

109TH CONGRESS
1ST SESSION

H. R. 27

AN ACT

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

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

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Job Training Improve-
 5 ment Act of 2005”.

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1 **SEC. 3. REFERENCES.**

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

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

11 **SEC. 101. DEFINITIONS.**

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

1 (1) by striking paragraphs (13) and (24) and
2 redesignating paragraphs (1) through (12) as para-
3 graphs (3) through (14), and paragraphs (14)
4 through (23) as paragraphs (15) through (24), re-
5 spectively;

6 (2) by inserting after “In this title:” the fol-
7 lowing new paragraphs:

8 “(1) ACCRUED EXPENDITURES.—The term ‘ac-
9 crued expenditures’ means charges incurred by re-
10 cipients of funds under this title for a given period
11 requiring the provision of funds for goods or other
12 tangible property received; services performed by
13 employees, contractors, subgrantees, and other pay-
14 ees; and other amounts becoming owed under pro-
15 grams assisted under this title for which no current
16 services or performance is required, such as annu-
17 ities, insurance claims, and other benefit payments.

18 “(2) ADMINISTRATIVE COSTS.—The term ‘ad-
19 ministrative costs’ means expenditures incurred by
20 State and local workforce investment boards, direct
21 recipients (including State grant recipients under
22 subtitle B and recipients of awards under subtitle
23 D), local grant recipients, local fiscal agents or local
24 grant subrecipients, and one-stop operators in the
25 performance of administrative functions and in car-

1 rying out activities under this title which are not re-
2 lated to the direct provision of workforce investment
3 services (including services to participants and em-
4 ployers). Such costs include both personnel and non-
5 personnel and both direct and indirect.”;

6 (3) in paragraph (6) (as so redesignated), by
7 inserting “(or such other level as the Governor may
8 establish)” after “8th grade level”;

9 (4) in paragraph (10) (as so redesignated)—

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

12 (B) in subparagraph (C)—

13 (i) by striking “not less than 50 per-
14 cent of the cost of the training” and in-
15 serting “a significant portion of the cost of
16 training, as determined by the local
17 board”; and

18 (ii) by striking the period and insert-
19 ing “; and”; and

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

21 “(D) in the case of customized training
22 with an employer in multiple local areas in the
23 State, for which such employer pays a signifi-
24 cant portion of the cost of the training, as de-
25 termined by the Governor.”;

1 (5) in paragraph (11)(A)(ii)(II) (as so redesign-
2 nated) by striking “section 134(c)” and inserting
3 “section 121(e)”;

4 (6) in paragraph (14)(A) (as so redesignated)
5 by striking “section 122(e)(3)” and inserting “sec-
6 tion 122”;

7 (7) in paragraph (25)—

8 (A) in subparagraph (B), by striking
9 “higher of—” and all that follows through
10 clause (ii) and inserting “poverty line for an
11 equivalent period;” and

12 (B) by redesignating subparagraphs (D)
13 through (F) as subparagraphs (E) through (G),
14 respectively, and inserting after subparagraph
15 (C) the following:

16 “(D) receives or is eligible to receive free
17 or reduced price lunch under the Richard B.
18 Russell National School Lunch Act (42 U.S.C.
19 1751 et seq.);”;

20 (8) in paragraph (32) by striking “the Republic
21 of the Marshall Islands, the Federated States of Mi-
22 cronesia,”; and

23 (9) by striking paragraph (33) and redesign-
24 ating paragraphs (34) through (53) as paragraphs
25 (33) through (52), respectively.

1 **SEC. 102. PURPOSE.**

2 Section 106 (29 U.S.C. 2811) is amended by insert-
3 ing at the end the following: “It is also the purpose of
4 this subtitle to provide workforce investment activities in
5 a manner that promotes the informed choice of partici-
6 pants and actively involves participants in decisions affect-
7 ing their participation in such activities.”.

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

9 (a) MEMBERSHIP.—

10 (1) IN GENERAL.—Section 111(b) (29 U.S.C.
11 2821(b)) is amended—

12 (A) by amending paragraph (1)(C) to read
13 as follows:

14 “(C) representatives appointed by the Gov-
15 ernor, who are—

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

21 “(II) in any case in which no lead
22 State agency official has responsibility for
23 such a program or activity, a representa-
24 tive in the State with expertise relating to
25 such program or activity; and

1 “(III) if not included under subclause
2 (I), the director of the State unit, defined
3 in section 7(8)(B) of the Rehabilitation
4 Act of 1973 (29 U.S.C. 705(8)(B)) except
5 that in a State that has established 2 or
6 more designated State units to administer
7 the vocational rehabilitation program, the
8 board representative shall be the director
9 of the designated State unit that serves the
10 most individuals with disabilities in the
11 State;

12 “(ii) the State agency officials respon-
13 sible for economic development;

14 “(iii) representatives of business in
15 the State who—

16 “(I) are owners of businesses,
17 chief executive or operating officers of
18 businesses, and other business execu-
19 tives or employers with optimum pol-
20 icy making or hiring authority, includ-
21 ing members of local boards described
22 in section 117(b)(2)(A)(i);

23 “(II) represent businesses with
24 employment opportunities that reflect

1 employment opportunities in the
2 State; and

3 “(III) are appointed from among
4 individuals nominated by State busi-
5 ness organizations and business trade
6 associations;

7 “(iv) chief elected officials (rep-
8 resenting both cities and counties, where
9 appropriate);

10 “(v) representatives of labor organiza-
11 tions, who have been nominated by State
12 labor federations; and

13 “(vi) such other representatives and
14 State agency officials as the Governor may
15 designate.”; and

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

19 (2) CONFORMING AMENDMENT.—Section
20 111(c) (29 U.S.C 2811(c)) is amended by striking
21 “subsection (b)(1)(C)(i)” and inserting “subsection
22 (b)(1)(C)(iii)”.

23 (b) FUNCTIONS.—Section 111(d) (29 U.S.C.
24 2811(d)) is amended—

1 (1) in paragraph (2), by striking “section
2 134(c)” and inserting “section 121(e)”;

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

5 “(3) development and review of statewide poli-
6 cies affecting the integrated provision of services
7 through the one-stop delivery system described in
8 section 121, including—

9 “(A) the development of criteria for, and
10 the issuance of, certifications of one-stop cen-
11 ters;

12 “(B) the criteria for the allocation of one-
13 stop center infrastructure funding under section
14 121(h), and oversight of the use of such funds;

15 “(C) approaches to facilitating equitable
16 and efficient cost allocation in one-stop delivery
17 systems; and

18 “(D) such other matters that may promote
19 statewide objectives for, and enhance the per-
20 formance of, one-stop delivery systems within
21 the State;”;

22 (3) in paragraph (4), by inserting “and the de-
23 velopment of State criteria relating to the appoint-
24 ment and certification of local boards under section
25 117” after “section 116”;

1 (4) in paragraph (5), by striking “sections
2 128(b)(3)(B) and 133(b)(3)(B)” and inserting “sec-
3 tions 128(b)(3) and 133(b)(3)”;

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

6 (c) **ELIMINATION OF ALTERNATIVE ENTITY AND**
7 **PROVISION OF AUTHORITY TO HIRE STAFF.**—Section
8 111(e) (29 U.S.C. 2821(e)) is amended to read as follows:
9 “(e) **AUTHORITY TO HIRE STAFF.**—The State board
10 may hire staff to assist in carrying out the functions de-
11 scribed in subsection (d).”.

12 **SEC. 104. STATE PLAN.**

13 (a) **PLANNING CYCLE.**—Section 112(a) (29 U.S.C.
14 2822(a)) is amended by striking “5-year strategy” and in-
15 serting “2-year strategy”.

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

18 (1) 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)”;

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

23 (3) in paragraph (17)(A)—

24 (A) in clause (iii) by striking “and”;

1 (B) by amending clause (iv) to read as fol-
2 lows:

3 “(iv) how the State will serve the em-
4 ployment and training needs of dislocated
5 workers (including displaced homemakers
6 and formerly self-employed and
7 transitioning farmers, ranchers, and fisher-
8 man) low income individuals (including re-
9 cipients of public assistance), individuals
10 with limited English proficiency, homeless
11 individuals, ex-offenders, individuals train-
12 ing for nontraditional employment, and
13 other individuals with multiple barriers to
14 employment (including older individuals);
15 and”;

16 (C) by inserting after clause (iv) the fol-
17 lowing:

18 “(v) how the State will serve the em-
19 ployment and training needs of individuals
20 with disabilities, consistent with section
21 188 and Executive Order 13217 (42
22 U.S.C. 12131 note; relating to community-
23 based alternatives for individuals with dis-
24 abilities) including the provision of out-
25 reach, intake, assessments, and service de-

1 livery, the development of performance
2 measures, the training of staff, and other
3 aspects of accessibility to program services,
4 consistent with sections 504 and 508 of
5 the Rehabilitation Act of 1973; and”;

6 (4) in paragraph (18)(D), by striking “youth
7 opportunity grants” and inserting “youth challenge
8 grants”; and

9 (5) by adding at the end the following new
10 paragraphs:

11 “(19) a description of the methodology for de-
12 termining one-stop partner program contributions
13 for the cost of the infrastructure of one-stop centers
14 under section 121(h)(1) and of the formula for allo-
15 cating such infrastructure funds to local areas under
16 section 121(h)(3); and

17 “(20) a description of any programs and strate-
18 gies the State will utilize to meet the needs of busi-
19 nesses in the State, including small businesses,
20 which may include providing incentives and technical
21 assistance to assist local areas in engaging employ-
22 ers in local workforce development activities.”.

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

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

2 (a) DESIGNATION OF AREAS.—

3 (1) CONSIDERATIONS.—Section 116(a)(1)(B)
4 (29 U.S.C. 2831(a)(1)(B)) is amended by adding at
5 the end the following clause:

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

9 (2) AUTOMATIC DESIGNATION.—Section
10 116(a)(2) (29 U.S.C. 2831(a)(2)) is amended to
11 read as follows:

12 “(2) AUTOMATIC DESIGNATION.—

13 “(A) IN GENERAL.—Except as provided in
14 subparagraph (B) of this paragraph and sub-
15 section (b), the Governor shall approve a re-
16 quest for designation as a local area from—

17 “(i) any unit of general local govern-
18 ment with a population of 500,000 or
19 more; and

20 “(ii) an area served by a rural con-
21 centrated employment program grant re-
22 cipient that served as a service delivery
23 area or substate area under the Job Train-
24 ing Partnership Act (29 U.S.C. 1501 et
25 seq.),

1 for the 2-year period covered by a State plan
2 under section 112 if such request is made not
3 later than the date of the submission of the
4 State plan.

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

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

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

21 (a) COMPOSITION.—Section 117(b)(2)(A) (29 U.S.C.
22 2832(b)(2)(A)) is amended—

23 (1) in clause (i)(II), by inserting “, businesses
24 that are in the leading industries in the local area,

1 and large and small businesses in the local area”
2 after “local area”;

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

4 “(ii) a superintendent of the local sec-
5 ondary school system, an administrator of
6 an entity providing adult education and lit-
7 eracy activities that is not a one-stop part-
8 ner designated under section 121(b)(1)(B),
9 and the president or chief executive officer
10 of a postsecondary educational institution
11 serving the local area (including commu-
12 nity colleges, where such entities exist);”;

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

15 (4) by striking clause (vi).

16 (b) AUTHORITY OF BOARD MEMBERS.—Section
17 117(b)(3) (29 U.S.C. 2832(b) is amended—

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

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

23 (c) FUNCTIONS.—Section 117(d) (29 U.S.C.
24 2832(d)) is amended—

1 (1) in paragraph (2)(B), by striking “by award-
2 ing grants” and all that follows through “youth
3 council”; and

4 (2) in paragraph (4) by inserting “, and ensure
5 the appropriate use and management of the funds
6 provided under this title for such programs, activi-
7 ties, and system” after “area”.

8 (d) AUTHORITY TO ESTABLISH COUNCILS AND
9 ELIMINATION OF REQUIREMENT FOR YOUTH COUN-
10 CILS.—Section 117(h) (29 U.S.C. 2832(h)) is amended to
11 read as follows:

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

22 (e) REPEAL OF ALTERNATIVE ENTITY PROVISION.—
23 Section 117 (29 U.S.C. 2832) is further amended by strik-
24 ing subsection (i).

1 **SEC. 107. LOCAL PLAN.**

2 (a) **PLANNING CYCLE.**—Section 118(a) (29 U.S.C.
3 2833(a)) is amended by striking “5-year” and inserting
4 “2-year”.

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

7 (1) by amending paragraph (2) to read as fol-
8 lows:

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

16 (2) in paragraph (4), by striking “and dis-
17 located worker”;

18 (3) in paragraph (9), by striking “; and” and
19 inserting a semicolon; and

20 (4) by redesignating paragraph (10) as para-
21 graph (12) and inserting after paragraph (9) the fol-
22 lowing:

23 “(10) a description of the strategies and serv-
24 ices that will be initiated in the local area to engage
25 employers, including small employers, in workforce
26 development activities;

1 “(11) how the local area will serve the employ-
2 ment and training needs of individuals with disabil-
3 ities, consistent with section 188 and Executive
4 Order 13217 (42 U.S.C. 12131 *note*) including the
5 provision of outreach, intake, assessments, and serv-
6 ice delivery, the development of performance meas-
7 ures, the training of staff, and other aspects of ac-
8 cessibility to program services, consistent with sec-
9 tions 504 and 508 of the Rehabilitation Act of 1973;
10 and”.

11 **SEC. 108. ESTABLISHMENT OF ONE-STOP DELIVERY SYS-**
12 **TEMS.**

13 (a) ONE-STOP PARTNERS.—

14 (1) REQUIRED PARTNERS.—Section 121(b)(1)
15 (29 U.S.C. 2841(b)(1)) is amended—

16 (A) in subparagraph (B)—

17 (i) by striking clauses (ii) and (v);

18 (ii) by redesignating clauses (iii) and
19 (iv) as clauses (ii) and (iii), respectively,
20 and by redesignating clauses (vi) through
21 (xii) as clauses (iv) through (x), respec-
22 tively;

23 (iii) in clause (ix) (as so redesign-
24 ated), by striking “and” at the end;

1 (iv) in clause (x) (as so redesignated),
2 by striking the period and inserting “;
3 and”; and

4 (v) by inserting after clause (x)(as so
5 redesignated) the following:

6 “(xi) programs authorized under part
7 A of title IV of the Social Security Act (42
8 U.S.C. 601 et. seq.), subject to subpara-
9 graph (C).”; and

10 (B) by adding after subparagraph (B) the
11 following:

12 “(C) DETERMINATION BY THE GOV-
13 ERNOR.—The program referred to in clause (xi)
14 of subparagraph (B) shall be included as a re-
15 quired partner for purposes of this title in a
16 State unless the Governor of the State notifies
17 the Secretary and the Secretary of Health and
18 Human Services in writing of a determination
19 by the Governor not to include such programs
20 as required partners for purposes of this title in
21 the State.”.

22 (2) ADDITIONAL PARTNERS.—Section
23 121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is
24 amended—

1 (A) by striking clause (i) and redesignating
2 clauses (ii) through (v) as clauses (i) through
3 (iv) respectively;

4 (B) in clause (iii) (as so redesignated) by
5 striking “and” at the end;

6 (C) in clause (iv) (as so redesignated) by
7 striking the period and inserting a semicolon;
8 and

9 (D) by adding at the end the following new
10 clauses:

11 “(v) employment and training pro-
12 grams administered by the Social Security
13 Administration, including the Ticket to
14 Work program (established by Public Law
15 106–170);

16 “(vi) employment and training pro-
17 grams carried out by the Small Business
18 Administration;

19 “(vii) programs under part D of title
20 IV of the Social Security Act (42 U.S.C.
21 451 et seq.) (relating to child support en-
22 forcement);

23 “(viii) employment, training, and lit-
24 eracy services carried out by public librar-
25 ies; and

1 “(ix) programs carried out in the local
2 area for individuals with disabilities, in-
3 cluding programs carried out by State
4 agencies relating to mental health, mental
5 retardation, and developmental disabilities,
6 State Medicaid agencies, State Inde-
7 pendent Living Councils, and Independent
8 Living Centers.”.

9 (b) PROVISION OF SERVICES.—Subtitle B of title I
10 is amended—

11 (1) in section 121(d)(2), by striking “section
12 134(c)” and inserting “subsection (e)”;

13 (2) by striking subsection (e) of section 121;

14 (3) by moving subsection (c) of section 134
15 from section 134, redesignating such subsection as
16 subsection (e), and inserting such subsection (as so
17 redesignated) after subsection (d) of section 121;
18 and

19 (4) by amending subsection (e) of section 121
20 (as moved and redesignated by paragraph (2))—

21 (A) in paragraph (1)(A), by striking “sub-
22 section (d)(2)” and inserting “section
23 134(c)(2)”;

24 (B) in paragraph (1)(B)—

1 (i) by striking “subsection (d)” and
2 inserting “section 134(c)”; and

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

5 (C) in paragraph (1)(C), by striking “sub-
6 section (e)” and inserting “section 134(d)”;

7 (D) in paragraph (1)(D), by striking “sec-
8 tion 121(b)” and inserting “subsection (b)”;
9 and

10 (E) by amending paragraph (1)(E) to read
11 as follows:

12 “(E) shall provide access to the informa-
13 tion described in section 15(e) of the Wagner-
14 Peyser Act (29 U.S.C. 49l-2(e)).”.

15 (c) CERTIFICATION AND FUNDING OF ONE-STOP
16 CENTERS.—Section 121 (as amended by subsection (b))
17 is further amended by adding at the end the following new
18 subsections:

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

20 “(1) IN GENERAL.—The State board shall es-
21 tablish procedures and criteria for periodically certi-
22 fying one-stop centers for the purpose of awarding
23 the one-stop infrastructure funding described in sub-
24 section (h).

1 “(2) CRITERIA.—The criteria for certification
2 under this subsection shall include minimum stand-
3 ards relating to the scope and degree of service inte-
4 gration achieved by the centers involving the pro-
5 grams provided by the one-stop partners, and how
6 the centers ensure that such providers meet the em-
7 ployment needs of local employers and participants.

8 “(3) EFFECT OF CERTIFICATION.—One-stop
9 centers certified under this subsection shall be eligi-
10 ble to receive the infrastructure grants authorized
11 under subsection (h).

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

13 “(1) PARTNER CONTRIBUTIONS.—

14 “(A) PROVISION OF FUNDS.—Notwith-
15 standing any other provision of law, as deter-
16 mined under subparagraph (B), a portion of the
17 Federal funds provided to the State and areas
18 within the State under the Federal laws author-
19 izing the one-stop partner programs described
20 in subsection (b)(1)(B) and participating addi-
21 tional partner programs described in (b)(2)(B)
22 for a fiscal year shall be provided to the Gov-
23 ernor by such programs to carry out this sub-
24 section.

1 “(B) DETERMINATION OF GOVERNOR.—
2 Subject to subparagraph (C), the Governor, in
3 consultation with the State board, shall deter-
4 mine the portion of funds to be provided under
5 subparagraph (A) by each one-stop partner and
6 in making such determination shall consider the
7 proportionate use of the one-stop centers by
8 each partner, the costs of administration for
9 purposes not related to one-stop centers for
10 each partner, and other relevant factors de-
11 scribed in paragraph (3).

12 “(C) LIMITATIONS.—

13 “(i) PROVISION FROM ADMINISTRA-
14 TIVE FUNDS.—The funds provided under
15 this paragraph by each one-stop partner
16 shall be provided only from funds available
17 for the costs of administration under the
18 program administered by such partner,
19 and shall be subject to the limitations with
20 respect to the portion of funds under such
21 programs that may be used for administra-
22 tion.

23 “(ii) FEDERAL DIRECT SPENDING
24 PROGRAMS.—Programs that are Federal
25 direct spending under section 250(c)(8) of

1 the Balanced Budget and Emergency Def-
2 icit Control Act of 1985 (2 U.S.C.
3 900(e)(8)) shall not, for purposes of this
4 paragraph, be required to provide an
5 amount in excess of the amount deter-
6 mined to be equivalent to the proportionate
7 use of the one-stop centers by such pro-
8 grams in the State.

9 “(iii) NATIVE AMERICAN PRO-
10 GRAMS.—Native American programs estab-
11 lished under section 166 shall not be sub-
12 ject to the provisions of this subsection.
13 The method for determining the appro-
14 priate portion of funds to be provided by
15 such Native American programs to pay for
16 the costs of infrastructure of a one-stop
17 center certified under subsection (g) shall
18 be determined as part of the development
19 of the memorandum of understanding
20 under subsection (e) for the one-stop cen-
21 ter and shall be stated in the memo-
22 randum.

23 “(2) ALLOCATION BY GOVERNOR.—From the
24 funds provided under paragraph (1), the Governor
25 shall allocate funds to local areas in accordance with

1 the formula established under paragraph (3) for the
2 purposes of assisting in paying the costs of the in-
3 frastructure of One-Stop centers certified under sub-
4 section (g).

5 “(3) ALLOCATION FORMULA.—The State board
6 shall develop a formula to be used by the Governor
7 to allocate the funds described in paragraph (1).
8 The formula shall include such factors as the State
9 board determines are appropriate, which may in-
10 clude factors such as the number of centers in the
11 local area that have been certified, the population
12 served by such centers, and the performance of such
13 centers.

14 “(4) COSTS OF INFRASTRUCTURE.—For pur-
15 poses of this subsection, the term ‘costs of infra-
16 structure’ means the nonpersonnel costs that are
17 necessary for the general operation of a one-stop
18 center, including the rental costs of the facilities, the
19 costs of utilities and maintenance, equipment (in-
20 cluding adaptive technology for individuals with dis-
21 abilities), strategic planning activities for the center,
22 and common outreach activities.

23 “(i) OTHER FUNDS.—

24 “(1) IN GENERAL.—In addition to the funds
25 provided to carry out subsection (h), a portion of

1 funds made available under Federal law authorizing
2 the one-stop partner programs described in sub-
3 section (b)(1)(B) and participating partner pro-
4 grams described in subsection (b)(2)(B), or the
5 noncash resources available under such programs
6 shall be used to pay the costs relating to the oper-
7 ation of the one-stop delivery system that are not
8 paid for from the funds provided under subsection
9 (h), to the extent not inconsistent with the Federal
10 law involved including—

11 “(A) infrastructure costs that are in excess
12 of the funds provided under subsection (h);

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

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

17 “(2) DETERMINATION AND GUIDANCE.—The
18 method for determining the appropriate portion of
19 funds and noncash resources to be provided by each
20 program under paragraph (1) shall be determined as
21 part of the memorandum of understanding under
22 subsection (c). The State board shall provide guid-
23 ance to facilitate the determination of appropriate
24 allocation of the funds and noncash resources in
25 local areas.”.

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

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

4 **“SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF**
5 **TRAINING SERVICES.**

6 “(a) IN GENERAL.—The Governor shall establish cri-
7 teria and procedures regarding the eligibility of providers
8 of training services described in section 134(c)(4) to re-
9 ceive funds provided under section 133(b) for the provision
10 of such training services.

11 “(b) CRITERIA.—

12 “(1) IN GENERAL.—The criteria established
13 pursuant to subsection (a) shall take into account
14 the performance of providers of training services
15 with respect to the indicators described in section
16 136 or other appropriate indicators (taking into con-
17 sideration the characteristics of the population
18 served and relevant economic conditions), and such
19 other factors as the Governor determines are appro-
20 priate to ensure the quality of services, the account-
21 ability of providers, how the centers ensure that
22 such providers meet the needs of local employers and
23 participants, whether providers of training allow par-
24 ticipants to attain a certification, certificate, or mas-
25 tery, and the informed choice of participants under
26 chapter 5. Such criteria shall require that the pro-

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

12 “(2) LIMITATION.—In carrying out the require-
13 ments of this subsection, no personally identifiable
14 information regarding a student, including Social
15 Security number, student identification number, or
16 other identifier, may be disclosed without the prior
17 written consent of the parent or eligible student in
18 compliance with section 444 of the General Edu-
19 cation Provisions Act (20 U.S.C. 1232g).

20 “(c) PROCEDURES.—The procedures established
21 under subsection (a) shall identify the application process
22 for a provider of training services to become eligible to
23 receive funds under section 133(b) for the provision of
24 training services, and identify the respective roles of the
25 State and local areas in receiving and reviewing applica-

1 tions and in making determinations of eligibility based on
2 the criteria established under this section. The procedures
3 shall also establish a process for a provider of training
4 services to appeal a denial or termination of eligibility
5 under this section that includes an opportunity for a hear-
6 ing and prescribes appropriate time limits to ensure
7 prompt resolution of the appeal.

8 “(d) INFORMATION TO ASSIST PARTICIPANTS IN
9 CHOOSING PROVIDERS.—

10 “(1) IN GENERAL.—In order to facilitate and
11 assist participants under chapter 5 in choosing pro-
12 viders of training services, the Governor shall ensure
13 that an appropriate list or lists of providers deter-
14 mined eligible under this section in the State, ac-
15 companied by such information as the Governor de-
16 termines is appropriate, is provided to the local
17 boards in the State to be made available to such
18 participants and to members of the public through
19 the one-stop delivery system in the State.

20 “(2) SPECIAL RULE.—An entity that carries
21 out programs under the Act of August 16, 1937
22 (commonly known as the ‘National Apprenticeship
23 Act’, 50 Stat. 664, chapter 663; 29 U.S.C. 50 et
24 seq.) shall be included on the list of eligible pro-

1 viders described in paragraph (1) for so long as such
2 entity remains certified by the Department of Labor.

3 “(e) AGREEMENTS WITH OTHER STATES.—States
4 may enter into agreements, on a reciprocal basis, to per-
5 mit eligible providers of training services to accept indi-
6 vidual training accounts provided in another State.

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

12 “(g) OPPORTUNITY TO SUBMIT COMMENTS.—During
13 the development of the criteria, procedures, and informa-
14 tion required under this section, the Governor shall pro-
15 vide an opportunity for interested members of the public,
16 including representatives of business and labor organiza-
17 tions, to submit comments regarding such criteria, proce-
18 dures, and information.

19 “(h) ON-THE-JOB TRAINING OR CUSTOMIZED
20 TRAINING EXCEPTION.—

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

24 “(2) COLLECTION AND DISSEMINATION OF IN-
25 FORMATION.—A one-stop operator in a local area

1 shall collect such performance information from on-
2 the-job training and customized training providers
3 as the Governor may require, determine whether the
4 providers meet such performance criteria as the Gov-
5 ernor may require, and disseminate information
6 identifying providers that meet the criteria as eligi-
7 ble providers, and the performance information,
8 through the one-stop delivery system. Providers de-
9 termined to meet the criteria shall be considered to
10 be identified as eligible providers of training serv-
11 ices.”.

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

13 (a) ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.—
14 Section 123 (29 U.S.C. 2843) is amended to read as fol-
15 lows:

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

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

23 “(b) EXCEPTIONS.—A local board may award grants
24 or contracts on a sole-source basis if such board deter-
25 mines there are an insufficient number of eligible pro-

1 viders of training services in the local area involved (such
2 as rural areas) for grants to be awarded on a competitive
3 basis under subsection (a).”.

4 (b) CLERICAL AMENDMENT.—The table of contents
5 in section 1(b) is amended by amending the item related
6 to section 123 to read as follows:

“Sec. 123. Eligible providers of youth activities.”.

7 **SEC. 111. YOUTH ACTIVITIES.**

8 (a) STATE ALLOTMENTS.—

9 (1) IN GENERAL.—Section 127(a) (29 U.S.C.
10 2852(a)) is amended to read as follows:

11 “(a) ALLOTMENT AMONG STATES.—

12 “(1) YOUTH ACTIVITIES.—

13 “(A) YOUTH CHALLENGE GRANTS.—

14 “(i) RESERVATION OF FUNDS.—Of
15 the amount appropriated under section
16 137(a) for each fiscal year, the Secretary
17 shall reserve 25 percent to provide youth
18 challenge grants under section 169.

19 “(ii) LIMITATION.—Notwithstanding
20 clause (i), if the amount appropriated
21 under section 137(a) for a fiscal year ex-
22 ceeds \$1,000,000,000, the Secretary shall
23 reserve \$250,000,000 to provide youth
24 challenge grants under section 169.

1 “(B) OUTLYING AREAS AND NATIVE AMER-
2 ICANS.—

3 “(i) IN GENERAL.—After determining
4 the amount to be reserved under subpara-
5 graph (A), of the remainder of the amount
6 appropriated under section 137(a) for each
7 fiscal year the Secretary shall—

8 “(I) reserve not more than $\frac{1}{4}$ of
9 one percent of such amount to provide
10 assistance to the outlying areas to
11 carry out youth activities and state-
12 wide workforce investment activities;
13 and

14 “(II) reserve not more than 1
15 and $\frac{1}{2}$ percent of such amount to
16 provide youth activities under section
17 166 (relating to Native Americans).

18 “(ii) RESTRICTION.—The Republic of
19 Palau shall cease to be eligible to receive
20 funding under this subparagraph upon en-
21 tering into an agreement for extension of
22 United States educational assistance under
23 the Compact of Free Association (approved
24 by the Compact of Free Association
25 Amendments Act of 2003 (Public Law

1 108–188)) after the date of enactment of
2 the Job Training Improvement Act of
3 2005.

4 “(C) STATES.—

5 “(i) IN GENERAL.—Of the remainder
6 of the amount appropriated under section
7 137(a) for a fiscal year that is available
8 after determining the amounts to be re-
9 served under subparagraphs (A) and (B),
10 the Secretary shall allot—

11 “(I) the amount of the remainder
12 that is less than or equal to the total
13 amount that was allotted to States for
14 fiscal year 2005 under section
15 127(b)(1)(C) of this Act (as in effect
16 on the day before the date of enact-
17 ment of the Job Training Improve-
18 ment Act of 2005) in accordance with
19 the requirements of such section
20 127(b)(1)(C); and

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

1 “(ii) FORMULAS FOR EXCESS
2 FUNDS.—Subject to clauses (iii) and (iv),
3 of the amounts described in clause
4 (i)(II)—

5 “(I) 33 $\frac{1}{3}$ percent shall be allot-
6 ted on the basis of the relative num-
7 ber of individuals in the civilian labor
8 force who are ages 16–19 in each
9 State, compared to the total number
10 of individuals in the civilian labor
11 force who are ages 16–19 in all
12 States;

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

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

1 “(iii) MINIMUM AND MAXIMUM PER-
2 CENTAGES.—The Secretary shall ensure
3 that no State shall receive an allotment for
4 a fiscal year that is less than 90 percent
5 or greater than 130 percent of the allot-
6 ment percentage of that State for the pre-
7 ceding fiscal year.

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

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

16 “(A) ALLOTMENT PERCENTAGE.—The
17 term ‘allotment percentage’, used with respect
18 to fiscal year 2006 or a subsequent fiscal year,
19 means a percentage of the remainder described
20 in paragraph (1)(C)(i) that is received through
21 an allotment made under this subsection for the
22 fiscal year. The term, with respect to fiscal year
23 2005, means the percentage of the amounts al-
24 lotted to States under this chapter (as in effect
25 on the day before the date of enactment of the

1 Job Training Improvement Act of 2005) that is
2 received by the State involved for fiscal year
3 2005.

4 “(B) DISADVANTAGED YOUTH.—The term
5 ‘disadvantaged youth’ means an individual who
6 is age 16 through 21 who received an income,
7 or is a member of a family that received a total
8 family income, that, in relation to family size,
9 does not exceed the poverty line.

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

16 (2) REALLOTMENT.—Section 127 (29 U.S.C.
17 2552) is further amended—

18 (A) by striking subsection (b);

19 (B) by redesignating subsection (c) as sub-
20 section (b);

21 (C) in subsection (b) (as so redesign-
22 nated)—

23 (i) by amending paragraph (2) to read
24 as follows:

1 “(2) AMOUNT.—The amount available for real-
2 lotment for a program year is equal to the amount
3 by which the unexpended balance at the end of the
4 program year prior to the program year for which
5 the determination is made exceeds 30 percent of the
6 total amount of funds available to the State under
7 this section during such prior program year (includ-
8 ing amounts allotted to the State in all prior pro-
9 gram years that remained available). For purposes
10 of this paragraph, the expended balance is the
11 amount that is the difference between—

12 “(A) the total amount of funds available to
13 the State under this section during the program
14 year prior to the program year for which the
15 determination is made (including amounts allot-
16 ted to the State in all prior program years that
17 remained available); and

18 “(B) the accrued expenditures during such
19 prior program year.”;

20 (ii) in paragraph (3)—

21 (I) by striking “for the prior pro-
22 gram year” and inserting “for the
23 program year in which the determina-
24 tion is made”; and

1 (II) by striking “such prior pro-
2 gram year” and inserting “such pro-
3 gram year”;

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

6 “(4) ELIGIBILITY.—For purposes of this sub-
7 section, an eligible State means a State which does
8 not have an amount available for reallocation under
9 paragraph (2) for the program year for which the
10 determination under paragraph (2) is made.”; and

11 (iv) in paragraph (5), by striking “ob-
12 ligation” and inserting “accrued expendi-
13 ture”.

14 (b) WITHIN STATE ALLOCATIONS.—

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

17 “(a) RESERVATION FOR STATEWIDE ACTIVITIES.—

18 “(1) IN GENERAL.—The Governor of a State
19 shall reserve not more than 10 percent of the
20 amount allotted to the State under section
21 127(a)(1)(C) for a fiscal year for statewide activi-
22 ties.

23 “(2) USE OF FUNDS.—Regardless of whether
24 the amounts are allotted under section 127(a)(1)(C)
25 and reserved under paragraph (1) or allotted under

1 section 132 and reserved under section 133(a), the
2 Governor may use the reserved amounts to carry out
3 statewide youth activities under section 129(b) or
4 statewide employment and training activities under
5 section 133.”.

6 (2) WITHIN STATE ALLOCATIONS.—Section
7 128(b) is amended to read as follows:

8 “(b) WITHIN STATE ALLOCATION.—

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

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

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

18 “(2) ESTABLISHED FORMULA.—

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

22 “(i) $33\frac{1}{3}$ percent shall be allotted on
23 the basis of the relative number of individ-
24 uals in the civilian labor force who are ages
25 16–19 in each local area, compared to the

1 total number of individuals in the civilian
2 labor force who are ages 16–19 in all local
3 areas in the State;

4 “(ii) $33\frac{1}{3}$ percent shall be allotted on
5 the basis of the relative number of unem-
6 ployed individuals in each local area, com-
7 pared to the total number of unemployed
8 individuals in all local areas in the State;
9 and

10 “(iii) $33\frac{1}{3}$ percent on the basis of the
11 relative number of disadvantaged youth
12 who are ages 16 through 21 in each local
13 area, compared to the total number of dis-
14 advantaged youth who are ages 16 through
15 21 in all local areas in the State.

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

23 “(C) DEFINITIONS.—

24 “(i) ALLOCATION PERCENTAGE.—For
25 purposes of this paragraph, the term ‘allo-

1 cation percentage’, used with respect to fis-
2 cal year 2006 or a subsequent fiscal year,
3 means a percentage of the amount de-
4 scribed in paragraph(1)(A) that is received
5 through an allocation made under this
6 paragraph for the fiscal year. The term,
7 with respect to fiscal year 2005, means the
8 percentage of the amounts allocated to
9 local areas under this chapter (as in effect
10 on the day before the date of enactment of
11 the Job Training Improvement Act of
12 2005) that is received by the local area in-
13 volved for fiscal year 2005.

14 “(ii) DISADVANTAGED YOUTH.—The
15 term ‘disadvantaged youth’ means an indi-
16 vidual who is age 16 through 21 who re-
17 ceived an income, or is a member of a fam-
18 ily that received a total family income,
19 that, in relation to family size, does not ex-
20 ceed the poverty line.

21 “(3) YOUTH DISCRETIONARY ALLOCATION.—
22 The Governor shall allocate to local areas the
23 amounts described in paragraph (1)(B) in accord-
24 ance with such demographic and economic factors as

1 the Governor, after consultation with the State
2 board and local boards, determines are appropriate.

3 “(4) LOCAL ADMINISTRATIVE COST LIMIT.—

4 “(A) IN GENERAL.—Of the amounts allo-
5 cated to a local area under this subsection and
6 section 133(b) for a fiscal year, not more than
7 10 percent of the amount may be used by the
8 local boards for the administrative costs of car-
9 rying out local workforce investment activities
10 under this chapter or chapter 5.

11 “(B) USE OF FUNDS.—Funds made avail-
12 able for administrative costs under subpara-
13 graph (A) may be used for the administrative
14 costs of any of the local workforce investment
15 activities described in this chapter or chapter 5,
16 regardless of whether the funds were allocated
17 under this subsection or section 133(b).”.

18 (3) REALLOCATION.—Section 128(c) (29
19 U.S.C. 2853(c)) is amended—

20 (A) in paragraph (1), by striking “para-
21 graph (2)(A) or (3) of”;

22 (B) by amending paragraph (2) to read as
23 follows:

24 “(2) AMOUNT.—The amount available for re-
25 allocation for a program year is equal to the amount

1 by which the unexpended balance at the end of the
2 program year prior to the program year for which
3 the determination is made exceeds 30 percent of the
4 total amount of funds available to the local area
5 under this section during such prior program year,
6 (including amounts allotted to the local area in prior
7 program years that remain available). For purposes
8 of this paragraph, the unexpended balance is the
9 amount that is the difference between—

10 “(A) the total amount of funds available to
11 the local area under this section during the pro-
12 gram year prior to the program year for which
13 the determination is made (including amounts
14 allocated to the local area in all prior program
15 years that remained available); and

16 “(B) the accrued expenditures during such
17 prior program year.”;

18 (C) by amending paragraph (3)—

19 (i) by striking “subsection (b)(3)” the
20 first two places it appears and inserting
21 “subsection (b)”;

22 (ii) by striking “the prior program
23 year” and inserting “the program year in
24 which the determination is made”;

1 (iii) by striking “such prior program
2 year” and inserting “such program year”;
3 and

4 (iv) by striking the last sentence; and
5 (D) by amending paragraph (4) to read as
6 follows:

7 “(4) ELIGIBILITY.—For purposes of this sub-
8 section, an eligible local area means a local area
9 which does not have an amount available for re-
10 allocation under paragraph (2) for the program year
11 for which the determination under paragraph (2) is
12 made.”.

13 (c) YOUTH PARTICIPANT ELIGIBILITY.—Section
14 129(a) (29 U.S.C. 2854(a)) is amended to read as follows:

15 “(a) YOUTH PARTICIPANT ELIGIBILITY.—

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

21 “(A) not younger than age 16 or older
22 than age 24; and

23 “(B) one or more of the following:

24 “(i) school dropouts;

1 “(ii) recipients of a secondary school
2 diploma, General Educational Development
3 credential (GED), or other State-recog-
4 nized equivalent (including recognized al-
5 ternative standards for individuals with
6 disabilities) who are deficient in basic skills
7 and not attending any school;

8 “(iii) court-involved youth attending
9 an alternative school;

10 “(iv) youth in foster care or who have
11 been in foster care; or

12 “(v) in school youth who are low-in-
13 come individuals and one or more of the
14 following:

15 “(I) Deficient in literacy skills.

16 “(II) Homeless, runaway, or fos-
17 ter children.

18 “(III) Pregnant or parents.

19 “(IV) Offenders.

20 “(V) Individuals who require ad-
21 ditional assistance to complete an edu-
22 cational program, or to secure and
23 hold employment.

24 “(2) PRIORITY FOR SCHOOL DROPOUTS.—A
25 priority in the provision of services under this chap-

1 ter shall be given to individuals who are school drop-
2 outs.

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

5 “(A) PERCENTAGE OF FUNDS.—For any
6 program year, not more than 30 percent of the
7 funds available for statewide activities under
8 subsection (b), and not more than 30 percent of
9 funds available to local areas under subsection
10 (c), may be used to provide activities for in-
11 school youth meeting the requirements of para-
12 graph (1)(B)(v).

13 “(B) NON-SCHOOL HOURS REQUIRED.—

14 “(i) IN GENERAL.—Except as pro-
15 vided in clause (ii), activities carried out
16 under this chapter for in-school youth
17 meeting the requirements of paragraph
18 (1)(B)(v) shall only be carried out in non-
19 school hours or periods when school is not
20 in session (such as before and after school
21 or during recess).

22 “(ii) EXCEPTION.—The requirements
23 of clause (i) shall not apply to activities
24 carried out for in-school youth meeting the
25 requirements of paragraph (1)(B)(v) dur-

1 ing school hours that are part of a pro-
2 gram that has demonstrated effectiveness
3 in high school youth attaining diplomas.”.

4 (d) STATEWIDE YOUTH ACTIVITIES.—Section 129(b)
5 (29 U.S.C. 2854(b)) is amended to read as follows:

6 “(b) STATEWIDE ACTIVITIES.—

7 “(1) IN GENERAL.—Funds reserved by a Gov-
8 ernor for a State as described in sections 128(a) and
9 133(a)(1) may be used for statewide activities
10 including—

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

13 “(B) supporting the provision of core serv-
14 ices described in section 134(c)(2) in the one-
15 stop delivery system;

16 “(C) conducting evaluations under section
17 136(e) of activities authorized under this chap-
18 ter and chapter 5 in coordination with evalua-
19 tions carried out by the Secretary under section
20 172, research, and demonstration projects;

21 “(D) providing incentive grants to local
22 areas for regional cooperation among local
23 boards (including local boards in a designated
24 region as described in section 116(c)), for local
25 coordination of activities carried out under this

1 Act, and for exemplary performance by local
2 areas on the local performance measures;

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

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

13 “(G) carrying out monitoring and over-
14 sight of activities under this chapter and chap-
15 ter 5.

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

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

24 (e) LOCAL ELEMENTS AND REQUIREMENTS.—

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

3 (A) in the matter preceding subparagraph
4 (A), by striking “paragraph (2)(A) or (3), as
5 appropriate, of”;

6 (B) in subparagraph (B), by inserting “are
7 directly linked to one or more of the perform-
8 ance outcomes relating to this chapter under
9 section 136, and that” after “for each partici-
10 pant that”; and

11 (C) in subparagraph (C)—

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

15 (ii) by inserting before clause (ii) (as
16 so redesignated) the following:

17 “(i) activities leading to the attain-
18 ment of a secondary school diploma, Gen-
19 eral Educational Development credential
20 (GED), or other State-recognized equiva-
21 lent (including recognized alternative
22 standards for individuals with disabili-
23 ties);”;

1 (iii) in clause (ii) (as so redesignated),
2 by inserting “and advanced training” after
3 “opportunities”;

4 (iv) in clause (iii) (as so redesign-
5 ated), by inserting “that lead to the at-
6 tainment of recognized credentials” after
7 “learning”; and

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

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

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

17 (A) in subparagraph (A), by striking “sec-
18 ondary school, including dropout prevention
19 strategies” and inserting “secondary school di-
20 ploma, General Educational Development cre-
21 dential (GED), or other State-recognized equiv-
22 alent (including recognized alternative stand-
23 ards for individuals with disabilities), including
24 dropout prevention strategies”;

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

3 (C) in subparagraph (J), by striking the
4 period at the end and inserting a semicolon;
5 and

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

7 “(K) on-the-job training opportunities; and

8 “(L) financial literacy skills.”.

9 (3) ADDITIONAL REQUIREMENTS.—Section
10 129(c)(3)(A) (29 U.S.C. 2854(c)(3)(A)) is amended
11 in the matter preceding clause (i) by striking “or ap-
12 plicant who meets the minimum income criteria to
13 be considered an eligible youth”.

14 (4) PRIORITY AND EXCEPTIONS.—Section
15 129(c) (29 U.S.C. 2854(c)) is further amended—

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

17 (B) by redesignating paragraph (6) as
18 paragraph (4);

19 (C) by redesignating paragraph (7) as
20 paragraph (5), and in such redesignated para-
21 graph (5) by striking “youth councils” and in-
22 serting “local boards”; and

23 (D) by redesignating paragraph (8) as
24 paragraph (6).

1 **SEC. 112. COMPREHENSIVE PROGRAMS FOR ADULTS.**

2 (a) TITLE AMENDMENT.—

3 (1) The title heading of chapter 5 is amended
4 to read as follows:

5 **“CHAPTER 5—COMPREHENSIVE EMPLOY-**
6 **MENT AND TRAINING ACTIVITIES FOR**
7 **ADULTS”.**

8 (2) CLERICAL AMENDMENT.—The table of con-
9 tents in section 1(b) is amended by amending the
10 item related to the heading for chapter 5 to read as
11 follows:

“CHAPTER 5—COMPREHENSIVE EMPLOYMENT AND TRAINING ACTIVITIES
FOR ADULTS”.

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

14 (1) by striking “paragraphs (1)(B) and (2)(B)
15 of”; and

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

17 (c) STATE ALLOTMENTS.—

18 (1) IN GENERAL.—Section 132(a) (29 U.S.C.
19 2862(a)) is amended to read as follows:

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

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

1 “(A) not less than 75 percent shall be used
2 for national dislocated worker grants under sec-
3 tion 173, of which up to \$125,000,000 may be
4 used to carry out section 171(d);

5 “(B) not more than 20 percent may be
6 used for demonstration projects under section
7 171; and

8 “(C) not more than 5 percent may be used
9 to provide technical assistance under section
10 170; and

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

14 (2) ALLOTMENT AMONG STATES.—Section
15 132(b) (29 U.S.C. 2862(b)) is amended to read as
16 follows:

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

19 “(1) RESERVATION FOR OUTLYING AREAS.—

20 “(A) IN GENERAL.—From the amount
21 made available under subsection (a)(2) for a
22 fiscal year, the Secretary shall reserve not more
23 than $\frac{1}{4}$ of 1 percent to provide assistance to
24 outlying areas to carry out employment and

1 training activities for adults and statewide
2 workforce investment activities.

3 “(B) RESTRICTION.—The Republic of
4 Palau shall cease to be eligible to receive fund-
5 ing under this paragraph upon entering into an
6 agreement for extension of United States edu-
7 cational assistance under the Compact of Free
8 Association (approved by the Compact of Free
9 Association Amendments Act of 2003 (Public
10 Law 108–188)) after the date of enactment of
11 the Job Training Improvement Act of 2005.

12 “(2) STATES.—Subject to paragraph (5), of the
13 remainder of the amount referred to under sub-
14 section (a)(2) for a fiscal year that is available after
15 determining the amount to be reserved under para-
16 graph (1), the Secretary shall allot to the States for
17 employment and training activities for adults and for
18 statewide workforce investment activities—

19 “(A) 26 percent in accordance with para-
20 graph (3); and

21 “(B) 74 percent in accordance with para-
22 graph (4).

23 “(3) BASE FORMULA.—

24 “(A) FISCAL YEAR 2006.—

1 “(i) IN GENERAL.—Subject to clause
2 (ii), the amount referred to in paragraph
3 (2)(A) shall be allotted for fiscal year 2006
4 on the basis of allotment percentage of
5 each State under section 6 of the Wagner-
6 Peyser Act for fiscal year 2005.

7 “(ii) EXCESS AMOUNTS.—If the
8 amount referred to in paragraph (2)(A) for
9 fiscal year 2006 exceeds the amount that
10 was available for allotment to the States
11 under the Wagner-Peyser Act for fiscal
12 year 2005, such excess amount shall be al-
13 lotted on the basis of the relative number
14 of individuals in the civilian labor force in
15 each State, compared to the total number
16 of individuals in the civilian labor force in
17 all States, adjusted to ensure that no State
18 receives less than $\frac{3}{10}$ of one percent of
19 such excess amount.

20 “(iii) DEFINITION.—For purposes of
21 this subparagraph, the term ‘allotment
22 percentage’ means the percentage of the
23 amounts allotted to States under section 6
24 of the Wagner-Peyser Act that is received
25 by the State involved for fiscal year 2005.

1 “(B) FISCAL YEARS 2007 AND THERE-
2 AFTER.—

3 “(i) IN GENERAL.—Subject to clause
4 (ii), the amount referred to in para-
5 graph(2)(A) shall be allotted for fiscal year
6 2007 and each fiscal year thereafter on the
7 basis of the allotment percentage of each
8 State under this paragraph for the pre-
9 ceding fiscal year.

10 “(ii) EXCESS AMOUNTS.—If the
11 amount referred to in paragraph (2)(A) for
12 fiscal year 2007 or any fiscal year there-
13 after exceeds the amount that was avail-
14 able for allotment under this paragraph for
15 the prior fiscal year, such excess amount
16 shall be allotted on the basis of the relative
17 number of individuals in the civilian labor
18 force in each State, compared to the total
19 number of individuals in the civilian labor
20 force in all States, adjusted to ensure that
21 no State receives less than $\frac{3}{10}$ of one per-
22 cent of such excess amount.

23 “(iii) DEFINITION.—For purposes of
24 this subparagraph, the term ‘allotment
25 percentage’ means the percentage of the

1 amounts allotted to States under this para-
2 graph in a fiscal year that is received by
3 the State involved for such fiscal year.

4 “(4) CONSOLIDATED FORMULA.—

5 “(A) IN GENERAL.—Subject to subpara-
6 graphs (B) and (C), of the amount referred to
7 in paragraph (2)(B)—

8 “(i) 60 percent shall be allotted on the
9 basis of the relative number of unemployed
10 individuals in each State, compared to the
11 total number of unemployed individuals in
12 all States;

13 “(ii) 25 percent shall be allotted on
14 the basis of the relative excess number of
15 unemployed individuals in each State, com-
16 pared to the total excess number of unem-
17 ployed individuals in all States; and

18 “(iii) 15 percent shall be allotted on
19 the basis of the relative number of dis-
20 advantaged adults in each State, compared
21 to the total number of disadvantaged
22 adults in all States.

23 “(B) MINIMUM AND MAXIMUM PERCENT-
24 AGES.—

1 “(i) MINIMUM PERCENTAGE.—The
2 Secretary shall ensure that no State shall
3 receive an allotment under this paragraph
4 for a fiscal year that is less than 90 per-
5 cent of the allotment percentage of the
6 State under this paragraph for the pre-
7 ceding fiscal year.

8 “(ii) MAXIMUM PERCENTAGE.—Sub-
9 ject to clause (i), the Secretary shall en-
10 sure that no State shall receive an allot-
11 ment for a fiscal year under this para-
12 graph that is more than 130 percent of the
13 allotment of the State under this para-
14 graph for the preceding fiscal year.

15 “(C) SMALL STATE MINIMUM ALLOT-
16 MENT.—Subject to subparagraph (B), the Sec-
17 retary shall ensure that no State shall receive
18 an allotment under this paragraph that is less
19 than $\frac{2}{10}$ of 1 percent of the amount available
20 under subparagraph (A).

21 “(D) DEFINITIONS.—For the purposes of
22 this paragraph:

23 “(i) ALLOTMENT PERCENTAGE.—The
24 term ‘allotment percentage’, used with re-
25 spect to fiscal year 2006 or a subsequent

1 fiscal year, means a percentage of the
2 amounts described in paragraph (2)(B)
3 that is received through an allotment made
4 under this paragraph for the fiscal year.
5 The term, with respect to fiscal year 2005,
6 means the percentage of the amounts allot-
7 ted to States under this chapter (as in ef-
8 fect on the day before the date of enact-
9 ment of the Job Training Improvement
10 Act of 2005) and under reemployment
11 service grants received by the State in-
12 volved for fiscal year 2005.

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

20 “(iii) EXCESS NUMBER.—The term
21 ‘excess number’ means, used with respect
22 to the excess number of unemployed indi-
23 viduals within a State, the number that
24 represents the number of unemployed indi-

1 viduals in excess of 4½ percent of the ci-
2 vilian labor force in the State.

3 “(5) ADJUSTMENTS IN ALLOTMENTS BASED ON
4 DIFFERENCES WITH UNCONSOLIDATED FOR-
5 MULAS.—

6 “(A) IN GENERAL.—The Secretary shall
7 ensure that for any fiscal year no State has an
8 allotment difference, as defined in subpara-
9 graph (C), that is less than zero. The Secretary
10 shall adjust the amounts allotted to the States
11 under this subsection in accordance with sub-
12 paragraph (B) if necessary to carry out this
13 subparagraph.

14 “(B) ADJUSTMENTS IN ALLOTMENTS.—

15 “(i) REDISTRIBUTION OF EXCESS
16 AMOUNTS.—

17 “(I) IN GENERAL.—If necessary
18 to carry out subparagraph (A), the
19 Secretary shall reduce the amounts
20 that would be allotted under para-
21 graphs (3) and (4) to States that have
22 an excess allotment difference, as de-
23 fined in subclause (II), by the amount
24 of such excess, and use such amounts
25 to increase the allotments to States

1 that have an allotment difference less
2 than zero.

3 “(II) EXCESS AMOUNTS.—For
4 purposes of subclause (I), the term
5 ‘excess’ allotment difference means an
6 allotment difference for a State that
7 is—

8 “(aa) in excess of 3 percent
9 of the amount described in sub-
10 paragraph (C)(i)(II); or

11 “(bb) in excess of a percent-
12 age established by the Secretary
13 that is greater than 3 percent of
14 the amount described in subpara-
15 graph (C)(i)(II) if the Secretary
16 determines that such greater per-
17 centage is sufficient to carry out
18 subparagraph (A).

19 “(ii) USE OF AMOUNTS AVAILABLE
20 UNDER NATIONAL RESERVE ACCOUNT.—If
21 the funds available under clause (i) are in-
22 sufficient to carry out subparagraph (A),
23 the Secretary shall use funds reserved
24 under section 132(a) in such amounts as
25 are necessary to increase the allotments to

1 States to meet the requirements of sub-
2 paragraph (A). Such funds shall be used in
3 the same manner as the States use the
4 other funds allotted under this subsection.

5 “(C) DEFINITION OF ALLOTMENT DIF-
6 FERENCE.—

7 “(i) IN GENERAL.—For purposes of
8 this paragraph, the term ‘allotment dif-
9 ference’ means the difference between—

10 “(I) the total amount a State
11 would receive of the amounts available
12 for allotment under subsection (b)(2)
13 for a fiscal year pursuant to para-
14 graphs (3) and (4); and

15 “(II) the total amount the State
16 would receive of the amounts available
17 for allotment under subsection (b)(2)
18 for the fiscal year if such amounts
19 were allotted pursuant to the uncon-
20 solidated formulas (applied as de-
21 scribed in clause (iii)) that were used
22 in allotting funds for fiscal year 2005.

23 “(ii) UNCONSOLIDATED FORMULAS.—
24 For purposes of clause (i), the unconsoli-
25 dated formulas are:

1 “(I) The requirements for the al-
2 lotment of funds to the States con-
3 tained in section 132(b)(1)(B) of this
4 Act (as in effect on the day before the
5 date of enactment of the Job Training
6 Improvement Act of 2005) that were
7 applicable to the allotment of funds
8 under such section for fiscal year
9 2005.

10 “(II) The requirements for the
11 allotment of funds to the States con-
12 tained in section 132(b)(2)(B) of this
13 Act (as in effect on the day before the
14 date of enactment of the Job Training
15 Improvement Act of 2005) that were
16 applicable to the allotment of funds
17 under such section for fiscal year
18 2005.

19 “(III) The requirements for the
20 allotment of funds to the States that
21 were contained in section 6 of the
22 Wagner-Peyser Act (as in effect on
23 the day before the date of enactment
24 of the Job Training Improvement Act
25 of 2005) that were applicable to the

1 allotment of funds under such Act for
2 fiscal year 2005.

3 “(IV) The requirements for the
4 allotment of funds to the States that
5 were established by the Secretary for
6 Reemployment Services Grants that
7 were applicable to the allotment of
8 funds for such grants for fiscal year
9 2005.

10 “(iii) PROPORTIONATE APPLICATION
11 OF UNCONSOLIDATED FORMULAS BASED
12 ON FISCAL YEAR 2005.—In calculating the
13 amount under clause (i)(II), each of the
14 unconsolidated formulas identified in
15 clause (ii) shall be applied, respectively,
16 only to the proportionate share of the total
17 amount of funds available for allotment
18 under subsection (b)(2) for a fiscal year
19 that is equal to the proportionate share to
20 which each of the unconsolidated formulas
21 applied with respect to the total amount of
22 funds allotted to the States under all of
23 the unconsolidated formulas in fiscal year
24 2005.

1 “(iv) RULE OF CONSTRUCTION.—The
2 amounts used to adjust the allotments to a
3 State under subparagraph (B) for a fiscal
4 year shall not be included in the calcula-
5 tion of the amounts under clause (i) for a
6 subsequent fiscal year, including the cal-
7 culation of allocation percentages for a
8 preceding fiscal year applicable to para-
9 graphs (3) and (4) and to the unconsoli-
10 dated formulas described in clause (ii).”.

11 (3) REALLOTMENT.—Section 132(c) (29 U.S.C.
12 2862(c)) is amended—

13 (A) by amending paragraph (2) to read as
14 follows:

15 “(2) AMOUNT.—The amount available for real-
16 lotment 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 State under
21 this section during such prior program year (includ-
22 ing amounts allotted to the State in all prior pro-
23 gram years that remained available). For purposes
24 of this paragraph, the expended balance is the
25 amount that is the difference between—

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

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

9 (B) in paragraph (3)—

10 (i) by striking “for the prior program
11 year” and inserting “for the program year
12 in which the determination is made”; and

13 (ii) by striking “such prior program
14 year” and inserting “such program year”;

15 (C) by amending paragraph (4) to read as
16 follows:

17 “(4) ELIGIBILITY.—For purposes of this sub-
18 section, an eligible State means a State that does
19 not have an amount available for reallocation under
20 paragraph (2) for the program year for which the
21 determination under paragraph (2) is made.”; and

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

24 (d) WITHIN STATE ALLOCATIONS.—

1 (1) RESERVATION FOR STATE ACTIVITIES.—
2 Section 133(a) (29 U.S.C. 2863(a)) is amended to
3 read as follows:

4 “(a) RESERVATION FOR STATEWIDE ACTIVITIES.—
5 The Governor of a State may reserve up to 50 percent
6 of the total amount allotted to the State under section 132
7 for a fiscal year to carry out the statewide activities de-
8 scribed in section 134(a).”.

9 (2) ALLOCATIONS TO LOCAL AREAS.—Section
10 133(b) (29 U.S.C. 2863(b)) is amended to read as
11 follows:

12 “(b) ALLOCATIONS TO LOCAL AREAS.—

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

16 “(A) 85 percent of such amounts shall be
17 allocated by the Governor to local areas in ac-
18 cordance with paragraph (2); and

19 “(B) 15 percent of such amounts shall be
20 allocated by the Governor to local areas in ac-
21 cordance with paragraph (3).

22 “(2) ESTABLISHED FORMULA.—

23 “(A) IN GENERAL.—Of the amounts de-
24 scribed in paragraph (1)(A), the Governor shall
25 allocate—

1 “(i) 60 percent on the basis of the rel-
2 ative number of unemployed individuals in
3 each local area, compared to the total
4 number of unemployed individuals in all
5 local areas in the State;

6 “(ii) 25 percent on the basis of the
7 relative excess number of unemployed indi-
8 viduals in each local area, compared to the
9 total excess number of unemployed individ-
10 uals in all local areas in the State; and

11 “(iii) 15 percent shall be allotted on
12 the basis of the relative number of dis-
13 advantaged adults in each local area, com-
14 pared to the total number of disadvantaged
15 adults in all local areas in the State.

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

23 “(C) DEFINITIONS.—

24 “(i) ALLOCATION PERCENTAGE.—The
25 term ‘allocation percentage’, used with re-

1 spect to fiscal year 2006 or a subsequent
2 fiscal year, means a percentage of the
3 amount described in paragraph (1)(A) that
4 is received through an allocation made
5 under this paragraph for the fiscal year.
6 The term, with respect to fiscal year 2005,
7 means the percentage of the amounts allo-
8 cated to local areas under this chapter (as
9 in effect on the day before the date of en-
10 actment of the Job Training Improvement
11 Act of 2005) that is received by the local
12 area involved for fiscal year 2005.

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

20 “(iii) EXCESS NUMBER.—The term
21 ‘excess number’ means, used with respect
22 to the excess number of unemployed indi-
23 viduals within a local area, the number
24 that represents the number of unemployed

1 individuals in excess of 4.5 percent of the
2 civilian labor force in the local area.

3 “(3) DISCRETIONARY ALLOCATION.—The Gov-
4 ernor shall allocate to local areas the amounts de-
5 scribed in paragraph (1)(B) based on a formula de-
6 veloped in consultation with the State board and
7 local boards. Such formula shall be objective and
8 geographically equitable and may include such demo-
9 graphic and economic factors as the Governor, after
10 consultation with the State board and local boards,
11 determines are appropriate.

12 “(4) LOCAL ADMINISTRATIVE COST LIMIT.—

13 “(A) IN GENERAL.—Of the amounts allo-
14 cated to a local area under this subsection and
15 section 128(b) for a fiscal year, not more than
16 10 percent of the amount may be used by the
17 local boards for the administrative costs of car-
18 rying out local workforce investment activities
19 under this chapter or chapter 4.

20 “(B) USE OF FUNDS.—Funds made avail-
21 able for administrative costs under subpara-
22 graph (A) may be used for the administrative
23 costs of any of the local workforce investment
24 activities described in this chapter or chapter 4,

1 regardless of whether the funds were allocated
2 under this subsection or section 128(b).”.

3 (3) REALLOCATION AMONG LOCAL AREAS.—

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

5 (A) in paragraph (1), by striking “para-
6 graph (2)(A) or (3) of”;

7 (B) by amending paragraph (2) to read as
8 follows:

9 “(2) AMOUNT.—The amount available for re-
10 allocation for a program year is equal to the amount
11 by which the unexpended balance at the end of the
12 program year prior to the program year for which
13 the determination is made exceeds 30 percent of the
14 total amount of funds available to the local area
15 under this section during such prior program year
16 (including amounts allotted to the local area in prior
17 program years that remain available). For purposes
18 of this paragraph, the unexpended balance is the
19 amount that is the difference between—

20 “(A) the total amount of funds available to
21 the local area under this section during the pro-
22 gram year prior to the program year for which
23 the determination is made (including amounts
24 allocated to the local area in all prior program
25 years that remained available); and

1 “(B) the accrued expenditures during such
2 prior program year.”;

3 (C) by amending paragraph (3)—

4 (i) by striking “subsection (b)(3)” the
5 first two places it appears and inserting
6 “subsection (b)”;

7 (ii) by striking “the prior program
8 year” and inserting “the program year in
9 which the determination is made”;

10 (iii) by striking “such prior program
11 year” and inserting “such program year”;

12 and

13 (iv) by striking the last sentence; and

14 (D) by amending paragraph (4) to read as
15 follows:

16 “(4) ELIGIBILITY.—For purposes of this sub-
17 section, an eligible local area means a local area
18 which does not have an amount available for re-
19 allocation under paragraph (2) for the program year
20 for which the determination under paragraph (2) is
21 made.”.

22 (e) USE OF FUNDS FOR EMPLOYMENT AND TRAIN-
23 ING ACTIVITIES.—

24 (1) STATEWIDE EMPLOYMENT AND TRAINING
25 ACTIVITIES.—

1 (A) IN GENERAL.—Section 134(a)(1) (29
2 U.S.C. 2864(a)(1) is amended to read as fol-
3 lows:

4 “(1) IN GENERAL.—

5 “(A) REQUIRED USE OF FUNDS.—Not less
6 than 50 percent of the funds reserved by a Gov-
7 ernor under section 133(a) shall be used to sup-
8 port the provision of core services in local areas,
9 consistent with the local plan, through one-stop
10 delivery systems by distributing funds to local
11 areas in accordance with subparagraph (B).
12 Such funds may be used by States to employ
13 State personnel to provide such services in des-
14 ignated local areas in consultation with local
15 boards.

16 “(B) METHOD OF DISTRIBUTING
17 FUNDS.—The method of distributing funds
18 under this paragraph shall be developed in con-
19 sultation with the State board and local boards.
20 Such method of distribution, which may include
21 the formula established under section
22 121(h)(3), shall be objective and geographically
23 equitable, and may include factors such as the
24 number of centers in the local area that have

1 been certified, the population served by such
2 centers, and the performance of such centers.

3 “(C) OTHER USE OF FUNDS.—Funds re-
4 served by a Governor for a State—

5 “(i) under section 133(a) and not
6 used under subparagraph (A), may be used
7 for statewide activities described in para-
8 graph (2); and

9 “(ii) under section 133(a) and not
10 used under subparagraph (A), and under
11 section 128(a) may be used to carry out
12 any of the statewide employment and
13 training activities described in paragraph
14 (3).”.

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

18 “(2) STATEWIDE RAPID RESPONSE ACTIVI-
19 TIES.—A State shall carry out statewide rapid re-
20 sponse activities using funds reserved as described in
21 section 133(a). Such activities shall include—

22 “(A) provision of rapid response activities,
23 carried out in local areas by the State or by an
24 entity designated by the State, working in con-

1 junction with the local boards and the chief
2 elected officials in the local areas; and

3 “(B) provision of additional assistance to
4 local areas that experience disasters, mass lay-
5 offs or plant closings, or other events that pre-
6 cipitate substantial increases in the number of
7 unemployed individuals, carried out in local
8 areas by the State, working in conjunction with
9 the local boards and the chief elected officials in
10 the local areas.”.

11 (C) STATEWIDE EMPLOYMENT AND TRAIN-
12 ING ACTIVITIES.—Section 134(a)(3) (29 U.S.C.
13 2864(a)(3)) is amended to read as follows:

14 “(3) STATEWIDE ACTIVITIES.—Funds reserved
15 by a Governor for a State as described in sections
16 133(a) and 128(a) may be used for statewide activi-
17 ties including—

18 “(A) supporting the provision of core serv-
19 ices described in section 134(c)(2) in the one-
20 stop delivery system;

21 “(B) conducting evaluations under section
22 136(e) of activities authorized under this chap-
23 ter and chapter 4 in coordination with evalua-
24 tions carried out by the Secretary under section
25 172, research, and demonstration projects;

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

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

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

18 “(F) carrying out monitoring and oversight
19 of activities carried out under this chapter and
20 chapter 4;

21 “(G) implementing innovative programs,
22 such as incumbent worker training programs,
23 programs and strategies designed to meet the
24 needs of businesses in the State, including small
25 businesses, and engage employers in workforce

1 activities, and programs serving individuals
2 with disabilities consistent with section 188;

3 “(H) developing strategies for effectively
4 serving hard-to-serve populations and for inte-
5 grating programs and services among one-stop
6 partners;

7 “(I) implementing innovative programs for
8 displaced homemakers, which for purposes of
9 this subparagraph may include an individual
10 who is receiving public assistance and is within
11 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.);

14 “(J) implementing programs to increase
15 the number of individuals training for and
16 placed in nontraditional employment; and

17 “(K) carrying out activities to facilitate re-
18 mote access to services provided through a one-
19 stop delivery system, including facilitating ac-
20 cess through the use of technology.”.

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

1 “(4) LIMITATION.—Not more than 5 percent of
2 the funds allotted under section 132(b) shall be used
3 by the State for administrative activities carried out
4 under this subsection and section 128(a).”.

5 (2) LOCAL EMPLOYMENT AND TRAINING AC-
6 TIVITIES.—Section 134(b) (29 U.S.C. 2864(b)) is
7 amended—

8 (A) by striking “under paragraph (2)(A)”
9 and all that follows through “section
10 133(b)(2)(B)” and inserting “under section
11 133(b)”;

12 (B) in paragraphs (1) and (2), by striking
13 “or dislocated workers, respectively” .

14 (3) TECHNICAL AMENDMENT.—Section 134 is
15 further amended by redesignating subsections (d)
16 and (e) as subsections (c) and (d), respectively.

17 (4) REQUIRED LOCAL EMPLOYMENT AND
18 TRAINING ACTIVITIES.—

19 (A) ALLOCATED FUNDS.—Section
20 134(c)(1) (29 U.S.C. 2864(c)(1)) (as redesi-
21 gnated by paragraph (3)) is amended to read as
22 follows:

23 “(1) IN GENERAL.—Funds allocated to a local
24 area for adults under section 133(b) shall be used—

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

3 “(B) to provide the core services described
4 in paragraph (2) through the one-stop delivery
5 system in accordance with such paragraph;

6 “(C) to provide the intensive services de-
7 scribed in paragraph (3) to adults described in
8 such paragraph; and

9 “(D) to provide training services described
10 in paragraph (4) to adults described in such
11 paragraph.”.

12 (B) CORE SERVICES.—Section 134(c)(2)
13 (29 U.S.C. 2864(c)(2)) (as redesignated by
14 paragraph (3)) is amended—

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

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

21 (iii) by amending subparagraph (D) to
22 read as follows:

23 “(D) labor exchange services, including—

1 “(i) job search and placement assist-
2 ance, and where appropriate career coun-
3 seling;

4 “(ii) appropriate recruitment services
5 for employers; and

6 “(iii) reemployment services provided
7 to unemployment claimants.”;

8 (iv) in subparagraph (I), by inserting
9 “and the administration of the work test
10 for the unemployment compensation sys-
11 tem” after “compensation”; and

12 (v) by amending subparagraph (J) to
13 read as follows:

14 “(J) assistance in establishing eligibility
15 for programs of financial aid assistance for
16 training and education programs that are not
17 funded under this Act and are available in the
18 local area; and”.

19 (C) INTENSIVE SERVICES.—Section
20 134(c)(3) (29 U.S.C. 2864(c)(3) (as redesign-
21 nated by paragraph (3) of this subsection) is
22 amended—

23 (i) by amending subparagraph (A) to
24 read as follows:

25 “(A) IN GENERAL.—

1 “(i) ELIGIBILITY.—Funds allocated to
2 a local area under section 133(b) shall be
3 used to provide intensive services for
4 adults who—

5 “(I) are unemployed and who
6 have been determined by the one-stop
7 operator to be—

8 “(aa) unlikely or unable to
9 obtain suitable employment
10 through core services; and

11 “(bb) in need of intensive
12 services in order to obtain suit-
13 able employment; or

14 “(II) are employed, but who are
15 determined by a one-stop operator to
16 be in need of intensive services to ob-
17 tain or retain suitable employment.

18 “(ii) DEFINITION.—The Governor
19 shall define the term ‘suitable employment’
20 for purposes of this subparagraph.”; and

21 (ii) in subparagraph (C)—

22 (I) in clause (v), by striking “for
23 participants seeking training services
24 under paragraph (4)”;

1 (II) by adding the following
2 clauses after clause (vi):

3 “(vii) Internships and work experi-
4 ence.

5 “(viii) Literacy activities relating to
6 basic work readiness, information and com-
7 munication technology literacy activities,
8 and financial literacy activities.

9 “(ix) Out-of-area job search assistance
10 and relocation assistance.”.

11 (D) TRAINING SERVICES.—Section
12 134(c)(4) (as redesignated by paragraph (3) of
13 this subsection) is amended—

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

16 “(A) IN GENERAL.—

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

21 “(I) after an interview, evalua-
22 tion, or assessment, and case manage-
23 ment, have been determined by a one-
24 stop operator or one-stop partner, as
25 appropriate, to—

1 “(aa) be unlikely or unable
2 to obtain or retain suitable em-
3 ployment through intensive serv-
4 ices under paragraph (3)(A);

5 “(bb) be in need of training
6 services to obtain or retain suit-
7 able employment; and

8 “(cc) have the skills and
9 qualifications to successfully par-
10 ticipate in the selected program
11 of training services;

12 “(II) select programs of training
13 services that are directly linked to the
14 employment opportunities in the local
15 area involved or in another area in
16 which the adults receiving such serv-
17 ices are willing to commute or relo-
18 cate;

19 “(III) who meet the requirements
20 of subparagraph (B); and

21 “(IV) who are determined eligible
22 in accordance with the priority system
23 in effect under subparagraph (E).

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

4 (ii) in subparagraph (B)(i), by strik-
5 ing “Except” and inserting “Notwith-
6 standing section 479B of the Higher Edu-
7 cation Act of 1965 (20 U.S.C. 1087uu)
8 and except”;

9 (iii) in subparagraph (D)—

10 (I) by amending clause (iv) to
11 read as follows:

12 “(iv) entrepreneurial training, includ-
13 ing providing information about obtaining
14 microcredit loans for the purpose of start-
15 ing a business, including contact informa-
16 tion of microcredit lenders operating within
17 the local area;”;

18 (II) in clause (viii) by inserting
19 “(including English as a Second Lan-
20 guage)” after “activities”; and

21 (III) by redesignating clause (ix)
22 as clause (x) and inserting after
23 clause (viii) the following:

1 “(ix) training that integrates occupa-
2 tional skills training and English language
3 acquisition;”;

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

6 “(E) PRIORITY.—

7 “(i) IN GENERAL.—A priority shall be
8 given to unemployed individuals for the
9 provision of intensive and training services
10 under this subsection.

11 “(ii) ADDITIONAL PRIORITY.—If the
12 funds in the local area, including the funds
13 allocated under section 133(b), for serving
14 recipients of public assistance and other
15 low-income individuals, including single
16 parents, displaced homemakers, and preg-
17 nant single women, is limited, the priority
18 for the provision of intensive and training
19 services under this subsection shall include
20 such recipients and individuals.

21 “(iii) DETERMINATIONS.—The Gov-
22 ernor and the appropriate local board shall
23 direct the one-stop operators in the local
24 area with regard to making determinations

1 with respect to the priority of service under
2 this subparagraph.”;

3 (v) in subparagraph (F), by adding
4 the following clause after clause (iii):

5 “(iv) ENHANCED INDIVIDUAL TRAIN-
6 ING ACCOUNTS.—Each local board may,
7 through one-stop centers, assist individuals
8 receiving individual training accounts
9 through the establishment of such accounts
10 that include, in addition to the funds pro-
11 vided under this paragraph, funds from
12 other programs and sources that will assist
13 the individual in obtaining training serv-
14 ices.”;

15 (vi) in subparagraph (G)(iv), by redesi-
16 gnating subclause (IV) as subclause (V)
17 and inserting after subclause (III) the fol-
18 lowing:

19 “(IV) Individuals with disabil-
20 ities.”; and

21 (vii) by adding at the end the fol-
22 lowing:

23 “(H) COMPUTER TECHNOLOGY.—In pro-
24 viding training services under subparagraph
25 (G), funds allocated to a local area under this

1 title may be used to purchase computer tech-
2 nology for use by an individual who is eligible
3 pursuant to subsection (A), only if—

4 “(i) such purchase is part of an ongo-
5 ing training program; and

6 “(ii) such purchase is necessary to en-
7 sure the individual can participate in such
8 training program.

9 Any purchase of computer technology under
10 this subparagraph shall remain the property of
11 the one-stop operator.”.

12 (5) PERMISSIBLE ACTIVITIES.—Section 134(d)
13 (as redesignated by paragraph (3)) is amended—

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

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

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

21 “(i) customized screening and referral
22 of qualified participants in training serv-
23 ices to employers;

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

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

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

14 “(v) activities to improve services to
15 local employers, including small employers
16 in the local area, and increase linkages be-
17 tween the local workforce investment sys-
18 tem and employers; and

19 “(vi) activities to facilitate remote ac-
20 cess to services provided through a one-
21 stop delivery system, including facilitating
22 access through the use of technology.

23 “(B) WORK SUPPORT ACTIVITIES FOR
24 LOW-WAGE WORKERS.—

1 “(i) IN GENERAL.—Funds allocated to
2 a local area under 133(b) may be used to
3 provide, through the one-stop delivery sys-
4 tem and in collaboration with the appro-
5 priate programs and resources of the one-
6 stop partners, work support activities de-
7 signed to assist low-wage workers in re-
8 taining and enhancing employment.

9 “(ii) ACTIVITIES.—The activities de-
10 scribed in clause (i) may include assistance
11 in accessing financial supports for which
12 such workers may be eligible and the provi-
13 sion of activities available through the one-
14 stop delivery system in a manner that en-
15 hances the opportunities of such workers
16 to participate, such as the provision of em-
17 ployment and training activities during
18 nontraditional hours and the provision of
19 on-site child care while such activities are
20 being provided.”; and

21 (B) by adding after paragraph (3) the fol-
22 lowing new paragraph:

23 “(4) INCUMBENT WORKER TRAINING PRO-
24 GRAMS.—

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

6 “(B) TRAINING ACTIVITIES.—The training
7 programs for incumbent workers under this
8 paragraph shall be carried out by the local area
9 in conjunction with the employers of such work-
10 ers for the purpose of assisting such workers in
11 obtaining the skills necessary to retain employ-
12 ment and avert layoffs.

13 “(C) EMPLOYER MATCH REQUIRED.—

14 “(i) IN GENERAL.—Employers partici-
15 pating in programs under this paragraph
16 shall be required to pay a proportion of the
17 costs of providing the training to the in-
18 cumbent workers. The Governor shall es-
19 tablish, or may authorize the local board to
20 establish, the required portion of such
21 costs, which shall not be less than—

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

24 “(II) 25 percent of the costs, for
25 employers with more than 50 employ-

1 ees but fewer than 100 employees;
2 and

3 “(III) 50 percent of the costs, for
4 employers with 100 or more employ-
5 ees.

6 “(ii) CALCULATION OF MATCH.—The
7 wages paid by an employer to a worker
8 while they are attending training may be
9 included as part of the requirement pay-
10 ment of the employer.”.

11 **SEC. 113. PERFORMANCE ACCOUNTABILITY SYSTEM.**

12 (a) STATE PERFORMANCE MEASURES.—

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

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

18 (B) in subparagraph (A)(ii), by striking
19 “paragraph (2)(C)” and inserting “paragraph
20 (2)(B)”.

21 (2) INDICATORS OF PERFORMANCE.—Section
22 136(b)(2) (29 U.S.C. 2871(b)(2)) is amended—

23 (A) in subparagraph (A)(i), by striking
24 “(except for self-service and information activi-
25 ties) and (for participants who are eligible

1 youth age 19 through 21) for youth activities
2 authorized under section 129”;

3 (B) in subparagraph (A)(i)(II), by insert-
4 ing “and” after the semicolon;

5 (C) in subparagraph (A)(i)(III), by strik-
6 ing “; and” and inserting a period;

7 (D) by striking subparagraph (A)(i)(IV);

8 (E) by amending subparagraph (A)(ii) to
9 read as follows:

10 “(ii) CORE INDICATORS FOR ELIGIBLE
11 YOUTH.—The core indicators of perform-
12 ance for youth activities authorized under
13 section 129 shall consist of—

14 “(I) entry into employment, edu-
15 cation or advanced training, or mili-
16 tary service;

17 “(II) attainment of secondary
18 school diploma, General Educational
19 Development credential (GED), or
20 other State-recognized equivalent (in-
21 cluding recognized alternative stand-
22 ards for individuals with disabilities);
23 and

24 “(III) literacy or numeracy
25 gains.”;

1 (F) by striking subparagraph (B); and

2 (G) by redesignating subparagraph (C) as
3 subparagraph (B), and by adding at the end of
4 such subparagraph (as so redesignated) the fol-
5 lowing new sentence: “Such indicators may in-
6 clude customer satisfaction of employers and
7 participants with services received from the
8 workforce investment activities authorized
9 under this subtitle.”.

10 (3) LEVELS OF PERFORMANCE.—Section
11 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is
12 amended—

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

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

19 (C) in clause (iii)—

20 (i) in the heading, by striking “FOR
21 FIRST 3 YEARS”; and

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

25 (D) in clause (iv)—

- 1 (i) by striking subclause (I);
- 2 (ii) by redesignating subclauses (II)
- 3 and (III) as subclauses (I) and (II), re-
- 4 spectively; and
- 5 (iii) in subclause (I) (as so redesign-
- 6 nated)—
- 7 (I) by striking “taking into ac-
- 8 count” and inserting “which shall be
- 9 adjusted based on”;
- 10 (II) by inserting “, such as un-
- 11 employment rates and job losses or
- 12 gains in particular industries” after
- 13 “economic conditions”; and
- 14 (III) by inserting “, such as indi-
- 15 cators of poor work history, lack of
- 16 work experience, low levels of literacy
- 17 or English proficiency, disability sta-
- 18 tus, including the number of veterans
- 19 with disabilities, and welfare depend-
- 20 ency” after “program”;
- 21 (E) by striking clause (v); and
- 22 (F) by redesignating clause (vi) as clause
- 23 (v).

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

4 (b) LOCAL PERFORMANCE MEASURES.—Section
5 136(c) (29 U.S.C 2871(c)) is amended—

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

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

12 (3) by amending paragraph (3) to read as fol-
13 lows:

14 “(3) DETERMINATIONS.—In determining such
15 local levels of performance, the local board, the chief
16 elected official, and the Governor shall ensure such
17 levels are adjusted based on the specific economic
18 characteristics (such as unemployment rates and job
19 losses or gains in particular industries), demographic
20 characteristics, or other characteristics of the popu-
21 lation to be served in the local area, such as poor
22 work history, lack of work experience, low levels of
23 literacy or English proficiency, disability status, in-
24 cluding the number of veterans with disabilities, and
25 welfare dependency.”.

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

3 (1) in paragraph (1), by striking “and the cus-
4 tomer satisfaction indicator” in both places that it
5 appears;

6 (2) in paragraph (2)—

7 (A) in subparagraph (E), by striking “(ex-
8 cluding participants who received only self-serv-
9 ice and informational activities); and” and in-
10 serting a semicolon;

11 (B) in subparagraph (F), by striking the
12 period and inserting “; and”; and

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

14 “(G) the number of participants served
15 and the cost per participant.”; and

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

17 “(4) DATA VALIDATION.—In preparing the re-
18 ports described in this subsection, the States shall
19 establish procedures, consistent with guidelines
20 issued by the Secretary, to ensure the information
21 contained in the report is valid and reliable.”.

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

24 (1) in paragraph (1)(A), by striking “or (B)”;
25 and

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

3 (e) SANCTIONS FOR LOCAL AREAS.—Section 136(h)
4 (29 U.S.C. 2871(h)) is amended—

5 (1) in paragraph (1), by striking “or (B)”; and
6 (2) by amending paragraph (2)(B) to read as
7 follows:

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

16 (f) INCENTIVE GRANTS.—Section 136(i) (29 U.S.C.
17 2871(i)) is amended to read as follows:

18 “(i) INCENTIVE GRANTS FOR STATES AND LOCAL
19 AREAS.—

20 “(1) INCENTIVE GRANTS FOR STATES.—

21 “(A) IN GENERAL.—From funds appro-
22 priated under section 174, the Secretary may
23 award grants to States for exemplary perform-
24 ance in carrying programs under chapters 4
25 and 5 of this title. Such awards may be based

1 on States meeting or exceeding the performance
2 measures established under this section, on the
3 performance of the State in serving special pop-
4 ulations, including the levels of service provided
5 and the performance outcomes, and such other
6 factors relating to the performance of the State
7 under this title as the Secretary determines is
8 appropriate.

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

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

16 “(A) IN GENERAL.—From funds reserved
17 under sections 128(a) and 133(a), the Governor
18 may award incentive grants to local areas for
19 exemplary performance with respect to the
20 measures established under this section and
21 with the performance of the local area in serv-
22 ing special populations, including the levels of
23 service and the performance outcomes.

24 “(B) USE OF FUNDS.—The funds awarded
25 to a local area may be used to carry out activi-

1 ties authorized for local areas under chapters 4
2 and 5 of this title, and such demonstration or
3 other innovative programs to serve special pop-
4 ulations as may be approved by the Governor.”.

5 (g) USE OF CORE INDICATORS FOR OTHER PRO-
6 GRAMS.—Section 136 (29 U.S.C. 2871) is further amend-
7 ed by adding at the end the following subsection:

8 “(j) USE OF CORE INDICATORS FOR OTHER PRO-
9 GRAMS.—In addition to the programs carried out under
10 chapters 4 and 5, and consistent with the requirements
11 of the applicable authorizing laws, the Secretary shall use
12 the core indicators of performance described in subsection
13 (b)(2)(A) to assess the effectiveness of the programs de-
14 scribed under section 121(b)(1)(B) that are carried out
15 by the Secretary.”.

16 (h) REPEAL OF DEFINITIONS.—Sections 502 and
17 503 (and the items related to such sections in the table
18 of contents) are repealed.

19 **SEC. 114. AUTHORIZATION OF APPROPRIATIONS.**

20 (a) YOUTH ACTIVITIES.—Section 137(a) (29 U.S.C.
21 2872(a)) is amended by striking “such sums as may be
22 necessary for each of fiscal years 1999 through 2003” and
23 inserting “\$1,250,000,000 for fiscal year 2006 and such
24 sums as may be necessary for each of fiscal years 2007
25 through 2011”.

1 (b) ADULT EMPLOYMENT AND TRAINING ACTIVI-
2 TIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by
3 striking “section 132(a)(1), such sums as may be nec-
4 essary for each of fiscal years 1999 through 2003” and
5 inserting “section 132(a), \$3,140,000,000 for fiscal year
6 2006 and such sums as may be necessary for each of fiscal
7 years 2007 through 2011”.

8 (c) DISLOCATED WORKER EMPLOYMENT AND
9 TRAINING ACTIVITIES.—Section 137 is further amended
10 by striking subsection (c).

11 **SEC. 115. JOB CORPS.**

12 (a) INDUSTRY COUNCILS.—Section 154(b) (29
13 U.S.C. 2894(b)) is amended—

14 (1) in paragraph (1)(A), by striking “local and
15 distant”; and

16 (2) by adding after paragraph (2) the following:

17 “(3) EMPLOYERS OUTSIDE OF LOCAL AREAS.—

18 The industry council may include, or otherwise pro-
19 vide for consultation with, employers from outside
20 the local area who are likely to hire a significant
21 number of enrollees from the Job Corps center.”.

22 (b) INDICATORS OF PERFORMANCE AND ADDITIONAL
23 INFORMATION.—Section 159(e) (29 U.S.C. 2893(e)) is
24 amended—

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

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

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

10 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
11 161 (29 U.S.C. 2901) is amended by striking “1999
12 through 2003” and inserting “2006 through 2011”.

13 **SEC. 116. NATIVE AMERICAN PROGRAMS.**

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

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

20 (b) ASSISTANCE TO AMERICAN SAMOANS IN HA-
21 WAI.—Section 166 (29 U.S.C. 2911) is further amended
22 by striking subsection (j).

1 **SEC. 117. MIGRANT AND SEASONAL FARMWORKER PRO-**
2 **GRAMS.**

3 Section 167(d) is amended by inserting “(including
4 permanent housing)” after “housing”.

5 **SEC. 118. VETERANS’ WORKFORCE INVESTMENT PRO-**
6 **GRAMS.**

7 Section 168(a)(3)(C) (29 U.S.C. 2913 (a)(3)(C)) is
8 amended by striking “section 134(c)” and inserting “sec-
9 tion 121(e)”.

10 **SEC. 119. YOUTH CHALLENGE GRANTS.**

11 (a) IN GENERAL.—Section 169 (29 U.S.C. 2914) is
12 amended to read as follows:

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

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

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

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

22 “(b) COMPETITIVE GRANTS TO STATES AND LOCAL
23 AREAS.—

24 “(1) ESTABLISHMENT.—From the funds de-
25 scribed in subsection (a)(1), the Secretary shall
26 award competitive grants to eligible entities to carry

1 out activities authorized under this section to assist
2 eligible youth in acquiring the skills, credentials and
3 employment experience necessary to succeed in the
4 labor market.

5 “(2) ELIGIBLE ENTITIES.—Grants under this
6 subsection may be awarded to States, local boards,
7 recipients of grants under section 166 (relating to
8 Native American programs), and public or private
9 entities (including consortia of such entities) apply-
10 ing in conjunction with local boards.

11 “(3) GRANT PERIOD.—The Secretary may
12 make a grant under this section for a period of 1
13 year and may renew the grants for each of the 4
14 succeeding years.

15 “(4) AUTHORITY TO REQUIRE MATCH.—The
16 Secretary may require that grantees under this sub-
17 section provide a non-Federal share of the cost of
18 activities carried out under a grant awarded under
19 this subsection.

20 “(5) PARTICIPANT ELIGIBILITY.—Youth ages
21 14 through 19 as of the time the eligibility deter-
22 mination is made may be eligible to participate in
23 activities provided under this subsection.

24 “(6) USE OF FUNDS.—Funds under this sub-
25 section may be used for activities that are designed

1 to assist youth in acquiring the skills, credentials
2 and employment experience that are necessary to
3 succeed in the labor market, including the activities
4 identified in section 129. The activities may include
5 activities such as—

6 “(A) training and internships for out-of-
7 school youth in sectors of the economy experi-
8 encing or projected to experience high growth;

9 “(B) after-school dropout prevention activi-
10 ties for in-school youth;

11 “(C) activities designed to assist special
12 youth populations, such as court-involved youth
13 and youth with disabilities; and

14 “(D) activities combining remediation of
15 academic skills, work readiness training, and
16 work experience, and including linkages to post-
17 secondary education, apprenticeships, and ca-
18 reer-ladder employment.

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

1 “(A) a description of the activities the eli-
2 gible entity will provide to eligible youth under
3 this subsection;

4 “(B) a description of the programs of dem-
5 onstrated effectiveness on which the provision
6 of the activities under subparagraph (A) are
7 based, and a description of how such activities
8 will expand the base of knowledge relating to
9 the provision of activities for youth;

10 “(C) a description of the private and pub-
11 lic, and local and State resources that will be le-
12 veraged to provide the activities described under
13 subparagraph (A) in addition to the funds pro-
14 vided under this subsection; and

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

19 “(8) FACTORS FOR AWARD.—In awarding
20 grants under this subsection the Secretary may con-
21 sider the quality of the proposed project, the goals
22 to be achieved, the likelihood of successful implemen-
23 tation, the extent to which the project is based on
24 proven strategies or the extent to which the project
25 will expand the knowledge base on activities for

1 youth, and the additional State, local or private re-
2 sources that will be provided.

3 “(9) EVALUATION.—The Secretary may reserve
4 up to 5 percent of the funds described in sub-
5 section(a)(1) to provide technical assistance to, and
6 conduct evaluations of the projects funded under
7 this subsection (using appropriate techniques as de-
8 scribed in section 172(c)).

9 “(c) DISCRETIONARY GRANTS FOR YOUTH ACTIVI-
10 TIES.—

11 “(1) IN GENERAL.—From the funds described
12 in subsection(a)(2), the Secretary may award grants
13 to eligible entities to provide activities that will as-
14 sist youth in preparing for, and entering and retain-
15 ing, employment.

16 “(2) ELIGIBLE ENTITIES.—Grants under this
17 subsection may be awarded to public or private enti-
18 ties that the Secretary determines would effectively
19 carry out activities relating to youth under this sub-
20 section.

21 “(3) PARTICIPANT ELIGIBILITY.—Youth ages
22 14 through 19 at the time the eligibility determina-
23 tion is made may be eligible to participate in activi-
24 ties under this subsection.

1 “(4) USE OF FUNDS.—Funds provided under
2 this subsection may be used for activities that will
3 assist youth in preparing for, and entering and re-
4 taining, employment, including the activities de-
5 scribed in section 129 for out-of-school youth, activi-
6 ties designed to assist in-school youth to stay in
7 school and gain work experience, and such other ac-
8 tivities that the Secretary determines are appro-
9 priate.

10 “(5) APPLICATIONS.—To be eligible to receive a
11 grant under this subsection, an eligible entity shall
12 submit an application to the Secretary at such time,
13 in such manner, and containing such information as
14 the Secretary may require.

15 “(6) ADDITIONAL REQUIREMENTS.—The Sec-
16 retary may require the provision of a non-Federal
17 share for projects funded under this subsection and
18 may require participation of grantees in evaluations
19 of such projects, including evaluations using the
20 techniques as described in section 172(e).”.

21 (b) CLERICAL AMENDMENT.—The table of contents
22 in section 1(b) is amended by amending the item related
23 to section 169 to read as follows:

“Sec. 169. Youth challenge grants.”.

24 **SEC. 120. TECHNICAL ASSISTANCE.**

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

1 (1) by striking subsection (b);

2 (2) by striking

3 “(a) GENERAL TECHNICAL ASSISTANCE.—”;

4 (3) by redesignating paragraphs (1), (2), and
5 (3) as subsections (a), (b), and (c) respectively, and
6 moving such subsections 2 ems to the left;

7 (4) in subsection (a) (as redesignated by para-
8 graph (3))—

9 (A) by inserting “the training of staff pro-
10 viding rapid response services, the training of
11 other staff of recipients of funds under this
12 title, peer review activities under this title, as-
13 sistance regarding accounting and program op-
14 eration practices (when such assistance would
15 not be duplicative to assistance provided by the
16 State), technical assistance to States that do
17 not meet State performance measures described
18 in section 136,” after “localities,”; and

19 (B) by striking “from carrying out activi-
20 ties” and all that follows up to the period and
21 inserting “to implement the amendments made
22 by the Job Training Improvement Act of
23 2005”; and

24 (5) by inserting, after subsection (c) (as red-
25 igned by paragraph (3)), the following:

1 “(d) BEST PRACTICES COORDINATION.—The Sec-
2 retary shall establish a system whereby States may share
3 information regarding best practices with regard to the
4 operation of workforce investment activities under this
5 Act.”.

6 **SEC. 121. DEMONSTRATION, PILOT, MULTISERVICE, RE-**
7 **SEARCH AND MULTI-STATE PROJECTS.**

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

10 (1) in paragraph (1)—

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

13 (B) by amending subparagraphs (A)
14 through (D) to read as follows:

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

22 “(B) projects that promote the develop-
23 ment of systems that will improve the effective-
24 ness and efficiency of programs carried out
25 under this title;

1 “(C) projects that focus on opportunities
2 for employment in industries and sectors of in-
3 dustries that are experiencing or are likely to
4 experience high rates of growth, including those
5 relating to information technology;

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

9 (C) by striking subparagraph (E);

10 (D) by redesignating subparagraphs (F)
11 and (G) as subparagraphs (E) and (F), respec-
12 tively;

13 (E) in subparagraph (F) (as so redesign-
14 ated, by striking “; and” and inserting a semi-
15 colon;

16 (F) by inserting after subparagraph (F)
17 (as so redesignated) the following:

18 “(G) projects that provide retention grants
19 to qualified job training programs upon place-
20 ment or retention of a low-income individual
21 trained by that program in employment with a
22 single employer for a period of 1 year, provided
23 that such employment is providing to the low-
24 income individual an income not less than twice
25 the poverty line for that individual;”;

1 (G) by amending subparagraph (H) to
2 read as follows:

3 “(H) projects that focus on opportunities
4 for employment in industries and sectors of in-
5 dustries that are being transformed by tech-
6 nology and innovation requiring new knowledge
7 or skill sets for workers, including advanced
8 manufacturing; and”;

9 (H) by adding at the end the following:

10 “(I) projects carried out by States and
11 local areas to assist adults or out of school
12 youth in starting a small business, including
13 training and assistance in business or financial
14 management or in developing other skills nec-
15 essary to operate a business.”;

16 (2) in paragraph (2)—

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

18 (B) by redesignating subparagraph (C) as
19 subparagraph (B).

20 (b) MULTISERVICE PROJECTS.—Section
21 171(e)(2)(B) (29 U.S.C. 2916(e)(2)(B)) is amended to
22 read as follows:

23 “(B) NET IMPACT STUDIES AND RE-
24 PORTS.—The Secretary shall conduct studies to
25 determine the net impacts of programs, serv-

1 ices, and activities carried out under this title.
2 The Secretary shall prepare and disseminate to
3 Congress and the public reports containing the
4 results of such studies.”.

5 **SEC. 122. COMMUNITY-BASED JOB TRAINING.**

6 Section 171(d) of the Workforce Investment Act of
7 1998 is amended to read as follows:

8 “(d) COMMUNITY-BASED JOB TRAINING.—

9 “(1) DEMONSTRATION PROJECT.—In addition
10 to the demonstration projects under subsection (b),
11 the Secretary may establish and implement a na-
12 tional demonstration project designed to develop
13 local solutions to the workforce challenges facing
14 high-growth, high-skill industries with labor short-
15 ages, and increase opportunities for workers to gain
16 access to employment in high-growth, high-demand
17 occupations by promoting the establishment of part-
18 nerships among education entities, the workforce in-
19 vestment system, and businesses in high-growth,
20 high-skill industries.

21 “(2) GRANTS.—In carrying out the demonstra-
22 tion project under this subsection, the Secretary
23 shall award competitive grants, in accordance with
24 generally applicable Federal requirements, to eligible

1 entities to carry out activities authorized under this
2 subsection.

3 “(3) DEFINITIONS.—

4 “(A) ELIGIBLE ENTITY.—In this sub-
5 section, the term ‘eligible entity’ means a com-
6 munity college or consortium of community col-
7 leges that shall work in conjunction with—

8 “(i) the local workforce investment
9 system; and

10 “(ii) business or businesses in a quali-
11 fied industry or an industry association in
12 a qualified industry.

13 “(B) QUALIFIED INDUSTRY.—In this sub-
14 section, the term ‘qualified industry’ means an
15 industry or economic sector that is projected to
16 experience significant growth, such as an indus-
17 try and economic sector that—

18 “(i) is projected to add substantial
19 numbers of new jobs to the economy;

20 “(ii) has significant impact on the
21 economy;

22 “(iii) impacts the growth of other in-
23 dustries and economic sectors;

1 “(iv) is being transformed by tech-
2 nology and innovation requiring new
3 knowledge or skill sets for workers;

4 “(v) is a new or emerging industry or
5 economic sector that is projected to grow;
6 or

7 “(vi) has high-skilled occupations and
8 significant labor shortages in the local
9 area.

10 “(C) COMMUNITY COLLEGE.—As used in
11 this subsection, the term ‘community college’
12 means an institution of higher education, as de-
13 fined in section 101 of the Higher Education
14 Act of 1965 (20 U.S.C. 1001), that provides
15 not less than a 2-year program that is accept-
16 able for full credit toward a bachelor’s degree,
17 or is a tribally controlled college or university.

18 “(4) AUTHORITY TO REQUIRE NON-FEDERAL
19 SHARE.—The Secretary may require that recipients
20 of grants under this subsection provide a non-Fed-
21 eral share, from either cash or noncash resources, of
22 the costs of activities carried out under a grant
23 awarded under this subsection.

24 “(5) USE OF FUNDS.—Grants awarded under
25 this subsection may be used for—

1 “(A) the development, by a community col-
2 lege, in consultation with representatives of
3 qualified industries, of rigorous training and
4 education programs related to employment in a
5 qualified industry identified in the eligible enti-
6 ty’s application;

7 “(B) training of adults and dislocated
8 workers in the skills and competencies needed
9 to obtain or upgrade employment in a qualified
10 industry identified in the eligible entity’s appli-
11 cation;

12 “(C) disseminating to adults and dis-
13 located workers, through the one-stop delivery
14 system, information on high-growth, high-de-
15 mand occupations in qualified industries;

16 “(D) placing, through the one-stop delivery
17 system, trained individuals into employment in
18 qualified industries; and

19 “(E) increasing the integration of commu-
20 nity colleges with activities of businesses and
21 the one-stop delivery system to meet the train-
22 ing needs for qualified industries.

23 “(6) APPLICATIONS.—To be eligible to receive a
24 grant under this subsection, an eligible entity shall
25 submit an application to the Secretary at such time,

1 in such manner, and containing such information as
2 the Secretary may require, including—

3 “(A) a description of the community col-
4 lege that will offer training under the grant;

5 “(B) an economic analysis of the local
6 labor market to identify high-growth, high-de-
7 mand industries and identify the workforce
8 issues faced by those industries;

9 “(C) a description of the qualified industry
10 for which training will occur and the availability
11 of competencies on which training will be based;

12 “(D) an assurance that the application was
13 developed in consultation with the local board
14 or boards in the area or areas where the pro-
15 posed grant will be used;

16 “(E) performance outcomes for the grant,
17 including expected number of individuals to be
18 trained in a qualified industry, the employment
19 and retention rates for such individuals in a
20 qualified industry, and earnings increases for
21 such individuals;

22 “(F) a description of how the activities
23 funded by the proposed grant will be coordi-
24 nated with activities provided through the one-

1 stop delivery system in the local area or areas;
2 and

3 “(G) a description of any local or private
4 resources that will support the activities carried
5 out under this subsection and allow the entity
6 to carry out and expand such activities after
7 the expiration of the grant.

8 “(7) FACTORS FOR AWARD OF GRANT.—

9 “(A) IN GENERAL.—In awarding grants
10 under this subsection the Secretary shall
11 consider—

12 “(i) the extent of public and private
13 collaboration, including existing partner-
14 ships among industries, community col-
15 leges, and the public workforce investment
16 system;

17 “(ii) the extent to which the grant will
18 provide job seekers with employment op-
19 portunities in high-growth, high-demand
20 occupations;

21 “(iii) the extent to which the grant
22 will expand the local one-stop delivery sys-
23 tem’s capacity to be demand-driven and re-
24 sponsive to local economic needs;

1 “(iv) the extent to which local busi-
2 nesses commit to hire or retain individuals
3 who receive training through the grant;
4 and

5 “(v) the extent to which the eligible
6 entity commits to make any newly devel-
7 oped products, such as competencies or
8 training curriculum, available for distribu-
9 tion nationally.

10 “(B) LEVERAGING OF RESOURCES.—In
11 awarding grants under this subsection, the Sec-
12 retary shall also consider—

13 “(i) the extent to which local or pri-
14 vate resources, in addition to the funds
15 provided under this subsection, will be
16 made available to support the activities
17 carried out under this subsection; 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 geographically diverse areas.

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 report to the Secretary on the employment out-
7 comes obtained by individuals receiving training
8 under this subsection using the indicators of
9 performance identified in the eligible entity’s
10 grant application.

11 “(B) EVALUATION.—The Secretary may
12 require that an eligible entity that receives a
13 grant under this subsection participate in an
14 evaluation of activities carried out under this
15 subsection, including an evaluation using the
16 techniques described in section 172(c).”.

17 **SEC. 123. PERSONAL REEMPLOYMENT ACCOUNTS.**

18 Section 171 of the Workforce Investment Act of 1998
19 is further amended by adding at the end the following:

20 “(e) PERSONAL REEMPLOYMENT ACCOUNTS.—

21 “(1) DEFINITION.—In this subsection, the term
22 ‘State’ means each of the several States of the
23 United States, the District of Columbia, the Com-
24 monwealth of Puerto Rico, and the United States
25 Virgin Islands.

1 “(2) DEMONSTRATION PROJECT.—In addition
2 to the demonstration projects under subsection (b),
3 the Secretary may establish and implement a na-
4 tional demonstration project designed to analyze and
5 provide data on workforce training programs that
6 accelerate the reemployment of unemployed individ-
7 uals, promote the retention in employment of such
8 individuals, and provide such individuals with en-
9 hanced flexibility, choice, and control in obtaining
10 intensive reemployment, training, and supportive
11 services.

12 “(3) GRANTS.—

13 “(A) IN GENERAL.—In carrying out the
14 demonstration project, the Secretary shall make
15 grants, on a competitive basis, to eligible enti-
16 ties to provide personal reemployment accounts
17 to eligible individuals. In awarding grants under
18 this subsection the Secretary shall take into
19 consideration awarding grants to eligible enti-
20 ties from diverse geographic areas, including
21 rural areas.

22 “(B) DURATION.—The Secretary shall
23 make the grants for periods of not less than 2
24 years and may renew the grant for each of the
25 succeeding 3 years.

1 “(4) ELIGIBLE ENTITY.—In this subsection, the
2 term ‘eligible entity’ means—

3 “(A) a State; or

4 “(B) a local board or consortium of local
5 boards.

6 “(5) USE OF FUNDS.—

7 “(A) IN GENERAL.—An eligible entity that
8 receives a grant under this subsection shall use
9 the grant funds to provide, through a local area
10 or areas, eligible individuals with personal re-
11 employment accounts. An eligible individual
12 may receive only 1 personal reemployment ac-
13 count.

14 “(B) GEOGRAPHIC AREA AND AMOUNT.—

15 “(i) IN GENERAL.—The eligible entity
16 shall establish the amount of a personal re-
17 employment account for each eligible indi-
18 vidual participating, which shall be uni-
19 form throughout the area represented by
20 the eligible entity, and shall not exceed
21 \$3,000.

22 “(ii) OPTION FOR STATES.—If the eli-
23 gible entity is a State, the eligible entity
24 may choose to use the grant statewide, if

1 practicable, or only in specified local areas
2 within a State.

3 “(C) ELIGIBLE INDIVIDUALS.—

4 “(i) IN GENERAL.—Each eligible enti-
5 ty shall establish eligibility criteria for indi-
6 viduals for personal reemployment ac-
7 counts in accordance with this subpara-
8 graph.

9 “(ii) ELIGIBILITY CRITERIA REQUIRE-
10 MENTS.—

11 “(I) IN GENERAL.—Subject to
12 subclause (II), an individual shall be
13 eligible to receive a personal reemploy-
14 ment account under a grant awarded
15 under this subsection if, beginning
16 after the date of enactment of this
17 subsection, the individual—

18 “(aa) is identified by the
19 State pursuant to section
20 303(j)(1) of the Social Security
21 Act (42 U.S.C. 503(j)(1)) as like-
22 ly to exhaust regular unemploy-
23 ment compensation and in need
24 of job search assistance to make
25 a successful transition to new

1 employment, or the individual's
2 unemployment can be attributed
3 in substantial part to unfair com-
4 petition from Federal Prison In-
5 dustries, Incorporated;

6 “(bb) is receiving regular
7 unemployment compensation
8 under any Federal or State un-
9 employment compensation pro-
10 gram administered by the State;
11 and

12 “(cc) is eligible for not less
13 than 20 weeks of regular unem-
14 ployment compensation described
15 in item (bb).

16 “(II) ADDITIONAL ELIGIBILITY
17 AND PRIORITY CRITERIA.—An eligible
18 entity may establish criteria that are
19 in addition to the criteria described in
20 subclause (I) for the eligibility of indi-
21 viduals to receive a personal reemploy-
22 ment account under this subsection.
23 An eligible entity may also establish
24 criteria for priority in the provision of
25 a personal reemployment account to

1 such eligible individuals under a grant
2 awarded under this subsection.

3 “(iii) TRANSITION RULE.—

4 “(I) PREVIOUSLY IDENTIFIED AS
5 LIKELY TO EXHAUST UNEMPLOYMENT
6 COMPENSATION.—

7 “(aa) IN GENERAL.—At the
8 option of the eligible entity, and
9 subject to item (bb), an indi-
10 vidual may be eligible to receive a
11 personal reemployment account
12 under this subsection if the
13 individual—

14 “(AA) during the 13-
15 week period ending the week
16 prior to the date of the en-
17 actment of the subsection,
18 was identified by the State
19 pursuant to section
20 303(j)(1) of the Social Secu-
21 rity Act (42 U.S.C.
22 503(j)(1)) as likely to ex-
23 haust regular unemployment
24 compensation and in need of
25 job search assistance to

1 make a successful transition
2 to new employment; and

3 “(BB) otherwise meets
4 the requirements of clause
5 (ii)(I)(bb) and (cc).

6 “(bb) ADDITIONAL ELIGI-
7 BILITY AND PRIORITY CRI-
8 TERIA.—An eligible entity may
9 establish criteria that is in addi-
10 tion to the criteria described in
11 item (aa) for the eligibility of in-
12 dividuals to receive a personal re-
13 employment account under this
14 subsection. An eligible entity may
15 also establish criteria for priority
16 in the provision of such accounts
17 to such eligible individuals under
18 this subsection.

19 “(II) PREVIOUSLY EXHAUSTED
20 UNEMPLOYMENT COMPENSATION.—At
21 the option of the eligible entity, an in-
22 dividual may be eligible to receive a
23 personal reemployment account under
24 a grant awarded under this subsection
25 if the individual—

1 “(aa) during the 26-week
2 period ending the week prior to
3 the date of the enactment of this
4 subsection, exhausted all rights
5 to any unemployment compensa-
6 tion; and

7 “(bb)(AA) is enrolled in
8 training and needs additional
9 support to complete such train-
10 ing, with a priority of service to
11 be provided to such individuals
12 who are training for shortage oc-
13 cupations or high-growth indus-
14 tries; or

15 “(BB) is separated from
16 employment in an industry or oc-
17 cupation that has experienced de-
18 clining employment, or no longer
19 provides any employment, in the
20 local labor market during the 2-
21 year period ending on the date of
22 the determination of eligibility of
23 the individual under this sub-
24 paragraph.

1 “(iv) NO INDIVIDUAL ENTITLE-
2 MENT.—Nothing in this subsection shall be
3 construed to entitle any individual to re-
4 ceive a personal reemployment account.

5 “(D) LIMITATIONS.—

6 “(i) INFORMATION AND ATTESTA-
7 TION.—Prior to the establishment of a per-
8 sonal reemployment account for an eligible
9 individual, the eligible entity receiving a
10 grant, through the one-stop delivery sys-
11 tem in the participating local area or
12 areas, shall ensure that the individual—

13 “(I) is informed of the require-
14 ments applicable to the personal reem-
15 ployment account, including the allow-
16 able uses of funds from the account,
17 the limitations on access to services
18 described in paragraph (7)(A)(iii) and
19 a description of such services, and the
20 conditions for receiving a reemploy-
21 ment bonus;

22 “(II) has the option to develop a
23 personal reemployment plan which will
24 identify the employment goals and ap-
25 propriate combination of services se-

1 lected by the individual to achieve the
2 employment goals; and

3 “(III) signs an attestation that
4 the individual has been given the op-
5 tion to develop a personal reemploy-
6 ment plan in accordance with sub-
7 clause (II), will comply with the re-
8 quirements under this subsection re-
9 lating to the personal reemployment
10 accounts, and will reimburse the ac-
11 count or, if the account has been ter-
12 minated, the grant awarded under
13 this subsection, for any amounts ex-
14 pended from the account that are not
15 allowable.

16 “(ii) PERIODIC INTERVIEWS.—If a re-
17 cipient exhausts his or her rights to any
18 unemployment compensation, and the re-
19 cipient has a remaining balance in his or
20 her personal reemployment account, the
21 one-stop delivery system shall conduct peri-
22 odic interviews with the recipient to assist
23 the recipient in meeting his or her indi-
24 vidual employment goals.

1 “(iii) USE OF PERSONAL REEMPLOY-
2 MENT ACCOUNTS.—The eligible entity re-
3 ceiving a grant shall ensure that eligible
4 individuals receiving a personal reemploy-
5 ment account use the account in accord-
6 ance with paragraph (7).

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

12 “(A) if the eligible entity is a State—

13 “(i) assurance that the application
14 was developed in conjunction with the local
15 board or boards and chief elected officials
16 where the personal reemployment accounts
17 shall be made available; and

18 “(ii) a description of the methods and
19 procedures for providing funds to local
20 areas where the personal reemployment ac-
21 counts shall be made available;

22 “(B) a description of the criteria and
23 methods to be used for determining eligibility
24 for the personal reemployment account, includ-
25 ing whether the eligible entity intends to include

1 the optional categories described in paragraph
2 (5)(C)(iii), and the additional criteria and pri-
3 ority for service that the eligible entity intends
4 to apply, if any, pursuant to paragraph
5 (5)(C)(ii)(II);

6 “(C) a description of the methods or proce-
7 dures to be used to provide eligible individuals
8 information relating to services and providers;

9 “(D) a description of safeguards to ensure
10 that funds from the personal reemployment ac-
11 counts are used for purposes authorized under
12 this subsection and to ensure the quality and
13 integrity of services and providers, consistent
14 with the purpose of providing eligible individ-
15 uals with enhanced flexibility, choice, and con-
16 trol in obtaining intensive reemployment, train-
17 ing, and supportive services;

18 “(E) a description of how the eligible enti-
19 ty will coordinate the activities carried out
20 under this subsection with the employment and
21 training activities carried out under section 134
22 and other activities carried out by local boards
23 through the one-stop delivery system in the
24 State or local area; and

1 “(F) an assurance that the eligible entity
2 will comply with any evaluation and reporting
3 requirements the Secretary may require.

4 “(7) USE OF PERSONAL REEMPLOYMENT AC-
5 COUNTS.—

6 “(A) ALLOWABLE ACTIVITIES.—

7 “(i) IN GENERAL.—Subject to the re-
8 quirements contained in clauses (ii) and
9 (iii), a recipient of a personal reemploy-
10 ment account may use amounts in a per-
11 sonal reemployment account to purchase 1
12 or more of the following:

13 “(I) Intensive services, including
14 those type of services specified in sec-
15 tion 134(d)(3)(C).

16 “(II) Training services, including
17 those types of services specified in sec-
18 tion 134(d)(4)(D).

19 “(III) Supportive services, except
20 for needs related payments.

21 “(ii) DELIVERY OF SERVICES.—The
22 following requirements relating to delivery
23 of services shall apply to the grants under
24 this subsection:

1 “(I) Recipients may use funds
2 from the personal reemployment ac-
3 count to purchase the services de-
4 scribed in clause (i) through the one-
5 stop delivery system on a fee-for-serv-
6 ice basis, or through other providers,
7 consistent with the safeguards de-
8 scribed in paragraph (6)(D).

9 “(II) The eligible entity, through
10 the one-stop delivery system in the
11 participating local area, may pay costs
12 for such services directly on behalf of
13 the recipient, through a voucher sys-
14 tem, or by reimbursement to the re-
15 cipient upon receipt of appropriate
16 cost documentation.

17 “(III) Each eligible entity,
18 through the one-stop delivery system
19 in the participating local area, shall
20 make available to recipients informa-
21 tion on training providers specified in
22 section 134(d)(4)(F)(ii), information
23 available to the one-stop delivery sys-
24 tem on providers of the intensive and
25 supportive services described in clause

1 (i), and information relating to occu-
2 pations in demand in the local area.

3 “(iii) LIMITATIONS.—The following
4 limitations shall apply with respect to per-
5 sonal reemployment accounts under this
6 subsection:

7 “(I) Amounts in a personal reem-
8 ployment account may be used for up
9 to 1 year from the date of the estab-
10 lishment of the account.

11 “(II) Each recipient shall submit
12 cost documentation as required by the
13 one-stop delivery system.

14 “(III) For the 1-year period fol-
15 lowing the establishment of the ac-
16 count, recipients may not receive in-
17 tensive, supportive, or training serv-
18 ices funded under this title except on
19 a fee-for-services basis as specified in
20 clause (ii)(I).

21 “(IV) Amounts in a personal re-
22 employment account shall be non-
23 transferable.

24 “(B) REEMPLOYMENT BONUS.—

1 “(i) IN GENERAL.—Subject to clause
2 (ii)—

3 “(I) if a recipient determined eli-
4 gible under paragraph (5)(C)(ii) ob-
5 tains full-time employment before the
6 13th week of unemployment for which
7 unemployment compensation is paid,
8 the balance of his or her personal re-
9 employment account shall be provided
10 directly to the recipient in cash; and

11 “(II) if a recipient determined eli-
12 gible under paragraph (5)(C)(iii) ob-
13 tains full-time employment before the
14 end of the 13th week after the date
15 on which the account is established,
16 the balance of his or her personal re-
17 employment account shall be provided
18 directly to the recipient in cash.

19 “(ii) LIMITATIONS.—The following
20 limitations shall apply with respect to a re-
21 cipient described in clause (i):

22 “(I) 60 percent of the remaining
23 personal reemployment account
24 balance shall be paid to the recipient
25 at the time of employment.

1 “(II) 40 percent of the remaining
2 personal reemployment account shall
3 be paid to the recipient after 26 weeks
4 of employment retention.

5 “(iii) EXCEPTION REGARDING SUBSE-
6 QUENT EMPLOYMENT.—If a recipient de-
7 scribed in clause (i) subsequently becomes
8 unemployed due to a lack of work after re-
9 ceiving the portion of the reemployment
10 bonus specified under clause (ii)(I), the in-
11 dividual may use the amount remaining in
12 the personal reemployment account for the
13 purposes described in subparagraph (A)
14 but may not be eligible for additional cash
15 payments under this subparagraph.

16 “(8) PROGRAM INFORMATION AND EVALUA-
17 TION.—

18 “(A) INFORMATION.—The Secretary may
19 require from eligible entities the collection and
20 reporting on such financial, performance, and
21 other program-related information as the Sec-
22 retary determines is appropriate to carry out
23 this subsection, including the evaluation de-
24 scribed in subparagraph (B).

25 “(B) EVALUATION.—

1 “(i) IN GENERAL.—The Secretary,
2 pursuant to the authority provided under
3 section 172, shall, directly or through
4 grants, contracts, or cooperative agreement
5 with appropriate entities, conduct an eval-
6 uation of the activities carried out under
7 any grants awarded under this subsection.

8 “(ii) REPORT.—The report to Con-
9 gress under section 172(e) relating to the
10 results of the evaluations required under
11 section 172 shall include the recommenda-
12 tion of the Secretary with respect to the
13 use of personal reemployment account as a
14 mechanism to assist individuals in obtain-
15 ing and retaining employment.”.

16 **SEC. 124. TRAINING FOR REALTIME WRITERS.**

17 Section 171 of the Workforce Investment Act of 1998
18 is further amended by adding at the end the following:

19 “(f) TRAINING FOR REALTIME WRITERS.—

20 “(1) IN GENERAL.—The Secretary may make
21 competitive grants to eligible entities under para-
22 graph (2)(A) to promote training and placement of
23 individuals as realtime writers in order to meet the
24 requirements for closed captioning of video program-
25 ming set forth in section 723 of the Communications

1 Act of 1934 (47 U.S.C. 613) and the rules pre-
2 scribed thereunder.

3 “(2) LIMITATIONS.—

4 “(A) ELIGIBLE ENTITIES.—For purposes
5 of this subsection, an eligible entity is a court
6 reporting or realtime writing training program
7 that—

8 “(i) can document and demonstrate to
9 the Secretary that it meets appropriate
10 standards of educational and financial ac-
11 countability, with a curriculum capable of
12 training realtime writers, qualified to pro-
13 vide captioning services and includes ar-
14 rangements to assist in the placement of
15 such individuals in employment as realtime
16 writers; and

17 “(ii) is an entity that—

18 “(I) is an eligible provider of
19 training services under section 122; or

20 “(II) is accredited by an accred-
21 iting agency recognized by the De-
22 partment of Education; and partici-
23 pates in student aid programs under
24 title IV of the Higher Education Act
25 of 1965 (20 U.S.C. 1070 et seq.).

1 “(B) PRIORITY IN GRANTS.—In deter-
2 mining whether to award grants under this sec-
3 tion, the Secretary shall give priority to eligible
4 entities that—

5 “(i) demonstrate the greatest ability
6 to increase their capacity to train realtime
7 writers;

8 “(ii) demonstrate the most promising
9 collaboration with local workforce invest-
10 ment boards, local educational institutions,
11 businesses, labor organizations, or other
12 community-based organization having the
13 potential to train or provide job placement
14 assistance to realtime writers; and

15 “(iii) propose the most promising and
16 innovative approaches for initiating or ex-
17 panding training or job placement assist-
18 ance efforts for realtime writers.

19 “(C) DURATION OF GRANT.—A grant
20 under this subsection shall be for a period of 2
21 years.

22 “(D) MAXIMUM AMOUNT OF GRANT.—The
23 amount of a grant provided under paragraph
24 (1) to an entity eligible may not exceed
25 \$1,500,000.

1 “(3) APPLICATION.—To receive a grant under
2 paragraph (1), an eligible entity shall submit an ap-
3 plication to the Secretary at such time and in such
4 manner as the Secretary may require. The applica-
5 tion shall include—

6 “(A) a description of the training and as-
7 sistance to be funded using the grant amount,
8 including how such training and assistance will
9 increase the number of realtime writers;

10 “(B) a description of performance meas-
11 ures to be utilized to evaluate the progress of
12 individuals receiving such training and assist-
13 ance in matters relating to enrollment, comple-
14 tion of training, and job placement and reten-
15 tion;

16 “(C) a description of the manner in which
17 the eligible entity intends to continue providing
18 the training and assistance to be funded by the
19 grant after the end of the grant period, includ-
20 ing any partnerships or arrangements estab-
21 lished for that purpose;

22 “(D) a description of how the eligible enti-
23 ty will work with local workforce investment
24 boards to ensure that training and assistance to
25 be funded with the grant will further local

1 workforce goals, including the creation of edu-
2 cational opportunities for individuals who are
3 from economically disadvantaged backgrounds
4 or are dislocated workers; and

5 “(E) such other information as the Sec-
6 retary may require.

7 “(4) USE OF FUNDS.—

8 “(A) IN GENERAL.—An eligible entity re-
9 ceiving a grant under paragraph (1) shall use
10 the grant amount for purposes relating to the
11 recruitment, training, assistance, and job place-
12 ment of individuals (including individuals who
13 have completed a court reporting training pro-
14 gram) as realtime writers, including—

15 “(i) recruitment activities;

16 “(ii) the provision of training grants
17 to individuals for training in realtime writ-
18 ing;

19 “(iii) distance learning;

20 “(iv) design and development of cur-
21 riculum to more effectively train realtime
22 writing skills and education in the knowl-
23 edge bases necessary for the delivery of
24 high quality closed captioning services;

1 “(v) assistance in job placement for
2 upcoming and recent graduates with all
3 types of captioning employers; and

4 “(vi) encouragement of individuals
5 with disabilities to pursue a career in
6 realtime writing.

7 “(B) ADMINISTRATIVE COSTS.—The recipi-
8 ent of a grant under paragraph (1) may not use
9 more than 5 percent of the grant amount to
10 pay administrative costs associated with activi-
11 ties funded by the grant.

12 “(5) REPORTS.—Each eligible entity receiving a
13 grant under paragraph (1) shall submit to the Sec-
14 retary, at the end of each year of the grant period,
15 a report which shall include—

16 “(A) a description of the use of grant
17 amounts by the entity during such year;

18 “(B) an assessment, utilizing the perform-
19 ance measures submitted by the entity in the
20 application for the grant under paragraph
21 (2)(D), of the effectiveness of activities carried
22 out using such funds in increasing the number
23 of realtime writers; and

24 “(C) a description of the best practices
25 identified by the entity as a result of the grant

1 for increasing the number of individuals who
2 are trained, employed, and retained in employ-
3 ment as realtime writers.”.

4 **SEC. 125. BUSINESS PARTNERSHIP GRANTS.**

5 Section 171 (29 U.S.C. 2916) is further amended by
6 adding at the end the following:

7 “(g) BUSINESS PARTNERSHIP GRANTS.—

8 “(1) DEMONSTRATION PROJECT.—In addition
9 to the demonstration projects under subsection (b),
10 (d), and (e), the Secretary may make up to 10 com-
11 petitive grants per year to eligible entities to expand
12 local sector-focused training and workforce develop-
13 ment in high growth, high wage industry sectors in
14 one or more regions of particular States.

15 “(2) ELIGIBLE ENTITIES.—For purposes of this
16 subsection an eligible entity is a business or business
17 partnership, including associations of single or re-
18 lated industry employers and employee representa-
19 tives, consortia of such employers, employee rep-
20 resentatives, and workforce development community-
21 based organizations, and higher education institu-
22 tions.

23 “(3) USE OF FUNDS.—Grants awarded under
24 this subsection may be used to—

1 “(A) provide workforce-directed business
2 services to help employers in targeted industries
3 better retain, support and advance their skilled
4 workers;

5 “(B) provide capacity building through re-
6 gional skill alliances, workforce intermediaries,
7 and other collaborative entities to link busi-
8 nesses to public workforce systems and service
9 providers targeted for their industry;

10 “(C) conduct analyses of skills that are
11 needed in the workforce in such industries cur-
12 rently and in the future to project new market
13 opportunities in particular industries;

14 “(D) develop rigorous training and edu-
15 cation programs related to employment in high-
16 growth, high-wage industries;

17 “(E) develop skill standards and industry-
18 certified curricula used in preparing workers for
19 employment in such industries;

20 “(F) train adults and dislocated workers in
21 the skills and competencies needed to obtain or
22 upgrade employment;

23 “(G) disseminate information on high-
24 growth, high-wage occupations;

1 “(H) place trained individuals into employ-
2 ment in high-growth, high-wage industries;

3 “(I) increase integration between training
4 providers, businesses, and the one-stop delivery
5 system to meet the training needs of particular
6 industries.

7 “(4) REPORTS.—The Secretary shall track and
8 annually report to the chairmen and ranking minor-
9 ity members of the Committee on Education and the
10 Workforce of the House of Representatives and the
11 Committee on Health, Education, Labor and Pen-
12 sions of the Senate, on the industries receiving
13 grants under this subsection, the performance re-
14 sults of each such grant, and the percentage and
15 amount of grants awarded to eligible entities for
16 programs serving each of the following populations:
17 incumbent workers, dislocated workers, adults, and
18 youth.”.

19 **SEC. 126. NATIONAL DISLOCATED WORKER GRANTS.**

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

22 (1) by amending the designation and heading to
23 read as follows:

24 **“SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.”**; and

25 (2) in subsection (a)—

1 (A) by striking “national emergency
2 grants” in the matter preceding paragraph (1)
3 and inserting “national dislocated worker
4 grants”; and

5 (B) in paragraph (1), by striking “sub-
6 section (c)” and inserting “subsection (b)”.

7 (b) ADMINISTRATION.—Section 173 (29 U.S.C.
8 2918) is further amended—

9 (1) by striking subsection (b) and redesignating
10 subsections (c) and (d) as subsections (b) and (c),
11 respectively; and

12 (2) by striking subsection (e) and redesignating
13 subsections (f) and (g) as subsection (d) and (e), re-
14 spectively.

15 (c) ELIGIBLE ENTITIES.—Section 173(b)(1)(B) (29
16 U.S.C. 2918(b)(1)(B)) (as redesignated by subsection
17 (b)(1) of this section) is amended by striking “, and other
18 entities” and all that follows and inserting a period.

19 (d) PARTICIPANT ELIGIBILITY FOR MILITARY
20 SPOUSES.—Section 173(b)(2)(A) (29 U.S.C.
21 2918(b)(2)(A)) (as redesignated by subsection (b)(1) of
22 this section) is amended—

23 (1) in clause (iii), by striking “; or” and insert-
24 ing a semicolon;

1 (2) in clause (iv)(IV) by striking the period and
2 inserting “; or”; and

3 (3) by inserting at the end the following:

4 “(v) is the spouse of a member of the
5 Armed Forces who is on active duty or
6 full-time National Guard duty, or who was
7 recently separated from such duties, and
8 such spouse is in need of employment and
9 training assistance to obtain or retain em-
10 ployment.”.

11 (e) CONFORMING AMENDMENT.—The table of con-
12 tents in section 1(b) is amended by amending the item
13 related to section 173 to read as follows:

“Sec. 173. National dislocated worker grants.”.

14 **SEC. 127. AUTHORIZATION OF APPROPRIATIONS FOR NA-**
15 **TIONAL ACTIVITIES.**

16 (a) IN GENERAL.—Section 174(a)(1) (29 U.S.C.
17 2919(a)(1)) is amended by striking “1999 through 2003”
18 and inserting “2006 through 2011”.

19 (b) RESERVATIONS.—Section 174(b) is amended to
20 read as follows:

21 “(b) TECHNICAL ASSISTANCE; DEMONSTRATION AND
22 PILOT PROJECTS; EVALUATIONS; INCENTIVE GRANTS.—

23 “(1) DEMONSTRATION AND PILOT PROJECTS.—

24 “(A) IN GENERAL.—There are authorized
25 to be appropriated to carry out section 171,

1 \$211,000,000 for fiscal year 2006 and such
2 sums as may be necessary for fiscal years 2007
3 through 2011.

4 “(B) RESERVATION FOR COMMUNITY-
5 BASED JOB TRAINING.—Of the amount appro-
6 priated pursuant to subparagraph (A), the Sec-
7 retary shall reserve up to \$125,000,000 for car-
8 rying out section 171(d).

9 “(2) TECHNICAL ASSISTANCE, EVALUATIONS.—
10 There are authorized to be appropriated to carry out
11 section 170, section 172, and section 136 such sums
12 as may be necessary for each of fiscal years 2006
13 through 2011.”.

14 **SEC. 128. REQUIREMENTS AND RESTRICTIONS.**

15 (a) IN GENERAL.—Section 181(e)(2)(A) (29 U.S.C.
16 2931(c)(2)(A)) is amended in the matter preceding clause
17 (i) by striking “shall” and inserting “may”.

18 (b) LIMITATIONS.—Section 181(e) (29 U.S.C.
19 2931(e)) is amended by striking “training for” and insert-
20 ing “the entry into employment, retention in employment,
21 or increases in earnings of”.

22 (c) REPORTS TO CONGRESS.—Section 185(e)(2) (29
23 U.S.C. 2935(e)(2)) is amended by inserting “and the Sec-
24 retary shall submit to the Committee on Education and
25 the Workforce of the House of Representatives and the

1 Committee on Health, Education, Labor, and Pensions of
2 the Senate,” after “Secretary,”.

3 **SEC. 129. NONDISCRIMINATION.**

4 Section 188(a)(2) (29 U.S.C. 2931(a)(2)) is amended
5 to read as follows:

6 “(2) PROHIBITION OF DISCRIMINATION RE-
7 GARDING PARTICIPATION, BENEFITS, AND EMPLOY-
8 MENT.—

9 “(A) IN GENERAL.—Except as provided in
10 subparagraph (B), no individual shall be ex-
11 cluded from participation in, denied the benefits
12 of, subjected to discrimination under, or denied
13 employment in the administration of or in con-
14 nection with, any such program or activity be-
15 cause of race, color, religion, sex (except as oth-
16 erwise permitted under title IX of the Edu-
17 cation Amendments of 1972), national origin,
18 age, disability, or political affiliation or belief.

19 “(B) EXEMPTION FOR RELIGIOUS ORGANI-
20 ZATIONS.—Subparagraph (A) shall not apply to
21 a recipient of financial assistance under this
22 title that is a religious corporation, association,
23 educational institution, or society, with respect
24 to the employment of individuals of a particular
25 religion to perform work connected with the

1 carrying on by such corporation, association,
2 educational institution, or society of its activi-
3 ties. Such recipients shall comply with the other
4 requirements contained in subparagraph (A).”.

5 **SEC. 130. ADMINISTRATIVE PROVISIONS.**

6 (a) PROGRAM YEAR.—Section 189(g)(1) (29 U.S.C.
7 2939(g)(1)) is amended to read as follows:

8 “(1) IN GENERAL.—Appropriations for any fis-
9 cal year for programs and activities carried out
10 under this title shall be available for obligation only
11 on the basis of a program year. The program year
12 shall begin on July 1 in the fiscal year for which the
13 appropriation is made.”.

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

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

19 (1) in subparagraph (A), in the matter pre-
20 ceding clause (i), by inserting “, or in accordance
21 with subparagraph (D)” after “subparagraph (B)”;
22 and

23 (2) by adding the following subparagraph:

24 “(D) EXPEDITED PROCESS FOR EXTEND-
25 ING APPROVED WAIVERS TO ADDITIONAL

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

12 **SEC. 131. GENERAL PROGRAM REQUIREMENTS.**

13 Section 195 (29 U.S.C. 2945) is amended by adding
14 at the end the following new paragraphs:

15 “(14) Funds provided under this title shall not
16 be used to establish or operate stand-alone fee-for-
17 service enterprises that compete with private sector
18 employment agencies within the meaning of section
19 701(c) of the Civil Rights Act of 1964 (42 U.S.C.
20 2000e(c)). For purposes of this paragraph, such an
21 enterprise does not include one-stop centers.

22 “(15) Any report required to be submitted to
23 Congress, or to a Committee of Congress, under this
24 title shall be submitted to both the chairmen and
25 ranking minority members of the Committee on

1 Education and the Workforce of the House of Rep-
 2 resentatives and the Committee on Health, Edu-
 3 cation, Labor, and Pensions of the Senate.”.

4 **TITLE II—ADULT EDUCATION,**
 5 **BASIC SKILLS, AND FAMILY**
 6 **LITERACY EDUCATION**

7 **SEC. 201. TABLE OF CONTENTS.**

8 The table of contents in section 1(b) is amended by
 9 amending the items relating to title II to read as follows:

“TITLE II—ADULT EDUCATION, BASIC SKILLS, AND FAMILY
 LITERACY EDUCATION

“Sec. 201. Short title.

“Sec. 202. Purpose.

“Sec. 203. Definitions.

“Sec. 204. Home schools.

“Sec. 205. Authorization of appropriations.

“CHAPTER 1—FEDERAL PROVISIONS

“Sec. 211. Reservation of funds; grants to eligible agencies; allotments.

“Sec. 212. Performance accountability system.

“Sec. 213. Incentive grants for States.

“CHAPTER 2—STATE PROVISIONS

“Sec. 221. State administration.

“Sec. 222. State distribution of funds; matching requirement.

“Sec. 223. State leadership activities.

“Sec. 224. State plan.

“Sec. 225. Programs for corrections education and other institutionalized
 individuals.

“CHAPTER 3—LOCAL PROVISIONS

“Sec. 231. Grants and contracts for eligible providers.

“Sec. 232. Local application.

“Sec. 233. Local administrative cost limits.

“CHAPTER 4—GENERAL PROVISIONS

“Sec. 241. Administrative provisions.

“Sec. 242. National Institute for Literacy.

“Sec. 243. National leadership activities.”.

1 **SEC. 202. AMENDMENT.**

2 Title II (29 U.S.C. 2901 et seq.) is amended to read
3 as follows:

4 **“TITLE II—ADULT EDUCATION,
5 BASIC SKILLS, AND FAMILY
6 LITERACY EDUCATION**

7 **“SEC. 201. SHORT TITLE.**

8 “This title may be cited as the ‘Adult Education,
9 Basic Skills, and Family Literacy Education Act’.

10 **“SEC. 202. PURPOSE.**

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

18 “(1) increase the literacy of adults, including
19 the basic reading, writing, speaking, and math skills,
20 to a level of proficiency necessary for adults to ob-
21 tain employment and self-sufficiency and to success-
22 fully advance in the workforce;

23 “(2) assist adults in the completion of a sec-
24 ondary school education (or its equivalent) and the
25 transition to a postsecondary educational institution;

1 “(3) assist adults who are parents to enable
2 them to support the educational development of their
3 children and make informed choices regarding their
4 children’s education including, through instruction in
5 basic reading, writing, speaking, and math skills;
6 and

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

12 **“SEC. 203. DEFINITIONS.**

13 “In this title:

14 “(1) ADULT EDUCATION, BASIC SKILLS, AND
15 FAMILY LITERACY EDUCATION PROGRAMS.—The
16 term ‘adult education, basic skills, and family lit-
17 eracy education programs’ means a sequence of aca-
18 demic instruction and educational services below the
19 postsecondary level that increase an individual’s abil-
20 ity to read, write, and speak in English and perform
21 mathematical computations leading to a level of pro-
22 ficiency equivalent to at least a secondary school
23 completion that is provided for individuals—

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

1 “(B) who are not enrolled or required to be
2 enrolled in secondary school under State law;
3 and

4 “(C) who—

5 “(i) lack sufficient mastery of basic
6 reading, writing, speaking, and math skills
7 to enable the individuals to function effec-
8 tively in society;

9 “(ii) do not have a secondary school
10 diploma, General Educational Development
11 credential (GED), or other State-recog-
12 nized equivalent and have not achieved an
13 equivalent level of education; or

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

16 “(2) ELIGIBLE AGENCY.—The term ‘eligible
17 agency’—

18 “(A) means the primary entity or agency
19 in a State or an outlying area responsible for
20 administering or supervising policy for adult
21 education, basic skills, and family literacy edu-
22 cation programs in the State or outlying area,
23 respectively, consistent with the law of the
24 State or outlying area, respectively; and

1 “(B) may be the State educational agency,
2 the State agency responsible for administering
3 workforce investment activities, or the State
4 agency responsible for administering community
5 or technical colleges.

6 “(3) ELIGIBLE PROVIDER.—The term ‘eligible
7 provider’ means—

8 “(A) a local educational agency;

9 “(B) a community-based or faith-based or-
10 ganization of demonstrated effectiveness;

11 “(C) a volunteer literacy organization of
12 demonstrated effectiveness;

13 “(D) an institution of higher education;

14 “(E) a public or private educational agen-
15 cy;

16 “(F) a library;

17 “(G) a public housing authority;

18 “(H) an institution that is not described in
19 any of subparagraphs (A) through (G) and has
20 the ability to provide adult education, basic
21 skills, and family literacy education programs to
22 adults and families; or

23 “(I) a consortium of the agencies, organi-
24 zations, institutions, libraries, or authorities de-

1 scribed in any of subparagraphs (A) through
2 (H).

3 “(4) ENGLISH LANGUAGE ACQUISITION PRO-
4 GRAM.—The term ‘English language acquisition pro-
5 gram’ means a program of instruction designed to
6 help individuals with limited English proficiency
7 achieve competence in reading, writing, and speaking
8 the English language.

9 “(5) ESSENTIAL COMPONENTS OF READING IN-
10 STRUCTION.—The term ‘essential components of
11 reading instruction’ has the meaning given to that
12 term in section 1208 of the Elementary and Sec-
13 ondary Education Act of 1965.

14 “(6) FAMILY LITERACY EDUCATION PRO-
15 GRAM.—The term ‘family literacy education pro-
16 gram’ means an educational program that—

17 “(A) assists parents and students, on a
18 voluntary basis, in achieving the purposes of
19 this title as described in section 202; and

20 “(B) is of sufficient intensity in terms of
21 hours and of sufficient duration to make sus-
22 tainable changes in a family, is based upon sci-
23 entific research-based principles, and, for the
24 purpose of substantially increasing the ability of

1 parents and children to read, write, and speak
2 English, integrates—

3 “(i) interactive literacy activities be-
4 tween parents and their children;

5 “(ii) training for parents regarding
6 how to be the primary teacher for their
7 children and full partners in the education
8 of their children;

9 “(iii) parent literacy training that
10 leads to economic self-sufficiency; and

11 “(iv) an age-appropriate education to
12 prepare children for success in school and
13 life experiences.

14 “(7) GOVERNOR.—The term ‘Governor’ means
15 the chief executive officer of a State or outlying
16 area.

17 “(8) INDIVIDUAL WITH A DISABILITY.—

18 “(A) IN GENERAL.—The term ‘individual
19 with a disability’ means an individual with any
20 disability (as defined in section 3 of the Ameri-
21 cans with Disabilities Act of 1990).

22 “(B) INDIVIDUALS WITH DISABILITIES.—
23 The term ‘individuals with disabilities’ means
24 more than one individual with a disability.

1 “(9) INDIVIDUAL WITH LIMITED ENGLISH PRO-
2 FICIENCY.—The term ‘individual with limited
3 English proficiency’ means an adult or out-of-school
4 youth who has limited ability in reading, writing,
5 speaking, or understanding the English language,
6 and—

7 “(A) whose native language is a language
8 other than English; or

9 “(B) who lives in a family or community
10 environment where a language other than
11 English is the dominant language.

12 “(10) INSTITUTION OF HIGHER EDUCATION.—
13 The term ‘institution of higher education’ has the
14 meaning given to that term in section 101 of the
15 Higher Education Act of 1965.

16 “(11) LITERACY.—The term ‘literacy’ means an
17 individual’s ability to read, write, and speak in
18 English, compute, and solve problems at a level of
19 proficiency necessary to obtain employment and to
20 successfully make the transition to postsecondary
21 education.

22 “(12) LOCAL EDUCATIONAL AGENCY.—The
23 term ‘local educational agency’ has the meaning
24 given to that term in section 9101 of the Elemen-
25 tary and Secondary Education Act of 1965.

1 “(13) OUTLYING AREA.—The term ‘outlying
2 area’ has the meaning given to that term in section
3 101 of this Act.

4 “(14) POSTSECONDARY EDUCATIONAL INSTITU-
5 TION.—The term ‘postsecondary educational institu-
6 tion’ means—

7 “(A) an institution of higher education
8 that provides not less than a 2-year program of
9 instruction that is acceptable for credit toward
10 a bachelor’s degree;

11 “(B) a tribally controlled community col-
12 lege; or

13 “(C) a nonprofit educational institution of-
14 fering certificate or apprenticeship programs at
15 the postsecondary level.

16 “(15) READING.—The term ‘reading’ has the
17 meaning given to that term in section 1208 of the
18 Elementary and Secondary Education Act of 1965.

19 “(16) SCIENTIFICALLY BASED RESEARCH.—
20 The term ‘scientifically based research’ has the
21 meaning given to that term in section 9101 of the
22 Elementary and Secondary Education Act of 1965.

23 “(17) SECRETARY.—The term ‘Secretary’
24 means the Secretary of Education.

1 “(18) STATE.—The term ‘State’ means each of
2 the several States of the United States, the District
3 of Columbia, and the Commonwealth of Puerto Rico.

4 “(19) STATE EDUCATIONAL AGENCY.—The
5 term ‘State educational agency’ has the meaning
6 given to that term in section 9101 of the Elemen-
7 tary and Secondary Education Act of 1965.

8 “(20) WORKPLACE LITERACY PROGRAM.—The
9 term ‘workplace literacy program’ means an edu-
10 cational program that is offered in collaboration be-
11 tween eligible providers and employers or employee
12 organizations for the purpose of improving the pro-
13 ductivity of the workforce through the improvement
14 of reading, writing, speaking, and math skills.

15 **“SEC. 204. HOME SCHOOLS.**

16 “Nothing in this title shall be construed to affect
17 home schools, whether or not a home school is treated as
18 a home school or a private school under State law, or to
19 compel a parent engaged in home schooling to participate
20 in an English language acquisition program, a family lit-
21 eracy education program, or an adult education, basic
22 skills, and family literacy education program.

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

2 “There are authorized to be appropriated to carry out
3 this title \$590,127,000 for fiscal year 2006 and such sums
4 as may be necessary for fiscal years 2007 through 2011.

5 **“CHAPTER 1—FEDERAL PROVISIONS**

6 **“SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE**
7 **AGENCIES; ALLOTMENTS.**

8 “(a) RESERVATION OF FUNDS.—From the sums ap-
9 propriated under section 205 for a fiscal year, the
10 Secretary—

11 “(1) shall reserve up to 1.72 percent for incen-
12 tive grants under section 213;

13 “(2) shall reserve 1.75 percent to carry out sec-
14 tion 242; and

15 “(3) shall reserve up to 1.55 percent to carry
16 out section 243.

17 “(b) GRANTS TO ELIGIBLE AGENCIES.—

18 “(1) IN GENERAL.—From the sums appro-
19 priated under section 205 and not reserved under
20 subsection (a) for a fiscal year, the Secretary shall
21 award a grant to each eligible agency having a State
22 plan approved under section 224 in an amount equal
23 to the sum of the initial allotment under subsection
24 (c)(1) and the additional allotment under subsection
25 (c)(2) for the eligible agency for the fiscal year, sub-
26 ject to subsections (f) and (g).

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

5 “(c) ALLOTMENTS.—

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

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

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

15 “(2) ADDITIONAL ALLOTMENTS.—From the
16 sums appropriated under section 205, not reserved
17 under subsection (a), and not allotted under para-
18 graph (1), for a fiscal year, the Secretary shall allot
19 to each eligible agency that receives an initial allot-
20 ment under paragraph (1) an additional amount
21 that bears the same relationship to such sums as the
22 number of qualifying adults in the State or outlying
23 area served by the eligible agency bears to the num-
24 ber of such adults in all States and outlying areas.

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

4 “(1) is at least 16 years of age;

5 “(2) is beyond the age of compulsory school at-
6 tendance under the law of the State or outlying
7 area;

8 “(3) does not have a secondary school diploma,
9 General Educational Development credential (GED),
10 or other State-recognized equivalent; and

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

12 “(e) SPECIAL RULE.—

13 “(1) IN GENERAL.—From amounts made avail-
14 able under subsection (c) for the Republic of Palau,
15 the Secretary shall award grants to Guam, American
16 Samoa, the Commonwealth of the Northern Mariana
17 Islands, or the Republic of Palau to carry out activi-
18 ties described in this title in accordance with the
19 provisions of this title as determined by the Sec-
20 retary.

21 “(2) TERMINATION OF ELIGIBILITY.—Notwith-
22 standing any other provision of law, the Republic of
23 Palau shall be eligible to receive a grant under this
24 title until an agreement for the extension of United
25 States education assistance under the Compact of

1 Free Association for the Republic of Palau becomes
2 effective.

3 “(3) ADMINISTRATIVE COSTS.—The Secretary
4 may provide not more than 5 percent of the funds
5 made available for grants under this subsection to
6 pay the administrative costs of the Pacific Region
7 Educational Laboratory regarding activities assisted
8 under this subsection.

9 “(f) HOLD-HARMLESS PROVISIONS.—

10 “(1) IN GENERAL.—Notwithstanding subsection
11 (c), and subject to paragraphs (2) and (3), for fiscal
12 year 2006 and each succeeding fiscal year, no eligi-
13 ble agency shall receive an allotment under this title
14 that is less than 90 percent of the allotment the eli-
15 gible agency received for the preceding fiscal year
16 under this title.

17 “(2) EXCEPTION.—An eligible agency that re-
18 ceives for the preceding fiscal year only an initial al-
19 lotment under subsection (c)(1) (and no additional
20 allotment under subsection (c)(2)) shall receive an
21 allotment equal to 100 percent of the initial allot-
22 ment.

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

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

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

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

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

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

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

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

6 “(ii) employment performance indicators
7 identified by the eligible agency under para-
8 graph (2)(B); and

9 “(B) an eligible agency adjusted level of
10 performance for each indicator described in
11 subparagraph (A).

12 “(2) INDICATORS OF PERFORMANCE.—

13 “(A) CORE INDICATORS OF PERFORM-
14 ANCE.—The core indicators of performance
15 shall include the following:

16 “(i) Measurable improvements in lit-
17 eracy, including basic skill levels in read-
18 ing, writing, and speaking the English lan-
19 guage and basic math, leading to pro-
20 ficiency in each skill.

21 “(ii) Receipt of a secondary school di-
22 ploma, General Educational Development
23 credential (GED), or other State-recog-
24 nized equivalent.

1 “(iii) Placement in postsecondary edu-
2 cation or other training programs.

3 “(B) EMPLOYMENT PERFORMANCE INDI-
4 CATORS.—Consistent with applicable Federal
5 and State privacy laws, an eligible agency shall
6 identify in the State plan the following indi-
7 vidual participant employment performance in-
8 dicators:

9 “(i) Entry into employment.

10 “(ii) Retention in employment.

11 “(iii) Increase in earnings.

12 “(3) LEVELS OF PERFORMANCE.—

13 “(A) ELIGIBLE AGENCY ADJUSTED LEVELS
14 OF PERFORMANCE FOR CORE INDICATORS.—

15 “(i) IN GENERAL.—For each eligible
16 agency submitting a State plan, there shall
17 be established, in accordance with this sub-
18 paragraph, levels of performance for each
19 of the core indicators of performance de-
20 scribed in paragraph (2)(A) for adult edu-
21 cation, basic skills, and family literacy edu-
22 cation programs authorized under this
23 title. The levels of performance established
24 under this subparagraph shall, at a
25 minimum—

1 “(I) be expressed in an objective,
2 quantifiable, and measurable form;
3 and

4 “(II) show the progress of the el-
5 igible agency toward continuously and
6 significantly improving the agency’s
7 performance outcomes in an objective,
8 quantifiable, and measurable form.

9 “(ii) IDENTIFICATION IN STATE
10 PLAN.—Each eligible agency shall identify,
11 in the State plan submitted under section
12 224, expected levels of performance for
13 each of the core indicators of performance
14 for the first 3 program years covered by
15 the State plan.

16 “(iii) AGREEMENT ON ELIGIBLE
17 AGENCY ADJUSTED LEVELS OF PERFORM-
18 ANCE FOR FIRST 3 YEARS.—In order to en-
19 sure an optimal return on the investment
20 of Federal funds in adult education, basic
21 skills, and family literacy education pro-
22 grams authorized under this title, the Sec-
23 retary and each eligible agency shall reach
24 agreement on levels of student perform-
25 ance for each of the core indicators of per-

1 performance, for the first 3 program years
2 covered by the State plan, taking into ac-
3 count the levels identified in the State plan
4 under clause (ii) and the factors described
5 in clause (iv). The levels agreed to under
6 this clause shall be considered to be the eli-
7 gible agency adjusted levels of performance
8 for the eligible agency for such years and
9 shall be incorporated into the State plan
10 prior to the approval of such plan.

11 “(iv) FACTORS.—The agreement de-
12 scribed in clause (iii) or (v) shall take into
13 account—

14 “(I) how the levels involved com-
15 pare with the eligible agency’s ad-
16 justed levels of performance, taking
17 into account factors including the
18 characteristics of participants when
19 the participants entered the program;
20 and

21 “(II) the extent to which such
22 levels promote continuous and signifi-
23 cant improvement in performance on
24 the student proficiency measures used
25 by such eligible agency and ensure op-

1 timal return on the investment of
2 Federal funds.

3 “(v) AGREEMENT ON ELIGIBLE AGEN-
4 CY ADJUSTED LEVELS OF PERFORMANCE
5 FOR SECOND 3 YEARS.—Prior to the fourth
6 program year covered by the State plan,
7 the Secretary and each eligible agency
8 shall reach agreement on levels of student
9 performance for each of the core indicators
10 of performance for the fourth, fifth, and
11 sixth program years covered by the State
12 plan, taking into account the factors de-
13 scribed in clause (iv). The levels agreed to
14 under this clause shall be considered to be
15 the eligible agency adjusted levels of per-
16 formance for the eligible agency for such
17 years and shall be incorporated into the
18 State plan.

19 “(vi) REVISIONS.—If unanticipated
20 circumstances arise in a State resulting in
21 a significant change in the factors de-
22 scribed in clause (iv)(I), the eligible agency
23 may request that the eligible agency ad-
24 justed levels of performance agreed to
25 under clause (iii) or (v) be revised.

1 “(B) LEVELS OF EMPLOYMENT PERFORM-
2 ANCE.—The eligible agency shall identify, in the
3 State plan, eligible agency levels of performance
4 for each of the employment performance indica-
5 tors described in paragraph (2)(B). Such levels
6 shall be considered to be eligible agency ad-
7 justed levels of performance for purposes of this
8 title.

9 “(c) REPORT.—

10 “(1) IN GENERAL.—Each eligible agency that
11 receives a grant under section 211(b) shall annually
12 prepare and submit to the Secretary, the Governor,
13 the State legislature, and eligible providers a report
14 on the progress of the eligible agency in achieving el-
15 igible agency performance measures, including the
16 following:

17 “(A) Information on the levels of perform-
18 ance achieved by the eligible agency with re-
19 spect to the core indicators of performance and
20 employment performance indicators.

21 “(B) The number and type of each eligible
22 provider that receives funding under such
23 grant.

24 “(2) INFORMATION DISSEMINATION.—The
25 Secretary—

1 “(A) shall make the information contained
2 in such reports available to the general public
3 through publication (including on the Internet
4 site of the Department of Education) and other
5 appropriate methods;

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

8 “(C) shall provide the appropriate commit-
9 tees of the Congress with copies of such re-
10 ports.

11 **“SEC. 213. INCENTIVE GRANTS FOR STATES.**

12 “(a) IN GENERAL.—From funds appropriated under
13 section 211(a)(1), the Secretary may award grants to
14 States for exemplary performance in carrying out pro-
15 grams under this title. Such awards shall be based on
16 States exceeding the core indicators of performance estab-
17 lished under section 212(b)(2)(A) and may be based on
18 the performance of the State in serving populations, such
19 as those described in section 224(b)(10), including the lev-
20 els of service provided and the performance outcomes, and
21 such other factors relating to the performance of the State
22 under this title as the Secretary determines appropriate.

23 “(b) USE OF FUNDS.—The funds awarded to a State
24 under this paragraph may be used to carry out any activi-

1 ties authorized under this title, including demonstrations
2 and innovative programs for hard-to-serve populations.

3 **“CHAPTER 2—STATE PROVISIONS**

4 **“SEC. 221. STATE ADMINISTRATION.**

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

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

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

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

17 **“SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING RE-**
18 **QUIREMENT.**

19 “(a) STATE DISTRIBUTION OF FUNDS.—Each eligi-
20 ble agency receiving a grant under this title for a fiscal
21 year—

22 “(1) shall use an amount not less than 82.5
23 percent of the grant funds to award grants and con-
24 tracts under section 231 and to carry out section

1 225, of which not more than 10 percent of such
2 amount shall be available to carry out section 225;

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

6 “(3) shall use not more than 5 percent of the
7 grant funds, or \$75,000, whichever is greater, for
8 the administrative expenses of the eligible agency.

9 “(b) MATCHING REQUIREMENT.—

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

18 “(A) in the case of an eligible agency serv-
19 ing an outlying area, 12 percent of the total
20 amount of funds expended for adult education,
21 basic skills, and family literacy education pro-
22 grams in the outlying area, except that the Sec-
23 retary may decrease the amount of funds re-
24 quired under this subparagraph for an eligible
25 agency; and

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

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

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

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

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

1 “(2) The provision of technical assistance to eli-
2 gible providers of adult education, basic skills, and
3 family literacy education programs, including for the
4 development and dissemination of scientifically based
5 research instructional practices in reading, writing,
6 speaking, math, and English language acquisition
7 programs.

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

12 “(4) The provision of technology assistance, in-
13 cluding staff training, to eligible providers of adult
14 education, basic skills, and family literacy education
15 programs, including distance learning activities, to
16 enable the eligible providers to improve the quality
17 of such activities.

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

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

1 “(7) Coordination with existing support serv-
2 ices, such as transportation, child care, and other
3 assistance designed to increase rates of enrollment
4 in, and successful completion of, adult education,
5 basic skills, and family literacy education programs,
6 for adults enrolled in such activities.

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

10 “(9) Activities to promote workplace literacy
11 programs.

12 “(10) Activities to promote and complement
13 local outreach initiatives described in section 243(7).

14 “(11) Other activities of statewide significance,
15 including assisting eligible providers in achieving
16 progress in improving the skill levels of adults who
17 participate in programs under this title.

18 “(12) Integration of literacy, instructional, and
19 occupational skill training and promotion of linkages
20 with employees.

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

1 “(c) STATE-IMPOSED REQUIREMENTS.—Whenever a
2 State or outlying area implements any rule or policy relat-
3 ing to the administration or operation of a program au-
4 thorized under this title that has the effect of imposing
5 a requirement that is not imposed under Federal law (in-
6 cluding any rule or policy based on a State or outlying
7 area interpretation of a Federal statute, regulation, or
8 guideline), the State or outlying area shall identify, to eli-
9 gible providers, the rule or policy as being imposed by the
10 State or outlying area.

11 **“SEC. 224. STATE PLAN.**

12 “(a) 6-YEAR PLANS.—

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

17 “(2) COMPREHENSIVE PLAN OR APPLICA-
18 TION.—The eligible agency may submit the State
19 plan as part of a comprehensive plan or application
20 for Federal education assistance.

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

23 “(1) an objective assessment of the needs of in-
24 dividuals in the State or outlying area for adult edu-
25 cation, basic skills, and family literacy education

1 programs, including individuals most in need or
2 hardest to serve;

3 “(2) a description of the adult education, basic
4 skills, and family literacy education programs that
5 will be carried out with funds received under this
6 title;

7 “(3) a description of how the eligible agency
8 will evaluate and measure annually the effectiveness
9 and improvement of the adult education, basic skills,
10 and family literacy education programs based on the
11 performance measures described in section 212
12 including—

13 “(A) how the eligible agency will evaluate
14 and measure annually such effectiveness on a
15 grant-by-grant basis; and

16 “(B) how the eligible agency—

17 “(i) will hold eligible providers ac-
18 countable regarding the progress of such
19 providers in improving the academic
20 achievement of participants in adult edu-
21 cation programs under this title and re-
22 garding the core indicators of performance
23 described in section 212(b)(2)(A); and

24 “(ii) will use technical assistance,
25 sanctions, and rewards (including alloca-

1 tion of grant funds based on performance
2 and termination of grant funds based on
3 nonperformance);

4 “(4) a description of the performance measures
5 described in section 212 and how such performance
6 measures have significantly improved adult edu-
7 cation, basic skills, and family literacy education
8 programs in the State or outlying area;

9 “(5) an assurance that the eligible agency will,
10 in addition to meeting all of the other requirements
11 of this title, award not less than one grant under
12 this title to an eligible provider that—

13 “(A) offers flexible schedules and necessary
14 support services (such as child care and trans-
15 portation) to enable individuals, including indi-
16 viduals with disabilities, or individuals with
17 other special needs, to participate in adult edu-
18 cation, basic skills, and family literacy edu-
19 cation programs; and

20 “(B) attempts to coordinate with support
21 services that are not provided under this title
22 prior to using funds for adult education, basic
23 skills, and family literacy education programs
24 provided under this title for support services;

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

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

7 “(8) an assurance that the eligible agency will
8 expend the funds under this title only in a manner
9 consistent with fiscal requirements in section 241;

10 “(9) a description of the process that will be
11 used for public participation and comment with re-
12 spect to the State plan, which process—

13 “(A) shall include consultation with the
14 State workforce investment board, the State
15 board responsible for administering community
16 or technical colleges, the Governor, the State
17 educational agency, the State board or agency
18 responsible for administering block grants for
19 temporary assistance to needy families under
20 title IV of the Social Security Act, the State
21 council on disabilities, the State vocational re-
22 habilitation agency, other State agencies that
23 promote the improvement of adult education,
24 basic skills, and family literacy education pro-

1 grams, and direct providers of such programs;
2 and

3 “(B) may include consultation with the
4 State agency on higher education, institutions
5 responsible for professional development of
6 adult education, basic skills, and family literacy
7 education programs instructors, representatives
8 of business and industry, refugee assistance
9 programs, and faith-based organizations;

10 “(10) a description of the eligible agency’s
11 strategies for serving populations that include, at a
12 minimum—

13 “(A) low-income individuals;

14 “(B) individuals with disabilities;

15 “(C) the unemployed;

16 “(D) the underemployed; and

17 “(E) individuals with multiple barriers to
18 educational enhancement, including individuals
19 with limited English proficiency;

20 “(11) a description of how the adult education,
21 basic skills, and family literacy education programs
22 that will be carried out with any funds received
23 under this title will be integrated with other adult
24 education, career development, and employment and

1 training activities in the State or outlying area
2 served by the eligible agency;

3 “(12) a description of the steps the eligible
4 agency will take to ensure direct and equitable ac-
5 cess, as required in section 231(c)(1), including—

6 “(A) how the State will build the capacity
7 of community-based and faith-based organiza-
8 tions to provide adult education, basic skills,
9 and family literacy education programs; and

10 “(B) how the State will increase the par-
11 ticipation of business and industry in adult edu-
12 cation, basic skills, and family literacy edu-
13 cation programs;

14 “(13) an assessment of the adequacy of the sys-
15 tem of the State or outlying area to ensure teacher
16 quality and a description of how the State or out-
17 lying area will use funds received under this subtitle
18 to improve teacher quality, including professional de-
19 velopment on the use of scientifically based research
20 to improve instruction; and

21 “(14) a description of how the eligible agency
22 will consult with any State agency responsible for
23 postsecondary education to develop adult education
24 that prepares students to enter postsecondary edu-

1 cation without the need for remediation upon com-
2 pletion of secondary school equivalency programs.

3 “(c) PLAN REVISIONS.—When changes in conditions
4 or other factors require substantial revisions to an ap-
5 proved State plan, the eligible agency shall submit the re-
6 visions of the State plan to the Secretary.

7 “(d) CONSULTATION.—The eligible agency shall—

8 “(1) submit the State plan, and any revisions to
9 the State plan, to the Governor, the chief State
10 school officer, or the State officer responsible for ad-
11 ministering community or technical colleges, or out-
12 lying area for review and comment; and

13 “(2) ensure that any comments regarding the
14 State plan by the Governor, the chief State school
15 officer, or the State officer responsible for admin-
16 istering community or technical colleges, and any re-
17 vision to the State plan, are submitted to the Sec-
18 retary.

19 “(e) PLAN APPROVAL.—A State plan submitted to
20 the Secretary shall be approved by the Secretary only if
21 the plan is consistent with the specific provisions of this
22 title.

1 **“SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND**
2 **OTHER INSTITUTIONALIZED INDIVIDUALS.**

3 “(a) PROGRAM AUTHORIZED.—From funds made
4 available under section 222(a)(1) for a fiscal year, each
5 eligible agency shall carry out corrections education and
6 education for other institutionalized individuals.

7 “(b) USES OF FUNDS.—The funds described in sub-
8 section (a) shall be used for the cost of educational pro-
9 grams for criminal offenders in correctional institutions
10 and for other institutionalized individuals, including aca-
11 demic programs for—

12 “(1) basic skills education;

13 “(2) special education programs as determined
14 by the eligible agency;

15 “(3) reading, writing, speaking, and math pro-
16 grams; and

17 “(4) secondary school credit or diploma pro-
18 grams or their recognized equivalent.

19 “(c) PRIORITY.—Each eligible agency that is using
20 assistance provided under this section to carry out a pro-
21 gram for criminal offenders within a correctional institu-
22 tion shall give priority to serving individuals who are likely
23 to leave the correctional institution within 5 years of par-
24 ticipation in the program.

25 “(d) DEFINITIONS.—For purposes of this section:

1 “(1) CORRECTIONAL INSTITUTION.—The term
2 ‘correctional institution’ means any—

3 “(A) prison;

4 “(B) jail;

5 “(C) reformatory;

6 “(D) work farm;

7 “(E) detention center; or

8 “(F) halfway house, community-based re-
9 habilitation center, or any other similar institu-
10 tion designed for the confinement or rehabilita-
11 tion of criminal offenders.

12 “(2) CRIMINAL OFFENDER.—The term ‘crimi-
13 nal offender’ means any individual who is charged
14 with, or convicted of, any criminal offense.

15 **“CHAPTER 3—LOCAL PROVISIONS**

16 **“SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PRO-** 17 **VIDERS.**

18 “(a) GRANTS AND CONTRACTS.—From grant funds
19 made available under section 211(b), each eligible agency
20 shall award multiyear grants or contracts, on a competi-
21 tive basis, to eligible providers within the State or outlying
22 area that meet the conditions and requirements of this
23 title to enable the eligible providers to develop, implement,
24 and improve adult education, basic skills, and family lit-
25 eracy education programs within the State.

1 “(b) LOCAL ACTIVITIES.—The eligible agency shall
2 require eligible providers receiving a grant or contract
3 under subsection (a) to establish or operate one or more
4 programs of instruction that provide services or instruc-
5 tion in one or more of the following categories:

6 “(1) Adult education, basic skills, and family
7 literacy education programs (including proficiency in
8 reading, writing, speaking, and math).

9 “(2) Workplace literacy programs.

10 “(3) English language acquisition programs.

11 “(4) Family literacy education programs.

12 “(c) DIRECT AND EQUITABLE ACCESS; SAME PROC-
13 ESS.—Each eligible agency receiving funds under this title
14 shall ensure that—

15 “(1) all eligible providers have direct and equi-
16 table access to apply for grants or contracts under
17 this section; and

18 “(2) the same grant or contract announcement
19 process and application process is used for all eligi-
20 ble providers in the State or outlying area.

21 “(d) MEASURABLE GOALS.—The eligible agency shall
22 require eligible providers receiving a grant or contract
23 under subsection (a) to demonstrate—

24 “(1) the eligible provider’s measurable goals for
25 participant outcomes to be achieved annually on the

1 core indicators of performance and employment per-
2 formance indicators described in section 212(b)(2);

3 “(2) the past effectiveness of the eligible pro-
4 vider in improving the basic academic skills of adults
5 and, for eligible providers receiving grants in the
6 prior year, the success of the eligible provider receiv-
7 ing funding under this title in exceeding its perform-
8 ance goals in the prior year;

9 “(3) the commitment of the eligible provider to
10 serve individuals in the community who are the most
11 in need of basic academic skills instruction services,
12 including individuals who are low-income or have
13 minimal reading, writing, speaking, and math skills,
14 or limited English proficiency;

15 “(4) the program—

16 “(A) is of sufficient intensity and duration
17 for participants to achieve substantial learning
18 gains; and

19 “(B) uses instructional practices that in-
20 clude the essential components of reading in-
21 struction;

22 “(5) educational practices are based on scientif-
23 ically based research;

1 “(6) the activities of the eligible provider effec-
2 tively employ advances in technology, as appropriate,
3 including the use of computers;

4 “(7) the activities provide instruction in real-life
5 contexts, when appropriate, to ensure that an indi-
6 vidual has the skills needed to compete in the work-
7 place and exercise the rights and responsibilities of
8 citizenship;

9 “(8) the activities are staffed by well-trained in-
10 structors, counselors, and administrators;

11 “(9) the activities are coordinated with other
12 available resources in the community, such as
13 through strong links with elementary schools and
14 secondary schools, postsecondary educational institu-
15 tions, one-stop centers, job training programs, com-
16 munity-based and faith-based organizations, and so-
17 cial service agencies;

18 “(10) the activities offer flexible schedules and
19 support services (such as child care and transpor-
20 tation) that are necessary to enable individuals, in-
21 cluding individuals with disabilities or other special
22 needs, to attend and complete programs;

23 “(11) the activities include a high-quality infor-
24 mation management system that has the capacity to
25 report measurable participant outcomes and to mon-

1 itor program performance against the performance
2 measures established by the eligible agency;

3 “(12) the local communities have a dem-
4 onstrated need for additional English language ac-
5 quisition programs;

6 “(13) the capacity of the eligible provider to
7 produce valid information on performance results,
8 including enrollments and measurable participant
9 outcomes;

10 “(14) adult education, basic skills, and family
11 literacy education programs offer rigorous reading,
12 writing, speaking, and math content that are based
13 on scientifically based research; and

14 “(15) applications of technology, and services to
15 be provided by the eligible providers, are of sufficient
16 intensity and duration to increase the amount and
17 quality of learning and lead to measurable learning
18 gains within specified time periods.

19 “(e) SPECIAL RULE.—Eligible providers may use
20 grant funds under this title to serve children participating
21 in family literacy programs assisted under this part, pro-
22 vided that other sources of funds available to provide simi-
23 lar services for such children are used first.

1 **“SEC. 232. LOCAL APPLICATION.**

2 “Each eligible provider desiring a grant or contract
3 under this title shall submit an application to the eligible
4 agency containing such information and assurances as the
5 eligible agency may require, including—

6 “(1) a description of how funds awarded under
7 this title will be spent consistent with the require-
8 ments of this title;

9 “(2) a description of any cooperative arrange-
10 ments the eligible provider has with other agencies,
11 institutions, or organizations for the delivery of
12 adult education, basic skills, and family literacy edu-
13 cation programs; and

14 “(3) each of the demonstrations required by
15 section 231(d).

16 **“SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.**

17 “(a) IN GENERAL.—Subject to subsection (b), of the
18 amount that is made available under this title to an eligi-
19 ble provider—

20 “(1) at least 95 percent shall be expended for
21 carrying out adult education, basic skills, and family
22 literacy education programs; and

23 “(2) the remaining amount shall be used for
24 planning, administration, personnel and professional
25 development, development of measurable goals in

1 reading, writing, speaking, and math, and inter-
2 agency coordination.

3 “(b) SPECIAL RULE.—In cases where the cost limits
4 described in subsection (a) are too restrictive to allow for
5 adequate planning, administration, personnel develop-
6 ment, and interagency coordination, the eligible provider
7 may negotiate with the eligible agency in order to deter-
8 mine an adequate level of funds to be used for noninstruc-
9 tional purposes.

10 **“CHAPTER 4—GENERAL PROVISIONS**

11 **“SEC. 241. ADMINISTRATIVE PROVISIONS.**

12 “(a) SUPPLEMENT NOT SUPPLANT.—Funds made
13 available for adult education, basic skills, and family lit-
14 eracy education programs under this title shall supplement
15 and not supplant other State or local public funds ex-
16 pended for adult education, basic skills, and family literacy
17 education programs.

18 “(b) MAINTENANCE OF EFFORT.—

19 “(1) IN GENERAL.—

20 “(A) DETERMINATION.—An eligible agency
21 may receive funds under this title for any fiscal
22 year if the Secretary finds that the fiscal effort
23 per student or the aggregate expenditures of
24 such eligible agency for activities under this
25 title, in the second preceding fiscal year, were

1 not less than 90 percent of the fiscal effort per
2 student or the aggregate expenditures of such
3 eligible agency for adult education, basic skills,
4 and family literacy education programs, in the
5 third preceding fiscal year.

6 “(B) PROPORTIONATE REDUCTION.—Sub-
7 ject to paragraphs (2), (3), and (4), for any fis-
8 cal year with respect to which the Secretary de-
9 termines under subparagraph (A) that the fiscal
10 effort or the aggregate expenditures of an eligi-
11 ble agency for the preceding program year were
12 less than such effort or expenditures for the
13 second preceding program year, the Secretary—

14 “(i) shall determine the percentage
15 decreases in such effort or in such expendi-
16 tures; and

17 “(ii) shall decrease the payment made
18 under this title for such program year to
19 the agency for adult education, basic skills,
20 and family literacy education programs by
21 the lesser of such percentages.

22 “(2) COMPUTATION.—In computing the fiscal
23 effort and aggregate expenditures under paragraph
24 (1), the Secretary shall exclude capital expenditures
25 and special one-time project costs.

1 “(3) DECREASE IN FEDERAL SUPPORT.—If the
2 amount made available for adult education, basic
3 skills, and family literacy education programs under
4 this title for a fiscal year is less than the amount
5 made available for adult education, basic skills, and
6 family literacy education programs under this title
7 for the preceding fiscal year, then the fiscal effort
8 per student and the aggregate expenditures of an el-
9 igible agency required in order to avoid a reduction
10 under paragraph (1)(B) shall be decreased by the
11 same percentage as the percentage decrease in the
12 amount so made available.

13 “(4) WAIVER.—The Secretary may waive the
14 requirements of this subsection for not more than 1
15 fiscal year, if the Secretary determines that a waiver
16 would be equitable due to exceptional or uncontrol-
17 lable circumstances, such as a natural disaster or an
18 unforeseen and precipitous decline in the financial
19 resources of the State or outlying area of the eligible
20 agency. If the Secretary grants a waiver under the
21 preceding sentence for a fiscal year, the level of ef-
22 fort required under paragraph (1) shall not be re-
23 duced in the subsequent fiscal year because of the
24 waiver.

1 **“SEC. 242. NATIONAL INSTITUTE FOR LITERACY.**

2 “(a) IN GENERAL.—

3 “(1) PURPOSE.—The purpose of the National
4 Institute for Literacy is to promote the improvement
5 of literacy, including skills in reading, writing, and
6 English language acquisition for children, youth, and
7 adults, through practices derived from the findings
8 of scientifically based research.

9 “(2) ESTABLISHMENT.—There is established a
10 National Institute for Literacy (in this section re-
11 ferred to as the ‘Institute’). The Institute shall be
12 administered under the terms of an interagency
13 agreement entered into, reviewed annually, and
14 modified as needed by the Secretary of Education
15 with the Secretary of Health and Human Services
16 and the Secretary of Labor (in this section referred
17 to as the ‘Interagency Group’).

18 “(3) OFFICES.—The Institute shall have offices
19 separate from the offices of the Department of Edu-
20 cation, the Department of Health and Human Serv-
21 ices, and the Department of Labor.

22 “(4) ADMINISTRATIVE SUPPORT.—The Depart-
23 ment of Education shall provide administrative sup-
24 port for the Institute.

1 “(5) DAILY OPERATIONS.—The Director of the
2 Institute shall administer the daily operations of the
3 Institute.

4 “(b) DUTIES.—

5 “(1) IN GENERAL.—To carry out its purpose,
6 the Institute may—

7 “(A) identify and disseminate rigorous sci-
8 entific research on the effectiveness of instruc-
9 tional practices and organizational strategies re-
10 lating to programs on the acquisition of skills
11 in reading, writing, and English language ac-
12 quisition for children, youth, and adults;

13 “(B) create and widely disseminate mate-
14 rials about the acquisition and application of
15 skills in reading, writing, and English language
16 acquisition for children, youth, and adults based
17 on scientifically based research;

18 “(C) ensure a broad understanding of sci-
19 entifically based research on reading, writing,
20 and English language acquisition for children,
21 youth, and adults among Federal agencies with
22 responsibilities for administering programs that
23 provide related services, including State and
24 local educational agencies;

1 “(D) facilitate coordination and informa-
2 tion sharing among national organizations and
3 associations interested in programs that provide
4 services to improve skills in reading, writing,
5 and English language acquisition for children,
6 youth, and adults;

7 “(E) coordinate with the appropriate of-
8 fices in the Department of Education, the De-
9 partment of Health and Human Services, the
10 Department of Labor, and other Federal agen-
11 cies to apply the findings of scientifically based
12 research related to programs on reading, writ-
13 ing, and English language acquisition for chil-
14 dren, youth, and adults;

15 “(F) establish a national electronic data-
16 base and Internet site describing and fostering
17 communication on scientifically based programs
18 in reading, writing, and English language ac-
19 quisition for children, youth, and adults, includ-
20 ing professional development programs; and

21 “(G) provide opportunities for technical as-
22 sistance, meetings, and conferences that will
23 foster increased coordination among Federal,
24 State, and local agencies and entities and im-
25 provement of reading, writing, and English lan-

1 guage acquisition skills for children, youth, and
2 adults.

3 “(2) COORDINATION.—In identifying scientif-
4 ically based research on reading, writing, and
5 English language acquisition for children, youth, and
6 adults, the Institute shall use standards for research
7 quality that are consistent with those established by
8 the Institute of Education Sciences.

9 “(3) GRANTS, CONTRACTS, AND COOPERATIVE
10 AGREEMENTS.—

11 “(A) IN GENERAL.—The Institute may
12 award grants to, or enter into contracts or co-
13 operative agreements with, individuals, public
14 or private institutions, agencies, organizations,
15 or consortia of such individuals, institutions,
16 agencies, or organizations, to carry out the ac-
17 tivities of the Institute.

18 “(B) REGULATIONS.—The Director may
19 adopt the general administrative regulations of
20 the Department of Education, as applicable, for
21 use by the Institute.

22 “(C) RELATION TO OTHER LAWS.—The
23 duties and powers of the Institute under this
24 title are in addition to the duties and powers of
25 the Institute under subparts 1, 2, and 3 of part

1 B of the Elementary and Secondary Education
2 Act of 1965 (commonly referred to as Reading
3 First, Early Reading First, and the William F.
4 Goodling Even Start Family Literacy Program,
5 respectively).

6 “(c) VISITING SCHOLARS.—The Institute may estab-
7 lish a visiting scholars program, with such stipends and
8 allowances as the Director considers necessary, for out-
9 standing researchers, scholars, and individuals who—

10 “(1) have careers in adult education, workforce
11 development, or scientifically based reading, writing,
12 or English language acquisition; and

13 “(2) can assist the Institute in translating re-
14 search into practice and providing analysis that ad-
15 vances instruction in the fields of reading, writing,
16 and English language acquisition for children, youth,
17 and adults.

18 “(d) INTERNS AND VOLUNTEERS.—The Institute, in
19 consultation with the National Institute for Literacy Advi-
20 sory Board, may award paid and unpaid internships to
21 individuals seeking to assist the Institute in carrying out
22 its purpose. Notwithstanding section 1342 of title 31,
23 United States Code, the Institute may accept and use vol-
24 untary and uncompensated services as the Institute deter-
25 mines necessary.

1 “(e) NATIONAL INSTITUTE FOR LITERACY ADVISORY
2 BOARD.—

3 “(1) ESTABLISHMENT.—

4 “(A) IN GENERAL.—There shall be a Na-
5 tional Institute for Literacy Advisory Board (in
6 this section referred to as the ‘Board’), which
7 shall consist of 10 individuals appointed by the
8 President with the advice and consent of the
9 Senate.

10 “(B) QUALIFICATIONS.—The Board shall
11 be composed of individuals who—

12 “(i) are not otherwise officers or em-
13 ployees of the Federal Government; and

14 “(ii) are knowledgeable about current
15 effective scientifically based research find-
16 ings on instruction in reading, writing, and
17 English language acquisition for children,
18 youth, and adults.

19 “(C) COMPOSITION.—The Board may
20 include—

21 “(i) representatives of business, indus-
22 try, labor, literacy organizations, adult
23 education providers, community colleges,
24 students with disabilities, and State agen-

1 cies, including State directors of adult edu-
2 cation; and

3 “(ii) individuals who, and representa-
4 tives of entities that, have been successful
5 in improving skills in reading, writing, and
6 English language acquisition for children,
7 youth, and adults.

8 “(2) DUTIES.—The Board shall—

9 “(A) make recommendations concerning
10 the appointment of the Director of the Insti-
11 tute;

12 “(B) provide independent advice on the op-
13 eration of the Institute;

14 “(C) receive reports from the Interagency
15 Group and the Director; and

16 “(D) review the biennial report to the Con-
17 gress under subsection (k).

18 “(3) FEDERAL ADVISORY COMMITTEE ACT.—

19 Except as otherwise provided, the Board shall be
20 subject to the provisions of the Federal Advisory
21 Committee Act.

22 “(4) APPOINTMENTS.—

23 “(A) IN GENERAL.—Each member of the
24 Board shall be appointed for a term of 3 years,
25 except that the initial terms for members may

1 be 1, 2, or 3 years in order to establish a rota-
2 tion in which one-third of the members are se-
3 lected each year. Any such member may be ap-
4 pointed for not more than 2 consecutive terms.

5 “(B) VACANCIES.—Any member appointed
6 to fill a vacancy occurring before the expiration
7 of the term for which the member’s predecessor
8 was appointed shall be appointed only for the
9 remainder of that term. A member may serve
10 after the expiration of that member’s term until
11 a successor has taken office.

12 “(5) QUORUM.—A majority of the members of
13 the Board shall constitute a quorum, but a lesser
14 number may hold hearings. A recommendation of
15 the Board may be passed only by a majority of the
16 Board’s members present at a meeting for which
17 there is a quorum.

18 “(6) ELECTION OF OFFICERS.—The Chair-
19 person and Vice Chairperson of the Board shall be
20 elected by the members of the Board. The term of
21 office of the Chairperson and Vice Chairperson shall
22 be 2 years.

23 “(7) MEETINGS.—The Board shall meet at the
24 call of the Chairperson or a majority of the members
25 of the Board.

1 “(f) GIFTS, BEQUESTS, AND DEVISES.—

2 “(1) IN GENERAL.—The Institute may accept,
3 administer, and use gifts or donations of services,
4 money, or property, whether real or personal, tan-
5 gible or intangible.

6 “(2) RULES.—The Board shall establish writ-
7 ten rules setting forth the criteria to be used by the
8 Institute in determining whether the acceptance of
9 contributions of services, money, or property whether
10 real or personal, tangible or intangible, would reflect
11 unfavorably upon the ability of the Institute or any
12 employee to carry out the responsibilities of the In-
13 stitute or employee, or official duties, in a fair and
14 objective manner, or would compromise the integrity,
15 or the appearance of the integrity, of the Institute’s
16 programs or any official involved in those programs.

17 “(g) MAILS.—The Board and the Institute may use
18 the United States mails in the same manner and under
19 the same conditions as other departments and agencies of
20 the United States.

21 “(h) DIRECTOR.—The Secretary of Education, after
22 considering recommendations made by the Board and con-
23 sulting with the Interagency Group, shall appoint and fix
24 the pay of the Director of the Institute and, when nec-
25 essary, shall appoint an Interim Director of the Institute.

1 “(i) APPLICABILITY OF CERTAIN CIVIL SERVICE
2 LAWS.—The Director and staff of the Institute may be
3 appointed without regard to the provisions of title 5,
4 United States Code, governing appointments in the com-
5 petitive service, and may be paid without regard to the
6 provisions of chapter 51 and subchapter III of chapter 53
7 of that title relating to classification and General Schedule
8 pay rates, except that an individual so appointed may not
9 receive pay in excess of the annual rate of basic pay pay-
10 able for level IV of the Executive Schedule.

11 “(j) EXPERTS AND CONSULTANTS.—The Institute
12 may procure temporary and intermittent services under
13 section 3109(b) of title 5, United States Code.

14 “(k) BIENNIAL REPORT.—

15 “(1) IN GENERAL.—The Institute shall submit
16 a report biennially to the Committee on Education
17 and the Workforce of the House of Representatives
18 and the Committee on Health, Education, Labor,
19 and Pensions of the Senate. Each report submitted
20 under this subsection shall include—

21 “(A) a comprehensive and detailed descrip-
22 tion of the Institute’s operations, activities, fi-
23 nancial condition, and accomplishments in iden-
24 tifying and describing programs on reading,
25 writing, and English language acquisition for

1 children, youth, and adults for the period cov-
2 ered by the report; and

3 “(B) a description of how plans for the op-
4 eration of the Institute for the succeeding 2 fis-
5 cal years will facilitate achievement of the pur-
6 pose of the Institute.

7 “(2) FIRST REPORT.—The Institute shall sub-
8 mit its first report under this subsection to the Con-
9 gress not later than 1 year after the date of the en-
10 actment of the Job Training Improvement Act of
11 2005.

12 “(1) ADDITIONAL FUNDING.—In addition to the
13 funds authorized under section 205 and reserved for the
14 Institute under section 211, the Secretary of Education,
15 the Secretary of Health and Human Services, the Sec-
16 retary of Labor, or the head of any other Federal agency
17 or department that participates in the activities of the In-
18 stitute may provide funds to the Institute for activities
19 that the Institute is authorized to perform under this sec-
20 tion.

21 **“SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.**

22 “The Secretary shall establish and carry out a pro-
23 gram of national leadership activities that may include the
24 following:

1 “(1) Technical assistance, on request, including
2 assistance—

3 “(A) on request to volunteer community-
4 and faith-based organizations, including but not
5 limited to, improving their fiscal management,
6 research-based instruction, and reporting re-
7 quirements, and the development of measurable
8 objectives to carry out the requirements of this
9 title;

10 “(B) in developing valid, measurable, and
11 reliable performance data, and using perform-
12 ance information for the improvement of adult
13 education basic skills, English language acquisi-
14 tion, and family literacy education programs;

15 “(C) on adult education professional devel-
16 opment; and

17 “(D) in using distance learning and im-
18 proving the application of technology in the
19 classroom, including instruction in English lan-
20 guage acquisition for individuals who have lim-
21 ited English proficiency.

22 “(2) Providing for the conduct of research on
23 national literacy basic skill acquisition levels among
24 adults, including the number of limited English pro-

1 efficient adults functioning at different levels of read-
2 ing proficiency.

3 “(3) Improving the coordination, efficiency, and
4 effectiveness of adult education and workforce devel-
5 opment services at the national, State, and local lev-
6 els.

7 “(4) Determining how participation in adult
8 education basic skills, English language acquisition,
9 and family literacy education programs prepares in-
10 dividuals for entry into and success in postsecondary
11 education and employment, and in the case of pris-
12 on-based services, the effect on recidivism.

13 “(5) Evaluating how different types of pro-
14 viders, including community and faith-based organi-
15 zations or private for-profit agencies measurably im-
16 prove the skills of participants in adult education
17 basic skills, English language acquisition, and family
18 literacy education programs.

19 “(6) Identifying model integrated basic and
20 workplace skills education programs, including pro-
21 grams for individuals with limited English pro-
22 ficiency coordinated literacy and employment serv-
23 ices, and effective strategies for serving adults with
24 disabilities.

1 “(7) Supporting the development of an entity
2 that would produce and distribute technology-based
3 programs and materials for adult education, basic
4 skills, and family literacy education programs using
5 an intercommunication system, as that term is de-
6 fined in section 397 of the Communications Act of
7 1934, and expand the effective outreach and use of
8 such programs and materials to adult education eli-
9 gible providers.

10 “(8) Initiating other activities designed to im-
11 prove the measurable quality and effectiveness of
12 adult education basic skills, English language acqui-
13 sition, and family literacy education programs na-
14 tionwide.”.

15 **TITLE III—AMENDMENTS TO**
16 **THE WAGNER-PEYSER ACT**

17 **SEC. 301. AMENDMENTS TO THE WAGNER-PEYSER ACT.**

18 The Wagner-Peyser Act (29 U.S.C. 49 et. seq.) is
19 amended—

20 (1) by striking sections 1 through 13;

21 (2) in section 14 by inserting “of Labor” after
22 “Secretary”; and

23 (3) by amending section 15 to read as follows:

1 **“SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION**
2 **SYSTEM.**

3 “(a) SYSTEM CONTENT.—

4 “(1) IN GENERAL.—The Secretary of Labor, in
5 accordance with the provisions of this section, shall
6 oversee the development, maintenance, and contin-
7 uous improvement of a nationwide workforce and
8 labor market information system that includes—

9 “(A) statistical data from cooperative sta-
10 tistical survey and projection programs and
11 data from administrative reporting systems
12 that, taken together, enumerate, estimate, and
13 project employment opportunities and condi-
14 tions at national, State, and local levels in a
15 timely manner, including statistics on—

16 “(i) employment and unemployment
17 status of national, State, and local popu-
18 lations, including self-employed, part-time,
19 and seasonal workers;

20 “(ii) industrial distribution of occupa-
21 tions, as well as current and projected em-
22 ployment opportunities, wages, benefits
23 (where data is available), and skill trends
24 by occupation and industry, with particular
25 attention paid to State and local condi-
26 tions;

1 “(iii) the incidence of, industrial and
2 geographical location of, and number of
3 workers displaced by, permanent layoffs
4 and plant closings; and

5 “(iv) employment and earnings infor-
6 mation maintained in a longitudinal man-
7 ner to be used for research and program
8 evaluation;

9 “(B) information on State and local em-
10 ployment opportunities, and other appropriate
11 statistical data related to labor market dynam-
12 ics, which—

13 “(i) shall be current and comprehen-
14 sive;

15 “(ii) shall meet the needs identified
16 through the consultations described in sub-
17 paragraphs (A) and (B) of subsection
18 (e)(2); and

19 “(iii) shall meet the needs for the in-
20 formation identified in section 134(d);

21 “(C) technical standards (which the Sec-
22 retary shall publish annually) for data and in-
23 formation described in subparagraphs (A) and
24 (B) that, at a minimum, meet the criteria of
25 chapter 35 of title 44, United States Code;

1 “(D) procedures to ensure compatibility
2 and additivity of the data and information de-
3 scribed in subparagraphs (A) and (B) from na-
4 tional, State, and local levels;

5 “(E) procedures to support standardization
6 and aggregation of data from administrative re-
7 porting systems described in subparagraph (A)
8 of employment-related programs;

9 “(F) analysis of data and information de-
10 scribed in subparagraphs (A) and (B) for uses
11 such as—

12 “(i) national, State, and local policy-
13 making;

14 “(ii) implementation of Federal poli-
15 cies (including allocation formulas);

16 “(iii) program planning and evalua-
17 tion; and

18 “(iv) researching labor market dynam-
19 ics;

20 “(G) wide dissemination of such data, in-
21 formation, and analysis in a user-friendly man-
22 ner and voluntary technical standards for dis-
23 semination mechanisms; and

24 “(H) programs of—

1 “(i) training for effective data dis-
2 semination;

3 “(ii) research and demonstration; and

4 “(iii) programs and technical assist-
5 ance.

6 “(2) INFORMATION TO BE CONFIDENTIAL.—

7 “(A) IN GENERAL.—No officer or em-
8 ployee of the Federal Government or agent of
9 the Federal Government may—

10 “(i) use any submission that is fur-
11 nished for exclusively statistical purposes
12 under the provisions of this section for any
13 purpose other than the statistical purposes
14 for which the submission is furnished;

15 “(ii) make any publication or media
16 transmittal of the data contained in the
17 submission described in clause (i) that per-
18 mits information concerning individual
19 subjects to be reasonably inferred by either
20 direct or indirect means; or

21 “(iii) permit anyone other than a
22 sworn officer, employee, or agent of any
23 Federal department or agency, or a con-
24 tractor (including an employee of a con-
25 tractor) of such department or agency, to

1 examine an individual submission described
2 in clause (i),
3 without the consent of the individual, agency, or
4 other person who is the subject of the submis-
5 sion or provides that submission.

6 “(B) IMMUNITY FROM LEGAL PROCESS.—
7 Any submission (including any data derived
8 from the submission) that is collected and re-
9 tained by a Federal department or agency, or
10 an officer, employee, agent, or contractor of
11 such a department or agency, for exclusively
12 statistical purposes under this section shall be
13 immune from the legal process and shall not,
14 without the consent of the individual, agency, or
15 other person who is the subject of the submis-
16 sion or provides that submission, be admitted
17 as evidence or used for any purpose in any ac-
18 tion, suit, or other judicial or administrative
19 proceeding.

20 “(C) RULE OF CONSTRUCTION.—Nothing
21 in this section shall be construed to provide im-
22 munity from the legal process for such submis-
23 sion (including any data derived from the sub-
24 mission) if the submission is in the possession
25 of any person, agency, or entity other than the

1 Federal Government or an officer, employee,
2 agent, or contractor of the Federal Government,
3 or if the submission is independently collected,
4 retained, or produced for purposes other than
5 the purposes of this Act.

6 “(b) SYSTEM RESPONSIBILITIES.—

7 “(1) IN GENERAL.—The workforce and labor
8 market information system described in subsection
9 (a) shall be planned, administered, overseen, and
10 evaluated through a cooperative governance struc-
11 ture involving the Federal Government and States.

12 “(2) DUTIES.—The Secretary, with respect to
13 data collection, analysis, and dissemination of labor
14 employment statistics for the system, shall carry out
15 the following duties:

16 “(A) Assign responsibilities within the De-
17 partment of Labor for elements of the work-
18 force and labor market information system de-
19 scribed in subsection (a) to ensure that all sta-
20 tistical and administrative data collected is con-
21 sistent with appropriate Bureau of Labor Sta-
22 tistics standards and definitions.

23 “(B) Actively seek the cooperation of other
24 Federal agencies to establish and maintain
25 mechanisms for ensuring complementarity and

1 nonduplication in the development and oper-
2 ation of statistical and administrative data col-
3 lection activities.

4 “(C) Eliminate gaps and duplication in
5 statistical undertakings, with the systemization
6 of wage surveys as an early priority.

7 “(D) In collaboration with the Bureau of
8 Labor Statistics and States, develop and main-
9 tain the elements of the workforce and labor
10 market information system described in sub-
11 section (a), including the development of con-
12 sistent procedures and definitions for use by the
13 States in collecting the data and information
14 described in subparagraphs (A) and (B) of sub-
15 section (a)(1).

16 “(E) Establish procedures for the system
17 to ensure that—

18 “(i) such data and information are
19 timely;

20 “(ii) paperwork and reporting for the
21 system are reduced to a minimum; and

22 “(iii) States and localities are fully in-
23 volved in the development and continuous
24 improvement of the system at all levels, in-
25 cluding ensuring the provision, to such

1 States and localities, of budget information
2 necessary for carrying out their respon-
3 sibilities under subsection (e).

4 “(c) NATIONAL ELECTRONIC TOOLS TO PROVIDE
5 SERVICES.—The Secretary is authorized to assist in the
6 development of national electronic tools that may be used
7 to facilitate the delivery of core services described in sec-
8 tion 134 and to provide workforce information to individ-
9 uals through the one-stop delivery systems described in
10 section 121 and through other appropriate delivery sys-
11 tems.

12 “(d) COORDINATION WITH THE STATES.—

13 “(1) IN GENERAL.—The Secretary, working
14 through the Bureau of Labor Statistics and the Em-
15 ployment and Training Administration, shall regu-
16 larly consult with representatives of State agencies
17 carrying out workforce information activities regard-
18 ing strategies for improving the workforce and labor
19 market information system.

20 “(2) FORMAL CONSULTATIONS.—At least twice
21 each year, the Secretary, working through the Bu-
22 reau of Labor Statistics, shall conduct formal con-
23 sultations regarding programs carried out by the
24 Bureau of Labor Statistics with representatives of
25 each of the 10 Federal regions of the Department of

1 Labor, elected from the State directors affiliated
2 with State agencies that perform the duties de-
3 scribed in subsection (e)(2).

4 “(e) STATE RESPONSIBILITIES.—

5 “(1) IN GENERAL.—In order to receive Federal
6 financial assistance under this section, the Governor
7 of a State shall—

8 “(A) be responsible for the management of
9 the portions of the workforce and labor market
10 information system described in subsection (a)
11 that comprise a statewide workforce and labor
12 market information system and for the State’s
13 participation in the development of the annual
14 plan;

15 “(B) establish a process for the oversight
16 of such system;

17 “(C) consult with State and local employ-
18 ers, participants, and local workforce invest-
19 ment boards about the labor market relevance
20 of the data to be collected and disseminated
21 through the statewide workforce and labor mar-
22 ket information system;

23 “(D) consult with State educational agen-
24 cies and local educational agencies concerning
25 the provision of employment statistics in order

1 to meet the needs of secondary school and post-
2 secondary school students who seek such infor-
3 mation;

4 “(E) collect and disseminate for the sys-
5 tem, on behalf of the State and localities in the
6 State, the information and data described in
7 subparagraphs (A) and (B) of subsection
8 (a)(1);

9 “(F) maintain and continuously improve
10 the statewide workforce and labor market infor-
11 mation system in accordance with this section;

12 “(G) perform contract and grant respon-
13 sibilities for data collection, analysis, and dis-
14 semination for such system;

15 “(H) conduct such other data collection,
16 analysis, and dissemination activities as will en-
17 sure an effective statewide workforce and labor
18 market information system;

19 “(I) actively seek the participation of other
20 State and local agencies in data collection, anal-
21 ysis, and dissemination activities in order to en-
22 sure complementarity, compatibility, and useful-
23 ness of data;

24 “(J) participate in the development of the
25 annual plan described in subsection (c); and

1 “(K) utilize the quarterly records described
2 in section 136(f)(2) of the Workforce Invest-
3 ment Act of 1998 to assist the State and other
4 States in measuring State progress on State
5 performance measures.

6 “(2) RULE OF CONSTRUCTION.—Nothing in
7 this section shall be construed as limiting the ability
8 of a Governor to conduct additional data collection,
9 analysis, and dissemination activities with State
10 funds or with Federal funds from sources other than
11 this section.

12 “(f) NONDUPLICATION REQUIREMENT.—None of the
13 functions and activities carried out pursuant to this sec-
14 tion shall duplicate the functions and activities carried out
15 under the Carl D. Perkins Vocational and Applied Tech-
16 nology Education Act (20 U.S.C. 2301 et seq.).

17 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
18 are authorized to be appropriated to carry out this section
19 such sums as may be necessary for each of the fiscal years
20 2006 through 2011.

21 “(h) DEFINITION.—In this section, the term ‘local
22 area’ means the smallest geographical area for which data
23 can be produced with statistical reliability.”.

1 **TITLE IV—AMENDMENTS TO THE**
2 **REHABILITATION ACT OF 1973**

3 **SEC. 401. FINDINGS.**

4 Section 2(a) of the Rehabilitation Act of 1973 (29
5 U.S.C. 701(a)) is amended—

6 (1) in paragraph (5), by striking “and” at the
7 end;

8 (2) in paragraph (6), by striking the period and
9 inserting “; and”; and

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

11 “(7) there is a substantial need to improve and
12 expand services for students with disabilities under
13 this Act.”.

14 **SEC. 402. REHABILITATION SERVICES ADMINISTRATION.**

15 Section 3(a) of the Rehabilitation Act of 1973 (29
16 U.S.C. 702(a)) is amended—

17 (1) by striking “Office of the Secretary” and
18 inserting “Department of Education”;

19 (2) by striking “President by and with the ad-
20 vice and consent of the Senate” and inserting “Sec-
21 retary, except that the Commissioner appointed
22 under the authority existing on the day prior to the
23 date of enactment of the Job Training Improvement
24 Act of 2005 may continue to serve in the former ca-
25 pacity”; and

1 (3) by striking “, and the Commissioner shall
2 be the principal officer,”.

3 **SEC. 403. DIRECTOR.**

4 (a) IN GENERAL.—The Rehabilitation Act of 1973
5 (29 U.S.C. 701 et seq.) is amended—

6 (1) by striking “Commissioner” each place it
7 appears, except in sections 3(a) (as amended by sec-
8 tion 402) and 21, and inserting “Director”;

9 (2) in section 100(d)(2)(B), by striking
10 “COMMISIONER” and inserting “DIRECTOR”;

11 (3) in section 706, by striking
12 “**COMMISIONER**” and inserting “**DIRECTOR**”; and

13 (4) in section 723(a)(3), by striking
14 “COMMISIONER” and inserting “DIRECTOR”.

15 (b) EXCEPTION.—Section 21 of the Rehabilitation
16 Act of 1973 (29 U.S.C. 718) is amended—

17 (1) in subsection (b)(1)—

18 (A) by striking “Commissioner” the first
19 place it appears and inserting “Director of the
20 Rehabilitation Services Administration”; and

21 (B) by striking “(referred to in this sub-
22 section as the ‘Director’)”; and

23 (2) by striking “Commissioner and the Direc-
24 tor” each place it appears and inserting “both such
25 Directors”.

1 **SEC. 404. DEFINITIONS.**

2 Section 7 of the Rehabilitation Act of 1973 (29
3 U.S.C. 705) is amended—

4 (1) by redesignating paragraphs (35) through
5 (39) as paragraphs (36), (37), (38), (40), and (41),
6 respectively;

7 (2) in subparagraph (A)(ii) of paragraph (36)
8 (as redesignated in paragraph (1)), by striking
9 “paragraph (36)(C)” and inserting “paragraph
10 (37)(C)”;

11 (3) by inserting after paragraph (34) the fol-
12 lowing:

13 “(35)(A) The term ‘student with a disability’
14 means an individual with a disability who—

15 “(i) is not younger than 16 and not older
16 than 21;

17 “(ii) has been determined to be eligible
18 under section 102(a) for assistance under this
19 title; and

20 “(iii)(I) is eligible for, and is receiving,
21 special education under part B of the Individ-
22 uals with Disabilities Education Act (20 U.S.C.
23 1411 et seq.); or

24 “(II) is an individual with a disability, for
25 purposes of section 504.

1 “(B) The term ‘students with disabilities’
2 means more than 1 student with a disability.”; and

3 (4) by inserting after paragraph (38) (as redesi-
4 gnated by paragraph (1)) the following:

5 “(39) The term ‘transition services expansion
6 year’ means—

7 “(A) the first fiscal year for which the
8 amount appropriated under section 100(b) ex-
9 ceeds the amount appropriated under section
10 100(b) for fiscal year 2004 by not less than
11 \$100,000,000; and

12 “(B) each fiscal year subsequent to that
13 first fiscal year.”.

14 **SEC. 405. STATE PLAN.**

15 (a) **COORDINATION WITH EDUCATION OFFICIALS**
16 **AND ASSISTIVE TECHNOLOGY PROGRAMS.**—Section
17 101(a)(11) of the Rehabilitation Act of 1973 (29 U.S.C.
18 721(a)(11)) is amended—

19 (1) in subparagraph (D)(i) by inserting “,
20 which may be provided using alternative means of
21 meeting participation (such as video conferences and
22 conference calls)” before the semicolon; and

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

24 “(G) **COORDINATION WITH ASSISTIVE**
25 **TECHNOLOGY PROGRAMS.**—The State plan shall

1 include an assurance that the designated State
2 unit and the lead agency responsible for car-
3 rying out duties under the Assistive Technology
4 Act of 1998 (29 U.S.C. 3001), as amended,
5 have developed working relationships and co-
6 ordinate their activities.”.

7 (b) ASSESSMENT AND STRATEGIES.—Section
8 101(a)(15) of the Rehabilitation Act of 1973 (29 U.S.C.
9 721(a)(15)) is amended—

10 (1) in subparagraph (A)

11 (A) in clause (i)—

12 (i) in subclause (II), by striking
13 “and” at the end;

14 (ii) in subclause (III), by adding
15 “and” at the end; and

16 (iii) by adding at the end the fol-
17 lowing:

18 “(IV) in a transition services ex-
19 pansion year, students with disabil-
20 ities, including their need for transi-
21 tion services;”; and

22 (B) by redesignating clauses (ii) and (iii)
23 as clauses (iii) and (iv), respectively, and insert-
24 ing after clause (i) the following:

1 “(ii) include an assessment of the
2 transition services provided under this Act,
3 and coordinated with transition services
4 under the Individuals with Disabilities
5 Education Act, as to those services meet-
6 ing the needs of individuals with disabil-
7 ities;” and

8 (2) in subparagraph (D)—

9 (A) by redesignating clauses (iii), (iv), and
10 (v) as clauses (iv), (v), and (vi), respectively;
11 and

12 (B) by inserting after clause (ii) the fol-
13 lowing:

14 “(iii) in a transition services expan-
15 sion year, the methods to be used to im-
16 prove and expand vocational rehabilitation
17 services for students with disabilities, in-
18 cluding the coordination of services de-
19 signed to facilitate the transition of such
20 students from the receipt of educational
21 services in school to the receipt of voca-
22 tional rehabilitation services under this
23 title or to postsecondary education or em-
24 ployment;”.

1 (c) SERVICES FOR STUDENTS WITH DISABILITIES.—
2 Section 101(a) of the Rehabilitation Act of 1973 (29
3 U.S.C. 721(a)) is further amended by adding at the end
4 the following:

5 “(25) SERVICES FOR STUDENTS WITH DISABIL-
6 ITIES.—The State plan for a transition services ex-
7 pansion year shall provide an assurance satisfactory
8 to the Secretary that the State—

9 “(A) has developed and implemented strat-
10 egies to address the needs identified in the as-
11 sessment described in paragraph (15), and
12 achieve the goals and priorities identified by the
13 State, to improve and expand vocational reha-
14 bilitation services for students with disabilities
15 on a statewide basis in accordance with para-
16 graph (15); and

17 “(B) from funds reserved under section
18 110A, shall carry out programs or activities de-
19 signed to improve and expand vocational reha-
20 bilitation services for students with disabilities
21 that—

22 “(i) facilitate the transition of the stu-
23 dents with disabilities from the receipt of
24 educational services in school, to the re-
25 ceipt of vocational rehabilitation services

1 under this title, including, at a minimum,
2 those services specified in the interagency
3 agreement required in paragraph (11)(D);

4 “(ii) improve the achievement of post-
5 school goals of students with disabilities,
6 including improving the achievement
7 through participation (as appropriate when
8 vocational goals are discussed) in meetings
9 regarding individualized education pro-
10 grams developed under section 614 of the
11 Individuals with Disabilities Education Act
12 (20 U.S.C. 1414);

13 “(iii) provide vocational guidance, ca-
14 reer exploration services, and job search
15 skills and strategies and technical assist-
16 ance to students with disabilities;

17 “(iv) support the provision of training
18 and technical assistance to State and local
19 educational agency and designated State
20 agency personnel responsible for the plan-
21 ning and provision of services to students
22 with disabilities; and

23 “(v) support outreach activities to stu-
24 dents with disabilities who are eligible for,
25 and need, services under this title.”.

1 **SEC. 406. SCOPE OF SERVICES.**

2 Section 103 of the Rehabilitation Act of 1973 (29
3 U.S.C. 723) is amended—

4 (1) in subsection (a), by striking paragraph
5 (15) and inserting the following:

6 “(15) transition services for students with dis-
7 abilities, that facilitate the achievement of the em-
8 ployment outcome identified in the individualized
9 plan for employment, including, in a transition serv-
10 ices expansion year, services described in clauses (i)
11 through (iii) of section 101(a)(25)(B);”;

12 (2) in subsection (b), by striking paragraph (6)
13 and inserting the following:

14 “(6)(A)(i) Consultation and technical assistance
15 services to assist State and local educational agen-
16 cies in planning for the transition of students with
17 disabilities from school to post-school activities, in-
18 cluding employment.

19 “(ii) In a transition services expansion year,
20 training and technical assistance described in section
21 101(a)(25)(B)(iv).

22 “(B) In a transition services expansion year,
23 services for groups of individuals with disabilities
24 who meet the requirements of clauses (i) and (iii) of
25 section 7(35)(A), including services described in
26 clauses (i), (ii), (iii), and (v) of section

1 101(a)(25)(B), to assist in the transition from
2 school to post-school activities.”; and

3 (3) in subsection (b) by inserting at the end,
4 the following:

5 “(7) The establishment, development, or im-
6 provement of assistive technology demonstration,
7 loan, reutilization, or financing programs in coordi-
8 nation with activities authorized under the Assistive
9 Technology Act of 1998 (29. U.S.C. 3001), as
10 amended, to promote access to assistive technology
11 for individuals with disabilities and employers.”.

12 **SEC. 407. STANDARDS AND INDICATORS.**

13 Section 106(a) of the Rehabilitation Act of 1973 (29
14 U.S.C. 726(a)) is amended by striking paragraph (1)(C)
15 and all that follows through paragraph (2) and inserting
16 the following:

17 “(2) MEASURES.—The standards and indica-
18 tors shall include outcome and related measures of
19 program performance that—

20 “(A) facilitate the accomplishment of the
21 purpose and policy of this title;

22 “(B) to the maximum extent practicable,
23 are consistent with the core indicators of per-
24 formance, and corresponding State adjusted lev-
25 els of performance, established under section

1 136(b) of the Workforce Investment Act of
2 1998 (29 U.S.C. 2871(b)); and

3 “(C) include measures of the program’s
4 performance with respect to the transition to
5 post-school vocational activities, and achieve-
6 ment of the post-school vocational goals, of stu-
7 dents with disabilities served under the pro-
8 gram.”.

9 **SEC. 408. RESERVATION FOR EXPANDED TRANSITION**
10 **SERVICES.**

11 The Rehabilitation Act of 1973 is amended by insert-
12 ing after section 110 (29 U.S.C. 730) the following:

13 **“SEC. 110A. RESERVATION FOR EXPANDED TRANSITION**
14 **SERVICES.**

15 “(a) RESERVATION.—From the State allotment
16 under section 110 in a transition services expansion year,
17 each State shall reserve an amount calculated by the Di-
18 rector under subsection (b) to carry out programs and ac-
19 tivities under sections 101(a)(25)(B) and 103(b)(6).

20 “(b) CALCULATION.—The Director shall calculate the
21 amount to be reserved for such programs and activities
22 for a fiscal year by each State by multiplying \$50,000,000
23 by the percentage determined by dividing—

24 “(1) the amount allotted to that State under
25 section 110 for the prior fiscal year, by

1 “(2) the total amount allotted to all States
2 under section 110 for that prior fiscal year.”.

3 **SEC. 409. CLIENT ASSISTANCE PROGRAM.**

4 Section 112(e)(1) of the Rehabilitation Act of 1973
5 (29 U.S.C. 732(e)(1)) is amended by redesignating sub-
6 paragraph (D) as subparagraph (E) and inserting after
7 subparagraph (C) the following:

8 “(D) The Secretary shall make grants to the protec-
9 tion and advocacy system serving the American Indian
10 Consortium to provide services in accordance with this sec-
11 tion. The amount of such grants shall be the same as pro-
12 vided to territories under this subsection. ”.

13 **SEC. 410. PROTECTION AND ADVOCACY OF INDIVIDUAL**
14 **RIGHTS.**

15 Section 509(g)(2) of the Rehabilitation Act of 1973
16 (29 U.S.C. 794e(g)(2)) is amended by striking “was paid”
17 and inserting “was paid, except that program income gen-
18 erated from such amount shall remain available to such
19 system for one additional fiscal year”.

20 **SEC. 411. CHAIRPERSON.**

21 Section 705(b)(5) of the Rehabilitation Act of 1973
22 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

23 “(5) CHAIRPERSON.—The Council shall select a
24 chairperson from among the voting membership of
25 the Council.”.

1 **SEC. 412. AUTHORIZATIONS OF APPROPRIATIONS.**

2 The Rehabilitation Act of 1973 is further amended—

3 (1) in section 100(b)(1) by striking “fiscal
4 years 1999 through 2003” and inserting “fiscal
5 years 2006 through 2011”;

6 (2) in section 100(d)(1)(B) by striking “fiscal
7 year 2003” and inserting “fiscal year 2011”;

8 (3) in section 110(c) by amending paragraph
9 (2) to read as follows:

10 “(2) The sum referred to in paragraph (1) shall
11 be, as determined by the Secretary, not less than 1
12 percent and not more than 1.5 percent of the
13 amount referred to in paragraph (1) for each of fis-
14 cal years 2003 through 2011.”;

15 (4) in section 112(h) by striking “fiscal years
16 1999 through 2003” and inserting “fiscal years
17 2006 through 2011”;

18 (5) in section 201(a) by striking “fiscal years
19 1999 through 2003” each place it appears and in-
20 serting “fiscal years 2006 through 2011”;

21 (6) in section 302(i) by striking “fiscal years
22 1999 through 2003” and inserting “fiscal years
23 2006 through 2011”;

24 (7) in section 303(e) by striking “fiscal years
25 1999 through 2003” and inserting “fiscal years
26 2006 through 2011”;

1 (8) in section 304(b) by striking “fiscal years
2 1999 through 2003” and inserting “fiscal years
3 2006 through 2011”;

4 (9) in section 305(b) by striking “fiscal years
5 1999 through 2003” and inserting “fiscal years
6 2006 through 2011”;

7 (10) in section 405 by striking “fiscal years
8 1999 through 2003” and inserting “fiscal years
9 2006 through 2011”;

10 (11) in section 502(j) by striking “fiscal years
11 1999 through 2003” and inserting “fiscal years
12 2006 through 2011”;

13 (12) in section 509(l) by striking “fiscal years
14 1999 through 2003” and inserting “fiscal years
15 2006 through 2011”;

16 (13) in section 612 by striking “fiscal years
17 1999 through 2003” and inserting “fiscal years
18 2006 through 2011”;

19 (14) in section 628 by striking “fiscal years
20 1999 through 2003” and inserting “fiscal years
21 2006 through 2011”;

22 (15) in section 714 by striking “fiscal years
23 1999 through 2003” and inserting “fiscal years
24 2006 through 2011”;

1 (16) in section 727 by striking “fiscal years
2 1999 through 2003” and inserting “fiscal years
3 2006 through 2011”; and

4 (17) in section 753 by striking “fiscal years
5 1999 through 2003” and inserting “fiscal years
6 2006 through 2011”.

7 **SEC. 413. CONFORMING AMENDMENT.**

8 Section 1(b) of the Rehabilitation Act of 1973 is
9 amended by inserting after the item relating to section
10 110 the following:

“Sec. 110A. Reservation for expanded transition services.”.

11 **SEC. 414. HELEN KELLER NATIONAL CENTER ACT.**

12 (a) GENERAL AUTHORIZATION OF APPROPRIA-
13 TIONS.—The first sentence of section 205(a) of the Helen
14 Keller National Center Act (29 U.S.C. 1904(a)) is amend-
15 ed by striking “1999 through 2003” and inserting “2006
16 through 2011”.

17 (b) HELEN KELLER NATIONAL CENTER FEDERAL
18 ENDOWMENT FUND.—The first sentence of section
19 208(h) of such Act (29 U.S.C. 1907(h)) is amended by
20 striking “1999 through 2003” and inserting “2006
21 through 2011”.

1 **TITLE V—TRANSITION AND**
2 **EFFECTIVE DATE**

3 **SEC. 501. TRANSITION PROVISIONS.**

4 The Secretary of Labor shall take such actions as the
5 Secretary determines to be appropriate to provide for the
6 orderly implementation of this Act.

7 **SEC. 502. EFFECTIVE DATE.**

8 Except as otherwise provided in this Act, this Act and
9 the amendments made by this Act, shall take effect on
10 the date of enactment of this Act.

 Passed the House of Representatives March 2,
2005.

Attest:

Clerk.