

Committee Print

FEBRUARY 9, 2005

H.R. 27

AS REPORTED BY THE SUBCOMMITTEE ON 21ST CENTURY COMPETITIVENESS

. . .

1 SECTION 1. SHORT TITLE.

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

4 SEC. 2. TABLE OF CONTENTS.

- 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 programs for adults.
- Sec. 113. Performance accountability system.
- Sec. 114. Authorization of appropriations.
- Sec. 115. Job corps.
- Sec. 116. Native American programs.
- Sec. 117. Migrant and seasonal farmworker programs.
- Sec. 118. Veterans’ workforce investment programs.
- Sec. 119. Youth challenge grants.
- Sec. 120. Technical assistance.



- Sec. 121. Demonstration, pilot, multiservice, research and multi-State projects.
- Sec. 122. Community-based job training.
- Sec. 123. Personal Reemployment Accounts.
- Sec. 124. Training for realtime writers.
- Sec. 125. National dislocated worker grants.
- Sec. 126. Authorization of appropriations for national activities.
- Sec. 127. Requirements and restrictions.
- Sec. 128. Nondiscrimination.
- Sec. 129. Administrative provisions.
- Sec. 130. General program requirements.

TITLE II—ADULT EDUCATION BASIC SKILLS AND FAMILY
LITERACY EDUCATION

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

TITLE III—AMENDMENTS TO THE WAGNER-PEYSER ACT

- Sec. 301. Amendments to the Wagner-Peyser Act.

TITLE IV—AMENDMENTS TO THE REHABILITATION ACT OF 1973

- Sec. 401. Findings.
- Sec. 402. Rehabilitation services administration.
- Sec. 403. Director.
- Sec. 404. Definitions.
- Sec. 405. State plan.
- Sec. 406. Scope of services.
- Sec. 407. Standards and indicators.
- Sec. 408. Reservation for expanded transition services.
- Sec. 409. Chairperson.
- Sec. 410. Authorizations of appropriations.
- Sec. 411. Conforming amendment.
- Sec. 412. Helen Keller National Center Act.

TITLE V—TRANSITION AND EFFECTIVE DATE

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

1 SEC. 3. REFERENCES.

2 Except as otherwise expressly provided, wherever in
3 this Act an amendment or repeal is expressed in terms
4 of an amendment to, or repeal of, a section or other provi-
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.).



1 **TITLE I—AMENDMENTS TO**
 2 **TITLE I OF THE WORKFORCE**
 3 **INVESTMENT ACT OF 1998**

4 **SEC. 101. DEFINITIONS.**

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

6 (1) by striking paragraphs (13) and (24) and
 7 redesignating paragraphs (1) through (12) as para-
 8 graphs (3) through (14), and paragraphs (14)
 9 through (23) as paragraphs (15) through (24), re-
 10 spectively;

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

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

23 “(2) ADMINISTRATIVE COSTS.—The term ‘ad-
 24 ministrative costs’ means expenditures incurred by
 25 State and local workforce investment boards, direct



1 recipients (including State grant recipients under
2 subtitle B and recipients of awards under subtitle
3 D), local grant recipients, local fiscal agents or local
4 grant subrecipients, and one-stop operators in the
5 performance of administrative functions and in car-
6 rying out activities under this title which are not re-
7 lated to the direct provision of workforce investment
8 services (including services to participants and em-
9 ployers). Such costs include both personnel and non-
10 personnel and both direct and indirect.”;

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

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

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

17 (B) in subparagraph (C)—

18 (i) by striking “not less than 50 per-
19 cent of the cost of the training” and in-
20 sserting “a significant portion of the cost of
21 training, as determined by the local
22 board”; and

23 (ii) by striking the period and insert-
24 ing “; and”; and

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



1 “(D) in the case of customized training
2 with an employer in multiple local areas in the
3 State, for which such employer pays a signifi-
4 cant portion of the cost of the training, as de-
5 termined by the Governor.”;

6 (5) in paragraph (11)(A)(ii)(II) (as so redesignig-
7 nated) by striking “section 134(c)” and inserting
8 “section 121(e)”;

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

12 (7) in paragraph (25)—

13 (A) in subparagraph (B), by striking
14 “higher of—” and all that follows through
15 clause (ii) and inserting “poverty line for an
16 equivalent period;”; and

17 (B) by redesignating subparagraphs (D)
18 through (F) as subparagraph (E) through (G),
19 respectively, and inserting after subparagraph
20 (C) the following:

21 “(D) receives or is eligible to receive free
22 or reduced price lunch under the Richard B.
23 Russell National School Lunch Act (42 U.S.C.
24 1751 et seq.);”;



1 (8) in paragraph (32) by striking “the Republic
2 of the Marshall Islands, the Federated States of Mi-
3 cronesia,”; and

4 (9) by striking paragraph (33) and redesignig-
5 nating paragraphs (34) through (53) as paragraphs
6 (32) through (51), respectively.

7 **SEC. 102. PURPOSE.**

8 Section 106 (29 U.S.C. 2811) is amended by insert-
9 ing at the end the following: “It is also the purpose of
10 this subtitle to provide workforce investment activities in
11 a manner that promotes the informed choice of partici-
12 pants and actively involves participants in decisions affect-
13 ing 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.
17 2821(b)) is amended—

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

20 “(C) representatives appointed by the Gov-
21 ernor, 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;

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; and

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

19 “(ii) the State agency officials respon-
20 sible for economic development;

21 “(iii) representatives of business in
22 the State who—

23 “(I) are owners of businesses,
24 chief executive or operating officers of
25 businesses, and other business execu-



1 tives or employers with optimum pol-
2 icy making or hiring authority, includ-
3 ing members of local boards described
4 in section 117(b)(2)(A)(i);

5 “(II) represent businesses with
6 employment opportunities that reflect
7 employment opportunities in the
8 State; and

9 “(III) are appointed from among
10 individuals nominated by State busi-
11 ness organizations and business trade
12 associations;

13 “(iv) chief elected officials (rep-
14 resenting both cities and counties, where
15 appropriate);

16 “(v) representatives of labor organiza-
17 tions, who have been nominated by State
18 labor federations; and

19 “(vi) such other representatives and
20 State agency officials as the Governor may
21 designate.”; and

22 (B) in paragraph (3), by striking “para-
23 graph (1)(C)(i)” and inserting “paragraph
24 (1)(C)(iii)”.



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

5 (b) FUNCTIONS.—Section 111(d) (29 U.S.C.
6 2811(d)) is amended—

7 (1) in paragraph (2), by striking “section
8 134(c)” and inserting “section 121(e”;

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

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

15 “(A) the development of criteria for, and
16 the issuance of, certifications of one-stop cen-
17 ters;

18 “(B) the criteria for the allocation of one-
19 stop center infrastructure funding under section
20 121(h), and oversight of the use of such funds;

21 “(C) approaches to facilitating equitable
22 and efficient cost allocation in one-stop delivery
23 systems; and

24 “(D) such other matters that may promote
25 statewide objectives for, and enhance the per-



1 formance of, one-stop delivery systems within
2 the State;”;

3 (3) in paragraph (4), by inserting “and the de-
4 velopment of State criteria relating to the appoint-
5 ment and certification of local boards under section
6 117” after “section 116”;

7 (4) in paragraph (5), by striking “sections
8 128(b)(3)(B) and 133(b)(3)(B)” and inserting “sec-
9 tions 128(b)(3) and 133(b)(3)”;

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

12 (c) **ELIMINATION OF ALTERNATIVE ENTITY AND**
13 **PROVISION OF AUTHORITY TO HIRE STAFF.**—Section
14 111(e) (29 U.S.C. 2821(e)) is amended to read as follows:

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

18 **SEC. 104. STATE PLAN.**

19 (a) **PLANNING CYCLE.**—Section 112(a) (29 U.S.C.
20 2822(a)) is amended by striking “5-year strategy” and in-
21 serting “2-year strategy”.

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



1 (1) in paragraph (12)(A), 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 (2) in paragraph (14), by striking “section
5 134(c)” and inserting “section 121(e)”;

6 (3) in paragraph (17)(A)

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

8 (B) by amending clause (iv) to read as fol-
9 lows:

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

22 and

23 (C) by inserting after clause (iv) the fol-
24 lowing:



1 “(v) how the State will serve the em-
2 ployment and training needs of individuals
3 with disabilities, consistent with section
4 188 and Executive Order 13217 (42
5 U.S.C. 12131 note; relating to community-
6 based alternatives for individuals with dis-
7 abilities) including the provision of out-
8 reach, intake, assessments, and service de-
9 livery, the development of performance
10 measures, and the training of staff;”;

11 (4) in paragraph (18)(D), by striking “youth
12 opportunity grants” and inserting “youth challenge
13 grants”; and

14 (5) by adding at the end the following new
15 paragraphs:

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

22 “(20) a description of any programs and strate-
23 gies the State will utilize to meet the needs of busi-
24 nesses in the State, including small businesses,
25 which may include providing incentives and technical



1 assistance to assist local areas in engaging employ-
2 ers in local workforce development activities.”.

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

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

7 (a) DESIGNATION OF AREAS.—

8 (1) CONSIDERATIONS.—Section 116(a)(1)(B)
9 (29 U.S.C. 2831(a)(1)(B)) is amended by adding at
10 the end the following clause:

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

14 (2) AUTOMATIC DESIGNATION.—Section
15 116(a)(2) (29 U.S.C. 2831(a)(2)) is amended to
16 read as follows:

17 “(2) AUTOMATIC DESIGNATION.—

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

22 “(i) any unit of general local govern-
23 ment with a population of 500,000 or
24 more; and



1 “(ii) an area served by a rural con-
2 centrated employment program grant re-
3 cipient that served as a service delivery
4 area or substate area under the Job Train-
5 ing Partnership Act (29 U.S.C. 1501 et
6 seq.),

7 for the 2-year period covered by a State plan
8 under section 112 if such request is made not
9 later than the date of the submission of the
10 State plan.

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

19 (b) REGIONAL PLANNING.—Section 116(c)(1) (29
20 U.S.C. 2831(c)(1)) is amended by adding at the end the
21 following: “The State may require the local boards for the
22 designated region to prepare a single regional plan that
23 incorporates the elements of the local plan under section
24 118 and that is submitted and approved in lieu of separate
25 local plans under such section.”.



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

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

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

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

9 “(ii) a superintendent of the local secondary school
10 system, an administrator of an entity providing adult edu-
11 cation and literacy activities that is not a one-stop partner
12 designated under section 121(b)(1)(B), and the president
13 or chief executive officer of a postsecondary educational
14 institution serving the local area (including community
15 colleges, where such entities exist);”;

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

18 (4) by striking clause (vi).

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

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

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



1 (c) FUNCTIONS.—Section 117(d) (29 U.S.C.
2 2832(d)) is amended—

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

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

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

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



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

4 **SEC. 107. LOCAL PLAN.**

5 (a) PLANNING CYCLE.—Section 118(a) (29 U.S.C.
6 2833(a)) is amended by striking “5-year” and inserting
7 “2-year”.

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

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

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

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

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

23 (4) by redesignating paragraph (10) as para-
24 graph (11) and inserting after paragraph (9) the fol-
25 lowing:



1 “(10) a description of the strategies and serv-
2 ices that will be initiated in the local area to engage
3 employers, including small employers, in workforce
4 development activities; and”.

5 **SEC. 108. ESTABLISHMENT OF ONE-STOP DELIVERY SYS-**
6 **TEMS.**

7 (a) ONE-STOP PARTNERS.—

8 (1) REQUIRED PARTNERS.—Section 121(b)(1)
9 (29 U.S.C. 2841(b)(1)) is amended—

10 (A) in subparagraph (B)—

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

12 (ii) by redesignating clauses (iii) and
13 (iv) as clauses (ii) and (iii), respectively,
14 and by redesignating clauses (vi) through
15 (xii) as clauses (iv) through (x), respec-
16 tively;

17 (iii) in clause (ix) (as so redesign-
18 ated), by striking “and”;

19 (iv) in clause (x) (as so redesignated),
20 by striking the period and inserting “;
21 and”; and

22 (v) by inserting after clause (x)(as so
23 redesignated) the following:

24 “(xi) programs authorized under part
25 A of title IV of the Social Security Act (42



1 U.S.C. 601 et. seq.), subject to subpara-
2 graph (C).”; and

3 (B) by adding after subparagraph (B) the
4 following:

5 “(C) DETERMINATION BY THE GOV-
6 ERNOR.—The program referred to in clauses
7 (xi) of subparagraph (B) shall be included as a
8 required partner for purposes of this title in a
9 State unless the Governor of the State notifies
10 the Secretary and the Secretary of Health and
11 Human Services in writing of a determination
12 by the Governor not to include such programs
13 as required partners for purposes of this title in
14 the State.”.

15 (2) ADDITIONAL PARTNERS.—Section
16 121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is
17 amended—

18 (A) by striking clause (i) and redesignating
19 clauses (ii) through (v) as clauses (i) through
20 (iv) respectively;

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

23 (C) in clause (iv) (as so redesignated) by
24 striking the period and inserting a semicolon;
25 and



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

3 “(v) employment and training pro-
4 grams administered by the Social Security
5 Administration, including the Ticket to
6 Work program (established by Public Law
7 106–170);

8 “(vi) employment and training pro-
9 grams carried out by the Small Business
10 Administration;

11 “(vii) programs under part D of title
12 IV of the Social Security Act (42 U.S.C.
13 451 et seq.) (relating to child support en-
14 forcement); and

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

23 (b) PROVISION OF SERVICES.—Subtitle B of title I
24 is amended—



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

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

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

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

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

14 (B) in paragraph (1)(B)—

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

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

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

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

23 and

24 (E) by amending paragraph (1)(E) to read
25 as follows:



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

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

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

9 “(1) IN GENERAL.—The State board shall es-
10 tablish procedures and criteria for periodically certi-
11 fying one-stop centers for the purpose of awarding
12 the one-stop infrastructure funding described in sub-
13 section (h).

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

21 “(3) EFFECT OF CERTIFICATION.—One-stop
22 centers certified under this subsection shall be eligi-
23 ble to receive the infrastructure grants authorized
24 under subsection (h).

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



1 “(1) PARTNER CONTRIBUTIONS.—

2 “(A) PROVISION OF FUNDS.—Notwith-
3 standing any other provision of law, as deter-
4 mined under subparagraph (B), a portion of the
5 Federal funds provided to the State and areas
6 within the State under the Federal laws author-
7 izing the one-stop partner programs described
8 in subsection (b)(1)(B) and participating addi-
9 tional partner programs described in (b)(2)(B)
10 for a fiscal year shall be provided to the Gov-
11 ernor by such programs to carry out this sub-
12 section.

13 “(B) DETERMINATION OF GOVERNOR.—
14 Subject to subparagraph (C), the Governor, in
15 consultation with the State board, shall deter-
16 mine the portion of funds to be provided under
17 subparagraph (A) by each one-stop partner and
18 in making such determination shall consider the
19 proportionate use of the one-stop centers by
20 each partner, the costs of administration for
21 purposes not related to one-stop centers for
22 each partner, and other relevant factors de-
23 scribed in paragraph (3).

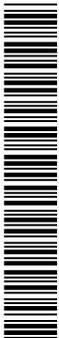
24 “(C) LIMITATIONS.—



1 “(i) PROVISION FROM ADMINISTRA-
2 TIVE FUNDS.—The funds provided under
3 this paragraph by each one-stop partner
4 shall be provided only from funds available
5 for the costs of administration under the
6 program administered by such partner,
7 and shall be subject to the limitations with
8 respect to the portion of funds under such
9 programs that may be used for administra-
10 tion.

11 “(ii) FEDERAL DIRECT SPENDING
12 PROGRAMS.—Programs that are Federal
13 direct spending under section 250(c)(8) of
14 the Balanced Budget and Emergency Def-
15 icit Control Act of 1985 (2 U.S.C.
16 900(c)(8)) shall not, for purposes of this
17 paragraph, be required to provide an
18 amount in excess of the amount deter-
19 mined to be equivalent to the proportionate
20 use of the one-stop centers by such pro-
21 grams in the State.

22 “(iii) NATIVE AMERICAN PRO-
23 GRAMS.—Native American programs estab-
24 lished under section 166 shall not be sub-
25 ject to the provisions of this subsection.



1 The method for determining the appro-
2 priate portion of funds to be provided by
3 such Native American programs to pay for
4 the costs of infrastructure of a one-stop
5 center certified under subsection (g) shall
6 be determined as part of the development
7 of the memorandum of understanding
8 under subsection (e) for the one-stop cen-
9 ter and shall be stated in the memo-
10 randum.

11 “(2) ALLOCATION BY GOVERNOR.—From the
12 funds provided under paragraph (1), the Governor
13 shall allocate funds to local areas in accordance with
14 the formula established under paragraph (3) for the
15 purposes of assisting in paying the costs of the in-
16 frastructure of One-Stop centers certified under sub-
17 section (g).

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



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

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

12 “(i) OTHER FUNDS.—

13 “(1) IN GENERAL.—In addition to the funds
14 provided to carry out subsection (h), a portion of
15 funds made available under Federal law authorizing
16 the one-stop partner programs described in sub-
17 section (b)(1)(B) and participating partner pro-
18 grams described in subsection (b)(2)(B), or the
19 noncash resources available under such programs
20 shall be used to pay the costs relating to the oper-
21 ation of the one-stop delivery system that are not
22 paid for from the funds provided under subsection
23 (h), to the extent not inconsistent with the Federal
24 law involved including—



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

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

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

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

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

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

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

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



1 “(b) CRITERIA.—

2 “(1) IN GENERAL.—The criteria established
3 pursuant to subsection (a) shall take into account
4 the performance of providers of training services
5 with respect to the indicators described in section
6 136 or other appropriate indicators (taking into con-
7 sideration the characteristics of the population
8 served and relevant economic conditions), and such
9 other factors as the Governor determines are appro-
10 priate to ensure the quality of services, the account-
11 ability of providers, how the centers ensure that
12 such providers meet the needs of local employers and
13 participants, and the informed choice of participants
14 under chapter 5. Such criteria shall require that the
15 provider submit appropriate, accurate and timely in-
16 formation to the State for purposes of carrying out
17 subsection (d). The criteria shall also provide for
18 periodic review and renewal of eligibility under this
19 section for providers of training services. The Gov-
20 ernor may authorize local areas in the State to es-
21 tablish additional criteria or to modify the criteria
22 established by the Governor under this section for
23 purposes of determining the eligibility of providers of
24 training services to provide such services in the local
25 area.



1 “(2) LIMITATION.—In carrying out the require-
2 ments of this subsection, no personally identifiable
3 information regarding a student, including Social
4 Security number, student identification number, or
5 other identifier, may be disclosed without the prior
6 written consent of the parent or eligible student in
7 compliance with section 444 of the General Edu-
8 cation Provisions Act (20 U.S.C. 1232g).

9 “(c) PROCEDURES.—The procedures established
10 under subsection (a) shall identify the application process
11 for a provider of training services to become eligible to
12 receive funds under section 133(b) for the provision of
13 training services, and identify the respective roles of the
14 State and local areas in receiving and reviewing applica-
15 tions and in making determinations of eligibility based on
16 the criteria established under this section. The procedures
17 shall also establish a process for a provider of training
18 services to appeal a denial or termination of eligibility
19 under this section that includes an opportunity for a hear-
20 ing and prescribes appropriate time limits to ensure
21 prompt resolution of the appeal.

22 “(d) INFORMATION TO ASSIST PARTICIPANTS IN
23 CHOOSING PROVIDERS.—

24 “(1) IN GENERAL.—In order to facilitate and
25 assist participants under chapter 5 in choosing pro-



1 viders of training services, the Governor shall ensure
2 that an appropriate list or lists of providers deter-
3 mined eligible under this section in the State, ac-
4 companied by such information as the Governor de-
5 termines is appropriate, is provided to the local
6 boards in the State to be made available to such
7 participants and to members of the public through
8 the one-stop delivery system in the State.

9 “(2) SPECIAL RULE.—An entity that carries
10 out programs under the Act of August 16, 1937
11 (commonly known as the ‘National Apprenticeship
12 Act’, 50 Stat. 664, chapter 663; 29 U.S.C. 50 et
13 seq.) shall be included on the list of eligible pro-
14 viders described in paragraph (1) for so long as such
15 entity remains certified by the Department of Labor.

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

20 “(f) RECOMMENDATIONS.—In developing the criteria,
21 procedures, and information required under this section,
22 the Governor shall solicit and take into consideration the
23 recommendations of local boards and providers of training
24 services within the State.



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

8 “(h) ON-THE-JOB TRAINING OR CUSTOMIZED
9 TRAINING EXCEPTION.—

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

13 “(2) COLLECTION AND DISSEMINATION OF IN-
14 FORMATION.—A one-stop operator in a local area
15 shall collect such performance information from on-
16 the-job training and customized training providers
17 as the Governor may require, determine whether the
18 providers meet such performance criteria as the Gov-
19 ernor may require, and disseminate information
20 identifying providers that meet the criteria as eligi-
21 ble providers, and the performance information,
22 through the one-stop delivery system. Providers de-
23 termined to meet the criteria shall be considered to
24 be identified as eligible providers of training serv-
25 ices.”.



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

2 (a) ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.—

3 Section 123 (29 U.S.C. 2843) is amended to read as fol-
4 lows:

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

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

12 “(b) EXCEPTIONS.—A local board may award grants
13 or contracts on a sole-source basis if such board deter-
14 mines there are an insufficient number of eligible pro-
15 viders of training services in the local area involved (such
16 as rural areas) for grants to be awarded on a competitive
17 basis under subsection (a).”.

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

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

21 **SEC. 111. YOUTH ACTIVITIES.**

22 (a) STATE ALLOTMENTS.—

23 (1) IN GENERAL.—Section 127(a) (29 U.S.C.
24 2852(a)) is amended to read as follows:

25 “(a) ALLOTMENT AMONG STATES.—



1 “(1) YOUTH ACTIVITIES.—

2 “(A) YOUTH CHALLENGE GRANTS.—

3 “(i) RESERVATION OF FUNDS.—Of
4 the amount appropriated under section
5 137(a) for each fiscal year, the Secretary
6 shall reserve 25 percent to provide youth
7 challenge grants under section 169.

8 “(ii) LIMITATION.—Notwithstanding
9 clause (i), if the amount appropriated
10 under section 137(a) for a fiscal year ex-
11 ceeds \$1,000,000,000, the Secretary shall
12 reserve \$250,000,000 to provide youth
13 challenge grants under section 169.

14 “(B) OUTLYING AREAS AND NATIVE AMER-
15 ICANS.—

16 “(i) IN GENERAL.—After determining
17 the amount to be reserved under subpara-
18 graph (A), of the remainder of the amount
19 appropriated under section 137(a) for each
20 fiscal year the Secretary shall—

21 “(I) reserve not more than $\frac{1}{4}$ of
22 one percent of such amount to provide
23 assistance to the outlying areas to
24 carry out youth activities and state-



1 wide workforce investment activities;
2 and

3 “(II) reserve not more than 1
4 and ½ percent of such amount to
5 provide youth activities under section
6 166 (relating to Native Americans).

7 “(ii) RESTRICTION.—The Republic of
8 Palau shall cease to be eligible to receive
9 funding under this subparagraph upon en-
10 tering into an agreement for extension of
11 United States educational assistance under
12 the Compact of Free Association (approved
13 by the Compact of Free Association
14 Amendments Act of 2003 (Public Law
15 108–188)) after the date of enactment of
16 the Job Training Improvement Act of
17 2005.

18 “(C) STATES.—

19 “(i) IN GENERAL.—Of the remainder
20 of the amount appropriated under section
21 137(a) for a fiscal year that is available
22 after determining the amounts to be re-
23 served under subparagraphs (A) and (B),
24 the Secretary shall allot—



1 “(I) the amount of the remainder
2 that is less than or equal to the total
3 amount that was allotted to States for
4 fiscal year 2005 under section
5 127(b)(1)(C) of this Act (as in effect
6 on the day before the date of enact-
7 ment of the Job Training Improve-
8 ment Act of 2005) in accordance with
9 the requirements of such section
10 127(b)(1)(C); and

11 “(II) the amount of the remain-
12 der, if any, in excess of the amount
13 referred to in subclause (I) in accord-
14 ance with clause (ii).

15 “(ii) FORMULAS FOR EXCESS
16 FUNDS.—Subject to clauses (iii) and (iv),
17 of the amounts described in clause
18 (i)(II)—

19 “(I) 33 $\frac{1}{3}$ percent shall be allot-
20 ted on the basis of the relative num-
21 ber of individuals in the civilian labor
22 force who are ages 16–19 in each
23 State, compared to the total number
24 of individuals in the civilian labor



1 force who are ages 16–19 in all
2 States;

3 “(II) $33\frac{1}{3}$ percent shall be allot-
4 ted on the basis of the relative num-
5 ber of unemployed individuals in each
6 State, compared to the total number
7 of unemployed individuals in all
8 States; and

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

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

23 “(iv) SMALL STATE MINIMUM ALLOT-
24 MENT.—Subject to clause (iii), the Sec-
25 retary shall ensure that no State shall re-



1 ceive an allotment under this paragraph
2 that is less than $\frac{3}{10}$ of 1 percent of the
3 amount available under subparagraph (A).

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

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

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



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

7 (2) REALLOTMENT.—Section 127 (29 U.S.C.
8 2552) is further amended—

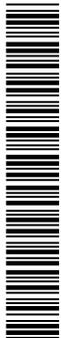
9 (A) by striking subsection (b);

10 (B) by redesignating subsection (c) as sub-
11 section (b);

12 (C) in subsection (b) (as so redesign-
13 ated)—

14 (i) by amending paragraph (2) to read
15 as follows:

16 “(2) AMOUNT.—The amount available for real-
17 lotment for a program year is equal to the amount
18 by which the unexpended balance at the end of the
19 program year prior to the program year for which
20 the determination is made exceeds 30 percent of the
21 total amount of funds available to the State under
22 this section during such prior program year (includ-
23 ing amounts allotted to the State in all prior pro-
24 gram years that remained available). For purposes



1 of this paragraph, the expended balance is the
2 amount that is the difference between—

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

9 “(B) the accrued expenditures during such
10 prior program year.”;

11 (ii) in paragraph (3)—

12 (I) by striking “for the prior pro-
13 gram year” and inserting “for the
14 program year in which the determina-
15 tion is made”; and

16 (II) by striking “such prior pro-
17 gram year” and inserting “such pro-
18 gram year”;

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

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



1 (iv) in paragraph (5), by striking “ob-
2 ligation” and inserting “accrued expendi-
3 ture”.

4 (b) WITHIN STATE ALLOCATIONS.—

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

7 “(a) RESERVATION FOR STATEWIDE ACTIVITIES.—

8 “(1) IN GENERAL.—The Governor of a State
9 shall reserve not more than 10 percent of the
10 amount allotted to the State under section
11 127(a)(1)(C) for a fiscal year for statewide activi-
12 ties.

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

21 (2) WITHIN STATE ALLOCATIONS.—Section
22 128(b) is amended to read as follows:

23 “(b) WITHIN STATE ALLOCATION.—



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

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

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

10 “(2) ESTABLISHED FORMULA.—

11 “(A) IN GENERAL.—Of the amounts de-
12 scribed in paragraph (1)(A), the Governor shall
13 allocate—

14 “(i) $33\frac{1}{3}$ percent shall be allotted on
15 the basis of the relative number of individ-
16 uals in the civilian labor force who are ages
17 16–19 in each local area, compared to the
18 total number of individuals in the civilian
19 labor force who are ages 16–19 in all local
20 areas in the State;

21 “(ii) $33\frac{1}{3}$ percent shall be allotted on
22 the basis of the relative number of unem-
23 ployed individuals in each local area, com-
24 pared to the total number of unemployed



1 individuals in all local areas in the State;
2 and

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

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

16 “(C) DEFINITIONS.—

17 “(i) ALLOCATION PERCENTAGE.—For
18 purposes of this paragraph, the term ‘allo-
19 cation percentage’, used with respect to fis-
20 cal year 2006 or a subsequent fiscal year,
21 means a percentage of amount described in
22 paragraph(1)(A) that is received through
23 an allocation made under this paragraph
24 for the fiscal year. The term, with respect
25 to fiscal year 2005, means the percentage



1 of the amounts allocated to local areas
2 under this chapter (as in effect on the day
3 before the date of enactment of the Job
4 Training Improvement Act of 2005) that is
5 received by the local area involved for fis-
6 cal year 2005.

7 “(ii) DISADVANTAGED YOUTH.—The
8 term ‘disadvantaged youth’ means an indi-
9 vidual who is age 16 through 21 who re-
10 ceived an income, or is a member of a fam-
11 ily that received a total family income,
12 that, in relation to family size, does not ex-
13 ceed the poverty line.

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

20 “(4) LOCAL ADMINISTRATIVE COST LIMIT.—

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



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

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

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

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

14 (B) by amending paragraph (2) to read as
15 follows:

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



1 of this paragraph, the unexpended balance is the
2 amount that is the difference between—

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

9 “(B) the accrued expenditures during such
10 prior program year.”;

11 (C) by amending paragraph (3)—

12 (i) by striking “subsection (b)(3)”
13 each place it appears and inserting “sub-
14 section (b)”;

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

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

21 (iv) by striking the last sentence; and

22 (D) by amending paragraph (4) to read as
23 follows:

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



1 which does not have an amount available for re-
2 allocation under paragraph (2) for the program year
3 for which the determination under paragraph (2) is
4 made.”.

5 (c) YOUTH PARTICIPANT ELIGIBILITY.—Section
6 129(a) (29 U.S.C. 2854(a)) is amended to read as follows:

7 “(a) YOUTH PARTICIPANT ELIGIBILITY.—

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

13 “(A) not younger than age 16 or older
14 than age 24; and

15 “(B) one or more of the following:

16 “(i) school dropouts;

17 “(ii) recipients of a secondary school
18 diploma, General Educational Development
19 credential (GED), or other State-recog-
20 nized equivalent (including recognized al-
21 ternative standards for individuals with
22 disabilities) who are deficient in basic skills
23 and not attending any school;

24 “(iii) court-involved youth attending
25 an alternative school;



1 “(iv) youth in foster care or who have
2 been in foster care; or

3 “(v) in school youth who are low-in-
4 come individuals and one or more of the
5 following:

6 “(I) Deficient in literacy skills.

7 “(II) Homeless, runaway, or fos-
8 ter children.

9 “(III) Pregnant or parents.

10 “(IV) Offenders.

11 “(V) Individuals who require ad-
12 ditional assistance to complete an edu-
13 cational program, or to secure and
14 hold employment.

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

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

21 “(A) PERCENTAGE OF FUNDS.—For any
22 program year, not more than 30 percent of the
23 funds available for statewide activities under
24 subsection (b), and not more than 30 percent of
25 funds available to local areas under subsection



1 (c), may be used to provide activities for in-
2 school youth meeting the requirements of para-
3 graph (1)(B)(v).

4 “(B) NON-SCHOOL HOURS REQUIRED.—

5 “(i) IN GENERAL.—Except as pro-
6 vided in clause (ii), activities carried out
7 under this chapter for in-school youth
8 meeting the requirements of paragraph
9 (1)(B)(v) shall only be carried out in non-
10 school hours or periods when school is not
11 in session (such as before and after school
12 or during recess).

13 “(ii) EXCEPTION.—The requirements
14 of clause (i) shall not apply to activities
15 carried out for in-school youth meeting the
16 requirements of paragraph (1)(B)(v) dur-
17 ing school hours that are part of a pro-
18 gram that has demonstrated effectiveness
19 in high school youth attaining diplomas.”.

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

22 “(b) STATEWIDE ACTIVITIES.—

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



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

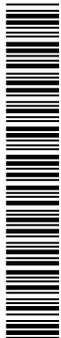
3 “(A) additional assistance to local areas
4 that have high concentrations of eligible youth;

5 “(B) supporting the provision of core serv-
6 ices described in section 134(c)(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 matter preceding 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 before clause (ii) (as
8 so redesignated) the following:

9 “(i) activities leading to the attain-
10 ment of a secondary school diploma, Gen-
11 eral Educational Development credential
12 (GED), or other State-recognized equiva-
13 lent (including recognized alternative
14 standards for individuals with disabil-
15 ities);”;

16 (iii) in clause (ii) (as so redesignated),
17 by inserting “and advanced training” after
18 “opportunities”;

19 (iv) in clause (iii) (as so redesi-
20 gnated), by inserting “that lead to the at-
21 tainment of recognized credentials” after
22 “learning”; and

23 (v) by amending clause (v) (as redesi-
24 gnated by this subparagraph) to read as
25 follows:



1 “(v) effective connections to employers in sectors of
2 the local labor market experiencing high growth in employ-
3 ment opportunities.”.

4 (2) PROGRAM ELEMENTS.—Section 129(c)(2)
5 (29 U.S.C. 2854(c)(2)) is amended—

6 (A) in subparagraph (A), by striking “sec-
7 ondary school, including dropout prevention
8 strategies” and inserting “secondary school di-
9 ploma, General Educational Development cre-
10 dential (GED), or other State-recognized equiv-
11 alent (including recognized alternative stand-
12 ards for individuals with disabilities), including
13 dropout prevention strategies”;

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

16 (C) in subparagraph (J), by striking the
17 period at the end and inserting a semicolon;
18 and

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

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

21 “(L) financial literacy skills.”.

22 (3) ADDITIONAL REQUIREMENTS.—Section
23 129(c)(3)(A) (29 U.S.C. 2854(c)(3)(A)) is amended
24 in the matter preceding clause (i) by striking “or ap-



1 plicant who meets the minimum income criteria to
2 be considered an eligible youth”.

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

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

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

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

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

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

15 (a) TITLE AMENDMENT.—

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

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

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

“Chapter 5—Comprehensive Employment and Training Activities for Adults.”.



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

3 (1) by striking “paragraphs (1)(B) and (2)(B)
4 of”; and

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

6 (c) STATE ALLOTMENTS.—

7 (1) IN GENERAL.—Section 132(a) (29 U.S.C.
8 2862(a)) is amended to read as follows:

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

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

13 “(A) not less than 75 percent shall be used
14 for national dislocated worker grants under sec-
15 tion 173;

16 “(B) not more than 20 percent may be
17 used for demonstration projects under section
18 171; and

19 “(C) not more than 5 percent may be used
20 to provide technical assistance under section
21 170; and

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



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

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

6 “(1) RESERVATION FOR OUTLYING AREAS.—

7 “(A) IN GENERAL.—From the amount
8 made available under subsection (a)(2) for a
9 fiscal year, the Secretary shall reserve not more
10 than $\frac{1}{4}$ of 1 percent to provide assistance to
11 outlying areas to carry out employment and
12 training activities for adults and statewide
13 workforce investment activities.

14 “(B) RESTRICTION.—The Republic of
15 Palau shall cease to be eligible to receive fund-
16 ing under this paragraph upon entering into an
17 agreement for extension of United States edu-
18 cational assistance under the Compact of Free
19 Association (approved by the Compact of Free
20 Association Amendments Act of 2003 (Public
21 Law 108–188)) after the date of enactment of
22 the Job Training Improvement Act of 2005.

23 “(2) STATES.—Subject to paragraph (5), of the
24 remainder of the amount referred to under sub-
25 section (a)(2) for a fiscal year that is available after



1 determining the amount to be reserved under para-
2 graph (1), the Secretary shall allot to the States for
3 employment and training activities for adults and for
4 statewide workforce investment activities—

5 “(A) 26 percent in accordance with para-
6 graph (3); and

7 “(B) 74 percent in accordance with para-
8 graph (4).

9 “(3) BASE FORMULA.—

10 “(A) FISCAL YEAR 2006.—

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

17 “(ii) EXCESS AMOUNTS.—If the
18 amount referred to in paragraph (2)(A) for
19 fiscal year 2006 exceeds the amount that
20 was available for allotment to the States
21 under the Wagner-Peyser Act for fiscal
22 year 2005, such excess amount shall be al-
23 lotted on the basis of the relative number
24 of individuals in the civilian labor force in
25 each State, compared to the total number



1 of individuals in the civilian labor force in
2 all States, adjusted to ensure that no State
3 receives less than $\frac{3}{10}$ of one percent of
4 such excess amount.

5 “(iii) DEFINITION.—For purposes of
6 this subparagraph, the term ‘allotment
7 percentage’ means the percentage of the
8 amounts allotted to States under section 6
9 of the Wagner-Peyser Act that is received
10 by the State involved for fiscal year 2005.

11 “(B) FISCAL YEARS 2007 AND THERE-
12 AFTER.—

13 “(i) IN GENERAL.—Subject to clause
14 (ii), the amount referred to in para-
15 graph(2)(A) shall be allotted for fiscal year
16 2007 and each fiscal year thereafter on the
17 basis of the allotment percentage of each
18 State under this paragraph for the pre-
19 ceding fiscal year.

20 “(ii) EXCESS AMOUNTS.—If the
21 amount referred to in paragraph (2)(A) for
22 fiscal year 2007 or any fiscal year there-
23 after exceeds the amount that was avail-
24 able for allotment under this paragraph for
25 the prior fiscal year, such excess amount



1 shall be allotted on the basis of the relative
2 number of individuals in the civilian labor
3 force in each State, compared to the total
4 number of individuals in the civilian labor
5 force in all States, adjusted to ensure that
6 no State receives less than $\frac{3}{10}$ of one per-
7 cent of such excess amount.

8 “(iii) DEFINITION.—For purposes of
9 this subparagraph, the term ‘allotment
10 percentage’ means the percentage of the
11 amounts allotted to States under this para-
12 graph in a fiscal year that is received by
13 the State involved for such fiscal year.

14 “(4) CONSOLIDATED FORMULA.—

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

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

23 “(ii) 25 percent shall be allotted on
24 the basis of the relative excess number of
25 unemployed individuals in each State, com-



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

3 “(iii) 15 percent shall be allotted on
4 the basis of the relative number of dis-
5 advantaged adults in each State, compared
6 to the total number of disadvantaged
7 adults in all States.

8 “(B) MINIMUM AND MAXIMUM PERCENT-
9 AGES.—

10 “(i) MINIMUM PERCENTAGE.—The
11 Secretary shall ensure that no State shall
12 receive an allotment under this paragraph
13 for a fiscal year that is less than 90 per-
14 cent of the allotment percentage of the
15 State under this paragraph for the pre-
16 ceding fiscal year.

17 “(ii) MAXIMUM PERCENTAGE.—Sub-
18 ject to clause (i), the Secretary shall en-
19 sure that no State shall receive an allot-
20 ment for a fiscal year under this para-
21 graph that is more than 130 percent of the
22 allotment of the State under this para-
23 graph for the preceding fiscal year.

24 “(C) SMALL STATE MINIMUM ALLOT-
25 MENT.—Subject to subparagraph (B), the Sec-

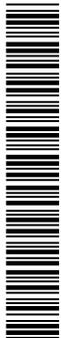


1 retary shall ensure that no State shall receive
2 an allotment under this paragraph that is less
3 than $\frac{2}{10}$ of 1 percent of the amount available
4 under subparagraph (A).

5 “(D) DEFINITIONS.—For the purposes of
6 this paragraph:

7 “(i) ALLOTMENT PERCENTAGE.—The
8 term ‘allotment percentage’, used with re-
9 spect to fiscal year 2006 or a subsequent
10 fiscal year, means a percentage of the
11 amounts described in paragraph (2)(B)
12 that is received through an allotment made
13 under this paragraph for the fiscal year.
14 The term, with respect to fiscal year 2005,
15 means the percentage of the amounts allot-
16 ted to States under this chapter (as in ef-
17 fect on the day before the date of enact-
18 ment of the Job Training Improvement
19 Act of 2005) and under reemployment
20 service grants received by the State in-
21 volved for fiscal year 2005.

22 “(ii) DISADVANTAGED ADULT.—The
23 term ‘disadvantaged adult’ means an indi-
24 vidual who is age 22 through 72 who re-
25 ceived an income, or is a member of a fam-



1 ily that received a total family income,
2 that, in relation to family size, does not ex-
3 ceed the poverty line.

4 “(iii) EXCESS NUMBER.—The term
5 ‘excess number’ means, used with respect
6 to the excess number of unemployed indi-
7 viduals within a State, the number that
8 represents the number of unemployed indi-
9 viduals in excess of 4½ percent of the ci-
10 vilian labor force in the State.

11 “(5) ADJUSTMENTS IN ALLOTMENTS BASED ON
12 DIFFERENCES WITH UNCONSOLIDATED FOR-
13 MULAS.—

14 “(A) IN GENERAL.—The Secretary shall
15 ensure that for any fiscal year no State has an
16 allotment difference, as defined in subpara-
17 graph (C), that is less than zero. The Secretary
18 shall adjust the amounts allotted to the States
19 under this subsection in accordance with sub-
20 paragraph (B) if necessary to carry out this
21 subparagraph.

22 “(B) ADJUSTMENTS IN ALLOTMENTS.—

23 “(i) REDISTRIBUTION OF EXCESS
24 AMOUNTS.—



1 “(I) IN GENERAL.—If necessary
2 to carry out subparagraph (A), the
3 Secretary shall reduce the amounts
4 that would be allotted under para-
5 graphs (3) and (4) to States that have
6 an excess allotment difference, as de-
7 fined in subclause (II), by the amount
8 of such excess, and use such amounts
9 to increase the allotments to States
10 that have an allotment difference less
11 than zero.

12 “(II) EXCESS AMOUNTS.—For
13 purposes of subclause (I), the term
14 ‘excess’ allotment difference means an
15 allotment difference for a State that
16 is—

17 “(aa) in excess of 3 percent
18 of the amount described in sub-
19 paragraph (C)(i)(II); or

20 “(bb) in excess of a percent-
21 age established by the Secretary
22 that is greater than 3 percent of
23 the amount described in subpara-
24 graph (C)(i)(II) if the Secretary
25 determines that such greater per-



1 centage is sufficient to carry out
2 subparagraph (A).

3 “(ii) USE OF AMOUNTS AVAILABLE
4 UNDER NATIONAL RESERVE ACCOUNT.—If
5 the funds available under clause (i) are in-
6 sufficient to carry out subparagraph (A),
7 the Secretary shall use funds reserved
8 under section 132(a) in such amounts as
9 are necessary to increase the allotments to
10 States to meet the requirements of sub-
11 paragraph (A). Such funds shall be used in
12 the same manner as the States use the
13 other funds allotted under this subsection.

14 “(C) DEFINITION OF ALLOTMENT DIF-
15 FERENCE.—

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

19 “(I) the total amount a State
20 would receive of the amounts available
21 for allotment under subsection (b)(2)
22 for a fiscal year pursuant to para-
23 graphs (3) and (4); and

24 “(II) the total amount the State
25 would receive of the amounts available



1 for allotment under subsection (b)(2)
2 for the fiscal year if such amounts
3 were allotted pursuant to the uncon-
4 solidated formulas (applied as de-
5 scribed in clause (iii)) that were used
6 in allotting funds for fiscal year 2005.

7 “(ii) UNCONSOLIDATED FORMULAS.—
8 For purposes of clause (i), the unconsoli-
9 dated formulas are:

10 “(I) The requirements for the al-
11 lotment of funds to the States con-
12 tained in section 132(b)(1)(B) of this
13 Act (as in effect on the day before the
14 date of enactment of the Job Training
15 Improvement Act of 2005) that were
16 applicable to the allotment of funds
17 under such section for fiscal year
18 2005.

19 “(II) The requirements for the
20 allotment of funds to the States con-
21 tained in section 132(b)(2)(B) of this
22 Act (as in effect on the day before the
23 date of enactment of the Job Training
24 Improvement Act of 2005) that were
25 applicable to the allotment of funds



1 under such section for fiscal year
2 2005.

3 “(III) The requirements for the
4 allotment of funds to the States that
5 were contained in section 6 of the
6 Wagner-Peyser Act (as in effect on
7 the day before the date of enactment
8 of the Job Training Improvement Act
9 of 2005) that were applicable to the
10 allotment of funds under such Act for
11 fiscal year 2005.

12 “(IV) The requirements for the
13 allotment of funds to the States that
14 were established by the Secretary for
15 Reemployment Services Grants that
16 were applicable to the allotment of
17 funds for such grants for fiscal year
18 2005.

19 “(iii) PROPORTIONATE APPLICATION
20 OF UNCONSOLIDATED FORMULAS BASED
21 ON FISCAL YEAR 2005.—In calculating the
22 amount under clause (i)(II), each of the
23 unconsolidated formulas identified in
24 clause (ii) shall be applied, respectively,
25 only to the proportionate share of the total



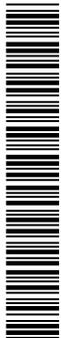
1 amount of funds available for allotment
2 under subsection (b)(2) for a fiscal year
3 that is equal to the proportionate share to
4 which each of the unconsolidated formulas
5 applied with respect to the total amount of
6 funds allotted to the States under all of
7 the unconsolidated formulas in fiscal year
8 2005.

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

19 (3) REALLOTMENT.—Section 132(c) (29 U.S.C.
20 2862(c)) is amended—

21 (A) by amending paragraph (2) to read as
22 follows:

23 “(2) AMOUNT.—The amount available for real-
24 lotment for a program year is equal to the amount
25 by which the unexpended balance at the end of the



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

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

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

17 (B) in paragraph (3)—

18 (i) by striking “for the prior program
19 year” and inserting “for the program year
20 in which the determination is made”; and

21 (ii) by striking “such prior program
22 year” and inserting “such program year”;

23 (C) by amending paragraph (4) to read as
24 follows:



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

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

8 (d) WITHIN STATE ALLOCATIONS.—

9 (1) RESERVATION FOR STATE ACTIVITIES.—

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

12 “(a) RESERVATION FOR STATEWIDE ACTIVITIES.—

13 The Governor of a State may reserve up to 50 percent
14 of the total amount allotted to the State under section 132
15 for a fiscal year to carry out the statewide activities de-
16 scribed in section 134(a).”.

17 (2) ALLOCATIONS TO LOCAL AREAS.—Section

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

20 “(b) ALLOCATIONS TO LOCAL AREAS.—

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



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

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

7 “(2) ESTABLISHED FORMULA.—

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

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

16 “(ii) 25 percent on the basis of the
17 relative excess number of unemployed indi-
18 viduals in each local area, compared to the
19 total excess number of unemployed individ-
20 uals in all local areas in the State; and

21 “(iii) 15 percent shall be allotted on
22 the basis of the relative number of dis-
23 advantaged adults in each local area, com-
24 pared to the total number of disadvantaged
25 adults in all local areas in the State.



1 “(B) MINIMUM AND MAXIMUM PERCENT-
2 AGES.—The Governor shall ensure that no local
3 area shall receive an allocation for a fiscal year
4 under this paragraph that is less than 90 per-
5 cent or greater than 130 percent of the alloca-
6 tion percentage of the local area for the pre-
7 ceding fiscal year.

8 “(C) DEFINITIONS.—

9 “(i) ALLOCATION PERCENTAGE.—The
10 term ‘allocation percentage’, used with re-
11 spect to fiscal year 2006 or a subsequent
12 fiscal year, means a percentage of amount
13 described in paragraph (1)(A) that is re-
14 ceived through an allocation made under
15 this paragraph for the fiscal year. The
16 term, with respect to fiscal year 2005,
17 means the percentage of the amounts allo-
18 cated to local areas under this chapter (as
19 in effect on the day before the date of en-
20 actment of the Job Training Improvement
21 Act of 2005) that is received by the local
22 area involved for fiscal year 2005.

23 “(ii) DISADVANTAGED ADULT.—The
24 term ‘disadvantaged adult’ means an indi-
25 vidual who is age 22 through 72 who re-



1 ceived an income, or is a member of a fam-
2 ily that received a total family income,
3 that, in relation to family size, does not ex-
4 ceed the poverty line.

5 “(iii) EXCESS NUMBER.—The term
6 ‘excess number’ means, used with respect
7 to the excess number of unemployed indi-
8 viduals within a local area, the number
9 that represents the number of unemployed
10 individuals in excess of 4.5 percent of the
11 civilian labor force in the local area.

12 “(3) DISCRETIONARY ALLOCATION.—The Gov-
13 ernor shall allocate to local areas the amounts de-
14 scribed in paragraph (1)(B) based on a formula de-
15 veloped in consultation with the State board and
16 local boards. Such formula shall be objective and
17 geographically equitable and may include such demo-
18 graphic and economic factors as the Governor, after
19 consultation with the State board and local boards,
20 determines are appropriate.

21 “(4) LOCAL ADMINISTRATIVE COST LIMIT.—

22 “(A) IN GENERAL.—Of the amounts allo-
23 cated to a local area under this subsection and
24 section 128(b) for a fiscal year, not more than
25 10 percent of the amount may be used by the



1 local boards for the administrative costs of car-
2 rying out local workforce investment activities
3 under this chapter or chapter 4.

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

11 (3) REALLOCATION AMONG LOCAL AREAS.—

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

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

15 (B) by amending paragraph (2) to read as
16 follows:

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



1 of this paragraph, the unexpended balance is the
2 amount that is the difference between—

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

9 “(B) the accrued expenditures during such
10 prior program year.”;

11 (C) by amending paragraph (3)—

12 (i) by striking “subsection (b)(3)”
13 each place it appears and inserting “sub-
14 section (b)”;

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

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

21 (iv) by striking the last sentence; and

22 (D) by amending paragraph (4) to read as
23 follows:

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



1 which does not have an amount available for re-
2 allocation under paragraph (2) for the program year
3 for which the determination under paragraph (2) is
4 made.”.

5 (e) USE OF FUNDS FOR EMPLOYMENT AND TRAIN-
6 ING ACTIVITIES.—

7 (1) STATEWIDE EMPLOYMENT AND TRAINING
8 ACTIVITIES.—

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

12 “(1) IN GENERAL.—

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

24 “(B) METHOD OF DISTRIBUTING
25 FUNDS.—The method of distributing funds



1 under this paragraph shall be developed in con-
2 sultation with the State board and local boards.
3 Such method of distribution, which may include
4 the formula established under section
5 121(h)(3), shall be objective and geographically
6 equitable, and may include factors such as the
7 number of centers in the local area that have
8 been certified, the population served by such
9 centers, and the performance of such centers.

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

12 “(i) under section 133(a) and not
13 used under subparagraph (A), may be used
14 for statewide activities described in para-
15 graph (2); and

16 “(ii) under section 133(a) and not
17 used under subparagraph (A), and under
18 section 128(a) may be used to carry out
19 any of the statewide employment and
20 training activities described in paragraph
21 (3).”.

22 (B) STATEWIDE RAPID RESPONSE ACTIVI-
23 TIES.—Section 134(a)(2) (29 U.S.C.
24 2864(a)(2)) is amended to read as follows:



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

5 “(A) provision of rapid response activities,
6 carried out in local areas by the State or by an
7 entity designated by the State, working in con-
8 junction with the local boards and the chief
9 elected officials in the local areas; and

10 “(B) provision of additional assistance to
11 local areas that experience disasters, mass lay-
12 offs or plant closings, or other events that pre-
13 cipitate substantial increases in the number of
14 unemployed individuals, carried out in local
15 areas by the State, working in conjunction with
16 the local boards and the chief elected officials in
17 the local areas.”.

18 (C) STATEWIDE EMPLOYMENT AND TRAIN-
19 ING ACTIVITIES.—Section 134(a)(3) (29 U.S.C.
20 2864(a)(3)) is amended to read as follows:

21 “(3) STATEWIDE ACTIVITIES.—Funds reserved
22 by a Governor for a State as described in sections
23 133(a) and 128(a) may be used for statewide activi-
24 ties including—



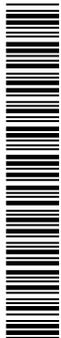
1 “(A) supporting the provision of core serv-
2 ices described in section 134(c)(2) in the one-
3 stop delivery system;

4 “(B) conducting evaluations under section
5 136(e) of activities authorized under this chap-
6 ter and chapter 4 in coordination with evalua-
7 tions carried out by the Secretary under section
8 172, research, and demonstration projects;

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

16 “(D) providing technical assistance and ca-
17 pacity building to local areas, one-stop opera-
18 tors, one-stop partners, and eligible providers,
19 including the development and training of staff,
20 the development of exemplary program activi-
21 ties, and the provision of technical assistance to
22 local areas that fail to meet local performance
23 measures;

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



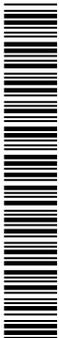
1 “(F) carrying out monitoring and oversight
2 of activities carried out under this chapter and
3 chapter 4;

4 “(G) implementing innovative programs,
5 such as incumbent worker training programs,
6 programs and strategies designed to meet the
7 needs of businesses in the State, including small
8 businesses, and engage employers in workforce
9 activities, and programs serving individuals
10 with disabilities consistent with section 188;

11 “(H) developing strategies for effectively
12 serving hard-to-serve populations and for inte-
13 grating programs and services among one-stop
14 partners;

15 “(I) implementing innovative programs for
16 displaced homemakers, which for purposes of
17 this subparagraph may include an individual
18 who is receiving public assistance and is within
19 2 years of exhausting lifetime eligibility under
20 Part A of title IV of the Social Security Act (42
21 U.S.C. 601 et seq.);

22 “(J) implementing programs to increase
23 the number of individuals training for and
24 placed in nontraditional employment; and



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

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) (29 U.S.C. 2864(b)) is
15 amended—

16 (A) by striking “under paragraph (2)(A)”
17 and all that follows through “section
18 133(b)(2)(B)” and inserting “under section
19 133(b)”; and

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

23 (3) TECHNICAL AMENDMENT.—Section 134 is
24 further amended by redesignating subsections (d)
25 and (e) as subsections (c) and (d), respectively.



1 (4) REQUIRED LOCAL EMPLOYMENT AND
2 TRAINING ACTIVITIES.—

3 (A) ALLOCATED FUNDS.—Section
4 134(c)(1) (29 U.S.C. 2864(c)(1)) (as redesignig-
5 nated by paragraph (3)) is amended to read as
6 follows:

7 “(1) IN GENERAL.—Funds allocated to a local
8 area for adults under section 133(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) through the one-stop delivery
13 system in accordance with such paragraph;

14 “(C) to provide the intensive services de-
15 scribed in paragraph (3) to adults described in
16 such paragraph; and

17 “(D) to provide training services described
18 in paragraph (4) to adults described in such
19 paragraph.”.

20 (B) CORE SERVICES.—Section 134(c)(2)
21 (29 U.S.C. 2864(c)(2)) (as redesignated by
22 paragraph (3)) is amended—

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



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

5 (iii) by amending subparagraph (D) to
6 read as follows:

7 “(D) labor exchange services, including—

8 “(i) job search and placement assist-
9 ance, and where appropriate career coun-
10 seling;

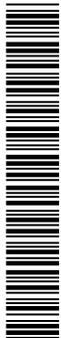
11 “(ii) appropriate recruitment services
12 for employers; and

13 “(iii) reemployment services provided
14 to unemployment claimants.”;

15 (iv) in subparagraph (I), by inserting
16 “and the administration of the work test
17 for the unemployment compensation sys-
18 tem” after “compensation”; and

19 (v) by amending subparagraph (J) to
20 read as follows:

21 “(J) assistance in establishing eligibility
22 for programs of financial aid assistance for
23 training and education programs that are not
24 funded under this Act and are available in the
25 local area; and”.



1 (C) INTENSIVE SERVICES.—Section
2 134(c)(3) (29 U.S.C. 2864(c)(3) (as redesign-
3 nated by paragraph (3) of this subsection) is
4 amended—

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

7 “(A) IN GENERAL.—

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

12 “(I) are unemployed and who
13 have been determined by the one-stop
14 operator to be

15 “(aa) unlikely or unable to
16 obtain suitable employment
17 through core services; and

18 “(bb) in need of intensive
19 services in order to obtain suit-
20 able employment; or

21 “(II) are employed, but who are
22 determined by a one-stop operator to
23 be in need of intensive services to ob-
24 tain or retain suitable employment.



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

4 (ii) in subparagraph (C)—

5 (I) in clause (v), by striking “for
6 participants seeking training services
7 under paragraph (4)”; and

8 (II) by adding the following
9 clauses after clause (vi):

10 “(vii) Internships and work experi-
11 ence.

12 “(viii) Literacy activities relating to
13 basic work readiness, information and com-
14 munication technology literacy activities,
15 and financial literacy activities.

16 “(ix) Out-of-area job search assistance
17 and relocation assistance.”.

18 (D) TRAINING SERVICES.—Section
19 134(c)(4) (as redesignated by paragraph (3) of
20 this subsection) is amended—

21 (i) by amending subparagraph (A) to
22 read as follows:

23 “(A) IN GENERAL.—

24 “(i) ELIGIBILITY.—Funds allocated to
25 a local area under section 133(b) shall be



1 used to provide training services to adults
2 who—

3 “(I) after an interview, evalua-
4 tion, or assessment, and case manage-
5 ment, have been determined by a one-
6 stop operator or one-stop partner, as
7 appropriate, to—

8 “(aa) be unlikely or unable
9 to obtain or retain suitable em-
10 ployment through intensive serv-
11 ices under paragraph (3)(A);

12 “(bb) be in need of training
13 services to obtain or retain suit-
14 able employment; and

15 “(cc) have the skills and
16 qualifications to successfully par-
17 ticipate in the selected program
18 of training services;

19 “(II) select programs of training
20 services that are directly linked to the
21 employment opportunities in the local
22 area involved or in another area in
23 which the adults receiving such serv-
24 ices are willing to commute or relo-
25 cate;



1 “(III) who meet the requirements
2 of subparagraph (B); and

3 “(IV) who are determined eligible
4 in accordance with the priority system
5 in effect under subparagraph (E).

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

9 (ii) in subparagraph (B)(i), by strik-
10 ing “Except” and inserting “Notwith-
11 standing section 479B of the Higher Edu-
12 cation Act of 1965 (20 U.S.C. 1087uu)
13 and except”;

14 (iii) in subparagraph (D)—

15 (I) in clause (viii) by inserting
16 “(including English as a Second Lan-
17 guage)” after “activities”;

18 (II) by redesignating clause (ix)
19 as clause (x) and inserting after
20 clause (viii) the following:

21 “(ix) training that integrates occupa-
22 tional skills training and English language
23 acquisition;”.

24 (iv) by amending subparagraph (E) to
25 read as follows:



1 “(E) PRIORITY.—

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

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

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

22 (v) in subparagraph (F), by adding
23 the following clause after clause (iii):

24 “(iv) ENHANCED INDIVIDUAL TRAIN-
25 ING ACCOUNTS.—Each local board may,



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

9 (vi) in subparagraph (G)(iv), by redesi-
10 gnating subclause (IV) as subclause (V)
11 and inserting after subclause (III) the fol-
12 lowing:

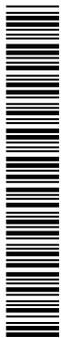
13 “(IV) Individuals with disabil-
14 ities.”.

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

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

19 “(1) DISCRETIONARY ONE-STOP DELIVERY AC-
20 TIVITIES.—

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



1 “(i) customized screening and referral
2 of qualified participants in training serv-
3 ices to employers;

4 “(ii) customized employment-related
5 services to employers on a fee-for-service
6 basis;

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

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

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

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



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

3 “(i) IN GENERAL.—Funds allocated to
4 a local area under 133(b) may be used to
5 provide, through the one-stop delivery sys-
6 tem and in collaboration with the appro-
7 priate programs and resources of the one-
8 stop partners, work support activities de-
9 signed 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 “(ii) 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. PERFORMANCE ACCOUNTABILITY SYSTEM.**

14 (a) STATE PERFORMANCE MEASURES.—

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

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

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

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



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

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

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

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

11 (E) by amending subparagraph (A)(ii) to
12 read as follows:

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

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

20 “(II) attainment of secondary
21 school diploma, General Educational
22 Development credential (GED), or
23 other State-recognized equivalent (in-
24 cluding recognized alternative stand-



1 ards for individuals with disabilities);

2 and

3 “(III) literacy or numeracy
4 gains.”;

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

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

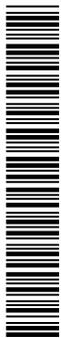
14 (3) LEVELS OF PERFORMANCE.—Section
15 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is
16 amended—

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

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

23 (C) in clause (iii)—

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



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

4 (D) in clause (iv)—

5 (i) by striking subclause (I);

6 (ii) by redesignating subclauses (II)
7 and (III) as subclauses (I) and (II), re-
8 spectively; and

9 (iii) in subclause (I) (as so redesi-
10 gnated)—

11 (I) by striking “taking into ac-
12 count” and inserting “which shall be
13 adjusted based on”;

14 (II) by inserting “, such as un-
15 employment rates and job losses or
16 gains in particular industries” after
17 “economic conditions”; and

18 (III) by inserting “, such as indi-
19 cators of poor work history, lack of
20 work experience, low levels of literacy
21 or English proficiency, disability sta-
22 tus, and welfare dependency” after
23 “program”;

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



1 (F) by redesignating clause (vi) as clause
2 (v).

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

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

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

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

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

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



1 literacy or English proficiency, disability status, and
2 welfare dependency.”.

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;

8 (2) in paragraph (2)—

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

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

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

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

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

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

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



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

2 and

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

4 and inserting “section 136(i)”.

5 (e) SANCTIONS FOR LOCAL AREAS.—Section 136(h)

6 (29 U.S.C. 2871(h)) is amended—

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

8 (2) by amending paragraph (2)(B) to read as

9 follows:

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

18 (f) INCENTIVE GRANTS.—Section 136(i) (29 U.S.C.

19 2871(i)) is amended to read as follows:

20 “(i) INCENTIVE GRANTS FOR STATES AND LOCAL
21 AREAS.—

22 “(1) INCENTIVE GRANTS FOR STATES.—

23 “(A) IN GENERAL.—From funds appro-
24 priated under section 174, the Secretary may
25 award grants to States for exemplary perform-



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

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

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

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



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

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

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

18 (h) REPEAL OF DEFINITIONS.—Sections 502 and
19 503 (and the items related to such sections in the table
20 of contents) are repealed.

21 **SEC. 114. AUTHORIZATION OF APPROPRIATIONS.**

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



1 sums as may be necessary for each of fiscal years 2007
2 through 2011”.

3 (b) ADULT EMPLOYMENT AND TRAINING ACTIVI-
4 TIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by
5 striking “section 132(a)(1), such sums as may be nec-
6 essary for each of fiscal years 1999 through 2003” and
7 inserting “section 132(a), \$3,140,000,000 for fiscal year
8 2006 and such sums as may be necessary for each of fiscal
9 years 2007 through 2011”.

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

13 **SEC. 115. JOB CORPS.**

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

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

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

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



1 (b) INDICATORS OF PERFORMANCE AND ADDITIONAL
2 INFORMATION.—Section 159(e) (29 U.S.C. 2893(e)) is
3 amended—

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

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

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

13 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
14 161 (29 U.S.C. 2901) is amended by striking “1999
15 through 2003” and inserting “2006 through 2011”.

16 **SEC. 116. NATIVE AMERICAN PROGRAMS.**

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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



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

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

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

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

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

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



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

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

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

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

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



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

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

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

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

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

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



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

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

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

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

“Sec. 169. Youth challenge grants.”.

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

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



1 (1) by striking subsection (b);

2 (2) by striking

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

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

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

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

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

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

24 “(d) BEST PRACTICES COORDINATION.—The Sec-
25 retary shall establish a system whereby States may share



1 information regarding best practices with regards to the
2 operation of workforce investment activities under this
3 Act.”.

4 **SEC. 121. DEMONSTRATION, PILOT, MULTISERVICE, RE-**
5 **SEARCH AND MULTI-STATE PROJECTS.**

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

8 (1) in paragraph (1)—

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

11 (B) by amending subparagraphs (A)
12 through (D) to read as follows:

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

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

24 “(C) projects that focus on opportunities
25 for employment in industries and sectors of in-



1 dustries that are experiencing or are likely to
2 experience high rates of growth, including those
3 relating to information technology;

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

7 (C) by striking subparagraph (E);

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

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

14 (F) by inserting after subparagraph (F)
15 (as so redesignated) the following:

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

24 (G) by amending subparagraph (H) to
25 read as follows:



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

7 (2) in paragraph (2)—

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

9 (B) by redesignating subparagraph (C) as
10 subparagraph (B).

11 (b) MULTISERVICE PROJECTS.—Section
12 171(e)(2)(B) (29 U.S.C. 2916(e)(2)(B)) is amended to
13 read as follows:

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

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

22 Section 171(d) of the Workforce Investment Act of
23 1998 is amended to read as follows:

24 “(d) COMMUNITY-BASED JOB TRAINING.—



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

13 “(2) GRANTS.—In carrying out the demonstra-
14 tion project under this subsection, the Secretary
15 shall award grants, in accordance with generally ap-
16 plicable Federal requirements, to eligible entities to
17 carry out activities authorized under this subsection.

18 “(3) DEFINITIONS.—

19 “(A) ELIGIBLE ENTITY.—In this sub-
20 section, the term ‘eligible entity’ means a quali-
21 fied training provider or a consortium of quali-
22 fied training providers that shall work in con-
23 junction with—

24 “(i) the local workforce investment
25 system; and



1 “(ii) business or businesses in a quali-
 2 fied industry or an industry association in
 3 a qualified industry.

4 “(B) QUALIFIED INDUSTRY.—In this sub-
 5 section, the term ‘qualified industry’ means an
 6 industry or economic sector that is projected to
 7 experience significant growth, such as an indus-
 8 try and economic sector that—

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

11 “(ii) has significant impact on the
 12 economy;

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

15 “(iv) is being transformed by tech-
 16 nology and innovation requiring new
 17 knowledge or skill sets for workers;

18 “(v) is a new or emerging industry or
 19 economic sector that is projected to grow;
 20 or

21 “(vi) has high-skilled occupations and
 22 significant labor shortages in the local
 23 area.

24 “(C) QUALIFIED TRAINING PROVIDER.—In
 25 this subsection, the term ‘qualified training pro-



1 vider’ means an institution of higher education,
2 as such term is defined in section 101 of the
3 Higher Education Act of 1965 (20 U.S.C.
4 1001), that provides not less than a 2-year pro-
5 gram that is acceptable for full credit toward a
6 bachelor’s degree, or is a tribally controlled col-
7 lege or university.

8 “(4) AUTHORITY TO REQUIRE NON-FEDERAL
9 SHARE.—The Secretary may require that recipients
10 of grants under this subsection provide a non-Fed-
11 eral share, from either cash or noncash resources, of
12 the costs of activities carried out under a grant
13 awarded under this subsection.

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

16 “(A) the development, by a qualified train-
17 ing provider, in consultation with representa-
18 tives of qualified industries, of rigorous training
19 and education programs related to employment
20 in a qualified industry identified in the eligible
21 entity’s application;

22 “(B) training of adults and dislocated
23 workers in the skills and competencies needed
24 to obtain or upgrade employment in a qualified



1 industry identified in the eligible entity's appli-
2 cation;

3 “(C) disseminating to adults and dis-
4 located workers, through the one-stop delivery
5 system, information on high-growth, high-de-
6 mand occupations in qualified industries;

7 “(D) placing, through the one-stop delivery
8 system, trained individuals into employment in
9 qualified industries; and

10 “(E) increasing the integration of qualified
11 training providers with activities of businesses
12 and the one-stop delivery system to meet the
13 training needs for qualified industries.

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

19 “(A) a description of the qualified training
20 provider that will offer training under the
21 grant;

22 “(B) an economic analysis of the local
23 labor market to identify high-growth, high-de-
24 mand industries and identify the workforce
25 issues faced by those industries;



1 “(C) a description of the qualified industry
2 for which training will occur and the availability
3 of competencies on which training will be based;

4 “(D) an assurance that the application was
5 developed in consultation with the local board
6 or boards in the area or areas where the pro-
7 posed grant will be used;

8 “(E) performance outcomes for the grant,
9 including expected number of individuals to be
10 trained in a qualified industry, the employment
11 and retention rates for such individuals in a
12 qualified industry, and earnings increases for
13 such individuals;

14 “(F) a description of how the activities
15 funded by the proposed grant will be coordi-
16 nated with activities provided through the one-
17 stop delivery system in the local area or areas;
18 and

19 “(G) a description of any local or private
20 resources that will support the activities carried
21 out under this subsection and allow the entity
22 to carry out and expand such activities after
23 the expiration of the grant.

24 “(7) FACTORS FOR AWARD OF GRANT.—



1 “(A) IN GENERAL.—In awarding grants
2 under this subsection the Secretary shall
3 consider—

4 “(i) the extent of public and private
5 collaboration, including existing partner-
6 ships among industries, qualified training
7 providers, and the public workforce invest-
8 ment system;

9 “(ii) the extent to which the grant will
10 provide job seekers with employment op-
11 portunities in high-growth, high-demand
12 occupations;

13 “(iii) the extent to which the grant
14 will expand the local one-stop delivery sys-
15 tem’s capacity to be demand-driven and re-
16 sponsive to local economic needs;

17 “(iv) the extent to which local busi-
18 nesses commit to hire or retain individuals
19 who receive training through the grant;
20 and

21 “(v) the extent to which the eligible
22 entity commits to make any newly devel-
23 oped products, such as competencies or
24 training curriculum, available for distribu-
25 tion nationally.



1 “(B) LEVERAGING OF RESOURCES.—In
2 awarding grants under this subsection, the Sec-
3 retary shall also consider—

4 “(i) the extent to which local or pri-
5 vate resources, in addition to the funds
6 provided under this subsection, will be
7 made available by the eligibly entity to
8 support the activities carried out under
9 this subsection; and

10 “(ii) the ability of an eligible entity to
11 continue to carry out and expand such ac-
12 tivities after the expiration of the grant.

13 “(C) DISTRIBUTION OF GRANTS.—In
14 awarding grants under this subsection the Sec-
15 retary shall ensure an equitable distribution of
16 such grants across geographically diverse areas.

17 “(8) PERFORMANCE ACCOUNTABILITY AND
18 EVALUATION.—

19 “(A) PERFORMANCE ACCOUNTABILITY.—
20 The Secretary shall require an eligible entity
21 that receives a grant under this subsection to
22 report to the Secretary on the employment out-
23 comes obtained by individuals receiving training
24 under this subsection using the indicators of



1 performance identified in the eligible entity's
2 grant application.

3 “(B) EVALUATION.—The Secretary may
4 require that an eligible entity that receives a
5 grant under this subsection participate in an
6 evaluation of activities carried out under this
7 subsection, including an evaluation using the
8 techniques described in section 172(c).”.

9 **SEC. 123. PERSONAL REEMPLOYMENT ACCOUNTS.**

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

12 “(e) PERSONAL REEMPLOYMENT ACCOUNTS.—

13 “(1) DEFINITION.—In this subsection, the term
14 ‘State’ means each of the several States of the
15 United States, the District of Columbia, the Com-
16 monwealth of Puerto Rico, and the United States
17 Virgin Islands.

18 “(2) DEMONSTRATION PROJECT.—In addition
19 to the demonstration projects under subsection (b),
20 the Secretary may establish and implement a na-
21 tional demonstration project designed to analyze and
22 provide data on workforce training programs that
23 accelerate the reemployment of unemployed individ-
24 uals, promote the retention in employment of such
25 individuals, and provide such individuals with en-



1 hanced flexibility, choice, and control in obtaining
2 intensive reemployment, training, and supportive
3 services.

4 “(3) GRANTS.—

5 “(A) IN GENERAL.—In carrying out the
6 demonstration project, the Secretary shall make
7 grants, on a competitive basis, to eligible enti-
8 ties to provide personal reemployment accounts
9 to eligible individuals. In awarding grants under
10 this subsection the Secretary shall take into
11 consideration awarding grants to eligible enti-
12 ties from diverse geographic areas, including
13 rural areas.

14 “(B) DURATION.—The Secretary shall
15 make the grants for periods of not less than 2
16 years and may renew the grant for each of the
17 succeeding 3 years.

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

20 “(A) a State; or

21 “(B) a local board or consortium of local
22 boards.

23 “(5) USE OF FUNDS.—

24 “(A) IN GENERAL.—An eligible entity that
25 receives a grant under this subsection shall use



1 the grant funds to provide, through a local area
2 or areas, eligible individuals with personal re-
3 employment accounts. An eligible individual
4 may receive only 1 personal reemployment ac-
5 count.

6 “(B) GEOGRAPHIC AREA AND AMOUNT.—

7 “(i) IN GENERAL.—The eligible entity
8 shall establish the amount of a personal re-
9 employment account for each eligible indi-
10 vidual participating, which shall be uni-
11 form throughout the area represented by
12 the eligible entity, and shall not exceed
13 \$3,000.

14 “(ii) OPTION FOR STATES.—If the eli-
15 gible entity is a State, the eligible entity
16 may choose to use the grant statewide, if
17 practicable, or only in specified local areas
18 within a State.

19 “(C) ELIGIBLE INDIVIDUALS.—

20 “(i) IN GENERAL.—Each eligible enti-
21 ty shall establish eligibility criteria for indi-
22 viduals for personal reemployment ac-
23 counts in accordance with this subpara-
24 graph.

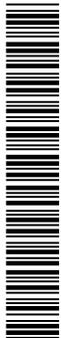


1 “(ii) ELIGIBILITY CRITERIA REQUIRE-
2 MENTS.—

3 “(I) IN GENERAL.—Subject to
4 subclause (II), an individual shall be
5 eligible to receive a personal reemploy-
6 ment account under a grant awarded
7 under this subsection if, beginning
8 after the date of enactment of this
9 subsection, the individual—

10 “(aa) is identified by the
11 State pursuant to section
12 303(j)(1) of the Social Security
13 Act (42 U.S.C. 503(j)(1)) as like-
14 ly to exhaust regular unemploy-
15 ment compensation and in need
16 of job search assistance to make
17 a successful transition to new
18 employment, or the individual’s
19 unemployment can be attributed
20 in substantial part to unfair com-
21 petition from Federal Prison In-
22 dustries, Incorporated;

23 “(bb) is receiving regular
24 unemployment compensation
25 under any Federal or State un-



1 employment compensation pro-
2 gram administered by the State;
3 and

4 “(cc) is eligible for not less
5 than 20 weeks of regular unem-
6 ployment compensation described
7 in item (bb).

8 “(II) ADDITIONAL ELIGIBILITY
9 AND PRIORITY CRITERIA.—An eligible
10 entity may establish criteria that are
11 in addition to the criteria described in
12 subclause (I) for the eligibility of indi-
13 viduals to receive a personal reemploy-
14 ment account under this subsection.
15 An eligible entity may also establish
16 criteria for priority in the provision of
17 a personal reemployment account to
18 such eligible individuals under a grant
19 awarded under this subsection.

20 “(iii) TRANSITION RULE.—

21 “(I) PREVIOUSLY IDENTIFIED AS
22 LIKELY TO EXHAUST UNEMPLOYMENT
23 COMPENSATION.—

24 “(aa) IN GENERAL.—At the
25 option of the eligible entity, and



1 subject to item (bb), an indi-
 2 vidual may be eligible to receive a
 3 personal reemployment account
 4 under this subsection if the
 5 individual—

6 “(AA) during the 13-
 7 week period ending the week
 8 prior to the date of the en-
 9 actment of the subsection,
 10 was identified by the State
 11 pursuant to section
 12 303(j)(1) of the Social Secu-
 13 rity Act (42 U.S.C.
 14 503(j)(1)) as likely to ex-
 15 haust regular unemployment
 16 compensation and in need of
 17 job search assistance to
 18 make a successful transition
 19 to new employment; and

20 “(BB) otherwise meets
 21 the requirements of clause
 22 (ii)(I)(bb) and (cc).

23 “(bb) ADDITIONAL ELIGI-
 24 BILITY AND PRIORITY CRI-
 25 TERIA.—An eligible entity may



1 establish criteria that is in addi-
2 tion to the criteria described in
3 item (aa) for the eligibility of in-
4 dividuals to receive a personal re-
5 employment account under this
6 subsection. An eligible entity may
7 also establish criteria for priority
8 in the provision of such accounts
9 to such eligible individuals under
10 this subsection.

11 “(II) PREVIOUSLY EXHAUSTED
12 UNEMPLOYMENT COMPENSATION.—At
13 the option of the eligible entity, an in-
14 dividual may be eligible to receive a
15 personal reemployment account under
16 a grant awarded under this subsection
17 if the individual—

18 “(aa) during the 26-week
19 period ending the week prior to
20 the date of the enactment of this
21 subsection, exhausted all rights
22 to any unemployment compensa-
23 tion; and

24 “(bb)(AA) is enrolled in
25 training and needs additional



1 support to complete such train-
2 ing, with a priority of service to
3 be provided to such individuals
4 who are training for shortage oc-
5 cupations or high-growth indus-
6 tries; or

7 “(BB) is separated from
8 employment in an industry or oc-
9 cupation that has experienced de-
10 clining employment, or no longer
11 provides any employment, in the
12 local labor market during the 2-
13 year period ending on the date of
14 the determination of eligibility of
15 the individual under this sub-
16 paragraph.

17 “(iv) NO INDIVIDUAL ENTITLE-
18 MENT.—Nothing in this subsection shall be
19 construed to entitle any individual to re-
20 ceive a personal reemployment account.

21 “(D) LIMITATIONS.—

22 “(i) INFORMATION AND ATTESTA-
23 TION.—Prior to the establishment of a per-
24 sonal reemployment account for an eligible
25 individual, the eligible entity receiving a



1 grant, through the one-stop delivery sys-
2 tem in the participating local area or
3 areas, shall ensure that the individual—

4 “(I) is informed of the require-
5 ments applicable to the personal reem-
6 ployment account, including the allow-
7 able uses of funds from the account,
8 the limitations on access to services
9 described in paragraph (7)(A)(iii) and
10 a description of such services, and the
11 conditions for receiving a reemploy-
12 ment bonus;

13 “(II) has the option to develop a
14 personal reemployment plan which will
15 identify the employment goals and ap-
16 propriate combination of services se-
17 lected by the individual to achieve the
18 employment goals; and

19 “(III) signs an attestation that
20 the individual has been given the op-
21 tion to develop a personal reemploy-
22 ment plan in accordance with sub-
23 clause (II), will comply with the re-
24 quirements under this subsection re-
25 lating to the personal reemployment

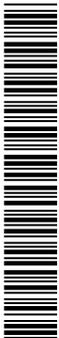


1 accounts, and will reimburse the ac-
2 count or, if the account has been ter-
3 minated, the grant awarded under
4 this subsection, for any amounts ex-
5 pended from the account that are not
6 allowable.

7 “(ii) PERIODIC INTERVIEWS.—If a re-
8 cipient exhausts his or her rights to any
9 unemployment compensation, and the re-
10 cipient has a remaining balance in his or
11 her personal reemployment account, the
12 one-stop delivery system shall conduct peri-
13 odic interviews with the recipient to assist
14 the recipient in meeting his or her indi-
15 vidual employment goals.

16 “(iii) USE OF PERSONAL REEMPLOY-
17 MENT ACCOUNTS.—The eligible entity re-
18 ceiving a grant shall ensure that eligible
19 individuals receiving a personal reemploy-
20 ment account use the account in accord-
21 ance with paragraph (7).

22 “(6) APPLICATION FOR GRANTS.—To be eligible
23 to receive a grant under this subsection, an eligible
24 entity shall submit an application to the Secretary at



1 such time, in such manner, and containing such in-
2 formation as the Secretary may require, including—

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

4 “(i) assurance that the application
5 was developed in conjunction with the local
6 board or boards and chief elected officials
7 where the personal reemployment accounts
8 shall be made available; and

9 “(ii) a description of the methods and
10 procedures for providing funds to local
11 areas where the personal reemployment ac-
12 counts shall be made available;

13 “(B) a description of the criteria and
14 methods to be used for determining eligibility
15 for the personal reemployment account, includ-
16 ing whether the eligible entity intends to include
17 the optional categories described in paragraph
18 (5)(C)(iii), and the additional criteria and pri-
19 ority for service that the eligible entity intends
20 to apply, if any, pursuant to paragraph
21 (5)(C)(ii)(II);

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



1 “(D) a description of safeguards to ensure
2 that funds from the personal reemployment ac-
3 counts are used for purposes authorized under
4 this subsection and to ensure the quality and
5 integrity of services and providers, consistent
6 with the purpose of providing eligible individ-
7 uals with enhanced flexibility, choice, and con-
8 trol in obtaining intensive reemployment, train-
9 ing, and supportive services;

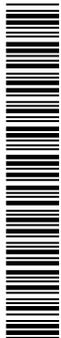
10 “(E) a description of how the eligible enti-
11 ty will coordinate the activities carried out
12 under this subsection with the employment and
13 training activities carried out under section 134
14 and other activities carried out by local boards
15 through the one-stop delivery system in the
16 State or local area; and

17 “(F) an assurance that the eligible entity
18 will comply with any evaluation and reporting
19 requirements the Secretary may require.

20 “(7) USE OF PERSONAL REEMPLOYMENT AC-
21 COUNTS.—

22 “(A) ALLOWABLE ACTIVITIES.—

23 “(i) IN GENERAL.—Subject to the re-
24 quirements contained in clauses (ii) and
25 (iii), a recipient of a personal reemploy-



1 ment account may use amounts in a per-
2 sonal reemployment account to purchase 1
3 or more of the following:

4 “(I) Intensive services, including
5 those type of services specified in sec-
6 tion 134(d)(3)(C).

7 “(II) Training services, including
8 those types of services specified in sec-
9 tion 134(d)(4)(D).

10 “(III) Supportive services, except
11 for needs related payments.

12 “(ii) DELIVERY OF SERVICES.—The
13 following requirements relating to delivery
14 of services shall apply to the grants under
15 this subsection:

16 “(I) Recipients may use funds
17 from the personal reemployment ac-
18 count to purchase the services de-
19 scribed in clause (i) through the one-
20 stop delivery system on a fee-for-serv-
21 ice basis, or through other providers,
22 consistent with the safeguards de-
23 scribed in paragraph (6)(D).

24 “(II) The eligible entity, through
25 the one-stop delivery system in the

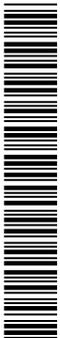


1 participating local area, may pay costs
2 for such services directly on behalf of
3 the recipient, through a voucher sys-
4 tem, or by reimbursement to the re-
5 cipient upon receipt of appropriate
6 cost documentation.

7 “(III) Each eligible entity,
8 through the one-stop delivery system
9 in the participating local area, shall
10 make available to recipients informa-
11 tion on training providers specified in
12 section 134(d)(4)(F)(ii), information
13 available to the one-stop delivery sys-
14 tem on providers of the intensive and
15 supportive services described in clause
16 (i), and information relating to occu-
17 pations in demand in the local area.

18 “(iii) LIMITATIONS.—The following
19 limitations shall apply with respect to per-
20 sonal reemployment accounts under this
21 subsection:

22 “(I) Amounts in a personal reem-
23 ployment account may be used for up
24 to 1 year from the date of the estab-
25 lishment of the account.



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

4 “(III) For the 1-year period fol-
 5 lowing the establishment of the ac-
 6 count, recipients may not receive in-
 7 tensive, supportive, or training serv-
 8 ices funded under this title except on
 9 a fee-for-services basis as specified in
 10 clause (ii)(I).

11 “(IV) Amounts in a personal re-
 12 employment account shall be non-
 13 transferable.

14 “(B) REEMPLOYMENT BONUS.—

15 “(i) IN GENERAL.—Subject to clause
 16 (ii)—

17 “(I) if a recipient determined eli-
 18 gible under paragraph (5)(C)(ii) ob-
 19 tains full-time employment before the
 20 13th week of unemployment for which
 21 unemployment compensation is paid,
 22 the balance of his or her personal re-
 23 employment account shall be provided
 24 directly to the recipient in cash; and



1 “(II) if a recipient determined el-
2 igible under paragraph (5)(C)(iii) ob-
3 tains full-time employment before the
4 end of the 13th week after the date
5 on which the account is established,
6 the balance of his or her personal re-
7 employment account shall be provided
8 directly to the recipient in cash.

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

12 “(I) 60 percent of the remaining
13 personal reemployment account bal-
14 ance shall be paid to the recipient at
15 the time of employment.

16 “(II) 40 percent of the remaining
17 personal reemployment account shall
18 be paid to the recipient after 26 weeks
19 of employment retention.

20 “(iii) EXCEPTION REGARDING SUBSE-
21 QUENT EMPLOYMENT.—If a recipient de-
22 scribed in clause (i) subsequently becomes
23 unemployed due to a lack of work after re-
24 ceiving the portion of the reemployment
25 bonus specified under clause (ii)(I), the in-



1 dividual may use the amount remaining in
2 the personal reemployment account for the
3 purposes described in subparagraph (A)
4 but may not be eligible for additional cash
5 payments under this subparagraph.

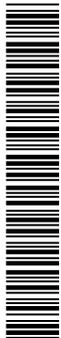
6 “(8) PROGRAM INFORMATION AND EVALUA-
7 TION.—

8 “(A) INFORMATION.—The Secretary may
9 require from eligible entities the collection and
10 reporting on such financial, performance, and
11 other program-related information as the Sec-
12 retary determines is appropriate to carry out
13 this subsection, including the evaluation de-
14 scribed in subparagraph (B).

15 “(B) EVALUATION.—

16 “(i) IN GENERAL.—The Secretary,
17 pursuant to the authority provided under
18 section 172, shall, directly or through
19 grants, contracts, or cooperative agreement
20 with appropriate entities, conduct an eval-
21 uation of the activities carried out under
22 any grants awarded under this subsection.

23 “(ii) REPORT.—The report to Con-
24 gress under section 172(e) relating to the
25 results of the evaluations required under



1 section 172 shall include the recommenda-
2 tion of the Secretary with respect to the
3 use of personal reemployment account as a
4 mechanism to assist individuals in obtain-
5 ing and retaining employment.”.

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

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

9 “(f) TRAINING FOR REALTIME WRITERS.—

10 “(1) IN GENERAL.—The Secretary may make
11 competitive grants to eligible entities under para-
12 graph (2)(A) to promote training and placement of
13 individuals as realtime writers in order to meet the
14 requirements for closed captioning of video program-
15 ming set forth in section 723 of the Communications
16 Act of 1934 (47 U.S.C. 613) and the rules pre-
17 scribed thereunder.

18 “(2) LIMITATIONS.—

19 “(A) ELIGIBLE ENTITIES.—For purposes
20 of this subsection, an eligible entity is a court
21 reporting or realtime writing training program
22 that—

23 “(i) can document and demonstrate to
24 the Secretary that it meets appropriate
25 standards of educational and financial ac-



1 countability, with a curriculum capable of
2 training realtime writers, qualified to pro-
3 vide captioning services and includes ar-
4 rangements to assist in the placement of
5 such individuals in employment as realtime
6 writers; and

7 “(ii) is and entity that—

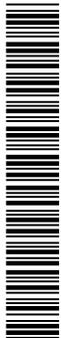
8 “(I) is an eligible provider of
9 training services under section 122; or

10 “(II) is accredited by an accred-
11 iting agency recognized by the De-
12 partment of Education; and partici-
13 pates in student aid programs under
14 title IV of the Higher Education Act
15 of 1965 (20 U.S.C. 1070 et seq.).

16 “(B) PRIORITY IN GRANTS.—In deter-
17 mining whether to award grants under this sec-
18 tion, the Secretary shall give priority to eligible
19 entities that—

20 “(i) demonstrate the greatest ability
21 to increase their capacity to train realtime
22 writers;

23 “(ii) demonstrate the most promising
24 collaboration with local workforce invest-
25 ment boards, local educational institutions,



1 businesses, labor organizations, or other
2 community-based organization having the
3 potential to train or provide job placement
4 assistance to realtime writers; and

5 “(iii) propose the most promising and
6 innovative approaches for initiating or ex-
7 panding training or job placement assist-
8 ance efforts for realtime writers.

9 “(C) DURATION OF GRANT.—A grant
10 under this subsection shall be for a period of 2
11 years.

12 “(D) MAXIMUM AMOUNT OF GRANT.—The
13 amount of a grant provided under paragraph
14 (1) to an entity eligible may not exceed
15 \$1,500,000.

16 “(3) APPLICATION.—To receive a grant under
17 paragraph (1), an eligible entity shall submit an ap-
18 plication to the Secretary at such time and in such
19 manner as the Secretary may require. The applica-
20 tion shall include—

21 “(A) a description of the training and as-
22 sistance to be funded using the grant amount,
23 including how such training and assistance will
24 increase the number of realtime writers;



1 “(B) a description of performance meas-
2 ures to be utilized to evaluate the progress of
3 individuals receiving such training and assist-
4 ance in matters relating to enrollment, comple-
5 tion of training, and job placement and reten-
6 tion;

7 “(C) a description of the manner in which
8 the eligible entity intends to continue providing
9 the training and assistance to be funded by the
10 grant after the end of the grant period, includ-
11 ing any partnerships or arrangements estab-
12 lished for that purpose;

13 “(D) a description of how the eligible enti-
14 ty will work with local workforce investment
15 boards to ensure that training and assistance to
16 be funded with the grant will further local
17 workforce goals, including the creation of edu-
18 cational opportunities for individuals who are
19 from economically disadvantaged backgrounds
20 or are dislocated workers; and

21 “(E) such other information as the Sec-
22 retary may require.

23 “(4) USE OF FUNDS.—

24 “(A) IN GENERAL.—An eligible entity re-
25 ceiving a grant under section 3 shall use the



1 grant amount for purposes relating to the re-
2 recruitment, training, assistance, and job place-
3 ment of individuals (including individuals who
4 have completed a court reporting training pro-
5 gram) as realtime writers, including—

6 “(i) recruitment activities;

7 “(ii) the provision of training grants
8 to individuals for training in realtime writ-
9 ing;

10 “(iii) distance learning;

11 “(iv) design and development of cur-
12 riculum to more effectively train realtime
13 writing skills and education in the knowl-
14 edge bases necessary for the delivery of
15 high quality closed captioning services;

16 “(v) assistance in job placement for
17 upcoming and recent graduates with all
18 types of captioning employers; and

19 “(vi) encouragement of individuals
20 with disabilities to pursue a career in
21 realtime writing.

22 “(B) ADMINISTRATIVE COSTS.—The recipi-
23 ent of a grant under section 3 may not use
24 more than 5 percent of the grant amount to



1 pay administrative costs associated with activi-
2 ties funded by the grant.

3 “(5) REPORTS.—Each eligible entity receiving a
4 grant under paragraph (1) shall submit to the Sec-
5 retary, at the end of each year of the grant period,
6 a report which shall include—

7 “(A) a description of the use of grant
8 amounts by the entity during such year;

9 “(B) an assessment, utilizing the perform-
10 ance measures submitted by the entity in the
11 application for the grant under paragraph
12 (2)(D), of the effectiveness of activities carried
13 out using such funds in increasing the number
14 of realtime writers; and

15 “(C) a description of the best practices
16 identified by the entity as a result of the grant
17 for increasing the number of individuals who
18 are trained, employed, and retained in employ-
19 ment as realtime writers.”.

20 **SEC. 125. NATIONAL DISLOCATED WORKER GRANTS.**

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

23 (1) by amending the designation and heading to
24 read as follows:



1 **“SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.”**; and

2 (2) in subsection (a)—

3 (A) by striking “national emergency
4 grants” in the matter preceding paragraph (1)
5 and inserting “national dislocated worker
6 grants”; and

7 (B) in paragraph (1), by striking “sub-
8 section (c)” and inserting “subsection (b)”.

9 (b) ADMINISTRATION.—Section 173 (29 U.S.C.
10 2918) is further amended—

11 (1) by striking subsection (b) and redesignating
12 subsections (c) and (d) as subsections (b) and (c),
13 respectively; and

14 (2) by striking subsection (e) and redesignating
15 subsections (f) and (g) as subsection (d) and (e), re-
16 spectively.

17 (c) ELIGIBLE ENTITIES.—Section 173(b)(1)(B) (29
18 U.S.C. 2918(b)(1)(B)) (as redesignated by subsection (b)
19 of this section) is amended by striking “, and other enti-
20 ties” and all that follows and inserting a period.

21 (d) PARTICIPANT ELIGIBILITY FOR MILITARY
22 SPOUSES.—Section 173(b)(2)(A) (29 U.S.C.
23 2918(b)(2)(A)) (as redesignated by subsection (b)) is
24 amended—

25 (1) in clause (iii), by striking “; or” and insert-
26 ing a semicolon;



1 (2) in clause (iv)(IV) by striking the period and
2 inserting “; or”; and

3 (3) by inserting at the end the following:

4 “(v) is the spouse of a member of the
5 Armed Forces who is on active duty or
6 full-time National Guard duty, or who was
7 recently separated from such duties, and
8 such spouse is in need of employment and
9 training assistance to obtain or retain em-
10 ployment.”.

11 (e) CONFORMING AMENDMENT.—The table of con-
12 tents in section 1(b) is amended by amending the item
13 related to section 173 to read as follows:

“Sec. 173. National dislocated worker grants.”.

14 **SEC. 126. AUTHORIZATION OF APPROPRIATIONS FOR NA-**
15 **TIONAL ACTIVITIES.**

16 (a) IN GENERAL.—Section 174(a)(1) (29 U.S.C.
17 2919(a)(1)) is amended by striking “1999 through 2003”
18 and inserting “2006 through 2011”.

19 (b) RESERVATIONS.—Section 174(b) is amended to
20 read as follows:

21 “(b) TECHNICAL ASSISTANCE; DEMONSTRATION AND
22 PILOT PROJECTS; EVALUATIONS; INCENTIVE GRANTS.—
23 There are authorized to be appropriated to carry out sec-
24 tions 170 through 172 and section 136 such sums as may
25 be necessary for each of fiscal years 2006 through 2011.”.



1 **SEC. 127. REQUIREMENTS AND RESTRICTIONS.**

2 (a) IN GENERAL.—Section 181(c)(2)(A) (29 U.S.C.
3 2931(c)(2)(A)) is amended in the matter preceding clause
4 (i) by striking “shall” and inserting “may”.

5 (b) LIMITATIONS.—Section 181(e) is amended by
6 striking “training for” and inserting “the entry into em-
7 ployment, retention in employment, or increases in earn-
8 ings of”.

9 (c) REPORTS TO CONGRESS.—Section 185(e)(2) is
10 amended by inserting “and the Secretary shall submit to
11 the Committee on Education and the Workforce of the
12 House of Representatives and the Committee on Health,
13 Education, Labor, and Pensions of the Senate,” after
14 “Secretary”.

15 **SEC. 128. NONDISCRIMINATION.**

16 Section 188(a)(2) (29 U.S.C. 2931(a)(2)) is amended
17 to read as follows:

18 “(2) PROHIBITION OF DISCRIMINATION RE-
19 GARDING PARTICIPATION, BENEFITS, AND EMPLOY-
20 MENT.—

21 “(A) IN GENERAL.—Except as provided in
22 subparagraph (B), no individual shall be ex-
23 cluded from participation in, denied the benefits
24 of, subjected to discrimination under, or denied
25 employment in the administration of or in con-
26 nection with, any such program or activity be-



1 cause of race, color, religion, sex (except as oth-
2 erwise permitted under title IX of the Edu-
3 cation Amendments of 1972), national origin,
4 age, disability, or political affiliation or belief.

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

16 **SEC. 129. ADMINISTRATIVE PROVISIONS.**

17 (a) PROGRAM YEAR.—Section 189(g)(1) (29 U.S.C.
18 2939(g)(1)) is amended to read as follows:

19 “(1) IN GENERAL.—Appropriations for any fis-
20 cal year for programs and activities carried out
21 under this title shall be available for obligation only
22 on the basis of a program year. The program year
23 shall begin on July 1 in the fiscal year for which the
24 appropriation is made.”.



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

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

6 (1) in subparagraph (A), in the matter pre-
7 ceding clause (i), by inserting “, or in accordance
8 with subparagraph (D),” after “subparagraph (B)”;
9 and

10 (2) by adding the following subparagraph:

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



1 **SEC. 130. GENERAL PROGRAM REQUIREMENTS.**

2 Section 195 (29 U.S.C. 2945) is amended by adding
3 at the end the following new paragraphs:

4 “(14) Funds provided under this title shall not
5 be used to establish or operate stand-alone fee-for-
6 service enterprises that compete with private sector
7 employment agencies within the meaning of section
8 701(c) of the Civil Rights Act of 1964 (42 U.S.C.
9 2000e(c)). For purposes of this paragraph, such an
10 enterprise does not include one-stop centers.

11 “(15) Any report required to be submitted to
12 Congress, or to a Committee of Congress, under this
13 title shall be submitted to both the chairmen and
14 ranking minority members of the Committee on
15 Education and the Workforce of the House of Rep-
16 resentatives and the Committee on Health, Edu-
17 cation, Labor, and Pensions of the Senate.”.

18 **TITLE II—ADULT EDUCATION**
19 **BASIC SKILLS AND FAMILY**
20 **LITERACY EDUCATION**

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

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

“TITLE II—ADULT EDUCATION BASIC SKILLS AND FAMILY
LITERACY EDUCATION

“Sec. 201. Short title.

“Sec. 202. Purpose.



- “Sec. 203. Definitions.
- “Sec. 204. Home schools.
- “Sec. 205. Authorization of appropriations.

“CHAPTER 1—FEDERAL PROVISIONS

- “Sec. 211. Reservation of funds; grants to eligible agencies; allotments.
- “Sec. 212. Performance accountability system.
- “Sec. 213. Incentive grants for States.

“CHAPTER 2—STATE PROVISIONS

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

“CHAPTER 3—LOCAL PROVISIONS

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

“CHAPTER 4—GENERAL PROVISIONS

- “Sec. 241. Administrative provisions.
- “Sec. 242. National Institute for Literacy.
- “Sec. 243. National leadership activities.”.

1 **SEC. 202. AMENDMENT.**

2 Title II is amended to read as follows:

3 **“TITLE II—ADULT EDUCATION**
 4 **BASIC SKILLS AND FAMILY**
 5 **LITERACY EDUCATION**

6 **“SEC. 201. SHORT TITLE.**

7 “This title may be cited as the ‘Adult Education
 8 Basic Skills and Family Literacy Education Act’.

9 **“SEC. 202. PURPOSE.**

10 “It is the purpose of this title to provide instructional
 11 opportunities for adults seeking to improve their literacy
 12 skills, including their basic reading, writing, speaking, and



1 math skills, and support States and local communities in
2 providing, on a voluntary basis, adult education basic
3 skills and family literacy education programs, in order
4 to—

5 “(1) increase the literacy of adults, including
6 the basic reading, writing, speaking, and math skills,
7 to a level of proficiency necessary for adults to ob-
8 tain employment and self-sufficiency and to success-
9 fully advance in the workforce;

10 “(2) assist adults in the completion of a sec-
11 ondary school education (or its equivalent) and the
12 transition to a postsecondary educational institution;

13 “(3) assist adults who are parents to enable
14 them to support the educational development of their
15 children and make informed choices regarding their
16 children’s education including, through instruction in
17 basic reading, writing, speaking, and math skills;
18 and

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

24 **“SEC. 203. DEFINITIONS.**

25 “In this title:



1 “(1) ADULT EDUCATION BASIC SKILLS AND
2 FAMILY LITERACY EDUCATION PROGRAMS.—The
3 term ‘adult education basic skills and family literacy
4 education programs’ means a sequence of academic
5 instruction and educational services below the post-
6 secondary level that increase an individual’s ability
7 to read, write, and speak in English and perform
8 mathematical computations leading to a level of pro-
9 ficiency equivalent to at least a secondary school
10 completion that is provided for individuals—

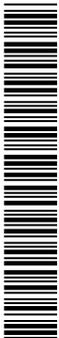
11 “(A) who are at least 16 years of age;

12 “(B) who are not enrolled or required to be
13 enrolled in secondary school under State law;
14 and

15 “(C) who—

16 “(i) lack sufficient mastery of basic
17 reading, writing, speaking, and math skills
18 to enable the individuals to function effec-
19 tively in society;

20 “(ii) do not have a secondary school
21 diploma, General Educational Development
22 credential (GED), or other State-recog-
23 nized equivalent and have not achieved an
24 equivalent level of education; or



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

3 “(2) ELIGIBLE AGENCY.—The term ‘eligible
4 agency’—

5 “(A) means the primary entity or agency
6 in a State or an outlying area responsible for
7 administering or supervising policy for adult
8 education basic skills and family literacy edu-
9 cation programs in the State or outlying area,
10 respectively, consistent with the law of the
11 State or outlying area, respectively; and

12 “(B) may be the State educational agency,
13 the State agency responsible for administering
14 workforce investment activities, or the State
15 agency responsible for administering community
16 or technical colleges.

17 “(3) ELIGIBLE PROVIDER.—The term ‘eligible
18 provider’ means—

19 “(A) a local educational agency;

20 “(B) a community-based or faith-based or-
21 ganization of demonstrated effectiveness;

22 “(C) a volunteer literacy organization of
23 demonstrated effectiveness;

24 “(D) an institution of higher education;



1 “(E) a public or private educational agen-
2 cy;

3 “(F) a library;

4 “(G) a public housing authority;

5 “(H) an institution that is not described in
6 any of subparagraphs (A) through (G) and has
7 the ability to provide adult education basic
8 skills and family literacy education programs to
9 adults and families; or

10 “(I) a consortium of the agencies, organi-
11 zations, institutions, libraries, or authorities de-
12 scribed in any of subparagraphs (A) through
13 (H).

14 “(4) ENGLISH LANGUAGE ACQUISITION PRO-
15 GRAM.—The term ‘English language acquisition pro-
16 gram’ means a program of instruction designed to
17 help individuals with limited English proficiency
18 achieve competence in reading, writing, and speaking
19 the English language.

20 “(5) ESSENTIAL COMPONENTS OF READING IN-
21 STRUCTION.—The term ‘essential components of
22 reading instruction’ has the meaning given to that
23 term in section 1208 of the Elementary and Sec-
24 ondary Education Act of 1965.



1 “(6) FAMILY LITERACY EDUCATION PRO-
2 GRAM.—The term ‘family literacy education pro-
3 gram’ means an educational program that—

4 “(A) assists parents and students, on a
5 voluntary basis, in achieving the purposes of
6 this title as described in section 202; and

7 “(B) is of sufficient intensity in terms of
8 hours and of sufficient duration to make sus-
9 tainable changes in a family, is based upon sci-
10 entific research-based principles, and, for the
11 purpose of substantially increasing the ability of
12 parents and children to read, write, and speak
13 English, integrates—

14 “(i) interactive literacy activities be-
15 tween parents and their children;

16 “(ii) training for parents regarding
17 how to be the primary teacher for their
18 children and full partners in the education
19 of their children;

20 “(iii) parent literacy training that
21 leads to economic self-sufficiency; and

22 “(iv) an age-appropriate education to
23 prepare children for success in school and
24 life experiences.



1 “(7) GOVERNOR.—The term ‘Governor’ means
 2 the chief executive officer of a State or outlying
 3 area.

4 “(8) INDIVIDUAL WITH A DISABILITY.—

5 “(A) IN GENERAL.—The term ‘individual
 6 with a disability’ means an individual with any
 7 disability (as defined in section 3 of the Ameri-
 8 cans with Disabilities Act of 1990).

9 “(B) INDIVIDUALS WITH DISABILITIES.—

10 The term ‘individuals with disabilities’ means
 11 more than one individual with a disability.

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

18 “(A) whose native language is a language
 19 other than English; or

20 “(B) who lives in a family or community
 21 environment where a language other than
 22 English is the dominant language.

23 “(10) INSTITUTION OF HIGHER EDUCATION.—

24 The term ‘institution of higher education’ has the



1 meaning given to that term in section 101 of the
2 Higher Education Act of 1965.

3 “(11) LITERACY.—The term ‘literacy’ means an
4 individual’s ability to read, write, and speak in
5 English, compute, and solve problems at a level of
6 proficiency necessary to obtain employment and to
7 successfully make the transition to postsecondary
8 education.

9 “(12) LOCAL EDUCATIONAL AGENCY.—The
10 term ‘local educational agency’ has the meaning
11 given to that term in section 9101 of the Elemen-
12 tary and Secondary Education Act of 1965.

13 “(13) OUTLYING AREA.—The term ‘outlying
14 area’ has the meaning given to that term in section
15 101 of this Act.

16 “(14) POSTSECONDARY EDUCATIONAL INSTITU-
17 TION.—The term ‘postsecondary educational institu-
18 tion’ means—

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

23 “(B) a tribally controlled community col-
24 lege; or



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

4 “(15) READING.—The term ‘reading’ has the
5 meaning given to that term in section 1208 of the
6 Elementary and Secondary Education Act of 1965.

7 “(16) SCIENTIFICALLY BASED RESEARCH.—
8 The term ‘scientifically based research’ has the
9 meaning given to that term in section 9101 of the
10 Elementary and Secondary Education Act of 1965.

11 “(17) SECRETARY.—The term ‘Secretary’
12 means the Secretary of Education.

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

16 “(19) STATE EDUCATIONAL AGENCY.—The
17 term ‘State educational agency’ has the meaning
18 given to that term in section 9101 of the Elemen-
19 tary and Secondary Education Act of 1965.

20 “(20) WORKPLACE LITERACY PROGRAM.—The
21 term ‘workplace literacy program’ means an edu-
22 cational program that is offered in collaboration be-
23 tween eligible providers and employers or employee
24 organizations for the purpose of improving the pro-



1 ductivity of the workforce through the improvement
2 of reading, writing, speaking, and math skills.

3 **“SEC. 204. HOME SCHOOLS.**

4 “Nothing in this title shall be construed to affect
5 home schools, whether or not a home school is treated as
6 a home school or a private school under State law, or to
7 compel a parent engaged in home schooling to participate
8 in an English language acquisition program, a family lit-
9 eracy education program, or an adult education basic
10 skills and family literacy education program.

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

12 “There are authorized to be appropriated to carry out
13 this title \$590,127,000 for fiscal year 2006 and such sums
14 as may be necessary for fiscal years 2007 through 2011.

15 **“CHAPTER 1—FEDERAL PROVISIONS**

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

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

21 “(1) shall reserve up to 1.72 percent for incen-
22 tive grants under section 213;

23 “(2) shall reserve 1.75 percent to carry out sec-
24 tion 242; and



1 “(3) shall reserve up to 1.55 percent to carry
2 out section 243.

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 General Educational Development credential (GED),
22 or other State-recognized equivalent; and

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

24 “(e) SPECIAL RULE.—



1 “(1) IN GENERAL.—From amounts made avail-
2 able under subsection (c) for the Republic of Palau,
3 the Secretary shall award grants to Guam, American
4 Samoa, the Commonwealth of the Northern Mariana
5 Islands, or the Republic of Palau to carry out activi-
6 ties described in this title in accordance with the
7 provisions of this title as determined by the Sec-
8 retary.

9 “(2) TERMINATION OF ELIGIBILITY.—Notwith-
10 standing any other provision of law, the Republic of
11 Palau shall be eligible to receive a grant under this
12 title until an agreement for the extension of United
13 States education assistance under the Compact of
14 Free Association for the Republic of Palau becomes
15 effective.

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

22 “(f) HOLD-HARMLESS PROVISIONS.—

23 “(1) IN GENERAL.—Notwithstanding subsection
24 (c), and subject to paragraphs (2) and (3), for fiscal
25 year 2006 and each succeeding fiscal year, no eligi-



1 ble agency shall receive an allotment under this title
2 that is less than 90 percent of the allotment the eli-
3 gible agency received for the preceding fiscal year
4 under this title.

5 “(2) EXCEPTION.—An eligible agency that re-
6 ceives for the preceding fiscal year only an initial al-
7 lotment under subsection (c)(1) (and no additional
8 allotment under subsection (c)(2)) shall receive an
9 allotment equal to 100 percent of the initial allot-
10 ment.

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

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



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

2 “(a) PURPOSE.—The purpose of this section is to es-
3 tablish a comprehensive performance accountability sys-
4 tem, composed of the activities described in this section,
5 to assess the effectiveness of eligible agencies in achieving
6 continuous improvement of adult education basic skills
7 and family literacy education programs funded under this
8 title, in order to optimize the return on investment of Fed-
9 eral funds in adult education basic skills and family lit-
10 eracy education programs.

11 “(b) ELIGIBLE AGENCY PERFORMANCE MEAS-
12 URES.—

13 “(1) IN GENERAL.—For each eligible agency,
14 the eligible agency performance measures shall con-
15 sist of—

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

18 “(ii) employment performance indicators
19 identified by the eligible agency under para-
20 graph (2)(B); and

21 “(B) an eligible agency adjusted level of
22 performance for each indicator described in
23 subparagraph (A).

24 “(2) INDICATORS OF PERFORMANCE.—



1 “(A) CORE INDICATORS OF PERFORM-
2 ANCE.—The core indicators of performance
3 shall include the following:

4 “(i) Measurable improvements in lit-
5 eracy, including basic skill levels in read-
6 ing, writing, and speaking the English lan-
7 guage and basic math, leading to pro-
8 ficiency in each skill.

9 “(ii) Receipt of a secondary school di-
10 ploma, General Educational Development
11 credential (GED), or other State-recog-
12 nized equivalent.

13 “(iii) Placement in postsecondary edu-
14 cation or other training programs.

15 “(B) EMPLOYMENT PERFORMANCE INDI-
16 CATORS.—Consistent with applicable Federal
17 and State privacy laws, an eligible agency shall
18 identify in the State plan the following indi-
19 vidual participant employment performance in-
20 dicators:

21 “(i) Entry into employment.

22 “(ii) Retention in employment.

23 “(iii) Increase in earnings.

24 “(3) LEVELS OF PERFORMANCE.—



1 “(A) ELIGIBLE AGENCY ADJUSTED LEVELS
2 OF PERFORMANCE FOR CORE INDICATORS.—

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

14 “(I) be expressed in an objective,
15 quantifiable, and measurable form;
16 and

17 “(II) show the progress of the el-
18 igible agency toward continuously and
19 significantly improving the agency’s
20 performance outcomes in an objective,
21 quantifiable, and measurable form.

22 “(ii) IDENTIFICATION IN STATE
23 PLAN.—Each eligible agency shall identify,
24 in the State plan submitted under section
25 224, expected levels of performance for



1 each of the core indicators of performance
2 for the first 3 program years covered by
3 the State plan.

4 “(iii) AGREEMENT ON ELIGIBLE
5 AGENCY ADJUSTED LEVELS OF PERFORM-
6 ANCE FOR FIRST 3 YEARS.—In order to en-
7 sure an optimal return on the investment
8 of Federal funds in adult education basic
9 skills and family literacy education pro-
10 grams authorized under this title, the Sec-
11 retary and each eligible agency shall reach
12 agreement on levels of student perform-
13 ance for each of the core indicators of per-
14 formance, for the first 3 program years
15 covered by the State plan, taking into ac-
16 count the levels identified in the State plan
17 under clause (ii) and the factors described
18 in clause (iv). The levels agreed to under
19 this clause shall be considered to be the eli-
20 gible agency adjusted levels of performance
21 for the eligible agency for such years and
22 shall be incorporated into the State plan
23 prior to the approval of such plan.



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

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

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

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



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

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

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

24 “(c) REPORT.—



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

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

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

15 “(2) INFORMATION DISSEMINATION.—The
16 Secretary—

17 “(A) shall make the information contained
18 in such reports available to the general public
19 through publication (including on the Internet
20 site of the Department of Education) and other
21 appropriate methods;

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



1 “(C) shall provide the appropriate commit-
2 tees of the Congress with copies of such re-
3 ports.

4 **“SEC. 213. INCENTIVE GRANTS FOR STATES.**

5 “(a) IN GENERAL.—From funds appropriated under
6 section 211(a)(1), the Secretary may award grants to
7 States for exemplary performance in carrying out pro-
8 grams under this title. Such awards shall be based on
9 States exceeding the core indicators of performance estab-
10 lished under section 212(b)(2)(A) and may be based on
11 the performance of the State in serving populations, such
12 as those described in section 224(b)(10), including the lev-
13 els of service provided and the performance outcomes, and
14 such other factors relating to the performance of the State
15 under this title as the Secretary determines appropriate.

16 “(b) USE OF FUNDS.—The funds awarded to a State
17 under this paragraph may be used to carry out any activi-
18 ties authorized under this title, including demonstrations
19 and innovative programs for hard-to-serve populations.

20 **“CHAPTER 2—STATE PROVISIONS**

21 **“SEC. 221. STATE ADMINISTRATION.**

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

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



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

5 “(3) Coordination and avoidance of duplication
6 with other Federal and State education, training,
7 corrections, public housing, and social service pro-
8 grams.

9 **“SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING RE-**
10 **QUIREMENT.**

11 “(a) STATE DISTRIBUTION OF FUNDS.—Each eligi-
12 ble agency receiving a grant under this title for a fiscal
13 year—

14 “(1) shall use an amount not less than 82.5
15 percent of the grant funds to award grants and con-
16 tracts under section 231 and to carry out section
17 225, of which not more than 10 percent of such
18 amount shall be available to carry out section 225;

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

22 “(3) shall use not more than 5 percent of the
23 grant funds, or \$75,000, whichever is greater, for
24 the administrative expenses of the eligible agency.

25 “(b) MATCHING REQUIREMENT.—



1 “(1) IN GENERAL.—In order to receive a grant
2 from the Secretary under section 211(b), each eligi-
3 ble agency shall provide, for the costs to be incurred
4 by the eligible agency in carrying out the adult edu-
5 cation basic skills and family literacy education pro-
6 grams for which the grant is awarded, a non-Federal
7 contribution in an amount at least equal to—

8 “(A) in the case of an eligible agency serv-
9 ing an outlying area, 12 percent of the total
10 amount of funds expended for adult education
11 basic skills and family literacy education pro-
12 grams in the outlying area, except that the Sec-
13 retary may decrease the amount of funds re-
14 quired under this subparagraph for an eligible
15 agency; and

16 “(B) in the case of an eligible agency serv-
17 ing a State, 25 percent of the total amount of
18 funds expended for adult education basic skills
19 and family literacy education programs in the
20 State.

21 “(2) NON-FEDERAL CONTRIBUTION.—An eligi-
22 ble agency’s non-Federal contribution required under
23 paragraph (1) may be provided in cash or in kind,
24 fairly evaluated, and shall include only non-Federal
25 funds that are used for adult education basic skills



1 and family literacy education programs in a manner
2 that is consistent with the purpose of this title.

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

4 “(a) IN GENERAL.—Each eligible agency may use
5 funds made available under section 222(a)(2) for any of
6 the following adult education basic skills and family lit-
7 eracy education programs:

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

15 “(2) The provision of technical assistance to eli-
16 gible providers of adult education basic skills and
17 family literacy education programs, including for the
18 development and dissemination of scientifically based
19 research instructional practices in reading, writing,
20 speaking, math, and English language acquisition
21 programs.

22 “(3) The provision of assistance to eligible pro-
23 viders in developing, implementing, and reporting
24 measurable progress in achieving the objectives of
25 this title.



1 “(4) The provision of technology assistance, in-
2 cluding staff training, to eligible providers of adult
3 education basic skills and family literacy education
4 programs, including distance learning activities, to
5 enable the eligible providers to improve the quality
6 of such activities.

7 “(5) The development and implementation of
8 technology applications or distance learning, includ-
9 ing professional development to support the use of
10 instructional technology.

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

14 “(7) Coordination with existing support serv-
15 ices, such as transportation, child care, and other
16 assistance designed to increase rates of enrollment
17 in, and successful completion of, adult education
18 basic skills and family literacy education programs,
19 for adults enrolled in such activities.

20 “(8) The development and implementation of a
21 system to assist in the transition from adult basic
22 education to postsecondary education.

23 “(9) Activities to promote workplace literacy
24 programs.



1 “(10) Activities to promote and complement
2 local outreach initiatives described in section 243(7).

3 “(11) Other activities of statewide significance,
4 including assisting eligible providers in achieving
5 progress in improving the skill levels of adults who
6 participate in programs under this title.

7 “(12) Integration of literacy, instructional, and
8 occupational skill training and promotion of linkages
9 with employees.

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

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

24 **“SEC. 224. STATE PLAN.**

25 “(a) 6-YEAR PLANS.—



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

5 “(2) COMPREHENSIVE PLAN OR APPLICA-
6 TION.—The eligible agency may submit the State
7 plan as part of a comprehensive plan or application
8 for Federal education assistance.

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

11 “(1) an objective assessment of the needs of in-
12 dividuals in the State or outlying area for adult edu-
13 cation basic skills and family literacy education pro-
14 grams, including individuals most in need or hardest
15 to serve;

16 “(2) a description of the adult education basic
17 skills and family literacy education programs that
18 will be carried out with funds received under this
19 title;

20 “(3) a description of how the eligible agency
21 will evaluate and measure annually the effectiveness
22 and improvement of the adult education basic skills
23 and family literacy education programs based on the
24 performance measures described in section 212
25 including—



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

4 “(B) how the eligible agency—

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

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

17 “(4) a description of the performance measures
18 described in section 212 and how such performance
19 measures have significantly improved adult edu-
20 cation basic skills and family literacy education pro-
21 grams in the State or outlying area;

22 “(5) an assurance that the eligible agency will,
23 in addition to meeting all of the other requirements
24 of this title, award not less than one grant under
25 this title to an eligible provider that—



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

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

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

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

19 “(8) an assurance that the eligible agency will
20 expend the funds under this title only in a manner
21 consistent with fiscal requirements in section 241;

22 “(9) a description of the process that will be
23 used for public participation and comment with re-
24 spect to the State plan, which process—



1 “(A) shall include consultation with the
2 State workforce investment board, the State
3 board responsible for administering community
4 or technical colleges, the Governor, the State
5 educational agency, the State board or agency
6 responsible for administering block grants for
7 temporary assistance to needy families under
8 title IV of the Social Security Act, the State
9 council on disabilities, the State vocational re-
10 habilitation agency, other State agencies that
11 promote the improvement of adult education
12 basic skills and family literacy education pro-
13 grams, and direct providers of such programs;
14 and

15 “(B) may include consultation with the
16 State agency on higher education, institutions
17 responsible for professional development of
18 adult education basic skills and family literacy
19 education programs instructors, representatives
20 of business and industry, refugee assistance
21 programs, and faith-based organizations;

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

25 “(A) low-income individuals;



1 “(B) individuals with disabilities;

2 “(C) the unemployed;

3 “(D) the underemployed; and

4 “(E) individuals with multiple barriers to
5 educational enhancement, including individuals
6 with limited English proficiency;

7 “(11) a description of how the adult education
8 basic skills and family literacy education programs
9 that will be carried out with any funds received
10 under this title will be integrated with other adult
11 education, career development, and employment and
12 training activities in the State or outlying area
13 served by the eligible agency;

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

17 “(A) how the State will build the capacity
18 of community-based and faith-based organiza-
19 tions to provide adult education basic skills and
20 family literacy education programs; and

21 “(B) how the State will increase the par-
22 ticipation of business and industry in adult edu-
23 cation basic skills and family literacy education
24 programs;



1 “(13) an assessment of the adequacy of the sys-
2 tem of the State or outlying area to ensure teacher
3 quality and a description of how the State or out-
4 lying area will use funds received under this subtitle
5 to improve teacher quality, including professional de-
6 velopment on the use of scientifically based research
7 to improve instruction; and

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

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

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

19 “(1) submit the State plan, and any revisions to
20 the State plan, to the Governor, the chief State
21 school officer, or the State officer responsible for ad-
22 ministering community or technical colleges, or out-
23 lying area for review and comment; and

24 “(2) ensure that any comments regarding the
25 State plan by the Governor, the chief State school



1 officer, or the State officer responsible for admin-
2 istering community or technical colleges, and any re-
3 vision to the State plan, are submitted to the Sec-
4 retary.

5 “(e) PLAN APPROVAL.—A State plan submitted to
6 the Secretary shall be approved by the Secretary only if
7 the plan is consistent with the specific provisions of this
8 title.

9 **“SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND**
10 **OTHER INSTITUTIONALIZED INDIVIDUALS.**

11 “(a) PROGRAM AUTHORIZED.—From funds made
12 available under section 222(a)(1) for a fiscal year, each
13 eligible agency shall carry out corrections education and
14 education for other institutionalized individuals.

15 “(b) USES OF FUNDS.—The funds described in sub-
16 section (a) shall be used for the cost of educational pro-
17 grams for criminal offenders in correctional institutions
18 and for other institutionalized individuals, including aca-
19 demic programs for—

20 “(1) basic skills education;

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

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



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

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

9 “(d) DEFINITIONS.—For purposes of this section:

10 “(1) CORRECTIONAL INSTITUTION.—The term
11 ‘correctional institution’ means any—

12 “(A) prison;

13 “(B) jail;

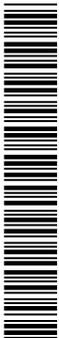
14 “(C) reformatory;

15 “(D) work farm;

16 “(E) detention center; or

17 “(F) halfway house, community-based re-
18 habilitation center, or any other similar institu-
19 tion designed for the confinement or rehabilita-
20 tion of criminal offenders.

21 “(2) CRIMINAL OFFENDER.—The term ‘crimi-
22 nal offender’ means any individual who is charged
23 with, or convicted of, any criminal offense.



1 **“CHAPTER 3—LOCAL PROVISIONS**

2 **“SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PRO-**
3 **VIDERS.**

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

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

17 “(1) Adult education basic skills and family lit-
18 eracy education programs (including proficiency in
19 reading, writing, speaking, and math).

20 “(2) Workplace literacy programs.

21 “(3) English language acquisition programs.

22 “(4) Family literacy education programs.

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



1 “(1) all eligible providers have direct and equi-
2 table access to apply for grants or contracts under
3 this section; and

4 “(2) the same grant or contract announcement
5 process and application process is used for all eligi-
6 ble providers in the State or outlying area.

7 “(d) MEASURABLE GOALS.—The eligible agency shall
8 require eligible providers receiving a grant or contract
9 under subsection (a) to demonstrate—

10 “(1) the eligible provider’s measurable goals for
11 participant outcomes to be achieved annually on the
12 core indicators of performance and employment per-
13 formance indicators described in section 212(b)(2);

14 “(2) the past effectiveness of the eligible pro-
15 vider in improving the basic academic skills of adults
16 and, for eligible providers receiving grants in the
17 prior year, the success of the eligible provider receiv-
18 ing funding under this title in exceeding its perform-
19 ance goals in the prior year;

20 “(3) the commitment of the eligible provider to
21 serve individuals in the community who are the most
22 in need of basic academic skills instruction services,
23 including individuals who are low-income or have
24 minimal reading, writing, speaking, and math skills,
25 or limited English proficiency;



1 “(4) the program—

2 “(A) is of sufficient intensity and duration
3 for participants to achieve substantial learning
4 gains; and

5 “(B) uses instructional practices that in-
6 clude the essential components of reading in-
7 struction;

8 “(5) educational practices are based on scientif-
9 ically based research;

10 “(6) the activities of the eligible provider effec-
11 tively employ advances in technology, as appropriate,
12 including the use of computers;

13 “(7) the activities provide instruction in real-life
14 contexts, when appropriate, to ensure that an indi-
15 vidual has the skills needed to compete in the work-
16 place and exercise the rights and responsibilities of
17 citizenship;

18 “(8) the activities are staffed by well-trained in-
19 structors, counselors, and administrators;

20 “(9) the activities are coordinated with other
21 available resources in the community, such as
22 through strong links with elementary schools and
23 secondary schools, postsecondary educational institu-
24 tions, one-stop centers, job training programs, com-



1 munity-based and faith-based organizations, and so-
2 cial service agencies;

3 “(10) the activities offer flexible schedules and
4 support services (such as child care and transpor-
5 tation) that are necessary to enable individuals, in-
6 cluding individuals with disabilities or other special
7 needs, to attend and complete programs;

8 “(11) the activities include a high-quality infor-
9 mation management system that has the capacity to
10 report measurable participant outcomes and to mon-
11 itor program performance against the performance
12 measures established by the eligible agency;

13 “(12) the local communities have a dem-
14 onstrated need for additional English language ac-
15 quisition programs;

16 “(13) the capacity of the eligible provider to
17 produce valid information on performance results,
18 including enrollments and measurable participant
19 outcomes;

20 “(14) adult education basic skills and family lit-
21 eracy education programs offer rigorous reading,
22 writing, speaking, and math content that are based
23 on scientifically based research; and

24 “(15) applications of technology, and services to
25 be provided by the eligible providers, are of sufficient



1 intensity and duration to increase the amount and
2 quality of learning and lead to measurable learning
3 gains within specified time periods.

4 “(e) SPECIAL RULE.—Eligible providers may use
5 grant funds under this title to serve children participating
6 in family literacy programs assisted under this part, pro-
7 vided that other sources of funds available to provide simi-
8 lar services for such children are used first.

9 **“SEC. 232. LOCAL APPLICATION.**

10 “Each eligible provider desiring a grant or contract
11 under this title shall submit an application to the eligible
12 agency containing such information and assurances as the
13 eligible agency may require, including—

14 “(1) a description of how funds awarded under
15 this title will be spent consistent with the require-
16 ments of this title;

17 “(2) a description of any cooperative arrange-
18 ments the eligible provider has with other agencies,
19 institutions, or organizations for the delivery of
20 adult education basic skills and family literacy edu-
21 cation programs; and

22 “(3) each of the demonstrations required by
23 section 231(d).



1 **“SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.**

2 “(a) IN GENERAL.—Subject to subsection (b), of the
3 amount that is made available under this title to an eligi-
4 ble provider—

5 “(1) at least 95 percent shall be expended for
6 carrying out adult education basic skills and family
7 literacy education programs; and

8 “(2) the remaining amount shall be used for
9 planning, administration, personnel and professional
10 development, development of measurable goals in
11 reading, writing, speaking, and math, and inter-
12 agency coordination.

13 “(b) SPECIAL RULE.—In cases where the cost limits
14 described in subsection (a) are too restrictive to allow for
15 adequate planning, administration, personnel develop-
16 ment, and interagency coordination, the eligible provider
17 may negotiate with the eligible agency in order to deter-
18 mine an adequate level of funds to be used for noninstruc-
19 tional purposes.

20 **“CHAPTER 4—GENERAL PROVISIONS**

21 **“SEC. 241. ADMINISTRATIVE PROVISIONS.**

22 “(a) SUPPLEMENT NOT SUPPLANT.—Funds made
23 available for adult education basic skills and family lit-
24 eracy education programs under this title shall supplement
25 and not supplant other State or local public funds ex-



1 pended for adult education basic skills and family literacy
2 education programs.

3 “(b) MAINTENANCE OF EFFORT.—

4 “(1) IN GENERAL.—

5 “(A) DETERMINATION.—An eligible agency
6 may receive funds under this title for any fiscal
7 year if the Secretary finds that the fiscal effort
8 per student or the aggregate expenditures of
9 such eligible agency for activities under this
10 title, in the second preceding fiscal year, were
11 not less than 90 percent of the fiscal effort per
12 student or the aggregate expenditures of such
13 eligible agency for adult education basic skills
14 and family literacy education programs, in the
15 third preceding fiscal year.

16 “(B) PROPORTIONATE REDUCTION.—Sub-
17 ject to paragraphs (2), (3), and (4), for any fis-
18 cal year with respect to which the Secretary de-
19 termines under subparagraph (A) that the fiscal
20 effort or the aggregate expenditures of an eligi-
21 ble agency for the preceding program year were
22 less than such effort or expenditures for the
23 second preceding program year, the Secretary—



1 “(i) shall determine the percentage
2 decreases in such effort or in such expendi-
3 tures; and

4 “(ii) shall decrease the payment made
5 under this title for such program year to
6 the agency for adult education basic skills
7 and family literacy education programs by
8 the lesser of such percentages.

9 “(2) COMPUTATION.—In computing the fiscal
10 effort and aggregate expenditures under paragraph
11 (1), the Secretary shall exclude capital expenditures
12 and special one-time project costs.

13 “(3) DECREASE IN FEDERAL SUPPORT.—If the
14 amount made available for adult education basic
15 skills and family literacy education programs under
16 this title for a fiscal year is less than the amount
17 made available for adult education basic skills and
18 family literacy education programs under this title
19 for the preceding fiscal year, then the fiscal effort
20 per student and the aggregate expenditures of an el-
21 igible agency required in order to avoid a reduction
22 under paragraph (1)(B) shall be decreased by the
23 same percentage as the percentage decrease in the
24 amount so made available.



1 “(4) WAIVER.—The Secretary may waive the
2 requirements of this subsection for not more than 1
3 fiscal year, if the Secretary determines that a waiver
4 would be equitable due to exceptional or uncontrol-
5 lable circumstances, such as a natural disaster or an
6 unforeseen and precipitous decline in the financial
7 resources of the State or outlying area of the eligible
8 agency. If the Secretary grants a waiver under the
9 preceding sentence for a fiscal year, the level of ef-
10 fort required under paragraph (1) shall not be re-
11 duced in the subsequent fiscal year because of the
12 waiver.

13 **“SEC. 242. NATIONAL INSTITUTE FOR LITERACY.**

14 “(a) IN GENERAL.—

15 “(1) PURPOSE.—The purpose of the National
16 Institute for Literacy is to promote the improvement
17 of literacy, including skills in reading, writing, and
18 English language acquisition for children, youth, and
19 adults, through practices derived from the findings
20 of scientifically based research.

21 “(2) ESTABLISHMENT.—There is established a
22 National Institute for Literacy (in this section re-
23 ferred to as the ‘Institute’). The Institute shall be
24 administered under the terms of an interagency
25 agreement entered into, reviewed annually, and



1 modified as needed by the Secretary of Education
2 with the Secretary of Health and Human Services
3 and the Secretary of Labor (in this section referred
4 to as the ‘Interagency Group’).

5 “(3) OFFICES.—The Institute shall have offices
6 separate from the offices of the Department of Edu-
7 cation, the Department of Health and Human Serv-
8 ices, and the Department of Labor.

9 “(4) ADMINISTRATIVE SUPPORT.—The Depart-
10 ment of Education shall provide administrative sup-
11 port for the Institute.

12 “(5) DAILY OPERATIONS.—The Director of the
13 Institute shall administer the daily operations of the
14 Institute.

15 “(b) DUTIES.—

16 “(1) IN GENERAL.—To carry out its purpose,
17 the Institute may—

18 “(A) identify and disseminate rigorous sci-
19 entific research on the effectiveness of instruc-
20 tional practices and organizational strategies re-
21 lating to programs on the acquisition of skills
22 in reading, writing, and English language ac-
23 quisition for children, youth, and adults;

24 “(B) create and widely disseminate mate-
25 rials about the acquisition and application of



1 skills in reading, writing, and English language
2 acquisition for children, youth, and adults based
3 on scientifically based research;

4 “(C) ensure a broad understanding of sci-
5 entifically based research on reading, writing,
6 and English language acquisition for children,
7 youth, and adults among Federal agencies with
8 responsibilities for administering programs that
9 provide related services, including State and
10 local educational agencies;

11 “(D) facilitate coordination and informa-
12 tion sharing among national organizations and
13 associations interested in programs that provide
14 services to improve skills in reading, writing,
15 and English language acquisition for children,
16 youth, and adults;

17 “(E) coordinate with the appropriate of-
18 fices in the Department of Education, the De-
19 partment of Health and Human Services, the
20 Department of Labor, and other Federal agen-
21 cies to apply the findings of scientifically based
22 research related to programs on reading, writ-
23 ing, and English language acquisition for chil-
24 dren, youth, and adults;



1 “(F) establish a national electronic data-
2 base and Internet site describing and fostering
3 communication on scientifically based programs
4 in reading, writing, and English language ac-
5 quisition for children, youth, and adults, includ-
6 ing professional development programs; and

7 “(G) provide opportunities for technical as-
8 sistance, meetings, and conferences that will
9 foster increased coordination among Federal,
10 State, and local agencies and entities and im-
11 provement of reading, writing, and English lan-
12 guage acquisition skills for children, youth, and
13 adults.

14 “(2) COORDINATION.—In identifying scientif-
15 ically based research on reading, writing, and
16 English language acquisition for children, youth, and
17 adults, the Institute shall use standards for research
18 quality that are consistent with those established by
19 the Institute of Education Sciences.

20 “(3) GRANTS, CONTRACTS, AND COOPERATIVE
21 AGREEMENTS.—

22 “(A) IN GENERAL.—The Institute may
23 award grants to, or enter into contracts or co-
24 operative agreements with, individuals, public
25 or private institutions, agencies, organizations,



1 or consortia of such individuals, institutions,
2 agencies, or organizations, to carry out the ac-
3 tivities of the Institute.

4 “(B) REGULATIONS.—The Director may
5 adopt the general administrative regulations of
6 the Department of Education, as applicable, for
7 use by the Institute.

8 “(C) RELATION TO OTHER LAWS.—The
9 duties and powers of the Institute under this
10 title are in addition to the duties and powers of
11 the Institute under subparts 1, 2, and 3 of part
12 B of the Elementary and Secondary Education
13 Act of 1965 (commonly referred to as Reading
14 First, Early Reading First, and the William F.
15 Goodling Even Start Family Literacy Program,
16 respectively).

17 “(c) VISITING SCHOLARS.—The Institute may estab-
18 lish a visiting scholars program, with such stipends and
19 allowances as the Director considers necessary, for out-
20 standing researchers, scholars, and individuals who—

21 “(1) have careers in adult education, workforce
22 development, or scientifically based reading, writing,
23 or English language acquisition; and

24 “(2) can assist the Institute in translating re-
25 search into practice and providing analysis that ad-



1 vances instruction in the fields of reading, writing,
2 and English language acquisition for children, youth,
3 and adults.

4 “(d) INTERNS AND VOLUNTEERS.—The Institute, in
5 consultation with the National Institute for Literacy Advi-
6 sory Board, may award paid and unpaid internships to
7 individuals seeking to assist the Institute in carrying out
8 its purpose. Notwithstanding section 1342 of title 31,
9 United States Code, the Institute may accept and use vol-
10 untary and uncompensated services as the Institute deter-
11 mines necessary.

12 “(e) NATIONAL INSTITUTE FOR LITERACY ADVISORY
13 BOARD.—

14 “(1) ESTABLISHMENT.—

15 “(A) IN GENERAL.—There shall be a Na-
16 tional Institute for Literacy Advisory Board (in
17 this section referred to as the ‘Board’), which
18 shall consist of 10 individuals appointed by the
19 President with the advice and consent of the
20 Senate.

21 “(B) QUALIFICATIONS.—The Board shall
22 be composed of individuals who—

23 “(i) are not otherwise officers or em-
24 ployees of the Federal Government; and



1 “(ii) are knowledgeable about current
2 effective scientifically based research find-
3 ings on instruction in reading, writing, and
4 English language acquisition for children,
5 youth, and adults.

6 “(C) COMPOSITION.—The Board may
7 include—

8 “(i) representatives of business, indus-
9 try, labor, literacy organizations, adult
10 education providers, community colleges,
11 students with disabilities, and State agen-
12 cies, including State directors of adult edu-
13 cation; and

14 “(ii) individuals who, and representa-
15 tives of entities that, have been successful
16 in improving skills in reading, writing, and
17 English language acquisition for children,
18 youth, and adults.

19 “(2) DUTIES.—The Board shall—

20 “(A) make recommendations concerning
21 the appointment of the Director of the Insti-
22 tute;

23 “(B) provide independent advice on the op-
24 eration of the Institute;



1 “(C) receive reports from the Interagency
2 Group and the Director; and

3 “(D) review the biennial report to the Con-
4 gress under subsection (k).

5 “(3) FEDERAL ADVISORY COMMITTEE ACT.—
6 Except as otherwise provided, the Board shall be
7 subject to the provisions of the Federal Advisory
8 Committee Act.

9 “(4) APPOINTMENTS.—

10 “(A) IN GENERAL.—Each member of the
11 Board shall be appointed for a term of 3 years,
12 except that the initial terms for members may
13 be 1, 2, or 3 years in order to establish a rota-
14 tion in which one-third of the members are se-
15 lected each year. Any such member may be ap-
16 pointed for not more than 2 consecutive terms.

17 “(B) VACANCIES.—Any member appointed
18 to fill a vacancy occurring before the expiration
19 of the term for which the member’s predecessor
20 was appointed shall be appointed only for the
21 remainder of that term. A member may serve
22 after the expiration of that member’s term until
23 a successor has taken office.

24 “(5) QUORUM.—A majority of the members of
25 the Board shall constitute a quorum, but a lesser



1 number may hold hearings. A recommendation of
2 the Board may be passed only by a majority of the
3 Board's members present at a meeting for which
4 there is a quorum.

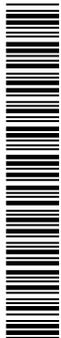
5 “(6) ELECTION OF OFFICERS.—The Chair-
6 person and Vice Chairperson of the Board shall be
7 elected by the members of the Board. The term of
8 office of the Chairperson and Vice Chairperson shall
9 be 2 years.

10 “(7) MEETINGS.—The Board shall meet at the
11 call of the Chairperson or a majority of the members
12 of the Board.

13 “(f) GIFTS, BEQUESTS, AND DEVISES.—

14 “(1) IN GENERAL.—The Institute may accept,
15 administer, and use gifts or donations of services,
16 money, or property, whether real or personal, tan-
17 gible or intangible.

18 “(2) RULES.—The Board shall establish writ-
19 ten rules setting forth the criteria to be used by the
20 Institute in determining whether the acceptance of
21 contributions of services, money, or property whether
22 real or personal, tangible or intangible, would reflect
23 unfavorably upon the ability of the Institute or any
24 employee to carry out the responsibilities of the In-
25 stitute or employee, or official duties, in a fair and



1 objective manner, or would compromise the integrity,
2 or the appearance of the integrity, of the Institute's
3 programs or any official involved in those programs.

4 “(g) **MAILS.**—The Board and the Institute may use
5 the United States mails in the same manner and under
6 the same conditions as other departments and agencies of
7 the United States.

8 “(h) **DIRECTOR.**—The Secretary of Education, after
9 considering recommendations made by the Board and con-
10 sulting with the Interagency Group, shall appoint and fix
11 the pay of the Director of the Institute and, when nec-
12 essary, shall appoint an Interim Director of the Institute.

13 “(i) **APPLICABILITY OF CERTAIN CIVIL SERVICE**
14 **LAWS.**—The Director and staff of the Institute may be
15 appointed without regard to the provisions of title 5,
16 United States Code, governing appointments in the com-
17 petitive service, and may be paid without regard to the
18 provisions of chapter 51 and subchapter III of chapter 53
19 of that title relating to classification and General Schedule
20 pay rates, except that an individual so appointed may not
21 receive pay in excess of the annual rate of basic pay pay-
22 able for level IV of the Executive Schedule.

23 “(j) **EXPERTS AND CONSULTANTS.**—The Institute
24 may procure temporary and intermittent services under
25 section 3109(b) of title 5, United States Code.



1 “(k) BIENNIAL REPORT.—

2 “(1) IN GENERAL.—The Institute shall submit
3 a report biennially to the Committee on Education
4 and the Workforce of the House of Representatives
5 and the Committee on Health, Education, Labor,
6 and Pensions of the Senate. Each report submitted
7 under this subsection shall include—

8 “(A) a comprehensive and detailed descrip-
9 tion of the Institute’s operations, activities, fi-
10 nancial condition, and accomplishments in iden-
11 tifying and describing programs on reading,
12 writing, and English language acquisition for
13 children, youth, and adults for the period cov-
14 ered by the report; and

15 “(B) a description of how plans for the op-
16 eration of the Institute for the succeeding 2 fis-
17 cal years will facilitate achievement of the pur-
18 pose of the Institute.

19 “(2) FIRST REPORT.—The Institute shall sub-
20 mit its first report under this subsection to the Con-
21 gress not later than 1 year after the date of the en-
22 actment of the Job Training Improvement Act of
23 2005.

24 “(l) ADDITIONAL FUNDING.—In addition to the
25 funds authorized under section 205 and reserved for the



1 Institute under section 211, the Secretary of Education,
2 the Secretary of Health and Human Services, the Sec-
3 retary of Labor, or the head of any other Federal agency
4 or department that participates in the activities of the In-
5 stitute may provide funds to the Institute for activities
6 that the Institute is authorized to perform under this sec-
7 tion.

8 **“SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.**

9 “The Secretary shall establish and carry out a pro-
10 gram of national leadership activities that may include the
11 following:

12 “(1) Technical assistance, on request, including
13 assistance—

14 “(A) on request to volunteer community-
15 and faith-based organizations, including but not
16 limited to, improving their fiscal management,
17 research-based instruction, and reporting re-
18 quirements, and the development of measurable
19 objectives to carry out the requirements of this
20 title;

21 “(B) in developing valid, measurable, and
22 reliable performance data, and using perform-
23 ance information for the improvement of adult
24 education basic skills, English language acquisi-
25 tion, and family literacy education programs;



1 “(C) on adult education professional devel-
2 opment; and

3 “(D) in using distance learning and im-
4 proving the application of technology in the
5 classroom, including instruction in English lan-
6 guage acquisition for individuals who have lim-
7 ited English proficiency.

8 “(2) Providing for the conduct of research on
9 national literacy basic skill acquisition levels among
10 adults, including the number of limited English pro-
11 ficient adults functioning at different levels of read-
12 ing proficiency.

13 “(3) Improving the coordination, efficiency, and
14 effectiveness of adult education and workforce devel-
15 opment services at the national, State, and local lev-
16 els.

17 “(4) Determining how participation in adult
18 education basic skills, English language acquisition,
19 and family literacy education programs prepares in-
20 dividuals for entry into and success in postsecondary
21 education and employment, and in the case of pris-
22 on-based services, the effect on recidivism.

23 “(5) Evaluating how different types of pro-
24 viders, including community and faith-based organi-
25 zations or private for-profit agencies measurably im-



1 prove the skills of participants in adult education
2 basic skills, English language acquisition, and family
3 literacy education programs.

4 “(6) Identifying model integrated basic and
5 workplace skills education programs, including pro-
6 grams for individuals with limited English pro-
7 ficiency coordinated literacy and employment serv-
8 ices, and effective strategies for serving adults with
9 disabilities.

10 “(7) Supporting the development of an entity
11 that would produce and distribute technology-based
12 programs and materials for adult education basic
13 skills and family literacy education programs using
14 an intercommunication system, as that term is de-
15 fined in section 397 of the Communications Act of
16 1934, and expand the effective outreach and use of
17 such programs and materials to adult education eli-
18 gible providers.

19 “(8) Initiating other activities designed to im-
20 prove the measurable quality and effectiveness of
21 adult education basic skills, English language acqui-
22 sition, and family literacy education programs na-
23 tionwide.”.



1 **TITLE III—AMENDMENTS TO**
2 **THE WAGNER-PEYSER ACT**

3 **SEC. 301. AMENDMENTS TO THE WAGNER-PEYSER ACT.**

4 The Wagner-Peyser Act (29 U.S.C. 49 et. seq.) is
5 amended—

6 (1) by striking sections 1 through 13;

7 (2) in section 14 by inserting “of Labor” after
8 “Secretary”; and

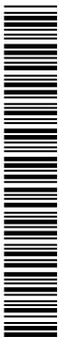
9 (3) by amending section 15 to read as follows:

10 **“SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION**
11 **SYSTEM.**

12 “(a) SYSTEM CONTENT.—

13 “(1) IN GENERAL.—The Secretary of Labor, in
14 accordance with the provisions of this section, shall
15 oversee the development, maintenance, and contin-
16 uous improvement of a nationwide workforce and
17 labor market information system that includes—

18 “(A) statistical data from cooperative sta-
19 tistical survey and projection programs and
20 data from administrative reporting systems
21 that, taken together, enumerate, estimate, and
22 project employment opportunities and condi-
23 tions at national, State, and local levels in a
24 timely manner, including statistics on—



1 “(i) employment and unemployment
2 status of national, State, and local popu-
3 lations, including self-employed, part-time,
4 and seasonal workers;

5 “(ii) industrial distribution of occupa-
6 tions, as well as current and projected em-
7 ployment opportunities, wages, benefits
8 (where data is available), and skill trends
9 by occupation and industry, with particular
10 attention paid to State and local condi-
11 tions;

12 “(iii) the incidence of, industrial and
13 geographical location of, and number of
14 workers displaced by, permanent layoffs
15 and plant closings; and

16 “(iv) employment and earnings infor-
17 mation maintained in a longitudinal man-
18 ner to be used for research and program
19 evaluation;

20 “(B) information on State and local em-
21 ployment opportunities, and other appropriate
22 statistical data related to labor market dynam-
23 ics, which—

24 “(i) shall be current and comprehen-
25 sive;



1 “(ii) shall meet the needs identified
2 through the consultations described in sub-
3 paragraphs (A) and (B) of subsection
4 (e)(2); and

5 “(iii) shall meet the needs for the in-
6 formation identified in section 134(d);

7 “(C) technical standards (which the Sec-
8 retary shall publish annually) for data and in-
9 formation described in subparagraphs (A) and
10 (B) that, at a minimum, meet the criteria of
11 chapter 35 of title 44, United States Code;

12 “(D) procedures to ensure compatibility
13 and additivity of the data and information de-
14 scribed in subparagraphs (A) and (B) from na-
15 tional, State, and local levels;

16 “(E) procedures to support standardization
17 and aggregation of data from administrative re-
18 porting systems described in subparagraph (A)
19 of employment-related programs;

20 “(F) analysis of data and information de-
21 scribed in subparagraphs (A) and (B) for uses
22 such as—

23 “(i) national, State, and local policy-
24 making;



1 “(ii) implementation of Federal poli-
2 cies (including allocation formulas);

3 “(iii) program planning and evalua-
4 tion; and

5 “(iv) researching labor market dynam-
6 ics;

7 “(G) wide dissemination of such data, in-
8 formation, and analysis in a user-friendly man-
9 ner and voluntary technical standards for dis-
10 semination mechanisms; and

11 “(H) programs of—

12 “(i) training for effective data dis-
13 semination;

14 “(ii) research and demonstration; and

15 “(iii) programs and technical assist-
16 ance.

17 “(2) INFORMATION TO BE CONFIDENTIAL.—

18 “(A) IN GENERAL.—No officer or em-
19 ployee of the Federal Government or agent of
20 the Federal Government may—

21 “(i) use any submission that is fur-
22 nished for exclusively statistical purposes
23 under the provisions of this section for any
24 purpose other than the statistical purposes
25 for which the submission is furnished;



1 “(ii) make any publication or media
2 transmittal of the data contained in the
3 submission described in clause (i) that per-
4 mits information concerning individual
5 subjects to be reasonably inferred by either
6 direct or indirect means; or

7 “(iii) permit anyone other than a
8 sworn officer, employee, or agent of any
9 Federal department or agency, or a con-
10 tractor (including an employee of a con-
11 tractor) of such department or agency, to
12 examine an individual submission described
13 in clause (i);

14 without the consent of the individual, agency, or
15 other person who is the subject of the submis-
16 sion or provides that submission.

17 “(B) IMMUNITY FROM LEGAL PROCESS.—
18 Any submission (including any data derived
19 from the submission) that is collected and re-
20 tained by a Federal department or agency, or
21 an officer, employee, agent, or contractor of
22 such a department or agency, for exclusively
23 statistical purposes under this section shall be
24 immune from the legal process and shall not,
25 without the consent of the individual, agency, or



1 other person who is the subject of the submis-
2 sion or provides that submission, be admitted
3 as evidence or used for any purpose in any ac-
4 tion, suit, or other judicial or administrative
5 proceeding.

6 “(C) RULE OF CONSTRUCTION.—Nothing
7 in this section shall be construed to provide im-
8 munity from the legal process for such submis-
9 sion (including any data derived from the sub-
10 mission) if the submission is in the possession
11 of any person, agency, or entity other than the
12 Federal Government or an officer, employee,
13 agent, or contractor of the Federal Government,
14 or if the submission is independently collected,
15 retained, or produced for purposes other than
16 the purposes of this Act.

17 “(b) SYSTEM RESPONSIBILITIES.—

18 “(1) IN GENERAL.—The workforce and labor
19 market information system described in subsection
20 (a) shall be planned, administered, overseen, and
21 evaluated through a cooperative governance struc-
22 ture involving the Federal Government and States.

23 “(2) DUTIES.—The Secretary, with respect to
24 data collection, analysis, and dissemination of labor



1 employment statistics for the system, shall carry out
2 the following duties:

3 “(A) Assign responsibilities within the De-
4 partment of Labor for elements of the work-
5 force and labor market information system de-
6 scribed in subsection (a) to ensure that all sta-
7 tistical and administrative data collected is con-
8 sistent with appropriate Bureau of Labor Sta-
9 tistics standards and definitions.

10 “(B) Actively seek the cooperation of other
11 Federal agencies to establish and maintain
12 mechanisms for ensuring complementarity and
13 nonduplication in the development and oper-
14 ation of statistical and administrative data col-
15 lection activities.

16 “(C) Eliminate gaps and duplication in
17 statistical undertakings, with the systemization
18 of wage surveys as an early priority.

19 “(D) In collaboration with the Bureau of
20 Labor Statistics and States, develop and main-
21 tain the elements of the workforce and labor
22 market information system described in sub-
23 section (a), including the development of con-
24 sistent procedures and definitions for use by the
25 States in collecting the data and information



1 described in subparagraphs (A) and (B) of sub-
2 section (a)(1).

3 “(E) Establish procedures for the system
4 to ensure that—

5 “(i) such data and information are
6 timely;

7 “(ii) paperwork and reporting for the
8 system are reduced to a minimum; and

9 “(iii) States and localities are fully in-
10 volved in the development and continuous
11 improvement of the system at all levels, in-
12 cluding ensuring the provision, to such
13 States and localities, of budget information
14 necessary for carrying out their respon-
15 sibilities under subsection (e).

16 “(c) NATIONAL ELECTRONIC TOOLS TO PROVIDE
17 SERVICES.—The Secretary is authorized to assist in the
18 development of national electronic tools that may be used
19 to facilitate the delivery of core services described in sec-
20 tion 134 and to provide workforce information to individ-
21 uals through the one-stop delivery systems described in sec-
22 tion 121 and through other appropriate delivery systems.

23 “(d) COORDINATION WITH THE STATES.—

24 “(1) IN GENERAL.—The Secretary, working
25 through the Bureau of Labor Statistics and the Em-



1 ployment and Training Administration, shall regu-
2 larly consult with representatives of State agencies
3 carrying out workforce information activities regard-
4 ing strategies for improving the workforce and labor
5 market information system.

6 “(2) FORMAL CONSULTATIONS.—At least twice
7 each year, the Secretary, working through the Bu-
8 reau of Labor Statistics, shall conduct formal con-
9 sultations regarding programs carried out by the
10 Bureau of Labor Statistics with representatives of
11 each of the 10 Federal regions of the Department of
12 Labor, elected from the State directors affiliated
13 with State agencies that perform the duties de-
14 scribed in subsection (e)(2).

15 “(e) STATE RESPONSIBILITIES.—

16 “(1) IN GENERAL.—In order to receive Federal
17 financial assistance under this section, the Governor
18 of a State shall—

19 “(A) be responsible for the management of
20 the portions of the workforce and labor market
21 information system described in subsection (a)
22 that comprise a statewide workforce and labor
23 market information system and for the State’s
24 participation in the development of the annual
25 plan; and



1 “(B) establish a process for the oversight
2 of such system.

3 “(C) consult with State and local employ-
4 ers, participants, and local workforce invest-
5 ment boards about the labor market relevance
6 of the data to be collected and disseminated
7 through the statewide workforce and labor mar-
8 ket information system;

9 “(D) consult with State educational agen-
10 cies and local educational agencies concerning
11 the provision of employment statistics in order
12 to meet the needs of secondary school and post-
13 secondary school students who seek such infor-
14 mation;

15 “(E) collect and disseminate for the sys-
16 tem, on behalf of the State and localities in the
17 State, the information and data described in
18 subparagraphs (A) and (B) of subsection
19 (a)(1);

20 “(F) maintain and continuously improve
21 the statewide workforce and labor market infor-
22 mation system in accordance with this section;

23 “(G) perform contract and grant respon-
24 sibilities for data collection, analysis, and dis-
25 semination for such system;



1 “(H) conduct such other data collection,
2 analysis, and dissemination activities as will en-
3 sure an effective statewide workforce and labor
4 market information system;

5 “(I) actively seek the participation of other
6 State and local agencies in data collection, anal-
7 ysis, and dissemination activities in order to en-
8 sure complementarity, compatibility, and useful-
9 ness of data;

10 “(J) participate in the development of the
11 annual plan described in subsection (c); and

12 “(K) utilize the quarterly records described
13 in section 136(f)(2) of the Workforce Invest-
14 ment Act of 1998 to assist the State and other
15 States in measuring State progress on State
16 performance measures.

17 “(2) RULE OF CONSTRUCTION.—Nothing in
18 this section shall be construed as limiting the ability
19 of a Governor to conduct additional data collection,
20 analysis, and dissemination activities with State
21 funds or with Federal funds from sources other than
22 this section.

23 “(f) NONDUPLICATION REQUIREMENT.—None of the
24 functions and activities carried out pursuant to this sec-
25 tion shall duplicate the functions and activities carried out



1 under the Carl D. Perkins Vocational and Applied Tech-
2 nology Education Act (20 U.S.C. 2301 et seq.).

3 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
4 are authorized to be appropriated to carry out this section
5 such sums as may be necessary for each of the fiscal years
6 2006 through 2011.

7 “(h) DEFINITION.—In this section, the term ‘local
8 area’ means the smallest geographical area for which data
9 can be produced with statistical reliability.”.

10 **TITLE IV—AMENDMENTS TO THE** 11 **REHABILITATION ACT OF 1973**

12 **SEC. 401. FINDINGS.**

13 Section 2(a) of the Rehabilitation Act of 1973 (29
14 U.S.C. 701(a)) is amended—

15 (1) in paragraph (5), by striking “and” at the
16 end;

17 (2) in paragraph (6), by striking the period and
18 inserting “; and”; and

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

20 “(7) there is a substantial need to improve and
21 expand services for students with disabilities under
22 this Act.”.

23 **SEC. 402. REHABILITATION SERVICES ADMINISTRATION.**

24 Section 3(a) of the Rehabilitation Act of 1973 (29
25 U.S.C. 702(a)) is amended—



1 (1) by striking “Office of the Secretary” and
2 inserting “Department of Education”;

3 (2) by striking “President by and with the ad-
4 vice and consent of the Senate” and inserting “Sec-
5 retary, except that the current Commissioner ap-
6 pointed under the authority existing on the day prior
7 to the date of enactment of the Job Training Im-
8 provement Act of 2005 may continue to serve in the
9 former capacity”; and

10 (3) by striking “, and the Commissioner shall
11 be the principal officer,”.

12 **SEC. 403. DIRECTOR.**

13 (a) IN GENERAL.—The Rehabilitation Act of 1973
14 (29 U.S.C. 701 et seq.) is amended by striking “Commis-
15 sioner” each place it appears, except in section 21, and
16 inserting “Director”.

17 (b) EXCEPTION.—Section 21 of the Rehabilitation
18 Act of 1973 (29 U.S.C. 718) is amended—

19 (1) in subsection (b)(1)—

20 (A) by striking “Commissioner” the first
21 place it appears and inserting “Director of the
22 Rehabilitation Services Administration”; and

23 (B) by striking “(referred to in this sub-
24 section as the ‘Director’ ”); and



1 (2) by striking “Commissioner and the Direc-
2 tor” each place it appears and inserting “both such
3 Directors”.

4 **SEC. 404. DEFINITIONS.**

5 Section 7 of the Rehabilitation Act of 1973 (29
6 U.S.C. 705) is amended—

7 (1) by redesignating paragraphs (35) through
8 (39) as paragraphs (36), (37), (38), (40), and (41),
9 respectively;

10 (2) in subparagraph (A)(ii) of paragraph (36)
11 (as redesignated in paragraph (1)), by striking
12 “paragraph (36)(C)” and inserting “paragraph
13 (37)(C)”;

14 (3) by inserting after paragraph (34) the fol-
15 lowing:

16 “(35)(A) The term ‘student with a disability’
17 means an individual with a disability who—

18 “(i) is not younger than 16 and not older
19 than 21;

20 “(ii) has been determined to be eligible
21 under section 102(a) for assistance under this
22 title; and

23 “(iii)(I) is eligible for, and is receiving,
24 special education under part B of the Individ-



1 uals with Disabilities Education Act (20 U.S.C.
2 1411 et seq.); or

3 “(II) is an individual with a disability, for
4 purposes of section 504.

5 “(B) The term ‘students with disabilities’
6 means more than 1 student with a disability.”; and

7 (4) by inserting after paragraph (38) the fol-
8 lowing:

9 “(39) The term ‘transition services expansion
10 year’ means—

11 “(A) the first fiscal year for which the
12 amount appropriated under section 100(b) ex-
13 ceeds the amount appropriated under section
14 100(b) for fiscal year 2004 by not less than
15 \$100,000,000; and

16 “(B) each fiscal year subsequent to that
17 first fiscal year.”.

18 **SEC. 405. STATE PLAN.**

19 (a) COORDINATION WITH EDUCATION OFFICIALS.—
20 Section 101(a) of the Rehabilitation Act of 1973 (29
21 U.S.C. 721(a)) is amended—

22 (1) in paragraph (11)(D)(i) by inserting “,
23 which may be provided using alternative means of
24 meeting participation (such as video conferences and
25 conference calls)” before the semicolon.



1 (b) ASSESSMENT AND STRATEGIES.—Section
2 101(a)(15) of the Rehabilitation Act of 1973 (29 U.S.C.
3 721(a)(15)) is amended—

4 (1) in subparagraph (A)

5 (A) in clause (i)—

6 (i) in subclause (II), by striking
7 “and” at the end;

8 (ii) in subclause (III), by adding
9 “and” at the end; and

10 (iii) by adding at the end the fol-
11 lowing:

12 “(IV) in a transition services ex-
13 pansion year, students with disabil-
14 ities, including their need for transi-
15 tion services;”; and

16 (B) by redesignating clauses (ii) and (iii)
17 as clauses (iii) and (iv), respectively, and insert-
18 ing after clause (i) the following:

19 “(ii) include an assessment of the transition services
20 provided under this Act, and coordinated with transition
21 services under the Individuals with Disabilities Education
22 Act, as to those services meeting the needs of individuals
23 with disabilities.”; and

24 (2) in subparagraph (D)—



1 (A) by redesignating clauses (iii), (iv), and
2 (v) as clauses (iv), (v), and (vi), respectively;
3 and

4 (B) by inserting after clause (ii) the fol-
5 lowing:

6 “(iii) in a transition services expan-
7 sion year, the methods to be used to im-
8 prove and expand vocational rehabilitation
9 services for students with disabilities, in-
10 cluding the coordination of services de-
11 signed to facilitate the transition of such
12 students from the receipt of educational
13 services in school to the receipt of voca-
14 tional rehabilitation services under this
15 title or to postsecondary education or em-
16 ployment;”.

17 (c) SERVICES FOR STUDENTS WITH DISABILITIES.—
18 Section 101(a) of the Rehabilitation Act of 1973 (29
19 U.S.C. 721(a)) is amended by adding at the end the fol-
20 lowing:

21 “(25) SERVICES FOR STUDENTS WITH DISABIL-
22 ITIES.—The State plan for a transition services ex-
23 pansion year shall provide an assurance satisfactory
24 to the Secretary that the State—



1 “(A) has developed and implemented strat-
2 egies to address the needs identified in the as-
3 sessment described in paragraph (15), and
4 achieve the goals and priorities identified by the
5 State, to improve and expand vocational reha-
6 bilitation services for students with disabilities
7 on a statewide basis in accordance with para-
8 graph (15); and

9 “(B) from funds reserved under section
10 110A, shall carry out programs or activities de-
11 signed to improve and expand vocational reha-
12 bilitation services for students with disabilities
13 that—

14 “(i) facilitate the transition of the stu-
15 dents with disabilities from the receipt of
16 educational services in school, to the re-
17 ceipt of vocational rehabilitation services
18 under this title, including, at a minimum,
19 those services specified in the interagency
20 agreement required in paragraph (11)(D);

21 “(ii) improve the achievement of post-
22 school goals of students with disabilities,
23 including improving the achievement
24 through participation (as appropriate when
25 vocational goals are discussed) in meetings



1 regarding individualized education pro-
2 grams developed under section 614 of the
3 Individuals with Disabilities Education Act
4 (20 U.S.C. 1414);

5 “(iii) provide vocational guidance, ca-
6 reer exploration services, and job search
7 skills and strategies and technical assist-
8 ance to students with disabilities;

9 “(iv) support the provision of training
10 and technical assistance to State and local
11 educational agency and designated State
12 agency personnel responsible for the plan-
13 ning and provision of services to students
14 with disabilities; and

15 “(v) support outreach activities to stu-
16 dents with disabilities who are eligible for,
17 and need, services under this title.”.

18 **SEC. 406. SCOPE OF SERVICES.**

19 Section 103 of the Rehabilitation Act of 1973 (29
20 U.S.C. 723) is amended—

21 (1) in subsection (a), by striking paragraph
22 (15) and inserting the following:

23 “(15) transition services for students with dis-
24 abilities, that facilitate the achievement of the em-
25 ployment outcome identified in the individualized



1 plan for employment, including, in a transition serv-
2 ices expansion year, services described in clauses (i)
3 through (iii) of section 101(a)(25)(B);” and

4 (2) in subsection (b), by striking paragraph (6)
5 and inserting the following:

6 “(6)(A)(i) Consultation and technical assistance
7 services to assist State and local educational agen-
8 cies in planning for the transition of students with
9 disabilities from school to post-school activities, in-
10 cluding employment.

11 “(ii) In a transition services expansion year,
12 training and technical assistance described in section
13 101(a)(25)(B)(iv).

14 “(B) In a transition services expansion year,
15 services for groups of individuals with disabilities
16 who meet the requirements of clauses (i) and (iii) of
17 section 7(35)(A), including services described in
18 clauses (i), (ii), (iii), and (v) of section
19 101(a)(25)(B), to assist in the transition from
20 school to post-school activities.”.

21 **SEC. 407. STANDARDS AND INDICATORS.**

22 Section 106(a) of the Rehabilitation Act of 1973 (29
23 U.S.C. 726(a)) is amended by striking paragraph (1)(C)
24 and all that follows through paragraph (2) and inserting
25 the following:



1 “(2) MEASURES.—The standards and indica-
2 tors shall include outcome and related measures of
3 program performance that—

4 “(A) facilitate the accomplishment of the
5 purpose and policy of this title;

6 “(B) to the maximum extent practicable,
7 are consistent with the core indicators of per-
8 formance, and corresponding State adjusted lev-
9 els of performance, established under section
10 136(b) of the Workforce Investment Act of
11 1998 (29 U.S.C. 2871(b)); and

12 “(C) include measures of the program’s
13 performance with respect to the transition to
14 post-school vocational activities, and achieve-
15 ment of the post-school vocational goals, of stu-
16 dents with disabilities served under the pro-
17 gram.”.

18 **SEC. 408. RESERVATION FOR EXPANDED TRANSITION**
19 **SERVICES.**

20 The Rehabilitation Act of 1973 is amended by insert-
21 ing after section 110 (29 U.S.C. 730) the following:

22 **“SEC. 110A. RESERVATION FOR EXPANDED TRANSITION**
23 **SERVICES.**

24 “(a) RESERVATION.—From the State allotment
25 under section 110 in a transition services expansion year,



1 each State shall reserve an amount calculated by the Di-
2 rector under subsection (b) to carry out programs and ac-
3 tivities under sections 101(a)(25)(B) and 103(b)(6).

4 “(b) CALCULATION.—The Commissioner shall cal-
5 culate the amount to be reserved for such programs and
6 activities for a fiscal year by each State by multiplying
7 \$50,000,000 by the percentage determined by dividing—

8 “(1) the amount allotted to that State under
9 section 110 for the prior fiscal year; by

10 “(2) the total amount allotted to all States
11 under section 110 for that prior fiscal year.”.

12 **SEC. 409. CHAIRPERSON.**

13 Section 705(b)(5) of the Rehabilitation Act of 1973
14 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

15 “(5) CHAIRPERSON.—The Council shall select a
16 chairperson from among the voting membership of
17 the Council.”.

18 **SEC. 410. AUTHORIZATIONS OF APPROPRIATIONS.**

19 The Rehabilitation Act of 1973 is further amended—

20 (1) in section 100(b)(1) by striking “fiscal
21 years 1999 through 2003” and inserting “fiscal
22 years 2006 through 2011”;

23 (2) in section 100(d)(1)(B) by striking “fiscal
24 year 2003” and inserting “fiscal year 2011”;



1 (3) in section 110(c) by amending paragraph
2 (2) to read as follows:

3 “(2) The sum referred to in paragraph (1) shall
4 be, as determined by the Secretary, not less than 1
5 percent and not more than 1.5 percent of the
6 amount referred to in paragraph (1) for each of fis-
7 cal years 2003 through 2011.”;

8 (4) in section 112(h) by striking “fiscal years
9 1999 through 2003” and inserting “fiscal years
10 2006 through 2011”;

11 (5) in section 201(a) by striking “fiscal years
12 1999 through 2003” each place it appears and in-
13 serting “fiscal years 2006 through 2011”;

14 (6) in section 302(i) by striking “fiscal years
15 1999 through 2003” and inserting “fiscal years
16 2006 through 2011”;

17 (7) in section 303(e) by striking “fiscal years
18 1999 through 2003” and inserting “fiscal years
19 2006 through 2011”;

20 (8) in section 304(b) by striking “fiscal years
21 1999 through 2003” and inserting “fiscal years
22 2006 through 2011”;

23 (9) in section 305(b) by striking “fiscal years
24 1999 through 2003” and insert “fiscal years 2006
25 through 2011”;



1 (10) in section 405 by striking “fiscal years
2 1999 through 2003” and inserting “fiscal years
3 2006 through 2011”;

4 (11) in section 502(j) by striking “fiscal years
5 1999 through 2003” and inserting “fiscal years
6 2006 through 2011”;

7 (12) in section 509(l) by striking “fiscal years
8 1999 through 2003” and inserting “fiscal years
9 2006 through 2011”;

10 (13) in section 612 by striking “fiscal years
11 1999 through 2003” and inserting “fiscal years
12 2006 through 2011”;

13 (14) in section 628 by striking “fiscal years
14 1999 through 2003” and inserting “fiscal years
15 2006 through 2011”;

16 (15) in section 714 by striking “fiscal years
17 1999 through 2003” and inserting “fiscal years
18 2006 through 2011”;

19 (16) in section 727 by striking “fiscal years
20 1999 through 2003” and inserting “fiscal years
21 2006 through 2011”; and

22 (17) in section 753 by striking “fiscal years
23 1999 through 2003” and inserting “fiscal years
24 2006 through 2011”.



1 **SEC. 411. CONFORMING AMENDMENT.**

2 Section 1(b) of the Rehabilitation Act of 1973 is
3 amended by inserting after the item relating to section
4 110 the following:

“Sec. 110A. Reservation for expanded transition services.”.

5 **SEC. 412. HELEN KELLER NATIONAL CENTER ACT.**

6 (a) GENERAL AUTHORIZATION OF APPROPRIA-
7 TIONS.—The first sentence of section 205(a) of the Helen
8 Keller National Center Act (29 U.S.C. 1904(a)) is amend-
9 ed by striking “1999 through 2003” and inserting “2006
10 through 2011”.

11 (b) HELEN KELLER NATIONAL CENTER FEDERAL
12 ENDOWMENT FUND.—The first sentence of section
13 208(h) of such Act (29 U.S.C. 1907(h)) is amended by
14 striking “1999 through 2003” and inserting “2006
15 through 2011”.

16 **TITLE V—TRANSITION AND**
17 **EFFECTIVE DATE**

18 **SEC. 501. TRANSITION PROVISIONS.**

19 The Secretary of Labor shall take such actions as the
20 Secretary determines to be appropriate to provide for the
21 orderly implementation of this Act.

22 **SEC. 502. EFFECTIVE DATE.**

23 Except as otherwise provided in this Act, this Act and
24 the amendments made by this Act, shall take effect on
25 the date of enactment of this Act.

