stop center customers, relating to the
10 availability of supportive services or assistance,
11 including child care, child support, medical or
12 child health assistance under title XIX or XXI
13 of the Social Security Act (42 U.S.C. 1396 et
14 seq. and 1397aa et seq.), benefits under the
15 Food Stamp Act of 1977 (7 U.S.C. 2011 et
16 seq.), the earned income tax credit under sec-
17 tion 32 of the Internal Revenue Code of 1986,
18 and assistance under a State program funded
19 under part A of title IV of the Social Security
20 Act (42 U.S.C. 601 et seq.) and other sup-
21 portive services and transportation provided
22 through funds made available under such part,
23 available in the local area, and referral to such
24 services or assistance as appropriate;” and

1 (vii) in subparagraph (J), by striking
2 “for—” and all that follows through “(ii)
3 programs” and inserting “for programs”.

4 (C) INTENSIVE SERVICES.—Section
5 134(d)(3) (29 U.S.C. 2864(d)(3)) is amended—

6 (i) by striking subparagraph (A) and
7 inserting the following:

8 “(A) IN GENERAL.—

9 “(i) ELIGIBILITY.—Except as pro-
10 vided in clause (ii), funds allocated to a
11 local area for adults under paragraph
12 (2)(A) or (3), as appropriate, of section
13 133(b), and funds allocated to the local
14 area for dislocated workers under section
15 133(b)(2)(B), shall be used to provide in-
16 tensive services to adults and dislocated
17 workers, respectively—

18 “(I) who are unemployed and
19 who, after an interview, evaluation, or
20 assessment, have been determined by
21 a one-stop operator or one-stop part-
22 ner to be—

23 “(aa) unlikely or unable to
24 obtain employment, that leads to
25 self-sufficiency or wages com-

1 parable to or higher than pre-
2 vious employment, through core
3 services described in paragraph
4 (2); and

5 “(bb) in need of intensive
6 services to obtain employment
7 that leads to self-sufficiency or
8 wages comparable to or higher
9 than previous employment; or

10 “(II) who are employed, but who,
11 after an interview, evaluation, or as-
12 sessment are determined by a one-
13 stop operator or one-stop partner to
14 be in need of intensive services to ob-
15 tain or retain employment that leads
16 to self-sufficiency.

17 “(ii) SPECIAL RULE.—A new inter-
18 view, evaluation, or assessment of a partic-
19 ipant is not required under clause (i) if the
20 one-stop operator or one-stop partner de-
21 termines that it is appropriate to use a re-
22 cent assessment of the participant con-
23 ducted pursuant to another education or
24 training program.”; and

25 (ii) in subparagraph (C)—

1 (I) in clause (v), by striking “for
2 participants seeking training services
3 under paragraph (4)”;

4 (II) by adding at the end the fol-
5 lowing:

6 “(vii) Internships and work experi-
7 ence.

8 “(viii) Literacy activities relating to
9 basic work readiness.

10 “(ix) Financial literacy services, such
11 as activities described in section
12 129(b)(1)(I).

13 “(x) Out-of-area job search assistance
14 and relocation assistance.

15 “(xi) English language acquisition and
16 integrated training programs.”

17 (D) TRAINING SERVICES.—Section
18 134(d)(4) (29 U.S.C. 2864(d)(4)) is amended—

19 (i) by striking subparagraph (A) and
20 inserting the following:

21 “(A) IN GENERAL.—

22 “(i) ELIGIBILITY.—Except as pro-
23 vided in clause (ii), funds allocated to a
24 local area for adults under paragraph
25 (2)(A) or (3), as appropriate, of section

1 133(b), and funds allocated to the local
2 area for dislocated workers under section
3 133(b)(2)(B), shall be used to provide
4 training services to adults and dislocated
5 workers, respectively—

6 “(I) who, after an interview, eval-
7 uation, or assessment, and case man-
8 agement, have been determined by a
9 one-stop operator or one-stop partner,
10 as appropriate, to—

11 “(aa) be unlikely or unable
12 to obtain or retain employment,
13 that leads to self-sufficiency or
14 wages comparable to or higher
15 than previous employment,
16 through the intensive services de-
17 scribed in paragraph (3);

18 “(bb) be in need of training
19 services to obtain or retain em-
20 ployment that leads to self-suffi-
21 ciency or wages comparable to or
22 higher than previous employ-
23 ment; and

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

1 participate in the selected program
2 of training services;

3 “(II) who select programs of
4 training services that are directly
5 linked to the employment opportuni-
6 ties in the local area or region in-
7 volved or in another area to which the
8 adults or dislocated workers are will-
9 ing to commute or relocate;

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

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

16 “(ii) SPECIAL RULE.—A new inter-
17 view, evaluation, or assessment of a partic-
18 ipant is not required under clause (i) if the
19 one-stop operator or one-stop partner de-
20 termines that it is appropriate to use a re-
21 cent assessment of the participant con-
22 ducted pursuant to another education or
23 training program.”;

24 (ii) in subparagraph (B)(i), by strik-
25 ing “Except” and inserting “Notwith-

1 standing section 479B of the Higher Edu-
2 cation Act of 1965 (20 U.S.C. 1087uu)
3 and except”;

4 (iii) in subparagraph (D)—

5 (I) in clause (viii), by striking
6 “and” after the semicolon;

7 (II) in clause (ix), by striking the
8 period and inserting “; and”; and

9 (III) by adding at the end the
10 following:

11 “(x) English language acquisition and
12 integrated training programs.”;

13 (iv) in subparagraph (F)—

14 (I) in clause (ii), by striking “re-
15 ferred to in subsection (c), shall make
16 available—” and all that follows and
17 inserting “shall make available a list
18 of eligible providers of training serv-
19 ices, and accompanying information,
20 in accordance with section 122(d).”;

21 (II) in the heading of clause (iii),
22 by striking “INDIVIDUAL TRAINING
23 ACCOUNTS” and inserting “CAREER
24 SCHOLARSHIP ACCOUNTS”;

25 (III) in clause (iii)—

1 (aa) by striking “identifying
2 information” and inserting “ac-
3 companying information”;

4 (bb) by striking “clause
5 (ii)(I)” and inserting “clause
6 (ii)”; and

7 (cc) by striking “an indi-
8 vidual training account” and in-
9 serting “a career scholarship ac-
10 count”; and

11 (IV) by adding at the end the fol-
12 lowing:

13 “(iv) COORDINATION.—Each local
14 board may, through one-stop centers, co-
15 ordinate career scholarship accounts with
16 other Federal, State, local, or private job
17 training programs or sources to assist the
18 individual in obtaining training services.”;
19 and

20 (v) in subparagraph (G)—

21 (I) in the subparagraph heading,
22 by striking “INDIVIDUAL TRAINING
23 ACCOUNTS” and inserting “CAREER
24 SCHOLARSHIP ACCOUNTS”;

1 (II) in clause (i), by striking “in-
2 dividual training accounts” and in-
3 sserting “career scholarship accounts”;

4 (III) in clause (ii)—

5 (aa) by striking “an indi-
6 vidual training account” and in-
7 sserting “a career scholarship ac-
8 count”;

9 (bb) in subclause (II), by
10 striking “individual training ac-
11 counts” and inserting “career
12 scholarship accounts”;

13 (cc) in subclause (II) by
14 striking “or” after the semicolon;

15 (dd) in subclause (III), by
16 striking “special participant pop-
17 ulations that face multiple bar-
18 riers to employment” and insert-
19 ing “hard-to-serve populations”;

20 (ee) in subclause (III), by
21 striking the period and inserting
22 “; or”; and

23 (ff) by adding at the end the
24 following:

1 “(IV) the local board determines
 2 that it would be most appropriate to
 3 award a contract to an institution of
 4 higher education in order to facilitate
 5 the training of multiple individuals in
 6 high-demand occupations, if such con-
 7 tract does not limit customer choice.”;
 8 and

9 (IV) in clause (iv)—
 10 (aa) by redesignating sub-
 11 clause (IV) as subclause (V); and
 12 (bb) by inserting after sub-
 13 clause (III) the following:
 14 “(IV) Individuals with disabil-
 15 ities.”.

16 (3) PERMISSIBLE ACTIVITIES.—Section 134(e)
 17 (29 U.S.C. 2864(e)) is amended—

18 (A) by striking the matter preceding para-
 19 graph (2) and inserting the following:

20 “(e) PERMISSIBLE LOCAL EMPLOYMENT AND TRAIN-
 21 ING ACTIVITIES.—

22 “(1) IN GENERAL.—

23 “(A) ACTIVITIES.—Funds allocated to a
 24 local area for adults under paragraph (2)(A) or
 25 (3), as appropriate, of section 133(b), and

1 funds allocated to the local area for dislocated
2 workers under section 133(b)(2)(B), may be
3 used to provide, through the one-stop delivery
4 system involved—

5 “(i) customized screening and referral
6 of qualified participants in training serv-
7 ices described in subsection (d)(4) to em-
8 ployment;

9 “(ii) customized employment-related
10 services to employers on a fee-for-service
11 basis;

12 “(iii) customer support to enable
13 members of hard-to-serve populations, in-
14 cluding individuals with disabilities, to
15 navigate among multiple services and ac-
16 tivities for such populations;

17 “(iv) technical assistance and capacity
18 building for serving individuals with dis-
19 abilities in local areas, for one-stop opera-
20 tors, one-stop partners, and eligible pro-
21 viders, including the development and
22 training of staff, the provision of outreach,
23 intake, assessments, and service delivery,
24 and the development of performance meas-
25 ures;

1 “(v) employment and training assist-
2 ance provided in coordination with child
3 support enforcement activities of the State
4 and local agencies carrying out part D of
5 title IV of the Social Security Act (42
6 U.S.C. 651 et seq.);

7 “(vi) activities to improve coordination
8 between employment and training assist-
9 ance, child support services, and assistance
10 provided by State and local agencies car-
11 rying out part D of title IV of the Social
12 Security Act (42 U.S.C. 651 et seq.);

13 “(vii) activities to improve coordina-
14 tion between employment and training as-
15 sistance and cooperative extension pro-
16 grams carried out by the Department of
17 Agriculture;

18 “(viii) activities to facilitate remote
19 access to services provided through a one-
20 stop delivery system, including facilitating
21 access through the use of technology;

22 “(ix) activities—

23 “(I) to improve coordination be-
24 tween workforce investment activities
25 carried out within the local area in-

1 volved and economic development ac-
2 tivities, and to promote entrepre-
3 neurial skills training and microenter-
4 prise services; and

5 “(II) to improve services and
6 linkages between the local workforce
7 investment system including the local
8 one-stop delivery system, and all em-
9 ployers, including small employers in
10 the local area, through services de-
11 scribed in this section, including sub-
12 paragraph (B);

13 “(x) training programs for displaced
14 homemakers and for individuals training
15 for nontraditional occupations, in conjunc-
16 tion with programs operated in the local
17 area;

18 “(xi) using a portion of the funds allo-
19 cated under section 133(b), activities to
20 carry out business services and strategies
21 that meet the workforce investment needs
22 of local area employers, as determined by
23 the local board, consistent with the local
24 plan under section 118, which services—

1 “(I) may be provided through ef-
2 fective business intermediaries work-
3 ing in conjunction with the local
4 board, and may also be provided on a
5 fee-for-service basis or through the
6 leveraging of economic development
7 and other resources as determined ap-
8 propriate by the local board; and

9 “(II) may include—

10 “(aa) identifying and dis-
11 seminating to business, edu-
12 cators, and job seekers, informa-
13 tion related to the workforce, eco-
14 nomic and community develop-
15 ment needs, and opportunities of
16 the local economy;

17 “(bb) development and deliv-
18 ery of innovative workforce in-
19 vestment services and strategies
20 for area businesses, which may
21 include sectoral, industry cluster,
22 regional skills alliances, career
23 ladder, skills upgrading, skill
24 standard development and certifi-
25 cation, apprenticeship, and other

1 effective initiatives for meeting
2 the workforce investment needs
3 of area employers and workers;

4 “(cc) participation in semi-
5 nars and classes offered in part-
6 nership with relevant organiza-
7 tions focusing on the workforce-
8 related needs of area employers
9 and job seekers;

10 “(dd) training consulting,
11 needs analysis, and brokering
12 services for area businesses, in-
13 cluding the organization and ag-
14 gregation of training (which may
15 be paid for with funds other than
16 those provided under this title),
17 for individual employers and coa-
18 litions of employers with similar
19 interests, products, or workforce
20 needs;

21 “(ee) assistance to area em-
22 ployers in the aversion of layoffs
23 and in managing reductions in
24 force in coordination with rapid
25 response activities;

1 “(ff) the marketing of busi-
2 ness services offered under this
3 title, to appropriate area employ-
4 ers, including small and mid-
5 sized employers;

6 “(gg) information referral
7 on concerns affecting local em-
8 ployers; and

9 “(hh) other business services
10 and strategies designed to better
11 engage employers in workforce
12 investment activities and to make
13 the workforce investment system
14 more relevant to the workforce
15 investment needs of area busi-
16 nesses, as determined by the local
17 board to be consistent with the
18 objectives of this title;

19 “(xii) activities to adjust the self-suffi-
20 ciency standards for local factors, or activi-
21 ties to adopt, calculate, or commission a
22 self-sufficiency standard that specifies the
23 income needs of families, by family size,
24 the number and ages of children in the

1 family, and sub-State geographical consid-
2 erations; and

3 “(xiii) improved coordination between
4 employment and training assistance and
5 programs carried out in the local area for
6 individuals with disabilities, including pro-
7 grams carried out by State agencies relat-
8 ing to mental retardation and develop-
9 mental disabilities, Statewide Independent
10 Living Councils established under section
11 705 of the Rehabilitation Act of 1973 (29
12 U.S.C. 796d), and centers for independent
13 living defined in section 702 of the Reha-
14 bilitation Act of 1973 (29 U.S.C. 796a).

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

17 “(i) IN GENERAL.—Funds allocated to
18 a local area for adults under paragraph
19 (2)(A) or (3), as appropriate, of section
20 133(b), and funds allocated to the local
21 area for dislocated workers under section
22 133(b)(2)(B), may be used to provide,
23 through the one-stop delivery system in-
24 volved, work support activities designed to
25 assist low-wage workers in retaining and

1 enhancing employment. The one-stop part-
2 ners shall coordinate the appropriate pro-
3 grams and resources of the partners with
4 the activities and resources provided under
5 this subparagraph.

6 “(ii) ACTIVITIES.—The activities de-
7 scribed in clause (i) may include the provi-
8 sion of activities described in this section
9 through the one-stop delivery system in a
10 manner that enhances the opportunities of
11 such workers to participate in the activi-
12 ties, such as the provision of activities de-
13 scribed in this section during nontradi-
14 tional hours and the provision of onsite
15 child care while such activities are being
16 provided.”;

17 (B) in paragraph (2), by striking the mat-
18 ter preceding subparagraph (A) and inserting
19 the following:

20 “(2) SUPPORTIVE SERVICES.—Funds allocated
21 to a local area for adults under paragraph (2)(A) or
22 (3), as appropriate, of section 133(b), and funds al-
23 located to the local area for dislocated workers under
24 section 133(b)(2)(B), may be used to provide sup-

1 portive services to adults and dislocated workers, re-
2 spectively—”; and

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

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

6 “(A) IN GENERAL.—The local board may
7 use up to 10 percent of the funds allocated to
8 the local area involved under section 133(b) to
9 pay for the Federal share of the cost of pro-
10 viding training through an incumbent worker
11 training program carried out in accordance with
12 this paragraph. The Governor or State board
13 may make recommendations to the local board
14 regarding incumbent worker training with
15 statewide impact.

16 “(B) TRAINING ACTIVITIES.—The training
17 program for incumbent workers carried out
18 under this paragraph shall be carried out by the
19 local board in conjunction with the employers or
20 groups of employers of such workers for the
21 purpose of assisting such workers in obtaining
22 the skills necessary to retain employment or
23 avert layoffs.

24 “(C) EMPLOYER SHARE REQUIRED.—

1 “(i) IN GENERAL.—Employers partici-
2 pating in the program carried out under
3 this paragraph shall be required to pay the
4 non-Federal share of the costs of providing
5 the training to incumbent workers of the
6 employers. The local board shall establish
7 the non-Federal share of such costs, which
8 may include in-kind contributions. The
9 non-Federal share shall not be less than—

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

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

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

19 “(ii) CALCULATION OF EMPLOYER
20 SHARE.—The non-Federal share paid by
21 such an employer may include the amount
22 of the wages paid by the employer to a
23 worker while the worker is attending a
24 training program under this paragraph.”.

1 **SEC. 122. PERFORMANCE ACCOUNTABILITY SYSTEM.**

2 (a) STATE PERFORMANCE MEASURES.—

3 (1) INDICATORS OF PERFORMANCE.—Section
4 136(b)(2)(A) (29 U.S.C. 2871(b)(2)(A)) is amend-
5 ed—

6 (A) in clause (i)—

7 (i) in the matter preceding subclause
8 (I), by striking “and (for participants who
9 are eligible youth age 19 through 21) for
10 youth activities authorized under section
11 129”;

12 (ii) by striking subclause (III) and in-
13 sserting the following:

14 “(III) increases in earnings from
15 unsubsidized employment; and”;

16 (iii) in subclause (IV), by striking “,
17 or by participants” and all that follows
18 through “unsubsidized employment”; and

19 (B) by striking clause (ii) and inserting the
20 following:

21 “(ii) CORE INDICATORS FOR ELIGIBLE
22 YOUTH.—The core indicators of perform-
23 ance for youth activities authorized under
24 section 129 shall consist of—

1 “(I) entry into employment, edu-
2 cation or advanced training, or mili-
3 tary service;

4 “(II) school retention, and at-
5 tainment of secondary school diplomas
6 or their recognized equivalents and of
7 postsecondary certificates; and

8 “(III) literacy or numeracy
9 gains.”.

10 (2) ADDITIONAL INDICATORS.—Section
11 136(b)(2)(C) (29 U.S.C. 2871(b)(2)(C)) is amended
12 to read as follows:

13 “(C) ADDITIONAL INDICATORS.—A State
14 may identify in the State plan additional indica-
15 tors for workforce investment activities under
16 this subtitle, including indicators identified in
17 collaboration with State business and industry
18 associations, with employee representatives
19 where applicable, and with local boards, to
20 measure the performance of the workforce in-
21 vestment system in serving the workforce needs
22 of business and industry in the State.”.

23 (3) LEVELS OF PERFORMANCE.—Section
24 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amend-
25 ed—

1 (A) in clause (iii)—

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

4 (ii) by striking “and the customer sat-
5 isfaction indicator of performance, for the
6 first 3” and inserting “described in clauses
7 (i) and (ii) of paragraph (2)(A) and the
8 customer satisfaction indicator of perform-
9 ance, for the first 2”; and

10 (iii) by inserting at the end the fol-
11 lowing: “Agreements on levels of perform-
12 ance for each of the core indicators of per-
13 formance for the third and fourth program
14 years covered by the State plan shall be
15 reached prior to the beginning of the third
16 program year covered by the State plan,
17 and incorporated as a modification to the
18 State plan.”;

19 (B) in clause (iv)—

20 (i) in the matter preceding subclause
21 (I), by striking “or (v)”;

22 (ii) in subclause (II)—

23 (I) by striking “taking into ac-
24 count” and inserting “and shall en-
25 sure that the levels involved are ad-

1 justed, using objective statistical
2 methods, based on”;

3 (II) by inserting “(such as dif-
4 ferences in unemployment rates and
5 job losses or gains in particular indus-
6 tries)” after “economic conditions”;

7 (III) by inserting “(such as indi-
8 cators of poor work history, lack of
9 work experience, lack of educational
10 or occupational skills attainment, dis-
11 location from high-wage and benefit
12 employment, low levels of literacy or
13 English proficiency, disability status,
14 homelessness, ex-offender status, and
15 welfare dependency)” after “pro-
16 gram”; and

17 (IV) by striking “and” at the
18 end;

19 (iii) in subclause (III), by striking the
20 period and inserting “; and”; and

21 (iv) by adding at the end the fol-
22 lowing:

23 “(IV) the extent to which the lev-
24 els involved will assist the State in

1 meeting the national goals described
2 in clause (v).”;

3 (C) by striking clause (v) and inserting the
4 following:

5 “(v) ESTABLISHMENT OF NATIONAL
6 GOALS.—In order to promote enhanced
7 performance outcomes on the performance
8 measures and to facilitate the process of
9 reaching agreements with the States under
10 clause (iii) and to measure systemwide per-
11 formance for the one-stop delivery systems
12 of the States, the Secretary shall establish
13 long-term national goals for the adjusted
14 levels of performance for that systemwide
15 performance to be achieved by the pro-
16 grams assisted under chapters 4 and 5 on
17 the core indicators of performance de-
18 scribed in subparagraphs (A) and (B) of
19 subsection (b)(2). Such goals shall be es-
20 tablished in accordance with the Govern-
21 ment Performance and Results Act of
22 1993 in consultation with the States and
23 other appropriate parties.”; and

24 (D) in clause (vi)—

25 (i) by striking “or (v)”;

1 (ii) by striking “with the representa-
2 tives described in subsection (i)” and in-
3 sserting “with the States and other inter-
4 ested parties”.

5 (b) LOCAL PERFORMANCE MEASURES.—Section
6 136(e)(3) (29 U.S.C. 2871(e)(3))—

7 (1) by striking “shall take into account” and
8 inserting “shall ensure that the levels involved are
9 adjusted, using objective statistical methods, based
10 on”;

11 (2) by inserting “(characteristics such as unem-
12 ployment rates and job losses or gains in particular
13 industries)” after “economic”; and

14 (3) by inserting “(characteristics such as indi-
15 cators of poor work history, lack of work experience,
16 lack of educational and occupational skills attain-
17 ment, dislocation from high-wage and benefit em-
18 ployment, low levels of literacy or English pro-
19 ficiency, disability status, homelessness, ex-offender
20 status, and welfare dependency)” after “demo-
21 graphic”.

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

24 (1) in paragraph (1), by adding at the end the
25 following: “In the case of a State or local area that

1 chooses to expend funds for activities under sub-
2 section (a)(3)(A)(i) or (e)(1)(A)(xi), respectively, of
3 section 134, the report also shall include the amount
4 of such funds so expended and the percentage that
5 such funds are of the funds available for activities
6 under section 134.”;

7 (2) in paragraph (2)—

8 (A) in subparagraph (E)—

9 (i) by striking “(excluding partici-
10 pants who received only self-service and in-
11 formational activities)”;

12 (ii) by striking “and” after the semi-
13 colon;

14 (B) in subparagraph (F)—

15 (i) by inserting “noncustodial parents
16 with child support obligations, homeless in-
17 dividuals,” after “displaced homemakers,”;
18 and

19 (ii) by striking the period and insert-
20 ing a semicolon; and

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

22 “(G) the number of participants who have
23 received services, other than followup services,
24 authorized under this title;

1 “(H) the number of participants who have
2 received services, other than followup services,
3 authorized under this title, in the form of core
4 services described in section 134(d)(2), inten-
5 sive services described in section 134(d)(3), and
6 training services described in section 134(d)(4),
7 respectively;

8 “(I) the number of participants who have
9 received followup services authorized under this
10 title;

11 “(J) the cost per participant for services
12 authorized under this title; and

13 “(K) the amount of adult and dislocated
14 worker funds spent on—

15 “(i) core, intensive, and training serv-
16 ices, respectively; and

17 “(ii) services provided under sub-
18 section (a)(3)(A)(i) or (e)(1)(A)(xi) of sec-
19 tion 134, if applicable.”; and

20 (3) by adding at the end the following:

21 “(4) DATA VALIDATION.—In preparing the re-
22 ports described in this subsection, the States shall
23 establish procedures, consistent with guidelines
24 issued by the Secretary, to ensure that the informa-
25 tion contained in the reports is valid and reliable.”.

1 (d) EVALUATION OF STATE PROGRAMS.—Section
2 136(e)(3) is amended by inserting “, including informa-
3 tion on promoting self-sufficiency and comparable pay be-
4 tween men and women” after “employers”.

5 (e) SANCTIONS FOR STATE.—Section 136(g) is
6 amended—

7 (1) in paragraph (1)(B), by striking “If such
8 failure continues for a second consecutive year” and
9 inserting “If a State performs at less than 80 per-
10 cent of the adjusted level of performance for core in-
11 dicators of performance described in subsection
12 (b)(2)(A) for 2 consecutive years”; and

13 (2) in paragraph (2), by striking “section 503”
14 and inserting “subsection (i)(1)”.

15 (f) SANCTIONS FOR LOCAL AREA.—Section
16 136(h)(2)(A) (29 U.S.C. 2871(h)(2)(A)) is amended—

17 (1) in the matter preceding clause (i), by strik-
18 ing “If such failure continues for a second consecu-
19 tive year” and inserting “If a local area performs at
20 less than 80 percent of the adjusted level of per-
21 formance for core indicators of performance de-
22 scribed in subsection (b)(2)(A) for 2 consecutive
23 years”;

24 (2) in clause (ii), by striking “or” after the
25 semicolon;

1 (3) by redesignating clause (iii) as clause (iv);

2 and

3 (4) by inserting after clause (ii) the following:

4 “(iii) redesignate the local area in ac-
5 cordance with section 116(b)(2); or”.

6 (g) INCENTIVE GRANTS.—Section 136(i) (29 U.S.C.
7 2871(i)) is amended to read as follows:

8 “(i) INCENTIVE GRANTS FOR LOCAL AREAS.—

9 “(1) IN GENERAL.—From funds reserved under
10 sections 128(a) and 133(a)(1), the Governor in-
11 volved shall award incentive grants to local areas for
12 performance described in paragraph (2) in carrying
13 out programs under chapters 4 and 5.

14 “(2) BASIS.—The Governor shall award the
15 grants on the basis that the local areas—

16 “(A) have exceeded the performance meas-
17 ures established under subsection (c)(2) relating
18 to indicators described in subsection
19 (b)(3)(A)(iii); or

20 “(B) have—

21 “(i) met the performance measures es-
22 tablished under subsection (c)(2) relating
23 to indicators described in subsection
24 (b)(3)(A)(iii); and

25 “(ii) demonstrated—

1 “(I) exemplary coordination of
2 Federal workforce and education pro-
3 grams, statewide economic develop-
4 ment, or business needs;

5 “(II) exemplary performance in
6 the State in serving hard-to-serve pop-
7 ulations; or

8 “(III) effective—

9 “(aa) coordination of mul-
10 tiple systems into a comprehen-
11 sive workforce investment system,
12 including coordination of employ-
13 ment services under the Wagner-
14 Peyser Act (29 U.S.C. 49 et seq.)
15 and core activities under this title
16 as well as one-stop partner pro-
17 grams described in section 121;

18 “(bb) expansion of access to
19 training, including through in-
20 creased leveraging of resources
21 other than those funded through
22 programs under this title;

23 “(cc) implementation of co-
24 ordination activities through
25 agreements with relevant regional

1 or local agencies and offices, in-
2 cluding those responsible for pro-
3 grams under the Adult Education
4 and Family Literacy Act (20
5 U.S.C. 9201 et seq.) and the Re-
6 habilitation Act of 1973 (29
7 U.S.C. 701 et seq.);

8 “(dd) regional coordination
9 with other local workforce invest-
10 ment boards or areas;

11 “(ee) alignment of manage-
12 ment information systems to in-
13 tegrate participant information
14 across programs; or

15 “(ff) integration of perform-
16 ance information systems and
17 common measures for account-
18 ability across workforce and edu-
19 cation programs.

20 “(3) USE OF FUNDS.—The funds awarded to a
21 local area under this subsection may be used to
22 carry out activities authorized for local areas and
23 such innovative projects or programs that increase
24 coordination and enhance service to program partici-

1 pants, particularly hard-to-serve populations, as may
2 be approved by the Governor, including—

3 “(A) activities that support business needs,
4 especially for incumbent workers and enhancing
5 opportunities for retention and advancement;

6 “(B) activities that support linkages with
7 secondary, postsecondary, or career and tech-
8 nical education programs, including activities
9 under the Carl D. Perkins Vocational and
10 Technical Education Act of 1998 (20 U.S.C.
11 2301 et seq.), the Adult Education and Family
12 Literacy Act (20 U.S.C. 9201 et seq.), and the
13 Rehabilitation Act of 1973 (29 U.S.C. 701 et
14 seq.);

15 “(C) activities that support regional eco-
16 nomic development plans that support high-
17 wage, high-skill, or high-demand occupations
18 leading to self-sufficiency;

19 “(D) activities that coordinate workforce
20 investment programs with other Federal and
21 State programs related to the activities under
22 this Act;

23 “(E) activities that support the develop-
24 ment of an integrated performance information
25 system that includes common measures;

1 “(F) activities that align management in-
2 formation systems with integrated performance
3 information across education and workforce
4 programs;

5 “(G) activities that support activities to
6 improve performance and program coordination
7 with other training providers; or

8 “(H) activities that leverage additional
9 training resources for adults and youth.

10 “(4) TECHNICAL ASSISTANCE.—The Governor
11 shall reserve 4 percent of the funds available for
12 grants under this subsection to provide technical as-
13 sistance to local areas to replicate best practices or
14 to develop integrated performance information sys-
15 tems and strengthen coordination with education
16 and regional economic development.”.

17 (h) USE OF CORE MEASURES IN OTHER DEPART-
18 MENT OF LABOR PROGRAMS.—Section 136 (29 U.S.C.
19 2871) is amended by adding at the end the following:

20 “(j) USE OF CORE INDICATORS FOR OTHER PRO-
21 GRAMS.—In addition to the programs carried out under
22 chapters 4 and 5, and consistent with the requirements
23 of the applicable authorizing laws, the Secretary shall use
24 the indicators of performance described in subparagraphs
25 (A) and (B) of subsection (b)(2) to assess the effectiveness

1 of the programs described in clauses (i), (ii), and (vi) of
2 section 121(b)(1)(B) that are carried out by the Sec-
3 retary.”.

4 (i) PREVIOUS DEFINITIONS OF CORE INDICATORS.—
5 Section 502 (29 U.S.C. 9272) is repealed.

6 **SEC. 123. AUTHORIZATION OF APPROPRIATIONS.**

7 (a) YOUTH ACTIVITIES.—Section 137(a) (29 U.S.C.
8 2872(a)) is amended by striking “such sums as may be
9 necessary for each of fiscal years 1999 through 2003” and
10 inserting “such sums as may be necessary for each of fis-
11 cal years 2006 through 2011”.

12 (b) ADULT EMPLOYMENT AND TRAINING ACTIVI-
13 TIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by
14 striking “such sums as may be necessary for each of fiscal
15 years 1999 through 2003” and inserting “such sums as
16 may be necessary for each of fiscal years 2006 through
17 2011”.

18 (c) DISLOCATED WORKER EMPLOYMENT AND
19 TRAINING ACTIVITIES.—Section 137(c) (29 U.S.C.
20 2872(c)) is amended by striking “such sums as may be
21 necessary for each of fiscal years 1999 through 2003” and
22 inserting “such sums as may be necessary for each of fis-
23 cal years 2006 through 2011”.

Subtitle C—Job Corps

2 SEC. 131. JOB CORPS.

3 (a) ELIGIBILITY.—Section 144(3) (29 U.S.C.
4 2884(3)) is amended by adding at the end the following:

5 “(F) A child eligible for assistance under
6 section 477 of the Social Security Act (42
7 U.S.C. 677).”.

8 (b) IMPLEMENTATION OF STANDARDS AND PROCE-
9 DURES.—Section 145(a)(3) (29 U.S.C. 2885(a)(3)) is
10 amended—

11 (1) in subparagraph (B), by striking “and”
12 after the semicolon;

13 (2) in subparagraph (C), by striking the period
14 and inserting “; and”; and

15 (3) by adding at the end the following:

16 “(D) child welfare agencies that are re-
17 sponsible for children in foster care and chil-
18 dren eligible for assistance under section 477 of
19 the Social Security Act (42 U.S.C. 677).”.

20 (c) INDUSTRY COUNCILS.—Section 154(b) (29
21 U.S.C. 2894(b)) is amended—

22 (1) in paragraph (1)(A), by striking “local and
23 distant”; and

24 (2) by adding at the end the following:

1 “(3) EMPLOYERS OUTSIDE OF LOCAL AREA.—
2 The industry council may include, or otherwise pro-
3 vide for consultation with, employers from outside
4 the local area who are likely to hire a significant
5 number of enrollees from the Job Corps center.

6 “(4) SPECIAL RULE FOR SINGLE LOCAL AREA
7 STATES.—In the case of a single local area State
8 designated under section 116(b), the industry coun-
9 cil shall include a representative of the State
10 Board.”.

11 (d) INDICATORS OF PERFORMANCE.—Section 159
12 (29 U.S.C. 2899) is amended—

13 (1) in subsection (c)—

14 (A) by striking paragraph (1) and insert-
15 ing the following:

16 “(1) PERFORMANCE INDICATORS.—The Sec-
17 retary shall annually establish expected levels of per-
18 formance for Job Corps centers and the Job Corps
19 program relating to each of the core indicators of
20 performance for youth activities identified in section
21 136(b)(2)(A)(ii).”;

22 (B) in paragraph (2), by striking “meas-
23 ures” each place it appears and inserting “indi-
24 cators”; and

25 (C) in paragraph (3)—

1 (i) in the first sentence, by striking
 2 “core performance measures, as compared
 3 to the expected performance level for each
 4 performance measure” and inserting “per-
 5 formance indicators described in paragraph
 6 (1), as compared to the expected level of
 7 performance established under paragraph
 8 (1) for each performance measure”; and

9 (ii) in the second sentence, by striking
 10 “measures” each place it appears and in-
 11 serting “indicators”; and

12 (2) in subsection (f)(2), in the first sentence, by
 13 striking “core performance measures” and inserting
 14 “indicators of performance”.

15 (e) AUTHORIZATION OF APPROPRIATIONS.—Section
 16 161 (29 U.S.C. 2901) is amended by striking “1999
 17 through 2003” and inserting “2006 through 2011”.

18 **Subtitle D—National Programs**

19 **SEC. 141. NATIVE AMERICAN PROGRAMS.**

20 (a) ADVISORY COUNCIL.—Section 166(h)(4)(C) (29
 21 U.S.C. 2911(h)(4)(C)) is amended to read as follows:

22 “(C) DUTIES.—The Council shall advise
 23 the Secretary on the operation and administra-
 24 tion of the programs assisted under this sec-
 25 tion, including the selection of the individual

1 appointed as head of the unit established under
2 paragraph (1).”.

3 (b) ASSISTANCE TO UNIQUE POPULATIONS IN ALAS-
4 KA AND HAWAII.—Section 166(j) (29 U.S.C. 2911(j)) is
5 amended to read as follows:

6 “(j) ASSISTANCE TO UNIQUE POPULATIONS IN ALAS-
7 KA AND HAWAII.—

8 “(1) IN GENERAL.—Notwithstanding any other
9 provision of law, the Secretary is authorized to pro-
10 vide assistance to the Cook Inlet Tribal Council, In-
11 corporated, and the University of Hawaii at Maui,
12 for the unique populations who reside in Alaska or
13 Hawaii, to improve job training and workforce in-
14 vestment activities.

15 “(2) AUTHORIZATION OF APPROPRIATIONS.—
16 There are authorized to be appropriated to carry out
17 this subsection such sums as may be necessary for
18 fiscal year 2006.”.

19 (c) PERFORMANCE INDICATORS.—Section 166 (29
20 U.S.C. 2911) is amended by adding at the end the fol-
21 lowing:

22 “(k) PERFORMANCE INDICATORS.—

23 “(1) DEVELOPMENT OF INDICATORS.—The
24 Secretary, in consultation with the Native American
25 Employment and Training Council, shall develop a

1 set of performance indicators and standards which
 2 shall be applicable to programs under this section.

3 “(2) SPECIAL CONSIDERATIONS.—Such per-
 4 formance indicators and standards shall take into
 5 account—

6 “(A) the purpose of this section as de-
 7 scribed in subsection (a)(1);

8 “(B) the needs of the groups served by this
 9 section, including the differences in needs
 10 among such groups in various geographic serv-
 11 ice areas; and

12 “(C) the economic circumstances of the
 13 communities served, including differences in cir-
 14 cumstances among various geographic service
 15 areas.”.

16 **SEC. 142. MIGRANT AND SEASONAL FARMWORKER PRO-**
 17 **GRAMS.**

18 Section 167 (29 U.S.C. 2912) is amended—

19 (1) in subsection (a), by striking “2” and in-
 20 serting “2 to 4”;

21 (2) in subsection (b), by inserting “and deliver”
 22 after “administer”;

23 (3) in subsection (c)—

24 (A) in paragraph (1), by striking “2-year”
 25 and inserting “4-year”;

1 (B) in paragraph (2)—

2 (i) in subparagraph (A)—

3 (I) by inserting “describe the
4 population to be served and” before
5 “identify”; and

6 (II) by inserting “, including up-
7 graded employment in agriculture”
8 before the semicolon;

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

11 (iii) in subparagraph (C), by striking
12 the period and inserting a semicolon; and

13 (iv) by adding at the end the fol-
14 lowing:

15 “(D) describe the availability and accessi-
16 bility of local resources such as supportive serv-
17 ices, services provided through one-stop delivery
18 systems, and education and training services,
19 and how the resources can be made available to
20 the population to be served; and

21 “(E) describe the plan for providing serv-
22 ices under this section, including strategies and
23 systems for outreach, case management, assess-
24 ment, and delivery through one-stop delivery
25 systems.”; and

1 (C) by striking paragraph (4) and insert-
2 ing the following:

3 “(4) COMPETITION.—The competition for
4 grants made and contracts entered into under this
5 section shall be conducted every 2 to 4 years.”;

6 (4) in subsection (d), by striking “include” and
7 all that follows and inserting “include outreach, em-
8 ployment, training, educational assistance, literary
9 assistance, English language and literacy instruc-
10 tion, pesticide and worker safety training, housing
11 (including permanent housing), supportive services,
12 school dropout prevention activities, followup serv-
13 ices for those individuals placed in employment, self-
14 employment and related business or micro-enterprise
15 development or education as needed by eligible indi-
16 viduals and as identified pursuant to the plan re-
17 quired by subsection (c), customized career and
18 technical education in occupations that will lead to
19 higher wages, enhanced benefits, and long-term em-
20 ployment in agriculture or another area, and tech-
21 nical assistance to improve coordination of services
22 and implement best practices relating to service de-
23 livery through one-stop delivery systems.”;

24 (5) in subsection (f), by striking “take into ac-
25 count the economic circumstances and demographics

1 of eligible migrant and seasonal farmworkers.” and
2 inserting “are adjusted based on the economic and
3 demographic barriers to employment of eligible mi-
4 grant and seasonal farmworkers.”;

5 (6) in subsection (g), by striking “(enacted by
6 the Single Audit Act of 1984)”;

7 (7) in subsection (h)—

8 (A) by striking paragraph (1) and insert-
9 ing the following:

10 “(1) DEPENDENT.—The term ‘dependent’, used
11 with respect to an eligible migrant or seasonal farm-
12 worker, means an individual who—

13 “(A) was claimed as a dependent on the
14 farmworker’s Federal income tax return for the
15 previous year;

16 “(B) is the spouse of the farmworker; or

17 “(C) is able to establish—

18 “(i) a relationship as the farm-
19 worker’s—

20 “(I) biological or legally adopted
21 child, grandchild, or great-grandchild;

22 “(II) foster child;

23 “(III) stepchild;

1 “(IV) brother, sister, half-broth-
2 er, half-sister, stepbrother, or step-
3 sister;

4 “(V) parent, grandparent, or
5 other direct ancestor (but not foster
6 parent);

7 “(VI) stepfather or stepmother;

8 “(VII) uncle or aunt;

9 “(VIII) niece or nephew; or

10 “(IX) father-in-law, mother-in-
11 law, son-in-law, daughter-in-law,
12 brother-in-law, or sister-in-law; and

13 “(ii) the receipt of over half of the in-
14 dividual’s total support from the farm-
15 worker’s family during the eligibility deter-
16 mination period for the farmworker.”; and
17 (B) in paragraph (4)(A)—

18 (i) by striking “disadvantaged person”
19 and inserting “low-income individual”; and

20 (ii) by inserting “and who faces mul-
21 tiple barriers to self-sufficiency” before the
22 semicolon;

23 (8) by redesignating subsection (h) as sub-
24 section (i); and

1 (9) by inserting before subsection (i) the fol-
2 lowing:

3 “(h) **FUNDING ALLOCATION.**—From the funds ap-
4 propriated and made available to carry out this section,
5 the Secretary shall reserve not more than 1 percent for
6 discretionary purposes, such as providing technical assist-
7 ance to eligible entities.”

8 **SEC. 143. VETERANS’ WORKFORCE INVESTMENT PRO-**
9 **GRAMS.**

10 Section 168(a)(3) (29 U.S.C. 2913(a)(3)) is amend-
11 ed—

12 (1) in subparagraph (A), by inserting “, includ-
13 ing services provided by one-stop operators and one-
14 stop partners” before the semicolon; and

15 (2) in subparagraph (C), by striking “section
16 134(c)” and inserting “section 121(e)”.

17 **SEC. 144. YOUTH CHALLENGE GRANTS.**

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

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

21 “(a) **IN GENERAL.**—Of the amounts reserved by the
22 Secretary under section 127(b)(1)(A) for a fiscal year—

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

1 “(2) the Secretary may use not more than 20
2 percent to award competitive grants under sub-
3 section (c).

4 “(b) COMPETITIVE GRANTS TO STATES AND LOCAL
5 AREAS.—

6 “(1) ESTABLISHMENT.—From the funds de-
7 scribed in subsection (a)(1), the Secretary shall
8 award competitive grants to eligible entities to carry
9 out activities authorized under this subsection to as-
10 sist eligible youth in acquiring the skills, credentials,
11 and employment experience necessary to achieve the
12 performance outcomes for youth described in section
13 136.

14 “(2) ELIGIBLE ENTITY.—In this subsection, the
15 term ‘eligible entity’ means—

16 “(A) a State or consortium of States;

17 “(B) a local board or consortium of local
18 boards;

19 “(C) a recipient of a grant under section
20 166 (relating to Native American programs); or

21 “(D) a public or private entity (including
22 a consortium of such entities) with expertise in
23 the provision of youth activities, applying in
24 partnership with a local board or consortium of
25 local boards.

1 “(3) APPLICATIONS.—To be eligible to receive a
2 grant under this subsection, an eligible entity shall
3 submit an application to the Secretary at such time,
4 in such manner, and containing such information as
5 the Secretary may require, including—

6 “(A) a description of the activities the eli-
7 gible entity will provide to eligible youth under
8 this subsection, and how the eligible entity will
9 collaborate with State and local workforce in-
10 vestment systems established under this title in
11 the provision of such activities;

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

18 “(C) a description of the State, local, and
19 private resources that will be leveraged to pro-
20 vide the activities described under subparagraph
21 (A) in addition to funds provided under this
22 subsection, and a description of the extent of
23 the involvement of employers in the activities;

24 “(D) the levels of performance the eligible
25 entity expects to achieve with respect to the in-

1 indicators of performance for youth specified in
2 section 136(b)(2)(A)(ii); and

3 “(E) an assurance that the State board of
4 each State in which the proposed activities are
5 to be carried out had the opportunity to review
6 the application, and including the comments, if
7 any, of the affected State boards on the appli-
8 cation, except that this subparagraph shall not
9 apply to an eligible entity described in para-
10 graph (2)(C).

11 “(4) FACTORS FOR AWARD.—

12 “(A) IN GENERAL.—In awarding grants
13 under this subsection the Secretary shall con-
14 sider—

15 “(i) the quality of the proposed activi-
16 ties;

17 “(ii) the goals to be achieved;

18 “(iii) the likelihood of successful im-
19 plementation;

20 “(iv) the extent to which the proposed
21 activities are based on proven strategies or
22 the extent to which the proposed activities
23 will expand the base of knowledge relating
24 to the provision of activities for eligible
25 youth;

1 “(v) the extent of collaboration with
2 the State and local workforce investment
3 systems in carrying out the proposed ac-
4 tivities;

5 “(vi) the extent of employer involve-
6 ment in the proposed activities;

7 “(vii) whether there are other Federal
8 and non-Federal funds available for similar
9 activities to the proposed activities, and the
10 additional State, local, and private re-
11 sources that will be provided to carry out
12 the proposed activities;

13 “(viii) the quality of the proposed ac-
14 tivities in meeting the needs of the eligible
15 youth to be served; and

16 “(ix) the extent to which the proposed
17 activities will expand on services provided
18 under section 127.

19 “(B) **EQUITABLE GEOGRAPHIC DISTRIBUTION.**—In awarding grants under this sub-
20 section the Secretary shall ensure an equitable
21 distribution of such grants across geographi-
22 cally diverse areas.

23 “(5) **USE OF FUNDS.**—

1 “(A) IN GENERAL.—An eligible entity that
2 receives a grant under this subsection shall use
3 the grant funds to carry out activities that are
4 designed to assist youth in acquiring the skills,
5 credentials, and employment experience that are
6 necessary to succeed in the labor market, in-
7 cluding the activities identified in section 129.

8 “(B) ACTIVITIES.—The activities carried
9 out pursuant to subparagraph (A) may include
10 the following:

11 “(i) Training and internships for out-
12 of-school youth in sectors of the economy
13 experiencing, or projected to experience,
14 high growth.

15 “(ii) Dropout prevention activities for
16 in-school youth.

17 “(iii) Activities designed to assist spe-
18 cial youth populations, such as court-in-
19 volved youth and youth with disabilities.

20 “(iv) Activities combining remediation
21 of academic skills, work readiness training,
22 and work experience, and including link-
23 ages to postsecondary education, appren-
24 ticeships, and career-ladder employment.

1 “(v) Activities, including work experi-
2 ence, paid internships, and entrepreneurial
3 training, in areas where there is a migra-
4 tion of youth out of the areas.

5 “(C) PARTICIPANT ELIGIBILITY.—Youth
6 who are 14 years of age through 21 years of
7 age, as of the time the eligibility determination
8 is made, may be eligible to participate in activi-
9 ties carried out under this subsection.

10 “(6) GRANT PERIOD.—The Secretary shall
11 make a grant under this subsection for a period of
12 2 years and may renew the grant, if the eligible enti-
13 ty has performed successfully, for a period of not
14 more than 3 succeeding years.

15 “(7) MATCHING FUNDS REQUIRED.—The Sec-
16 retary shall require that an eligible entity that re-
17 ceives a grant under this subsection provide non-
18 Federal matching funds in an amount to be deter-
19 mined by the Secretary that is not less than 10 per-
20 cent of the cost of activities carried out under the
21 grant. The Secretary may require that such non-
22 Federal matching funds be provided in cash re-
23 sources, noncash resources, or a combination of cash
24 and noncash resources.

1 “(8) EVALUATION.—The Secretary shall reserve
 2 not more than 3 percent of the funds described in
 3 subsection (a)(1) to provide technical assistance to,
 4 and conduct evaluations of (using appropriate tech-
 5 niques as described in section 172(c)), the projects
 6 funded under this subsection.

7 “(c) COMPETITIVE FIRST JOBS FOR YOUTH.—

8 “(1) ELIGIBLE ENTITY.—In this subsection, the
 9 term ‘eligible entity’ means a consortium that—

10 “(A) shall include—

11 “(i)(I) a State board; or

12 “(II) a local board; and

13 “(ii) a consortium of businesses, in-
 14 cluding small businesses; and

15 “(B) may include 1 or more—

16 “(i) local educational agencies;

17 “(ii) institutions of higher education;

18 “(iii) business intermediaries;

19 “(iv) community-based organizations;

20 or

21 “(v) apprenticeship programs.

22 “(2) AUTHORIZATION.—From the funds de-
 23 scribed in subsection (a)(2), the Secretary may
 24 award grants to eligible entities to provide activities

1 that will assist youth in preparing for, entering, and
2 retaining employment.

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

8 “(A) a description of the area to be served,
9 including information demonstrating that the
10 area has—

11 “(i) high unemployment among indi-
12 viduals ages 16 through 21;

13 “(ii) high unemployment among youth
14 who are individuals with disabilities; or

15 “(iii) high job loss;

16 “(B) a description of the proposed pro-
17 gram, including activities, compensation, and
18 expected outcomes;

19 “(C) an assurance that the participating
20 employers in the proposed program are located
21 in the local area to be served, and a demonstra-
22 tion of the commitment of the participating em-
23 ployers to hire individuals who—

24 “(i) have successfully completed the
25 program; or

1 “(ii) continue to work in the program;

2 “(D) demographic information about the
3 targeted populations to be served by the pro-
4 posed program, including gender, age, and race;

5 “(E) a description of how the proposed
6 program will address the barriers to employ-
7 ment of the targeted populations;

8 “(F) a description of the manner in which
9 the eligible entity will evaluate the program;
10 and

11 “(G) a description of the ability of the eli-
12 gible entity to carry out and expand the pro-
13 gram after the expiration of the grant period.

14 “(4) **EQUITABLE DISTRIBUTION TO RURAL**
15 **AREAS.**—In awarding grants under this subsection,
16 the Secretary shall ensure an equitable distribution
17 of such grants to rural areas.

18 “(5) **USE OF FUNDS.**—

19 “(A) **IN GENERAL.**—An eligible entity that
20 receives a grant under this subsection shall use
21 the grant funds to carry out—

22 “(i) activities that will assist youth in
23 preparing for, entering, and retaining em-
24 ployment, including the activities described
25 in section 129 for out-of-school youth;

1 “(ii) activities designed to strengthen
2 academic skills that would assist—

3 “(I) in-school participants to be
4 successful in secondary school and
5 continue such participants’ education;
6 and

7 “(II) out-of-school youth to earn
8 a high school diploma or its recog-
9 nized equivalent, or prepare for post-
10 secondary programs;

11 “(iii) activities designed to assist
12 youth in economically distressed areas;

13 “(iv) subsidized employment for not
14 more than 9 months that provides direct
15 experience in a sector that has opportuni-
16 ties for full-time employment;

17 “(v) career and academic advisement,
18 activities to promote financial literacy and
19 the attainment of entrepreneurial skills,
20 and labor market information on high-skill,
21 high-wage, and nontraditional occupations;
22 and

23 “(vi) such other activities as the Sec-
24 retary determines are appropriate to en-

1 sure that youth entering the workforce
2 have the skills needed by employers.

3 “(B) PARTICIPANT ELIGIBILITY.—An indi-
4 vidual who is not younger than 16 years of age
5 and not older than 21 years of age, as of the
6 time the eligibility determination is made, who
7 face barriers to employment, including an indi-
8 vidual who is an individual with a disability,
9 may be eligible to participate in activities under
10 this subsection.

11 “(6) SPECIAL RULE.—An eligible entity that re-
12 ceives a grant under this subsection shall coordinate
13 activities with the designated State agency (as de-
14 fined in section 7 of the Rehabilitation Act of 1973
15 (29 U.S.C. 705)) and other appropriate State agen-
16 cies in the State to be served.

17 “(7) MATCHING FUNDS REQUIRED.—The Sec-
18 retary shall require that an eligible entity that re-
19 ceives a grant under this subsection provide non-
20 Federal matching funds in an amount to be deter-
21 mined by the Secretary that is not less than 10 per-
22 cent of the cost of activities carried out under the
23 grant. The Secretary may require that such non-
24 Federal matching funds be provided in cash re-

1 sources, noncash resources, or a combination of cash
2 and noncash resources.

3 “(8) EVALUATIONS.—The Secretary may re-
4 quire that an eligible entity that receives a grant
5 under this subsection participate in an evaluation of
6 activities carried out under this subsection, including
7 an evaluation using the techniques described in sec-
8 tion 172(c).”.

9 **SEC. 145. TECHNICAL ASSISTANCE.**

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

11 (1) in subsection (a)(1), by—

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

18 (B) striking “from carrying out activities”
19 and all that follows through the period and in-
20 serting “to implement the amendments made by
21 the Workforce Investment Act Amendments of
22 2005.”;

23 (2) in subsection (a)(2), by adding at the end
24 the following: “The Secretary shall also hire staff

1 qualified to provide the assistance described in para-
2 graph (1).”;

3 (3) in subsection (b)(2), by striking the last
4 sentence and inserting “Such projects shall be ad-
5 ministered by the Employment and Training Admin-
6 istration.”; and

7 (4) by adding at the end the following:

8 “(c) BEST PRACTICES COORDINATION.—The Sec-
9 retary shall—

10 “(1) establish a system through which States
11 may share information regarding best practices with
12 regard to the operation of workforce investment ac-
13 tivities under this Act;

14 “(2) evaluate and disseminate information re-
15 garding best practices and identify knowledge gaps;
16 and

17 “(3) commission research under section 171(c)
18 to address knowledge gaps identified under para-
19 graph (2).”.

20 **SEC. 146. DEMONSTRATION, PILOT, MULTISERVICE, RE-**
21 **SEARCH, AND MULTISTATE PROJECTS.**

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

24 (1) in paragraph (1)—

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

3 (B) by striking subparagraphs (A) through
4 (E) and inserting the following:

5 “(A) projects that assist national employ-
6 ers in connecting with the workforce investment
7 system established under this title in order to
8 facilitate the recruitment and employment of
9 needed workers for career ladder jobs and to
10 provide information to such system on skills
11 and occupations in demand;

12 “(B) projects that promote the develop-
13 ment of systems that will improve the maximum
14 effectiveness of programs carried out under this
15 title;

16 “(C) projects that focus on opportunities
17 for employment in industries and sectors of in-
18 dustries that are experiencing, or are likely to
19 experience, high rates of growth and jobs with
20 wages leading to self-sufficiency;

21 “(D) computerized, individualized, self-
22 paced training projects targeted to dislocated,
23 disadvantaged, or incumbent workers utilizing
24 equipment and curriculum designed in partner-
25 ship with industries for employment in the op-

1 erations, repair, and maintenance of high-tech
2 equipment that is used in integrated systems
3 technology;

4 “(E) projects carried out by States and
5 local areas to test innovative approaches to de-
6 livering employment-related services;”;

7 (C) in subparagraph (G), by striking
8 “and” after the semicolon; and

9 (D) by striking subparagraph (H) and in-
10 sserting the following:

11 “(H) projects that provide retention
12 grants, which shall—

13 “(i) be made to qualified job training
14 programs offering instruction, assessment,
15 or professional coaching, upon placement
16 of a low-income individual trained by the
17 program involved in employment with an
18 employer and retention of the low-income
19 individual in that employment with that
20 employer for a period of 1 year, if that em-
21 ployment provides the low-income indi-
22 vidual with an annual salary—

23 “(I) that is at least \$10,000
24 more than the individual’s federally

1 adjusted income for the previous year;

2 and

3 “(II) that is not less than twice

4 the poverty line applicable to the indi-

5 vidual; and

6 “(ii) be made taking into account the

7 economic benefit received by the Federal

8 Government from the employment and re-

9 tention of the individual, including the eco-

10 nomic benefit from tax revenue and de-

11 creased public subsidies;

12 “(I) targeted innovation projects that im-

13 prove access to and delivery of employment and

14 training services, with emphasis given to

15 projects that incorporate advanced technologies

16 to facilitate the connection of individuals to the

17 information and tools the individuals need to

18 upgrade skills;

19 “(J) projects that promote the use of dis-

20 tance learning, enabling students to take

21 courses through the use of media technology

22 such as videos, teleconferencing computers, and

23 the Internet; and

24 “(K) projects that provide comprehensive

25 education and training services, and support

1 services, in coordination with local boards, for
2 populations in targeted high poverty areas
3 where the greatest barriers to employment
4 exist, including ex-offenders, out-of-school
5 youth, and public assistance recipient popu-
6 lations.”; and

7 (2) in paragraph (2)—

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

9 (B) by redesignating subparagraph (C) as
10 subparagraph (B).

11 (b) MULTISERVICE PROJECTS.—Section
12 171(e)(2)(B) (29 U.S.C. 2916(e)(2)(B)) is amended to
13 read as follows:

14 “(B) STUDIES AND REPORTS.—

15 “(i) NET IMPACT STUDIES AND RE-
16 PORTS.—

17 “(I) IN GENERAL.—The Sec-
18 retary, in coordination with the Sec-
19 retary of Education, shall conduct
20 studies to determine the net impacts
21 of, including best practices of, pro-
22 grams, services, and activities carried
23 out under this title.

24 “(II) REPORTS.—The Secretary
25 shall prepare and disseminate to the

1 public reports containing the results
2 of the studies conducted under sub-
3 clause (I).

4 “(ii) STUDY ON RESOURCES AVAIL-
5 ABLE TO ASSIST OUT-OF-SCHOOL
6 YOUTH.—The Secretary, in coordination
7 with the Secretary of Education, may con-
8 duct a study examining the resources avail-
9 able at the Federal, State, and local levels
10 to assist out-of-school youth in obtaining
11 the skills, credentials, and work experience
12 necessary to become successfully employed,
13 including the availability of funds provided
14 through average daily attendance and
15 other methodologies used by States and
16 local areas to distribute funds.

17 “(iii) STUDY OF INDUSTRY-BASED
18 CERTIFICATION AND CREDENTIALS.—

19 “(I) IN GENERAL.—The Sec-
20 retary shall conduct a study con-
21 cerning the role and benefits of
22 credentialing and certification to busi-
23 nesses and workers in the economy
24 and the implications of certification to
25 the services provided through the

1 workforce investment system. The
2 study may examine issues such as—

3 “(aa) the characteristics of
4 successful credentialing and cer-
5 tification systems that serve busi-
6 ness and individual needs;

7 “(bb) the relative propor-
8 tions of certificates and creden-
9 tials attained with assistance
10 from the public sector, with pri-
11 vate-sector training of new hires
12 or incumbent workers, and by in-
13 dividuals on their own initiative
14 without other assistance, respec-
15 tively;

16 “(cc) the return on human
17 capital investments from occupa-
18 tional credentials and industry-
19 based skill certifications, includ-
20 ing the extent to which acquisi-
21 tion of such credentials or certifi-
22 cates enhances outcomes such as
23 entry into employment, retention,
24 earnings (including the number
25 and amount of wage increases),

1 career advancement, and layoff
2 aversion;

3 “(dd) the implications of the
4 effects of skill certifications and
5 credentials to the types and deliv-
6 ery of services provided through
7 the workforce investment system;

8 “(ee) the role that Federal
9 and State governments play in
10 fostering the development of and
11 disseminating credentials and
12 skill standards; and

13 “(ff) the use of credentials
14 by businesses to achieve goals for
15 workforce skill upgrading and
16 greater operating efficiency.

17 “(II) REPORT TO CONGRESS.—

18 The Secretary shall prepare and sub-
19 mit to Congress a report containing
20 the results of the study conducted
21 pursuant to subclause (I). Such report
22 may include any recommendations
23 that the Secretary determines are ap-
24 propriate to include in such report re-
25 lating to promoting the acquisition of

1 industry-based certification and cre-
2 dentials, and the appropriate role of
3 the Department of Labor and the
4 workforce investment system in sup-
5 porting the needs of business and in-
6 dividuals with respect to such certifi-
7 cation and credentials.

8 “(iv) STUDY OF EFFECTIVENESS OF
9 WORKFORCE INVESTMENT SYSTEM IN
10 MEETING BUSINESS NEEDS.—

11 “(I) IN GENERAL.—Using funds
12 available to carry out this section
13 jointly with funds available to the Sec-
14 retary of Commerce and Adminis-
15 trator of the Small Business Adminis-
16 tration, the Secretary, in coordination
17 with the Secretary of Commerce and
18 the Administrator of the Small Busi-
19 ness Administration, may conduct a
20 study of the effectiveness of the work-
21 force investment system in meeting
22 the needs of business, with particular
23 attention to the needs of small busi-
24 ness, including in assisting workers to
25 obtain the skills needed to utilize

1 emerging technologies. In conducting
2 the study, the Secretary, in coordina-
3 tion with the Secretary of Commerce
4 and the Administrator of the Small
5 Business Administration, may exam-
6 ine issues such as—

7 “(aa) methods for identi-
8 fying the workforce needs of
9 businesses and how the require-
10 ments of small businesses may
11 differ from larger establishments;

12 “(bb) business satisfaction
13 with the workforce investment
14 system, with particular emphasis
15 on the satisfaction of small busi-
16 nesses;

17 “(cc) the extent to which
18 business is engaged as a collabo-
19 rative partner in the workforce
20 investment system, including the
21 extent of business involvement as
22 members of State boards and
23 local boards, and the extent to
24 which such boards and one-stop
25 centers effectively collaborate

1 with business and industry lead-
2 ers in developing workforce in-
3 vestment strategies, including
4 strategies to identify high growth
5 opportunities;

6 “(dd) ways in which the
7 workforce investment system ad-
8 dresses changing skill needs of
9 business that result from changes
10 in technology and work processes;

11 “(ee) promising practices for
12 serving small businesses;

13 “(ff) the extent and manner
14 in which the workforce invest-
15 ment system uses technology to
16 serve business and individual
17 needs, and how uses of tech-
18 nology could enhance efficiency
19 and effectiveness in providing
20 services; and

21 “(gg) the extent to which
22 various segments of the labor
23 force have access to and utilize
24 technology to locate job openings
25 and apply for jobs, and charac-

1 teristics of individuals utilizing
2 such technology (such as age,
3 gender, race or ethnicity, indus-
4 try sector, and occupational
5 groups).

6 “(II) REPORT TO CONGRESS.—

7 The Secretary shall prepare and sub-
8 mit to Congress a report containing
9 the results of the study described in
10 subclause (I). Such report may in-
11 clude any recommendations the Sec-
12 retary determines are appropriate to
13 include in such report, including ways
14 to enhance the effectiveness of the
15 workforce investment system in meet-
16 ing the needs of business for skilled
17 workers.”.

18 (c) ADMINISTRATION.—Section 171(d) (29 U.S.C.
19 2916(d)) is amended by striking the last sentence and in-
20 serting the following: “Such projects shall be administered
21 by the Employment and Training Administration.”.

22 (d) NEXT GENERATION TECHNOLOGIES.—Section
23 171 (29 U.S.C. 2916) is amended by adding at the end
24 the following:

25 “(e) SKILL CERTIFICATION PILOT PROJECTS.—

1 “(1) PILOT PROJECTS.—In accordance with
2 subsection (b) and from funds appropriated pursu-
3 ant to paragraph (10), the Secretary shall establish
4 and carry out not more than 10 pilot projects to es-
5 tablish a system of industry-validated national cer-
6 tifications of skills, including—

7 “(A) not more than 8 national certifi-
8 cations of skills in high-technology industries,
9 including biotechnology, telecommunications,
10 highly automated manufacturing (including
11 semiconductors), nanotechnology, and energy
12 technology; and

13 “(B) not more than 2 cross-disciplinary
14 national certifications of skills in homeland se-
15 curity technology.

16 “(2) GRANTS TO ELIGIBLE ENTITIES.—In car-
17 rying out the pilot projects, the Secretary shall make
18 grants to eligible entities, for periods of not less
19 than 36 months and not more than 48 months, to
20 carry out the authorized activities described in para-
21 graph (7) with respect to the certifications described
22 in paragraph (1). In awarding grants under this
23 subsection the Secretary shall take into consider-
24 ation awarding grants to eligible entities from di-
25 verse geographic areas, including rural areas.

1 “(3) ELIGIBLE ENTITIES.—

2 “(A) DEFINITION OF ELIGIBLE ENTITY.—

3 In this subsection the term ‘eligible entity’
4 means an entity that shall work in conjunction
5 with a local board and shall include as a prin-
6 cipal participant 1 or more of the following:

7 “(i) An educational institution, includ-
8 ing a 2- or 4-year college, or a technical or
9 vocational school.

10 “(ii) An advanced technology edu-
11 cation center.

12 “(iii) A local board.

13 “(iv) A representative of a business in
14 a target industry for the certification in-
15 volved.

16 “(v) A representative of an industry
17 association, labor organization, or commu-
18 nity development organization.

19 “(B) HISTORY OF DEMONSTRATED CAPA-
20 BILITY REQUIRED.—To be eligible to receive a
21 grant under this subsection, an eligible entity
22 shall have a history of demonstrated capability
23 for effective collaboration with industry on
24 workforce investment activities that is con-
25 sistent with the objectives of this title.

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

6 “(5) CRITERIA.—The Secretary shall establish
7 criteria, consistent with paragraph (6), for awarding
8 grants under this subsection.

9 “(6) PRIORITY.—In selecting eligible entities to
10 receive grants under this subsection, the Secretary
11 shall give priority to eligible entities that dem-
12 onstrate the availability of and ability to provide
13 matching funds from industry or nonprofit sources.
14 Such matching funds may be provided in cash or in
15 kind.

16 “(7) AUTHORIZED ACTIVITIES.—

17 “(A) IN GENERAL.—An eligible entity that
18 receives a grant under this subsection shall use
19 the funds made available through the grant—

20 “(i) to facilitate the establishment of
21 certification requirements for a certifi-
22 cation described in paragraph (1) for an
23 industry;

24 “(ii) to develop and initiate a certifi-
25 cation program that includes preparatory

1 courses, course materials, procedures, and
2 examinations, for the certification; and

3 “(iii) to collect and analyze data re-
4 lated to the program at the program’s
5 completion, and to identify best practices
6 (consistent with paragraph (8)) that may
7 be used by State and local workforce in-
8 vestment boards in the future.

9 “(B) BASIS FOR REQUIREMENTS.—The
10 certification requirements established under the
11 grant shall be based on applicable skill stand-
12 ards for the industry involved that have been
13 developed by or linked to national centers of ex-
14 cellence under the National Science Founda-
15 tion’s Advanced Technological Education Pro-
16 gram. The requirements shall require an indi-
17 vidual to demonstrate an identifiable set of
18 competencies relevant to the industry in order
19 to receive certification. The requirements shall
20 be designed to provide evidence of a transfer-
21 able skill set that allows flexibility and mobility
22 of workers within a high technology industry.

23 “(C) RELATIONSHIP TO TRAINING AND
24 EDUCATION PROGRAMS.—The eligible entity
25 shall ensure that—

1 “(i) a training and education program
2 related to competencies for the industry in-
3 volved, that is flexible in mode and time-
4 frame for delivery and that meets the
5 needs of those seeking the certification, is
6 offered; and

7 “(ii) the certification program is of-
8 fered at the completion of the training and
9 education program.

10 “(D) RELATIONSHIP TO THE ASSOCIATE
11 DEGREE.—The eligible entity shall ensure that
12 the certification program is consistent with the
13 requirements for a 2-year associate degree.

14 “(E) AVAILABILITY.—The eligible entity
15 shall ensure that the certification program is
16 open to students pursuing associate degrees,
17 employed workers, and displaced workers.

18 “(8) CONSULTATION.—The Secretary shall con-
19 sult with the Director of the National Science Foun-
20 dation to ensure that the pilot projects build on the
21 expertise and information about best practices
22 gained through the implementation of the National
23 Science Foundation’s Advanced Technological Edu-
24 cation Program.

1 “(9) CORE COMPONENTS; GUIDELINES; RE-
2 PORTS.—After collecting and analyzing the data ob-
3 tained from the pilot programs, the Secretary
4 shall—

5 “(A) establish the core components of a
6 model high-technology certification program;

7 “(B) establish guidelines to assure develop-
8 ment of a uniform set of standards and policies
9 for such programs;

10 “(C) prepare and submit a report on the
11 pilot projects to the Committee on Health, Edu-
12 cation, Labor, and Pensions of the Senate and
13 the Committee on Education and the Workforce
14 of the House of Representatives; and

15 “(D) make available to the public both the
16 data and the report.

17 “(10) AUTHORIZATION OF APPROPRIATIONS.—
18 In addition to amounts authorized to be appro-
19 priated under section 174(b), there is authorized to
20 be appropriated \$30,000,000 for fiscal year 2006 to
21 carry out this subsection.”.

22 (e) INTEGRATED WORKFORCE TRAINING PROGRAMS
23 FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—
24 Section 171 (29 U.S.C. 2916), as amended by subsection
25 (d), is further amended by adding at the end the following:

1 “(f) INTEGRATED WORKFORCE TRAINING PROGRAMS
2 FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—

3 “(1) DEFINITIONS.—In this subsection:

4 “(A) INTEGRATED WORKFORCE TRAIN-
5 ING.—The term ‘integrated workforce training’
6 means training that integrates occupational
7 skills training with language acquisition.

8 “(B) SECRETARY.—The term ‘Secretary’
9 means the Secretary of Labor in consultation
10 with the Secretary of Education.

11 “(2) DEMONSTRATION PROJECT.—In accord-
12 ance with subsection (b) and from funds appro-
13 priated pursuant to paragraph (11), the Secretary
14 shall establish and implement a national demonstra-
15 tion project designed to both analyze and provide
16 data on workforce training programs that integrate
17 English language acquisition and occupational train-
18 ing.

19 “(3) GRANTS.—

20 “(A) IN GENERAL.—In carrying out the
21 demonstration project, the Secretary shall make
22 not less than 10 grants, on a competitive basis,
23 to eligible entities to provide the integrated
24 workforce training programs. In awarding
25 grants under this subsection the Secretary shall

1 take into consideration awarding grants to eligi-
2 ble entities from diverse geographic areas, in-
3 cluding rural areas.

4 “(B) PERIODS.—The Secretary shall make
5 the grants for periods of not less than 24
6 months and not more than 48 months.

7 “(4) ELIGIBLE ENTITIES.—

8 “(A) IN GENERAL.—To be eligible to re-
9 ceive a grant under this subsection, an eligible
10 entity shall work in conjunction with a local
11 board and shall include as a principal partici-
12 pant 1 or more of the following:

13 “(i) An employer or employer associa-
14 tion.

15 “(ii) A nonprofit provider of English
16 language instruction.

17 “(iii) A provider of occupational or
18 skills training.

19 “(iv) A community-based organiza-
20 tion.

21 “(v) An educational institution, in-
22 cluding a 2- or 4-year college, or a tech-
23 nical or vocational school.

24 “(vi) A labor organization.

25 “(vii) A local board.

1 “(B) EXPERTISE.—To be eligible to re-
2 ceive a grant under this subsection, an eligible
3 entity shall have proven expertise in—

4 “(i) serving individuals with limited
5 English proficiency, including individuals
6 with lower levels of oral and written
7 English; and

8 “(ii) providing workforce programs
9 with training and English language in-
10 struction.

11 “(5) APPLICATIONS.—

12 “(A) IN GENERAL.—To be eligible to re-
13 ceive a grant under this subsection, an eligible
14 entity shall submit an application to the Sec-
15 retary at such time, in such manner, and con-
16 taining such information as the Secretary may
17 require.

18 “(B) CONTENTS.—Each application sub-
19 mitted under subparagraph (A) shall—

20 “(i) contain information, including ca-
21 pability statements, that demonstrates that
22 the eligible entity has the expertise de-
23 scribed in paragraph (4)(B); and

24 “(ii) include an assurance that the
25 program to be assisted shall—

1 “(I) establish a generalized adult
2 bilingual workforce training and edu-
3 cation model that integrates English
4 language acquisition and occupational
5 training, and incorporates the unique
6 linguistic and cultural factors of the
7 participants;

8 “(II) establish a framework by
9 which the employer, employee, and
10 other relevant members of the eligible
11 entity can create a career development
12 and training plan that assists both the
13 employer and the employee to meet
14 their long-term needs;

15 “(III) ensure that the framework
16 established under subclause (II) takes
17 into consideration the knowledge,
18 skills, and abilities of the employee
19 with respect to both the current and
20 economic conditions of the employer
21 and future labor market conditions
22 relevant to the local area; and

23 “(IV) establish identifiable meas-
24 ures so that the progress of the em-
25 ployee and employer and the relative

1 efficacy of the program can be evalu-
2 ated and best practices identified.

3 “(6) CRITERIA.—The Secretary shall establish
4 criteria for awarding grants under this subsection.

5 “(7) INTEGRATED WORKFORCE TRAINING PRO-
6 GRAMS.—

7 “(A) PROGRAM COMPONENTS.—

8 “(i) REQUIRED COMPONENTS.—Each
9 program that receives funding under this
10 subsection shall—

11 “(I) test an individual’s English
12 language proficiency levels to assess
13 oral and literacy gains from the begin-
14 ning and throughout program enroll-
15 ment;

16 “(II) combine training specific to
17 a particular occupation or occupa-
18 tional cluster, with—

19 “(aa) English language in-
20 struction, such as instruction
21 through an English as a Second
22 Language program, or an
23 English for Speakers of Other
24 Languages program;

1 “(bb) basic skills instruc-
2 tion; and

3 “(cc) supportive services;

4 “(III) effectively integrate public
5 and private sector entities, including
6 the local workforce investment system
7 and its functions, to achieve the goals
8 of the program; and

9 “(IV) require matching or in-
10 kind resources from private and non-
11 profit entities.

12 “(ii) PERMISSIBLE COMPONENTS.—
13 The program may offer other services, as
14 necessary to promote successful participa-
15 tion and completion, including work-based
16 learning, substance abuse treatment, and
17 mental health services.

18 “(B) GOAL.—Each program that receives
19 funding under this subsection shall be designed
20 to prepare limited English proficient adults for,
21 and place such adults in employment in, grow-
22 ing industries with identifiable career ladder
23 paths.

24 “(C) PROGRAM TYPES.—In selecting pro-
25 grams to receive funding under this subsection,

1 the Secretary shall select programs that meet 1
2 or more of the following criteria:

3 “(i) A program that—

4 “(I) serves unemployed, limited
5 English proficient individuals with sig-
6 nificant work experience or substan-
7 tial education but persistently low
8 wages; and

9 “(II) aims to prepare such indi-
10 viduals for, and place such individuals
11 in, higher paying employment, defined
12 for purposes of this subparagraph as
13 employment that provides at least 75
14 percent of the median wage in the
15 local area.

16 “(ii) A program that—

17 “(I) serves limited English pro-
18 ficient individuals with lower levels of
19 oral and written fluency, who are
20 working but at persistently low wages;
21 and

22 “(II) aims to prepare such indi-
23 viduals for, and place such individuals
24 in, higher paying employment,
25 through services provided at the work-

1 site, or at a location central to several
2 work sites, during work hours.

3 “(iii) A program that—

4 “(I) serves unemployed, limited
5 English proficient individuals with
6 lower levels of oral and written flu-
7 ency, who have little or no work expe-
8 rience; and

9 “(II) aims to prepare such indi-
10 viduals for, and place such individuals
11 in, employment through services that
12 include subsidized employment, in ad-
13 dition to the components required in
14 subparagraph (A)(i).

15 “(iv) A program that includes funds
16 from private and nonprofit entities.

17 “(D) PROGRAM APPROACHES.—In select-
18 ing programs to receive funding under this sub-
19 section, the Secretary shall select programs
20 with different approaches to integrated work-
21 force training, in different contexts, in order to
22 obtain comparative data on multiple approaches
23 to integrated workforce training and English
24 language instruction, to ensure programs are
25 tailored to characteristics of individuals with

1 varying skill levels, and to assess how different
2 curricula work for limited English proficient
3 populations. Such approaches may include—

4 “(i) bilingual programs in which the
5 workplace language component and the
6 training are conducted in a combination of
7 an individual’s native language and
8 English;

9 “(ii) integrated workforce training
10 programs that combine basic skills, lan-
11 guage instruction, and job specific skills
12 training; or

13 “(iii) sequential programs that provide
14 a progression of skills, language, and train-
15 ing to ensure success upon an individual’s
16 completion of the program.

17 “(8) EVALUATION BY ELIGIBLE ENTITY.—Each
18 eligible entity that receives a grant under this sub-
19 section for a program shall carry out a continuous
20 program evaluation and an evaluation specific to the
21 last phase of the program operations.

22 “(9) EVALUATION BY SECRETARY.—

23 “(A) IN GENERAL.—The Secretary shall
24 conduct an evaluation of program impacts of
25 the programs funded under the demonstration

1 project, with a random assignment, experi-
2 mental design impact study done at each work-
3 site at which such a program is carried out.

4 “(B) DATA COLLECTION AND ANALYSIS.—
5 The Secretary shall collect and analyze the data
6 from the demonstration project to determine
7 program effectiveness, including gains in lan-
8 guage proficiency, acquisition of skills, and job
9 advancement for program participants.

10 “(C) REPORT.—The Secretary shall pre-
11 pare and submit to the Committee on Health,
12 Education, Labor, and Pensions of the Senate
13 and the Committee on Education and the
14 Workforce of the House of Representatives, and
15 make available to the public, a report on the
16 demonstration project, including the results of
17 the evaluation.

18 “(10) TECHNICAL ASSISTANCE.—The Secretary
19 shall provide technical assistance to recipients of
20 grants under this subsection throughout the grant
21 periods.

22 “(11) AUTHORIZATION OF APPROPRIATIONS.—
23 In addition to amounts authorized to be appro-
24 priated under section 174(b), there is authorized to

1 be appropriated \$10,000,000 for fiscal year 2006 to
2 carry out this subsection.”.

3 (f) COMMUNITY-BASED JOB TRAINING.—Section 171
4 (29 U.S.C. 2916), as amended by subsection (e), is further
5 amended by adding at the end the following:

6 “(g) COMMUNITY-BASED JOB TRAINING.—

7 “(1) DEFINITIONS.—In this subsection:

8 “(A) COMMUNITY COLLEGE.—The term
9 ‘community college’ means—

10 “(i) an institution of higher education,
11 as defined in section 101 of the Higher
12 Education Act of 1965 (20 U.S.C. 1001),
13 that provides a 2-year degree that is ac-
14 ceptable for full credit toward a bachelor’s
15 degree; or

16 “(ii) a tribally controlled college or
17 university, as defined in section 2 of the
18 Tribally Controlled College or University
19 Assistance Act of 1978 (25 U.S.C. 1801).

20 “(B) ELIGIBLE ENTITY.—The term ‘eligi-
21 ble entity’ means a community college or a con-
22 sortium composed of a community college and
23 an institution of higher education, that shall
24 work with—

25 “(i) a local board;

1 “(ii) a business in the qualified indus-
2 try or an industry association in the quali-
3 fied industry, as identified in the applica-
4 tion of the entity; and

5 “(iii) an economic development entity.

6 “(C) INSTITUTION OF HIGHER EDU-
7 CATION.—Except as otherwise provided in sub-
8 paragraph (A)(i), the term ‘institution of higher
9 education’ has the meaning given the term in
10 section 101 of the Higher Education Act of
11 1965 (20 U.S.C. 1001) and the meaning given
12 the term postsecondary vocational institution in
13 section 102(a)(1)(B) of such Act (20 U.S.C.
14 1002(a)(1)(B)).

15 “(D) QUALIFIED INDUSTRY.—The term
16 ‘qualified industry’ means an industry or eco-
17 nomic sector that is projected to experience sig-
18 nificant growth, such as an industry or eco-
19 nomic sector that—

20 “(i) is projected to add substantial
21 numbers of new jobs to the regional econ-
22 omy;

23 “(ii) has or is projected to have sig-
24 nificant impact on the regional economy;

1 “(iii) impacts or is projected to impact
2 the growth of other industries or economic
3 sectors in the regional economy;

4 “(iv) is being transformed by tech-
5 nology and innovation requiring new
6 knowledge or skill sets for workers;

7 “(v) is a new or emerging industry or
8 economic sector that is projected to grow;
9 or

10 “(vi) requires high skills and has sig-
11 nificant labor shortages in the regional
12 economy.

13 “(2) DEMONSTRATION PROJECT.—In addition
14 to the demonstration projects authorized under sub-
15 section (b), the Secretary may establish and imple-
16 ment a national demonstration project designed—

17 “(A) to develop local innovative solutions
18 to the workforce challenges facing high-growth,
19 high-skill industries with labor shortages; and

20 “(B) to increase employment opportunities
21 for workers in high-growth, high-demand occu-
22 pations by establishing partnerships among
23 education entities, the workforce investment
24 system, and businesses in high-growth, high-
25 skill industries or sectors.

1 “(3) GRANTS.—In carrying out the national
2 demonstration project authorized under this sub-
3 section, the Secretary shall award grants, on a com-
4 petitive basis, for 2, 3, or 4 years, in accordance
5 with generally applicable Federal requirements, to
6 eligible entities to enable the eligible entities to carry
7 out activities authorized under this subsection.

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

13 “(A) a description of the eligible entity
14 that will offer training under the grant;

15 “(B) a justification of the need for discre-
16 tionary funding under the grant, including the
17 need for external funds to create a program to
18 carry out the activities described in paragraph
19 (6);

20 “(C) an economic analysis of the local
21 labor market to identify—

22 “(i) high-growth, high-demand indus-
23 tries;

24 “(ii) the workforce issues faced by
25 such industries; and

1 “(iii) potential participants in pro-
2 grams funded under this subsection;

3 “(D) a description of the qualified industry
4 for which the training will occur, the availability
5 of competencies on which the training will be
6 based, and how the grant will help workers ac-
7 quire the competencies and skills necessary for
8 employment;

9 “(E) a description of the involvement of
10 the local board and businesses, including small
11 businesses, in the geographic area where the
12 proposed grant will be implemented;

13 “(F) performance measures for the grant,
14 including the expected number of individuals to
15 be trained in a qualified industry, the employ-
16 ment and retention rates for such individuals in
17 a qualified industry, and initial earnings and
18 earnings increases for such individuals;

19 “(G) a description of how the activities
20 funded by the grant will be coordinated with ac-
21 tivities provided through the one-stop center in
22 the local area; and

23 “(H) a description of the local or private
24 resources that will—

1 “(i) support the activities carried out
2 under this subsection; and

3 “(ii) enable the entity to carry out
4 and expand such activities after the expira-
5 tion of the grant.

6 “(5) FACTORS FOR AWARD OF GRANT.—

7 “(A) IN GENERAL.—In awarding grants
8 under this subsection, the Secretary shall con-
9 sider—

10 “(i) the extent of public and private
11 collaboration, including existing partner-
12 ships among qualified industries, the eligi-
13 ble entity, and the public workforce invest-
14 ment system;

15 “(ii) the extent to which the grant will
16 provide job seekers with high-quality train-
17 ing for employment in high-growth, high-
18 demand occupations;

19 “(iii) the extent to which the grant
20 will expand the eligible entity and local
21 one-stop center’s capacity to be demand-
22 driven and responsive to local economic
23 needs;

24 “(iv) the extent to which local busi-
25 nesses commit to hire, retain, or advance

1 individuals who receive training through
2 the grant; and

3 “(v) the extent to which the eligible
4 entity commits to make any newly devel-
5 oped products, such as skill standards, as-
6 sessments, or industry-recognized training
7 curricula, available for dissemination na-
8 tionally.

9 “(B) LEVERAGING OF RESOURCES.—In
10 awarding grants under this subsection, the Sec-
11 retary shall also consider—

12 “(i) the extent to which local or pri-
13 vate resources will be made available to
14 support the activities carried out under
15 this subsection, taking into account the re-
16 sources of the eligible entity and the enti-
17 ty’s partners; and

18 “(ii) the ability of an eligible entity to
19 continue to carry out and expand such ac-
20 tivities after the expiration of the grant.

21 “(C) DISTRIBUTION OF GRANTS.—In
22 awarding grants under this subsection, the Sec-
23 retary shall ensure an equitable distribution of
24 such grants across diverse industries and geo-
25 graphic areas.

1 “(6) USE OF FUNDS.—An eligible entity that
2 receives a grant under this subsection—

3 “(A) shall use the grant funds for—

4 “(i) the development by the commu-
5 nity college that is a part of the eligible en-
6 tity in collaboration with other partners
7 identified in the application, and, if appli-
8 cable, other representatives of qualified in-
9 dustries, of rigorous training and edu-
10 cation programs leading to an industry-rec-
11 ognized credential or degree and employ-
12 ment in the qualified industry; and

13 “(ii) training of adults, incumbent
14 workers, dislocated workers, or out-of-
15 school youth in the skills and competencies
16 needed to obtain or upgrade employment
17 in a qualified industry identified in the eli-
18 gible entity’s application; and

19 “(B) may use the grant funds for—

20 “(i) disseminating information on
21 training available for high-growth, high-de-
22 mand occupations in qualified industries
23 through the one-stop delivery system to
24 prospective participants, businesses, busi-
25 ness intermediaries, and community-based

1 organizations in the region, including
2 training available through the grant;

3 “(ii) referring individuals trained
4 under the grant for employment in quali-
5 fied industries;

6 “(iii) enhancing integration of com-
7 munity colleges, training and education
8 with businesses, and the one-stop system
9 to meet the training needs of qualified in-
10 dustries for new and incumbent workers;

11 “(iv) providing training and relevant
12 job skills to small business owners or oper-
13 ators to facilitate small business develop-
14 ment in high-growth industries; or

15 “(v) expanding or creating programs
16 for distance, evening, weekend, modular, or
17 compressed learning opportunities that
18 provide relevant skill training in high-
19 growth, high-demand industries.

20 “(7) AUTHORITY TO REQUIRE NON-FEDERAL
21 SHARE.—The Secretary may require that recipients
22 of grants under this subsection provide a non-Fed-
23 eral share, from either cash or noncash resources, of
24 the costs of activities carried out under a grant
25 awarded under this subsection.

1 “(8) PERFORMANCE ACCOUNTABILITY AND
2 EVALUATION.—

3 “(A) PERFORMANCE ACCOUNTABILITY.—

4 The Secretary shall require an eligible entity
5 that receives a grant under this subsection to
6 submit an interim and final report to the Sec-
7 retary on the impact on business partners and
8 employment outcomes obtained by individuals
9 receiving training under this subsection using
10 the performance measures identified in the eli-
11 gible entity’s grant application.

12 “(B) EVALUATION.—The Secretary shall
13 require that an eligible entity that receives a
14 grant under this subsection participate in an
15 evaluation of activities carried out under this
16 subsection, including an evaluation using the
17 techniques described in section 172(c).”.

18 **SEC. 147. NATIONAL DISLOCATED WORKER GRANTS.**

19 (a) IN GENERAL.—Section 173 (29 U.S.C. 2918) is
20 amended—

21 (1) by striking the heading and inserting the
22 following:

23 **“SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.”;**

24 and

25 (2) in subsection (a)—

1 (A) by striking the matter preceding para-
2 graph (1) and inserting the following:

3 “(a) IN GENERAL.—The Secretary is authorized to
4 award national dislocated worker grants—”;

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

7 (C) in paragraph (3), by striking “and”
8 after the semicolon; and

9 (D) by striking paragraph (4) and insert-
10 ing the following:

11 “(4) to a State or entity (as defined in sub-
12 section (b)(1)(B)) to carry out subsection (e), in-
13 cluding providing assistance to eligible individuals;

14 “(5) to a State or entity (as defined in sub-
15 section (b)(1)(B)) to carry out subsection (f), includ-
16 ing providing assistance to eligible individuals;

17 “(6) to provide additional assistance to a State
18 board or local board where a higher than average de-
19 mand for employment and training activities for dis-
20 located members of the Armed Forces, or spouses,
21 as described in section 101(11)(E), of members of
22 the Armed Forces, described in subsection
23 (b)(2)(A)(iv), exceeds State and local resources for
24 providing such services, and where such programs
25 are to be carried out in partnership with the Depart-

1 ment of Defense and Department of Veterans Af-
2 fairs transition assistance programs; and

3 “(7) to provide assistance to a State for state-
4 wide or local use in order to—

5 “(A) address cases in which there have
6 been worker dislocations across multiple sectors,
7 across multiple businesses within a sector, or
8 across multiple local areas, and such workers
9 remain dislocated;

10 “(B) meet emerging economic development
11 needs; and

12 “(C) train eligible individuals who are dis-
13 located workers described in subparagraph (A).

14 The Secretary shall issue a final decision on an application
15 for a national dislocated worker grant under this sub-
16 section not later than 45 calendar days after receipt of
17 the application. The Secretary shall issue a notice of obli-
18 gation for such a grant not later than 10 days after the
19 award of the grant.”.

20 (b) ADMINISTRATION AND ADDITIONAL ASSIST-
21 ANCE.—Section 173 (29 U.S.C. 2918) is amended—

22 (1) by striking subsection (b);

23 (2) by redesignating subsections (c) through (g)
24 as subsections (b) through (f), respectively;

1 (3) in paragraph (2) of subsection (b) (as re-
2 designated by paragraph (2))—

3 (A) in subparagraph (A), in the matter
4 preceding clause (i), by striking “national emer-
5 gency grant” and inserting “national dislocated
6 worker grant”; and

7 (B) in subparagraph (C), by striking “na-
8 tional emergency grants” and inserting “na-
9 tional dislocated worker grants”;

10 (4) by striking subsection (d) (as redesignated
11 by paragraph (2)) and inserting the following:

12 “(d) ADDITIONAL ASSISTANCE.—

13 “(1) IN GENERAL.—From the amount appro-
14 priated and made available to carry out this section
15 for any program year, the Secretary shall use not
16 more than \$20,000,000 to make grants to States to
17 provide employment and training activities under
18 section 134, in accordance with subtitle B.

19 “(2) ELIGIBLE STATES.—The Secretary shall
20 make a grant under paragraph (1) to a State for a
21 program year if—

22 “(A) the amount of the allotment that was
23 made to the State for the program year 2003
24 under the formula specified in section

1 132(b)(1)(B) as such section was in effect on
2 July 1, 2003, is greater than

3 “(B) the amount of the allotment that
4 would be made to the State for the program
5 year under the formula specified in section
6 132(b)(1)(B).

7 “(3) AMOUNT OF GRANTS.—Subject to para-
8 graph (1), the amount of the grant made under
9 paragraph (1) to a State for a program year shall
10 be based on the difference between—

11 “(A) the amount of the allotment that was
12 made to the State for the program year 2003
13 under the formula specified in section
14 132(b)(1)(B) as such section was in effect on
15 July 1, 2003; and

16 “(B) the amount of the allotment that
17 would be made to the State for the program
18 year under the formula specified in section
19 132(b)(1)(B).”;

20 (5) in subsection (e) (as redesignated by para-
21 graph (2))—

22 (A) in paragraph (1), by striking “para-
23 graph (4)(A)” and inserting “paragraph (4)”;

24 (B) in paragraph (2), by striking “sub-
25 section (g)” and inserting “subsection (f)”;

1 (C) in paragraph (3)(B), by striking “sub-
2 section (a)(4)(A)” and inserting “subsection
3 (a)(4)”;

4 (D) in paragraph (4), by striking “sub-
5 section (g)” and inserting “subsection (f)”;

6 (E) in paragraph (5), by striking “sub-
7 section (g)” and inserting “subsection (f)”;

8 (F) in paragraph (6)—

9 (i) by striking “subsection (g)” and
10 inserting “subsection (f)”;

11 (ii) by striking “subsection (c)(1)(B)”
12 and inserting “subsection (b)(1)(B)”;

13 (6) in subsection (f) (as redesignated by para-
14 graph (2))—

15 (A) in paragraph (1)—

16 (i) by striking “paragraph (4)(B)”
17 and inserting “paragraph (5)”;

18 (ii) by striking “subsection (f)(1)(A)”
19 and inserting “subsection (e)(1)(A)”;

20 (B) in paragraph (4)(B), by striking “sub-
21 section (a)(4)(B)” and inserting “subsection
22 (a)(5)”.

1 **SEC. 148. AUTHORIZATION OF APPROPRIATIONS FOR NA-**
2 **TIONAL ACTIVITIES.**

3 (a) IN GENERAL.—Section 174(a)(1) (29 U.S.C.
4 2919(a)(1)) is amended by striking “1999 through 2003”
5 and inserting “2006 through 2011”.

6 (b) RESERVATIONS.—Section 174(b) (29 U.S.C.
7 2919(b)) is amended to read as follows:

8 “(b) TECHNICAL ASSISTANCE; DEMONSTRATION AND
9 PILOT PROJECTS, EVALUATIONS, INCENTIVE GRANTS.—

10 “(1) IN GENERAL.—Subject to paragraph (2),
11 there are authorized to be appropriated to carry out
12 sections 170 through 172, section 136(i), and sec-
13 tion 503 such sums as may be necessary for each of
14 fiscal years 2006 through 2011.

15 “(2) RESERVATION.—Of the amount appro-
16 priated pursuant to the authorization of appropria-
17 tions under paragraph (1) for a fiscal year, the Sec-
18 retary shall, for each of the fiscal years 2006
19 through 2011, reserve not less than 25 percent for
20 carrying out section 503.”.

21 (c) ASSISTANCE FOR ELIGIBLE WORKERS.—Section
22 174(c) (29 U.S.C. 2919(c)) is amended—

23 (1) in paragraphs (1)(A) and (2)(A), by strik-
24 ing “subsection (a)(4)(A)” and inserting “subsection
25 (a)(4)”; and

1 (2) in paragraphs (1)(B) and (2)(B), by strik-
2 ing “subsection (a)(4)(B)” and inserting “subsection
3 (a)(5)”.

4 **Subtitle E—Administration**

5 **SEC. 151. REQUIREMENTS AND RESTRICTIONS.**

6 Section 181(e) (29 U.S.C. 2931(e)) is amended by
7 striking “economic development activities,”.

8 **SEC. 152. REPORTS.**

9 Section 185(c) (29 U.S.C. 2935(c)) is amended—

10 (1) in paragraph (2), by striking “and” after
11 the semicolon;

12 (2) in paragraph (3), by striking the period and
13 inserting “; and”; and

14 (3) by adding at the end the following:

15 “(4) shall have the option to submit or dissemi-
16 nate electronically any reports, records, plans, or any
17 other data that are required to be collected or dis-
18 seminated under this title.”.

19 **SEC. 153. ADMINISTRATIVE PROVISIONS.**

20 (a) ANNUAL REPORT.—Section 189(d) (29 U.S.C.
21 2939(d)) is amended—

22 (1) in paragraph (3), by striking “and” after
23 the semicolon;

24 (2) by redesignating paragraph (4) as para-
25 graph (5); and

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

3 “(4) the negotiated levels of performance of the
4 States, the States’ requests for adjustments of such
5 levels, and the adjustments of such levels that are
6 made; and”.

7 (b) AVAILABILITY.—Section 189(g)(2) (29 U.S.C.
8 2939(g)(2)) is amended, in the first sentence—

9 (1) by striking “Funds” and inserting “Except
10 as otherwise provided in this paragraph, funds”; and

11 (2) by striking “each State receiving” and in-
12 serting “each recipient of”.

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

15 (1) in subparagraph (A)(i), by inserting “the
16 funding of infrastructure costs for one-stop centers,”
17 after “local boards,”;

18 (2) in subparagraph (C), by striking “90” and
19 inserting “60”; and

20 (3) by adding at the end the following:

21 “(D) EXPEDITED REQUESTS.—The Sec-
22 retary shall expedite requests for waivers of
23 statutory or regulatory requirements that have
24 been approved for a State pursuant to subpara-

1 graph (B), if the requirements of this para-
2 graph have been satisfied.

3 “(E) SPECIAL RULE.—With respect to any
4 State that has a waiver under this paragraph
5 relating to the transfer authority under section
6 133(b)(4), and has the waiver in effect on the
7 date of enactment of the Workforce Investment
8 Act Amendments of 2005 or subsequently re-
9 ceives such a waiver, the waiver shall continue
10 to apply for so long as the State meets or ex-
11 ceeds State performance measures relating to
12 the indicators described in section
13 136(b)(2)(A)(i).”.

14 **SEC. 154. USE OF CERTAIN REAL PROPERTY.**

15 Section 193 (29 U.S.C. 2943) is amended to read as
16 follows:

17 **“SEC. 193. TRANSFER OF FEDERAL EQUITY IN STATE EM-
18 PLOYMENT SECURITY AGENCY REAL PROP-
19 erty TO THE STATES.**

20 “(a) TRANSFER OF FEDERAL EQUITY.—Notwith-
21 standing any other provision of law, any Federal equity
22 acquired in real property through grants to States award-
23 ed under title III of the Social Security Act (42 U.S.C.
24 501 et seq.) or under the Wagner-Peyser Act (29 U.S.C.
25 49 et seq.) is transferred to the States that used the

1 grants for the acquisition of such equity. The portion of
2 any real property that is attributable to the Federal equity
3 transferred under this section shall be used to carry out
4 activities authorized under title III of the Social Security
5 Act or the Wagner-Peyser Act. Any disposition of such
6 real property shall be carried out in accordance with the
7 procedures prescribed by the Secretary and the portion of
8 the proceeds from the disposition of such real property
9 that is attributable to the Federal equity transferred
10 under this section shall be used to carry out activities au-
11 thorized under title III of the Social Security Act or the
12 Wagner-Peyser Act.

13 “(b) LIMITATION ON USE.—A State shall not use
14 funds awarded under title III of the Social Security Act
15 or the Wagner-Peyser Act to amortize the costs of real
16 property that is purchased by any State on or after the
17 effective date of this provision.”.

18 **SEC. 155. GENERAL PROGRAM REQUIREMENTS.**

19 Section 195 (29 U.S.C. 2945) is amended by adding
20 at the end the following:

21 “(14) Funds provided under this title shall not
22 be used to establish or operate fee-for-service enter-
23 prises that are not affiliated with the one-stop serv-
24 ice delivery systems described in section 121(e) and
25 that compete with private sector employment agen-

1 cies (as defined in section 701 of the Civil Rights
2 Act of 1964 (42 U.S.C. 2000e)).”.

3 **SEC. 156. TABLE OF CONTENTS.**

4 Section 1(b) (29 U.S.C. 9201 note) is amended—

5 (1) by striking the item relating to section 106
6 and inserting the following:

“Sec. 106. Purposes.”;

7 (2) by striking the item relating to section 123
8 and inserting the following:

“Sec. 123. Eligible providers of youth activities.”;

9 (3) by striking the item relating to section 169
10 and inserting the following:

“Sec. 169. Youth challenge grants.”;

11 (4) by striking the item relating to section 173
12 and inserting the following:

“Sec. 173. National dislocated worker grants.”;

13 (5) by striking the item relating to section 193
14 and inserting the following:

“Sec. 193. Transfer of Federal equity in State employment security agency real
property to the States.”;

15 (6) by inserting after the item relating to sec-
16 tion 243 the following:

“Sec. 244. Integrated English literacy and civics education.”;

17 and

18 (7) by striking the item relating to section 502.

1 **Subtitle F—Incentive Grants**

2 **SEC. 161. INCENTIVE GRANTS.**

3 Section 503 (20 U.S.C. 9273) is amended—

4 (1) by striking subsection (a) and inserting the
5 following:

6 “(a) IN GENERAL.—

7 “(1) TIMELINE.—

8 “(A) PRIOR TO JULY 1, 2006.—Prior to
9 July 1, 2006, the Secretary shall award a grant
10 to each State in accordance with the provisions
11 of this section as this section was in effect on
12 July 1, 2003.

13 “(B) BEGINNING JULY 1, 2006.—Beginning
14 on July 1, 2006, the Secretary shall award in-
15 centive grants to States for performance de-
16 scribed in paragraph (2) in carrying out innova-
17 tive programs consistent with the programs
18 under chapters 4 and 5 of subtitle B of title I,
19 to implement or enhance innovative and coordi-
20 nated programs consistent with the statewide
21 economic, workforce, and educational interests
22 of the State.

23 “(2) BASIS.—The Secretary shall award the
24 grants on the basis that States—

1 “(A) have exceeded the State adjusted lev-
2 els of performance for title I, the adjusted levels
3 of performance for title II, and the levels of
4 performance under the Carl D. Perkins Voca-
5 tional and Technical Education Act of 1998 (20
6 U.S.C. 2301 et seq.); or

7 “(B) have—

8 “(i) met the State adjusted levels of
9 performance for title I, the adjusted levels
10 of performance for title II, and the levels
11 of performance under the Carl D. Perkins
12 Vocational and Technical Education Act of
13 1998 (20 U.S.C. 2301 et seq.); and

14 “(ii) demonstrated—

15 “(I) exemplary coordination of
16 Federal workforce and education pro-
17 grams, statewide economic develop-
18 ment, or business needs;

19 “(II) exemplary performance in
20 serving hard-to-serve populations; or

21 “(III) effective—

22 “(aa) coordination of mul-
23 tiple systems into a comprehen-
24 sive workforce investment system,
25 including coordination of employ-

1 ment activities under the Wag-
2 ner-Peyser Act (29 U.S.C. 49 et
3 seq.) and core activities under
4 title I as well as one-stop partner
5 programs described in section
6 121;

7 “(bb) expansion of access to
8 training, including through in-
9 creased leveraging of resources
10 other than those funded through
11 programs under title I;

12 “(cc) implementation of
13 statewide coordination activities
14 through agreements with relevant
15 State agencies and offices, in-
16 cluding those responsible for pro-
17 grams under the Adult Education
18 and Family Literacy Act (20
19 U.S.C. 9201 et seq.) and the Re-
20 habilitation Act of 1973 (29
21 U.S.C. 701 et seq.);

22 “(dd) statewide coordination
23 through local workforce invest-
24 ment boards or areas;

1 “(ee) alignment of manage-
2 ment information systems to in-
3 tegrate participant information
4 across programs; or

5 “(ff) integration of perform-
6 ance information systems and
7 common measures for account-
8 ability across workforce and edu-
9 cation programs.

10 “(3) USE OF FUNDS.—The funds awarded to a
11 State under this section may be used to carry out
12 activities authorized for States under chapters 4 and
13 5 of subtitle B of title I, title II, and the Carl D.
14 Perkins Vocational and Technical Education Act of
15 1998 (20 U.S.C. 2301 et seq.), including demonstra-
16 tion projects, and for such innovative projects or
17 programs that increase coordination and enhance
18 service to program participants, particularly hard-to-
19 serve populations, including—

20 “(A) activities that support business needs,
21 especially for incumbent workers and enhancing
22 opportunities for retention and advancement;

23 “(B) activities that support linkages with
24 secondary, postsecondary, or career and tech-
25 nical education programs, including activities

1 under the Carl D. Perkins Vocational and
2 Technical Education Act of 1998 (20 U.S.C.
3 2301 et seq.), the Adult Education and Family
4 Literacy Act (20 U.S.C. 9201 et seq.), and the
5 Rehabilitation Act of 1973 (29 U.S.C. 701 et
6 seq.);

7 “(C) activities that support statewide eco-
8 nomic development plans that support high-
9 wage, high-skill, or high-demand occupations
10 leading to self-sufficiency;

11 “(D) activities that coordinate workforce
12 investment programs with other Federal and
13 State programs related to the activities under
14 this Act;

15 “(E) activities that support the develop-
16 ment of a statewide integrated performance in-
17 formation system that includes common meas-
18 ures;

19 “(F) activities that align management in-
20 formation systems with integrated performance
21 information across education and workforce
22 programs; or

23 “(G) activities that support local workforce
24 investment boards or areas in improving per-
25 formance and program coordination.

1 “(4) WAIVER.—For States that have developed
2 and implemented a statewide integrated performance
3 information system with common measures, as de-
4 scribed in paragraph (3)(E), for federally funded
5 workforce and education programs, the Secretary
6 may waive specified Federal reporting requirements
7 for such State to be in compliance with reporting re-
8 quirements under this Act and other workforce and
9 education programs as the Secretary has authority
10 or agreement to waive.

11 “(5) TECHNICAL ASSISTANCE.—The Secretary
12 shall reserve 4 percent of the funds available for
13 grants under this section to provide technical assist-
14 ance to States to replicate best practices or to de-
15 velop integrated performance information systems
16 and strengthen coordination with education and eco-
17 nomic development.”; and

18 (2) by striking subsection (d).

19 **Subtitle G—Conforming** 20 **Amendments**

21 **SEC. 171. CONFORMING AMENDMENTS.**

22 (a) OLDER AMERICANS ACT OF 1965.—Section
23 512(a) of the Older Americans Act of 1965 (42 U.S.C.
24 3056j(a)) is amended by striking “(B)(vi)” and inserting
25 “(B)(v)”.

1 (b) ADULT EDUCATION AND FAMILY LITERACY
2 ACT.—Section 212(b)(3)(A)(vi) of the Adult Education
3 and Family Literacy Act (20 U.S.C. 9212(b)(3)(A)(vi))
4 is amended by striking “the representatives described in
5 section 136(i)(1)” and inserting “representatives of appro-
6 priate Federal agencies, and representatives of States and
7 political subdivisions, business and industry, employees, el-
8 igible providers of employment and training activities (as
9 defined in section 101), educators, and participants (as
10 defined in section 101), with expertise regarding workforce
11 investment policies and workforce investment activities (as
12 defined in section 101)”.

13 **TITLE II—AMENDMENTS TO THE**
14 **ADULT EDUCATION AND FAM-**
15 **ILY LITERACY ACT**

16 **SEC. 201. SHORT TITLE; PURPOSE.**

17 (a) SHORT TITLE.—This title may be cited as the
18 “Adult Education and Family Literacy Act Amendments
19 of 2005”.

20 (b) PURPOSE.—Section 202 of the Adult Education
21 and Family Literacy Act (20 U.S.C. 9201) is amended—

22 (1) in paragraph (2), by striking “and” after
23 the semicolon;

1 (2) in paragraph (3), by striking “education.”
2 and inserting “education and in the transition to
3 postsecondary education; and”; and

4 (3) by adding at the end the following:

5 “(4) assist immigrants and other individuals
6 with limited English proficiency in improving their
7 reading, writing, speaking, and mathematics skills
8 and acquiring an understanding of the American
9 free enterprise system, individual freedom, and the
10 responsibilities of citizenship.”.

11 **SEC. 202. DEFINITIONS.**

12 Section 203 of the Adult Education and Family Lit-
13 eracy Act (20 U.S.C. 9202) is amended—

14 (1) in paragraph (1)—

15 (A) in the matter preceding subparagraph
16 (A), by striking “services or instruction below
17 the postsecondary level” and inserting “aca-
18 demic instruction and education services below
19 the postsecondary level that increase an individ-
20 ual’s ability to read, write, and speak in
21 English and perform mathematics”; and

22 (B) by striking subparagraph (C)(i) and
23 inserting the following:

24 “(i) are basic skills deficient as de-
25 fined in section 101;”;

1 (2) in paragraph (2), by striking “activities de-
2 scribed in section 231(b)” and inserting “programs
3 and services which include reading, writing, speak-
4 ing, or mathematics skills, workplace literacy activi-
5 ties, family literacy activities, English language ac-
6 quisition activities, or other activities necessary for
7 the attainment of a secondary school diploma or its
8 State recognized equivalent”;

9 (3) in paragraph (5)—

10 (A) by inserting “an organization that has
11 demonstrated effectiveness in providing adult
12 education, that may include” after “means”;

13 (B) in subparagraph (B), by striking “of
14 demonstrated effectiveness”;

15 (C) in subparagraph (C), by striking “of
16 demonstrated effectiveness”; and

17 (D) in subparagraph (I), by inserting “or
18 coalition” after “consortium”;

19 (4) in paragraph (6)—

20 (A) by striking “LITERACY PROGRAM” and
21 inserting “LANGUAGE ACQUISITION PROGRAM”;

22 (B) by striking “literacy program” and in-
23 serting “language acquisition program”; and

24 (C) by inserting “reading, writing, and
25 speaking” after “competence in”;

1 (5) by striking paragraph (10);

2 (6) by redesignating paragraphs (7) through
3 (9) and (12) through (18) as paragraphs (8)
4 through (10) and (13) through (19), respectively;

5 (7) by inserting after paragraph (6) the fol-
6 lowing:

7 “(7) ESSENTIAL COMPONENTS OF READING IN-
8 STRUCTION.—The term ‘essential components of
9 reading instruction’ has the meaning given the term
10 in section 1208 of the Elementary and Secondary
11 Education Act of 1965 (20 U.S.C. 6368).”;

12 (8) by inserting after paragraph (11) the fol-
13 lowing:

14 “(12) LIMITED ENGLISH PROFICIENCY.—The
15 term ‘limited English proficiency’, when used with
16 respect to an individual, means an adult or out-of-
17 school youth who has limited ability in speaking,
18 reading, writing, or understanding the English lan-
19 guage, and—

20 “(A) whose native language is a language
21 other than English; or

22 “(B) who lives in a family or community
23 environment where a language other than
24 English is the dominant language.”;

1 (9) by striking paragraph (15), as redesignated
2 by paragraph (6), and inserting the following:

3 “(15) OUTLYING AREA.—The term ‘outlying
4 area’ means the United States Virgin Islands,
5 Guam, American Samoa, and the Commonwealth of
6 the Northern Mariana Islands.”; and

7 (10) by striking paragraph (19), as redesignig-
8 nated by paragraph (6), and inserting the following:

9 “(19) WORKPLACE LITERACY PROGRAM.—The
10 term ‘workplace literacy program’ means an edu-
11 cational program designed to improve the produc-
12 tivity of the workforce through the improvement of
13 literacy skills that is offered by an eligible provider
14 in collaboration with an employer or an employee or-
15 ganization at a workplace, at an off-site location, or
16 in a simulated workplace environment.”.

17 **SEC. 203. HOME SCHOOLS.**

18 Section 204 of the Adult Education and Family Lit-
19 eracy Act (20 U.S.C. 9203) is amended to read as follows:

20 **“SEC. 204. HOME SCHOOLS.**

21 “Nothing in this title shall be construed to affect
22 home schools, whether a home school is treated as a home
23 school or a private school under State law, or to compel
24 a parent engaged in home schooling to participate in an

1 English language acquisition program, family literacy
2 services, or adult education.”.

3 **SEC. 204. AUTHORIZATION OF APPROPRIATIONS.**

4 Section 205 of the Adult Education and Family Lit-
5 eracy Act (20 U.S.C. 9204) is amended—

6 (1) by striking “1999” and inserting “2006”;

7 and

8 (2) by striking “2003” and inserting “2011”.

9 **SEC. 205. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE**
10 **AGENCIES; ALLOTMENTS.**

11 Section 211 of the Adult Education and Family Lit-
12 eracy Act (20 U.S.C. 9211) is amended—

13 (1) by striking subsection (a) and inserting the
14 following:

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

18 “(1) shall reserve 1.5 percent to carry out sec-
19 tion 242, except that the amount so reserved shall
20 not exceed \$10,000,000;

21 “(2) shall reserve 1.5 percent to carry out sec-
22 tion 243 and subsection (f)(4), except that the
23 amount so reserved shall not exceed \$8,000,000;

1 “(3) shall make available, to the Secretary of
2 Labor, 1.72 percent for incentive grants under sec-
3 tion 136(i); and

4 “(4) shall reserve 12 percent of the amount
5 that remains after reserving funds under paragraphs
6 (1), (2) and (3) to carry out section 244.”;

7 (2) in subsection (c)(2)—

8 (A) by inserting “and the sole agency re-
9 sponsible for administering or supervising policy
10 for adult education and literacy in the Republic
11 of Palau” after “an initial allotment under
12 paragraph (1)”;

13 (B) by inserting “or served by the agency
14 for the Republic of Palau” after “by the eligible
15 agency”; and

16 (C) by striking “States and outlying
17 areas” and inserting “States, outlying areas,
18 and the Republic of Palau”;

19 (3) in subsection (e)—

20 (A) in paragraph (1)—

21 (i) by striking “the Republic of the
22 Marshall Islands, the Federated States of
23 Micronesia, and”; and

1 (ii) by striking “the Republic of the
2 Marshall Islands, the Federated States of
3 Micronesia, or” and inserting “or”; and
4 (B) in paragraph (3)—

5 (i) by striking “the Republic of the
6 Marshall Islands, the Federated States of
7 Micronesia, and”; and

8 (ii) by striking “2001” and inserting
9 “2007”; and

10 (4) by striking subsection (f) and inserting the
11 following:

12 “(f) HOLD-HARMLESS PROVISIONS.—

13 “(1) IN GENERAL.—Notwithstanding subsection
14 (c) and subject to paragraph (2), for fiscal year
15 2005 and each succeeding fiscal year, no eligible
16 agency shall receive an allotment under this section
17 that is less than 90 percent of the allotment the eli-
18 gible agency received for the preceding fiscal year
19 under this section.

20 “(2) 100 PERCENT ALLOTMENT.—Notwith-
21 standing paragraphs (1) and (2) of subsection (e),
22 an eligible agency that receives only an initial allot-
23 ment under subsection (c)(1) (and no additional al-
24 lotment under subsection (c)(2)) shall receive an al-

1 allotment under this section that is equal to 100 per-
2 cent of the initial allotment under subsection (c)(1).

3 “(3) RATABLE REDUCTION.—If for any fiscal
4 year the amount available for allotment under this
5 subtitle is insufficient to satisfy the provisions of
6 paragraphs (1) and (2), the Secretary shall ratably
7 reduce the payments to all eligible agencies, as nec-
8 essary.

9 “(4) ADDITIONAL ASSISTANCE.—

10 “(A) IN GENERAL.—From amounts re-
11 served under subsection (a)(2), the Secretary
12 shall make grants to eligible agencies described
13 in subparagraph (B) to enable such agencies to
14 provide activities authorized under chapter 2.

15 “(B) ELIGIBILITY.—An eligible agency is
16 eligible to receive a grant under this paragraph
17 for a fiscal year if the amount of the allotment
18 such agency receives under this section for the
19 fiscal year is less than the amount such agency
20 would have received for the fiscal year if the al-
21 lotment formula under this section as in effect
22 on September 30, 2003, were in effect for such
23 year.

24 “(C) AMOUNT OF GRANT.—The amount of
25 a grant made to an eligible agency under this

1 paragraph for a fiscal year shall be the dif-
2 ference between—

3 “(i) the amount of the allotment such
4 agency would have received for the fiscal
5 year if the allotment formula under this
6 section as in effect on September 30, 2003,
7 were in effect for such year; and

8 “(ii) the amount of the allotment such
9 agency receives under this section for the
10 fiscal year.”.

11 **SEC. 206. PERFORMANCE ACCOUNTABILITY SYSTEM.**

12 Section 212 of the Adult Education and Family Lit-
13 eracy Act (20 U.S.C. 9212) is amended—

14 (1) in subsection (b)—

15 (A) in paragraph (1)(A)(ii), by striking
16 “additional indicators of performance (if any)”
17 and inserting “the employment performance in-
18 dicators”;

19 (B) by striking paragraph (2) and insert-
20 ing the following:

21 “(2) INDICATORS OF PERFORMANCE.—

22 “(A) CORE INDICATORS OF PERFORM-
23 ANCE.—An eligible agency shall identify in the
24 State plan individual academic performance in-

1 dicators that include, at a minimum, the fol-
2 lowing:

3 “(i) Measurable improvements in lit-
4 eracy skill levels in reading, writing, and
5 speaking the English language, numeracy,
6 problem solving, English language acquisi-
7 tion, and other literacy skills.

8 “(ii) Placement in, retention in, or
9 completion of, postsecondary education or
10 other training programs.

11 “(iii) Completion of a secondary
12 school diploma, its recognized equivalent,
13 or a recognized alternative standard for in-
14 dividuals with disabilities.

15 “(B) EMPLOYMENT PERFORMANCE INDI-
16 CATORS.—

17 “(i) IN GENERAL.—An eligible agency
18 shall identify in the State plan individual
19 participant employment performance indi-
20 cators that include, at a minimum, the fol-
21 lowing:

22 “(I) Entry into unsubsidized em-
23 ployment.

1 “(II) Retention in unsubsidized
2 employment 6 months after entry into
3 the employment.

4 “(III) Increases in earnings from
5 unsubsidized employment.

6 (ii) DATA COLLECTION.—The State
7 workforce investment board shall assist the
8 eligible agency in obtaining and using
9 quarterly wage records to collect data for
10 each of the indicators described in clause
11 (i), consistent with applicable Federal and
12 State privacy laws.

13 “(C) INDICATORS FOR WORKPLACE LIT-
14 ERACY PROGRAMS.—Special accountability
15 measures may be negotiated for workplace lit-
16 eracy programs.”; and

17 (C) in paragraph (3)—

18 (i) in subparagraph (A)—

19 (I) in clause (i)(II), by striking
20 “in performance” and inserting “the
21 agency’s performance outcomes in an
22 objective, quantifiable, and measur-
23 able form”;

1 (II) in clause (ii), by striking “3
2 programs years” and inserting “2
3 program years”;

4 (III) in clause (iii), by striking
5 “FIRST 3 YEARS” and inserting
6 “FIRST 2 YEARS”;

7 (IV) in clause (iii), by striking
8 “first 3 program years” and inserting
9 “first 2 program years”;

10 (V) in clause (v), by striking
11 “4TH AND 5TH” and inserting “3RD
12 AND 4TH”;

13 (VI) in clause (v), by striking “to
14 the fourth” and inserting “to the
15 third”;

16 (VII) in clause (v), by striking
17 “fourth and fifth” and inserting
18 “third and fourth”; and

19 (VIII) in clause (vi), by striking
20 “(II)” and inserting “(I)”;

21 (ii) in subparagraph (B)—

22 (I) by striking the heading and
23 inserting “LEVELS OF EMPLOYMENT
24 PERFORMANCE”;

1 (II) by striking “may” and in-
2 sserting “shall”; and

3 (III) by striking “additional” and
4 inserting “employment performance”;
5 and

6 (iii) by adding at the end the fol-
7 lowing:

8 “(C) ALTERNATIVE ASSESSMENT SYS-
9 TEMS.—Eligible agencies may approve the use
10 of assessment systems that are not commer-
11 cially available standardized systems if such
12 systems meet the Standards for Educational
13 and Psychological Testing issued by the Joint
14 Committee on Standards for Educational and
15 Psychological Testing of the American Edu-
16 cational Research Association, the American
17 Psychological Association, and the National
18 Council on Measurement in Education.”;

19 (2) in subsection (c)—

20 (A) in paragraph (1)—

21 (i) by inserting “the Governor, the
22 State legislature, and the State workforce
23 investment board” after “Secretary”; and

1 (ii) by striking “including” and all
2 that follows through the period and insert-
3 ing “including the following:

4 “(A) Information on the levels of perform-
5 ance achieved by the eligible agency with re-
6 spect to the core indicators of performance, and
7 employment performance indicators.

8 “(B) Information on the number or per-
9 centage of qualifying adults (as defined in sec-
10 tion 211(d)) who are participants in adult edu-
11 cation programs under this subtitle and making
12 satisfactory progress toward 1 or more of each
13 of the following:

14 “(i) Core indicators of performance.

15 “(ii) Employment performance indica-
16 tors.

17 “(iii) Other long-term objectives.

18 “(C) The number and type of each eligible
19 provider that receives funding under such
20 grant.

21 “(D) The number of enrollees 16 to 18
22 years of age who enrolled in adult education not
23 later than 1 year after participating in sec-
24 ondary school education.”;

1 (B) in paragraph (2)(A), by inserting “eli-
2 gible providers and” after “available to”; and

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

4 “(3) DATA ACCESS.—The report made available
5 under paragraph (2) shall indicate which eligible
6 agencies did not have access to State unemployment
7 insurance wage data in measuring employment per-
8 formance indicators.”; and

9 (3) by adding at the end the following:

10 “(d) PROGRAM IMPROVEMENT.—

11 “(1) IN GENERAL.—If the Secretary determines
12 that an eligible agency did not meet its adjusted lev-
13 els of performance for the core indicators of per-
14 formance described in subsection (b)(2)(A) for any
15 program year, the eligible agency shall—

16 “(A) work with the Secretary to develop
17 and implement a program improvement plan for
18 the 2 program years succeeding the program
19 year in which the eligible agency did not meet
20 its adjusted levels of performance; and

21 “(B) revise its State plan under section
22 224, if necessary, to reflect the changes agreed
23 to in the program improvement plan.

24 “(2) FURTHER ASSISTANCE.—If, after the pe-
25 riod described in paragraph (1)(A), the Secretary

1 has provided technical assistance to the eligible
2 agency but determines that the eligible agency did
3 not meet its adjusted levels of performance for the
4 core indicators of performance described in sub-
5 section (b)(2)(A), the Secretary may require the eli-
6 gible agency to make further revisions to the pro-
7 gram improvement plan described in paragraph (1).
8 Such further revisions shall be accompanied by fur-
9 ther technical assistance from the Secretary.”.

10 **SEC. 207. STATE ADMINISTRATION.**

11 Section 221(1) of the Adult Education and Family
12 Literacy Act (20 U.S.C. 9221(1)) is amended by striking
13 “and implementation” and inserting “implementation,
14 and monitoring”.

15 **SEC. 208. STATE DISTRIBUTION OF FUNDS; MATCHING RE-**
16 **QUIREMENT.**

17 Section 222 of the Adult Education and Family Lit-
18 eracy Act (20 U.S.C. 9222) is amended—

19 (1) in subsection (a)—

20 (A) in paragraph (1)—

21 (i) by striking “82.5” the first place
22 such term appears and inserting “80”; and

23 (ii) by striking “the 82.5 percent”
24 and inserting “such amount”;

1 (B) in paragraph (2), by striking “not
2 more than 12.5 percent” and inserting “not
3 more than 15 percent”; and

4 (C) in paragraph (3), by striking
5 “\$65,000” and inserting “\$75,000”; and

6 (2) in subsection (b)(1), by striking “equal to”
7 and inserting “that is not less than”.

8 **SEC. 209. STATE LEADERSHIP ACTIVITIES.**

9 Section 223 of the Adult Education and Family Lit-
10 eracy Act (20 U.S.C. 9223) is amended—

11 (1) in subsection (a)—

12 (A) in the matter preceding paragraph (1),
13 by inserting “to develop or enhance the adult
14 education system of the State or outlying area”
15 after “activities”;

16 (B) in paragraph (1), by striking “instruc-
17 tion incorporating” and all that follows through
18 the period and inserting “instruction incor-
19 porating the essential components of reading in-
20 struction and instruction provided by volunteers
21 or by personnel of a State or outlying area.”;

22 (C) in paragraph (2), by inserting “, in-
23 cluding development and dissemination of in-
24 structional and programmatic practices based
25 on the most rigorous research available in read-

1 ing, writing, speaking, mathematics, English
2 language acquisition programs, distance learn-
3 ing, and staff training” after “activities”;

4 (D) in paragraph (5), by striking “moni-
5 toring and”;

6 (E) by striking paragraph (6) and insert-
7 ing the following:

8 “(6) The development and implementation of
9 technology applications, translation technology, or
10 distance learning, including professional development
11 to support the use of instructional technology.”; and

12 (F) by striking paragraph (7) through
13 paragraph (11) and inserting the following:

14 “(7) Coordination with—

15 “(A) other partners carrying out activities
16 authorized under this Act; and

17 “(B) existing support services, such as
18 transportation, child care, mental health serv-
19 ices, and other assistance designed to increase
20 rates of enrollment in, and successful comple-
21 tion of, adult education and literacy activities,
22 for adults enrolled in such activities.

23 “(8) Developing and disseminating curricula,
24 including curricula incorporating the essential com-

1 ponents of reading instruction as such components
2 relate to adults.

3 “(9) The provision of assistance to eligible pro-
4 viders in developing, implementing, and reporting
5 measurable progress in achieving the objectives of
6 this subtitle.

7 “(10) The development and implementation of
8 a system to assist in the transition from adult basic
9 education to postsecondary education, including link-
10 ages with postsecondary educational institutions.

11 “(11) Integration of literacy and English lan-
12 guage instruction with occupational skill training,
13 and promoting linkages with employers.

14 “(12) Activities to promote workplace literacy
15 programs.

16 “(13) Activities to promote and complement
17 local outreach initiatives described in section
18 243(b)(3)(F).

19 “(14) In cooperation with efforts funded under
20 sections 242 and 243, the development of curriculum
21 frameworks and rigorous content standards that—

22 “(A) specify what adult learners should
23 know and be able to do in the areas of reading
24 and language arts, mathematics, and English
25 language acquisition; and

1 “(B) take into consideration the following:

2 “(i) State academic standards estab-
3 lished under section 1111(b) of the Ele-
4 mentary and Secondary Education Act of
5 1965.

6 “(ii) The current adult skills and lit-
7 eracy assessments used in the State or out-
8 lying area.

9 “(iii) The core indicators of perform-
10 ance established under section
11 212(b)(2)(A).

12 “(iv) Standards and academic require-
13 ments for enrollment in non-remedial, for-
14 credit, courses in postsecondary education
15 institutions supported by the State or out-
16 lying area.

17 “(v) Where appropriate, the basic and
18 literacy skill content of occupational and
19 industry skill standards widely used by
20 business and industry in the State or out-
21 lying area.

22 “(15) In cooperation with efforts funded under
23 sections 242 and 243, development and piloting of—

24 “(A) new assessment tools and strategies
25 that—

1 “(i) are based on scientifically based
2 research, where available and appropriate;
3 and

4 “(ii) identify the needs and capture
5 the gains of students at all levels, with
6 particular emphasis on—

7 “(I) students at the lowest
8 achievement level;

9 “(II) students who have limited
10 English proficiency; and

11 “(III) adults with learning dis-
12 abilities;

13 “(B) options for improving teacher quality
14 and retention; and

15 “(C) assistance in converting research into
16 practice.

17 “(16) The development and implementation of
18 programs and services to meet the needs of adult
19 learners with learning disabilities or limited English
20 proficiency.

21 “(17) Other activities of statewide significance
22 that promote the purpose of this title.”; and

23 (2) in subsection (c), by striking “being State-
24 or outlying area-imposed” and inserting “being im-
25 posed by the State or outlying area”.

1 **SEC. 210. STATE PLAN.**

2 Section 224 of the Adult Education and Family Lit-
3 eracy Act (20 U.S.C. 9224) is amended—

4 (1) in subsection (a)—

5 (A) by striking the heading and inserting
6 “4-YEAR PLANS”; and

7 (B) in paragraph (1), by striking “5” and
8 inserting “4”;

9 (2) in subsection (b)—

10 (A) in paragraph (1), by inserting “and
11 the role of provider and cooperating agencies in
12 preparing the assessment” after “serve”;

13 (B) by striking paragraph (2) and insert-
14 ing the following:

15 “(2) a description of how the eligible agency
16 will address the adult education and literacy needs
17 identified under paragraph (1) in each workforce de-
18 velopment area of the State, using funds received
19 under this subtitle, as well as other Federal, State,
20 or local funds received in partnership with other
21 agencies for the purpose of adult literacy as applica-
22 ble;”;

23 (C) in paragraph (3)—

24 (i) by inserting “and measure” after
25 “evaluate”;

1 (ii) by inserting “and improvement”
2 after “effectiveness”; and

3 (iii) by striking “212” and inserting
4 “212, including—

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

8 “(B) how the eligible agency—

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

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

21 (D) by redesignating paragraphs (5)
22 through (12) as paragraphs (6) through (13),
23 respectively;

24 (E) by inserting after paragraph (4) the
25 following:

1 “(5) a description of how the eligible agency
2 will improve teacher quality, the professional devel-
3 opment of eligible providers, and instruction;”;

4 (G) in paragraph (6) (as redesignated by
5 subparagraph (D)), by striking “who” and all
6 that follows through the semicolon and insert-
7 ing “that—

8 “(A) offers flexible schedules and coordi-
9 nates with necessary Federal, State, and local
10 support services (such as child care, transpor-
11 tation, mental health services, and case man-
12 agement) to enable individuals, including indi-
13 viduals with disabilities or individuals with
14 other special needs, to participate in adult edu-
15 cation and literacy activities; and

16 “(B) attempts to coordinate with support
17 services that are not provided under this sub-
18 title prior to using funds for adult education
19 and literacy activities provided under this sub-
20 title for support services;”;

21 (H) in paragraph (10) (as redesignated by
22 subparagraph (D)), by striking “plan;” and in-
23 serting “plan, which process—

24 “(A) shall include the State Workforce In-
25 vestment Board, the Governor, State officials

1 representing public schools, community colleges,
2 welfare agencies, agencies that provide services
3 to individuals with disabilities, other State
4 agencies that promote or operate adult edu-
5 cation and literacy activities, and direct pro-
6 viders of such adult literacy services; and

7 “(B) may include consultation with the
8 State agency for higher education, institutions
9 responsible for professional development of
10 adult education and literacy education program
11 instructors, institutions of higher education,
12 representatives of business and industry, ref-
13 ugee assistance programs, and community-
14 based organizations (as such term is defined in
15 section 101);”;

16 (I) in paragraph (11) (as redesignated by
17 subparagraph (D))—

18 (i) by inserting “assess potential pop-
19 ulation needs and” after “will”;

20 (ii) in subparagraph (A), by striking
21 “students” and inserting “individuals”;

22 (iii) in subparagraph (C), by striking
23 “and” after the semicolon; and

24 (iv) by adding at the end the fol-
25 lowing:

1 “(E) the unemployed; and

2 “(F) those individuals who are employed,
3 but at levels below self-sufficiency, as defined in
4 section 101.”;

5 (J) in paragraph (12) (as redesignated by
6 subparagraph (D))—

7 (i) by inserting “and how the plan
8 submitted under this subtitle is coordi-
9 nated with the plan submitted by the State
10 under title I” after “eligible agency”; and

11 (ii) by striking “and” after the semi-
12 colon;

13 (K) in paragraph (13) (as redesignated by
14 subparagraph (D)), by striking “231(c)(1).”
15 and inserting “231(c)(1), including—

16 “(A) how the State will build the capacity
17 of organizations that provide adult education
18 and literacy activities; and

19 “(B) how the State will increase the par-
20 ticipation of business and industry in adult edu-
21 cation and literacy activities;”; and

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

23 “(14) a description of how the eligible agency
24 will consult with any State agency responsible for
25 postsecondary education to develop adult education

1 programs and services (including academic skill de-
2 velopment and support services) that prepare stu-
3 dents to enter postsecondary education upon the at-
4 tainment of a secondary school diploma or its recog-
5 nized equivalent;

6 “(15) a description of how the eligible agency
7 will consult with the State agency responsible for
8 workforce development to develop adult education
9 programs and services that are designed to prepare
10 students to enter the workforce; and

11 “(16) a description of how the eligible agency
12 will improve the professional development of eligible
13 providers of adult education and literacy activities.”;

14 (3) in subsection (c), by adding at the end the
15 following: “At the end of the first 2-year period of
16 the 4-year State plan, the eligible agency shall re-
17 view and, as needed, revise the 4-year State plan.”;
18 and

19 (4) in subsection (d)—

20 (A) in paragraph (1), by inserting “, the
21 chief State school officer, the State officer re-
22 sponsible for administering community and
23 technical colleges, and the State Workforce In-
24 vestment Board” after “Governor”; and

1 (B) in paragraph (2), by striking “com-
2 ments” and all that follows through the period
3 and inserting “comments regarding the State
4 plan by the Governor, the chief State school of-
5 ficer, the State officer responsible for admin-
6 istering community and technical colleges, and
7 the State Workforce Investment Board, and
8 any revision to the State plan, are submitted to
9 the Secretary.”.

10 **SEC. 211. PROGRAMS FOR CORRECTIONS EDUCATION AND**
11 **OTHER INSTITUTIONALIZED INDIVIDUALS.**

12 Section 225 of the Adult Education and Family Lit-
13 eracy Act (20 U.S.C. 9225) is amended—

14 (1) in subsection (b)—

15 (A) in paragraph (1), by striking “basic
16 education” and inserting “adult education and
17 literacy activities”;

18 (B) in paragraph (2), by inserting “and”
19 after the semicolon;

20 (C) by striking paragraph (3); and

21 (D) by redesignating paragraph (4) as
22 paragraph (3); and

23 (2) in subsection (d), by striking “DEFINITION
24 OF CRIMINAL OFFENDER.—” and inserting “DEFI-
25 NITIONS.—In this section:”.

1 **SEC. 212. GRANTS AND CONTRACTS FOR ELIGIBLE PRO-**
2 **VIDERS.**

3 Section 231 of the Adult Education and Family Lit-
4 eracy Act (20 U.S.C. 9241) is amended—

5 (1) in subsection (b)—

6 (A) in paragraph (1), by striking “work-
7 place literacy services” and inserting “work-
8 place literacy programs”; and

9 (B) in paragraph (3), by striking “lit-
10 eracy” and inserting “language acquisition”;
11 and

12 (2) in subsection (e)—

13 (A) in paragraph (1), by inserting “to be
14 achieved annually on the core indicators of per-
15 formance and employment performance indica-
16 tors described in section 212(b)(2)” after “out-
17 comes”;

18 (B) by striking paragraph (3) and insert-
19 ing the following:

20 “(3) the commitment of the eligible provider to
21 be responsive to local needs and to serve individuals
22 in the community who were identified by the assess-
23 ment as most in need of adult literacy services, in-
24 cluding individuals who are low-income, have mini-
25 mal literacy skills, have learning disabilities, or have
26 limited English proficiency;”;

1 (C) in paragraph (4)(B), by striking “,
2 such as” and all that follows through the semi-
3 colon and inserting “that include the essential
4 components of reading instruction;”;

5 (D) in paragraph (5), by striking “re-
6 search” and inserting “the most rigorous re-
7 search available, including scientifically based
8 research;”;

9 (E) in paragraph (7), by inserting “, when
10 appropriate and based on the most rigorous re-
11 search available, including scientifically based
12 research,” after “real life contexts”;

13 (F) in paragraph (9), by inserting “edu-
14 cation, job training, and social service” after
15 “other available”;

16 (G) in paragraph (10)—

17 (i) by inserting “coordination with
18 Federal, State, and local” after “schedules
19 and”; and

20 (ii) by striking “and transportation”
21 and inserting “, transportation, mental
22 health services, and case management”;

23 (H) in paragraph (11)—

24 (i) by inserting “measurable” after
25 “report”;

1 (ii) by striking “eligible agency”;

2 (iii) by inserting “established by the
3 eligible agency” after “performance meas-
4 ures”; and

5 (iv) by striking “and” after the semi-
6 colon;

7 (I) in paragraph (12), by striking “literacy
8 programs.” and inserting “language acquisition
9 programs and civics education programs;”; and

10 (J) by adding at the end the following:

11 “(13) the capacity of the eligible provider to
12 produce information on performance results, includ-
13 ing enrollments and measurable participant out-
14 comes;

15 “(14) whether reading, writing, speaking, math-
16 ematics, and English language acquisition instruc-
17 tion provided by the eligible provider are based on
18 the best practices derived from the most rigorous re-
19 search available;

20 “(15) whether the eligible provider’s applica-
21 tions of technology and services to be provided are
22 sufficient to increase the amount and quality of
23 learning and lead to measurable learning gains with-
24 in specified time periods; and

1 “(16) the capacity of the eligible provider to
2 serve adult learners with learning disabilities.”.

3 **SEC. 213. LOCAL APPLICATION.**

4 Section 232 of the Adult Education and Family Lit-
5 eracy Act (20 U.S.C. 9242) is amended—

6 (1) in paragraph (1)—

7 (A) by inserting “consistent with the re-
8 quirements of this subtitle” after “spent”; and

9 (B) by striking “and” after the semicolon;

10 (2) in paragraph (2), by striking the period at
11 the end and inserting “; and”; and

12 (3) by adding at the end the following:

13 “(3) information that addresses each of the
14 considerations required under section 231(e).”.

15 **SEC. 214. LOCAL ADMINISTRATIVE COST LIMITS.**

16 Section 233 of the Adult Education and Family Lit-
17 eracy Act (20 U.S.C. 9243) is amended—

18 (1) in subsection (a)(2)—

19 (A) by inserting “and professional” after
20 “personnel”; and

21 (B) by inserting “development of measur-
22 able goals in reading, writing, and speaking the
23 English language, and in mathematical com-
24 putation,” after “development,”; and

25 (2) in subsection (b)—

1 (A) by inserting “and professional” after
2 “personnel”; and

3 (B) by inserting “development of measur-
4 able goals in reading, writing, and speaking the
5 English language, and in mathematical com-
6 putation,” after “development.”

7 **SEC. 215. ADMINISTRATIVE PROVISIONS.**

8 Section 241(b) of the Adult Education and Family
9 Literacy Act (20 U.S.C. 9251(b)) is amended—

10 (1) in paragraph (1)(A)—

11 (A) by striking “adult education and lit-
12 eracy activities” each place the term appears
13 and inserting “activities under this subtitle”;
14 and

15 (B) by striking “was” and inserting
16 “were”; and

17 (2) in paragraph (4)—

18 (A) by inserting “not more than” after
19 “this subsection for”; and

20 (B) by striking “only”.

21 **SEC. 216. NATIONAL INSTITUTE FOR LITERACY.**

22 Section 242 of the Adult Education and Family Lit-
23 eracy Act (20 U.S.C. 9252) is amended—

24 (1) in subsection (a)—

1 (A) in paragraph (1), by striking “lit-
2 eracy” and inserting “effective literacy pro-
3 grams for children, youth, adults, and families”;

4 (B) in paragraph (2), by inserting “and
5 disseminates information on” after “coordi-
6 nates”; and

7 (C) by striking paragraph (3)(A) and in-
8 serting the following:

9 “(A) coordinating and participating in the
10 Federal effort to identify and disseminate infor-
11 mation on literacy that is derived from scientif-
12 ically based research, or the most rigorous re-
13 search available, and effective programs that
14 serve children, youth, adults, and families;
15 and”;

16 (2) by striking subsection (b)(3) and inserting
17 the following:

18 “(3) RECOMMENDATIONS.—The Interagency
19 Group, in consultation with the National Institute
20 for Literacy Advisory Board (in this section referred
21 to as the ‘Board’) established under subsection (e),
22 shall plan the goals of the Institute and the imple-
23 mentation of any programs to achieve the goals. The
24 Board may also request a meeting of the Inter-

1 agency Group to discuss any recommendations the
2 Board may make.”;

3 (3) in subsection (c)—

4 (A) in paragraph (1)—

5 (i) in subparagraph (A)—

6 (I) by striking “to establish” and
7 inserting “to maintain”;

8 (II) in clause (i), by striking
9 “phonemic awareness, systematic
10 phonics, fluency, and reading com-
11 prehension” and inserting “the essen-
12 tial components of reading instruc-
13 tion”;

14 (III) in clause (iii), by striking
15 “and” after the semicolon;

16 (IV) in clause (iv), by inserting
17 “and” after the semicolon; and

18 (V) by adding at the end the fol-
19 lowing:

20 “(v) a list of local adult education and
21 literacy programs;”;

22 (ii) in subparagraph (C)—

23 (I) by striking “reliable and
24 replicable research” and inserting “re-
25 liable and replicable research as de-

1 fined by the Institute of Education
2 Sciences”; and

3 (II) by striking “especially with
4 the Office of Educational Research
5 and Improvement in the Department
6 of Education,”;

7 (iii) in subparagraph (D), by striking
8 “phonemic awareness, systematic phonics,
9 fluency, and reading comprehension based
10 on” and inserting “the essential compo-
11 nents of reading instruction and”;

12 (iv) in subparagraph (H), by striking
13 “and” after the semicolon;

14 (v) in subparagraph (I), by striking
15 the period at the end and inserting a semi-
16 colon; and

17 (vi) by adding at the end the fol-
18 lowing:

19 “(J) to work cooperatively with the De-
20 partment of Education to assist States that are
21 pursuing the implementation of standards-based
22 educational improvements for adults through
23 the dissemination of training, technical assist-
24 ance, and related support and through the de-

1 velopment and dissemination of related stand-
2 ards-based assessment instruments; and

3 “(K) to identify scientifically based re-
4 search where available, or the most rigorous re-
5 search available, on the effectiveness of instruc-
6 tional practices and organizational strategies re-
7 lating to literacy programs on the acquisition of
8 skills in reading, writing, English acquisition,
9 and mathematics.”; and

10 (B) by adding at the end the following:

11 “(3) COORDINATION.—In identifying the reli-
12 able and replicable research the Institute will sup-
13 port, the Institute shall use standards for research
14 quality that are consistent with those of the Insti-
15 tute of Education Sciences.”;

16 (4) in subsection (e)—

17 (A) in paragraph (1)(B)—

18 (i) in clause (i), by striking “literacy
19 programs” and inserting “language acqui-
20 sition programs”;

21 (ii) in clause (ii), by striking “literacy
22 programs” and inserting “or have partici-
23 pated in or partnered with workplace lit-
24 eracy programs”;

1 (iii) in clause (iv), by inserting “, in-
2 cluding adult literacy research” after “re-
3 search”;

4 (iv) in clause (vi), by striking “and”
5 after the semicolon;

6 (v) in clause (vii), by striking the pe-
7 riod at the end and inserting “; and”; and

8 (vi) by adding at the end the fol-
9 lowing:

10 “(viii) institutions of higher edu-
11 cation.”;

12 (B) in paragraph (2)—

13 (i) in subparagraph (B), by striking
14 “and” after the semicolon;

15 (ii) in subparagraph (C), by striking
16 the period at the end and inserting “;
17 and”; and

18 (iii) by adding at the end the fol-
19 lowing:

20 “(D) review the biennial report submitted
21 to Congress pursuant to subsection (k).”; and

22 (C) in paragraph (5), by striking the sec-
23 ond sentence and inserting the following: “A
24 recommendation of the Board may be passed
25 only by a majority of the Board’s members

1 present at a meeting for which there is a
2 quorum.”; and

3 (5) in subsection (k)—

4 (A) by striking “Labor and Human Re-
5 sources” and inserting “Health, Education,
6 Labor, and Pensions”; and

7 (B) by striking “The Institute shall submit
8 a report biennially to” and inserting “Not later
9 than 1 year after the date of enactment of the
10 Adult Education and Family Literacy Act
11 Amendments of 2005, and biennially thereafter,
12 the Institute shall submit a report to”.

13 **SEC. 217. NATIONAL LEADERSHIP ACTIVITIES.**

14 Section 243 of the Adult Education and Family Lit-
15 eracy Act (20 U.S.C. 9253) is amended to read as follows:

16 **“SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.**

17 “(a) IN GENERAL.—The Secretary shall establish
18 and carry out a program of national leadership activities
19 to enhance the quality of adult education and literacy pro-
20 grams nationwide.

21 “(b) PERMISSIVE ACTIVITIES.—The national leader-
22 ship activities described in subsection (a) may include the
23 following:

24 “(1) Technical assistance, including—

1 “(A) assistance provided to eligible pro-
2 viders in developing and using performance
3 measures for the improvement of adult edu-
4 cation and literacy activities, including family
5 literacy services;

6 “(B) assistance related to professional de-
7 velopment activities, and assistance for the pur-
8 poses of developing, improving, identifying, and
9 disseminating the most successful methods and
10 techniques for providing adult education and
11 literacy activities, including family literacy serv-
12 ices, based on scientific evidence where avail-
13 able;

14 “(C) assistance in distance learning and
15 promoting and improving the use of technology
16 in the classroom;

17 “(D) assistance in developing valid, meas-
18 urable, and reliable performance data, including
19 data about employment and employment out-
20 come, and using performance information for
21 the improvement of adult education and literacy
22 programs; and

23 “(E) assistance to help States, particularly
24 low-performing States, meet the requirements
25 of section 212.

1 “(2) A program of grants, contracts, or cooper-
2 ative agreements awarded on a competitive basis to
3 national, regional, or local networks of private non-
4 profit organizations, public libraries, or institutions
5 of higher education to build the capacity of such net-
6 works’ members to meet the performance require-
7 ments of eligible providers under this title and in-
8 volve adult learners in program improvement.

9 “(3) Funding national leadership activities that
10 are not described in paragraph (1), either directly or
11 through grants, contracts, or cooperative agreements
12 awarded on a competitive basis to or with postsec-
13 ondary educational institutions, public or private or-
14 ganizations or agencies, or consortia of such institu-
15 tions, organizations, or agencies, such as—

16 “(A) developing, improving, and identifying
17 the most successful methods and techniques for
18 addressing the education needs of adults, in-
19 cluding instructional practices using the essen-
20 tial components of reading instruction based on
21 the work of the National Institute of Child
22 Health and Human Development;

23 “(B) increasing the effectiveness of, and
24 improving the quality of, adult education and

1 literacy activities, including family literacy serv-
2 ices;

3 “(C) carrying out rigorous research, in-
4 cluding scientifically based research where ap-
5 propriate, on national literacy basic skill acqui-
6 sition for adult learning, including estimating
7 the number of adults functioning at the lowest
8 levels of literacy proficiency;

9 “(D)(i) carrying out demonstration pro-
10 grams;

11 “(ii) disseminating best practices informa-
12 tion, including information regarding promising
13 practices resulting from federally funded dem-
14 onstration programs; and

15 “(iii) developing and replicating best prac-
16 tices and innovative programs, including—

17 “(I) the development of models for
18 basic skill certificates;

19 “(II) the identification of effective
20 strategies for working with adults with
21 learning disabilities and with adults with
22 limited English proficiency;

23 “(III) integrated basic and workplace
24 skills education programs;

1 “(IV) coordinated literacy and em-
2 ployment services; and

3 “(V) postsecondary education transi-
4 tion programs;

5 “(E) providing for the conduct of an inde-
6 pendent evaluation and assessment of adult
7 education and literacy activities through studies
8 and analyses conducted independently through
9 grants and contracts awarded on a competitive
10 basis, which evaluation and assessment shall in-
11 clude descriptions of—

12 “(i) the effect of performance meas-
13 ures and other measures of accountability
14 on the delivery of adult education and lit-
15 eracy activities, including family literacy
16 services;

17 “(ii) the extent to which the adult
18 education and literacy activities, including
19 family literacy services, increase the lit-
20 eracy skills of adults (and of children, in
21 the case of family literacy services), lead
22 the participants in such activities to in-
23 volvement in further education and train-
24 ing, enhance the employment and earnings
25 of such participants, and, if applicable,

1 lead to other positive outcomes, such as re-
2 ductions in recidivism in the case of pris-
3 on-based adult education and literacy ac-
4 tivities;

5 “(iii) the extent to which the provision
6 of support services to adults enrolled in
7 adult education and family literacy pro-
8 grams increase the rate of enrollment in,
9 and successful completion of, such pro-
10 grams; and

11 “(iv) the extent to which different
12 types of providers measurably improve the
13 skills of participants in adult education
14 and literacy programs;

15 “(F) supporting efforts aimed at capacity
16 building of programs at the State and local lev-
17 els such as technical assistance in program
18 planning, assessment, evaluation, and moni-
19 toring of activities carried out under this sub-
20 title;

21 “(G) collecting data, such as data regard-
22 ing the improvement of both local and State
23 data systems, through technical assistance and
24 development of model performance data collec-
25 tion systems;

1 “(H) supporting the development of an en-
 2 tity that would produce and distribute tech-
 3 nology-based programs and materials for adult
 4 education and literacy programs using an inter-
 5 connection system (as defined in section 397 of
 6 the Communications Act of 1934 (47 U.S.C.
 7 397)) and expand the effective outreach and
 8 use of such programs and materials to adult
 9 education eligible providers;

10 “(I) determining how participation in adult
 11 education and literacy activities prepares indi-
 12 viduals for entry into postsecondary education
 13 and employment and, in the case of prison-
 14 based services, has an effect on recidivism; and

15 “(J) other activities designed to enhance
 16 the quality of adult education and literacy ac-
 17 tivities nationwide.”.

18 **SEC. 218. INTEGRATED ENGLISH LITERACY AND CIVICS**
 19 **EDUCATION.**

20 Chapter 4 of subtitle A of title II (29 U.S.C. 9251
 21 et seq.) is amended by adding at the end the following:

22 **“SEC. 244. INTEGRATED ENGLISH LITERACY AND CIVICS**
 23 **EDUCATION.**

24 “(a) IN GENERAL.—From funds made available
 25 under section 211(a)(4) for each fiscal year, the Secretary

1 shall award grants to States, from allotments under sub-
2 section (b), for integrated English literacy and civics edu-
3 cation.

4 “(b) ALLOTMENT.—

5 “(1) IN GENERAL.—Subject to paragraph (2),
6 from amounts made available under section
7 211(a)(4) for a fiscal year, the Secretary shall allo-
8 cate—

9 “(A) 65 percent to the States on the basis
10 of a State’s need for integrated English literacy
11 and civics education as determined by calcu-
12 lating each State’s share of a 10-year average
13 of the Immigration and Naturalization Service
14 data for immigrants admitted for legal perma-
15 nent residence for the 10 most recent years;
16 and

17 “(B) 35 percent to the States on the basis
18 of whether the State experienced growth as
19 measured by the average of the 3 most recent
20 years for which Immigration and Naturalization
21 Service data for immigrants admitted for legal
22 permanent residence are available.

23 “(2) MINIMUM.—No State shall receive an al-
24 lotment under paragraph (1) in an amount that is
25 less than \$60,000.”.

1 **SEC. 219. TRANSITION.**

2 The Secretary shall take such steps as the Secretary
3 determines to be appropriate to provide for the orderly
4 transition to the authority of the Adult Education and
5 Family Literacy Act (as amended by this title) from any
6 authority under provisions of the Adult Education and
7 Family Literacy Act (as such Act was in effect on the day
8 before the date of enactment of the Adult Education and
9 Family Literacy Act Amendments of 2005).

10 **TITLE III—AMENDMENTS TO**
11 **OTHER PROVISIONS OF LAW**

12 **SEC. 301. WAGNER-PEYSER ACT.**

13 (a) CONFORMING AMENDMENT.—Section 2(3) of the
14 Wagner-Peyser Act (29 U.S.C. 49a(3)) is amended by
15 striking “section 134(c)” and inserting “section 121(e)”.

16 (b) COLOCATION.—Section 3 of the Wagner-Peyser
17 Act (29 U.S.C. 49b) is amended by adding at the end the
18 following:

19 “(d) In order to avoid duplication of services and en-
20 hance integration of services, employment services offices
21 in each State shall be colocated with one-stop centers es-
22 tablished under title I of the Workforce Investment Act
23 of 1998 (29 U.S.C. 2801 et seq.).

24 “(e) The Secretary, in consultation with States, is au-
25 thorized to assist in the development of national electronic

1 tools that may be used to improve access to workforce in-
 2 formation for individuals through—

3 “(1) the one-stop delivery systems established
 4 under section 121(e) of the Workforce Investment
 5 Act of 1998 (29 U.S.C. 2841(e)); and

6 “(2) such other delivery systems as the Sec-
 7 retary determines to be appropriate.”.

8 (c) COOPERATIVE STATISTICAL PROGRAM.—Section
 9 14 of the Wagner-Peyser Act (29 U.S.C. 491–1) is amend-
 10 ed by striking the section heading and all that follows
 11 through “There” and inserting the following:

12 **“SEC. 14. COOPERATIVE STATISTICAL PROGRAM.**

13 “There”.

14 (d) WORKFORCE AND LABOR MARKET INFORMATION
 15 SYSTEM.—Section 15 of the Wagner-Peyser Act (29
 16 U.S.C. 491–2) is amended—

17 (1) by striking the section heading and insert-
 18 ing the following:

19 **“SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION**
 20 **SYSTEM.”;**

21 (2) by striking “employment statistics system”
 22 each place it appears and inserting “workforce and
 23 labor market information system”;

24 (3) in subsection (a)(1), by striking “of employ-
 25 ment statistics”;

1 (4) in subsection (b)—

2 (A) in paragraph (1)—

3 (i) by striking “The” and inserting
4 the following:

5 “(A) STRUCTURE.—The”; and

6 (ii) by adding at the end the fol-
7 lowing:

8 “(B) GRANTS OR COOPERATIVE AGREE-
9 MENTS.—

10 “(i) IN GENERAL.—The Secretary
11 shall carry out the provisions of this sec-
12 tion in a timely manner through grants or
13 cooperative agreements with States.

14 “(ii) DISTRIBUTION OF FUNDS.—With
15 regard to distributing funds appropriated
16 under subsection (g) (relating to workforce
17 and labor market information funding) for
18 fiscal years 2006 through 2011, the Sec-
19 retary shall continue to distribute the
20 funds to States in the manner in which the
21 Secretary distributed funds to the States
22 under this section for fiscal years 1999
23 through 2003.”; and

24 (B) in paragraph (2)(E)—

1 (i) in clause (i), by adding “and” at
2 the end;

3 (ii) in clause (ii), by striking “; and”
4 and inserting a period; and

5 (iii) by striking clause (iii);

6 (5) by striking subsections (c) and (d) and in-
7 serting the following:

8 “(c) TWO-YEAR PLAN.—The Secretary, working
9 through the Commissioner of Labor Statistics, and in co-
10 operation with the States and with the assistance of the
11 Assistant Secretary for Employment and Training and
12 heads of other appropriate Federal agencies, shall prepare
13 a 2-year plan which shall be the mechanism for achieving
14 cooperative management of the nationwide workforce and
15 labor market information system described in subsection
16 (a) and the statewide workforce and labor market informa-
17 tion systems that comprise the nationwide system. The
18 plan shall—

19 “(1) describe the steps to be taken in the
20 following 2 years to carry out the duties described
21 in subsection (b)(2);

22 “(2) evaluate the performance of the system
23 and recommend needed improvements, with par-
24 ticular attention to the improvements needed at the
25 State and local levels; and

1 “(3) describe the involvement of States in the
2 development of the plan, through consultation be-
3 tween the Secretary and representatives from State
4 agencies in accordance with subsection (d).

5 “(d) COORDINATION WITH THE STATES.—The Sec-
6 retary, working through the Commissioner of Labor Statis-
7 tics and in coordination with the Assistant Secretary for
8 Employment and Training, shall consult at least annually
9 with representatives of each of the Federal regions of the
10 Department of Labor, elected (pursuant to a process es-
11 tablished by the Secretary) by and from the State work-
12 force and labor market information directors affiliated
13 with the State agencies that perform the duties described
14 in subsection (e)(2).”;

15 (6) in subsection (e)(2)—

16 (A) in subparagraph (G), by adding “and”
17 at the end;

18 (B) by striking subparagraph (H); and

19 (C) by redesignating subparagraph (I) as
20 subparagraph (H); and

21 (7) in subsection (g), by striking “1999 through
22 2004” and inserting “2006 through 2011”.

1 **TITLE IV—REHABILITATION ACT**
 2 **AMENDMENTS**

3 **SEC. 401. SHORT TITLE.**

4 This title may be cited as the “Rehabilitation Act
 5 Amendments of 2005”.

6 **SEC. 402. TECHNICAL AMENDMENTS TO TABLE OF CON-**
 7 **TENTS.**

8 (a) **EXPANDED TRANSITION SERVICES.**—Section
 9 1(b) of the Rehabilitation Act of 1973 is amended by in-
 10 serting after the item relating to section 110 the following:

“Sec. 110A. Reservation for expanded transition services.”.

11 (b) **INCENTIVE GRANTS.**—Section 1(b) of the Reha-
 12 bilitation Act of 1973 is amended by inserting after the
 13 item relating to section 112 the following:

“Sec. 113. Incentive grants.”.

14 (c) **INDEPENDENT LIVING SERVICES FOR OLDER IN-**
 15 **DIVIDUALS WHO ARE BLIND.**—Section 1(b) of the Reha-
 16 bilitation Act of 1973 is amended by striking the items
 17 relating to sections 752 and 753 and inserting the fol-
 18 lowing:

“Sec. 752. Training and technical assistance.

“Sec. 753. Program of grants.

“Sec. 754. Authorization of appropriations.”.

19 **SEC. 403. PURPOSE.**

20 Section 2 of the Rehabilitation Act of 1973 (29
 21 U.S.C. 701) is amended—

22 (1) in subsection (a)—

1 (A) in paragraph (5), by striking “and”
2 after the semicolon;

3 (B) in paragraph (6), by striking the pe-
4 riod at the end and inserting “; and”; and

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

6 “(7)(A) a high proportion of youth who are in-
7 dividuals with disabilities is leaving special education
8 without being employed or being enrolled in con-
9 tinuing education; and

10 “(B) there is a substantial need to support
11 those youth as the youth transition from school to
12 postsecondary life.”; and

13 (2) in subsection (b)—

14 (A) in paragraph (1)(F), by striking “and”
15 after the semicolon;

16 (B) in paragraph (2), by striking the pe-
17 riod at the end and inserting “; and”; and

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

19 “(3) to provide opportunities for employers and
20 vocational rehabilitation service providers to provide
21 meaningful input at all levels of government to en-
22 sure successful employment of individuals with dis-
23 abilities.”.

1 **SEC. 404. DEFINITIONS.**

2 Section 7 of the Rehabilitation Act of 1973 (29
3 U.S.C. 705) is amended—

4 (1) in paragraph (2)(B)—

5 (A) in the matter preceding clause (i), by
6 inserting “and literacy services” after “sup-
7 ported employment”; and

8 (B) in clause (iii), by inserting “and lit-
9 eracy skills” after “educational achievements”;

10 (2) by striking paragraphs (3) and (4) and in-
11 serting the following:

12 “(3) ASSISTIVE TECHNOLOGY DEFINITIONS.—

13 “(A) ASSISTIVE TECHNOLOGY.—The term
14 ‘assistive technology’ has the meaning given
15 such term in section 3 of the Assistive Tech-
16 nology Act of 1998 (29 U.S.C. 3002).

17 “(B) ASSISTIVE TECHNOLOGY DEVICE.—

18 The term ‘assistive technology device’ has the
19 meaning given such term in section 3 of the As-
20 sistive Technology Act of 1998, except that the
21 reference in such section to the term ‘individ-
22 uals with disabilities’ shall be deemed to mean
23 more than one individual with a disability as
24 defined in paragraph (20)(A).

25 “(C) ASSISTIVE TECHNOLOGY SERVICE.—

26 The term ‘assistive technology service’ has the

1 meaning given such term in section 3 of the As-
2 sistive Technology Act of 1998, except that the
3 reference in such section—

4 “(i) to the term ‘individual with a dis-
5 ability’ shall be deemed to mean an indi-
6 vidual with a disability, as defined in para-
7 graph (20)(A); and

8 “(ii) to the term ‘individuals with dis-
9 abilities’ shall be deemed to mean more
10 than one such individual.”;

11 (3) by striking paragraph (7) and inserting the
12 following:

13 “(7) CONSUMER ORGANIZATION.—The term
14 ‘consumer organization’ means a membership orga-
15 nization in which a majority of the organization’s
16 members and a majority of the organization’s offi-
17 cers are individuals with disabilities.”;

18 (4) in paragraph (17)—

19 (A) in subparagraph (C), by striking
20 “and” after the semicolon;

21 (B) in subparagraph (D), by striking the
22 period at the end and inserting “; and”; and

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

24 “(E) maintaining individuals with signifi-
25 cant disabilities in, or transitioning individuals

1 with significant disabilities to, community-based
2 living.”;

3 (5) by redesignating paragraphs (24) through
4 (28), (29) through (34), (35) through (37), and (38)
5 through (39), as paragraphs (25) through (29), (31)
6 through (36), (38) through (40), and (42) through
7 (43), respectively;

8 (6) by inserting after paragraph (23) the fol-
9 lowing:

10 “(24) LITERACY.—The term ‘literacy’ has the
11 meaning given the term in section 203 of the Adult
12 Education and Family Literacy Act (20 U.S.C.
13 9202).”;

14 (7) by inserting after paragraph (29), as redес-
15 igned by paragraph (5), the following:

16 “(30) POST-EMPLOYMENT SERVICE.—The term
17 ‘post-employment’ service means a service identified
18 in section 103(a) that is—

19 “(A) provided subsequent to the achieve-
20 ment of an employment outcome; and

21 “(B) necessary for an individual to main-
22 tain, regain, or advance in employment, con-
23 sistent with the individual’s strengths, re-
24 sources, priorities, concerns, abilities, capabili-
25 ties, interests, and informed choice.”;

1 (8) by inserting after paragraph (36), as redesi-
2 gnated by paragraph (5), the following:

3 “(37) STUDENT WITH A DISABILITY.—

4 “(A) IN GENERAL.—The term ‘student
5 with a disability’ means an individual with a
6 disability who attends an elementary school or
7 secondary school and who—

8 “(i) is not younger than 16 years of
9 age;

10 “(ii) is not older than 22 years of age;

11 “(iii) has been determined to be eligi-
12 ble under section 102(a) for assistance
13 under title I; and

14 “(iv)(I) is eligible for, and receiving,
15 special education or related services under
16 part B of the Individuals with Disabilities
17 Education Act (20 U.S.C. 1411 et seq.); or

18 “(II) is an individual with a disability,
19 for purposes of section 504.

20 “(B) STUDENTS WITH DISABILITIES.—The
21 term ‘students with disabilities’ means more
22 than 1 student with a disability.”;

23 (9) in paragraph (38)(A)(ii), as redesignated by
24 paragraph (5), by striking “paragraph (36)(C)” and
25 inserting “paragraph (39)(C)”; and

1 (10) by inserting after paragraph (40), as re-
2 designated by paragraph (5), the following:

3 “(41) TRANSITION SERVICES EXPANSION
4 YEAR.—The term ‘transition services expansion
5 year’ means—

6 “(A) the first fiscal year for which the
7 amount appropriated under section 100(b) ex-
8 ceeds the amount appropriated under section
9 100(b) for fiscal year 2006 by not less than
10 \$100,000,000; and

11 “(B) each fiscal year subsequent to that
12 first fiscal year.”.

13 **SEC. 405. ADMINISTRATION OF THE ACT.**

14 Section 12(a)(1) of the Rehabilitation Act of 1973
15 (29 U.S.C. 709(a)(1)) is amended—

16 (1) by inserting “(A)” after “(1)”;

17 (2) by adding at the end the following:

18 “(B) provide technical assistance to the des-
19 igned State units on developing successful partner-
20 ships with local and multi-State businesses in an ef-
21 fort to employ individuals with disabilities; and

22 “(C) provide technical assistance on developing
23 self-employment opportunities and outcomes for in-
24 dividuals with disabilities;”.

1 **SEC. 406. REPORTS.**

2 Section 13 of the Rehabilitation Act of 1973 (29
3 U.S.C. 710) is amended by adding at the end the fol-
4 lowing:

5 “(d)(1)(A) The Commissioner shall ensure that the
6 reports, information, and data described in subparagraph
7 (B) will be posted in a timely manner on the website of
8 the Department of Education, in order to inform the pub-
9 lic about the administration and performance of programs
10 in each State under this Act.

11 “(B) The reports, information, and data referred to
12 in subparagraph (A) shall consist of—

13 “(i) reports submitted by a designated State
14 unit under this Act;

15 “(ii) accountability information (including State
16 performance information relating to evaluation
17 standards and performance indicators under section
18 106 and State performance information relating to
19 State performance measures under section 136 of
20 the Workforce Investment Act of 1998 (29 U.S.C.
21 2871)) submitted by a designated State unit under
22 this Act or submitted under such section 136;

23 “(iii) data collected from each designated State
24 unit under this Act with the approval of the Office
25 of Management and Budget; and

1 “(iv) monitoring reports conducted under this
2 Act.

3 “(C) The Commissioner shall maintain, and post on
4 the website, a listing of the reports, information, and data
5 required to be submitted by designated State units under
6 this Act.

7 “(D) The Commissioner shall post on the website, or
8 establish links on the website to, evaluations, studies, and
9 audits, including evaluations, studies, and audits con-
10 ducted by agencies of the Federal government, concerning
11 programs carried out under this Act.

12 “(E) The Commissioner shall maintain on the website
13 a list of the designated State units and shall establish
14 links on the website to websites maintained by those units.

15 “(2) The Commissioner shall maintain public use
16 read-only access to the State and aggregated reports and
17 analyzed data filed and maintained on the Rehabilitation
18 Services Administration management information system
19 or a similar system maintained by the Department of Edu-
20 cation.”.

21 **SEC. 407. CARRYOVER.**

22 Section 19 of the Rehabilitation Act of 1973 (29
23 U.S.C. 716) is amended—

24 (1) in subsection (a)(1)—

1 (A) by striking “, section 509 (except as
2 provided in section 509(b))”;

3 (B) by striking “or C”; and

4 (C) by striking “752(b)” and inserting
5 “753(b)”; and

6 (2) by adding at the end the following:

7 “(c) CLIENT ASSISTANCE PROGRAM; PROTECTION
8 AND ADVOCACY OF INDIVIDUAL RIGHTS.—

9 “(1) APPROPRIATED AMOUNTS.—Notwith-
10 standing any other provision of law, any funds ap-
11 propriated for a fiscal year to carry out a grant pro-
12 gram under section 112 or 509 (except as provided
13 in section 509(b)), including any funds reallocated
14 under such grant program, that are not obligated
15 and expended by recipients prior to the beginning of
16 the succeeding fiscal year shall remain available for
17 obligation and expenditure by such recipients during
18 such succeeding fiscal year.

19 “(2) PROGRAM INCOME.—Notwithstanding any
20 other provision of law, any amounts of program in-
21 come received by recipients under a grant program
22 under section 112 or 509 in a fiscal year that are
23 not obligated and expended by recipients prior to the
24 beginning of the succeeding fiscal year, shall remain
25 available until expended.”.

1 **Subtitle A—Vocational**
2 **Rehabilitation Services**

3 **SEC. 411. DECLARATION OF POLICY; AUTHORIZATION OF**
4 **APPROPRIATIONS.**

5 Section 100(b)(1) of the Rehabilitation Act of 1973
6 (29 U.S.C. 720(b)(1)) is amended by striking “fiscal years
7 1999 through 2003” and inserting “fiscal years 2006
8 through 2011”.

9 **SEC. 412. STATE PLANS.**

10 (a) **IN GENERAL.**—Section 101(a) of the Rehabilita-
11 tion Act of 1973 (29 U.S.C. 721(a)) is amended—

12 (1) in paragraph (2), by adding at the end the
13 following:

14 “(D) **STATE AGENCY FOR REIMBURSE-**
15 **MENT PURPOSES.**—A governing body of an In-
16 dian tribe that receives a grant under section
17 121 shall be considered, for purposes of the cost
18 reimbursement provisions—

19 “(i) in section 222(d)(1) of the Social
20 Security Act (42 U.S.C. 422(d)(1)), to be
21 a State; and

22 “(ii) in subsections (d) and (e) of sec-
23 tion 1615 of the Social Security Act (42
24 U.S.C. 1382d), to be a State agency de-
25 scribed in subsection (d) of that section.”;

1 (2) in paragraph (6)(B), by striking “to employ
2 and advance in employment” and inserting “to re-
3 cruit, employ, and advance in employment”;

4 (3) in paragraph (7)(A)(v), by striking sub-
5 clause (I) and inserting the following:

6 “(I) a system for the continuing
7 education of rehabilitation profes-
8 sionals and paraprofessionals within
9 the designated State unit, particularly
10 with respect to rehabilitation tech-
11 nology, including training imple-
12 mented in coordination with State
13 programs carried out under section 4
14 of the Assistive Technology Act of
15 1998 (29 U.S.C. 3003); and”;

16 (4) in paragraph (10)—

17 (A) in subparagraph (B), by striking “an-
18 nual reporting on the eligible individuals receiv-
19 ing the services, on those specific data elements
20 described in section 136(d)(2) of the Workforce
21 Investment Act of 1998” and inserting “annual
22 reporting of information on eligible individuals
23 receiving the services that is needed to assess
24 performance on the core indicators of perform-
25 ance described in section 136(b)(2)(A)(i) of the

1 Workforce Investment Act of 1998 (29 U.S.C.
2 2871(b)(2)(A)(i))”;

3 (B) in subparagraph (C), by striking
4 clauses (iii) and (iv) and inserting the following:

5 “(iii) the number of applicants and el-
6 igible recipients, including the number of
7 individuals with significant disabilities, who
8 exited the program carried out under this
9 title and the number of such individuals
10 who achieved employment outcomes after
11 receiving vocational rehabilitation services;
12 and

13 “(iv) the number of individuals who
14 received vocational rehabilitation services
15 who entered and retained employment and
16 the earnings of such individuals, as such
17 entry, retention, and earnings are defined
18 for purposes of the core indicators of per-
19 formance described in section
20 136(b)(2)(A)(i) of the Workforce Invest-
21 ment Act of 1998 (29 U.S.C.
22 2871(b)(2)(A)(i)).”; and

23 (C) in subparagraph (E)(ii), by striking
24 “in meeting” and all that follows through the
25 period and inserting “in meeting the standards

1 and indicators established pursuant to section
2 106.”;

3 (5) in paragraph (11)—

4 (A) by striking subparagraph (C) and in-
5 serting the following:

6 “(C) INTERAGENCY COOPERATION WITH
7 OTHER AGENCIES.—The State plan shall in-
8 clude descriptions of interagency cooperation
9 with, and utilization of the services and facili-
10 ties of, Federal, State, and local agencies and
11 programs, including the State programs carried
12 out under section 4 of the Assistive Technology
13 Act of 1998 (29 U.S.C. 3003), programs car-
14 ried out by the Under Secretary for Rural De-
15 velopment of the Department of Agriculture,
16 and State use contracting programs, to the ex-
17 tent that such agencies and programs are not
18 carrying out activities through the statewide
19 workforce investment system.”;

20 (B) by striking subparagraph (D)(ii) and
21 inserting the following:

22 “(ii) transition planning by personnel
23 of the designated State agency and the
24 State educational agency that will facilitate
25 the development and completion of the in-

1 dividualized education programs under sec-
2 tion 614(d) of the Individuals with Disabil-
3 ities Education Act (20 U.S.C. 1414(d))
4 and, as appropriate, the development and
5 completion of the individualized plan for
6 employment, in order to achieve post-
7 school employment outcomes of students
8 with disabilities;” and

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

10 “(G) COORDINATION WITH ASSISTIVE
11 TECHNOLOGY PROGRAMS.—The State plan shall
12 include an assurance that the designated State
13 unit, and the lead agency and implementing
14 agency (if any) designated by the Governor of
15 the State under section 4 of the Assistive Tech-
16 nology Act of 1998 (29 U.S.C. 3003), have de-
17 veloped working relationships and will enter
18 into agreements for the coordination of their ac-
19 tivities, including the referral of individuals
20 with disabilities to programs and activities de-
21 scribed in that section.

22 “(H) COORDINATION WITH TICKET TO
23 WORK AND SELF-SUFFICIENCY PROGRAM.—The
24 State plan shall include an assurance that the
25 designated State unit will coordinate activities

1 with any other State agency that is functioning
2 as an employment network under the Ticket to
3 Work and Self-Sufficiency Program established
4 under section 1148 of the Social Security Act
5 (42 U.S.C. 1320b–19).”;

6 (6) in paragraph (15)—

7 (A) in subparagraph (A)—

8 (i) in clause (i)—

9 (I) in subclause (II), by striking
10 “and” after the semicolon;

11 (II) in subclause (III), by insert-
12 ing “and” after the semicolon; and

13 (III) by adding at the end the
14 following:

15 “(IV) for purposes of addressing
16 needs in a transition services expan-
17 sion year, students with disabilities,
18 including their need for transition
19 services;”;

20 (ii) by redesignating clauses (ii) and
21 (iii) as clauses (iii) and (iv), respectively;

22 and

23 (iii) by inserting after clause (i) the
24 following:

1 “(ii) include an assessment of the
2 needs of individuals with disabilities for
3 transition services provided under this Act,
4 and coordinated with transition services
5 provided under the Individuals with Dis-
6 abilities Education Act (20 U.S.C. 1400 et
7 seq.), and an assessment as to whether the
8 transition services provided under those
9 Acts meet the needs of individuals with
10 disabilities;” and

11 (B) in subparagraph (D)—

12 (i) by redesignating clauses (iii), (iv),
13 and (v) as clauses (iv), (v), and (vi), re-
14 spectively; and

15 (ii) by inserting after clause (ii) the
16 following:

17 “(iii) for use in a transition services
18 expansion year, the methods to be used to
19 improve and expand vocational rehabilita-
20 tion services for students with disabilities,
21 including the coordination of services de-
22 signed to facilitate the transition of such
23 students from the receipt of educational
24 services in school to postsecondary life, in-
25 cluding the receipt of vocational rehabilita-

1 tion services under this title, postsecondary
2 education, or employment;”;

3 (7) in paragraph (20)—

4 (A) by redesignating subparagraph (B) as
5 subparagraph (C);

6 (B) by inserting after subparagraph (A)
7 the following:

8 “(B) INFORMATION ON ASSISTANCE FOR
9 BENEFICIARIES OF ASSISTANCE UNDER TITLE
10 II OR XVI OF THE SOCIAL SECURITY ACT.—The
11 State plan shall include an assurance that the
12 designated State agency will make available to
13 individuals entitled to benefits under title II or
14 XVI of the Social Security Act (42 U.S.C. 401
15 et seq., 1381 et seq.) on the basis of a disability
16 or blindness—

17 “(i) information on the availability of
18 benefits and medical assistance authorized
19 under the State medicaid program under
20 title XIX of the Social Security Act (42
21 U.S.C. 1396 et seq.) or under the medicare
22 program under title XVIII of the Social
23 Security Act (42 U.S.C. 1395 et seq.), and
24 medical assistance authorized under other
25 federally funded programs;

1 “(ii) information on the availability of
2 assistance through benefits planning and
3 assistance programs authorized under sec-
4 tion 1149 of the Social Security Act (42
5 U.S.C. 1320b–20) and services provided by
6 the State protection and advocacy system
7 and authorized under section 1150 of the
8 Social Security Act (42 U.S.C. 1320b–21);
9 and

10 “(iii) in the case of individuals who
11 are also eligible for a ticket under the
12 Ticket to Work and Self-Sufficiency Pro-
13 gram established under section 1148 of the
14 Social Security Act (42 U.S.C. 1320b–19),
15 general information regarding the options
16 for using the ticket and information on
17 how to contact a program manager of the
18 Ticket to Work and Self-Sufficiency Pro-
19 gram to obtain information on approved
20 employment networks, on providers for the
21 benefits planning and assistance programs
22 described in subparagraph (B) in the
23 State, and on the services provided by the
24 State protection and advocacy system and
25 described in subparagraph (B).”;

1 (C) in subparagraph (C)(ii), as redesignated by subparagraph (A)—

3 (i) in subclause (II), by inserting “, to the maximum extent possible,” after “point of contact”; and

6 (ii) in subclause (III), by striking “or regain” and inserting “regain, or advance in”; and

9 (8) by adding at the end the following:

10 “(25) SERVICES FOR STUDENTS WITH DISABILITIES.—The State plan for a transition services expansion year shall provide an assurance satisfactory to the Secretary that the State—

14 “(A) has developed and shall implement, in each transition services expansion year, strategies to address the needs identified in the assessment described in paragraph (15), and achieve the goals and priorities identified by the State, to improve and expand vocational rehabilitation services for students with disabilities on a statewide basis in accordance with paragraph (15); and

23 “(B) in each transition services expansion year—

1 “(i) shall not use more than 5 percent
2 of the funds reserved under section 110A
3 and available for this subparagraph, to pay
4 for administrative costs; and

5 “(ii) shall use the remaining funds to
6 carry out programs or activities designed
7 to improve and expand vocational rehabili-
8 tation services for students with disabil-
9 ities, through partnerships described in
10 subparagraph (C), that—

11 “(I) facilitate the transition of
12 the students with disabilities from the
13 receipt of educational services in
14 school, to the receipt of vocational re-
15 habilitation services under this title,
16 including, at a minimum, those serv-
17 ices specified in the interagency agree-
18 ment required in paragraph (11)(D);

19 “(II) improve the achievement of
20 post-school goals of students with dis-
21 abilities through the provision of tran-
22 sition services, including improving
23 the achievement through participation
24 (as appropriate when vocational goals
25 are discussed) in meetings regarding

1 individualized education programs de-
2 veloped under section 614 of the Indi-
3 viduals with Disabilities Education
4 Act (20 U.S.C. 1414);

5 “(III) provide vocational guid-
6 ance, career exploration services, and
7 job search skills and strategies and
8 technical assistance to students with
9 disabilities;

10 “(IV) support the provision of
11 training and technical assistance to
12 local educational agency personnel re-
13 sponsible for the planning and provi-
14 sion of services to students with dis-
15 abilities; and

16 “(V) support outreach activities
17 to students with disabilities who are
18 eligible for, and need, services under
19 this title; and

20 “(C) in each transition services expansion
21 year, shall ensure that the funds described in
22 subparagraph (B)(ii) are awarded only to part-
23 nerships that—

1 “(i) shall include local vocational re-
2 habilitation services providers and local
3 educational agencies; and

4 “(ii) may include (or may have link-
5 ages with) other agencies such as employ-
6 ment, social service, and health organiza-
7 tions, that contribute funds for the provi-
8 sion of vocational rehabilitation services
9 described in subparagraph (B)(ii) for eligi-
10 ble students with disabilities.”.

11 (b) CONSTRUCTION.—Section 101 of the Rehabilita-
12 tion Act of 1973 (29 U.S.C. 721) is amended by adding
13 at the end the following:

14 “(c) CONSTRUCTION.—

15 “(1) DEFINITIONS.—In this subsection, the
16 terms ‘child with a disability’, ‘free appropriate pub-
17 lic education’, ‘related services’, and ‘special edu-
18 cation’ have the meanings given the terms in section
19 602 of the Individuals with Disabilities Education
20 Act (20 U.S.C. 1401).

21 “(2) OBLIGATION TO PROVIDE OR PAY FOR
22 TRANSITION SERVICES.—Nothing in this part shall
23 be construed to reduce the obligation of a local edu-
24 cational agency or any other agency to provide or
25 pay for any transition services that are also consid-

1 ered special education or related services and that
2 are necessary for ensuring a free appropriate public
3 education to children with disabilities within the
4 State involved.”.

5 **SEC. 413. ELIGIBILITY AND INDIVIDUALIZED PLAN FOR EM-**
6 **PLOYMENT.**

7 Section 102 of the Rehabilitation Act of 1973 (29
8 U.S.C. 722) is amended—

9 (1) in subsection (b)—

10 (A) in paragraph (1)—

11 (i) in subparagraph (A), by striking
12 the semicolon at the end and inserting “,
13 including a listing of all the community re-
14 sources (including resources from con-
15 sumer organizations), to the maximum ex-
16 tent possible, to assist in the development
17 of such individual’s individualized plan for
18 employment to enable the individual to
19 make informed and effective choices in de-
20 veloping the individualized plan for employ-
21 ment;”; and

22 (ii) in subparagraph (D)—

23 (I) in clause (i), by striking
24 “and” after the semicolon;

1 (II) in clause (ii), by striking the
2 period at the end and inserting a
3 semicolon; and

4 (III) by adding at the end the
5 following:

6 “(iii) for individuals entitled to benefits
7 under title II or XVI of the Social Security Act
8 (42 U.S.C. 401 et seq., 1381 et seq.) on the
9 basis of a disability or blindness—

10 “(I) information on the avail-
11 ability of benefits and medical assist-
12 ance authorized under the State med-
13 icaid program under title XIX of the
14 Social Security Act (42 U.S.C. 1396
15 et seq.) or under the medicare pro-
16 gram under title XVIII of the Social
17 Security Act (42 U.S.C. 1395 et seq.),
18 and medical assistance authorized
19 under other federally funded pro-
20 grams;

21 “(II) information on the avail-
22 ability of assistance through benefits
23 planning and assistance programs au-
24 thorized under section 1149 of the So-
25 cial Security Act (42 U.S.C. 1320b-

1 20) and services provided by the State
2 protection and advocacy system and
3 authorized under section 1150 of the
4 Social Security Act (42 U.S.C.
5 1320b–21); and

6 “(III) in the case of individuals
7 who are also eligible for a ticket under
8 the Ticket to Work and Self-Suffi-
9 ciency Program established under sec-
10 tion 1148 of the Social Security Act
11 (42 U.S.C. 1320b–19), general infor-
12 mation regarding the options for
13 using the ticket and information on
14 how to contact a program manager of
15 the Ticket to Work and Self-Suffi-
16 ciency Program to obtain information
17 on approved employment networks, on
18 providers for the benefits planning
19 and assistance programs described in
20 subparagraph (B) in the State, and
21 on the services provided by the State
22 protection and advocacy system and
23 described in subparagraph (B).”;

24 (B) in paragraph (2)(E)—

1 (i) in clause (i)(II), by striking “and”
2 after the semicolon;

3 (ii) in clause (ii), by striking the pe-
4 riod at the end and inserting “; and”; and

5 (iii) by adding at the end the fol-
6 lowing:

7 “(iii) amended, as necessary, to in-
8 clude the post-employment services and
9 service providers that are necessary for the
10 individual to maintain, regain, or advance
11 in employment, consistent with the individ-
12 ual’s strengths, resources, priorities, con-
13 cerns, abilities, capabilities, interests, and
14 informed choice.”; and

15 (C) in paragraph (3)—

16 (i) in subparagraph (B)(i)(I), by strik-
17 ing “and personal assistance services” and
18 all that follows and inserting “mentoring
19 services, and personal assistance services,
20 including training in the management of
21 such services, and referrals described in
22 section 103(a)(3) to the device reutilization
23 programs and device demonstrations de-
24 scribed in subparagraphs (B) and (D) of
25 section 4(e)(2) of the Assistive Technology

1 Act of 1998 (42 U.S.C. 3003(e)(2))
2 through agreements developed under sec-
3 tion 101(a)(11)(G); and”;

4 (ii) in subparagraph (F)(ii), by strik-
5 ing “and” after the semicolon;

6 (iii) in subparagraph (G), by striking
7 the period at the end and inserting “;
8 and”; and

9 (iv) by adding at the end the fol-
10 lowing:

11 “(H) for an individual who is receiving as-
12 sistance from an employment network under
13 the Ticket to Work and Self-Sufficiency Pro-
14 gram established under section 1148 of the So-
15 cial Security Act (42 U.S.C. 1320b–19), a list
16 of the services that are listed in the individual
17 work plan that the individual developed with
18 the employment network under subsection (g)
19 of that section.”; and

20 (2) in subsection (e)(7), by inserting “that take
21 into consideration the informed choice of the indi-
22 vidual,” after “plan development”.

23 **SEC. 414. VOCATIONAL REHABILITATION SERVICES.**

24 Section 103 of the Rehabilitation Act of 1973 (29
25 U.S.C. 723) is amended—

1 (1) in subsection (a)—

2 (A) in paragraph (5), by inserting “literacy
3 services,” after “vocational adjustment serv-
4 ices,”;

5 (B) by striking paragraph (15) and insert-
6 ing the following:

7 “(15) transition services for students with dis-
8 abilities, that facilitate the transition from school to
9 postsecondary life (including employment through
10 the achievement of the employment outcome identi-
11 fied in the individualized plan for employment), in-
12 cluding, in a transition services expansion year, serv-
13 ices described in clauses (i) through (iii) of section
14 101(a)(25)(B);”;

15 (C) in paragraph (17), by striking “and”
16 after the semicolon;

17 (D) in paragraph (18), by striking the pe-
18 riod at the end and inserting “; and”; and

19 (E) by adding at the end the following:

20 “(19) mentoring services.”; and

21 (2) in subsection (b), by striking paragraph (6)
22 and inserting the following:

23 “(6)(A)(i) Consultation and technical assistance
24 services to assist State and local educational agen-
25 cies in planning for the transition of students with

1 disabilities from school to postsecondary life, includ-
2 ing employment.

3 “(ii) In a transition services expansion year,
4 training and technical assistance described in section
5 101(a)(25)(B)(iv).

6 “(B) In a transition services expansion year,
7 services for groups of individuals with disabilities
8 who meet the requirements of clauses (i) and (iii) of
9 section 7(35)(A), including services described in
10 clauses (i), (ii), (iii), and (v) of section
11 101(a)(25)(B), to assist in the transition from
12 school to postsecondary life, including employment.”.

13 **SEC. 415. STATE REHABILITATION COUNCIL.**

14 Section 105 of the Rehabilitation Act of 1973 (29
15 U.S.C. 725) is amended—

16 (1) in subsection (b)—

17 (A) in paragraph (1)(A)—

18 (i) by striking clause (ix) and insert-
19 ing the following:

20 “(ix) in a State in which one or more
21 projects provide services under section 121,
22 at least one representative of the directors
23 of the projects;”;

24 (ii) in clause (x), by striking the
25 “and” after the semicolon;

1 (iii) in clause (xi), by striking the pe-
 2 riod at the end and inserting “; and”;

3 (iv) by adding at the end the fol-
 4 lowing:

5 “(xii) the director of the State’s com-
 6 prehensive statewide program of tech-
 7 nology-related assistance funded under sec-
 8 tion 4 of the Assistive Technology Act of
 9 1998 (29 U.S.C. 3003).”; and

10 (B) by striking paragraph (5) and insert-
 11 ing the following:

12 “(5) CHAIRPERSON.—The Council shall select a
 13 chairperson from among the voting membership of
 14 the Council.”; and

15 (2) in subsection (c)(6), by inserting before the
 16 semicolon the following: “and with the activities of
 17 entities carrying out programs under the Assistive
 18 Technology Act of 1998 (29 U.S.C. 3001 et seq.)”.

19 **SEC. 416. EVALUATION STANDARDS AND PERFORMANCE**
 20 **INDICATORS.**

21 Section 106 of the Rehabilitation Act of 1973 (29
 22 U.S.C. 726) is amended—

23 (1) in subsection (a), by striking paragraph
 24 (1)(C) and all that follows through paragraph (2)
 25 and inserting the following:

1 “(2) MEASURES.—The standards and indica-
2 tors shall include outcome and related measures of
3 program performance that include measures of the
4 program’s performance with respect to the transition
5 from school to postsecondary life, including employ-
6 ment, and achievement of the postsecondary voca-
7 tional goals, of students with disabilities served
8 under the program.”; and

9 (2) in subsection (b)(2)(B)(i), by striking “, if
10 necessary” and all that follows through the semi-
11 colon and inserting “, if the State has not improved
12 its performance to acceptable levels, as determined
13 by the Commissioner, direct the State to make fur-
14 ther revisions to the plan to improve performance,
15 which may include revising the plan to allocate a
16 higher proportion of the State’s resources for serv-
17 ices to individuals with disabilities if the State agen-
18 cy’s spending on such services is low in comparison
19 to spending on such services by comparable agencies
20 in other States;”.

21 **SEC. 417. MONITORING AND REVIEW.**

22 Section 107(b)(1) of the Rehabilitation Act of 1973
23 (29 U.S.C. 727(b)(1)) is amended by inserting before the
24 semicolon the following: “, including—

1 “(A) consulting with the Department of
2 Labor, the Small Business Administration,
3 other appropriate Federal agencies, and busi-
4 nesses or business-led intermediaries; and

5 “(B) based on information obtained
6 through the consultations, providing technical
7 assistance that improves that quality by ena-
8 bling designated State units to develop success-
9 ful partnerships with local and multi-State busi-
10 nesses in an effort to employ individuals with
11 disabilities, and technical assistance on devel-
12 oping self-employment opportunities and im-
13 proving outcomes for individuals with disabil-
14 ities”.

15 **SEC. 418. STATE ALLOTMENTS.**

16 Section 110 of the Rehabilitation Act of 1973 (29
17 U.S.C. 730) is amended—

18 (1) by striking subsection (b) and inserting the
19 following:

20 “(b)(1) Not later than 45 days prior to the end of
21 the fiscal year, the Commissioner shall determine, after
22 reasonable opportunity for the submission to the Commis-
23 sioner of comments by the State agency administering or
24 supervising the program established under this title, that
25 any amount from the payment of an allotment to a State

1 under section 111(a) for any fiscal year will not be utilized
2 by such State in carrying out the purposes of this title.

3 “(2)(A) As soon as practicable but not later than the
4 end of the fiscal year, the Commissioner shall reallocate the
5 amount available under paragraph (1) to other States,
6 consistent with subparagraphs (B) and (C), for carrying
7 out the purposes of this title to the extent the Commis-
8 sioner determines such other State will be able to use such
9 additional amount during that fiscal year or the subse-
10 quent fiscal year for carrying out such purposes.

11 “(B)(i) The Commissioner shall reallocate a portion of
12 the amount available under paragraph (1) for a fiscal year
13 to each State whose allotment under subsection (a) for
14 such fiscal year is less than such State’s allotment under
15 subsection (a) for the immediately preceding fiscal year
16 adjusted by the percentage change in the funds available
17 for subsection (a) from the immediately preceding fiscal
18 year.

19 “(ii)(I) A State that is eligible to receive a reallocot-
20 ment under clause (i) shall receive a portion for a fiscal
21 year from the amount available for reallocation under
22 paragraph (1) that is equal to the difference between—

23 “(aa) the amount such State was allotted under
24 subsection (a) for such fiscal year; and

1 “(bb) the amount such State was allotted under
2 subsection (a) for the immediately preceding fiscal
3 year adjusted by the percentage change in the funds
4 available for subsection (a) from the immediately
5 preceding fiscal year.

6 “(II) If the amount available for reallocation under
7 paragraph (1) is insufficient to provide each State eligible
8 to receive a reallocation with the portion described in sub-
9 clause (I), the amount reallocated to each eligible State
10 shall be determined by the Commissioner.

11 “(C) If there are funds remaining after each State
12 eligible to receive a reallocation under subparagraph (B)(i)
13 receives the portion described in subparagraph (B)(ii), the
14 Commissioner shall reallocate the remaining funds among the
15 States requesting a reallocation.

16 “(3) The Commissioner shall reallocate an amount to a
17 State under this subsection only if the State will be able
18 to make sufficient payments from non-Federal sources to
19 pay for the non-Federal share of the cost of vocational
20 rehabilitation services under the State plan for the fiscal
21 year for which the amount was appropriated.

22 “(4) For the purposes of this part, any amount made
23 available to a State for any fiscal year pursuant to this
24 subsection shall be regarded as an increase of such State’s

1 allotment (as determined under the preceding provisions
2 of this section) for such year.”; and

3 (2) by striking subsection (c)(2) and inserting
4 the following:

5 “(2)(A) In this paragraph:

6 “(i) The term ‘appropriated amount’ means the
7 amount appropriated under section 100(b)(1) for al-
8 lotment under this section.

9 “(ii) The term ‘covered year’ means a fiscal
10 year—

11 “(I) that begins after September 30, 2004;

12 and

13 “(II) for which the appropriated amount
14 exceeds the total of—

15 “(aa) the appropriated amount for the
16 preceding fiscal year; and

17 “(bb) 0.075 percent of the appro-
18 priated amount for the preceding fiscal
19 year.

20 “(B) For each covered year, the sum referred to in
21 paragraph (1) shall be, as determined by the Secretary—

22 “(i) not less than the total of the sum reserved
23 under this subsection for the preceding fiscal year
24 and 0.1 percent of the appropriated amount for the
25 covered year, subject to clause (ii); and

1 “(ii) not more than 1.5 percent of the appro-
2 priated amount for the covered year.

3 “(C) For each fiscal year that is not a covered year,
4 the sum referred to in paragraph (1) shall be, as deter-
5 mined by the Secretary—

6 “(i) not less than the sum reserved under this
7 subsection for the preceding fiscal year, subject to
8 clause (ii); and

9 “(ii) not more than 1.5 percent of the appro-
10 priated amount for the covered year.”.

11 **SEC. 419. RESERVATION FOR EXPANDED TRANSITION**
12 **SERVICES.**

13 The Rehabilitation Act of 1973 is amended by insert-
14 ing after section 110 (29 U.S.C. 730) the following:

15 **“SEC. 110A. RESERVATION FOR EXPANDED TRANSITION**
16 **SERVICES.**

17 “(a) RESERVATION.—From the State allotment
18 under section 110 in a transition services expansion year,
19 each State shall reserve an amount calculated by the Com-
20 missioner under subsection (b) to carry out programs and
21 activities under sections 101(a)(25)(B) and 103(b)(6).

22 “(b) CALCULATION.—The Commissioner shall cal-
23 culate the amount to be reserved for such programs and
24 activities for a fiscal year by each State by multiplying
25 \$50,000,000 by the percentage determined by dividing—

1 “(1) the amount allotted to that State under
2 section 110 for the prior fiscal year; by

3 “(2) the total amount allotted to all States
4 under section 110 for that prior fiscal year.”.

5 **SEC. 420. CLIENT ASSISTANCE PROGRAM.**

6 Section 112 of the Rehabilitation Act of 1973 (29
7 U.S.C. 732) is amended—

8 (1) in subsection (a)—

9 (A) in the first sentence, by striking
10 “States” and inserting “agencies designated
11 under subsection (c)”; and

12 (B) in the second sentence, by striking
13 “State” and inserting “State in which the pro-
14 gram is located”;

15 (2) in subsection (b), by striking “the State has
16 in effect not later than October 1, 1984, a client as-
17 sistance program which” and inserting “the State
18 designated under subsection (c) an agency that”;

19 (3) in subsection (e)—

20 (A) in paragraph (1)—

21 (i) in subparagraph (A), by striking
22 “The Secretary” and all that follows
23 through the period and inserting the fol-
24 lowing: “After reserving funds under sub-
25 paragraphs (E) and (F), the Secretary

1 shall allot the remainder of the sums ap-
2 propriated for each fiscal year under this
3 section among the agencies designated
4 under subsection (c) within the States (re-
5 ferred to individually in this subsection as
6 a ‘designated agency’) on the basis of re-
7 lative population of each State, except that
8 no such agency shall receive less than
9 \$50,000.”;

10 (ii) in subparagraph (B), by inserting
11 “the designated agencies located in” after
12 “each to”;

13 (iii) in subparagraph (D)(i)—

14 (I) by inserting “the designated
15 agencies located in” after “\$100,000
16 for”; and

17 (II) by inserting “the designated
18 agencies located in” after “\$45,000
19 for”; and

20 (iv) by adding at the end the fol-
21 lowing:

22 “(E)(i) For any fiscal year for which the amount ap-
23 propriated to carry out this section equals or exceeds
24 \$13,000,000, the Secretary shall reserve funds appro-
25 priated under this section to make a grant to the protec-

1 tion and advocacy system serving the American Indian
2 Consortium to provide client assistance services in accord-
3 ance with this section. The amount of such a grant shall
4 be the same amount as is provided to a territory under
5 subparagraph (B), as increased under clauses (i) and (ii)
6 of subparagraph (D).

7 “(ii) In this subparagraph:

8 “(I) The term ‘American Indian Consortium’
9 has the meaning given the term in section 102 of the
10 Developmental Disabilities Assistance and Bill of
11 Rights Act of 2000 (42 U.S.C. 15002).

12 “(II) The term ‘protection and advocacy sys-
13 tem’ means a protection and advocacy system estab-
14 lished under subtitle C of title I of the Develop-
15 mental Disabilities Assistance and Bill of Rights Act
16 of 2000 (42 U.S.C. 15041 et seq.).

17 “(F) For any fiscal year for which the amount appro-
18 priated to carry out this section equals or exceeds
19 \$14,000,000, the Secretary shall reserve not less than 1.8
20 percent and not more than 2.2 percent of such amount
21 to provide a grant for training and technical assistance
22 for the programs established under this section. Such
23 training and technical assistance shall be coordinated with
24 activities provided under section 509(c)(1)(A).”;

25 (B) in paragraph (2)—

1 (i) by striking “State” each place
2 such term appears and inserting “des-
3 ignated agency”; and

4 (ii) by striking “States” each place
5 such term appears and inserting “des-
6 ignated agencies”;

7 (4) in subsection (f), by striking “State” and
8 inserting “agency designated under subsection (e)”;

9 (5) in subsection (g)(1), by striking “State”
10 and inserting “State in which the program is lo-
11 cated”; and

12 (6) in subsection (h), by striking “fiscal years
13 1999 through 2003” and inserting “fiscal years
14 2006 through 2011”.

15 **SEC. 421. INCENTIVE GRANTS.**

16 Part B of title I of the Rehabilitation Act of 1973
17 (29 U.S.C. 730 et seq.) is amended by adding at the end
18 the following:

19 **“SEC. 113. INCENTIVE GRANTS.**

20 “(a) **AUTHORITY.**—The Commissioner is authorized
21 to make incentive grants to States that, based on the cri-
22 teria established under subsection (b)(1), demonstrate—

23 “(1) a high level of performance; or

1 “(2) a significantly improved level of perform-
2 ance in a reporting period as compared to the pre-
3 vious reporting period or periods.

4 “(b) CRITERIA.—

5 “(1) ESTABLISHMENT.—Not later than 180
6 days after the date of enactment of this section, the
7 Commissioner shall establish, and publish in the
8 Federal Register, criteria for making grant awards
9 under subsection (a).

10 “(2) DEVELOPMENT AND EVALUATION STAND-
11 ARDS.—The criteria established under paragraph (1)
12 shall—

13 “(A) be developed with input from des-
14 ignated State agencies and other vocational re-
15 habilitation stakeholders, including vocational
16 rehabilitation consumers and consumer organi-
17 zations; and

18 “(B) be based upon the evaluation stand-
19 ards and performance indicators established
20 under section 106 and other performance-re-
21 lated measures that the Commissioner deter-
22 mines to be appropriate.

23 “(c) USE OF FUNDS.—A State that receives a grant
24 under subsection (a) shall use the grant funds for any ap-

1 proved activities in the State's State plan submitted under
2 section 101.

3 “(d) NO NON-FEDERAL SHARE REQUIREMENT.—
4 The provisions of sections 101(a)(3) and 111(a)(2) shall
5 not apply to this section.

6 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
7 are authorized to be appropriated to carry out this section
8 such sums as may be necessary for each of fiscal years
9 2006 through 2011.”.

10 **SEC. 422. VOCATIONAL REHABILITATION SERVICES**
11 **GRANTS.**

12 Section 121 of the Rehabilitation Act of 1973 (29
13 U.S.C. 741) is amended—

14 (1) in subsection (a), in the first sentence, by
15 inserting “, consistent with such individuals’
16 strengths, resources, priorities, concerns, abilities,
17 capabilities, interests, and informed choice, so that
18 such individuals may prepare for, and engage in,
19 gainful employment” before the period at the end;
20 and

21 (2) in subsection (b)—

22 (A) in paragraph (1)—

23 (i) in subparagraph (B), by striking
24 “and” after the semicolon;

1 (ii) in subparagraph (C), by striking
2 the period at the end and inserting “;
3 and”; and

4 (iii) by adding at the end the fol-
5 lowing:

6 “(D) contains assurances that—

7 “(i) all decisions affecting eligibility for vo-
8 cational rehabilitation services, the nature and
9 scope of available services, and the provision of
10 such services, will be made by a representative
11 of the tribal vocational rehabilitation program;
12 and

13 “(ii) such decisions will not be delegated to
14 another agency or individual.”;

15 (B) in paragraph (3), by striking the first
16 sentence and inserting the following: “An appli-
17 cation approved under this part that complies
18 with the program requirements set forth in the
19 regulations promulgated to carry out this part
20 shall be effective for 5 years and shall be re-
21 newed for additional 5-year periods if the Com-
22 missioner determines that the grant recipient
23 demonstrated acceptable past performance and
24 the grant recipient submits a plan, including a
25 proposed budget, to the Commissioner that the

1 Commissioner approves that identifies future
2 performance criteria, goals, and objectives.”;
3 and

4 (C) by striking paragraph (4) and insert-
5 ing the following:

6 “(4) In allocating funds under this part, the Sec-
7 retary shall give priority to paying the continuation costs
8 of projects in existence on the date of the allocation and
9 may provide for increases in funding for such projects that
10 the Secretary determines to be necessary.”.

11 **SEC. 423. GAO STUDIES.**

12 (a) STUDY ON TITLE I AND TICKET TO WORK.—

13 (1) IN GENERAL.—The Comptroller General of
14 the United States shall conduct a study on the inter-
15 action of programs carried out under title I of the
16 Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.)
17 with the Ticket to Work and Self-Sufficiency Pro-
18 gram established under section 1148 of the Social
19 Security Act (42 U.S.C. 1320b–19), including the
20 impact of the interaction on beneficiaries, commu-
21 nity rehabilitation programs (as defined in section 7
22 of the Rehabilitation Act of 1973 (29 U.S.C. 705)),
23 and State vocational rehabilitation agencies.

24 (2) CONDUCT OF STUDY.—In conducting the
25 study under paragraph (1), the Comptroller General

1 of the United States shall consult with all types of
2 participants in the Ticket to Work and Self-Suffi-
3 ciency Program, including the Social Security Ad-
4 ministration, the Rehabilitation Services Administra-
5 tion, ticketholders, designated State agencies, enti-
6 ties carrying out such community rehabilitation pro-
7 grams (including employment networks and non-
8 employment networks), protection and advocacy
9 agencies, MAXIMUS, and organizations rep-
10 resenting the interests of ticketholders.

11 (3) REPORT TO CONGRESS.—Not later than 18
12 months after the date of enactment of this Act, the
13 Comptroller General of the United States shall sub-
14 mit the study conducted pursuant to this subsection
15 to the appropriate committees of Congress.

16 (b) STUDY ON THE ALLOTMENT FORMULA.—

17 (1) IN GENERAL.—The Comptroller General of
18 the United States shall conduct a study on the rela-
19 tionship between the State allotment formula under
20 section 110 of the Rehabilitation Act of 1973 (29
21 U.S.C. 730) and the ability of States to provide vo-
22 cational rehabilitation services in accordance with
23 the States' State plans under section 101 of such
24 Act (29 U.S.C. 721).

1 (2) CONDUCT OF STUDY.—In conducting the
2 study under paragraph (1), the Comptroller General
3 of the United States shall consult with appropriate
4 entities.

5 (3) REPORT TO CONGRESS.—Not later than 12
6 months after the date of enactment of this Act, the
7 Comptroller General of the United States shall sub-
8 mit the study conducted pursuant to this subsection
9 to the appropriate committees of Congress.

10 **Subtitle B—Research and Training**

11 **SEC. 431. DECLARATION OF PURPOSE.**

12 Section 200(3) of the Rehabilitation Act of 1973 (29
13 U.S.C. 760(3)) is amended by inserting “, in a timely and
14 efficient manner,” before “through”.

15 **SEC. 432. AUTHORIZATION OF APPROPRIATIONS.**

16 Section 201(a) of the Rehabilitation Act of 1973 (29
17 U.S.C. 761(a)) is amended—

18 (1) in paragraph (1), by striking “fiscal years
19 1999 through 2003” and inserting “fiscal years
20 2006 through 2011”; and

21 (2) in paragraph (2), by striking “fiscal years
22 1999 through 2003” and inserting “fiscal years
23 2006 through 2011”.

1 **SEC. 433. NATIONAL INSTITUTE ON DISABILITY AND REHA-**
2 **BILITATION RESEARCH.**

3 Section 202 of the Rehabilitation Act of 1973 (29
4 U.S.C. 762) is amended—

5 (1) in subsection (b)—

6 (A) in paragraph (6), by inserting before
7 the semicolon the following: “, including con-
8 vening a national assistive technology summit,
9 to be held at or in conjunction with a national
10 conference relating to assistive technology with
11 respect to all categories of disabilities”; and

12 (B) in paragraph (10), by striking “and
13 telecommuting” and inserting “, supported em-
14 ployment, and telecommuting”;

15 (2) in subsection (f)(1)—

16 (A) by striking “Federal employees” and
17 inserting “Department of Education employ-
18 ees”; and

19 (B) by adding at the end the following:
20 “The peer review panel shall include a director
21 of a designated State unit. It shall include a
22 member of the covered school community (for
23 an activity resulting in educational materials or
24 a product to be used in a covered school), a
25 member of the business community (for an ac-
26 tivity resulting in a product to be used in an

1 employment activity), assistive technology devel-
2 opers and manufacturers (for an activity relat-
3 ing to assistive technology), or information
4 technology vendors and manufacturers (for an
5 activity relating to information technology).”;

6 (3) by redesignating subsections (i), (j), and (k)
7 as subsections (j), (k), and (l), respectively;

8 (4) by inserting after subsection (h) the fol-
9 lowing:

10 “(i)(1) The Director, with the assistance of the Reha-
11 bilitation Research Advisory Council established under
12 section 205, shall determine if entities that receive finan-
13 cial assistance under this title are complying with the ap-
14 plicable requirements of this Act and achieving measurable
15 goals, described in section 204(d)(2), that are consistent
16 with the requirements of the programs under which the
17 entities received the financial assistance.

18 “(2) To assist the Director in carrying out the re-
19 sponsibilities described in paragraph (1), the Director
20 shall require recipients of financial assistance under this
21 title to submit relevant information to evaluate program
22 outcomes with respect to the measurable goals described
23 in section 204(d)(2).”;

24 (5) by adding at the end the following:

1 “(m)(1) Not later than December 31 of each year,
2 the Secretary shall prepare, and submit to the Secretary,
3 the Committee on Education and the Workforce of the
4 House of Representatives, and the Committee on Health,
5 Education, Labor, and Pensions of the Senate, a report
6 on the activities funded under this title.

7 “(2) Such report shall include—

8 “(A) a compilation and summary of the in-
9 formation provided by recipients of financial as-
10 sistance for such activities under this title; and

11 “(B) a summary of the applications for fi-
12 nancial assistance received under this title and
13 the progress of the recipients of financial assist-
14 ance in achieving the measurable goals de-
15 scribed in section 204(d)(2).

16 “(n)(1) If the Director determines that an entity that
17 receives financial assistance under this title fails to comply
18 with the applicable requirements of this Act, or to make
19 progress toward achieving the measurable goals described
20 in section 204(d)(2), with respect to the covered activities
21 involved, the Director shall assist the entity through tech-
22 nical assistance or other means, within 90 days after such
23 determination, to develop a corrective action plan.

24 “(2) If the entity fails to develop and comply with
25 a corrective action plan described in paragraph (1) during

1 a fiscal year, the entity shall be subject to 1 of the fol-
2 lowing corrective actions selected by the Director:

3 “(A) Partial or complete termination of finan-
4 cial assistance for the covered activities, until the en-
5 tity develops and complies with such a plan.

6 “(B) Ineligibility to receive financial assistance
7 for such covered activities for the following year.

8 “(3) The Secretary shall establish appeals procedures
9 for entities described in paragraph (1) that the Secretary
10 determines fail to comply with the applicable requirements
11 of this Act, or to make progress toward achieving the
12 measurable goals.

13 “(4) As part of the annual report required under sub-
14 section (m), the Secretary shall describe each action taken
15 by the Secretary under paragraph (1) or (2) and the out-
16 comes of such action.”.

17 **SEC. 434. INTERAGENCY COMMITTEE.**

18 Section 203 of the Rehabilitation Act of 1973 (29
19 U.S.C. 763) is amended—

20 (1) in subsection (a)(1), by striking “and the
21 Director of the National Science Foundation” and
22 inserting “the Director of the National Science
23 Foundation, the Secretary of Commerce, and the
24 Administrator of the Small Business Administra-
25 tion”; and

1 (2) in subsection (b)(2)—

2 (A) in subparagraph (D), by striking
3 “and” after the semicolon;

4 (B) in subparagraph (E), by striking the
5 period at the end and inserting “; and”; and

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

7 “(F) conduct a study, on the assistive tech-
8 nology industry, for which the Committee shall—

9 “(i) determine the number of individuals
10 who use assistive technology and the scope of
11 the technologies they use;

12 “(ii) separately identify categories of as-
13 sistive technology companies by the disability
14 group served, and the type of product or service
15 provided, categorized by—

16 “(I) size (small, medium, and large)
17 of the companies;

18 “(II) capitalization of the companies;

19 “(III) region in which the companies
20 are located; and

21 “(IV) products or services produced
22 by the companies;

23 “(iii) compile aggregate data on revenues
24 and unit sales of such companies, including in-
25 formation on international sales, for a recent

1 reporting period, categorized by institution or
2 user type acquiring the products or services,
3 disability for which the products or services are
4 used, and industry segment for the companies;

5 “(iv) identify platform availability and
6 usage, for those products and services that are
7 electronic and information technology-related;

8 “(v) identify the types of clients of the
9 companies, such as government, school, busi-
10 ness, private payor, and charitable clients, and
11 funding sources for the clients; and

12 “(vi) specify geographic segments for the
13 companies, to determine whether there are sig-
14 nificant distinctions in industry opportunities
15 on the basis of geography, other than distinc-
16 tions related to population.”.

17 **SEC. 435. RESEARCH AND OTHER COVERED ACTIVITIES.**

18 Section 204 of the Rehabilitation Act of 1973 (29
19 U.S.C. 764) is amended—

20 (1) in subsection (a)—

21 (A) in paragraph (2)(B)—

22 (i) in clause (vi), by striking “and”
23 after the semicolon;

24 (ii) in clause (vii), by striking the pe-
25 riod at the end and inserting “; and”; and

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

3 “(viii) studies, analyses, and other activities af-
4 fecting employment outcomes, including self-employ-
5 ment and telecommuting, of individuals with disabil-
6 ities.”; and

7 (B) by adding at the end the following:

8 “(3) In carrying out this section, the Director shall
9 emphasize covered activities that are collaborations be-
10 tween—

11 “(A) for-profit companies working in the assist-
12 ive technology, rehabilitative engineering, or infor-
13 mation technology fields; and

14 “(B) States or public or private agencies and
15 organizations.

16 “(4) In carrying out this section, the Director shall
17 emphasize covered activities that include plans for—

18 “(A) dissemination of educational materials, re-
19 search results, or findings, conclusions, and rec-
20 ommendations resulting from covered activities; or

21 “(B) the commercialization of marketable prod-
22 ucts resulting from the covered activities.”;

23 (2) in subsection (b)—

24 (A) in paragraph (1), by striking “(18)”
25 each place it appears and inserting “(19)”;

1 (B) in paragraph (2)—

2 (i) in subparagraph (A)(i), by striking
3 “rehabilitation services or” and inserting
4 “rehabilitation services, developers or pro-
5 viders of assistive technology devices, as-
6 sistive technology services, or information
7 technology devices or services, or providers
8 of” after “rehabilitation services”;

9 (ii) in subparagraph (B)—

10 (I) in clause (i), by inserting
11 “improve the evaluation process for
12 determining the assistive technology
13 needs of individuals with disabil-
14 ities,” after “conditions,”;

15 (II) in clause (ii), by inserting
16 “and assistive technology services” be-
17 fore the semicolon; and

18 (III) in clause (iii), by inserting
19 “, assistive technology services per-
20 sonnel,” before “and other”;

21 (iii) in subparagraph (C)—

22 (I) in clause (i), by inserting “,
23 including research on assistive tech-
24 nology devices, assistive technology
25 services, and accessible electronic and

1 information technology devices” before
2 the semicolon; and

3 (II) in clause (iii), by inserting “,
4 including the use of assistive tech-
5 nology devices and accessible elec-
6 tronic and information technology de-
7 vices in employment” before the semi-
8 colon;

9 (iv) in subparagraph (D), by inserting
10 “, including training to provide knowledge
11 about assistive technology devices, assistive
12 technology services, and accessible elec-
13 tronic and information technology devices
14 and services,” after “personnel”; and

15 (v) in subparagraph (G)(i), by insert-
16 ing “, assistive technology-related, and ac-
17 cessible electronic and information tech-
18 nology-related” before “courses”; and

19 (C) in paragraph (3)—

20 (i) in subparagraph (D)(ii), by adding
21 at the end the following: “Each such Cen-
22 ter conducting activities including the cre-
23 ation of an assistance technology device
24 shall include in the committee representa-
25 tives from the assistive technology industry

1 and accessible electronic and information
2 technology industry. Each such Center
3 conducting activities involving a covered
4 school, or an employer, shall include in the
5 committee a representative of the covered
6 school, or of the employer, respectively.”;
7 and

8 (ii) in subparagraph (G)(ii) by insert-
9 ing “the success of any commercialized
10 product researched or developed through
11 the Center,” after “disabilities,”;

12 (D) in paragraph (8), by inserting “the
13 Department of Commerce, the Small Business
14 Administration,” before “other Federal agen-
15 cies,”;

16 (E) in paragraph (13), in the matter pre-
17 ceeding clause (i), by striking “employment
18 needs of individuals with disabilities” and in-
19 serting “employment needs, opportunities, and
20 outcomes, including self-employment, supported
21 employment, and telecommuting needs, oppor-
22 tunities, and outcomes, of individuals with dis-
23 abilities, including older individuals with disabili-
24 ties, and students with disabilities who are

1 transitioning from school to postsecondary life,
2 including employment”; and

3 (E) by adding at the end the following:

4 “(19) Research grants may be used to provide for re-
5 search and demonstration projects that—

6 “(A) explore methods and practices for pro-
7 moting access to electronic commerce activities for
8 individuals with disabilities; and

9 “(B) will—

10 “(i) ensure dissemination of research find-
11 ings;

12 “(ii) provide encouragement and support
13 for initiatives and new approaches by companies
14 engaged in electronic commerce activities; and

15 “(iii) result in the establishment and main-
16 tenance of close working relationships between
17 the disability, research, and business commu-
18 nities.”;

19 (3) in subsection (c)(2), by striking “\$500,000”
20 and inserting “\$750,000”; and

21 (4) by adding at the end the following:

22 “(d)(1) In awarding grants, contracts, or other finan-
23 cial assistance under this title, the Director shall award
24 the financial assistance on a competitive basis.

1 “(2)(A) To be eligible to receive financial assistance
2 described in paragraph (1) for a covered activity, an entity
3 shall submit an application to the Director at such time,
4 in such manner, and containing such information as the
5 Director may require.

6 “(B) The application shall include information de-
7 scribing—

8 “(i) measurable goals, and a timeline and spe-
9 cific plan for meeting the goals, that the applicant
10 has set for addressing priorities related to—

11 “(I) commercialization of a marketable
12 product (including a marketable curriculum or
13 research) resulting from the covered activity;

14 “(II) in the case of a covered activity relat-
15 ing to technology, technology transfer;

16 “(III) in the case of research, dissemina-
17 tion of research results to, as applicable, gov-
18 ernment entities, individuals with disabilities,
19 covered schools, the business community, the
20 assistive technology community, and the acces-
21 sible electronic and information technology com-
22 munity; and

23 “(IV) other matters as required by the Di-
24 rector; and

1 “(ii) information describing how the applicant
2 will quantifiably measure the goals to determine
3 whether the goals have been accomplished.

4 “(3)(A) In the case of an application for financial as-
5 sistance under this title to carry out a covered activity that
6 results in the development of a marketable product, the
7 application shall also include a commercialization and dis-
8 semination plan, containing commercialization and mar-
9 keting strategies for the product involved, and strategies
10 for disseminating information about the product. The fi-
11 nancial assistance shall not be used to carry out the com-
12 mercialization and marketing strategies.

13 “(B) In the case of any other application for financial
14 assistance to carry out a covered activity under this title,
15 the application shall also include a dissemination plan,
16 containing strategies for disseminating educational mate-
17 rials, research results, or findings, conclusions, and rec-
18 ommendations, resulting from the covered activity.”.

19 **SEC. 436. REHABILITATION RESEARCH ADVISORY COUNCIL.**

20 Section 205 of the Rehabilitation Act of 1973 (29
21 U.S.C. 765) is amended—

22 (1) in subsection (a), by inserting “at least” be-
23 fore “12”; and

24 (2) in subsection (c), by inserting after “reha-
25 bilitation researchers,” the following: “the directors

1 of community rehabilitation programs, the business
2 community (and shall include a representative of the
3 small business community) that has experience with
4 the system of vocational rehabilitation services car-
5 ried out under this Act and with hiring individuals
6 with disabilities, the community of assistive tech-
7 nology developers and manufacturers, the commu-
8 nity of information technology vendors and manufac-
9 turers, the community of entities carrying out pro-
10 grams under the Assistive Technology Act of 1998
11 (29 U.S.C. 3001 et seq.), the community of covered
12 school professionals.”.

13 **SEC. 437. DEFINITION.**

14 Title II of the Rehabilitation Act of 1973 (29 U.S.C.
15 761 et seq.) is amended by adding at the end the fol-
16 lowing:

17 **“SEC. 206. DEFINITION.**

18 “In this title, the term ‘covered school’ means an ele-
19 mentary school or secondary school (as such terms are de-
20 fined in section 9101 of the Elementary and Secondary
21 Education Act of 1965 (20 U.S.C. 7801)), a community
22 college, or an institution of higher education.”.

1 **Subtitle C—Professional Develop-**
2 **ment and Special Projects and**
3 **Demonstrations**

4 **SEC. 441. TRAINING.**

5 Section 302 of the Rehabilitation Act of 1973 (29
6 U.S.C. 772) is amended—

7 (1) in subsection (a)(1)—

8 (A) in subparagraph (F), by striking the
9 “and” after the semicolon;

10 (B) in subparagraph (G), by striking the
11 period at the end and inserting “; and”; and

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

13 “(H) personnel trained in providing assist-
14 ive technology services.”;

15 (2) in subsection (b)(1)(B)(i), by striking “or
16 prosthetics and orthotics” and inserting “prosthetics
17 and orthotics, rehabilitation teaching for the blind,
18 or orientation and mobility instruction”; and

19 (3) in subsection (i), by striking “fiscal years
20 1999 through 2003” and inserting “fiscal years
21 2006 through 2011”.

22 **SEC. 442. DEMONSTRATION AND TRAINING PROGRAMS.**

23 Section 303 of the Rehabilitation Act of 1973 (29
24 U.S.C. 773) is amended—

1 (1) in subsection (b)(5)(A)(i), by striking “spe-
2 cial projects” and inserting “not less than 2 special
3 projects”;

4 (2) by redesignating subsections (c), (d), and
5 (e) as subsections (f), (g), and (i), respectively;

6 (3) by inserting after subsection (b) the fol-
7 lowing:

8 “(c) DEMONSTRATION PROJECTS FOR EMPLOYMENT
9 OF STUDENTS WITH INTELLECTUAL DISABILITIES OR
10 MENTAL ILLNESS.—

11 “(1) PURPOSE.—The purpose of this subsection
12 is to support model demonstration projects to pro-
13 vide supported and competitive employment experi-
14 ences for students with intellectual disabilities or
15 students with mental illness, and training for per-
16 sonnel that work with students described in this
17 paragraph, to enable the students to gain employ-
18 ment skills and experience that will promote effective
19 transitions from school to postsecondary life, includ-
20 ing employment.

21 “(2) AWARDS AUTHORIZED.—

22 “(A) COMPETITIVE AWARDS AUTHOR-
23 IZED.—The Secretary may award grants, con-
24 tracts, and cooperative agreements, on a com-
25 petitive basis, to eligible organizations described

1 in paragraph (3), to enable the organizations to
2 carry out demonstration projects described in
3 paragraph (1).

4 “(B) DURATION.—The Secretary shall
5 award grants, contracts, and cooperative agree-
6 ments under this subsection for periods of 3 to
7 5 years.

8 “(3) ELIGIBLE ORGANIZATIONS.—To be eligible
9 to receive a grant, contract, or cooperative agree-
10 ment under this subsection, an organization shall—

11 “(A) have expertise in providing employ-
12 ment and support services for individuals with
13 intellectual disabilities or individuals with men-
14 tal illness;

15 “(B) have a proven track record in suc-
16 cessfully running supported employment pro-
17 grams;

18 “(C) provide employment services that are
19 exclusively integrated community-based sup-
20 ported employment services;

21 “(D) have expertise in creating natural
22 supports for employment;

23 “(E) have expertise in providing computer
24 training for the targeted population for the
25 project involved; and

1 “(F) have experience operating mentoring
2 programs for the target population in middle
3 and high schools for at least a decade in diverse
4 communities throughout the Nation.

5 “(4) APPLICATIONS.—Each organization desir-
6 ing to receive a grant, contract, or cooperative agree-
7 ment under this subsection shall submit an applica-
8 tion to the Secretary at such time, in such manner,
9 and including such information as the Secretary may
10 require. Each application shall include—

11 “(A) a description of how the organization
12 plans to carry out the activities authorized in
13 this subsection through a demonstration
14 project;

15 “(B) a description of how the organization
16 will evaluate the project;

17 “(C) a description of how the organization
18 will disseminate information about the activities
19 and the impact of the activities on the lives of
20 students served by the project; and

21 “(D) a description of how the organization
22 will coordinate activities with any other relevant
23 service providers in the locality where the orga-
24 nization is based, including federally supported
25 independent living centers.

1 “(5) AUTHORIZED ACTIVITIES.—An organiza-
2 tion that receives a grant, contract, or cooperative
3 agreement under this subsection shall use the funds
4 made available through the grant, contract, or coop-
5 erative agreement to carry out 1 or more of the fol-
6 lowing activities for individuals, ages 14 through 21,
7 who are students with intellectual disabilities or stu-
8 dents with mental illness:

9 “(A) PROVIDING SUPPORTED AND COM-
10 PETITIVE EMPLOYMENT EXPERIENCES.—The
11 development of innovative and effective sup-
12 ported and competitive employment experiences
13 after school, on weekends, and in the summer,
14 utilizing natural supports that lead to competi-
15 tive high-paying jobs.

16 “(B) PROVIDING TRAINING TO SCHOOL
17 AND TRANSITION PERSONNEL.—The develop-
18 ment and deployment of experts to work with
19 transition programs (including personnel work-
20 ing with students on transition) so that per-
21 sonnel from the programs develop skills needed
22 to train students with intellectual disabilities or
23 students with mental illness to be successful in
24 competitive employment in a range of settings,
25 including office settings. The training shall in-

1 clude training for the personnel in providing in-
2 struction to students in computer skills, office
3 skills, interview etiquette, and appropriate so-
4 cial behavior required for successful long-term
5 employment in professional environments.

6 “(6) AUTHORIZATION OF APPROPRIATIONS.—
7 There are authorized to be appropriated to carry out
8 this subsection \$5,000,000 for fiscal year 2006 and
9 such sums as may be necessary for fiscal years 2007
10 through 2011.

11 “(d) DEMONSTRATION PROJECT FOR EMPLOYMENT
12 OF INDIVIDUALS WHO ARE DEAF AND LOW FUNC-
13 TIONING.—

14 “(1) PURPOSE.—The purpose of this subsection
15 is to support a model demonstration project to pro-
16 vide training and employment and support services
17 for individuals who are deaf and low functioning to
18 enable them to gain employment skills that will allow
19 them to become employed and economically self-suf-
20 ficient.

21 “(2) DEFINITION.—

22 “(A) IN GENERAL.—In this subsection, the
23 term ‘individual who is deaf and low func-
24 tioning’ means an individual who has been deaf
25 from birth or very early childhood, reads at or

1 below the second grade level, has little or no in-
2 telligible speech, and lacks a secondary school
3 diploma or its recognized equivalent.

4 “(B) SECONDARY DISABILITIES.—Such
5 term may include an individual with a sec-
6 ondary disability.

7 “(3) GRANTS AUTHORIZED.—

8 “(A) COMPETITIVE GRANTS AUTHOR-
9 IZED.—The Secretary may award grants to
10 State agencies, other public agencies or organi-
11 zations, or not-for-profit organizations with ex-
12 pertise in providing training and employment
13 and support services for individuals who are
14 deaf and low functioning to support model dem-
15 onstration projects.

16 “(B) DURATION.—Grants under this sub-
17 section shall be awarded for a period not to ex-
18 ceed 5 years.

19 “(4) AUTHORIZED ACTIVITIES.—

20 “(A) DEVELOPING A COMPREHENSIVE
21 TRAINING PROGRAM.—Each grant recipient
22 under this subsection shall develop an innova-
23 tive, comprehensive training program for indi-
24 viduals who are deaf and low functioning that
25 can be implemented at multiple training loca-

1 tions through such means as distance learning
2 and use of advanced technology, as appropriate.
3 Such training program shall be developed to
4 maximize the potential for replication of the
5 program by other training providers.

6 “(B) IMPLEMENTATION.—Each grant re-
7 cipient under this subsection shall implement
8 the comprehensive training program developed
9 under subparagraph (A) as soon as feasible.
10 Such training shall provide instruction on the
11 job and the social skills necessary for successful
12 long-term employment of individuals who are
13 deaf and low functioning.

14 “(C) ESTABLISHING A POST-TRAINING
15 PROGRAM OF EMPLOYMENT AND SUPPORT
16 SERVICES.—Each grant recipient under this
17 subsection shall implement employment and
18 support services to assist individuals who com-
19 plete the training program under subparagraph
20 (A) in securing employment and transitioning
21 to the workplace, for a period of not less than
22 90 days subsequent to placement in the employ-
23 ment.

24 “(5) APPLICATIONS.—Each entity desiring to
25 receive a grant under this subsection for a model

1 demonstration project shall submit an application to
2 the Secretary at such time, in such manner, and ac-
3 companied by such information as the Secretary may
4 require including—

5 “(A) a description of how the applicant
6 plans to address the activities authorized under
7 this subsection;

8 “(B) a description of the evaluation plan
9 to be used in the model demonstration project;

10 “(C) a description of how the applicant will
11 disseminate information about the training pro-
12 gram developed and the results of the project;
13 and

14 “(D) a description of how the entity will
15 coordinate activities with any other relevant
16 service providers or entities providing training
17 and employment and support services for indi-
18 viduals who are deaf and low functioning.

19 “(6) MANDATED EVALUATION AND DISSEMINA-
20 TION ACTIVITIES.—

21 “(A) ANNUAL REPORT.—Not later than 2
22 years after the date on which a grant under
23 this subsection is awarded and annually there-
24 after, the grant recipient shall submit to the

1 Commissioner a report containing information
2 on—

3 “(i) the number of individuals who are
4 participating in the demonstration project
5 funded under this subsection;

6 “(ii) the employment and other skills
7 being taught in the project;

8 “(iii) the number of individuals par-
9 ticipating in the project that are placed in
10 employment;

11 “(iv) the job sites in which those indi-
12 viduals are placed and the type of jobs the
13 individuals are placed in; and

14 “(v) the number of individuals who
15 have dropped out of the project and the
16 reasons for their terminating participation
17 in the project.

18 “(B) EVALUATION OF THE PROJECT.—

19 Each grant recipient under this subsection shall
20 implement the evaluation plan approved in its
21 application for determining the results of the
22 project within the timeframe specified in, and
23 following the provisions of, the approved appli-
24 cation.

1 “(C) PARTICIPANT EVALUATION PROCESS;
2 FINAL EVALUATION.—In the final year of the
3 project, the grant recipient will prepare and
4 submit to the Commissioner a final evaluation
5 report of the results of the model demonstration
6 project containing—

7 “(i) information on—

8 “(I) the number of individuals
9 who participated in the demonstration
10 project;

11 “(II) the number of those indi-
12 viduals that are placed in employ-
13 ment;

14 “(III) the job sites in which those
15 individuals were placed and the type
16 of jobs the individuals were placed in;

17 “(IV) the number of those indi-
18 viduals who have dropped out of the
19 project and the reasons for their ter-
20 minating participation in the project;
21 and

22 “(V) the number of those individ-
23 uals who participated in the project
24 and who remain employed as of 2
25 months prior to the date on which the

1 final report is submitted to the Sec-
2 retary;

3 “(ii) a written analysis of the project,
4 including both the strengths and weak-
5 nesses of the project, to assist other enti-
6 ties in replicating the training program de-
7 veloped through the project; and

8 “(iii) such other information as the
9 Secretary determines appropriate.

10 “(D) DISSEMINATION.—Not later than 5
11 years after the date on which a grant is award-
12 ed under this subsection, the evaluation report
13 containing results of activities funded by such
14 grant shall be disseminated to designated State
15 agencies, school systems providing instruction
16 to students who are individuals who are deaf
17 and low functioning, supported employment
18 providers, postsecondary vocational training
19 programs, employers, the Social Security Ad-
20 ministration, and other interested parties.

21 “(7) AUTHORIZATION OF APPROPRIATIONS.—
22 There are authorized to be appropriated to carry out
23 this subsection, \$5,000,000 for fiscal year 2006 and
24 such sums as may be necessary for each of fiscal
25 years 2007 through 2011.

1 “(e) TRAINING AND TECHNICAL ASSISTANCE CEN-
2 TER TO PROMOTE HIGH-QUALITY EMPLOYMENT OUT-
3 COMES FOR INDIVIDUALS RECEIVING SERVICES FROM
4 DESIGNATED STATE AGENCIES.—

5 “(1) IN GENERAL.—The Commissioner shall
6 award a grant, contract, or cooperative agreement to
7 an entity to support a training and technical assist-
8 ance program that—

9 “(A) responds to State-specific information
10 requests concerning high-quality employment
11 outcomes, from designated State agencies fund-
12 ed under title I, including—

13 “(i) requests for information on the
14 expansion of self-employment, business
15 ownership, and business development op-
16 portunities, and other types of
17 entrepreneurial employment opportunities
18 for individuals with disabilities;

19 “(ii) requests for information on the
20 expansion and improvement of transition
21 services to facilitate the transition of stu-
22 dents with disabilities from school to post-
23 secondary life, including employment;

24 “(iii) requests for examples of policies,
25 practices, procedures, or regulations, that

1 have enhanced or may enhance access to
2 funding for assistive technology devices
3 and assistive technology services for indi-
4 viduals with disabilities;

5 “(iv) requests for information on ef-
6 fective approaches to enhance informed
7 choice and a consumer-directed State voca-
8 tional rehabilitation system;

9 “(v) requests for assistance developing
10 corrective action plans;

11 “(vi) requests for assistance in devel-
12 oping and implementing effective data col-
13 lection and reporting systems that measure
14 the outcomes of the vocational rehabilita-
15 tion services, and preparing reports for the
16 Commissioner as described in section
17 106(b)(1); and

18 “(vii) requests for information on ef-
19 fective approaches that enhance employ-
20 ment outcomes for individuals with disabil-
21 ities, including conducting outreach and
22 forming partnerships with business and in-
23 dustry; and

24 “(B) provides State-specific, regional, and
25 national training and technical assistance con-

1 cerning vocational rehabilitation services and
2 related information to designated State agen-
3 cies, including—

4 “(i) facilitating onsite and electronic
5 information sharing using state-of-the-art
6 Internet technologies such as real-time on-
7 line discussions, multipoint video confer-
8 encing, and web-based audio/video broad-
9 casts, on emerging topics that affect voca-
10 tional rehabilitation programs authorized
11 under title I;

12 “(ii) enabling the designated State
13 agencies to coordinate training and data
14 collection efforts with one-stop centers es-
15 tablished under section 121(e) of the
16 Workforce Investment Act of 1998 (29
17 U.S.C. 2841(e));

18 “(iii) enabling the designated State
19 agencies to provide information on how the
20 vocational rehabilitation programs author-
21 ized under title I can provide technical as-
22 sistance to the one-stop centers on making
23 programs offered through the centers phys-
24 ically and programmatically accessible to
25 individuals with disabilities;

1 “(iv) sharing evidence-based and
2 promising practices among the vocational
3 rehabilitation programs;

4 “(v) maintaining an accessible website
5 that includes links to—

6 “(I) the vocational rehabilitation
7 programs;

8 “(II) appropriate Federal depart-
9 ments and agencies, and private asso-
10 ciations;

11 “(III) State assistive technology
12 device and assistive technology service
13 demonstration programs, device loan
14 programs, device reutilization pro-
15 grams, alternative financing systems,
16 or State financing activities, operated
17 through, or independently of, com-
18 prehensive statewide programs of
19 technology-related assistance carried
20 out under section 4 of the Assistive
21 Technology Act of 1998 (29 U.S.C.
22 3003), telework programs, and other
23 programs that provide sources of
24 funding for assistive technology de-
25 vices; and

1 “(IV) various programs, includ-
2 ing programs with tax credits, avail-
3 able to employers for hiring or accom-
4 modating employees who are individ-
5 uals with disabilities;

6 “(vi) enhancing employment outcomes
7 for individuals with mental illness and indi-
8 viduals with cognitive disabilities;

9 “(vii) convening experts from the vo-
10 cational rehabilitation programs to discuss
11 and make recommendations with regard to
12 the employment of individuals with disabil-
13 ities and national emerging issues of im-
14 portance to individuals with vocational re-
15 habilitation needs;

16 “(viii) enabling the designated State
17 agencies to provide practical information
18 on effective approaches for business and
19 industry to use in employing individuals
20 with disabilities, including provision of rea-
21 sonable accommodations;

22 “(ix) providing information on other
23 emerging issues concerning the delivery of
24 publicly funded employment and training
25 services and supports to assist individuals

1 with disabilities to enter the workforce,
2 achieve improved outcomes, and become
3 economically self-sufficient; and

4 “(x) carrying out such other activities
5 as the Secretary may require.

6 “(2) ELIGIBLE ENTITIES.—To be eligible to re-
7 ceive a grant, contract, or cooperative agreement
8 under this subsection, an entity shall have (or agree
9 to award a grant or contract to an entity that
10 has)—

11 “(A) experience and expertise in admin-
12 istering vocational rehabilitation services;

13 “(B) documented experience with and
14 knowledge about self-employment, business
15 ownership, business development, and other
16 types of entrepreneurial employment opportuni-
17 ties and outcomes for individuals with disabili-
18 ties, providing transition services for students
19 with disabilities, and assistive technology; and

20 “(C) the expertise necessary to identify the
21 additional data elements needed to provide com-
22 prehensive reporting of activities and outcomes
23 of the vocational rehabilitation programs au-
24 thorized under title I, and experience in uti-
25 lizing data to provide annual reports.

1 “(3) COLLABORATION.—In developing and pro-
2 viding training and technical assistance under this
3 subsection, a recipient of a grant, contract, or coop-
4 erative agreement under this subsection shall col-
5 laborate with other organizations, in particular—

6 “(A) agencies carrying out vocational reha-
7 bilitation programs under title I and national
8 organizations representing such programs;

9 “(B) organizations representing individuals
10 with disabilities;

11 “(C) organizations representing State offi-
12 cials and agencies engaged in the delivery of as-
13 sistive technology;

14 “(D) relevant employees from Federal de-
15 partments and agencies, other than the Depart-
16 ment of Education;

17 “(E) representatives of businesses;

18 “(F) individuals with disabilities who use
19 assistive technology and understand the bar-
20 riers to the acquisition of such technology and
21 assistive technology services; and

22 “(G) family members, guardians, advo-
23 cates, and authorized representatives of such
24 individuals.”;

1 (4) by inserting after subsection (g), as redesignated by paragraph (2), the following:

2 “(h) ACCESS TO TELEWORK.—

3 “(1) DEFINITION OF TELEWORK.—In this subsection, the term ‘telework’ means work from home and other telework sites with the assistance of a computer and with reasonable accommodations, including the necessary equipment to facilitate successful work from home and other telework sites.

4 “(2) AUTHORIZATION OF PROGRAM.—The Commissioner is authorized to make grants to States and governing bodies of Indian tribes located on Federal and State reservations (and consortia of such governing bodies) to pay for the Federal share of the cost of establishing or expanding a telework program.

5 “(3) APPLICATION.—A State or Indian tribe that desires to receive a grant under this subsection shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require.

6 “(4) USE OF FUNDS.—

7 “(A) IN GENERAL.—A State or Indian tribe that receives a grant under this subsection shall establish or expand a telework program

1 that shall provide assistance through loans or
2 other alternative financing mechanisms to indi-
3 viduals with disabilities. The State or Indian
4 tribe shall provide the assistance through the
5 program to enable such individuals to purchase
6 computers or other equipment, including adapt-
7 ive equipment, to facilitate access to employ-
8 ment and enhance employment outcomes by
9 providing the individual with the opportunity—

10 “(i) to work from home or other
11 telework sites so that such individuals are
12 able to telework; or

13 “(ii) to become self-employed on a
14 full-time or part-time basis from home or
15 other telework sites.

16 “(B) DEVELOPMENT OF TELEWORK OP-
17 PORTUNITIES AND BUSINESS PLANS.—A State
18 or Indian tribe that receives a grant under this
19 subsection may use not more than 10 percent
20 of the grant award to develop telework opportu-
21 nities with employers and assist in the develop-
22 ment of business plans for individuals with dis-
23 abilities interested in self-employment, before
24 such individuals apply for assistance through
25 the telework program.

1 “(C) SELF EMPLOYMENT.—A State or In-
2 dian tribe that receives a grant under this sub-
3 section shall enter into cooperative agreements
4 with small business development centers for the
5 development of business plans as described in
6 section 103(a)(13) for individuals described in
7 subparagraph (B), and provide assurances that
8 the State or Indian tribe will, through plans to
9 achieve self-support, vocational rehabilitation
10 services, or other means, identify ways for the
11 individuals described in subparagraph (B) to
12 pay for the development of business plans, be-
13 fore such individuals apply for assistance
14 through the telework program.

15 “(D) DEFINITIONS.—In this paragraph:

16 “(i) PLAN TO ACHIEVE SELF-SUP-
17 PORT.—The term ‘plan to achieve self-sup-
18 port’ means a plan described in sections
19 416.1180 through 416.1182 of title 20,
20 Code of Federal Regulations (or any cor-
21 responding similar regulation or ruling).

22 “(ii) SMALL BUSINESS DEVELOPMENT
23 CENTER.—The term ‘small business devel-
24 opment center’ means a center established

1 under section 21 of the Small Business Act
2 (15 U.S.C. 648).

3 “(5) FEDERAL SHARE.—The Federal share of
4 the cost of establishing or expanding a telework pro-
5 gram under this section shall be 10 percent of the
6 cost.

7 “(6) EXISTING GRANT RECIPIENTS.—An entity
8 that receives a grant under the Access to Telework
9 Fund Program under subsection (b) for a fiscal year
10 may use the funds made available through that
11 grant for that fiscal year in accordance with this
12 subsection rather than subsection (b).

13 “(7) ANNUAL REPORT.—

14 “(A) IN GENERAL.—A State or Indian
15 tribe that receives a grant under this subsection
16 shall prepare and submit an annual report to
17 the Commissioner.

18 “(B) CONTENTS.—The report under sub-
19 paragraph (A) shall include the following:

20 “(i) Information on the characteristics
21 of each individual with a disability that re-
22 ceives assistance through a loan or other
23 alternative financing mechanism under the
24 program, including information about the
25 individual such as the following:

1 “(I) Age.

2 “(II) Ethnicity.

3 “(III) Employment status at the
4 time of application for assistance
5 through a loan or other alternative fi-
6 nancing mechanism under this sub-
7 section.

8 “(IV) Whether the individual at-
9 tempted to secure financial support
10 from other sources to enable the indi-
11 vidual to telework and, if so, a de-
12 scription of such sources.

13 “(V) Whether the individual is
14 working and, if so, whether the indi-
15 vidual teleworks, the occupation in
16 which the individual is working, the
17 hourly salary the individual receives,
18 and the hourly salary of the individual
19 prior to receiving assistance through a
20 loan or other alternative financing
21 mechanism under the program.

22 “(VI) Whether the individual has
23 repaid assistance from the loan or
24 other alternative financing mechanism
25 received under the program, is in re-

1 payment status, is delinquent on re-
2 payments, or has defaulted on the as-
3 sistance from the loan or other alter-
4 native financing mechanism.

5 “(ii) An analysis of the individuals
6 with disabilities that have benefited from
7 the program.

8 “(iii) Any other information that the
9 Commissioner may require.”; and

10 (5) in subsection (i), as redesignated by para-
11 graph (2)—

12 (A) by striking “this section” and inserting
13 “this section (other than subsections (c) and
14 (d))”; and

15 (B) by striking “fiscal years 1999 through
16 2003” and inserting “fiscal years 2006 through
17 2011”.

18 **SEC. 443. DISABILITY CAREER PATHWAYS PROGRAM.**

19 Section 303 of the Rehabilitation Act of 1973 (29
20 U.S.C. 773) is amended—

21 (1) by redesignating subsection (i) (as redesign-
22 ated by section 442(2) as subsection (j)); and

23 (2) by inserting after subsection (h) the fol-
24 lowing new subsection:

1 “(i) GRANTS FOR DISABILITY CAREER PATHWAYS
2 PROGRAM.—

3 “(1) DEFINITIONS.—In this subsection:

4 “(A) ASSISTIVE TECHNOLOGY.—The term
5 ‘assistive technology’ has the meaning given the
6 term in section 3 of the Assistive Technology
7 Act of 1998 (29 U.S.C. 3002).

8 “(B) CENTER FOR INDEPENDENT LIV-
9 ING.—The term ‘center for independent living’
10 means a center for independent living funded
11 under subtitle C of title VII.

12 “(C) COVERED INSTITUTION.—The term
13 ‘covered institution’ means—

14 “(i) a secondary school; and

15 “(ii) in the discretion of the eligible
16 consortium involved, an institution of high-
17 er education.

18 “(D) ELIGIBLE CONSORTIUM.—The term
19 ‘eligible consortium’ means a consortium de-
20 scribed in paragraph (3)(A).

21 “(E) SECONDARY SCHOOL.—The term
22 ‘secondary school’ has the meaning given the
23 term in section 9101 of the Elementary and
24 Secondary Education Act of 1965 (20 U.S.C.
25 7801).

1 “(2) PURPOSE OF PROGRAM.—The Commis-
2 sioner may establish a Disability Career Pathways
3 program, through which the Commissioner may
4 make grants, for periods of up to 5 years, to institu-
5 tions of higher education that establish eligible con-
6 sortia, to enable the consortia to develop and carry
7 out training and education related to disability stud-
8 ies and leadership development. The consortia shall
9 provide the training and education for the purpose
10 of providing career pathways for students at a cov-
11 ered institution, in fields pertinent to individuals
12 with disabilities, and particularly pertinent to the
13 employment of individuals with disabilities.

14 “(3) APPLICATION.—To be eligible to receive a
15 grant under this subsection on behalf of a consor-
16 tium, an institution of higher education shall submit
17 an application to the Secretary at such time, in such
18 manner, and containing such information as the Sec-
19 retary may require, including information dem-
20 onstrating—

21 “(A) that the institution of higher edu-
22 cation has established a consortium of members
23 that represent—

24 “(i) the institution of higher edu-
25 cation;

1 “(ii) a community college;

2 “(iii) a secondary school;

3 “(iv) a center for independent living;

4 “(v) a designated State agency;

5 “(vi) a one-stop center established

6 under section 121(e) of the Workforce In-

7 vestment Act of 1998 (29 U.S.C. 2841(e));

8 and

9 “(vii) the local business community;

10 “(B) the collaborative working relation-

11 ships between the institution of higher edu-

12 cation and the other members of the consor-

13 tium, and describing the activities that each

14 member shall undertake; and

15 “(C) the capacity and expertise of the in-

16 stitution of higher education—

17 “(i) to coordinate training and edu-

18 cation related to disability studies and

19 leadership development with educational

20 institutions and disability-related organiza-

21 tions; and

22 “(ii) to conduct such training and

23 education effectively.

24 “(4) DISTRIBUTION OF GRANTS.—In making

25 grants under this subsection, the Commissioner shall

1 ensure that the grants shall be distributed for a geo-
2 graphically diverse set of eligible consortia through-
3 out all regions.

4 “(5) MANDATORY USES OF FUNDS.—An insti-
5 tution of higher education that receives a grant
6 under this subsection on behalf of a consortium shall
7 ensure that the consortium shall use the grant funds
8 to—

9 “(A) encourage interest in, enhance aware-
10 ness and understanding of, and provide edu-
11 cational opportunities in, disability-related
12 fields, and encourage leadership development
13 among students at a covered institution, includ-
14 ing such students who are individuals with dis-
15 abilities;

16 “(B) enable the students at a covered in-
17 stitution to gain practical skills and identify
18 work experience opportunities, including oppor-
19 tunities developed by the consortium in conjunc-
20 tion with the private sector, that benefit individ-
21 uals with disabilities;

22 “(C) develop postsecondary school career
23 pathways leading to gainful employment, the at-
24 tainment of an associate or baccalaureate de-

1 gree, or the completion of further coursework or
2 a further degree, in a disability-related field;

3 “(D) offer credit-bearing, college-level
4 coursework in a disability-related field to quali-
5 fied students at a covered institution; and

6 “(E) ensure faculty and staff employed by
7 the members are available to students at a cov-
8 ered institution for educational and career ad-
9 vising, and to teachers and staff at a covered
10 institution for disability-related training.

11 “(6) PERMISSIBLE USES OF FUNDS.—An insti-
12 tution of higher education that receives a grant
13 under this subsection on behalf of a consortium may
14 permit the consortium to use the grant funds to as-
15 sess the feasibility of developing or adapting disabil-
16 ities studies curricula, including curricula with dis-
17 tance learning opportunities, for use at institutions
18 of higher education.

19 “(7) CONSULTATION.—The consortium shall
20 consult with appropriate agencies that serve or assist
21 individuals with disabilities, and the parents, family
22 members, guardians, advocates, or authorized rep-
23 resentatives of the individuals, located in the juris-
24 diction served by the consortium, concerning the

1 program of education and training carried out by
2 the consortium.

3 “(8) REVIEWS.—

4 “(A) ADVISORY COMMITTEE.—For an in-
5 stitution of higher education to be eligible to re-
6 ceive a grant under this subsection on behalf of
7 a consortium, the consortium shall have an ad-
8 visory committee that consists of members that
9 represent the interests of individuals with dis-
10 abilities, including—

11 “(i) a professional in the field of voca-
12 tional rehabilitation;

13 “(ii) an individual with a disability or
14 a family member of such an individual;
15 and

16 “(iii) a representative of each type of
17 entity or community represented on the
18 consortium.

19 “(B) QUARTERLY REVIEWS.—The advisory
20 committee shall meet at least once during each
21 calendar quarter to conduct a review of the pro-
22 gram of education and training carried out by
23 the consortium. The committee shall directly
24 advise the governing board of the institution of
25 higher education in the consortium about the

1 views and recommendations of the advisory
2 committee resulting from the review.

3 “(9) ACCOUNTABILITY.—Every 2 years, the
4 Commissioner shall—

5 “(A) using information collected from the
6 reviews required in paragraph (8), assess the
7 effectiveness of the Disability Career Pathways
8 program carried out under this subsection, in-
9 cluding assessing how many individuals were
10 served by each eligible consortium and how
11 many of those individuals received postsec-
12 ondary education, or entered into employment,
13 in a disability-related field; and

14 “(B) prepare and submit to Congress a re-
15 port containing the results of the assessments
16 described in subparagraph (A).”.

17 **SEC. 444. MIGRANT AND SEASONAL FARMWORKERS.**

18 Section 304(b) of the Rehabilitation Act of 1973 (29
19 U.S.C. 774(b)) is amended by striking “fiscal years 1999
20 through 2003” and inserting “fiscal years 2006 through
21 2011”.

22 **SEC. 445. RECREATIONAL PROGRAMS.**

23 Section 305 of the Rehabilitation Act of 1973 (29
24 U.S.C. 775) is amended—

1 (1) in subsection (a)(1)(B), by striking “con-
2 struction of facilities for aquatic rehabilitation ther-
3 apy,”; and

4 (2) in subsection (b), by striking “fiscal years
5 1999 through 2003” and inserting “fiscal years
6 2006 through 2011”.

7 **Subtitle D—National Council on** 8 **Disability**

9 **SEC. 451. AUTHORIZATION OF APPROPRIATIONS.**

10 Section 405 of the Rehabilitation Act of 1973 (29
11 U.S.C. 785) is amended by striking “fiscal years 1999
12 through 2003” and inserting “fiscal years 2006 through
13 2011”.

14 **Subtitle E—Rights and Advocacy**

15 **SEC. 461. ARCHITECTURAL AND TRANSPORTATION BAR-** 16 **RIERS COMPLIANCE BOARD.**

17 Section 502(j) of the Rehabilitation Act of 1973 (29
18 U.S.C. 792(j)) is amended by striking “fiscal years 1999
19 through 2003” and inserting “fiscal years 2006 through
20 2011”.

21 **SEC. 462. PROTECTION AND ADVOCACY OF INDIVIDUAL** 22 **RIGHTS.**

23 Section 509 of the Rehabilitation Act of 1973 (29
24 U.S.C. 794e) is amended—

1 (1) in subsection (c)(1)(A), by inserting “a
2 grant for” after “to provide”;

3 (2) in subsection (g)(2), by striking “was paid”
4 and inserting “was paid, except that program in-
5 come generated from the amount paid to an eligible
6 system shall remain available to such system until
7 expended”; and

8 (3) in subsection (l), by striking “fiscal years
9 1999 through 2003” and inserting “fiscal years
10 2006 through 2011”.

11 **Subtitle F—Employment Opportu-**
12 **nities for Individuals With Dis-**
13 **abilities**

14 **SEC. 471. PROJECTS WITH INDUSTRY.**

15 Section 611(a) of the Rehabilitation Act of 1973 (29
16 U.S.C. 795(a)) is amended—

17 (1) in paragraph (1), by inserting “, locally and
18 nationally” before the period at the end; and

19 (2) in paragraph (2)—

20 (A) in the matter preceding subparagraph
21 (A), by inserting “local and national” before
22 “Projects With Industry”; and

23 (B) in subparagraph (A)—

24 (i) in clause (iii), by striking “and”
25 after the semicolon;

1 (ii) in clause (iv), by inserting “and”
2 after the semicolon; and

3 (iii) by adding at the end the fol-
4 lowing:

5 “(v) coordinate activities with the Job
6 Corps center industry councils established
7 under section 154 of the Workforce Investment
8 Act of 1998 (29 U.S.C. 2894);”.

9 **SEC. 472. PROJECTS WITH INDUSTRY AUTHORIZATION OF**
10 **APPROPRIATIONS.**

11 Section 612 of the Rehabilitation Act of 1973 (29
12 U.S.C. 795a) is amended by striking “fiscal years 1999
13 through 2003” and inserting “fiscal years 2006 through
14 2011”.

15 **SEC. 473. SERVICES FOR INDIVIDUALS WITH SIGNIFICANT**
16 **DISABILITIES AUTHORIZATION OF APPRO-**
17 **PRIATIONS.**

18 Section 628 of the Rehabilitation Act of 1973 (29
19 U.S.C. 795n) is amended by striking “fiscal years 1999
20 through 2003” and inserting “fiscal years 2006 through
21 2011”.

1 **Subtitle G—Independent Living**
2 **Services and Centers for Inde-**
3 **pendent Living**

4 **SEC. 481. STATE PLAN.**

5 Section 704 of the Rehabilitation Act of 1973 (42
6 U.S.C. 795c) is amended by adding at the end the fol-
7 lowing:

8 “(o) PROMOTING FULL ACCESS TO COMMUNITY
9 LIFE.—

10 “(1) IN GENERAL.—The plan shall describe
11 how the State will provide independent living serv-
12 ices that promote full access to community life for
13 individuals with significant disabilities.

14 “(2) SERVICES.—The services shall include, as
15 appropriate—

16 “(A) facilitating transitions of—

17 “(i) youth who are individuals with
18 significant disabilities and have completed
19 individualized education programs under
20 section 614(d) of the Individuals with Dis-
21 abilities Education Act (20 U.S.C.
22 1414(d)) to postsecondary life, including
23 employment; and

24 “(ii) individuals with significant dis-
25 abilities from nursing homes and other in-

1 stitutions, including institutions serving in-
2 dividuals with cognitive disabilities, to com-
3 munity-based residences;

4 “(B) assisting individuals with significant
5 disabilities at risk of entering institutions to re-
6 main in the community; and

7 “(C) promoting home ownership among in-
8 dividuals with significant disabilities.”.

9 **SEC. 482. STATEWIDE INDEPENDENT LIVING COUNCIL.**

10 Section 705(b) of the Rehabilitation Act of 1973 (29
11 U.S.C. 796d(b)) is amended—

12 (1) in paragraph (2), by striking subparagraph
13 (C) and inserting the following:

14 “(C) in a State in which 1 or more
15 projects provide services under section 121, not
16 less than 1 representative of the directors of the
17 projects.”; and

18 (2) by striking paragraph (5) and inserting the
19 following:

20 “(5) CHAIRPERSON.—The Council shall select a
21 chairperson from among the voting membership of
22 the Council.”.

1 **SEC. 483. INDEPENDENT LIVING SERVICES AUTHORIZA-**
2 **TION OF APPROPRIATIONS.**

3 Section 714 of the Rehabilitation Act of 1973 (29
4 U.S.C. 796e-3) is amended by striking “fiscal years 1999
5 through 2003” and inserting “fiscal years 2006 through
6 2011”.

7 **SEC. 484. PROGRAM AUTHORIZATION.**

8 Section 721 of the Rehabilitation Act of 1973 (42
9 U.S.C. 796f) is amended—

10 (1) by striking subsection (c) and inserting the
11 following:

12 “(c) ALLOTMENTS TO STATES.—

13 “(1) DEFINITIONS.—In this subsection:

14 “(A) ADDITIONAL APPROPRIATION.—The
15 term ‘additional appropriation’ means the
16 amount (if any) by which the appropriation for
17 a fiscal year exceeds the total of—

18 “(i) the amount reserved under sub-
19 section (b) for that fiscal year; and

20 “(ii) the appropriation for fiscal year
21 2003.

22 “(B) APPROPRIATION.—The term ‘appro-
23 priation’ means the amount appropriated to
24 carry out this part.

25 “(C) BASE APPROPRIATION.—The term
26 ‘base appropriation’ means the portion of the

1 appropriation for a fiscal year that is equal to
2 the lesser of—

3 “(i) an amount equal to 100 percent
4 of the appropriation, minus the amount re-
5 served under subsection (b) for that fiscal
6 year; or

7 “(ii) the appropriation for fiscal year
8 2003.

9 “(2) ALLOTMENTS TO STATES FROM BASE AP-
10 PROPRIATION.—After the reservation required by
11 subsection (b) has been made, the Commissioner
12 shall allot to each State whose State plan has been
13 approved under section 706 an amount that bears
14 the same ratio to the base appropriation as the
15 amount the State received under this subsection for
16 fiscal year 2003 bears to the total amount that all
17 States received under this subsection for fiscal year
18 2003.

19 “(3) ALLOTMENTS TO STATES OF ADDITIONAL
20 APPROPRIATION.—From any additional appropria-
21 tion for each fiscal year, the Commissioner shall
22 allot to each State whose State plan has been ap-
23 proved under section 706 an amount equal to the
24 sum of—

1 “(A) an amount that bears the same ratio
2 to 50 percent of the additional appropriation as
3 the population of the State bears to the popu-
4 lation of all States; and

5 “(B) $\frac{1}{56}$ of 50 percent of the additional
6 appropriation.”; and

7 (2) by adding at the end the following:

8 “(e) CARRYOVER AUTHORITY.—Notwithstanding any
9 other provision of law—

10 “(1) any funds appropriated for a fiscal year to
11 carry out a grant program under section 722 or
12 723, that are not obligated and expended by recipi-
13 ents prior to the beginning of the succeeding fiscal
14 year shall remain available for obligation and ex-
15 penditure by such recipients during that succeeding
16 fiscal year and the subsequent fiscal year; and

17 “(2) any amounts of program income received
18 by recipients under a grant program under section
19 722 or 723 in a fiscal year, that are not obligated
20 and expended by recipients prior to the beginning of
21 the succeeding fiscal year, shall remain available for
22 obligation and expenditure by such recipients during
23 that succeeding fiscal year and the subsequent fiscal
24 year.”.

1 **SEC. 485. GRANTS TO CENTERS FOR INDEPENDENT LIVING**
2 **IN STATES IN WHICH FEDERAL FUNDING EX-**
3 **CEEDS STATE FUNDING.**

4 Section 722(c) of the Rehabilitation Act of 1973 (29
5 U.S.C. 796f-1(c)) is amended—

6 (1) by striking “grants” and inserting “grants
7 for a fiscal year”; and

8 (2) by striking “by September 30, 1997” and
9 inserting “for the preceding fiscal year”.

10 **SEC. 486. GRANTS TO CENTERS FOR INDEPENDENT LIVING**
11 **IN STATES IN WHICH STATE FUNDING**
12 **EQUALS OR EXCEEDS FEDERAL FUNDING.**

13 Section 723(c) of the Rehabilitation Act of 1973 (29
14 U.S.C. 796f-2(c)) is amended—

15 (1) by striking “grants” and inserting “grants
16 for a fiscal year”; and

17 (2) by striking “by September 30, 1997” and
18 inserting “for the preceding fiscal year”.

19 **SEC. 487. STANDARDS AND ASSURANCES FOR CENTERS**
20 **FOR INDEPENDENT LIVING.**

21 Section 725(b) of the Rehabilitation Act of 1973 (29
22 U.S.C. 796f-4(b)) is amended by adding at the end the
23 following:

24 “(8) PROMOTING FULL ACCESS TO COMMUNITY
25 LIFE.—

1 “(A) IN GENERAL.—The center shall pro-
2 vide independent living services that promote
3 full access to community life for individuals
4 with significant disabilities.

5 “(B) SERVICES.—The services shall in-
6 clude, as appropriate—

7 “(i) facilitating transitions of—

8 “(I) youth who are individuals
9 with significant disabilities and have
10 completed individualized education
11 programs under section 614(d) of the
12 Individuals with Disabilities Edu-
13 cation Act (20 U.S.C. 1414(d)) to
14 postsecondary life, including employ-
15 ment; and

16 “(II) individuals with significant
17 disabilities from nursing homes and
18 other institutions, including institu-
19 tions serving individuals with cognitive
20 disabilities, to community-based resi-
21 dences;

22 “(ii) assisting individuals with signifi-
23 cant disabilities at risk of entering institu-
24 tions to remain in the community; and

1 “(iii) promoting home ownership
2 among individuals with significant disabili-
3 ties.”.

4 **SEC. 488. CENTERS FOR INDEPENDENT LIVING AUTHORIZA-**
5 **TION OF APPROPRIATIONS.**

6 Section 727 of the Rehabilitation Act of 1973 (29
7 U.S.C. 796f-6) is amended by striking “fiscal years 1999
8 through 2003” and inserting “fiscal years 2006 through
9 2011”.

10 **SEC. 489. INDEPENDENT LIVING SERVICES FOR OLDER IN-**
11 **DIVIDUALS WHO ARE BLIND.**

12 Chapter 2 of title VII of the Rehabilitation Act of
13 1973 (29 U.S.C. 796j et seq.) is amended—

14 (1) by redesignating sections 752 and 753 as
15 sections 753 and 754, respectively; and

16 (2) by inserting after section 751 the following:

17 **“SEC. 752. TRAINING AND TECHNICAL ASSISTANCE.**

18 “(a) GRANTS; CONTRACTS; OTHER ARRANGE-
19 MENTS.—For any fiscal year for which the funds appro-
20 priated to carry out this chapter exceed the funds appro-
21 priated to carry out this chapter for fiscal year 2003, the
22 Commissioner shall first reserve from such excess, to pro-
23 vide training and technical assistance to designated State
24 agencies for such fiscal year, not less than 1.8 percent,

1 and not more than 2 percent, of the funds appropriated
2 to carry out this chapter for the fiscal year involved.

3 “(b) ALLOCATION.—From the funds reserved under
4 subsection (a), the Commissioner shall make grants to,
5 and enter into contracts and other arrangements with, en-
6 tities that demonstrate expertise in the provision of serv-
7 ices to older individuals who are blind to provide training
8 and technical assistance with respect to planning, devel-
9 oping, conducting, administering, and evaluating inde-
10 pendent living programs for older individuals who are
11 blind.

12 “(c) FUNDING PRIORITIES.—The Commissioner shall
13 conduct a survey of designated State agencies that receive
14 grants under section 753 regarding training and technical
15 assistance needs in order to determine funding priorities
16 for grants, contracts, and other arrangements under this
17 section.

18 “(d) REVIEW.—To be eligible to receive a grant or
19 enter into a contract or other arrangement under this sec-
20 tion, an entity shall submit an application to the Commis-
21 sioner at such time, in such manner, containing a proposal
22 to provide such training and technical assistance, and con-
23 taining such additional information as the Commissioner
24 may require.

1 “(e) PROHIBITION ON COMBINED FUNDS.—No funds
2 reserved by the Commissioner under this section may be
3 combined with funds appropriated under any other Act or
4 part of this Act if the purpose of combining funds is to
5 make a single discretionary grant or a single discretionary
6 payment, unless such reserved funds are separately identi-
7 fied in the agreement for such grant or payment and are
8 used for the purposes of this chapter.”.

9 **SEC. 490. PROGRAM OF GRANTS.**

10 Section 753 of the Rehabilitation Act of 1973, as re-
11 designated by section 489, is amended—

12 (1) by striking subsection (h);

13 (2) by redesignating subsections (i) and (j) as
14 subsections (h) and (i), respectively;

15 (3) in subsection (b), by striking “section 753”
16 and inserting “section 754”;

17 (4) in subsection (c)—

18 (A) in paragraph (1), by striking “section
19 753” and inserting “section 754”; and

20 (B) in paragraph (2)—

21 (i) by striking “subsection (j)” and in-
22 serting “subsection (i)”; and

23 (ii) by striking “subsection (i)” and
24 inserting “subsection (h)”;

1 (5) in subsection (g), by inserting “, or con-
2 tracts with,” after “grants to”;

3 (6) in subsection (h), as redesignated by para-
4 graph (2)—

5 (A) in paragraph (1), by striking “sub-
6 section (j)(4)” and inserting “subsection
7 (i)(4)”; and

8 (B) in paragraph (2)—

9 (i) in subparagraph (A)(vi), by adding
10 “and” after the semicolon;

11 (ii) in subparagraph (B)(ii)(III), by
12 striking “; and” and inserting a period;
13 and

14 (iii) by striking subparagraph (C);

15 and

16 (7) in subsection (i), as redesignated by para-
17 graph (2)—

18 (A) by striking paragraph (2) and insert-
19 ing the following:

20 “(2) MINIMUM ALLOTMENT.—

21 “(A) STATES.—In the case of any of the
22 several States, the District of Columbia, or the
23 Commonwealth of Puerto Rico, the amount re-
24 ferred to in paragraph (1)(A) for a fiscal year
25 is the greater of—

1 “(i) \$350,000;

2 “(ii) an amount equal to the amount
3 the State, the District of Columbia, or the
4 Commonwealth of Puerto Rico received to
5 carry out this chapter for fiscal year 2003;
6 or

7 “(iii) an amount equal to $\frac{1}{3}$ of 1 per-
8 cent of the amount appropriated under sec-
9 tion 754, and not reserved under section
10 752, for the fiscal year and available for
11 allotments under subsection (a).

12 “(B) CERTAIN TERRITORIES.—In the case
13 of Guam, American Samoa, the United States
14 Virgin Islands, or the Commonwealth of the
15 Northern Mariana Islands, the amount referred
16 to in paragraph (1)(A) for a fiscal year is
17 \$60,000.”;

18 (B) in paragraph (3)(A), by striking “sec-
19 tion 753” and inserting “section 754, and not
20 reserved under section 752,”; and

21 (C) in paragraph (4)(B)(i), by striking
22 “subsection (i)” and inserting “subsection (h)”.

1 cation shall, at the discretion of the Secretary, take such
2 actions as the Secretary determines to be appropriate to
3 provide for the orderly implementation of titles II and IV
4 of this Act.

5 **SEC. 502. EFFECTIVE DATE.**

6 Except as otherwise provided in this Act, this Act and
7 the amendments made by this Act shall take effect on the
8 date of enactment of this Act.

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