

108TH CONGRESS
1ST SESSION

H. R. 444

To amend the Workforce Investment Act of 1998 to establish a Personal Reemployment Accounts grant program to assist Americans in returning to work.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 2003

Mr. PORTER (for himself, Mr. BOEHNER, Mr. MCKEON, Ms. PRYCE of Ohio, Mr. BALLENGER, Mr. GREENWOOD, Mr. SOUDER, Mr. NORWOOD, Mr. DEMINT, Mr. ISAKSON, Mr. PLATTS, Mr. TIBERI, Mr. KELLER, Mr. WILSON of South Carolina, Mr. KLINE, Mr. BEAUPREZ, Mr. CUNNINGHAM, Mr. GREEN of Wisconsin, Mr. HAYES, Mr. MCHUGH, Mr. NETHERCUTT, Mr. OXLEY, Mr. SIMMONS, Mr. SMITH of New Jersey, Mr. TIAHRT, and Mr. WOLF) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To amend the Workforce Investment Act of 1998 to establish a Personal Reemployment Accounts grant program to assist Americans in returning to work.

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

3 **SECTION 1. SHORT TITLE**

4 This Act may be cited as the “Back to Work Incen-
5 tive Act of 2003”.

1 **SEC. 2. GRANTS TO SUPPORT PERSONAL REEMPLOYMENT**
2 **ACCOUNTS.**

3 Subtitle B of title I of the Workforce Investment Act
4 of 1998 (29 U.S.C. 2811 et seq.) is amended by inserting
5 after chapter 5 the following new chapter:

6 **“CHAPTER 5A—PERSONAL**
7 **REEMPLOYMENT ACCOUNTS**

8 **“SEC. 135A. PURPOSES.**

9 “The purposes of this chapter are to provide for the
10 establishment of personal reemployment accounts for cer-
11 tain individuals identified as likely to exhaust their unem-
12 ployment compensation in order to—

13 “(1) accelerate the reemployment of such indi-
14 viduals;

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

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

20 **“SEC. 135B. DEFINITION.**

21 “In this chapter, the term ‘State’ means each of the
22 several States of the United States, the District of Colum-
23 bia, the Commonwealth of Puerto Rico, and the United
24 States Virgin Islands.

25 **“SEC. 135C. GRANTS TO STATES.**

26 “(a) GRANTS.—The Secretary shall—

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

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

7 “(b) ALLOTMENT AMONG STATES.—

8 “(1) IN GENERAL.—From the amount made
9 available under subsection (a)(2), the Secretary shall
10 allot to each State an amount that is proportionate
11 to the relative number of unemployed individuals in
12 the State as compared to the total number of unem-
13 ployed individuals in all States in order to provide
14 assistance for eligible individuals in accordance with
15 this chapter.

16 “(2) SMALL STATE MINIMUM ALLOTMENT.—
17 The Secretary shall ensure that—

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

23 “(B) the United States Virgin Islands shall
24 receive an allotment under paragraph (1) that
25 is not less than $\frac{1}{10}$ of 1 percent of the amount

1 made available under subsection (a)(2) for the
2 fiscal year.

3 “(c) AVAILABILITY.—Notwithstanding section
4 189(g)(1), amounts made available under subsection (a)
5 to carry out this chapter shall be available for obligation
6 and expenditure beginning on the date of the enactment
7 of the Back to Work Incentive Act of 2003.

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

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

11 “(1) not more than 2 percent of the amount
12 may be reserved by the Governor of the State to en-
13 hance the system of worker profiling described in
14 section 303(j) of the Social Security Act and to es-
15 tablish and operate a data management system, as
16 necessary, and carry out other appropriate activities
17 to implement this chapter;

18 “(2) 5 percent of the amount shall be allocated
19 by the State to local areas in accordance with the
20 formula described in subsection (b) for start-up
21 costs and other operating costs related to the provi-
22 sion of assistance under this chapter; and

23 “(3) the remainder of the amount shall be pro-
24 vided to local areas for the establishment of personal

1 reemployment accounts described in section 135E
2 for eligible individuals in such local areas.

3 “(b) FORMULA.—A State shall allocate funds to local
4 areas in the State under subsection (a)(2) in an amount
5 that is proportionate to the relative number of unemployed
6 individuals in the local area as compared to the total num-
7 ber of unemployed individuals in the State.

8 “(c) AVAILABILITY.—Notwithstanding section
9 189(g)(2), amounts allotted to a State under section
10 135C, and amounts subsequently provided to a local area
11 under this section, shall be available for obligation and ex-
12 penditure only for the 3-year period beginning on the date
13 of the enactment of the Back to Work Incentive Act of
14 2003.

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

16 “(a) ACCOUNTS.—

17 “(1) IN GENERAL.—Funds provided to a local
18 area under section 135D shall be used to provide eli-
19 gible individuals with personal reemployment ac-
20 counts to be used in accordance with section 135F.
21 An eligible individual may receive only one personal
22 reemployment account.

23 “(2) AMOUNT.—The State shall establish the
24 amount of a personal reemployment account, which

1 shall be uniform throughout the State, and shall not
2 exceed \$3,000.

3 “(b) ELIGIBLE INDIVIDUALS.—

4 “(1) IN GENERAL.—Each State shall establish
5 eligibility criteria for individuals for personal reem-
6 ployment accounts in accordance with this sub-
7 section.

8 “(2) MINIMUM ELIGIBILITY CRITERIA REQUIRE-
9 MENTS.—

10 “(A) IN GENERAL.—Subject to subpara-
11 graph (B), an individual shall be eligible to re-
12 ceive assistance under this chapter if, beginning
13 after the date of enactment of the Back to
14 Work Incentive Act of 2003, the individual—

15 “(i) is identified by the State pursu-
16 ant to section 303(j)(1) of the Social Secu-
17 rity Act as likely to exhaust regular unem-
18 ployment compensation and in need of job
19 search assistance to make a successful
20 transition to new employment;

21 “(ii) is receiving regular unemploy-
22 ment compensation under any State or
23 Federal unemployment compensation pro-
24 gram administered by the State; and

1 “(iii) is eligible for not less than 20
2 weeks for the regular unemployment com-
3 pensation described in clause (ii).

4 “(B) ADDITIONAL ELIGIBILITY AND PRI-
5 ORITY CRITERIA.—A State may establish cri-
6 teria that is in addition to the criteria described
7 in subparagraph (A) for the eligibility of indi-
8 viduals to receive assistance under this chapter.
9 A State may also establish criteria for priority
10 in the provision of assistance to such eligible in-
11 dividuals under this chapter.

12 “(3) TRANSITION RULE.—

13 “(A) PREVIOUSLY IDENTIFIED AS LIKELY
14 TO EXHAUST UNEMPLOYMENT COMPENSA-
15 TION.—

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

20 “(I) during the 90-day period
21 ending on the date of the enactment
22 of the Back to Work Incentive Act of
23 2003, was identified by the State pur-
24 suant to section 303(j)(1) of the So-
25 cial Security Act as likely to exhaust

1 regular unemployment compensation
2 and in need of job search assistance
3 to make a successful transition to new
4 employment; and

5 “(II) otherwise meets the re-
6 quirements of clauses (ii) and (iii) of
7 paragraph (2)(A).

8 “(ii) ADDITIONAL ELIGIBILITY AND
9 PRIORITY CRITERIA.—A State may estab-
10 lish criteria that is in addition to the cri-
11 teria described in clause (i) for the eligi-
12 bility of individuals to receive assistance
13 under this chapter. A State may also es-
14 tablish criteria for priority in the provision
15 of assistance to such eligible individuals
16 under this chapter.

17 “(B) PREVIOUSLY EXHAUSTED UNEM-
18 PLOYMENT COMPENSATION.—At the option of
19 the State, an individual may be eligible to re-
20 ceive assistance under this chapter if the indi-
21 vidual—

22 “(i) during the 90-day period ending
23 on the date of the enactment of the Back
24 to Work Incentive Act of 2003, exhausted

1 all rights to any unemployment compensa-
2 tion; and

3 “(ii)(I) is enrolled in training and
4 needs additional support to complete such
5 training, with a priority of service to be
6 provided to such individuals who are train-
7 ing for shortage occupations or high-
8 growth industries; or

9 “(II) is separated from employment in
10 an industry or occupation that has experi-
11 enced declining employment, or no longer
12 provides any employment, in the local labor
13 market during the two-year period ending
14 on the date of the determination of eligi-
15 bility of the individual under this subpara-
16 graph.

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

20 “(c) LOCAL ADMINISTRATION.—

21 “(1) INFORMATION AND ATTESTATION.—Prior
22 to the establishment of a personal reemployment ac-
23 count for an eligible individual under this chapter,
24 the one-stop delivery system shall ensure that the in-
25 dividual—

1 “(A) is informed of the requirements appli-
2 cable to the personal reemployment account, in-
3 cluding the allowable uses of funds from the ac-
4 count, the limitations on access to services de-
5 scribed under section 135F(a)(3)(C) and a de-
6 scription of such services, and the conditions for
7 receiving a reemployment bonus;

8 “(B) has the option to develop a personal
9 reemployment plan which will identify the em-
10 ployment goals and appropriate combination of
11 services selected by the individual to achieve the
12 employment goals; and

13 “(C) signs an attestation that the indi-
14 vidual will comply with the requirements relat-
15 ing to the personal reemployment accounts
16 under this chapter and will reimburse the ac-
17 count or, if the account has been terminated,
18 the program under this chapter, for any
19 amounts expended from the account that are
20 not allowable.

21 “(2) PERIODIC INTERVIEWS.—If a recipient ex-
22 hausts his or her rights to any unemployment com-
23 pensation, and the recipient has a remaining balance
24 in his or her personal reemployment account, the
25 one-stop delivery system shall conduct periodic inter-

1 views with the recipient to assist the recipient in
2 meeting his or her individual employment goals.

3 **“SEC. 135F. USE OF FUNDS.**

4 “(a) ALLOWABLE ACTIVITIES.—

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

9 “(A) Intensive services, including those
10 types of services specified in section
11 134(d)(3)(C).

12 “(B) Training services, including those
13 types of services specified in section
14 134(d)(4)(D).

15 “(C) Supportive services, except for needs-
16 related payments.

17 “(D) Assistance to purchase or lease an
18 automobile, if such assistance is necessary to
19 allow the recipient to accept a bona fide offer
20 of employment for which there is a reasonable
21 expectation of long-term duration.

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

1 “(A) Recipients may use funds from the
2 personal reemployment account to purchase the
3 services described in paragraph (1) through the
4 one-stop delivery system on a fee-for-service
5 basis, or through other providers, consistent
6 with safeguards described in the State plan
7 under section 135G.

8 “(B) The one-stop delivery system may
9 pay costs for such services directly on behalf of
10 the recipient, through a voucher system, or by
11 reimbursement to the recipient upon receipt of
12 appropriate cost documentation, consistent with
13 safeguards described in the State plan under
14 section 135G.

15 “(C) Each one-stop delivery system shall
16 make available to recipients information on
17 training providers specified in section
18 134(d)(4)(F)(ii), information available to the
19 one-stop delivery system on providers of the in-
20 tensive and supportive services described in
21 paragraph (1), and information relating to oc-
22 cupations in demand in the local area.

23 “(3) LIMITATIONS.—The following limitations
24 shall apply with respect to personal reemployment
25 accounts under this chapter:

1 “(A)(i) Amounts in a personal reemploy-
2 ment account may be used for up to one year
3 from the date of the establishment of the ac-
4 count.

5 “(ii) No personal reemployment account
6 may be established beginning 2 years after the
7 date of the enactment of the Back to Work In-
8 centive Act of 2003.

9 “(B) Each recipient shall submit cost doc-
10 umentation as required by the one-stop delivery
11 system.

12 “(C) For the 1-year period following the
13 establishment of the account, recipients may
14 not receive intensive, supportive, or training
15 services funded under this title except on a fee-
16 for-services basis as specified in paragraph
17 (2)(A).

18 “(D) Amounts in a personal reemployment
19 account shall be nontransferable.

20 “(b) INCOME SUPPORT.—A State may authorize re-
21 cipients determined eligible under section 135E(b)(3)(B)
22 to withdraw amounts from the personal reemployment ac-
23 count on a weekly basis for purposes of income support
24 in amounts up to the average weekly amount of unemploy-
25 ment compensation that the individual received prior to

1 his or her exhaustion of rights to unemployment com-
2 pensation if the individual is engaged in job search, inten-
3 sive services, or training that is expected to lead to em-
4 ployment.

5 “(c) REEMPLOYMENT BONUS.—

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

7 “(A) if a recipient determined eligible
8 under section 135E(b)(2) obtains full-time em-
9 ployment before the end of the 13th week of
10 unemployment for which unemployment com-
11 pensation is paid, the balance of his or her per-
12 sonal reemployment account shall be provided
13 directly to the recipient in cash; and

14 “(B) if a recipient determined eligible
15 under section 135E(b)(3) obtains full-time em-
16 ployment before the end of the 13th week after
17 the date on which the account is established,
18 the balance of his or her personal reemployment
19 account shall be provided directly to the recipi-
20 ent in cash.

21 “(2) LIMITATIONS.—The following limitations
22 shall apply with respect to a recipient described in
23 paragraph (1):

1 “(A) 60 percent of the remaining personal
2 reemployment account balance shall be paid to
3 the recipient at the time of reemployment.

4 “(B) 40 percent of the remaining personal
5 reemployment account balance shall be paid to
6 the recipient not later than 6 months after the
7 date of reemployment.

8 “(3) EXCEPTION REGARDING SUBSEQUENT UN-
9 EMPLOYMENT.—If a recipient described in para-
10 graph (1) subsequently becomes unemployed due to
11 a lack of work after receiving the portion of the re-
12 employment bonus specified under paragraph (2)(A),
13 the individual may use the amount remaining in the
14 personal reemployment account for the purposes de-
15 scribed in subsection (a) but may not be eligible for
16 additional cash payments under this subsection.

17 **“SEC. 135G. STATE PLAN.**

18 “(a) IN GENERAL.—In order for a State to receive
19 an allotment under section 135C, the Governor of the
20 State shall submit to the Secretary a plan that includes
21 a description of how the State intends to carry out the
22 personal reemployment accounts authorized under this
23 chapter, including—

24 “(1) the criteria and methods to be used for de-
25 termining eligibility for the personal reemployment

1 accounts, including whether the State intends to in-
2 clude the optional categories described in section
3 135E(b)(3), and the additional criteria and priority
4 for service that the State intends to apply, if any,
5 pursuant to section 135E(b)(2)(B);

6 “(2) the methods or procedures, developed in
7 consultation with local boards and chief elected offi-
8 cials, to be used to provide eligible individuals infor-
9 mation relating to services and providers, and safe-
10 guards, developed in consultation with such boards
11 and officials, to ensure that funds from the personal
12 reemployment accounts are used for purposes au-
13 thorized under this chapter and are not used for
14 services or providers that are wholly unreasonable or
15 egregious;

16 “(3) how the State will coordinate the activities
17 carried out under this chapter with the employment
18 and training activities carried out under section 134
19 and other activities carried out through the one-stop
20 delivery system in the State.

21 “(b) PLAN SUBMISSION AND APPROVAL.—A State
22 plan submitted to the Secretary under subsection (a) by
23 a Governor shall be considered to be approved by the Sec-
24 retary at the end of the 30-day period beginning on the
25 date the Secretary receives the plan, unless the Secretary

1 makes a written determination during such period that the
2 plan is incomplete or otherwise inconsistent with the provi-
3 sions of this chapter.

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

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

10 **“SEC. 135I. EVALUATION.**

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

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

21 “(c) **REPORT.**—The report to Congress under section
22 172(e) relating to the results of the evaluations required
23 under section 172 shall include the recommendation of the
24 Secretary with respect to the use of personal reemploy-

1 ment accounts as a mechanism to assist individuals in ob-
2 taining and retaining employment.”.

3 **SEC. 3. ADMINISTRATION.**

4 Section 117(d) of the Workforce Investment Act of
5 1998 (29 U.S.C. 2832(d)) is amended—

6 (1) in paragraph (3)(B)(i)(I), by striking “sec-
7 tions 128 and 133” and inserting “sections 128,
8 133, and 135D”; and

9 (2) in paragraph (4), by inserting “, activities
10 authorized under section 135F” after “section 134”.

11 **SEC. 4. DELIVERY OF SERVICES.**

12 Section 134(c)(1) of the Workforce Investment Act
13 of 1998 (29 U.S.C. 2864(c)(1)) is amended—

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

16 (2) in subparagraph (E), by striking the period
17 at the end and inserting “; and”; and

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

19 “(F) shall provide access to personal reemployment
20 accounts in accordance to section 135E.”.

21 **SEC. 5. AUTHORIZATION OF APPROPRIATION.**

22 Section 137 of the Workforce Investment Act of 1998
23 (29 U.S.C. 2872) is amended by adding at the end the
24 following:

25 “(d) PERSONAL REEMPLOYMENT ACCOUNTS.—

1 “(1) IN GENERAL.—There is authorized to be
2 appropriated \$3,600,000,000 for fiscal year 2003 to
3 carry out chapter 5A.

4 “(2) AVAILABILITY.—Amounts appropriated
5 pursuant to the authorization of appropriations
6 under paragraph (1) to carry out section 135I are
7 authorized to remain available until expended.”.

8 **SEC. 6. CONFORMING AMENDMENT.**

9 The table of contents for the Workforce Investment
10 Act of 1998 is amended by inserting after the items relat-
11 ing to chapter 5 of subtitle B of title I the following new
12 items:

 “CHAPTER 5A—PERSONAL REEMPLOYMENT ACCOUNTS

 “Sec. 135A. Purposes.

 “Sec. 135B. Definitions.

 “Sec. 135C. Grants to States.

 “Sec. 135D. Within State allocation.

 “Sec. 135E. Personal reemployment accounts.

 “Sec. 135F. Use of funds.

 “Sec. 135G. State plan.

 “Sec. 135H. Program information.

 “Sec. 135I. Evaluation, technical assistance, and data collection activities.”.

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