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(Original Signature of Member)

108TH CONGRESS
1ST SESSION

H. R. _____

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

IN THE HOUSE OF REPRESENTATIVES

Mr. McKEON (for himself and Mr. BOEHNER) introduced the following bill; which was referred to the Committee on _____

A BILL

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



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

3 **SECTION 1. SHORT TITLE.**

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

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

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

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

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

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

TITLE II—ADULT EDUCATION

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

TITLE III—AMENDMENTS TO OTHER PROVISIONS OF LAW

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



TITLE IV—AMENDMENTS TO THE REHABILITATION ACT OF 1973

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

TITLE V—TRANSITION AND EFFECTIVE DATE

- Sec. 501. Transition provisions.
- Sec. 502. Effective date.

1 **SEC. 3. REFERENCES.**

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

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

11 **SEC. 101. DEFINITIONS.**

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

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

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



1 (3) by striking paragraph (24) and redesignating paragraphs (25) through (32) as paragraphs (23) through (30), respectively; and

2 (4) by striking paragraph (33) and redesignating paragraphs (34) through (53) as paragraphs (31) through (50), respectively.

7 **SEC. 102. PURPOSE.**

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

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

15 (a) MEMBERSHIP.—

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

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

20 “(C) “representatives appointed by the
21 Governor, who are—

22 “(i)(I) the lead State agency officials
23 with responsibility for the programs and
24 activities that are described in section



1 121(b) and carried out by one-stop part-
2 ners; and

3 “(II) in any case in which no lead
4 State agency official has responsibility for
5 such a program or activity, a representa-
6 tive in the State with expertise relating to
7 such program or activity;

8 “(III) if not included under subclause
9 (I), the director of the designated State en-
10 tity responsible for carrying out title I of
11 the Rehabilitation Act (29 U.S.C. 701 et
12 seq.)

13 “(ii) “the State agency officials re-
14 sponsible for economic development;

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

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

24 “(II) represent businesses with
25 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 “section (b)(1)(C)(i)” and inserting “section
22 (b)(1)(C)(iii)”.

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



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

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

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

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

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

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

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



1 (3) 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 (4) in paragraph (8), by striking “section 15(e)
5 of the Wagner-Peyser Act” and inserting “section
6 302(e)”;

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

9 (c) **ELIMINATION OF ALTERNATIVE ENTITY AND**
10 **PROVISION OF AUTHORITY TO HIRE STAFF.**—Section
11 111(e) (29 U.S.C. 2811(e)) is amended to read as follows:

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

15 **SEC. 104. STATE PLAN.**

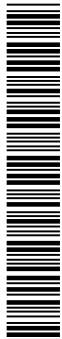
16 (a) **PLANNING CYCLE.**—Section 112(a) (29 U.S.C.
17 2822(a)) is amended by striking “5-year strategy” and in-
18 serting “2-year strategy”.

19 (b) **CONTENTS.**—Section 112(b)(17)(A) (29 U.S.C.
20 2822(b)(17)(A)) is amended—

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

22 (2) in clause (iv)—

23 (A) by inserting “homeless individuals,”
24 after “public assistance),”; and



1 (B) by striking “and individuals with dis-
2 abilities”; and

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

5 “(v) how the State will serve the em-
6 ployment and training needs of individuals,
7 consistent with section 188 and Executive
8 Order 13217 (relating to community-based
9 alternatives for individuals with disabil-
10 ities) including the provision of outreach,
11 intake, assessments, and service delivery,
12 the development of performance measures,
13 and the training of staff; and”.

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

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

18 (a) DESIGNATION OF AREAS.—

19 (1) CONSIDERATIONS.—Section 116(a)(1)(B)
20 (29 U.S.C. 2831(a)(1)(B)) is amended by adding at
21 the end the following clause:

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



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

4 “(2) AUTOMATIC DESIGNATION.—

5 “(A) IN GENERAL.—Except as provided in
6 subparagraph (B) of this paragraph and sub-
7 section (b)(2), the Governor shall approve a re-
8 quest for designation as a local area from any
9 unit of general local government with a popu-
10 lation of 500,000 or more for the 2-year period
11 covered by a State plan under section 112 if
12 such request is made not later than the date of
13 the submission of the State plan.

14 “(B) CONTINUED DESIGNATION BASED ON
15 PERFORMANCE.—The Governor may deny a re-
16 quest for designation submitted pursuant to
17 subparagraph (A) if such unit of government
18 was designated as a local area for the preceding
19 2-year period covered by a State plan and the
20 Governor determines that such local area did
21 not perform successfully during such period.”.

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

24 (b) REGIONAL PLANNING.—Section 116 (c)(1) (29
25 U.S.C. 2831(c)(1)) is amended by adding at the end the



1 following: “The State may require the local boards for the
2 designated region to prepare a single regional plan that
3 incorporates the elements of the local plan under section
4 118 and that is submitted and approved in lieu of separate
5 local plans under such section.”

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

7 (a) COMPOSITION.—Section 117(b)(2)(A) (29 U.S.C.
8 2832(a)) is amended—

9 (1) in clause (i)(II), by inserting “, businesses
10 that are in the leading industries in the local area,
11 and large and small businesses in the local area”
12 after “local area”;

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

14 “(ii) superintendents of the local sec-
15 ondary school systems and the presidents
16 of community colleges;”;

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

19 (4) by striking clause (vi).

20 (b) AUTHORITY OF BOARD MEMBERS.—Section
21 117(b)(3) (29 U.S.C. 2832(b)) is amended—

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



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

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

6 (1) in paragraph (2)(B), by striking “local
7 area” and all that follows and inserting “local
8 area.”;

9 (2) in paragraph (3)(B)(i)(I), by striking “sec-
10 tions 128 and 133” and inserting “sections 128,
11 133, and 135D”;

12 (3) in paragraph (4)—

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

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

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

23 “(h) ESTABLISHMENT OF COUNCILS.—The local
24 board may establish councils to provide information and
25 advice to assist the local board in carrying out activities



1 under this title. Such councils may include a council com-
2 posed of one-stop partners to advise the local board on
3 the operation of the one-stop delivery system, a youth
4 council composed of experts and stakeholders in youth
5 programs to advise the local board on activities for youth,
6 and such other councils as the local board determines are
7 appropriate.”.

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

10 **SEC. 107. LOCAL PLAN.**

11 (a) PLANNING CYCLE.—Section 118(a) (29 U.S.C.
12 2833(a)) is amended by striking “5-year” and inserting
13 “2-year”.

14 (b) CONTENTS.—Section 118(b) (29 U.S.C. 2833(b))
15 is amended—

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

18 “(2) a description of the one-stop delivery sys-
19 tem to be established or designated in the local area,
20 including a description of how the local board will
21 ensure the continuous improvement of eligible pro-
22 viders of services through the system and ensure
23 that such providers meets the employment needs of
24 local employers and participants.”; and



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

3 **SEC. 108. ESTABLISHMENT OF ONE-STOP DELIVERY SYS-**
4 **TEMS.**

5 (a) ONE-STOP PARTNERS.—Section 121(b)(2)(B)
6 (29 U.S.C. 2841(b)(2)(B)) is amended—

7 (1) in clause (iv) by striking “; and” and insert-
8 ing “;”;

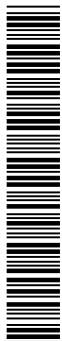
9 (2) in clause (v) by striking the period; and

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

12 “(vi) employment and training pro-
13 grams administered by the Social Security
14 Administration, including the Ticket to
15 Work program;

16 “(vii) programs under part D of title
17 IV of the Social Security Act (relating to
18 child support enforcement); and

19 “(viii) programs carried out in the
20 local area for individuals with disabilities,
21 including programs carried out by State
22 agencies relating to mental health, mental
23 retardation, and developmental disabilities,
24 State Medicaid agencies, State Inde-



1 pendent Living Councils, and Independent
2 Living Centers;”.

3 (b) PROVISION OF SERVICES.—Subtitle B of title I
4 is amended—

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

6 (2) by moving subsection (c) of section 134
7 from section 134, redesignating such subsection as
8 subsection (e), and inserting such subsection (as so
9 redesignated) after subsection (d) of section 121;

10 (3) by amending subsection (e) (as moved and
11 redesignated by paragraph (3))—

12 (A) in paragraph (1)(A), by striking “sub-
13 section (d)(2)” and inserting “section
14 134(d)(2)”;

15 (B) in paragraph (1)(B)—

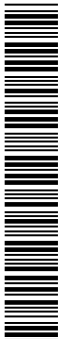
16 (i) by striking “subsection (d)” and
17 inserting “section 134(d)”; and

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

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

22 (D) in paragraph (1)(D)—

23 (i) by striking “section 121(b)” and
24 inserting “subsection (b)”; and



1 (ii) by striking “; and” at the end and
2 inserting “;”;

3 (E) by amending paragraph (1)(E) to read
4 as follows:

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

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

8 “(F) shall provide access to personal reem-
9 ployment accounts in accordance with section
10 135E.”.

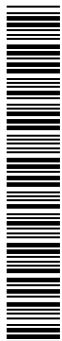
11 (c) CERTIFICATION AND FUNDING OF ONE-STOP
12 CENTERS.—Section 121 (as amended by subsection (b))
13 is further amended by adding at the end the following new
14 subsections:

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

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

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

24 “(3) EFFECT OF CERTIFICATION.—one-stop
25 centers certified under this subsection shall be eligi-



1 ble to receive the infrastructure grants authorized
2 under subsection (h).

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

4 “(1) PARTNER CONTRIBUTIONS.—

5 “(A) PROVISION OF FUNDS.—Notwith-
6 standing any other provision of law, as deter-
7 mined under subparagraph (B), a portion of the
8 Federal funds provided to the State and areas
9 within the State under the Federal laws author-
10 izing the one-stop partner programs described
11 in subsection (b) for a fiscal year shall be pro-
12 vided to the Governor by such programs to
13 carry out this subsection.

14 “(B) DETERMINATION.—The portion of
15 funds to be provided under subparagraph (A)
16 by each one-stop partner shall be determined by
17 the Governor, after consultation with the State
18 board.

19 “(2) ALLOCATION BY GOVERNOR.—From the
20 funds provided under paragraph (1), the Governor
21 shall allocate funds to local areas for the purposes
22 of assisting in paying the costs of the infrastructure
23 of One-Stop centers certified under subsection (g).

24 “(3) ALLOCATION FORMULA.—The State board
25 shall develop a formula to be used by the Governor



1 to allocate the funds described in paragraph (1).
2 The formula shall include such factors as the State
3 board determines are appropriate, which may in-
4 clude factors such as the number of centers in the
5 local area that have been certified, the population
6 served by such centers, and the performance of such
7 centers.

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

17 “(i) OTHER FUNDS.—

18 “(1) IN GENERAL.—In addition to the funds
19 provided to carry out subsection (h), a portion of
20 funds made available under Federal law authorizing
21 the one-stop partner programs described in sub-
22 section (b) shall be used to pay the costs relating to
23 the operation of the one-stop delivery system that
24 are not paid for from the funds provided under sub-



1 section (h), to the extent not inconsistent with the
2 Federal law involved including—

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

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

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

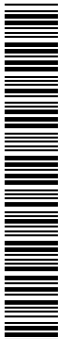
9 “(1) DETERMINATION AND GUIDANCE.—The
10 method for determining the appropriate portion of
11 funds to be provided by each program under para-
12 graph (1) shall be determined as part of the memo-
13 randum of understanding under subsection (c). The
14 State board shall provide guidance to facilitate the
15 determination of appropriate funding allocation in
16 local areas.”.

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

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

20 **“SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF
21 TRAINING SERVICES.**

22 “(a) IN GENERAL.—The Governor shall establish cri-
23 teria and procedures regarding the eligibility of providers
24 of training services described in section 134(b)(4) to re-



1 ceive funds provided under section 133(b) for the provision
2 of such training services.

3 “(b) CRITERIA.—The criteria established pursuant to
4 subsection (a) shall take into account the performance of
5 providers of training services with respect to the indicators
6 described in section 136 or other appropriate indicators
7 (taking into consideration the characteristics of the popu-
8 lation served and relevant economic conditions), and such
9 other factors as the Governor determines are appropriate
10 to ensure the quality of services, the accountability of pro-
11 viders, and the informed choice of participants under
12 chapter 5. Such criteria shall require that the provider
13 submit appropriate, accurate and timely information to
14 the State for purposes of carrying out subsection (d). The
15 criteria shall also provide for periodic review and renewal
16 of eligibility under this section for providers of training
17 services. The Governor may authorize local areas in the
18 State to establish additional criteria or to modify the cri-
19 teria established by the Governor under this section for
20 purposes of determining the eligibility of providers of
21 training services to provide such services in the local area.

22 “(c) PROCEDURES.—The procedures established
23 under subsection (a) shall identify the application process
24 for a provider of training services to become eligible to
25 receive funds under section 133(b), and identify the re-



1 spective roles of the State and local areas in receiving and
2 reviewing applications and in making determinations of
3 eligibility based on the criteria established under this sec-
4 tion. The procedures shall also establish a process for a
5 provider of training services to appeal a denial or termi-
6 nation of eligibility under this section that includes an op-
7 portunity for a hearing and prescribes appropriate time
8 limits to ensure prompt resolution of the appeal.

9 “(d) INFORMATION TO ASSIST PARTICIPANTS IN
10 CHOOSING PROVIDERS.—In order to facilitate and assist
11 participants under chapter 5 in choosing providers of
12 training services, the Governor shall ensure that an appro-
13 priate list or lists of providers determined eligible under
14 this section in the State, accompanied by such information
15 as the Governor determines is appropriate, is provided to
16 the local boards in the State to be made available to such
17 participants and to members of the public through the
18 one-stop delivery system in the State.

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

23 “(f) RECOMMENDATIONS.—In developing the criteria,
24 procedures, and information required under this section,
25 the Governor shall solicit and take into consideration the



1 recommendations of local boards and providers of training
2 services within the State.

3 “(g) OPPORTUNITY TO SUBMIT COMMENTS.—During
4 the development of the criteria, procedures, and informa-
5 tion required under this section, the Governor shall pro-
6 vide an opportunity for interested members of the public,
7 including representatives of business and labor organiza-
8 tions, to submit comments regarding such criteria, proce-
9 dures, and information.”

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

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

13 **SEC. 111. YOUTH ACTIVITIES.**

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

16 “(a) ALLOTMENT AMONG STATES.—

17 “(1) YOUTH ACTIVITIES.—

18 “(A) YOUTH CHALLENGE GRANTS.—Of the
19 amount appropriated under section 137(a) for
20 each fiscal year, the Secretary shall reserve 25
21 percent to provide youth challenge grants under
22 section 169.

23 “(B) OUTLYING AREAS AND NATIVE AMER-
24 ICANS.—After determining the amount to be re-
25 served under subparagraph (A), of the remain-



1 der of the amount appropriated under section
 2 137(a) for each fiscal year the Secretary
 3 shall—

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

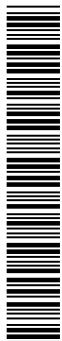
9 “(ii) reserve not more than 1 and $\frac{1}{2}$
 10 percent of such amount to provide youth
 11 activities under section 166 (relating to
 12 Native Americans).

13 “(C) STATES.—

14 “(i) IN GENERAL.—After determining
 15 the amounts to be reserved under subpara-
 16 graphs (A) and (B), the Secretary shall
 17 allot the remainder of the amount appro-
 18 priated under section 137(a) for each fiscal
 19 year to the States pursuant to clause (ii)
 20 for youth activities and statewide work-
 21 force investment activities.

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

24 “(I) $\frac{3}{3}$ and $\frac{1}{3}$ percent shall be
 25 allotted on the basis of the relative

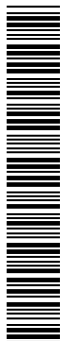


1 number of high school dropouts who
2 are ages 16 through 21 in the State,
3 compared to the total number of high
4 school dropouts who are ages 16
5 through 21 in all States;

6 “(II) 33 and $\frac{1}{3}$ percent shall be
7 allotted on the basis of the relative
8 number of jobless out-of-school youth
9 who are ages 16 through 21 in the
10 State, compared to the total number
11 of jobless out-of-school youth who are
12 ages 16 through 21 in all States; and

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

20 “(iii) MINIMUM AND MAXIMUM PER-
21 CENTAGES.—The Secretary shall ensure
22 that no State shall receive an allotment for
23 a fiscal year that is less than 90 percent
24 or greater than 130 percent of the allot-



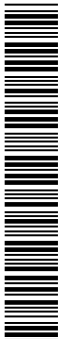
1 ment percentage of that State for the pre-
2 ceding fiscal year.

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

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

11 “(A) ALLOTMENT PERCENTAGE.—The
12 term ‘allotment percentage’, used with respect
13 to fiscal year 2004 or a subsequent fiscal year,
14 means a percentage of the remainder described
15 in paragraph (1)(C)(i) that is received through
16 an allotment made under this subsection for the
17 fiscal year. The term, with respect to fiscal year
18 2003, means the percentage of the amounts al-
19 lotted to States under this chapter (as in effect
20 on the day before the date of enactment of the
21 Workforce Investment Act Amendments of
22 2003) that is received by the State involved for
23 fiscal year 2003.

24 “(B) DISADVANTAGED YOUTH.—The term
25 ‘disadvantaged youth’ means an individual who



1 is age 16 through 21 who received an income,
2 or is a member of a family that received a total
3 family income, that, in relation to family size,
4 does not exceed the poverty line.

5 “(C) NUMBER OF HIGH SCHOOL DROP-
6 OUTS.—The term ‘number of high school drop-
7 outs’ means the number of high school dropouts
8 as is determined by the Secretary based on the
9 Current Population Survey.

10 “(D) NUMBER OF JOBLESS OUT-OF-
11 SCHOOL YOUTH.—The term ‘number of jobless
12 out-of-school youth’ means the number of job-
13 less out-of-school youth as is determined by the
14 Secretary based on the Current Population Sur-
15 vey.

16 “(3) SPECIAL RULE.—For purposes of the for-
17 mula specified in paragraph (1)(C), the Secretary
18 shall, as appropriate and to the extent practicable,
19 exclude college students and members of the Armed
20 Forces from the determination of the number of dis-
21 advantaged youth.”.

22 (b) WITHIN STATE ALLOCATIONS.—

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

25 “(a) RESERVATION FOR STATEWIDE ACTIVITIES.—



1 “(1) IN GENERAL.—The Governor of a State
2 shall reserve not more than 10 percent of the
3 amount allotted to the State under section
4 127(a)(1)(C) for a fiscal year for statewide activi-
5 ties.

6 “(2) USE OF FUNDS.—Regardless of whether
7 the amounts are allotted under section 127(a)(1)(C)
8 and reserved under paragraph (1) or allotted under
9 section 132 and reserved under section 133(a), the
10 Governor may use the reserved amounts to carry out
11 statewide youth activities under section 129(b) or
12 statewide employment and training activities under
13 section 133.”.

14 (2) WITHIN STATE ALLOCATION.—Paragraphs
15 (1), (2), and (3) of section 128(b) are amended to
16 read as follows:

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

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

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



1 “(2) ESTABLISHED FORMULA.—

2 “(A) IN GENERAL.—Of the amounts de-
3 scribed in paragraph (1)(A), the Governor shall
4 allocate—

5 “(i) percent on the basis of the rel-
6 ative number of high school dropouts who
7 are ages 16 through 21 in each local area,
8 compared to the total number of high
9 school dropouts who are ages 16 through
10 21 in all local areas in the State;

11 “(ii) 33 and 1/3 percent on the basis
12 of the relative number of jobless out-of-
13 school youth who are ages 16 through 21
14 in each local area, compared to the total
15 number of jobless out-of-school youth who
16 are ages 16 through 21 in all local areas
17 in the State; and

18 “(iii) 33 and 1/3 percent on the basis
19 of the relative number of disadvantaged
20 youth who are ages 16 through 21 in each
21 local area, compared to the total number of
22 disadvantaged youth who are ages 16
23 through 21 in all local areas in the State.

24 “(B) MINIMUM AND MAXIMUM PERCENT-
25 AGES.—The Governor shall ensure that no local



1 area shall receive an allocation for a fiscal year
 2 under this paragraph that is less than 90 per-
 3 cent or greater than 130 percent of the alloca-
 4 tion percentage of the local area for the pre-
 5 ceding fiscal year.

6 “(C) DEFINITIONS.—

7 “(i) ALLOCATION PERCENTAGE.—For
 8 purposes of this paragraph, the term ‘allo-
 9 cation percentage’, used with respect to fis-
 10 cal year 2004 or a subsequent fiscal year,
 11 means a percentage of amount described in
 12 paragraph(1)(A) that is received through
 13 an allocation made under this paragraph
 14 for the fiscal year. The term, with respect
 15 to fiscal year 2003, means the percentage
 16 of the amounts allocated to local areas
 17 under this chapter (as in effect on the day
 18 before the date of enactment of the Work-
 19 force Investment Act Amendments of
 20 2003) that is received by the local area in-
 21 volved for fiscal year 2003.

22 “(ii) OTHER TERMS.—For purposes of
 23 this paragraph, all other terms shall have
 24 the meaning given such terms in section
 25 127(a)(2).



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

7 “(4) LOCAL ADMINISTRATIVE COST LIMIT.—

8 “(A) IN GENERAL.—Of the amounts allo-
9 cated to a local area under this subsection and
10 section 133(b) for a fiscal year, not more than
11 10 percent of the amount may be used by the
12 local boards for the administrative costs of car-
13 rying out local workforce investment activities
14 under this chapter or chapter 5.

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

22 (c) YOUTH PARTICIPANT ELIGIBILITY.—Section
23 129(a) (29 U.S.C. 2854(a)) is amended to read as follows:

24 “(a) YOUTH PARTICIPANT ELIGIBILITY.—



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

6 “(A) not younger than age 16 or older
 7 than age 21; and

8 “(B) one or more of the following:

9 “(i) school dropouts;

10 “(ii) recipients of a secondary school
 11 diploma or its equivalent, but are basic
 12 skills deficient and are not attending any
 13 school;

14 “(iii) court-involved youth attending
 15 an alternative school; or

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

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

21 (d) STATEWIDE YOUTH ACTIVITIES.—Section 129(b)
 22 (29 U.S.C. 2854(b)) is amended to read as follows:

23 “(b) STATEWIDE ACTIVITIES.—

24 “(1) IN GENERAL.—Funds reserved by a Gov-
 25 ernor for a State as described in sections 128(a) and



1 133(a)(1) may be used for statewide activities
2 including—

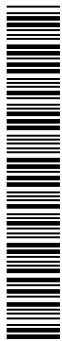
3 “(A) additional assistance to local areas
4 that have high concentrations of eligible youth;

5 “(B) supporting the provision of core serv-
6 ices described in section 134(d)(2) in the one-
7 stop delivery system;

8 “(C) conducting evaluations under section
9 136(e) of activities authorized under this chap-
10 ter and chapter 5 in coordination with evalua-
11 tions carried out by the Secretary under section
12 172, research, and demonstration projects;

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

20 “(E) providing technical assistance and ca-
21 pacity building to local areas, one-stop opera-
22 tors, one-stop partners, and eligible providers,
23 including the development and training of staff,
24 the development of exemplary program activi-
25 ties, and the provision of technical assistance to



1 local areas that fail to meet local performance
2 measures;

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

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

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

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

16 (e) LOCAL ELEMENTS AND REQUIREMENTS.—

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

19 (A) in the text that precedes subparagraph
20 (A), by striking “paragraph (2)(A) or (3), as
21 appropriate, of”;

22 (B) in subparagraph (B), by inserting “are
23 directly linked to one or more of the perform-
24 ance outcomes relating to this chapter under



1 section 136, and that” after “for each partici-
2 pant that”; and

3 (C) in subparagraph (C)—

4 (i) by redesignating clauses (i)
5 through (iv) as clauses (ii) through (v), re-
6 spectively;

7 (ii) by inserting the following new
8 clause (i):

9 “(i) activities leading to the attain-
10 ment of a secondary school diploma or its
11 recognized equivalent;”;

12 (iii) in clause (ii) (as redesignated by
13 this subparagraph), by inserting “and ad-
14 vanced training” after “opportunities”;

15 (iv) in clause (iii) (as redesignated by
16 this subparagraph), by inserting “that lead
17 to the attainment of recognized creden-
18 tials” after “learning”; and

19 (v) by amending clause (v) (as redesi-
20 gnated by this subparagraph) to read as
21 follows:

22 “(v) effective connections to employers
23 in sectors of the local labor market experi-
24 encing high growth in employment oppor-
25 tunities.”.



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

3 (A) in subparagraph (A), by striking “sec-
4 ondary school, including dropout prevention
5 strategies” and inserting “secondary school di-
6 ploma or its recognized equivalent”;

7 (B) by amending subparagraph (C) to read
8 as follows:

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

10 (3) ADDITIONAL REQUIREMENTS.—Section
11 129(c)(3) (29 U.S.C. 2854(c)(3)) is amended by
12 striking “or applicant who meets the minimum in-
13 come criteria to 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 PROGRAM FOR ADULTS.**

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

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

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

9 (1) by striking “paragraphs (1)(B) and (2)(B)
10 of ”; and

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

12 (c) STATE ALLOTMENTS.—

13 (1) IN GENERAL.—Section 132(a) (29 U.S.C.
14 2862(a)) is amended to read as follows:

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

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

19 “(A) not less than 75 percent shall be used
20 for national emergency grants under section
21 173;

22 “(B) not more than 20 percent may be
23 used for demonstration projects under section
24 171; and



1 “(C) not more than 5 percent may be used
2 to provide technical assistance under section
3 170; and

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

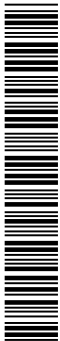
7 (2) ALLOTMENT AMONG STATES.—Section
8 132(b) (29 U.S.C. 2862(b)) is amended to read as
9 follows:

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

12 “(1) RESERVATION FOR OUTLYING AREAS.—
13 From the amount made available under subsection
14 (a)(2) for a fiscal year, the Secretary shall reserve
15 not more than $\frac{1}{4}$ of 1 percent to provide assistance
16 to outlying areas to carry out employment and train-
17 ing activities for adults and statewide workforce in-
18 vestment activities.

19 “(2) STATES.—

20 “(A) IN GENERAL.—After determining the
21 amount to be reserved under paragraph (1), the
22 Secretary shall allot the remainder of the
23 amount referred to under subsection (a)(2) for
24 a fiscal year to the States pursuant to subpara-
25 graph (B) for employment and training activi-



1 ties for adults and statewide workforce invest-
2 ment activities.

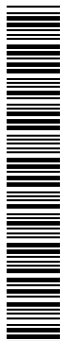
3 “(B) FORMULA.—Subject to subpara-
4 graphs (C) and (D), of the remainder—

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

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

15 “(iii) 15 percent shall be allotted on
16 the basis of the relative number of individ-
17 uals in the civilian labor force in each
18 State, compared to the total number of in-
19 dividuals in the civilian labor force in all
20 States; and

21 “(iv) 10 percent shall be allotted on
22 the basis of the relative number of dis-
23 advantaged adults in each State, compared
24 to the total number of disadvantaged
25 adults in all States.



1 “(C) MINIMUM AND MAXIMUM PERCENT-
2 AGES.—The Secretary shall ensure that no
3 State shall receive an allotment for a fiscal year
4 that is less than 90 percent or greater than 130
5 percent of the allotment percentage of the State
6 for the preceding fiscal year.

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

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

15 “(i) ALLOTMENT PERCENTAGE.—The
16 term ‘allotment percentage’, used with re-
17 spect to fiscal year 2004 or a subsequent
18 fiscal year, means a percentage of the re-
19 mainder described in subparagraph (A)
20 that is received through an allotment made
21 under this paragraph for the fiscal year.
22 The term, with respect to fiscal year 2003,
23 means the percentage of the amounts allot-
24 ted to States under this chapter (as in ef-
25 fect on the day before the date of enact-



1 ment of the Workforce Investment Act
2 Amendments of 2003) and under section 6
3 of the Wagner-Peyser Act that is received
4 by the State involved for fiscal year 2003.

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

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

19 (d) WITHIN STATE ALLOCATIONS.—

20 (1) RESERVATION FOR STATE ACTIVITIES.—

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

23 “(a) RESERVATION FOR STATEWIDE ACTIVITIES.—

24 The Governor of a State may reserve up to 40 percent
25 of the total amount allotted to the State under section 132



1 for a fiscal year to carry out the statewide activities de-
2 scribed in section 134(a).”.

3 (2) ALLOCATIONS TO LOCAL AREAS.—Section
4 133(b)(29 U.S.C. 2863(b)) is amended to read as
5 follows:

6 “(b) ALLOCATIONS TO LOCAL AREAS.—

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

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

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

16 “(2) ESTABLISHED FORMULA.—

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

20 “(i) 60 percent on the basis of the rel-
21 ative number of unemployed individuals in
22 each local area, compared to the total
23 number of unemployed individuals in all
24 local areas in the State;



1 “(ii) 15 percent on the basis of the
 2 relative excess number of unemployed indi-
 3 viduals in each local area, compared to the
 4 total excess number of unemployed individ-
 5 uals in all local areas in the State;

6 “(iii) 15 percent on the basis of the
 7 relative number of individuals in the civil-
 8 ian labor force in each local area, com-
 9 pared to the total number of individuals in
 10 the civilian labor force in all local areas in
 11 the State; and

12 “(iv) 10 percent shall be allotted on
 13 the basis of the relative number of dis-
 14 advantaged adults in each local area, com-
 15 pared to the total number of disadvantaged
 16 adults in all States.

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

24 “(C) DEFINITIONS.—



1 “(i) ALLOCATION PERCENTAGE.—The
2 term ‘allocation percentage’, used with re-
3 spect to fiscal year 2004 or a subsequent
4 fiscal year, means a percentage of amount
5 described in paragraph (1)(A) that is re-
6 ceived through an allocation made under
7 this paragraph for the fiscal year. The
8 term, with respect to fiscal year 2003,
9 means the percentage of the amounts allo-
10 cated to local areas under this chapter (as
11 in effect on the day before the date of en-
12 actment of the Workforce Investment Act
13 Amendments of 2003) that is received by
14 the local area involved for fiscal year 2003.

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

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



1 that represents the number of unemployed
2 individuals in excess of 4.5 percent of the
3 civilian labor force in the local area.

4 “(3) DISCRETIONARY ALLOCATION.—The Gov-
5 ernor shall allocate to local areas the amounts de-
6 scribed in paragraph (1)(B) in accordance with such
7 demographic and economic factors as the Governor,
8 after consultation with the State board and local
9 boards, determines are appropriate.

10 “(4) LOCAL ADMINISTRATIVE COST LIMIT.—

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

18 “(B) USE OF FUNDS.—Funds made avail-
19 able for administrative costs under subpara-
20 graph (A) may be used for the administrative
21 costs of any of the local workforce investment
22 activities described in this chapter or chapter 4,
23 regardless of whether the funds were allocated
24 under this subsection or section 128(b).”.



1 (e) USE OF FUNDS FOR EMPLOYMENT AND TRAIN-
2 ING ACTIVITIES.—

3 (1) STATEWIDE EMPLOYMENT AND TRAINING
4 ACTIVITIES.—

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

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

9 “(A) under section 133(a) shall be used for
10 statewide rapid response activities described in
11 paragraph (2); and

12 “(B) under section 133(a) and section
13 128(a) may be used to carry out any of the
14 statewide employment and training activities
15 described in paragraph (3).”.

16 (B) STATEWIDE RAPID RESPONSE ACTIVI-
17 TIES.—Section 134(a)(2) is amended to read as
18 follows:

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

23 “(A) provision of rapid response activities,
24 carried out in local areas by the State or by an
25 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) is amended
13 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(d)(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 serving individuals with disabilities
24 consistent with section 188;



1 “(H) developing strategies for effectively
2 serving hard-to-serve populations and for inte-
3 grating programs and services among one-stop
4 partners.”.

5 (D) LIMITATION ON STATE ADMINISTRA-
6 TIVE EXPENDITURES.—Section 134(a) is fur-
7 ther amended by adding the following new
8 paragraph:

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

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

15 (A) by striking “under paragraph (2)(A)”
16 and all that follows through “section
17 133(B)(2)(B)” and inserting “under section
18 133(b)”;

19 (B) in paragraphs (1) and (2), by striking
20 “or dislocated workers” both places it appears;
21 and

22 (C) by redesignating subsections (d) and
23 (e) as subsections (c) and (d), respectively.

24 (3) REQUIRED LOCAL EMPLOYMENT AND
25 TRAINING ACTIVITIES.—



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

4 “(1) IN GENERAL.—Funds allocated to a local
 5 area for adults under paragraph 2(A) or (3), as ap-
 6 propriate, of section 133(b) and funds allocated to
 7 the local area for dislocated workers under section
 8 133(b)(2)(B), shall be used—

9 (A) to establish a one-stop delivery sys-
 10 tem as described in section 121(e);

11 (B) to provide the core services described
 12 in paragraph (2) to adults and dislocated work-
 13 ers, respectively, through the one-stop delivery
 14 system in accordance with such paragraph;

15 (C) to provide the intensive services de-
 16 scribed in paragraph (3) to adults and dis-
 17 located workers, respectively, described in such
 18 paragraph; and

19 (D) to provide training services described
 20 in paragraph (4) to adults and dislocated work-
 21 ers, respectively, described in such paragraph.”.

22 (B) CORE SERVICES.—Section 134(c)(2)
 23 (as redesignated by paragraph (2)) is
 24 amended—



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

3 (ii) in subparagraph (A), by striking
4 “under this subtitle” and inserting “under
5 the one-stop partner programs described in
6 section 121(b)”;

7 (iii) in subparagraph (D), by inserting
8 “and appropriate recruitment services for
9 employers” after “counseling”;

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

14 (v) by amending subparagraph (J) to
15 read as follows:

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

21 (C) INTENSIVE SERVICES.—Section
22 134(b)(3) (as redesignated by paragraph (2) of
23 this subsection) is amended—

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



1 “(A) IN GENERAL.—

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

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

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

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

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

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

23 (ii) in subparagraph (C)—



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

4 (II) by adding the following
 5 clauses after clause (vi):

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

8 “(viii) Literacy activities relating to
 9 basic work readiness, and financial literacy
 10 activities.

11 “(ix) Out-of-area job search assistance
 12 and relocation assistance.”.

13 (D) TRAINING SERVICES.—Section
 14 134(b)(4) (as redesignated by paragraph (2) of
 15 this subsection) is amended—

16 (i) by amending subparagraph (A) to
 17 read as follows:

18 “(A) IN GENERAL.—

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

23 “(I) after an interview, evalua-
 24 tion, or assessment, and case manage-
 25 ment, have been determined by a one-



1 stop operator or one-stop partner, as
2 appropriate, to—

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

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

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

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

21 “(III) who meet the requirements
22 of subparagraph (B); and

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



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

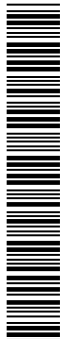
4 (ii) in subparagraph (B)(i), by strik-
5 ing “Except” and inserting “Notwith-
6 standing section 479B of the Higher Edu-
7 cation Act of 1965 (20 U.S.C. 1077uu)
8 and except”;

9 (iii) by amending subparagraph (E) to
10 read as follows:

11 “(E) PRIORITY.—

12 “(i) IN GENERAL.—A priority shall be
13 given to unemployed individuals for the
14 provision of intensive and training services
15 under this subsection.

16 “(ii) ADDITIONAL PRIORITY.—If the
17 funds in the local area, including the funds
18 allocated under section 133(b), for serving
19 recipients of public assistance and other
20 low-income individuals is limited, the pri-
21 ority for the provision of intensive and
22 training services under this subsection
23 shall include such recipients and individ-
24 uals.



1 “(iii) DETERMINATIONS.—The Gov-
2 ernor and the appropriate local board shall
3 direct the one-stop operators in the local
4 area with regard to making determinations
5 with respect to the priority of service under
6 this subparagraph.”;

7 (iv) in subparagraph (F), by adding
8 the following clause after clause (iii):

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

19 (v) in subparagraph (G)(iv), by redesi-
20 gnating subclause (IV) as subclause (V)
21 and inserting the following new subclause
22 (IV):

23 “(IV) Individuals with disabili-
24 ties.”.



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

3 (A) by amending paragraph (1) to read as
4 follows:

5 “(1) DISCRETIONARY ONE-STOP DELIVERY AC-
6 TIVITIES.—

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

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

13 “(ii) customized employment-related
14 services to employers on a fee-for-service
15 basis;

16 “(iii) customer support to navigate
17 among multiple services and activities for
18 special participant populations that face
19 multiple barriers to employment, including
20 individuals with disabilities; and

21 “(iv) employment and training assist-
22 ance provided in coordination with child
23 support enforcement activities of the State
24 agency carrying out subtitle D of title IV
25 of the Social Security Act.



1 “(B) WORK SUPPORT ACTIVITIES FOR
2 LOW-WAGE WORKERS.—

3 “(i) IN GENERAL.— Funds allocated
4 to a local area under 133(b) may be used
5 to provide, through the one-stop delivery
6 system and in collaboration with the ap-
7 propriate programs and resources of the
8 one-stop partners, work support activities
9 designed to assist low-wage workers in re-
10 taining and enhancing employment.

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

23 (B) by adding after paragraph (3) the fol-
24 lowing new paragraph:



1 “(4) INCUMBENT WORKER TRAINING PRO-
2 GRAMS.—

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

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

15 “(C) EMPLOYER MATCH REQUIRED.—

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

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



1 “(II) 25 percent of the costs, for
 2 employers with more than 50 employ-
 3 ees but fewer than 100 employees;
 4 and

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

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

13 **SEC. 113. PERSONAL REEMPLOYMENT ACCOUNTS.**

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

17 **“CHAPTER 5A—PERSONAL**
 18 **REEMPLOYMENT ACCOUNTS**

19 **“SEC. 135A. PURPOSES.**

20 “The purposes of this chapter are to provide for the
 21 establishment of personal reemployment accounts for cer-
 22 tain individuals identified as likely to exhaust their unem-
 23 ployment compensation in order to—

24 “(1) accelerate the reemployment of such indi-
 25 viduals;



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

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

6 **“SEC. 135B. DEFINITION.**

7 “In this chapter, the term ‘State’ means each of the
8 several States of the United States, the District of Colum-
9 bia, the Commonwealth of Puerto Rico, and the United
10 States Virgin Islands.

11 **“SEC. 135C. GRANTS TO STATES.**

12 “(a) GRANTS.—The Secretary shall—

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

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

19 “(b) ALLOTMENT AMONG STATES.—

20 “(1) IN GENERAL.—From the amount made
21 available under subsection (a)(2), the Secretary shall
22 allot to each State an amount that is proportionate
23 to the relative number of unemployed individuals in
24 the State as compared to the total number of unem-
25 ployed individuals in all States in order to provide



1 assistance for eligible individuals in accordance with
2 this chapter.

3 “(2) SMALL STATE MINIMUM ALLOTMENT.—

4 The Secretary shall ensure that—

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

10 “(B) the United States Virgin Islands shall
11 receive an allotment under paragraph (1) that
12 is not less than $\frac{1}{10}$ of 1 percent of the amount
13 made available under subsection (a)(2) for the
14 fiscal year.

15 “(c) AVAILABILITY.—Notwithstanding section
16 189(g)(1), amounts made available under subsection (a)
17 to carry out this chapter shall be available for obligation
18 and expenditure beginning on the date of the enactment
19 of the Back to Work Incentive Act of 2003.

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

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

23 “(1) not more than 2 percent of the amount
24 may be reserved by the Governor of the State to en-
25 hance the system of worker profiling described in



1 section 303(j) of the Social Security Act and to es-
2 tablish and operate a data management system, as
3 necessary, and carry out other appropriate activities
4 to implement this chapter;

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

10 “(3) the remainder of the amount shall be pro-
11 vided to local areas consistent with the methods and
12 procedures described in section 135G(a)(4) for the
13 establishment of personal reemployment accounts
14 described in section 135E for eligible individuals in
15 such local areas.

16 “(b) FORMULA.—A State shall allocate funds to local
17 areas in the State under subsection (a)(2) in an amount
18 that is proportionate to the relative number of unemployed
19 individuals in the local area as compared to the total num-
20 ber of unemployed individuals in the State.

21 “(c) AVAILABILITY.—Notwithstanding section
22 189(g)(2), amounts allotted to a State under section
23 135C, and amounts subsequently provided to a local area
24 under this section, shall be available for obligation and ex-
25 penditure only for the 3-year period beginning on the date



1 of the enactment of the Back to Work Incentive Act of
2 2003.

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

4 “(a) ACCOUNTS.—

5 “(1) IN GENERAL.—Funds provided to a local
6 area under section 135D shall be used to provide eli-
7 gible individuals with personal reemployment ac-
8 counts to be used in accordance with section 135F.
9 An eligible individual may receive only one personal
10 reemployment account.

11 “(2) AMOUNT.—The State shall establish the
12 amount of a personal reemployment account, which
13 shall be uniform throughout the State, and shall not
14 exceed \$3,000.

15 “(b) ELIGIBLE INDIVIDUALS.—

16 “(1) IN GENERAL.—Each State shall establish
17 eligibility criteria for individuals for personal reem-
18 ployment accounts in accordance with this sub-
19 section.

20 “(2) ELIGIBILITY CRITERIA REQUIREMENTS.—

21 “(A) IN GENERAL.—Subject to subpara-
22 graph (B), an individual shall be eligible to re-
23 ceive assistance under this chapter if, beginning
24 after the date of enactment of the Back to
25 Work Incentive Act of 2003, the individual—



1 “(i) is identified by the State pursu-
2 ant to section 303(j)(1) of the Social Secu-
3 rity Act as likely to exhaust regular unem-
4 ployment compensation and in need of job
5 search assistance to make a successful
6 transition to new employment or an indi-
7 vidual’s unemployment can be attributed in
8 substantial part to unfair competition from
9 Federal Prison Industries, Inc.;

10 “(ii) is receiving regular unemploy-
11 ment compensation under any State or
12 Federal unemployment compensation pro-
13 gram administered by the State; and

14 “(iii) is eligible for not less than 20
15 weeks of regular unemployment compensa-
16 tion described in clause (ii).

17 “(B) ADDITIONAL ELIGIBILITY AND PRI-
18 ORITY CRITERIA.—A State may establish cri-
19 teria that is in addition to the criteria described
20 in subparagraph (A) for the eligibility of indi-
21 viduals to receive assistance under this chapter.
22 A State may also establish criteria for priority
23 in the provision of assistance to such eligible in-
24 dividuals under this chapter.

25 “(3) TRANSITION RULE.—



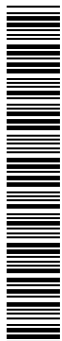
1 “(A) PREVIOUSLY IDENTIFIED AS LIKELY
 2 TO EXHAUST UNEMPLOYMENT COMPENSA-
 3 TION.—

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

8 “(I) during the 13-week period
 9 ending the week prior to the date of
 10 the enactment of the Back to Work
 11 Incentive Act of 2003, was identified
 12 by the State pursuant to section
 13 303(j)(1) of the Social Security Act as
 14 likely to exhaust regular unemploy-
 15 ment compensation and in need of job
 16 search assistance to make a successful
 17 transition to new employment; and

18 “(II) otherwise meets the re-
 19 quirements of clauses (ii) and (iii) of
 20 paragraph (2)(A).

21 “(ii) ADDITIONAL ELIGIBILITY AND
 22 PRIORITY CRITERIA.—A State may estab-
 23 lish criteria that is in addition to the cri-
 24 teria described in clause (i) for the eligi-
 25 bility of individuals to receive assistance



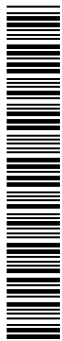
1 under this chapter. A State may also es-
2 tablish criteria for priority in the provision
3 of assistance to such eligible individuals
4 under this chapter.

5 “(B) PREVIOUSLY EXHAUSTED UNEM-
6 PLOYMENT COMPENSATION.—At the option of
7 the State, an individual may be eligible to re-
8 ceive assistance under this chapter if the
9 individual—

10 “(i) during the 26-week period ending
11 the week prior to the date of the enact-
12 ment of the Back to Work Incentive Act of
13 2003, exhausted all rights to any unem-
14 ployment compensation; and

15 “(ii)(I) is enrolled in training and
16 needs additional support to complete such
17 training, with a priority of service to be
18 provided to such individuals who are train-
19 ing for shortage occupations or high-
20 growth industries; or

21 “(II) is separated from employment in
22 an industry or occupation that has experi-
23 enced declining employment, or no longer
24 provides any employment, in the local labor
25 market during the two-year period ending



1 on the date of the determination of eligi-
2 bility of the individual under this subpara-
3 graph.

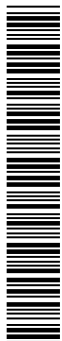
4 “(4) NO INDIVIDUAL ENTITLEMENT.—Nothing
5 in this chapter shall be construed to entitle any indi-
6 vidual to receive a personal reemployment account.

7 “(c) LOCAL ADMINISTRATION.—

8 “(1) INFORMATION AND ATTESTATION.—Prior
9 to the establishment of a personal reemployment ac-
10 count for an eligible individual under this chapter,
11 the local board, through the one-stop delivery sys-
12 tem, shall ensure that the individual—

13 “(A) is informed of the requirements appli-
14 cable to the personal reemployment account, in-
15 cluding the allowable uses of funds from the ac-
16 count, the limitations on access to services de-
17 scribed under section 135F(a)(3)(C) and a de-
18 scription of such services, and the conditions for
19 receiving a reemployment bonus;

20 “(B) has the option to develop a personal
21 reemployment plan which will identify the em-
22 ployment goals and appropriate combination of
23 services selected by the individual to achieve the
24 employment goals; and



1 “(C) signs an attestation that the indi-
2 vidual has been given the option to develop a
3 personal reemployment plan in accordance with
4 subparagraph (B), will comply with the require-
5 ments relating to the personal reemployment
6 accounts under this chapter, and will reimburse
7 the account or, if the account has been termi-
8 nated, the program under this chapter, for any
9 amounts expended from the account that are
10 not allowable.

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

18 **“SEC. 135F. USE OF FUNDS.**

19 “(a) ALLOWABLE ACTIVITIES.—

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



1 “(A) Intensive services, including those
2 types of services specified in section
3 134(d)(3)(C).

4 “(B) Training services, including those
5 types of services specified in section
6 134(d)(4)(D).

7 “(C) Supportive services, except for needs-
8 related payments.

9 “(D) Assistance to purchase or lease an
10 automobile, if such assistance is necessary to
11 allow the recipient to accept a bona fide offer
12 of employment for which there is a reasonable
13 expectation of long-term duration.

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

17 “(A) Recipients may use funds from the
18 personal reemployment account to purchase the
19 services described in paragraph (1) through the
20 one-stop delivery system on a fee-for-service
21 basis, or through other providers, consistent
22 with safeguards described in the State and local
23 plans under section 135G.

24 “(B) The local board, through the one-stop
25 delivery system, may pay costs for such services



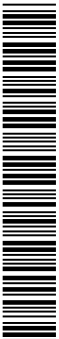
1 directly on behalf of the recipient, through a
2 voucher system, or by reimbursement to the re-
3 cipient upon receipt of appropriate cost docu-
4 mentation, consistent with safeguards described
5 in the State plan under section 135G.

6 “(C) Each local board, through the one-
7 stop delivery system, shall make available to re-
8 cipients information on training providers speci-
9 fied in section 134(d)(4)(F)(ii), information
10 available to the one-stop delivery system on pro-
11 viders of the intensive and supportive services
12 described in paragraph (1), and information re-
13 lating to occupations in demand in the local
14 area.

15 “(3) LIMITATIONS.—The following limitations
16 shall apply with respect to personal reemployment
17 accounts under this chapter:

18 “(A)(i) Amounts in a personal reemploy-
19 ment account may be used for up to one year
20 from the date of the establishment of the ac-
21 count.

22 “(ii) No personal reemployment account
23 may be established beginning 2 years after the
24 date of the enactment of the Back to Work In-
25 centive Act of 2003.



1 “(B) Each recipient shall submit cost doc-
2 umentation as required by the one-stop delivery
3 system.

4 “(C) For the 1-year period following the
5 establishment of the account, recipients may
6 not receive intensive, supportive, or training
7 services funded under this title except on a fee-
8 for-services basis as specified in paragraph
9 (2)(A).

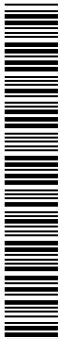
10 “(D) Amounts in a personal reemployment
11 account shall be nontransferable.

12 “(b) INCOME SUPPORT.—A State may authorize re-
13 cipients determined eligible under section 135E(b)(3)(B)
14 to withdraw amounts from the personal reemployment ac-
15 count on a weekly basis for purposes of income support
16 in amounts up to the average weekly amount of unemploy-
17 ment compensation that the individual received prior to
18 his or her exhaustion of rights to unemployment com-
19 pensation if the individual is engaged in job search, inten-
20 sive services, or training that is expected to lead to em-
21 ployment.

22 “(c) REEMPLOYMENT BONUS.—

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

24 “(A) if a recipient determined eligible
25 under section 135E(b)(2) obtains full-time em-



1 ployment before the end of the 13th week of
2 unemployment for which unemployment com-
3 pensation is paid, the balance of his or her per-
4 sonal reemployment account shall be provided
5 directly to the recipient in cash; and

6 “(B) if a recipient determined eligible
7 under section 135E(b)(3) obtains full-time em-
8 ployment before the end of the 13th week after
9 the date on which the account is established,
10 the balance of his or her personal reemployment
11 account shall be provided directly to the recipi-
12 ent in cash.

13 “(2) LIMITATIONS.—The following limitations
14 shall apply with respect to a recipient described in
15 paragraph (1):

16 “(A) 60 percent of the remaining personal
17 reemployment account balance shall be paid to
18 the recipient at the time of reemployment.

19 “(B) 40 percent of the remaining personal
20 reemployment account balance shall be paid to
21 the recipient after 26 weeks of employment re-
22 tention.

23 “(3) EXCEPTION REGARDING SUBSEQUENT UN-
24 EMPLOYMENT.—If a recipient described in para-
25 graph (1) subsequently becomes unemployed due to



1 a lack of work after receiving the portion of the re-
2 employment bonus specified under paragraph (2)(A),
3 the individual may use the amount remaining in the
4 personal reemployment account for the purposes de-
5 scribed in subsection (a) but may not be eligible for
6 additional cash payments under this subsection.

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

8 “(a) STATE PLAN.—In order for a State to receive
9 an allotment under section 135C, the Governor of the
10 State shall submit to the Secretary a plan for approval
11 that includes a description of how the State intends to
12 carry out the personal reemployment accounts authorized
13 under this chapter, including—

14 “(1) the criteria and methods to be used for de-
15 termining eligibility for the personal reemployment
16 accounts, including whether the State intends to in-
17 clude the optional categories described in section
18 135E(b)(3), and the additional criteria and priority
19 for service that the State intends to apply, if any,
20 pursuant to section 135E(b)(2)(B);

21 “(2) the methods or procedures, developed in
22 consultation with local boards and chief elected offi-
23 cials, to be used to provide eligible individuals infor-
24 mation relating to services and providers, and safe-
25 guards, developed in consultation with such boards



1 and officials, to ensure that funds from the personal
2 reemployment accounts are used for purposes au-
3 thorized under this chapter and to ensure the quality
4 and integrity of services and providers, consistent
5 with the purpose of providing such individuals with
6 enhanced flexibility, choice, and control in obtaining
7 intensive reemployment, training, and supportive
8 services.

9 “(3) how the State will coordinate the activities
10 carried out under this chapter with the employment
11 and training activities carried out under section 134
12 and other activities carried out by each local board
13 through the one-stop delivery system in the State;
14 and

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

17 “(b) LOCAL PLAN.—In order for a local area to re-
18 ceive an allocation under section 135D, the local board,
19 in partnership with the chief elected official for the local
20 area involved, shall submit to the Governor a plan for ap-
21 proval that includes a description of how the local board
22 intends to carry out the personal reemployment accounts,
23 consistent with the requirements of this chapter and with
24 the State plan established under subsection (a),
25 including—



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

5 “(2) a description of the methods or procedures
6 to be used to provide eligible individuals information
7 relating to the jobs that are available in the local
8 area in high demand occupations and information on
9 services and providers, and the safeguards the local
10 area will initiate to ensure that funds from the per-
11 sonal reemployment accounts are used for purposes
12 authorized under this chapter and to ensure the
13 quality and integrity of services and providers, con-
14 sistent with the purpose of providing such individ-
15 uals with enhanced flexibility, choice, and control in
16 obtaining intensive reemployment, training, and sup-
17 portive services, and consistent with the State plan.

18 “(c) STATE PLAN SUBMISSION AND APPROVAL.—A
19 State plan submitted to the Secretary under subsection
20 (a) by a Governor shall be considered to be approved by
21 the Secretary at the end of the 30-day period beginning
22 on the date the Secretary receives the plan, unless the Sec-
23 retary makes a written determination during such period
24 that the plan is incomplete or otherwise inconsistent with
25 the provisions of this chapter.



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

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

7 **“SEC. 135I. EVALUATION.**

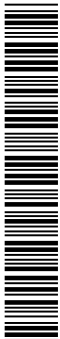
8 “(a) **EVALUATION.**—From the amount made avail-
9 able under section 135C(a)(1), the Secretary, pursuant to
10 the authority provided under section 172, shall, directly
11 or through grants, contracts, or cooperative agreements
12 with appropriate entities, conduct an evaluation of the ac-
13 tivities carried out under this chapter.

14 “(b) **CONDUCT OF EVALUATION.**—The evaluation
15 shall examine the effectiveness of such activities in achiev-
16 ing the purposes described in section 135A and such other
17 purposes as the Secretary determines are appropriate.

18 “(c) **REPORT.**—The report to Congress under section
19 172(e) relating to the results of the evaluations required
20 under section 172 shall include the recommendation of the
21 Secretary with respect to the use of personal reemploy-
22 ment accounts as a mechanism to assist individuals in ob-
23 taining and retaining employment.”.

24 **SEC. 114. PERFORMANCE ACCOUNTABILITY SYSTEM.**

25 (a) **STATE PERFORMANCE MEASURES.**—



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

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

6 (B) in subparagraph (A)(ii), by striking
7 “paragraph (2)(C)” and inserting “paragraph
8 (2)(B)”.

9 (2) INDICATORS OF PERFORMANCE.—Section
10 136(b)(2) (29 U.S.C. 2871(b)(2)) is amended—

11 (A) in subparagraph (A)(i), by striking
12 “(except for self-service and information activi-
13 ties) and (for participants who are eligible
14 youth age 19 through 21) for youth activities
15 authorized under section 129”;

16 (B) by amending subparagraph (A)(i)(IV)
17 to read as follows:

18 “(IV) the efficiency of the pro-
19 gram in obtaining the outcomes de-
20 scribed in subclauses (I) through
21 (III).”;

22 (C) by amending subparagraph (A)(ii) to
23 read as follows:

24 “(ii) CORE INDICATORS FOR ELIGIBLE
25 YOUTH.—The core indicators of perform-



1 ance for youth activities authorized under
2 section 129 shall consist of—

3 “(I) entry into employment, edu-
4 cation or advanced training, or mili-
5 tary service;

6 “(II) attainment of secondary
7 school diplomas or their recognized
8 equivalents;

9 “(III) attainment of literacy or
10 numeracy skills; and

11 “(IV) the efficiency of the pro-
12 gram in obtaining the outcomes de-
13 scribed in subclauses (I) through
14 (III).”;

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

16 (E) by redesignating subparagraph (C) as
17 subparagraph (B).

18 (3) LEVELS OF PERFORMANCE.—Section
19 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is
20 amended—

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



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

4 (C) in clause (iii)—

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

7 (ii) by striking “and the customer sat-
8 isfaction indicator of performance, for the
9 first 3” and inserting “for the 2”;

10 (D) in clause (iv)—

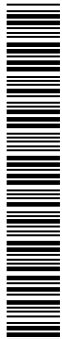
11 (i) by striking subclause (I);

12 (ii) by redesignating subclauses (II)
13 and (III) as subclauses (I) and (II), re-
14 spectively; and

15 (iii) in subclause (I) (as so redesi-
16 gnated)—

17 (I) by inserting “such as unem-
18 ployment rates and job losses or gains
19 in particular industries” after “eco-
20 nomic conditions”; and

21 (II) by inserting “such as indica-
22 tors of poor work history, lack of work
23 experience, low levels of literacy or
24 English proficiency, and welfare de-
25 pendency” after “program”;



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

2 (F) by redesignating clause (vi) as clause

3 (v).

4 (4) ADDITIONAL INDICATORS.—Section
5 136(b)(3)(B) is amended by striking “paragraph
6 (2)(C)” and inserting “paragraph (2)(B)”.

7 (b) LOCAL PERFORMANCE MEASURES.—Section
8 136(c) (29 U.S.C 2871(c)) is amended—

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

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

15 (3) by amending paragraph (3) to read as fol-
16 lows:

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



1 literacy or English proficiency, and welfare depend-
2 ency.”.

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

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

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

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

13 (1) in paragraph (1)(A), by striking “or (B)”;
14 and

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

17 (e) SANCTIONS FOR LOCAL AREAS.—Section 136(h)
18 (29 U.S.C. 2871(h)) is amended—

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

20 (2) by amending paragraph 2(B) to read as fol-
21 lows:

22 “(B) APPEAL TO GOVERNOR.—A local area
23 that is subject to a reorganization plan under
24 subparagraph (A) may, not later than 30 days
25 after receiving notice of the reorganization plan,



1 appeal to the Governor to rescind or revise such
2 plan. In such case, the Governor shall make a
3 final decision not later than 30 days after the
4 receipt of the appeal.”.

5 (f) INCENTIVE GRANTS.—Section 136(i) (29 U.S.C.
6 2871(I)) is amended to read as follows:

7 “(i) INCENTIVE GRANTS FOR STATES AND LOCAL
8 AREAS.—

9 “(1) INCENTIVE GRANTS FOR STATES.—

10 “(A) IN GENERAL.—From funds appro-
11 priated under section 174, the Secretary may
12 award grants to States for exemplary perform-
13 ance in carrying programs under this chapters
14 4 and 5 of this title. Such awards may be based
15 on States meeting or exceeding the performance
16 measures established under this section, on the
17 performance of the State in serving special pop-
18 ulations, including the levels of service provided
19 and the performance outcomes, and such other
20 factors relating to the performance of the State
21 under this title as the Secretary determines is
22 appropriate.

23 “(B) USE OF FUNDS.—The funds awarded
24 to a State under this paragraph may be used to
25 carry out any activities authorized under chap-



1 ters 4 and 5 of this title, including demonstra-
2 tions and innovative programs for special popu-
3 lations.

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

5 “(A) IN GENERAL.—From funds reserved
6 under sections 128(a) and 133(a), the Governor
7 may award incentive grants to local areas for
8 exemplary performance with respect to the
9 measures established under this section and
10 with the performance of the local area in serv-
11 ing special populations, including the levels of
12 service and the performance outcomes.

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

19 (g) REPEAL OF DEFINITIONS.—Sections 502 and
20 503 are repealed.

21 **SEC. 115. AUTHORIZATION OF APPROPRIATIONS.**

22 (a) YOUTH ACTIVITIES.— Section 137(a) is amended
23 by striking “such sums as may be necessary for each of
24 fiscal years 1999 through 2003” and inserting
25 “\$1,001,000,000 for fiscal year 2004 and such sums as



1 may be necessary for each of fiscal years 2005 through
2 2009”.

3 (b) ADULT EMPLOYMENT AND TRAINING ACTIVI-
4 TIES.—Section 137(b) is amended by striking “section
5 132(a)(1), such sums as may be necessary for each of fis-
6 cal years 1999 through 2003” and inserting “132(a),
7 \$3,079,800,000 for fiscal year 2004 and such sums as
8 may be necessary for each of fiscal years 2005 through
9 2009”.

10 (c) DISLOCATED WORKER EMPLOYMENT AND
11 TRAINING ACTIVITIES.—Section 137 is further amended
12 by striking subsection (c), and adding the following new
13 subsection:

14 “(c) PERSONAL REEMPLOYMENT ACCOUNTS.—Out
15 of any money in the Treasury of the United States not
16 otherwise appropriated, there are appropriated
17 \$3,600,000,000 for fiscal year 2003 to carry out chapter
18 5A.”.

19 **SEC. 116. JOB CORPS.**

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

22 (1) by amending subsection (a) to read as fol-
23 lows:

24 “(a) BUSINESS AND COMMUNITY PARTICIPATION.—
25 The director of each Job Corps center shall ensure the



1 establishment and development of the business and com-
2 munity relationships and networks described in subsection
3 (b) in order to enhance the effectiveness of such center.”;

4 (2) in subsection (b)—

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

7 (B) by striking “The responsibilities of the
8 Liaison” and inserting “The activities carried
9 out by each Job Corps center under this sec-
10 tion”; and

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

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

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

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

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

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

23 (c) INDICATORS OF PERFORMANCE AND ADDITIONAL
24 INFORMATION.—Section 159(c) (29 U.S.C. 2983(c)) is
25 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” in
9 each place it appears and inserting “indicators”.

10 **SEC. 117. NATIVE AMERICAN PROGRAMS.**

11 (a) AUTHORIZED ACTIVITIES.—Section 166(d)(2)
12 (29 U.S.C. 2911(d)(2)) is amended to read as follows:

13 “(2) WORKFORCE INVESTMENT ACTIVITIES AND
14 SUPPLEMENTAL SERVICES.—Funds made available
15 under subsection (c) shall be used for—

16 “(A) comprehensive workforce investment
17 activities for Indians or Native Hawaiians; or

18 “(B) supplemental services for Indian or
19 Native Hawaiian youth on or near Indian res-
20 ervations and in Oklahoma, Alaska, or Ha-
21 waii.”.

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

24 “(c) DUTIES.—The Council shall advise
25 the Secretary on the operation and administra-



1 tion of the programs assisted under this sec-
2 tion.”.

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

5 **SEC. 118. YOUTH CHALLENGE GRANTS.**

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

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

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

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

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

17 “(b) COMPETITIVE GRANTS TO STATES AND LOCAL
18 AREAS.—

19 “(1) ESTABLISHMENT.—From the funds de-
20 scribed in subsection (a)(1), the Secretary shall
21 award competitive grants to eligible entities to carry
22 out activities authorized under this section to assist
23 eligible youth in acquiring the skills, credentials and
24 employment experience necessary to succeed in the
25 labor market.



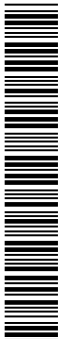
1 “(2) ELIGIBLE ENTITIES.—Grants under this
2 subsection may be awarded to States, local boards,
3 recipients of grants under section 166 (relating to
4 Native American programs), and public or private
5 entities (including consortia of such entities) apply-
6 ing in conjunction with local boards.

7 “(3) GRANT PERIOD.—The Secretary may
8 make a grant under this section for a period of 1
9 year and may renew the grants for each of the 4
10 succeeding years.

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

16 “(5) PARTICIPANT ELIGIBILITY.—Youth ages
17 14 through 19 as of the time the eligibility deter-
18 mination is made may be eligible to participate in
19 activities provided under this subsection.

20 “(6) USE OF FUNDS.—Funds under this sub-
21 section may be used for activities that are designed
22 to assist youth in acquiring the skills, credentials
23 and employment experience that are necessary to
24 succeed in the labor market, including the activities



1 identified in section 129. The activities may include
2 activities such as—

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

6 “(B) after-school dropout prevention activi-
7 ties for in-school youth;

8 “(C) activities designed to assist special
9 youth populations, such as court-involved youth
10 and youth with disabilities; and

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

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

21 “(A) a description of the activities the eli-
22 gible entity will provide to eligible youth under
23 this subsection;

24 “(B) a description of the programs of dem-
25 onstrated effectiveness on which the provision



1 of the activities under subparagraph (A) are
2 based, and a description of how such activities
3 will expand the base of knowledge relating to
4 the provision of activities for youth;

5 “(C) a description of the private and pub-
6 lic, and local and State resources that will be le-
7 veraged to provide the activities described under
8 subparagraph (A) in addition the funds pro-
9 vided under this subsection; and

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

14 “(8) FACTORS FOR AWARD.—In awarding
15 grants under this subsection the Secretary may con-
16 sider the quality of the proposed project, the goals
17 to be achieved, the likelihood of successful implemen-
18 tation, the extent to which the project is based on
19 proven strategies or the extent to which the project
20 will expand the knowledge base on activities for
21 youth, and the additional State, local or private re-
22 sources that will be provided.

23 “(9) EVALUATION.—The Secretary may reserve
24 up to 5 percent of the funds described in sub-



1 section(a)(1) to conduct evaluations of the projects
2 funded under this subsection.

3 “(c) DISCRETIONARY GRANTS FOR YOUTH ACTIVI-
4 TIES.—

5 “(1) IN GENERAL.—From the funds described
6 in subsection(a)(2), the Secretary may award grants
7 to eligible entities to provide activities that will as-
8 sist youth in preparing for, and entering and retain-
9 ing, employment.

10 “(2) ELIGIBLE ENTITIES.—Grants under this
11 subsection may be awarded to public or private enti-
12 ties that the Secretary determines would effectively
13 carry out activities relating to youth under this sub-
14 section.

15 “(3) PARTICIPANT ELIGIBILITY.—Youth ages
16 14 through 19 at the time the eligibility determina-
17 tion is made may be eligible to participate in activi-
18 ties under this subsection.

19 “(4) USE OF FUNDS.—Funds provided under
20 this subsection may be used for activities that will
21 assist youth in preparing for, and entering and re-
22 taining, employment, including the activities de-
23 scribed in section 129 for out-of-school youth, activi-
24 ties designed to assist in-school youth to stay in
25 school and gain work experience, and such other ac-



1 activities that the Secretary determines are appro-
2 priate.

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

8 “(6) ADDITIONAL REQUIREMENTS.—The Sec-
9 retary may require the provision of a non-Federal
10 share for projects funded under this subsection and
11 may require participation of grantees in evaluations
12 of such projects”.

13 **SEC. 119. TECHNICAL ASSISTANCE.**

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

15 (1) by striking subsection (b);

16 (2) by striking “(a) GENERAL TECHNICAL AS-
17 SISTANCE”;

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

20 (4) in subsection (a) (as redesignated by para-
21 graph (3)—

22 (A) by inserting “the training of staff pro-
23 viding rapid response services, the training of
24 other staff of recipients of funds under this



1 title, peer review activities,” after “localities,”;
2 and

3 (B) by striking “from carrying out activi-
4 ties” and all that follows up to the period and
5 inserting “to implement the amendments made
6 by the Workforce Investment Act Amendments
7 of 2003”.

8 **SEC. 120. DEMONSTRATION, PILOT, MULTISERVICE, RE-**
9 **SEARCH AND MULTISTATE PROJECTS.**

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

12 (1) in paragraph (1)—

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

15 (B) by amending subparagraphs (A)
16 through (D) to read as follows:

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

24 “(B) projects that promote the develop-
25 ment of systems that will improve the effective-



1 ness and efficiency of programs carried out
2 under this title;

3 “(C) projects that focus on opportunities
4 for employment in industries and sectors of in-
5 dustries that are experiencing or are likely to
6 experience high rates of growth;

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

10 (C) by striking subparagraph (E);

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

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

15 (2) in paragraph (2)—

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

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

19 (b) MULTISERVICE PROJECTS.—Section
20 171(e)(2))(B) is amended to read as follows:

21 “(b) NET IMPACT STUDIES AND RE-
22 PORTS.—The Secretary shall conduct studies to
23 determine the net impacts of programs, serv-
24 ices, and activities carried out under this title.

25 The Secretary shall prepare and disseminate to



1 the public reports containing the results of such
2 studies.”.

3 (c) WAIVER AUTHORITY TO CARRY OUT DEM-
4 ONSTRATIONS AND EVALUATIONS.— Section 171 (29
5 U.S.C. 2916(d)) is further amended by striking subsection
6 (d).

7 **SEC. 121. EVALUATIONS.**

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

10 (1) by amending the heading to read as follows:

11 “NATIONAL DISLOCATED WORKER
12 GRANTS”;

13 (2) in subsection (a)—

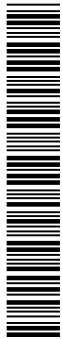
14 (A) by striking “national emergency
15 grants” and inserting “national dislocated
16 worker grants”;

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

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

21 (b) ADMINISTRATION.—Section 173 (29 U.S.C.
22 2916) is further amended—

23 (1) by striking subsection (b) and redesignating
24 subsections (c) and (d) as subsections (b) and (c),
25 respectively; and



1 (2) by striking subsection (e) and redesignating
2 subsections (f) and (g) as subsection (d) and (e), re-
3 spectively.

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

8 **SEC. 122. AUTHORIZATION OF APPROPRIATIONS FOR NA-**
9 **TIONAL ACTIVITIES.**

10 (a) IN GENERAL.—Section 174(a)(1) is amended by
11 striking “1999 through 2003” and inserting “2004
12 through 2009”.

13 (b) RESERVATIONS.—Section 174(b) is amended to
14 read as follows:

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

20 **SEC. 123. REQUIREMENTS AND RESTRICTIONS.**

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

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



1 **SEC. 124. NONDISCRIMINATION.**

2 Section 188(a)(2) is amended—

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

6 (2) by adding the following subparagraph:

7 “(B) EXEMPTION FOR RELIGIOUS ORGANIZA-
8 TIONS.—Subparagraph (A) shall not apply to recipi-
9 ents of financial assistance under this title that is a
10 religious corporation, association, educational insti-
11 tution, or society, with respect to the employment of
12 individuals of a particular religion to perform work
13 connected with the carrying on by such corporation,
14 association, educational institution, or society of its
15 activities Such recipients shall comply with the other
16 requirements contained in subparagraph (A).”.

17 **SEC. 125. ADMINISTRATIVE PROVISIONS.**

18 (a) PROGRAM YEAR.—Section 189(g)(1) (29 U.S.C.
19 2939(g)(1)) is amended—

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

22 (2) by striking subparagraph (B)

23 (b) AVAILABILITY.—Section 189(g)(2) (29 U.S.C.
24 2939(g)(2)) is amended by striking “each State” and in-
25 serting “each recipient”.



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

3 (1) in subparagraph (A), by inserting “,or in
4 accordance with subparagraph (D),” after “subpara-
5 graph (B)”;

6 (2) by adding the following subparagraph:

7 “(D) EXPEDITED PROCESS FOR EXTEND-
8 ING APPROVED WAIVERS TO ADDITIONAL
9 STATES.—In lieu of the requirements of sub-
10 paragraphs (B) and (C), the Secretary may es-
11 tablish an expedited procedure for the purpose
12 of extending to additional States the waiver of
13 statutory or regulatory requirements that have
14 been approved for a State pursuant to a request
15 under subparagraph (B). Such procedure shall
16 ensure that the extension of such waivers to ad-
17 ditional States are accompanied by appropriate
18 conditions relating the implementation of such
19 waivers.”.

20 **TITLE II—ADULT EDUCATION**

21 **SEC. 201. TABLE OF CONTENTS.**

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

“TITLE II—ADULT BASIC SKILLS EDUCATION

“Sec. 201. Short title.

“Sec. 202. Purpose.

“Sec. 203. Definitions.



- “Sec. 204. Home schools.
- “Sec. 205. Authorization of appropriations.

“CHAPTER 1—FEDERAL PROVISIONS

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

“CHAPTER 2—STATE PROVISIONS

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

“CHAPTER 3—LOCAL PROVISIONS

- “Sec. 231. Grants and contracts for eligible providers.
- “Sec. 232. Local application.
- “Sec. 233. Local administrative cost limits.

“CHAPTER 4—GENERAL PROVISIONS

- “Sec. 241. Administrative provisions.
- “Sec. 242. National leadership activities.”.

1 **SEC. 202. AMENDMENT.**

2 Title II is amended to read as follows:

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

5 **“SEC. 201. SHORT TITLE.**

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

8 **“SEC. 202. PURPOSE.**

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



1 basis, adult basic skills and literacy education, in order
2 to—

3 “(1) increase the basic reading, writing, speak-
4 ing, and math skills necessary for adults to obtain
5 employment and self-sufficiency and to successfully
6 advance in the workforce;

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

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

15 “(4) assist immigrants who are not proficient in
16 English in improving their reading, writing, speak-
17 ing, and math skills and acquiring an understanding
18 of the American free enterprise system, individual
19 freedom, and the responsibilities of citizenship.

20 **“SEC. 203. DEFINITIONS.**

21 “In this title:

22 “(1) ADULT EDUCATION.—The term ‘adult edu-
23 cation’ means a sequence of academic instruction
24 and educational services below the postsecondary
25 level that increase an individual’s ability to read,



1 write, and speak in English and perform mathe-
2 matical computations leading to a level of proficiency
3 equivalent to secondary school completion that is
4 provided for individuals—

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

6 “(B) who are not enrolled or required to be
7 enrolled in secondary school under State law;
8 and

9 “(C) who—

10 “(i) lack sufficient mastery of basic
11 reading, writing, speaking, and math skills
12 to enable the individuals to function effec-
13 tively in society;

14 “(ii) do not have a secondary school
15 diploma or its recognized equivalent, and
16 have not achieved an equivalent level of
17 education; or

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

20 “(2) ADULT EDUCATION AND BASIC SKILLS AC-
21 TIVITIES.—The term ‘adult education and basic
22 skills activities’ means activities described in section
23 231(b).

24 “(3) ELIGIBLE AGENCY.—The term ‘eligible
25 agency’—



1 “(A) means the sole entity or agency in a
 2 State or an outlying area responsible for admin-
 3 istering or supervising policy for adult edu-
 4 cation and basic skills activities in the State or
 5 outlying area, respectively, consistent with the
 6 law of the State or outlying area, respectively;
 7 and

8 “(B) may be the State educational agency,
 9 the State agency responsible for administering
 10 workforce investment activities, or the State
 11 agency responsible for administering community
 12 or technical colleges.

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

15 “(A) a local educational agency;

16 “(B) a community-based or faith-based or-
 17 ganization of demonstrated effectiveness;

18 “(C) a volunteer literacy organization of
 19 demonstrated effectiveness;

20 “(D) an institution of higher education;

21 “(E) a public or private agency;

22 “(F) a library;

23 “(G) a public housing authority;

24 “(H) an institution that is not described in
 25 any of subparagraphs (A) through (G) and has



1 the ability to provide adult basic education and
2 basic skills activities to adults and families; or

3 “(I) a consortium of the agencies, organi-
4 zations, institutions, libraries, or authorities de-
5 scribed in any of subparagraphs (A) through
6 (H).

7 “(5) ENGLISH LANGUAGE ACQUISITION PRO-
8 GRAM.—The term ‘English language acquisition pro-
9 gram’ means a program of instruction designed to
10 help individuals with limited English proficiency
11 achieve competence in reading, writing, and speaking
12 the English language.

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

18 “(7) FAMILY LITERACY PROGRAMS.—The term
19 ‘family literacy programs’ means educational pro-
20 grams that—

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

24 “(B) are of sufficient intensity in terms of
25 hours, of sufficient duration, and based upon



1 scientific research-based principles, so as to
2 substantially increase the ability of both parents
3 and children to read, write, and speak English
4 and perform mathematical computations.

5 “(8) GOVERNOR.—The term ‘Governor’ means
6 the chief executive officer of a State or outlying
7 area.

8 “(9) INDIVIDUAL WITH A DISABILITY.—

9 “(A) IN GENERAL.—The term ‘individual
10 with a disability’ means an individual with any
11 disability (as defined in section 3 of the Ameri-
12 cans with Disabilities Act of 1990 (42 U.S.C.
13 12102)).

14 “(B) INDIVIDUALS WITH DISABILITIES.—

15 The term ‘individuals with disabilities’ means
16 more than one individual with a disability.

17 “(10) INDIVIDUAL WITH LIMITED ENGLISH
18 PROFICIENCY.—The term ‘individual with limited
19 English proficiency’ means an adult or out-of-school
20 youth who has limited ability in reading, writing,
21 speaking, or understanding the English language,
22 and—

23 “(A) whose native language is a language
24 other than English; or



1 “(B) who lives in a family or community
2 environment where a language other than
3 English is the dominant language.

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

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

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

16 “(14) OUTLYING AREA.—The term ‘outlying
17 area’ has the meaning given to that term in section
18 101 of this Act.

19 “(15) POSTSECONDARY EDUCATIONAL INSTITU-
20 TION.—The term ‘postsecondary educational institu-
21 tion’ means—

22 “(A) an institution of higher education
23 that provides not less than a 2-year program of
24 instruction that is acceptable for credit toward
25 a bachelor’s degree;



1 “(B) a tribally controlled community col-
2 lege; or

3 “(C) a nonprofit educational institution of-
4 fering certificate or apprenticeship programs at
5 the postsecondary level.

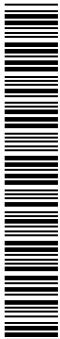
6 “(16) READING.—The term ‘reading’ has the
7 meaning given to that term in section 1208 of the
8 Elementary and Secondary Education Act of 1965
9 (20 U.S.C. 6368).

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

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

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

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



1 “(21) WORKPLACE LITERACY PROGRAM.—The
2 term ‘workplace literacy program’ means an edu-
3 cational program that is offered for the purpose of
4 improving the productivity of the workforce through
5 the improvement of reading, writing, speaking, and
6 math skills.

7 **“SEC. 204. HOME SCHOOLS.**

8 “Nothing in this title shall be construed to affect
9 home schools, or to compel a parent engaged in home
10 schooling to participate in an English literacy program,
11 family literacy services, or adult education.

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

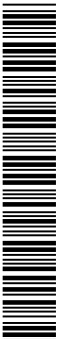
13 “There are authorized to be appropriated to carry out
14 this title \$584,300,000 for fiscal year 2004 and such sums
15 as may be necessary for fiscal years 2005 through 2009.

16 **“CHAPTER 1—FEDERAL PROVISIONS**

17 **“SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE**
18 **AGENCIES; ALLOTMENTS.**

19 “(a) RESERVATION OF FUNDS.—From the sums ap-
20 propriated under section 205 for a fiscal year, the
21 Secretary—

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



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

3 “(b) GRANTS TO ELIGIBLE AGENCIES.—

4 “(1) IN GENERAL.—From the sums appro-
5 priated under section 205 and not reserved under
6 subsection (a) for a fiscal year, the Secretary shall
7 award a grant to each eligible agency having a State
8 plan approved under section 224 in an amount equal
9 to the sum of the initial allotment under subsection
10 (c)(1) and the additional allotment under subsection
11 (c)(2) for the eligible agency for the fiscal year, sub-
12 ject to subsections (f) and (g).

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

17 “(c) ALLOTMENTS.—

18 “(1) INITIAL ALLOTMENTS.—From the sums
19 appropriated under section 205 and not reserved
20 under subsection (a) for a fiscal year, the Secretary
21 shall allot to each eligible agency having a State
22 plan approved under section 224—

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



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

3 “(2) ADDITIONAL ALLOTMENTS.—From the
4 sums appropriated under section 205, not reserved
5 under subsection (a), and not allotted under para-
6 graph (1), for a fiscal year, the Secretary shall allot
7 to each eligible agency that receives an initial allot-
8 ment under paragraph (1) an additional amount
9 that bears the same relationship to such sums as the
10 number of qualifying adults in the State or outlying
11 area served by the eligible agency bears to the num-
12 ber of such adults in all States and outlying areas.

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

16 “(1) is at least 16 years of age;

17 “(2) is beyond the age of compulsory school at-
18 tendance under the law of the State or outlying
19 area;

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

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

23 “(e) SPECIAL RULE.—

24 “(1) IN GENERAL.—From amounts made avail-
25 able under subsection (c) for the Republic of the



1 Marshall Islands, the Federated States of Micro-
2 nesia, and the Republic of Palau, the Secretary shall
3 award grants to Guam, American Samoa, the Com-
4 monwealth of the Northern Mariana Islands, the Re-
5 public of the Marshall Islands, the Federated States
6 of Micronesia, or the Republic of Palau to carry out
7 activities described in this title in accordance with
8 the provisions of this title as determined by the Sec-
9 retary.

10 “(2) TERMINATION OF ELIGIBILITY.—Notwith-
11 standing any other provision of law, the Republic of
12 the Marshall Islands, the Federated States of Micro-
13 nesia, and the Republic of Palau shall be eligible to
14 receive a grant under this title until an agreement
15 for the extension of United States education assist-
16 ance under the Compact of Free Association for
17 each of the Freely Associated States becomes effec-
18 tive.

19 “(3) ADMINISTRATIVE COSTS.—The Secretary
20 may provide not more than 5 percent of the funds
21 made available for grants under this subsection to
22 pay the administrative costs of the Pacific Region
23 Educational Laboratory regarding activities assisted
24 under this subsection.

25 “(f) HOLD-HARMLESS PROVISIONS.—



1 “(1) IN GENERAL.—Notwithstanding subsection
2 (c), for fiscal year 2004 and each succeeding fiscal
3 year, no eligible agency shall receive an allotment
4 under this title that is less than 90 percent of the
5 allotment the eligible agency received for the pre-
6 ceding fiscal year under this title.

7 “(2) RATABLE REDUCTION.—If for any fiscal
8 year the amount available for allotment under this
9 title is insufficient to satisfy the provisions of para-
10 graph (1), the Secretary shall ratably reduce the
11 payments to all eligible agencies, as necessary.

12 “(g) REALLOTMENT.—The portion of any eligible
13 agency’s allotment under this title for a fiscal year that
14 the Secretary determines will not be required for the pe-
15 riod such allotment is available for carrying out activities
16 under this title, shall be available for reallocation from
17 time to time, on such dates during such period as the Sec-
18 retary shall fix, to other eligible agencies in proportion to
19 the original allotments to such agencies under this title
20 for such year.

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

22 “(a) PURPOSE.—The purpose of this section is to es-
23 tablish a comprehensive performance accountability sys-
24 tem, composed of the activities described in this section,
25 to assess the effectiveness of eligible agencies in achieving



1 continuous improvement of adult education and basic
2 skills activities funded under this title, in order to optimize
3 the return on investment of Federal funds in adult edu-
4 cation and basic skills activities.

5 “(b) ELIGIBLE AGENCY PERFORMANCE MEAS-
6 URES.—

7 “(1) IN GENERAL.—For each eligible agency,
8 the eligible agency performance measures shall con-
9 sist of—

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

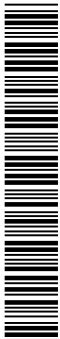
12 “(ii) employment performance indicators
13 identified by the eligible agency under para-
14 graph (2)(B); and

15 “(B) an eligible agency adjusted level of
16 performance for each indicator described in
17 subparagraph (A).

18 “(2) INDICATORS OF PERFORMANCE.—

19 “(A) CORE INDICATORS OF PERFORM-
20 ANCE.—The core indicators of performance
21 shall include the following:

22 “(i) Measurable improvements in
23 basic skill levels in reading, writing, and
24 speaking the English language and math,



1 and English language acquisition leading
2 to proficiency in each skill.

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

5 “(iii) Placement in postsecondary edu-
6 cation.

7 “(B) EMPLOYMENT PERFORMANCE INDI-
8 CATORS.—An eligible agency shall identify in
9 the State plan the following individual partici-
10 pant employment performance indicators—

11 “(i) entry into employment;

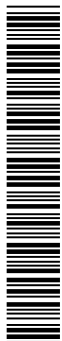
12 “(ii) retention in employment; and

13 “(iii) increase in earnings.

14 “(3) LEVELS OF PERFORMANCE.—

15 “(A) ELIGIBLE AGENCY ADJUSTED LEVELS
16 OF PERFORMANCE FOR CORE INDICATORS.—

17 “(i) IN GENERAL.—For each eligible
18 agency submitting a State plan, there shall
19 be established, in accordance with this sub-
20 paragraph, levels of performance for each
21 of the core indicators of performance de-
22 scribed in paragraph (2)(A) for adult edu-
23 cation and basic skills activities authorized
24 under this title. The levels of performance



1 established under this subparagraph shall,
2 at a minimum—

3 “(I) be expressed in an objective,
4 quantifiable, and measurable form;
5 and

6 “(II) show the progress of the el-
7 igible agency toward continuously and
8 significantly improving its perform-
9 ance outcomes in an objective, quan-
10 tifiable, and measurable form.

11 “(ii) IDENTIFICATION IN STATE
12 PLAN.—Each eligible agency shall identify,
13 in the State plan submitted under section
14 224, expected levels of performance for
15 each of the core indicators of performance
16 for the first 3 program years covered by
17 the State plan.

18 “(iii) AGREEMENT ON ELIGIBLE
19 AGENCY ADJUSTED LEVELS OF PERFORM-
20 ANCE FOR FIRST 3 YEARS.—In order to en-
21 sure an optimal return on the investment
22 of Federal funds in adult education and
23 basic skills activities authorized under this
24 title, the Secretary and each eligible agen-
25 cy shall reach agreement on levels of stu-



1 dent proficiency for each of the core indi-
2 cators of performance, for the first 3 pro-
3 gram years covered by the State plan, tak-
4 ing into account the levels identified in the
5 State plan under clause (ii) and the factors
6 described in clause (iv). The levels agreed
7 to under this clause shall be considered to
8 be the eligible agency adjusted levels of
9 performance for the eligible agency for
10 such years and shall be incorporated into
11 the State plan prior to the approval of
12 such plan.

13 “(iv) FACTORS.—The agreement de-
14 scribed in clause (iii) or (v) shall take into
15 account—

16 “(I) how the levels involved com-
17 pare with the eligible agency’s ad-
18 justed levels of performance, taking
19 into account factors including the
20 characteristics of participants when
21 the participants entered the program;
22 and

23 “(II) the extent to which such
24 levels promote continuous and signifi-
25 cant improvement in performance on



1 the student proficiency measures used
2 by such eligible agency and ensure op-
3 timal return on the investment of
4 Federal funds.

5 “(v) AGREEMENT ON ELIGIBLE AGEN-
6 CY ADJUSTED LEVELS OF PERFORMANCE
7 FOR SECOND 3 YEARS.—Prior to the fourth
8 program year covered by the State plan,
9 the Secretary and each eligible agency
10 shall reach agreement on levels of perform-
11 ance for each of the core indicators of stu-
12 dent proficiency for the fourth, fifth, and
13 sixth program years covered by the State
14 plan, taking into account the factors de-
15 scribed in clause (iv). The levels agreed to
16 under this clause shall be considered to be
17 the eligible agency adjusted levels of per-
18 formance for the eligible agency for such
19 years and shall be incorporated into the
20 State plan.

21 “(vi) REVISIONS.—If unanticipated
22 circumstances arise in a State resulting in
23 a significant change in the factors de-
24 scribed in clause (iv)(I), the eligible agency
25 may request that the eligible agency ad-



1 justed levels of performance agreed to
2 under clause (iii) or (v) be revised.

3 “(B) LEVELS OF EMPLOYMENT PERFORM-
4 ANCE.—The eligible agency shall identify, in the
5 State plan, eligible agency levels of performance
6 for each of the employment performance indica-
7 tors described in paragraph (2)(B). Such levels
8 shall be considered to be eligible agency ad-
9 justed levels of performance for purposes of this
10 title.

11 “(c) REPORT.—

12 “(1) IN GENERAL.—Each eligible agency that
13 receives a grant under section 211(b) shall annually
14 prepare and submit to the Secretary, the Governor,
15 the State legislature, eligible providers, and the gen-
16 eral public within the State, a report on the progress
17 of the eligible agency in achieving eligible agency
18 performance measures, including the following:

19 “(A) Information on the levels of perform-
20 ance achieved by the eligible agency with re-
21 spect to the core indicators of performance and
22 employment performance indicators.

23 “(B) The number and type of each eligible
24 provider that receives funding under such
25 grant.



1 “(2) INFORMATION DISSEMINATION.—The
2 Secretary—

3 “(A) shall make the information contained
4 in such reports available to the general public
5 through publication and other appropriate
6 methods;

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

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

11 **“CHAPTER 2—STATE PROVISIONS**

12 **“SEC. 221. STATE ADMINISTRATION.**

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

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

17 “(2) Consultation with other appropriate agen-
18 cies, groups, and individuals that are involved in, or
19 interested in, the development and implementation
20 of activities assisted under this title.

21 “(3) Coordination and avoidance of duplication
22 with other Federal and State education, training,
23 corrections, public housing, and social service pro-
24 grams.



1 “(4) Assisting eligible providers in providing
2 sufficiently rigorous instructional practices for con-
3 tinuous and significant improvement and in imple-
4 menting and reporting measurable progress in
5 achieving the objectives of this title.

6 **“SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING RE-**
7 **QUIREMENT.**

8 “(a) STATE DISTRIBUTION OF FUNDS.—Each eligi-
9 ble agency receiving a grant under this title for a fiscal
10 year—

11 “(1) shall use an amount not less than 82.5
12 percent of the grant funds to award grants and con-
13 tracts under section 231 and to carry out section
14 225, of which not more than 10 percent of such
15 amount shall be available to carry out section 225;

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

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

22 “(b) MATCHING REQUIREMENT.—

23 “(1) IN GENERAL.—In order to receive a grant
24 from the Secretary under section 211(b), each eligi-
25 ble agency shall provide, for the costs to be incurred



1 by the eligible agency in carrying out the adult edu-
2 cation and basic skills activities for which the grant
3 is awarded, a non-Federal contribution in an amount
4 at least equal to—

5 “(A) in the case of an eligible agency serv-
6 ing an outlying area, 12 percent of the total
7 amount of funds expended for adult education
8 and literacy activities in the outlying area, ex-
9 cept that the Secretary may decrease the
10 amount of funds required under this subpara-
11 graph for an eligible agency; and

12 “(B) in the case of an eligible agency serv-
13 ing a State, 25 percent of the total amount of
14 funds expended for adult education and basic
15 skills activities in the State.

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



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

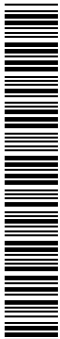
2 “(a) IN GENERAL.—Each eligible agency may use
3 funds made available under section 222(a)(2) for any of
4 the following adult education and basic skills activities:

5 “(1) The establishment or operation of profes-
6 sional development programs to improve the quality
7 of instruction provided pursuant to local activities
8 required under section 231(b), including instruction
9 incorporating the essential components of reading
10 instruction and instruction provided by volunteers or
11 by personnel of a State or outlying area.

12 “(2) The provision of technical assistance to eli-
13 gible providers of adult education and basic skills ac-
14 tivities for development and dissemination of sci-
15 entific research-based instructional practices in read-
16 ing, writing, speaking, math, and English language
17 acquisition programs.

18 “(3) The provision of assistance to eligible pro-
19 viders in developing, implementing, and reporting
20 measurable progress in achieving the objectives of
21 this title.

22 “(4) The provision of technology assistance, in-
23 cluding staff training, to eligible providers of adult
24 education and basic skills activities, including dis-
25 tance learning activities, to enable the eligible pro-
26 viders to improve the quality of such activities.



1 “(5) The development and implementation of
2 technology applications or distance learning, includ-
3 ing professional development to support the use of
4 instructional technology.

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

8 “(7) Coordination with existing support serv-
9 ices, such as transportation, child care, and other
10 assistance designed to increase rates of enrollment
11 in, and successful completion of, adult education and
12 basic skills activities, for adults enrolled in such ac-
13 tivities.

14 “(8) The development and implementation of a
15 system to assist in the transition from adult basic
16 education to postsecondary education.

17 “(9) Activities to promote workplace literacy
18 programs.

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

23 “(b) COORDINATION.—In carrying out this section,
24 eligible agencies shall coordinate where possible, and avoid



1 duplicating efforts, in order to maximize the impact of the
2 activities described in subsection (a).

3 “(c) STATE-IMPOSED REQUIREMENTS.—Whenever a
4 State or outlying area implements any rule or policy relat-
5 ing to the administration or operation of a program au-
6 thorized under this title that has the effect of imposing
7 a requirement that is not imposed under Federal law (in-
8 cluding any rule or policy based on a State or outlying
9 area interpretation of a Federal statute, regulation, or
10 guideline), the State or outlying area shall identify, to eli-
11 gible providers, the rule or policy as being imposed by the
12 State or outlying area.

13 **“SEC. 224. STATE PLAN.**

14 “(a) 6-YEAR PLANS.—

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

19 “(2) COMPREHENSIVE PLAN OR APPLICA-
20 TION.—The eligible agency may submit the State
21 plan as part of a comprehensive plan or application
22 for Federal education assistance.

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



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

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

8 “(3) a description of how the eligible agency
9 will evaluate and measure annually the effectiveness
10 and improvement of the adult education and basic
11 skills activities based on the performance measures
12 described in section 212 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-



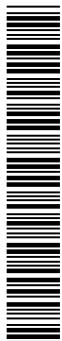
1 tion of grant funds based on performance
2 and termination of grant funds based on
3 nonperformance);

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 and basic skills activities in the State or out-
8 lying 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 and basic skills activities; and

19 “(B) attempts to coordinate with support
20 services that are not provided under this title
21 prior to using funds for adult education and
22 basic skills activities provided under this title
23 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 basic edu-
24 cation and literacy levels, and direct providers
25 of adult basic skills education programs; and



1 “(B) may include consultation with the
2 State agency on higher education, institutions
3 responsible for professional development of
4 adult basic education and reading instructors,
5 representatives of business and industry, ref-
6 ugee assistance programs, and faith-based orga-
7 nizations;

8 “(10) a description of the eligible agency’s
9 strategies for serving populations that include, at a
10 minimum—

11 “(A) low-income individuals;

12 “(B) individuals with disabilities;

13 “(C) the unemployed;

14 “(D) the underemployed; and

15 “(E) individuals with multiple barriers to
16 educational enhancement, including individuals
17 with limited English proficiency;

18 “(11) a description of how the adult education
19 and basic skills activities that will be carried out
20 with any funds received under this title will be inte-
21 grated with other adult education, career develop-
22 ment, and employment and training activities in the
23 State or outlying area served by the eligible agency;



1 “(12) a description of the steps the eligible
2 agency will take to ensure direct and equitable ac-
3 cess, as required in section 231(c)(1), including—

4 “(A) how the State will build the capacity
5 of community-based and faith-based organiza-
6 tions to provide adult basic and literacy edu-
7 cation; and

8 “(B) how the State will increase the par-
9 ticipation of business and industry in adult
10 basic and literacy education; and

11 “(13) a description of how the eligible agency
12 will consult with any State agency responsible for
13 postsecondary education to develop adult education
14 that prepares students to enter postsecondary edu-
15 cation without the need for remediation upon com-
16 pletion of secondary school equivalency programs.

17 “(c) PLAN REVISIONS.—When changes in conditions
18 or other factors require substantial revisions to an ap-
19 proved State plan, the eligible agency shall submit the re-
20 visions to the State plan to the Secretary.

21 “(d) CONSULTATION.—The eligible agency shall—

22 “(1) submit the State plan, and any revisions to
23 the State plan, to the Governor of the State or out-
24 lying area for review and comment; and



1 “(2) special education programs as determined
2 by the eligible agency;

3 “(3) reading, writing, speaking, and math pro-
4 grams; and

5 “(4) secondary school credit or diploma pro-
6 grams or their recognized equivalent.

7 “(c) PRIORITY.—Each eligible agency that is using
8 assistance provided under this section to carry out a pro-
9 gram for criminal offenders within a correctional institu-
10 tion shall give priority to serving individuals who are likely
11 to leave the correctional institution within 5 years of par-
12 ticipation in the program.

13 “(d) DEFINITION OF CRIMINAL OFFENDER.—

14 “(1) CRIMINAL OFFENDER.—The term ‘crimi-
15 nal offender’ means any individual who is charged
16 with, or convicted of, any criminal offense.

17 “(2) CORRECTIONAL INSTITUTION.—The term
18 ‘correctional institution’ means any—

19 “(A) prison;

20 “(B) jail;

21 “(C) reformatory;

22 “(D) work farm;

23 “(E) detention center; or

24 “(F) halfway house, community-based re-
25 habilitation center, or any other similar institu-



1 tion designed for the confinement or rehabilita-
2 tion of criminal offenders.

3 **“CHAPTER 3—LOCAL PROVISIONS**

4 **“SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PRO-**
5 **VIDERS.**

6 “(a) GRANTS AND CONTRACTS.—From grant funds
7 made available under section 211(b), each eligible agency
8 shall award multiyear grants or contracts, on a competi-
9 tive basis, to eligible providers within the State or outlying
10 area that meet the conditions and requirements of this
11 title to enable the eligible providers to develop, implement,
12 and improve adult education and basic skills activities
13 within the State.

14 “(b) LOCAL ACTIVITIES.—The eligible agency shall
15 require eligible providers receiving a grant or contract
16 under subsection (a) to establish or operate one or more
17 programs of instruction that provide services or instruc-
18 tion in one or more of the following categories:

19 “(1) Adult basic skills education and literacy
20 programs, including essential workplace skills (in-
21 cluding proficiency in reading, writing, speaking,
22 and math).

23 “(2) Workplace literacy programs.

24 “(3) English language acquisition programs.

25 “(4) Family literacy programs.



1 “(c) DIRECT AND EQUITABLE ACCESS; SAME PROC-
2 ESS.—Each eligible agency receiving funds under this title
3 shall ensure that—

4 “(1) all eligible providers have direct and equi-
5 table access to apply for grants or contracts under
6 this section; and

7 “(2) the same grant or contract announcement
8 process and application process is used for all eligi-
9 ble providers in the State or outlying area.

10 “(d) MEASURABLE GOALS.—The eligible agency shall
11 require eligible providers receiving a grant or contract
12 under subsection (a) to demonstrate—

13 “(1) the eligible provider’s measurable goals for
14 participant outcomes to be achieved annually on the
15 core indicators of performance and employment per-
16 formance indicators described in section 212(b)(2);

17 “(2) the past effectiveness of the eligible pro-
18 vider in improving the basic academic skills of adults
19 and, for eligible providers receiving grants in the
20 prior year, the success of the eligible provider receiv-
21 ing funding under this title in meeting or exceeding
22 its performance goals in the prior year;

23 “(3) the commitment of the eligible provider to
24 serve individuals in the community who are the most
25 in need of basic academic skills instruction services,



1 including individuals who are low-income or have
2 minimal reading, writing, speaking, and math skills,
3 or limited English proficiency.

4 “(4) whether or not the program—

5 “(A) is of sufficient intensity and duration
6 for participants to achieve substantial learning
7 gains; and

8 “(B) uses instructional practices that in-
9 clude the essential components of reading in-
10 struction;

11 “(5) whether educational practices are based on
12 scientifically based research;

13 “(6) whether the activities of the eligible pro-
14 vider effectively employ advances in technology, as
15 appropriate, including the use of computers;

16 “(7) whether the activities provide instruction
17 in real-life contexts, to ensure that an individual has
18 the skills needed to compete in the workplace and
19 exercise the rights and responsibilities of citizenship;

20 “(8) whether the activities are staffed by well-
21 trained instructors, counselors, and administrators;

22 “(9) whether the activities are coordinated with
23 other available resources in the community, such as
24 through strong links with elementary schools and
25 secondary schools, postsecondary educational institu-



1 tions, one-stop centers, job training programs, com-
2 munity-based and faith-based organizations, and so-
3 cial service agencies;

4 “(10) whether the activities offer flexible sched-
5 ules and support services (such as child care and
6 transportation) that are necessary to enable individ-
7 uals, including individuals with disabilities or other
8 special needs, to attend and complete programs;

9 “(11) whether the activities include a high-qual-
10 ity information management system that has the ca-
11 pacity to report measurable participant outcomes
12 and to monitor program performance against the
13 performance measures established by the eligible
14 agency;

15 “(12) whether the local communities have a
16 demonstrated need for additional English language
17 acquisition programs;

18 “(13) the capacity of the eligible provider to
19 produce valid information on performance results,
20 including enrollments and measurable participant
21 outcomes; and

22 “(14) whether there is a sequence of rigorous
23 courses in reading, writing, speaking, and math, in-
24 structional practices based on scientific research, ap-
25 plications of technology, and services to be provided



1 by the eligible provider, of sufficient intensity and
2 duration to increase the amount and quality of
3 learning and lead to measurable learning gains with-
4 in specified time periods.

5 **“SEC. 232. LOCAL APPLICATION.**

6 “Each eligible provider desiring a grant or contract
7 under this title shall submit an application to the eligible
8 agency containing such information and assurances as the
9 eligible agency may require, including—

10 “(1) a description of how funds awarded under
11 this title will be spent consistent with the require-
12 ments of this title;

13 “(2) a description of any cooperative arrange-
14 ments the eligible provider has with other agencies,
15 institutions, or organizations for the delivery of
16 adult education and basic skills activities; and

17 “(3) each of the demonstrations required by
18 section 231(d).

19 **“SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.**

20 “(a) IN GENERAL.—Subject to subsection (b), of the
21 amount that is made available under this title to an eligi-
22 ble provider—

23 “(1) at least 95 percent shall be expended for
24 carrying out adult education and basic skills activi-
25 ties; and



1 “(2) the remaining amount shall be used for
2 planning, administration, personnel and professional
3 development, development of measurable goals in
4 reading, writing, speaking, and math, and inter-
5 agency coordination.

6 “(b) SPECIAL RULE.—In cases where the cost limits
7 described in subsection (a) are too restrictive to allow for
8 adequate planning, administration, personnel develop-
9 ment, and interagency coordination, the eligible provider
10 may negotiate with the eligible agency in order to deter-
11 mine an adequate level of funds to be used for noninstruc-
12 tional purposes.

13 **“CHAPTER 4—GENERAL PROVISIONS**

14 **“SEC. 241. ADMINISTRATIVE PROVISIONS.**

15 “(a) SUPPLEMENT NOT SUPPLANT.—Funds made
16 available for adult education and basic skills activities
17 under this title shall supplement and not supplant other
18 State or local public funds expended for adult education
19 and basic skills activities.

20 “(b) MAINTENANCE OF EFFORT.—

21 “(1) IN GENERAL.—

22 “(A) DETERMINATION.—An eligible agency
23 may receive funds under this title for any fiscal
24 year if the Secretary finds that the fiscal effort
25 per student or the aggregate expenditures of



1 such eligible agency for activities under this
2 title, in the second preceding fiscal year, were
3 not less than 90 percent of the fiscal effort per
4 student or the aggregate expenditures of such
5 eligible agency for adult education and basic
6 skills activities, in the third preceding fiscal
7 year.

8 “(B) PROPORTIONATE REDUCTION.—Sub-
9 ject to paragraphs (2), (3), and (4), for any fis-
10 cal year with respect to which the Secretary de-
11 termines under subparagraph (A) that the fiscal
12 effort or the aggregate expenditures of an eligi-
13 ble agency for the preceding program year were
14 less than such effort or expenditures for the
15 second preceding program year, the Secretary—

16 “(i) shall determine the percentage
17 decreases in such effort or in such expendi-
18 tures; and

19 “(ii) shall decrease the payment made
20 under this title for such program year to
21 the agency for adult education and basic
22 skills activities by the lesser of such per-
23 centages.

24 “(2) COMPUTATION.—In computing the fiscal
25 effort and aggregate expenditures under paragraph



1 (1), the Secretary shall exclude capital expenditures
2 and special one-time project costs.

3 “(3) DECREASE IN FEDERAL SUPPORT.—If the
4 amount made available for adult education and basic
5 skills activities under this title for a fiscal year is
6 less than the amount made available for adult edu-
7 cation and basic skills activities under this title for
8 the preceding fiscal year, then the fiscal effort per
9 student and the aggregate expenditures of an eligible
10 agency required in order to avoid a reduction under
11 paragraph (1)(B) shall be decreased by the same
12 percentage as the percentage decrease in the amount
13 so made available.

14 “(4) WAIVER.—The Secretary may waive the
15 requirements of this subsection for not more than 1
16 fiscal year, if the Secretary determines that a waiver
17 would be equitable due to exceptional or uncontrol-
18 lable circumstances, such as a natural disaster or an
19 unforeseen and precipitous decline in the financial
20 resources of the State or outlying area of the eligible
21 agency. If the Secretary grants a waiver under the
22 preceding sentence for a fiscal year, the level of ef-
23 fort required under paragraph (1) shall not be re-
24 duced in the subsequent fiscal year because of the
25 waiver.



1 **“SEC. 242. NATIONAL LEADERSHIP ACTIVITIES.**

2 “The Secretary shall establish and carry out a pro-
3 gram of national leadership activities that may include the
4 following:

5 “(1) Technical assistance, on request, including
6 assistance—

7 “(A) to volunteer community- and faith-
8 based organizations, including but not limited
9 to, improving their fiscal management, re-
10 search-based instruction, and reporting require-
11 ments, and the development of measurable ob-
12 jectives to carry out the requirements of this
13 title;

14 “(B) in developing valid, measurable, and
15 reliable performance data, and using perform-
16 ance information for the improvement of adult
17 basic and literacy education programs;

18 “(C) on adult education professional devel-
19 opment; and

20 “(D) in using distance learning and im-
21 proving the application of technology in the
22 classroom.

23 “(2) Providing for the conduct of research on
24 basic skills acquisition among adults, including the
25 number of adults functioning at different levels of
26 reading proficiency.



1 “(3) Improving the coordination, efficiency, and
2 effectiveness of adult education and workforce devel-
3 opment services at the national, State, and local lev-
4 els.

5 “(4) Determining how participation in adult
6 basic and literacy education programs prepares indi-
7 viduals for entry into and success in postsecondary
8 education and employment, and in the case of pris-
9 on-based services, the effect on recidivism.

10 “(5) Evaluating how different types of pro-
11 viders, including community and faith-based organi-
12 zations or private for-profit agencies measurably im-
13 prove the skills of participants in adult basic and lit-
14 eracy education programs.

15 “(6) Identifying model integrated basic and
16 workplace skills education programs, coordinated lit-
17 eracy and employment services, and effective strate-
18 gies for serving adults with disabilities.

19 “(7) Initiating other activities designed to im-
20 prove the measurable quality and effectiveness of
21 adult education and literacy programs nationwide.”.



1 **TITLE III—AMENDMENTS TO**
2 **OTHER PROVISIONS OF LAW**

3 **SEC. 301. REPEAL OF WAGNER-PEYSER PROVISIONS.**

4 Sections 1 through 13 of the Wagner-Peyser Act (29
5 U.S.C. 49 et. seq.) are repealed.

6 **TITLE IV—AMENDMENTS TO THE**
7 **REHABILITATION ACT OF 1973**

8 **SEC. 401. CHAIRPERSON.**

9 Section 705(b)(5) of the Rehabilitation Act of 1973
10 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

11 “(5) CHAIRPERSON.—The Council shall select a
12 chairperson from among the voting membership of
13 the Council.”.

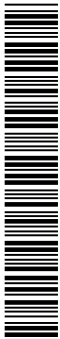
14 **SEC. 402. REHABILITATION SERVICES ADMINISTRATION.**

15 Section 3(a) of the Rehabilitation Act of 1973 (29
16 U.S.C. 702(a)) is amended—

17 (a) by striking “Office of the Secretary” and insert-
18 ing “Department of Education”;

19 (b) by striking “President of the United States by
20 and with the advice and consent of the Senate” and insert-
21 ing “Secretary”; and

22 (c) by striking “, and the Commissioner shall be the
23 principal officer,”.



1 **SEC. 403. DIRECTOR.**

2 The Rehabilitation Act of 1973 (29 U.S.C. 701 et
3 seq.) is amended by striking “Commissioner” each place
4 it appears and inserting “Director”.

5 **SEC. 404. STATE GOALS.**

6 Section 101(a)(29 U.S.C. 721(a)) is amended—

7 (a) in paragraph (11)(D)(i) by inserting “, which may
8 be provided using alternative means of meeting participa-
9 tion (such as video conferences and conference calls),” be-
10 fore the semicolon; and

11 (b) in paragraph (15)—

12 (1) in subparagraph (A), by redesignating
13 clauses (ii) and (iii) as clauses (iii) and (iv), respec-
14 tively, and inserting the following new clause:

15 “(ii) include an assessment of the
16 transition services provided under this Act,
17 and coordinated with transition services
18 under the Individuals with Disabilities
19 Education Act, as to those services meet-
20 ing the needs of individuals with disabili-
21 ties.”; and

22 (2) by amending subparagraph (D)(i) to read
23 as follows:

24 “(i) the methods to be used to expand
25 and improve the services to individuals
26 with disabilities including—



1 “(I) how a broad range of assist-
 2 ive technology services and assistive
 3 technology devices will be provided to
 4 such individuals at each stage of the
 5 rehabilitative process and how such
 6 services and devices will be provided
 7 to such individuals on a statewide
 8 basis; and

9 “(II) how transition services will
 10 be better coordinated with those serv-
 11 ices under the Individuals with Dis-
 12 abilities Education Act in order to im-
 13 prove transition services for individ-
 14 uals with disabilities served under this
 15 Act;”.

16 **SEC. 405. AUTHORIZATIONS OF APPROPRIATIONS.**

17 The Rehabilitation Act of 1973 is further amended—

18 (a) in section 100(b)(1) by striking “fiscal years 1999
 19 through 2003” and inserting “fiscal years 2004 through
 20 2009”;

21 (b) in section 100(d)(B) by striking “fiscal year
 22 2003” and inserting “fiscal year 2009”;

23 (c) in section 110(c) by amending paragraph (2) to
 24 read as follows:



1 “(2) The sum referred to in paragraph (1) shall
2 be, as determined by the Secretary, not less than 1
3 percent and not more than 1.5 percent of the
4 amount referred to in paragraph (1) for each of fis-
5 cal years 2003 through 2009.”;

6 (d) in section 112(h) by striking “fiscal years 1999
7 through 2003” and inserting “fiscal years 2004 through
8 2009”;

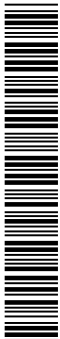
9 (e) in section 201 by striking “fiscal years 1999
10 through 2003” and inserting “fiscal years 2004 through
11 2009” each place it appears;

12 (f) in section 302(i) by striking “fiscal years 1999
13 through 2003” and inserting “fiscal years 2004 through
14 2009”;

15 (g) in section 303(e) by striking “fiscal years 1999
16 through 2003” and inserting “fiscal years 2004 through
17 2009”;

18 (h) in section 304(b) by striking “fiscal years 1999
19 through 2003” and inserting “fiscal years 2004 through
20 2009”;

21 (i) in section 305(b) by striking “fiscal years 1999
22 through 2003” and insert “fiscal years 2004 through
23 2009”;



1 (j) in section 405 by striking “fiscal years 1999
2 through 2003” and inserting “fiscal years 2004 through
3 2009”;

4 (k) in section 502(j) by striking “fiscal years 1999
5 through 2003” and inserting “fiscal years 2004 through
6 2009”;

7 (l) in section 509(l) by striking “fiscal years 1999
8 through 2003” and inserting “fiscal years 2004 through
9 2009”;

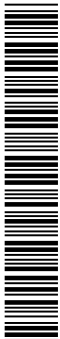
10 (m) in section 612 by striking “fiscal years 1999
11 through 2003” and inserting “fiscal years 2004 through
12 2009”;

13 (n) in section 628 by striking “fiscal years 1999
14 through 2003” and inserting “fiscal years 2004 through
15 2009”;

16 (o) in section 714 by striking “fiscal years 1999
17 through 2003” and inserting “fiscal years 2004 through
18 2009”;

19 (p) in section 727 by striking “fiscal years 1999
20 through 2003” and inserting “fiscal years 2004 through
21 2009”; and

22 (q) in section 753 by striking “fiscal years 1999
23 through 2003” and inserting “fiscal years 2004 through
24 2009”.



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.

