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109TH CONGRESS
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[Report No. 109–9]

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

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 2005

Mr. MCKEON (for himself, Mr. BOEHNER, Mr. TIBERI, Mr. PORTER, and Mr. KLINE) introduced the following bill; which was referred to the Committee on Education and the Workforce

FEBRUARY 25, 2005

Additional sponsors: Mr. NORWOOD, Mrs. MILLER of Michigan, Mr. HALL, Mrs. CAPITO, Mrs. DRAKE, Mr. ENGLISH of Pennsylvania, Mr. FORTUÑO, Mr. RADANOVICH, Mr. SESSIONS, Mr. BOUSTANY, and Mr. LATHAM

FEBRUARY 25, 2005

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on January 4, 2005]

A BILL

To enhance the workforce investment system of the Nation by strengthening one-stop career centers, providing for

more effective governance arrangements, promoting access to a more comprehensive array of employment, training, and related services, establishing a targeted approach to serving youth, and improving performance accountability, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

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

6 **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. Business partnership grants.

Sec. 126. National dislocated worker grants.

- Sec. 127. Authorization of appropriations for national activities.*
Sec. 128. Requirements and restrictions.
Sec. 129. Nondiscrimination.
Sec. 130. Administrative provisions.
Sec. 131. 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. Client assistance program.
Sec. 410. Protection and advocacy of individual rights.
Sec. 411. Chairperson.
Sec. 412. Authorizations of appropriations.
Sec. 413. Conforming amendment.
Sec. 414. 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 of*
4 *an amendment to, or repeal of, a section or other provision,*
5 *the amendment or repeal shall be considered to be made*
6 *to a section or other provision of the Workforce Investment*
7 *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 re-*
7 *designating paragraphs (1) through (12) as para-*
8 *graphs (3) through (14), and paragraphs (14) through*
9 *(23) as paragraphs (15) through (24), respectively;*

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

12 *“(1) ACCRUED EXPENDITURES.—The term ‘ac-*
13 *crued expenditures’ means charges incurred by recipi-*
14 *ents of funds under this title for a given period re-*
15 *quiring the provision of funds for goods or other tan-*
16 *gible property received; services performed by employ-*
17 *ees, contractors, subgrantees, and other payees; and*
18 *other amounts becoming owed under programs as-*
19 *sisted under this title for which no current services or*
20 *performance is required, such as annuities, insurance*
21 *claims, and other benefit payments.*

22 *“(2) ADMINISTRATIVE COSTS.—The term ‘admin-*
23 *istrative costs’ means expenditures incurred by State*
24 *and local workforce investment boards, direct recipi-*
25 *ents (including State grant recipients under subtitle*

1 *B and recipients of awards under subtitle D), local*
2 *grant recipients, local fiscal agents or local grant sub-*
3 *recipients, and one-stop operators in the performance*
4 *of administrative functions and in carrying out ac-*
5 *tivities under this title which are not related to the*
6 *direct provision of workforce investment services (in-*
7 *cluding services to participants and employers). Such*
8 *costs include both personnel and non-personnel and*
9 *both direct and indirect.”;*

10 (3) *in paragraph (6) (as so redesignated), by in-*
11 *serting “(or such other level as the Governor may es-*
12 *tablish)” after “8th grade level”;*

13 (4) *in paragraph (10) (as so redesignated)—*

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

16 (B) *in subparagraph (C)—*

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

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

24 (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 deter-
5 mined by the Governor.”;

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

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

12 (7) in paragraph (25)—

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

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

21 “(D) receives or is eligible to receive free or
22 reduced price lunch under the Richard B. Russell
23 National School Lunch Act (42 U.S.C. 1751 et
24 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 redesign-
5 nating paragraphs (34) through (53) as paragraphs
6 (33) through (52), respectively.

7 **SEC. 102. PURPOSE.**

8 Section 106 (29 U.S.C. 2811) is amended by inserting
9 at the end the following: “It is also the purpose of this sub-
10 title to provide workforce investment activities in a manner
11 that promotes the informed choice of participants and ac-
12 tively involves participants in decisions affecting their par-
13 ticipation 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 ac-
24 tivities that are described in section 121(b)
25 and carried out by one-stop partners;

1 “(II) in any case in which no lead
2 State agency official has responsibility for
3 such a program or activity, a representative
4 in the State with expertise relating to such
5 program or activity; and

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

16 “(ii) the State agency officials respon-
17 sible for economic development;

18 “(iii) representatives of business in the
19 State who—

20 “(I) are owners of businesses, chief
21 executive or operating officers of busi-
22 nesses, and other business executives or
23 employers with optimum policy mak-
24 ing or hiring authority, including

1 *members of local boards described in*
2 *section 117(b)(2)(A)(i);*

3 *“(II) represent businesses with*
4 *employment opportunities that reflect*
5 *employment opportunities in the State;*
6 *and*

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

11 *“(iv) chief elected officials (rep-*
12 *resenting both cities and counties, where ap-*
13 *propriate);*

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

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

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

23 *(2) CONFORMING AMENDMENT.—Section 111(c)*
24 *(29 U.S.C 2811(c)) is amended by striking “sub-*

1 *section (b)(1)(C)(i)” and inserting “subsection*
2 *(b)(1)(C)(iii)”.*

3 ***(b) FUNCTIONS.—Section 111(d) (29 U.S.C. 2811(d))***
4 *is amended—*

5 *(1) in paragraph (2), by striking “section*
6 *134(c)” and inserting “section 121(e)”;*

7 *(2) by amending paragraph (3) to read as fol-*
8 *lows:*

9 *“(3) development and review of statewide policies*
10 *affecting the integrated provision of services through*
11 *the one-stop delivery system described in section 121,*
12 *including—*

13 *“(A) the development of criteria for, and the*
14 *issuance of, certifications of one-stop centers;*

15 *“(B) the criteria for the allocation of one-*
16 *stop center infrastructure funding under section*
17 *121(h), and oversight of the use of such funds;*

18 *“(C) approaches to facilitating equitable*
19 *and efficient cost allocation in one-stop delivery*
20 *systems; and*

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

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

5 (4) in paragraph (5), by striking “sections
6 128(b)(3)(B) and 133(b)(3)(B)” and inserting “sec-
7 tions 128(b)(3) and 133(b)(3)”;

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

10 (c) *ELIMINATION OF ALTERNATIVE ENTITY AND PRO-*
11 *VISION OF AUTHORITY TO HIRE STAFF.*—Section 111(e)
12 (29 U.S.C. 2821(e)) is amended to read as follows:

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

16 **SEC. 104. STATE PLAN.**

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

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

22 (1) in paragraph (12)(A), by striking “sections
23 128(b)(3)(B) and 133(b)(3)(B)” and inserting “sec-
24 tions 128(b)(3) and 133(b)(3)”;

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

3 (3) *in paragraph (17)(A)—*

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

5 (B) *by amending clause (iv) to read as fol-*
6 *lows:*

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

20 (C) *by inserting after clause (iv) the fol-*
21 *lowing:*

22 *“(v) how the State will serve the em-*
23 *ployment and training needs of individuals*
24 *with disabilities, consistent with section 188*
25 *and Executive Order 13217 (42 U.S.C.*

1 *12131 note; relating to community-based al-*
2 *ternatives for individuals with disabilities)*
3 *including the provision of outreach, intake,*
4 *assessments, and service delivery, the devel-*
5 *opment of performance measures, the train-*
6 *ing of staff, and other aspects of accessi-*
7 *bility to program services, consistent with*
8 *sections 504 and 508 of the Rehabilitation*
9 *Act of 1973; and”;*

10 *(4) in paragraph (18)(D), by striking “youth op-*
11 *portunity grants” and inserting “youth challenge*
12 *grants”;* and

13 *(5) by adding at the end the following new para-*
14 *graphs:*

15 *“(19) a description of the methodology for deter-*
16 *mining one-stop partner program contributions for*
17 *the cost of the infrastructure of one-stop centers under*
18 *section 121(h)(1) and of the formula for allocating*
19 *such infrastructure funds to local areas under section*
20 *121(h)(3); and*

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

1 *sistance to assist local areas in engaging employers in*
2 *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) (29*
9 *U.S.C. 2831(a)(1)(B)) is amended by adding at the*
10 *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 read*
16 *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 request*
21 *for designation as a local area from—*

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

11 “(B) CONTINUED DESIGNATION BASED ON
12 PERFORMANCE.—The Governor may deny a re-
13 quest for designation submitted pursuant to sub-
14 paragraph (A) if such unit of government was
15 designated as a local area for the preceding 2-
16 year period covered by a State plan and the
17 Governor determines that such local area did not
18 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 in-
23 corporates the elements of the local plan under section 118
24 and that is submitted and approved in lieu of separate local
25 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 sec-
10 ondary school system, an administrator of
11 an entity providing adult education and
12 literacy activities that is not a one-stop
13 partner designated under section
14 121(b)(1)(B), and the president or chief ex-
15 ecutive officer of a postsecondary edu-
16 cational institution serving the local area
17 (including community colleges, where such
18 entities exist);”;

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

21 (4) by striking clause (vi).

22 (b) *AUTHORITY OF BOARD MEMBERS.*—Section
23 117(b)(3) (29 U.S.C. 2832(b)) is amended—

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

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

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

6 (1) in paragraph (2)(B), by striking “by award-
7 ing grants” and all that follows through “youth coun-
8 cil”; and

9 (2) in paragraph (4) by inserting “, and ensure
10 the appropriate use and management of the funds
11 provided under this title for such programs, activities,
12 and system” after “area”.

13 (d) *AUTHORITY TO ESTABLISH COUNCILS AND ELIMI-*
14 *NATION OF REQUIREMENT FOR YOUTH COUNCILS.*—Section
15 117(h) (29 U.S.C. 2832(h)) is amended to read as follows:

16 “(h) *ESTABLISHMENT OF COUNCILS.*—The local board
17 may establish councils to provide information and advice
18 to assist the local board in carrying out activities under
19 this title. Such councils may include a council composed
20 of one-stop partners to advise the local board on the oper-
21 ation of the one-stop delivery system, a youth council com-
22 posed of experts and stakeholders in youth programs to ad-
23 vise the local board on activities for youth, and such other
24 councils as the local board determines are 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 “2-
7 year”.

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

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

12 “(2) a description of the one-stop delivery system
13 to be established or designated in the local area, in-
14 cluding a description of how the local board will en-
15 sure the continuous improvement of eligible providers
16 of services through the system and ensure that such
17 providers meet the employment needs of local employ-
18 ers 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 (12) and inserting after paragraph (9) the fol-
25 lowing:

1 “(10) a description of the strategies and services
2 that will be initiated in the local area to engage em-
3 ployers, including small employers, in workforce de-
4 velopment activities;

5 “(11) how the local area will serve the employ-
6 ment and training needs of individuals with disabil-
7 ities, consistent with section 188 and Executive Order
8 13217 (42 U.S.C. 12131 note) including the provision
9 of outreach, intake, assessments, and service delivery,
10 the development of performance measures, the train-
11 ing of staff, and other aspects of accessibility to pro-
12 gram services, consistent with sections 504 and 508 of
13 the Rehabilitation Act of 1973; and”.

14 **SEC. 108. ESTABLISHMENT OF ONE-STOP DELIVERY SYS-**
15 **TEMS.**

16 (a) *ONE-STOP PARTNERS.*—

17 (1) *REQUIRED PARTNERS.*—Section 121(b)(1)
18 (29 U.S.C. 2841(b)(1)) is amended—

19 (A) in subparagraph (B)—

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

21 (ii) by redesignating clauses (iii) and
22 (iv) as clauses (ii) and (iii), respectively,
23 and by redesignating clauses (vi) through
24 (xii) as clauses (iv) through (x), respec-
25 tively;

1 *(iii) in clause (ix) (as so redesignated),*
2 *by striking “and” at the end;*

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

6 *(v) by inserting after clause (x)(as so*
7 *redesignated) the following:*

8 *“(xi) programs authorized under part*
9 *A of title IV of the Social Security Act (42*
10 *U.S.C. 601 et. seq.), subject to subparagraph*
11 *(C).”; and*

12 *(B) by adding after subparagraph (B) the*
13 *following:*

14 *“(C) DETERMINATION BY THE GOVERNOR.—*
15 *The program referred to in clause (xi) of sub-*
16 *paragraph (B) shall be included as a required*
17 *partner for purposes of this title in a State un-*
18 *less the Governor of the State notifies the Sec-*
19 *retary and the Secretary of Health and Human*
20 *Services in writing of a determination by the*
21 *Governor not to include such programs as re-*
22 *quired partners for purposes of this title in the*
23 *State.”.*

24 (2) *ADDITIONAL PARTNERS.—Section*
25 *121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is amended—*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (B) in paragraph (1)(B)—

23 (i) by striking “subsection (d)” and in-
24 serting “section 134(c)”;

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

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

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

7 (E) by amending paragraph (1)(E) to read
8 as follows:

9 “(E) shall provide access to the information
10 described in section 15(e) of the Wagner-Peyser
11 Act (29 U.S.C. 49l-2(e)).”.

12 (c) *CERTIFICATION AND FUNDING OF ONE-STOP CEN-*
13 *TERS.—Section 121 (as amended by subsection (b)) is fur-*
14 *ther amended by adding at the end the following new sub-*
15 *sections:*

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

17 “(1) *IN GENERAL.—The State board shall estab-*
18 *lish procedures and criteria for periodically certifying*
19 *one-stop centers for the purpose of awarding the one-*
20 *stop infrastructure funding described in subsection*
21 *(h).*

22 “(2) *CRITERIA.—The criteria for certification*
23 *under this subsection shall include minimum stand-*
24 *ards relating to the scope and degree of service inte-*
25 *gration achieved by the centers involving the pro-*

1 *grams provided by the one-stop partners, and how the*
2 *centers ensure that such providers meet the employ-*
3 *ment needs of local employers and participants.*

4 “(3) *EFFECT OF CERTIFICATION.*—*One-stop cen-*
5 *ters certified under this subsection shall be eligible to*
6 *receive the infrastructure grants authorized under*
7 *subsection (h).*

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

9 “(1) *PARTNER CONTRIBUTIONS.*—

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

21 “(B) *DETERMINATION OF GOVERNOR.*—*Sub-*
22 *ject to subparagraph (C), the Governor, in con-*
23 *sultation with the State board, shall determine*
24 *the portion of funds to be provided under sub-*
25 *paragraph (A) by each one-stop partner and in*

1 *making such determination shall consider the*
2 *proportionate use of the one-stop centers by each*
3 *partner, the costs of administration for purposes*
4 *not related to one-stop centers for each partner,*
5 *and other relevant factors described in para-*
6 *graph (3).*

7 “(C) *LIMITATIONS.—*

8 “(i) *PROVISION FROM ADMINISTRATIVE*
9 *FUNDS.—The funds provided under this*
10 *paragraph by each one-stop partner shall be*
11 *provided only from funds available for the*
12 *costs of administration under the program*
13 *administered by such partner, and shall be*
14 *subject to the limitations with respect to the*
15 *portion of funds under such programs that*
16 *may be used for administration.*

17 “(ii) *FEDERAL DIRECT SPENDING PRO-*
18 *GRAMS.—Programs that are Federal direct*
19 *spending under section 250(c)(8) of the Bal-*
20 *anced Budget and Emergency Deficit Con-*
21 *trol Act of 1985 (2 U.S.C. 900(c)(8)) shall*
22 *not, for purposes of this paragraph, be re-*
23 *quired to provide an amount in excess of*
24 *the amount determined to be equivalent to*

1 *the proportionate use of the one-stop centers*
2 *by such programs in the State.*

3 “(iii) *NATIVE AMERICAN PROGRAMS.—*
4 *Native American programs established*
5 *under section 166 shall not be subject to the*
6 *provisions of this subsection. The method for*
7 *determining the appropriate portion of*
8 *funds to be provided by such Native Amer-*
9 *ican programs to pay for the costs of infra-*
10 *structure of a one-stop center certified under*
11 *subsection (g) shall be determined as part of*
12 *the development of the memorandum of un-*
13 *derstanding under subsection (c) for the*
14 *one-stop center and shall be stated in the*
15 *memorandum.*

16 “(2) *ALLOCATION BY GOVERNOR.—From the*
17 *funds provided under paragraph (1), the Governor*
18 *shall allocate funds to local areas in accordance with*
19 *the formula established under paragraph (3) for the*
20 *purposes of assisting in paying the costs of the infra-*
21 *structure of One-Stop centers certified under sub-*
22 *section (g).*

23 “(3) *ALLOCATION FORMULA.—The State board*
24 *shall develop a formula to be used by the Governor to*
25 *allocate the funds described in paragraph (1). The*

1 *formula shall include such factors as the State board*
2 *determines are appropriate, which may include fac-*
3 *tors such as the number of centers in the local area*
4 *that have been certified, the population served by such*
5 *centers, and the performance of such centers.*

6 “(4) *COSTS OF INFRASTRUCTURE.*—*For purposes*
7 *of this subsection, the term ‘costs of infrastructure’*
8 *means the nonpersonnel costs that are necessary for*
9 *the general operation of a one-stop center, including*
10 *the rental costs of the facilities, the costs of utilities*
11 *and maintenance, equipment (including adaptive*
12 *technology for individuals with disabilities), strategic*
13 *planning activities for the center, and common out-*
14 *reach activities.*

15 “(i) *OTHER FUNDS.*—

16 “(1) *IN GENERAL.*—*In addition to the funds pro-*
17 *vided to carry out subsection (h), a portion of funds*
18 *made available under Federal law authorizing the*
19 *one-stop partner programs described in subsection*
20 *(b)(1)(B) and participating partner programs de-*
21 *scribed in subsection (b)(2)(B), or the noncash re-*
22 *sources available under such programs shall be used*
23 *to pay the costs relating to the operation of the one-*
24 *stop delivery system that are not paid for from the*
25 *funds provided under subsection (h), to the extent not*

1 *inconsistent with the Federal law involved includ-*
2 *ing—*

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

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

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

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

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

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

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

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

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

3 “(b) *CRITERIA.*—

4 “(1) *IN GENERAL.*—*The criteria established pur-*
5 *suant to subsection (a) shall take into account the*
6 *performance of providers of training services with re-*
7 *spect to the indicators described in section 136 or*
8 *other appropriate indicators (taking into consider-*
9 *ation the characteristics of the population served and*
10 *relevant economic conditions), and such other factors*
11 *as the Governor determines are appropriate to ensure*
12 *the quality of services, the accountability of providers,*
13 *how the centers ensure that such providers meet the*
14 *needs of local employers and participants, whether*
15 *providers of training allow participants to attain a*
16 *certification, certificate, or mastery, and the informed*
17 *choice of participants under chapter 5. Such criteria*
18 *shall require that the provider submit appropriate,*
19 *accurate and timely information to the State for pur-*
20 *poses of carrying out subsection (d). The criteria shall*
21 *also provide for periodic review and renewal of eligi-*
22 *bility under this section for providers of training*
23 *services. The Governor may authorize local areas in*
24 *the State to establish additional criteria or to modify*
25 *the criteria established by the Governor under this*

1 *section for purposes of determining the eligibility of*
2 *providers of training services to provide such services*
3 *in the local area.*

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

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

1 “(d) *INFORMATION TO ASSIST PARTICIPANTS IN*
2 *CHOOSING PROVIDERS.*—

3 “(1) *IN GENERAL.*—*In order to facilitate and as-*
4 *—*
5 *—*
6 *—*
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sist participants under chapter 5 in choosing pro-
viders of training services, the Governor shall ensure
that an appropriate list or lists of providers deter-
mined eligible under this section in the State, accom-
panied by such information as the Governor deter-
mines is appropriate, is provided to the local boards
in the State to be made available to such participants
and to members of the public through the one-stop de-
livery system in the State.

13 “(2) *SPECIAL RULE.*—*An entity that carries out*
14 *—*
15 *—*
16 *—*
17 *—*
18 *—*
19 *—*
20 *—*
21 *—*
22 *—*
23 *—*
24 *—*
25 *—*
programs under the Act of August 16, 1937 (com-
monly known as the ‘National Apprenticeship Act’,
50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.) shall
be included on the list of eligible providers described
in paragraph (1) for so long as such entity remains
certified by the Department of Labor.

20 “(e) *AGREEMENTS WITH OTHER STATES.*—*States*
21 *—*
22 *—*
23 *—*
24 *—*
25 *—*
may enter into agreements, on a reciprocal basis, to permit
eligible providers of training services to accept individual
training accounts provided in another State.

24 “(f) *RECOMMENDATIONS.*—*In developing the criteria,*
25 *—*
procedures, and information required under this section, the

1 Governor shall solicit and take into consideration the rec-
2 ommendations of local boards and providers of training
3 services within the State.

4 “(g) *OPPORTUNITY TO SUBMIT COMMENTS.*—During
5 the development of the criteria, procedures, and information
6 required under this section, the Governor shall provide an
7 opportunity for interested members of the public, including
8 representatives of business and labor organizations, to sub-
9 mit comments regarding such criteria, procedures, and in-
10 formation.

11 “(h) *ON-THE-JOB TRAINING OR CUSTOMIZED TRAIN-*
12 *ING EXCEPTION.*—

13 “(1) *IN GENERAL.*—Providers of on-the-job train-
14 ing or customized training shall not be subject to the
15 requirements of subsections (a) through (g).

16 “(2) *COLLECTION AND DISSEMINATION OF INFOR-*
17 *MATION.*—A one-stop operator in a local area shall
18 collect such performance information from on-the-job
19 training and customized training providers as the
20 Governor may require, determine whether the pro-
21 viders meet such performance criteria as the Governor
22 may require, and disseminate information identifying
23 providers that meet the criteria as eligible providers,
24 and the performance information, through the one-
25 stop delivery system. Providers determined to meet the

1 *criteria shall be considered to be identified as eligible*
2 *providers of training services.”.*

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

4 *(a) ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.—*
5 *Section 123 (29 U.S.C. 2843) is amended to read as follows:*

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

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

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

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

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

22 **SEC. 111. YOUTH ACTIVITIES.**

23 *(a) STATE ALLOTMENTS.—*

24 *(1) IN GENERAL.—Section 127(a) (29 U.S.C.*
25 *2852(a)) is amended to read as follows:*

1 “(a) ALLOTMENT AMONG STATES.—

2 “(1) YOUTH ACTIVITIES.—

3 “(A) YOUTH CHALLENGE GRANTS.—

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

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

15 “(B) OUTLYING AREAS AND NATIVE AMERI-
16 CANS.—

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

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

1 *wide workforce investment activities;*
2 *and*

3 *“(II) reserve not more than 1 and*
4 *½ percent of such amount to provide*
5 *youth activities under section 166 (re-*
6 *lating 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 Amend-*
14 *ments Act of 2003 (Public Law 108–188))*
15 *after the date of enactment of the Job*
16 *Training Improvement Act of 2005.*

17 *“(C) STATES.—*

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

24 *“(I) the amount of the remainder*
25 *that is less than or equal to the total*

1 *amount that was allotted to States for*
2 *fiscal year 2005 under section*
3 *127(b)(1)(C) of this Act (as in effect on*
4 *the day before the date of enactment of*
5 *the Job Training Improvement Act of*
6 *2005) in accordance with the require-*
7 *ments of such section 127(b)(1)(C); and*

8 *“(II) the amount of the remain-*
9 *der, if any, in excess of the amount re-*
10 *ferred to in subclause (I) in accordance*
11 *with clause (i).*

12 *“(i) FORMULAS FOR EXCESS*
13 *FUNDS.—Subject to clauses (iii) and (iv), of*
14 *the amounts described in clause (i)(II)—*

15 *“(I) 33¹/₃ percent shall be allotted*
16 *on the basis of the relative number of*
17 *individuals in the civilian labor force*
18 *who are ages 16–19 in each State,*
19 *compared to the total number of indi-*
20 *viduals in the civilian labor force who*
21 *are ages 16–19 in all States;*

22 *“(II) 33¹/₃ percent shall be allot-*
23 *ted on the basis of the relative number*
24 *of unemployed individuals in each*
25 *State, compared to the total number of*

1 *unemployed individuals in all States;*
2 *and*

3 *“(III) 33¹/₃ percent shall be allot-*
4 *ted on the basis of the relative number*
5 *of disadvantaged youth who are ages*
6 *16 through 21 in each State, compared*
7 *to the total number of disadvantaged*
8 *youth who are ages 16 through 21 in*
9 *all States.*

10 *“(iii) MINIMUM AND MAXIMUM PER-*
11 *CENTAGES.—The Secretary shall ensure that*
12 *no State shall receive an allotment for a fis-*
13 *cal year that is less than 90 percent or*
14 *greater than 130 percent of the allotment*
15 *percentage of that State for the preceding*
16 *fiscal year.*

17 *“(iv) SMALL STATE MINIMUM ALLOT-*
18 *MENT.—Subject to clause (iii), the Sec-*
19 *retary shall ensure that no State shall re-*
20 *ceive an allotment under this paragraph*
21 *that is less than ³/₁₀ of 1 percent of the*
22 *amount available under subparagraph (A).*

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

1 “(A) *ALLOTMENT PERCENTAGE*.—The term
2 ‘allotment percentage’, used with respect to fiscal
3 year 2006 or a subsequent fiscal year, means a
4 percentage of the remainder described in para-
5 graph (1)(C)(i) that is received through an allot-
6 ment made under this subsection for the fiscal
7 year. The term, with respect to fiscal year 2005,
8 means the percentage of the amounts allotted to
9 States under this chapter (as in effect on the day
10 before the date of enactment of the Job Training
11 Improvement Act of 2005) that is received by the
12 State involved for fiscal year 2005.

13 “(B) *DISADVANTAGED YOUTH*.—The term
14 ‘disadvantaged youth’ means an individual who
15 is age 16 through 21 who received an income, or
16 is a member of a family that received a total
17 family income, that, in relation to family size,
18 does not exceed the poverty line.

19 “(3) *SPECIAL RULE*.—For purposes of the for-
20 mulas specified in paragraph (1)(C), the Secretary
21 shall, as appropriate and to the extent practicable, ex-
22 clude college students and members of the Armed
23 Forces from the determination of the number of dis-
24 advantaged youth.”.

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

3 (A) *by striking subsection (b);*

4 (B) *by redesignating subsection (c) as sub-*
5 *section (b);*

6 (C) *in subsection (b) (as so redesignated)—*

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

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

20 “(A) *the total amount of funds available to*
21 *the State under this section during the program*
22 *year prior to the program year for which the de-*
23 *termination is made (including amounts allotted*
24 *to the State in all prior program years that re-*
25 *mained available); and*

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

3 (ii) in paragraph (3)—

4 (I) by striking “for the prior pro-
5 gram year” and inserting “for the pro-
6 gram year in which the determination
7 is made”; and

8 (II) by striking “such prior pro-
9 gram year” and inserting “such pro-
10 gram year”;

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

13 “(4) *ELIGIBILITY.*—For purposes of this sub-
14 section, an eligible State means a State which does
15 not have an amount available for reallocation under
16 paragraph (2) for the program year for which the de-
17 termination under paragraph (2) is made.”; and

18 (iv) in paragraph (5), by striking “ob-
19 ligation” and inserting “accrued expendi-
20 ture”.

21 (b) *WITHIN STATE ALLOCATIONS.*—

22 (1) *RESERVATION FOR STATEWIDE ACTIVITIES.*—

23 Section 128(a) is amended to read as follows:

24 “(a) *RESERVATION FOR STATEWIDE ACTIVITIES.*—

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

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

13 (2) *WITHIN STATE ALLOCATIONS.*—*Section*
14 *128(b) is amended to read as follows:*

15 “(b) *WITHIN STATE ALLOCATION.*—

16 “(1) *IN GENERAL.*—*Of the amounts allotted to*
17 *the State under section 127(a)(1)(C) and not reserved*
18 *under subsection (a)(1)—*

19 “(A) *80 percent of such amounts shall be al-*
20 *located by the Governor to local areas in accord-*
21 *ance with paragraph (2); and*

22 “(B) *20 percent of such amounts shall be al-*
23 *located by the Governor to local areas in accord-*
24 *ance with paragraph (3).*

25 “(2) *ESTABLISHED FORMULA.*—

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

4 “(i) *33¹/₃ percent shall be allotted on*
5 *the basis of the relative number of individ-*
6 *uals in the civilian labor force who are ages*
7 *16–19 in each local area, compared to the*
8 *total number of individuals in the civilian*
9 *labor force who are ages 16–19 in all local*
10 *areas in the State;*

11 “(ii) *33¹/₃ percent shall be allotted on*
12 *the basis of the relative number of unem-*
13 *ployed individuals in each local area, com-*
14 *pared to the total number of unemployed*
15 *individuals in all local areas in the State;*
16 *and*

17 “(iii) *33¹/₃ percent on the basis of the*
18 *relative number of disadvantaged youth who*
19 *are ages 16 through 21 in each local area,*
20 *compared to the total number of disadvan-*
21 *tagged youth who are ages 16 through 21 in*
22 *all local areas in the State.*

23 “(B) *MINIMUM AND MAXIMUM PERCENT-*
24 *AGES.*—*The Governor shall ensure that no local*
25 *area shall receive an allocation for a fiscal year*

1 *under this paragraph that is less than 90 percent*
2 *or greater than 130 percent of the allocation per-*
3 *centage of the local area for the preceding fiscal*
4 *year.*

5 “(C) *DEFINITIONS.*—

6 “(i) *ALLOCATION PERCENTAGE.*—*For*
7 *purposes of this paragraph, the term ‘allo-*
8 *cation percentage’, used with respect to fis-*
9 *cal year 2006 or a subsequent fiscal year,*
10 *means a percentage of the amount described*
11 *in paragraph(1)(A) that is received through*
12 *an allocation made under this paragraph*
13 *for the fiscal year. The term, with respect to*
14 *fiscal year 2005, means the percentage of*
15 *the amounts allocated to local areas under*
16 *this chapter (as in effect on the day before*
17 *the date of enactment of the Job Training*
18 *Improvement Act of 2005) that is received*
19 *by the local area involved for fiscal year*
20 *2005.*

21 “(ii) *DISADVANTAGED YOUTH.*—*The*
22 *term ‘disadvantaged youth’ means an indi-*
23 *vidual who is age 16 through 21 who re-*
24 *ceived an income, or is a member of a fam-*
25 *ily that received a total family income,*

1 that, in relation to family size, does not ex-
2 ceed the poverty line.

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

9 “(4) *LOCAL ADMINISTRATIVE COST LIMIT.*—

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

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

24 (3) *REALLOCATION.*—Section 128(c) (29 U.S.C.
25 2853(c)) is amended—

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

3 (B) by amending paragraph (2) to read as
4 follows:

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

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

22 “(B) the accrued expenditures during such
23 prior program year.”;

24 (C) by amending paragraph (3)—

1 (i) by striking “subsection (b)(3)” the
2 first two places it appears and inserting
3 “subsection (b)”;

4 (ii) by striking “the prior program
5 year” and inserting “the program year in
6 which the determination is made”;

7 (iii) by striking “such prior program
8 year” and inserting “such program year”;
9 and

10 (iv) by striking the last sentence; and

11 (D) by amending paragraph (4) to read as
12 follows:

13 “(4) *ELIGIBILITY.*—For purposes of this sub-
14 section, an eligible local area means a local area
15 which does not have an amount available for realloca-
16 tion under paragraph (2) for the program year for
17 which the determination under paragraph (2) is
18 made.”.

19 (c) *YOUTH PARTICIPANT ELIGIBILITY.*—Section
20 129(a) (29 U.S.C. 2854(a)) is amended to read as follows:

21 “(a) *YOUTH PARTICIPANT ELIGIBILITY.*—

22 “(1) *IN GENERAL.*—The individuals partici-
23 pating in activities carried out under this chapter by
24 a local area during any program year shall be indi-

1 *viduals who, at the time the eligibility determination*
2 *is made, are—*

3 *“(A) not younger than age 16 or older than*
4 *age 24; and*

5 *“(B) one or more of the following:*

6 *“(i) school dropouts;*

7 *“(ii) recipients of a secondary school*
8 *diploma, General Educational Development*
9 *credential (GED), or other State-recognized*
10 *equivalent (including recognized alternative*
11 *standards for individuals with disabilities)*
12 *who are deficient in basic skills and not at-*
13 *tending any school;*

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

16 *“(iv) youth in foster care or who have*
17 *been in foster care; or*

18 *“(v) in school youth who are low-in-*
19 *come individuals and one or more of the fol-*
20 *lowing:*

21 *“(I) Deficient in literacy skills.*

22 *“(II) Homeless, runaway, or fos-*
23 *ter children.*

24 *“(III) Pregnant or parents.*

25 *“(IV) Offenders.*

1 “(V) *Individuals who require ad-*
2 *ditional assistance to complete an edu-*
3 *cational program, or to secure and*
4 *hold employment.*

5 “(2) *PRIORITY FOR SCHOOL DROPOUTS.—A pri-*
6 *ority in the provision of services under this chapter*
7 *shall be given to individuals who are school dropouts.*

8 “(3) *LIMITATIONS ON ACTIVITIES FOR IN-SCHOOL*
9 *YOUTH.—*

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

18 “(B) *NON-SCHOOL HOURS REQUIRED.—*

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

1 “(ii) *EXCEPTION.*—*The requirements of*
2 *clause (i) shall not apply to activities car-*
3 *ried out for in-school youth meeting the re-*
4 *quirements of paragraph (1)(B)(v) during*
5 *school hours that are part of a program*
6 *that has demonstrated effectiveness in high*
7 *school youth attaining diplomas.”.*

8 (d) *STATEWIDE YOUTH ACTIVITIES.*—*Section 129(b)*
9 *(29 U.S.C. 2854(b)) is amended to read as follows:*

10 “(b) *STATEWIDE ACTIVITIES.*—

11 “(1) *IN GENERAL.*—*Funds reserved by a Gov-*
12 *ernor for a State as described in sections 128(a) and*
13 *133(a)(1) may be used for statewide activities includ-*
14 *ing—*

15 “(A) *additional assistance to local areas*
16 *that have high concentrations of eligible youth;*

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

20 “(C) *conducting evaluations under section*
21 *136(e) of activities authorized under this chapter*
22 *and chapter 5 in coordination with evaluations*
23 *carried out by the Secretary under section 172,*
24 *research, and demonstration projects;*

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

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

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

18 “(G) carrying out monitoring and oversight
19 of activities under this chapter and chapter 5.

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

24 “(3) PROHIBITION.—No funds described in this
25 subsection or in section 134(a) may be used to develop

1 or implement education curricula for school systems
2 in the State.”.

3 (e) *LOCAL ELEMENTS AND REQUIREMENTS.*—

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

6 (A) in the matter preceding subparagraph
7 (A), by striking “paragraph (2)(A) or (3), as ap-
8 propriate, of”;

9 (B) in subparagraph (B), by inserting “are
10 directly linked to one or more of the performance
11 outcomes relating to this chapter under section
12 136, and that” after “for each participant that”;
13 and

14 (C) in subparagraph (C)—

15 (i) by redesignating clauses (i) through
16 (iv) as clauses (ii) through (v), respectively;

17 (ii) by inserting before clause (ii) (as
18 so redesignated) the following:

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

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

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

8 (v) by amending clause (v) (as redesign-
9 ated by this subparagraph) to read as fol-
10 lows:

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

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

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

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

3 (C) in subparagraph (J), by striking the pe-
4 riod at the end and inserting a semicolon; and

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

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

7 “(L) financial literacy skills.”.

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

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

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

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

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

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

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

25 (a) *TITLE AMENDMENT.*—

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

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

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

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

10 (b) *GENERAL AUTHORIZATION.—Section 131 (29*
 11 *U.S.C. 2861) is amended—*

12 (1) *by striking “paragraphs (1)(B) and (2)(B)*
 13 *of”;* *and*

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

15 (c) *STATE ALLOTMENTS.—*

16 (1) *IN GENERAL.—Section 132(a) (29 U.S.C.*
 17 *2862(a)) is amended to read as follows:*

18 “(a) *IN GENERAL.—The Secretary shall—*

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

22 “(A) *not less than 75 percent shall be used*
 23 *for national dislocated worker grants under sec-*

1 tion 173, of which up to \$125,000,000 may be
2 used to carry out section 171(d);

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

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

9 “(2) make allotments from 90 percent of the
10 amount appropriated under section 137(b) for a fiscal
11 year in accordance with subsection (b).”.

12 (2) ALLOTMENT AMONG STATES.—Section 132(b)
13 (29 U.S.C. 2862(b)) is amended to read as follows:

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

16 “(1) RESERVATION FOR OUTLYING AREAS.—

17 “(A) IN GENERAL.—From the amount made
18 available under subsection (a)(2) for a fiscal
19 year, the Secretary shall reserve not more than
20 $\frac{1}{4}$ of 1 percent to provide assistance to outlying
21 areas to carry out employment and training ac-
22 tivities for adults and statewide workforce invest-
23 ment activities.

24 “(B) RESTRICTION.—The Republic of Palau
25 shall cease to be eligible to receive funding under

1 *this paragraph upon entering into an agreement*
2 *for extension of United States educational assist-*
3 *ance under the Compact of Free Association (ap-*
4 *proved by the Compact of Free Association*
5 *Amendments Act of 2003 (Public Law 108–188))*
6 *after the date of enactment of the Job Training*
7 *Improvement Act of 2005.*

8 “(2) *STATES.*—*Subject to paragraph (5), of the*
9 *remainder of the amount referred to under subsection*
10 *(a)(2) for a fiscal year that is available after deter-*
11 *mining the amount to be reserved under paragraph*
12 *(1), the Secretary shall allot to the States for employ-*
13 *ment and training activities for adults and for state-*
14 *wide workforce investment activities—*

15 “(A) *26 percent in accordance with para-*
16 *graph (3); and*

17 “(B) *74 percent in accordance with para-*
18 *graph (4).*

19 “(3) *BASE FORMULA.*—

20 “(A) *FISCAL YEAR 2006.*—

21 “(i) *IN GENERAL.*—*Subject to clause*
22 *(ii), the amount referred to in paragraph*
23 *(2)(A) shall be allotted for fiscal year 2006*
24 *on the basis of allotment percentage of each*

1 *State under section 6 of the Wagner-Peyser*
2 *Act for fiscal year 2005.*

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

16 “(iii) *DEFINITION.—For purposes of*
17 *this subparagraph, the term ‘allotment per-*
18 *centage’ means the percentage of the*
19 *amounts allotted to States under section 6*
20 *of the Wagner-Peyser Act that is received by*
21 *the State involved for fiscal year 2005.*

22 “(B) *FISCAL YEARS 2007 AND THERE-*
23 *AFTER.—*

24 “(i) *IN GENERAL.—Subject to clause*
25 *(ii), the amount referred to in para-*

1 *graph(2)(A) shall be allotted for fiscal year*
2 *2007 and each fiscal year thereafter on the*
3 *basis of the allotment percentage of each*
4 *State under this paragraph for the pre-*
5 *ceding fiscal year.*

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

19 *“(iii) DEFINITION.—For purposes of*
20 *this subparagraph, the term ‘allotment per-*
21 *centage’ means the percentage of the*
22 *amounts allotted to States under this para-*
23 *graph in a fiscal year that is received by*
24 *the State involved for such fiscal year.*

25 *“(4) CONSOLIDATED FORMULA.—*

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

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

9 “(ii) 25 percent shall be allotted on the
10 basis of the relative excess number of unem-
11 ployed individuals in each State, compared
12 to the total excess number of unemployed
13 individuals in all States; and

14 “(iii) 15 percent shall be allotted on
15 the basis of the relative number of disadvan-
16 taged adults in each State, compared to the
17 total number of disadvantaged adults in all
18 States.

19 “(B) *MINIMUM AND MAXIMUM PERCENT-*
20 *AGES.*—

21 “(i) *MINIMUM PERCENTAGE.*—The Sec-
22 retary shall ensure that no State shall re-
23 ceive an allotment under this paragraph for
24 a fiscal year that is less than 90 percent of

1 *the allotment percentage of the State under*
2 *this paragraph for the preceding fiscal year.*

3 “(i) *MAXIMUM PERCENTAGE.*—*Subject*
4 *to clause (i), the Secretary shall ensure that*
5 *no State shall receive an allotment for a fis-*
6 *cal year under this paragraph that is more*
7 *than 130 percent of the allotment of the*
8 *State under this paragraph for the pre-*
9 *ceding fiscal year.*

10 “(C) *SMALL STATE MINIMUM ALLOTMENT.*—
11 *Subject to subparagraph (B), the Secretary shall*
12 *ensure that no State shall receive an allotment*
13 *under this paragraph that is less than $\frac{2}{10}$ of 1*
14 *percent of the amount available under subpara-*
15 *graph (A).*

16 “(D) *DEFINITIONS.*—*For the purposes of*
17 *this paragraph:*

18 “(i) *ALLOTMENT PERCENTAGE.*—*The*
19 *term ‘allotment percentage’, used with re-*
20 *spect to fiscal year 2006 or a subsequent fis-*
21 *cal year, means a percentage of the amounts*
22 *described in paragraph (2)(B) that is re-*
23 *ceived through an allotment made under*
24 *this paragraph for the fiscal year. The term,*
25 *with respect to fiscal year 2005, means the*

1 *percentage of the amounts allotted to States*
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) and*
5 *under reemployment service grants received*
6 *by the State involved for fiscal year 2005.*

7 “(ii) *DISADVANTAGED ADULT.*—*The*
8 *term ‘disadvantaged adult’ means an indi-*
9 *vidual who is age 22 through 72 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 “(iii) *EXCESS NUMBER.*—*The term ‘ex-*
15 *cess number’ means, used with respect to the*
16 *excess number of unemployed individuals*
17 *within a State, the number that represents*
18 *the number of unemployed individuals in*
19 *excess of 4½ percent of the civilian labor*
20 *force in the State.*

21 “(5) *ADJUSTMENTS IN ALLOTMENTS BASED ON*
22 *DIFFERENCES WITH UNCONSOLIDATED FORMULAS.*—

23 “(A) *IN GENERAL.*—*The Secretary shall en-*
24 *sure that for any fiscal year no State has an al-*
25 *lotment difference, as defined in subparagraph*

1 (C), that is less than zero. The Secretary shall
2 adjust the amounts allotted to the States under
3 this subsection in accordance with subparagraph
4 (B) if necessary to carry out this subparagraph.

5 “(B) ADJUSTMENTS IN ALLOTMENTS.—

6 “(i) REDISTRIBUTION OF EXCESS
7 AMOUNTS.—

8 “(I) IN GENERAL.—If necessary to
9 carry out subparagraph (A), the Sec-
10 retary shall reduce the amounts that
11 would be allotted under paragraphs (3)
12 and (4) to States that have an excess
13 allotment difference, as defined in sub-
14 clause (II), by the amount of such ex-
15 cess, and use such amounts to increase
16 the allotments to States that have an
17 allotment difference less than zero.

18 “(II) EXCESS AMOUNTS.—For
19 purposes of subclause (I), the term ‘ex-
20 cess’ allotment difference means an al-
21 lotment difference for a State that is—

22 “(aa) in excess of 3 percent
23 of the amount described in sub-
24 paragraph (C)(i)(II); or

1 “(bb) *in excess of a percent-*
2 *age established by the Secretary*
3 *that is greater than 3 percent of*
4 *the amount described in subpara-*
5 *graph (C)(i)(II) if the Secretary*
6 *determines that such greater per-*
7 *centage is sufficient to carry out*
8 *subparagraph (A).*

9 “(ii) *USE OF AMOUNTS AVAILABLE*
10 *UNDER NATIONAL RESERVE ACCOUNT.—If*
11 *the funds available under clause (i) are in-*
12 *sufficient to carry out subparagraph (A),*
13 *the Secretary shall use funds reserved under*
14 *section 132(a) in such amounts as are nec-*
15 *essary to increase the allotments to States to*
16 *meet the requirements of subparagraph (A).*
17 *Such funds shall be used in the same man-*
18 *ner as the States use the other funds allotted*
19 *under this subsection.*

20 “(C) *DEFINITION OF ALLOTMENT DIF-*
21 *ERENCE.—*

22 “(i) *IN GENERAL.—For purposes of*
23 *this paragraph, the term ‘allotment dif-*
24 *ference’ means the difference between—*

1 “(I) *the total amount a State*
2 *would receive of the amounts available*
3 *for allotment under subsection (b)(2)*
4 *for a fiscal year pursuant to para-*
5 *graphs (3) and (4); and*

6 “(II) *the total amount the State*
7 *would receive of the amounts available*
8 *for allotment under subsection (b)(2)*
9 *for the fiscal year if such amounts were*
10 *allotted pursuant to the unconsolidated*
11 *formulas (applied as described in*
12 *clause (iii)) that were used in allotting*
13 *funds for fiscal year 2005.*

14 “(ii) *UNCONSOLIDATED FORMULAS.—*
15 *For purposes of clause (i), the unconsoli-*
16 *dated formulas are:*

17 “(I) *The requirements for the al-*
18 *lotment of funds to the States con-*
19 *tained in section 132(b)(1)(B) of this*
20 *Act (as in effect on the day before the*
21 *date of enactment of the Job Training*
22 *Improvement Act of 2005) that were*
23 *applicable to the allotment of funds*
24 *under such section for fiscal year 2005.*

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

9 “(III) *The requirements for the al-*
10 *lotment of funds to the States that were*
11 *contained in section 6 of the Wagner-*
12 *Peyser Act (as in effect on the day be-*
13 *fore the date of enactment of the Job*
14 *Training Improvement Act of 2005)*
15 *that were applicable to the allotment of*
16 *funds under such Act for fiscal year*
17 *2005.*

18 “(IV) *The requirements for the al-*
19 *lotment of funds to the States that were*
20 *established by the Secretary for Reem-*
21 *ployment Services Grants that were*
22 *applicable to the allotment of funds for*
23 *such grants for fiscal year 2005.*

24 “(iii) *PROPORTIONATE APPLICATION*
25 *OF UNCONSOLIDATED FORMULAS BASED ON*

1 *FISCAL YEAR 2005.—In calculating the*
2 *amount under clause (i)(II), each of the un-*
3 *consolidated formulas identified in clause*
4 *(ii) shall be applied, respectively, only to*
5 *the proportionate share of the total amount*
6 *of funds available for allotment under sub-*
7 *section (b)(2) for a fiscal year that is equal*
8 *to the proportionate share to which each of*
9 *the unconsolidated formulas applied with*
10 *respect to the total amount of funds allotted*
11 *to the States under all of the unconsolidated*
12 *formulas in fiscal year 2005.*

13 *“(iv) RULE OF CONSTRUCTION.—The*
14 *amounts used to adjust the allotments to a*
15 *State under subparagraph (B) for a fiscal*
16 *year shall not be included in the calculation*
17 *of the amounts under clause (i) for a subse-*
18 *quent fiscal year, including the calculation*
19 *of allocation percentages for a preceding fis-*
20 *cal year applicable to paragraphs (3) and*
21 *(4) and to the unconsolidated formulas de-*
22 *scribed in clause (ii).”.*

23 *(3) REALLOTMENT.—Section 132(c) (29 U.S.C.*
24 *2862(c)) is amended—*

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

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

14 “(A) the total amount of funds available to
15 the State under this section during the program
16 year prior to the program year for which the de-
17 termination is made (including amounts allotted
18 to the State in all prior program years that re-
19 mained available); and

20 “(B) the accrued expenditures during such
21 prior program year.”;

22 (B) in paragraph (3)—

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

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

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

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

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

12 (d) *WITHIN STATE ALLOCATIONS*.—

13 (1) *RESERVATION FOR STATE ACTIVITIES*.—Sec-
14 tion 133(a) (29 U.S.C. 2863(a)) is amended to read
15 as follows:

16 “(a) *RESERVATION FOR STATEWIDE ACTIVITIES*.—The
17 Governor of a State may reserve up to 50 percent of the
18 total amount allotted to the State under section 132 for a
19 fiscal year to carry out the statewide activities described
20 in section 134(a).”.

21 (2) *ALLOCATIONS TO LOCAL AREAS*.—Section
22 133(b) (29 U.S.C. 2863(b)) is amended to read as fol-
23 lows:

24 “(b) *ALLOCATIONS TO LOCAL AREAS*.—

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

4 “(A) *85 percent of such amounts shall be al-*
5 *located by the Governor to local areas in accord-*
6 *ance with paragraph (2); and*

7 “(B) *15 percent of such amounts shall be al-*
8 *located by the Governor to local areas in accord-*
9 *ance 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) *60 percent on the basis of the rel-*
15 *ative number of unemployed individuals in*
16 *each local area, compared to the total num-*
17 *ber of unemployed individuals in all local*
18 *areas in the State;*

19 “(ii) *25 percent on the basis of the rel-*
20 *ative excess number of unemployed individ-*
21 *uals in each local area, compared to the*
22 *total excess number of unemployed individ-*
23 *uals in all local areas in the State; and*

24 “(iii) *15 percent shall be allotted on*
25 *the basis of the relative number of disadvan-*

1 tagged adults in each local area, compared to
2 the total number of disadvantaged adults in
3 all local areas in the State.

4 “(B) *MINIMUM AND MAXIMUM PERCENT-*
5 *AGES.*—The Governor shall ensure that no local
6 area shall receive an allocation for a fiscal year
7 under this paragraph that is less than 90 percent
8 or greater than 130 percent of the allocation per-
9 centage of the local area for the preceding fiscal
10 year.

11 “(C) *DEFINITIONS.*—

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

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

8 “(iii) *EXCESS NUMBER.*—*The term ‘ex-*
9 *cess number’ means, used with respect to the*
10 *excess number of unemployed individuals*
11 *within a local area, the number that rep-*
12 *resents the number of unemployed individ-*
13 *uals in excess of 4.5 percent of the civilian*
14 *labor force in the local area.*

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

24 “(4) *LOCAL ADMINISTRATIVE COST LIMIT.*—

1 “(A) *IN GENERAL.*—*Of the amounts allo-*
2 *cated to a local area under this subsection and*
3 *section 128(b) for a fiscal year, not more than 10*
4 *percent of the amount may be used by the local*
5 *boards for the administrative costs of carrying*
6 *out local workforce investment activities under*
7 *this chapter or chapter 4.*

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

15 (3) *REALLOCATION AMONG LOCAL AREAS.*—*Sec-*
16 *tion 133(c) (29 U.S.C. 2863(c)) is amended—*

17 (A) *in paragraph (1), by striking “para-*
18 *graph (2)(A) or (3) of”;*

19 (B) *by amending paragraph (2) to read as*
20 *follows:*

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

1 *amount of funds available to the local area under this*
2 *section during such prior program year (including*
3 *amounts allotted to the local area in prior program*
4 *years that remain available). For purposes of this*
5 *paragraph, the unexpended balance is the amount*
6 *that is the difference between—*

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

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

15 *(C) by amending paragraph (3)—*

16 *(i) by striking “subsection (b)(3)” the*
17 *first two places it appears and inserting*
18 *“subsection (b)”;*

19 *(ii) by striking “the prior program*
20 *year” and inserting “the program year in*
21 *which the determination is made”;*

22 *(iii) by striking “such prior program*
23 *year” and inserting “such program year”;*
24 *and*

25 *(iv) by striking the last sentence; and*

1 (D) by amending paragraph (4) to read as
2 follows:

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

9 (e) *USE OF FUNDS FOR EMPLOYMENT AND TRAINING*
10 *ACTIVITIES.*—

11 (1) *STATEWIDE EMPLOYMENT AND TRAINING AC-*
12 *TIVITIES.*—

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

15 “(1) *IN GENERAL.*—

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

1 *ignated local areas in consultation with local*
2 *boards.*

3 “(B) *METHOD OF DISTRIBUTING FUNDS.—*
4 *The method of distributing funds under this*
5 *paragraph shall be developed in consultation*
6 *with the State board and local boards. Such*
7 *method of distribution, which may include the*
8 *formula established under section 121(h)(3), shall*
9 *be objective and geographically equitable, and*
10 *may include factors such as the number of cen-*
11 *ters in the local area that have been certified, the*
12 *population served by such centers, and the per-*
13 *formance of such centers.*

14 “(C) *OTHER USE OF FUNDS.—Funds re-*
15 *served by a Governor for a State—*

16 “(i) *under section 133(a) and not used*
17 *under subparagraph (A), may be used for*
18 *statewide activities described in paragraph*
19 *(2); and*

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

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

4 “(2) *STATEWIDE RAPID RESPONSE ACTIVITIES.—*
5 *A State shall carry out statewide rapid response ac-*
6 *tivities using funds reserved as described in section*
7 *133(a). Such activities shall include—*

8 “(A) *provision of rapid response activities,*
9 *carried out in local areas by the State or by an*
10 *entity designated by the State, working in con-*
11 *junction with the local boards and the chief elect-*
12 *ed officials in the local areas; and*

13 “(B) *provision of additional assistance to*
14 *local areas that experience disasters, mass layoffs*
15 *or plant closings, or other events that precipitate*
16 *substantial increases in the number of unem-*
17 *ployed individuals, carried out in local areas by*
18 *the State, working in conjunction with the local*
19 *boards and the chief elected officials in the local*
20 *areas.”.*

21 (C) *STATEWIDE EMPLOYMENT AND TRAIN-*
22 *ING ACTIVITIES.—Section 134(a)(3) (29 U.S.C.*
23 *2864(a)(3)) is amended to read as follows:*

24 “(3) *STATEWIDE ACTIVITIES.—Funds reserved by*
25 *a Governor for a State as described in sections 133(a)*

1 *and 128(a) may be used for statewide activities in-*
2 *cluding—*

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

6 “(B) *conducting evaluations under section*
7 *136(e) of activities authorized under this chapter*
8 *and chapter 4 in coordination with evaluations*
9 *carried out by the Secretary under section 172,*
10 *research, and demonstration projects;*

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

18 “(D) *providing technical assistance and ca-*
19 *pacitv building to local areas, one-stop opera-*
20 *tors, one-stop partners, and eligible providers,*
21 *including the development and training of staff,*
22 *the development of exemplary program activities,*
23 *and the provision of technical assistance to local*
24 *areas that fail to meet local performance meas-*
25 *ures;*

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

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

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

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

17 “(I) implementing innovative programs for
18 displaced homemakers, which for purposes of this
19 subparagraph may include an individual who is
20 receiving public assistance and is within 2 years
21 of exhausting lifetime eligibility under Part A of
22 title IV of the Social Security Act (42 U.S.C.
23 601 et seq.);

1 “(J) implementing programs to increase the
2 number of individuals training for and placed
3 in nontraditional employment; and

4 “(K) carrying out activities to facilitate re-
5 mote access to services provided through a one-
6 stop delivery system, including facilitating access
7 through the use of technology.”.

8 (D) *LIMITATION ON STATE ADMINISTRATIVE*
9 *EXPENDITURES.*—Section 134(a) is further
10 amended by adding the following new para-
11 graph:

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

16 (2) *LOCAL EMPLOYMENT AND TRAINING ACTIVI-*
17 *TIES.*—Section 134(b) (29 U.S.C. 2864(b)) is amend-
18 ed—

19 (A) by striking “under paragraph (2)(A)”
20 and all that follows through “section
21 133(b)(2)(B)” and inserting “under section
22 133(b)”; and

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

1 (3) *TECHNICAL AMENDMENT.*—Section 134 is
2 further amended by redesignating subsections (d) and
3 (e) as subsections (c) and (d), respectively.

4 (4) *REQUIRED LOCAL EMPLOYMENT AND TRAIN-*
5 *ING ACTIVITIES.*—

6 (A) *ALLOCATED FUNDS.*—Section 134(c)(1)
7 (29 U.S.C. 2864(c)(1)) (as redesignated by para-
8 graph (3)) is amended to read as follows:

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

11 “(A) to establish a one-stop delivery system
12 as described in section 121(e);

13 “(B) to provide the core services described
14 in paragraph (2) through the one-stop delivery
15 system in accordance with such paragraph;

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

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

22 (B) *CORE SERVICES.*—Section 134(c)(2) (29
23 U.S.C. 2864(c)(2)) (as redesignated by para-
24 graph (3)) is amended—

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

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

7 (iii) by amending subparagraph (D) to
8 read as follows:

9 “(D) labor exchange services, including—

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

13 “(ii) appropriate recruitment services
14 for employers; and

15 “(iii) reemployment services provided
16 to unemployment claimants.”;

17 (iv) in subparagraph (I), by inserting
18 “and the administration of the work test for
19 the unemployment compensation system”
20 after “compensation”; and

21 (v) by amending subparagraph (J) to
22 read as follows:

23 “(J) assistance in establishing eligibility for
24 programs of financial aid assistance for training
25 and education programs that are not funded

1 *under this Act and are available in the local*
2 *area; and”.*

3 (C) *INTENSIVE SERVICES.—Section*
4 *134(c)(3) (29 U.S.C. 2864(c)(3) (as redesignated*
5 *by paragraph (3) of this subsection) is amend-*
6 *ed—*

7 *(i) by amending subparagraph (A) to*
8 *read as follows:*

9 “(A) *IN GENERAL.—*

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

14 “(I) *are unemployed and who*
15 *have been determined by the one-stop*
16 *operator to be—*

17 “(aa) *unlikely or unable to*
18 *obtain suitable employment*
19 *through core services; and*

20 “(bb) *in need of intensive*
21 *services in order to obtain suitable*
22 *employment; or*

23 “(II) *are employed, but who are*
24 *determined by a one-stop operator to*

1 *be in need of intensive services to ob-*
2 *tain or retain suitable employment.*

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

6 *(ii) in subparagraph (C)—*

7 *(I) in clause (v), by striking “for*
8 *participants seeking training services*
9 *under paragraph (4)’; and*

10 *(II) by adding the following*
11 *clauses after clause (vi):*

12 “(vii) *Internships and work experience.*

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

17 “(ix) *Out-of-area job search assistance*
18 *and relocation assistance.’.*

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

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

24 “(A) *IN GENERAL.*—

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

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

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

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

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

21 “(II) *select programs of training*
22 *services that are directly linked to the*
23 *employment opportunities in the local*
24 *area involved or in another area in*

1 *which the adults receiving such services*
2 *are willing to commute or relocate;*

3 *“(III) who meet the requirements*
4 *of subparagraph (B); and*

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

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

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

16 *(iii) in subparagraph (D)—*

17 *(I) by amending clause (iv) to*
18 *read as follows:*

19 *“(iv) entrepreneurial training, includ-*
20 *ing providing information about obtaining*
21 *microcredit loans for the purpose of starting*
22 *a business, including contact information of*
23 *microcredit lenders operating within the*
24 *local area;”;*

1 (II) in clause (viii) by inserting
2 “(including English as a Second Lan-
3 guage)” after “activities”; and

4 (III) by redesignating clause (ix)
5 as clause (x) and inserting after clause
6 (viii) the following:

7 “(ix) training that integrates occupa-
8 tional skills training and English language
9 acquisition;”;

10 (iv) by amending subparagraph (E) to
11 read as follows:

12 “(E) PRIORITY.—

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

17 “(ii) ADDITIONAL PRIORITY.—If the
18 funds in the local area, including the funds
19 allocated under section 133(b), for serving
20 recipients of public assistance and other
21 low-income individuals, including single
22 parents, displaced homemakers, and preg-
23 nant single women, is limited, the priority
24 for the provision of intensive and training

1 *services under this subsection shall include*
2 *such recipients and individuals.*

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

9 *(v) in subparagraph (F), by adding the*
10 *following clause after clause (iii):*

11 “(iv) *ENHANCED INDIVIDUAL TRAINING*
12 *ACCOUNTS.—Each local board may, through*
13 *one-stop centers, assist individuals receiving*
14 *individual training accounts through the es-*
15 *tablishment of such accounts that include,*
16 *in addition to the funds provided under this*
17 *paragraph, funds from other programs and*
18 *sources that will assist the individual in ob-*
19 *taining training services.”;*

20 *(vi) in subparagraph (G)(iv), by redес-*
21 *ignating subclause (IV) as subclause (V)*
22 *and inserting after subclause (III) the fol-*
23 *lowing:*

24 “(IV) *Individuals with disabili-*
25 *ties.”; and*

1 (vii) by adding at the end the fol-
2 lowing:

3 “(H) *COMPUTER TECHNOLOGY.*—In pro-
4 viding training services under subparagraph
5 (G), funds allocated to a local area under this
6 title may be used to purchase computer tech-
7 nology for use by an individual who is eligible
8 pursuant to subsection (A), only if—

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

11 “(ii) such purchase is necessary to en-
12 sure the individual can participate in such
13 training program.

14 Any purchase of computer technology under this
15 subparagraph shall remain the property of the
16 one-stop operator.”.

17 (5) *PERMISSIBLE ACTIVITIES.*—Section 134(d)
18 (as redesignated by paragraph (3)) is amended—

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

21 “(1) *DISCRETIONARY ONE-STOP DELIVERY AC-*
22 *TIVITIES.*—

23 “(A) *IN GENERAL.*—Funds allocated to a
24 local area under section 133(b) may be used to
25 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 of*
16 *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 system*
21 *and employers; and*

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

1 “(B) *WORK SUPPORT ACTIVITIES FOR LOW-*
2 *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 retain-*
10 *ing 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 to*
18 *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 a*
5 *local area under section 133(b) to carry out in-*
6 *cumbent 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 estab-*
21 *lish, or may authorize the local board to es-*
22 *tablish, the required portion of such costs,*
23 *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; and

4 “(III) 50 percent of the costs, for
5 employers with 100 or more employees.

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

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

12 (a) *STATE PERFORMANCE MEASURES.*—

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

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

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

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

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

1 *age 19 through 21) for youth activities author-*
2 *ized under section 129”;*

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

5 *(C) in subparagraph (A)(i)(III), by striking*
6 *“; and” and inserting a period;*

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

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

10 *“(i) CORE INDICATORS FOR ELIGIBLE*
11 *YOUTH.—The core indicators of performance*
12 *for youth activities authorized under section*
13 *129 shall consist of—*

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

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

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

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

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

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

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

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

18 (C) in clause (iii)—

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

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

24 (D) in clause (iv)—

25 (i) by striking subclause (I);

1 (ii) by redesignating subclauses (II)
2 and (III) as subclauses (I) and (II), respec-
3 tively; and

4 (iii) in subclause (I) (as so redesign-
5 ated)—

6 (I) by striking “taking into ac-
7 count” and inserting “which shall be
8 adjusted based on”;

9 (II) by inserting “, such as unem-
10 ployment rates and job losses or gains
11 in particular industries” after “eco-
12 nomic conditions”; and

13 (III) by inserting “, such as indi-
14 cators of poor work history, lack of
15 work experience, low levels of literacy
16 or English proficiency, disability sta-
17 tus, including the number of veterans
18 with disabilities, and welfare depend-
19 ency” after “program”;

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

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

22 (v).

23 (4) ADDITIONAL INDICATORS.—Section
24 136(b)(3)(B) is amended by striking “paragraph
25 (2)(C)” and inserting “paragraph (2)(B)”.

1 (b) *LOCAL PERFORMANCE MEASURES.*—Section
2 136(c) (29 U.S.C 2871(c)) is amended—

3 (1) in paragraph (1)(A)(i), by striking “, and
4 the customer satisfaction indicator of performance de-
5 scribed in subsection (b)(2)(B),”;

6 (2) in paragraph (1)(A)(ii), by striking “sub-
7 section (b)(2)(C)” and inserting “subsection
8 (b)(2)(B)”;

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

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

23 (c) *REPORT.*—Section 136(d) (29 U.S.C. 2871(d)) is
24 amended—

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

4 (2) in paragraph (2)—

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

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

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

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

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

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

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

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

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

1 (e) *SANCTIONS FOR LOCAL AREAS.*—Section 136(h)
2 (29 U.S.C. 2871(h)) is amended—

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

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

14 (f) *INCENTIVE GRANTS.*—Section 136(i) (29 U.S.C.
15 2871(i)) is amended to read as follows:

16 “(i) *INCENTIVE GRANTS FOR STATES AND LOCAL*
17 *AREAS.*—

18 “(1) *INCENTIVE GRANTS FOR STATES.*—

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

1 *performance of the State in serving special popu-*
2 *lations, including the levels of service provided*
3 *and the performance outcomes, and such other*
4 *factors relating to the performance of the State*
5 *under this title as the Secretary determines is*
6 *appropriate.*

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

13 “(2) *INCENTIVE GRANTS FOR LOCAL AREAS.—*

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

22 “(B) *USE OF FUNDS.—The funds awarded*
23 *to a local area may be used to carry out activi-*
24 *ties authorized for local areas under chapters 4*
25 *and 5 of this title, and such demonstration or*

1 *other innovative programs to serve special popu-*
2 *lations as may be approved by the Governor.”.*

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

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

14 *(h) REPEAL OF DEFINITIONS.—Sections 502 and 503*
15 *(and the items related to such sections in the table of con-*
16 *tents) are repealed.*

17 **SEC. 114. AUTHORIZATION OF APPROPRIATIONS.**

18 *(a) YOUTH ACTIVITIES.—Section 137(a) (29 U.S.C.*
19 *2872(a)) is amended by striking “such sums as may be nec-*
20 *essary for each of fiscal years 1999 through 2003” and in-*
21 *serting “\$1,250,000,000 for fiscal year 2006 and such sums*
22 *as may be necessary for each of fiscal years 2007 through*
23 *2011”.*

24 *(b) ADULT EMPLOYMENT AND TRAINING ACTIVI-*
25 *TIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by*

1 *striking “section 132(a)(1), such sums as may be necessary*
2 *for each of fiscal years 1999 through 2003” and inserting*
3 *“section 132(a), \$3,140,000,000 for fiscal year 2006 and*
4 *such sums as may be necessary for each of fiscal years 2007*
5 *through 2011”.*

6 *(c) DISLOCATED WORKER EMPLOYMENT AND TRAIN-*
7 *ING ACTIVITIES.—Section 137 is further amended by strik-*
8 *ing subsection (c).*

9 **SEC. 115. JOB CORPS.**

10 *(a) INDUSTRY COUNCILS.—Section 154(b) (29 U.S.C.*
11 *2894(b)) is amended—*

12 *(1) in paragraph (1)(A), by striking “local and*
13 *distant”; and*

14 *(2) by adding after paragraph (2) the following:*

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

20 *(b) INDICATORS OF PERFORMANCE AND ADDITIONAL*
21 *INFORMATION.—Section 159(c) (29 U.S.C. 2893(c)) is*
22 *amended—*

23 *(1) by amending paragraph (1) to read as fol-*
24 *lows:*

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

6 (2) *in paragraph (2), by striking “measures”*
7 *each place it appears and inserting “indicators”.*

8 (c) *AUTHORIZATION OF APPROPRIATIONS.*—*Section*
9 *161 (29 U.S.C. 2901) is amended by striking “1999 through*
10 *2003” and inserting “2006 through 2011”.*

11 **SEC. 116. NATIVE AMERICAN PROGRAMS.**

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

14 “(C) *DUTIES.*—*The Council shall advise the*
15 *Secretary on the operation and administration*
16 *of the programs assisted under this section.*”.

17 (b) *ASSISTANCE TO AMERICAN SAMOANS IN HAWAII.*—
18 *Section 166 (29 U.S.C. 2911) is further amended by strik-*
19 *ing subsection (j).*

20 **SEC. 117. MIGRANT AND SEASONAL FARMWORKER PRO-**
21 **GRAMS.**

22 Section 167(d) *is amended by inserting “(including*
23 *permanent housing)” after “housing”.*

1 **SEC. 118. VETERANS' WORKFORCE INVESTMENT PRO-**
2 **GRAMS.**

3 *Section 168(a)(3)(C) (29 U.S.C. 2913 (a)(3)(C)) is*
4 *amended by striking "section 134(c)" and inserting "sec-*
5 *tion 121(e)".*

6 **SEC. 119. YOUTH CHALLENGE GRANTS.**

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

9 **"SEC. 169. YOUTH CHALLENGE GRANTS.**

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

12 *"(1) the Secretary shall use not less than 80 per-*
13 *cent to award competitive grants under subsection*
14 *(b); and*

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

18 **"(b) COMPETITIVE GRANTS TO STATES AND LOCAL**
19 **AREAS.—**

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

1 “(2) *ELIGIBLE ENTITIES.*—Grants under this
2 subsection may be awarded to States, local boards, re-
3 cipients of grants under section 166 (relating to Na-
4 tive American programs), and public or private enti-
5 ties (including consortia of such entities) applying in
6 conjunction with local boards.

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

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

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

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

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

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

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

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

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

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

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

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

1 *the activities under subparagraph (A) are based,*
2 *and a description of how such activities will ex-*
3 *pend the base of knowledge relating to the provi-*
4 *sion of activities for youth;*

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

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

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

23 *“(9) EVALUATION.—The Secretary may reserve*
24 *up to 5 percent of the funds described in sub-*
25 *section(a)(1) to provide technical assistance to, and*

1 *conduct evaluations of the projects funded under this*
2 *subsection (using appropriate techniques as described*
3 *in section 172(c)).*

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

6 “(1) *IN GENERAL.—From the funds described in*
7 *subsection(a)(2), the Secretary may award grants to*
8 *eligible entities to provide activities that will assist*
9 *youth in preparing for, and entering and retaining,*
10 *employment.*

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

16 “(3) *PARTICIPANT ELIGIBILITY.—Youth ages 14*
17 *through 19 at the time the eligibility determination is*
18 *made may be eligible to participate in activities*
19 *under this subsection.*

20 “(4) *USE OF FUNDS.—Funds provided under*
21 *this subsection may be used for activities that will as-*
22 *ist youth in preparing for, and entering and retain-*
23 *ing, employment, including the activities described in*
24 *section 129 for out-of-school youth, activities designed*
25 *to assist in-school youth to stay in school and gain*

1 *work experience, and such other activities that the*
 2 *Secretary determines are appropriate.*

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

8 “(6) *ADDITIONAL REQUIREMENTS.*—*The Sec-*
 9 *retary may require the provision of a non-Federal*
 10 *share for projects funded under this subsection and*
 11 *may require participation of grantees in evaluations*
 12 *of such projects, including evaluations using the tech-*
 13 *niques as described in section 172(c).”*

14 (b) *CLERICAL AMENDMENT.*—*The table of contents in*
 15 *section 1(b) is amended by amending the item related to*
 16 *section 169 to read as follows:*

“*Sec. 169. Youth challenge grants.*”

17 **SEC. 120. TECHNICAL ASSISTANCE.**

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

19 *(1) by striking subsection (b);*

20 *(2) by striking*

21 *“(a) GENERAL TECHNICAL ASSISTANCE.—”;*

22 *(3) by redesignating paragraphs (1), (2), and (3)*
 23 *as subsections (a), (b), and (c) respectively, and mov-*
 24 *ing such subsections 2 ems to the left;*

1 (4) *in subsection (a) (as redesignated by para-*
2 *graph (3))—*

3 (A) *by inserting “the training of staff pro-*
4 *viding rapid response services, the training of*
5 *other staff of recipients of funds under this title,*
6 *peer review activities under this title, assistance*
7 *regarding accounting and program operation*
8 *practices (when such assistance would not be du-*
9 *plicative to assistance provided by the State),*
10 *technical assistance to States that do not meet*
11 *State performance measures described in section*
12 *136,” after “localities,”; and*

13 (B) *by striking “from carrying out activi-*
14 *ties” and all that follows up to the period and*
15 *inserting “to implement the amendments made*
16 *by the Job Training Improvement Act of 2005”;*
17 *and*

18 (5) *by inserting, after subsection (c) (as redesi-*
19 *gnated by paragraph (3)), the following:*

20 “(d) *BEST PRACTICES COORDINATION.—The Secretary*
21 *shall establish a system whereby States may share informa-*
22 *tion regarding best practices with regard to the operation*
23 *of workforce investment activities under this Act.”.*

1 **SEC. 121. DEMONSTRATION, PILOT, MULTISERVICE, RE-**
2 **SEARCH AND MULTI-STATE PROJECTS.**

3 (a) *DEMONSTRATION AND PILOT PROJECTS.*—Section
4 171(b) (29 U.S.C. 2916(b)) is amended—

5 (1) in paragraph (1)—

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

8 (B) by amending subparagraphs (A)
9 through (D) to read as follows:

10 “(A) projects that assist national employers
11 in connecting with the workforce investment sys-
12 tem established under this title in order to facili-
13 tate the recruitment and employment of needed
14 workers and to provide information to such sys-
15 tem on skills and occupations in demand;

16 “(B) projects that promote the development
17 of systems that will improve the effectiveness and
18 efficiency of programs carried out under this
19 title;

20 “(C) projects that focus on opportunities for
21 employment in industries and sectors of indus-
22 tries that are experiencing or are likely to expe-
23 rience high rates of growth, including those relat-
24 ing to information technology;

1 “(D) projects carried out by States and
2 local areas to test innovative approaches to deliv-
3 ering employment-related services;”;

4 (C) by striking subparagraph (E);

5 (D) by redesignating subparagraphs (F)
6 and (G) as subparagraphs (E) and (F), respec-
7 tively;

8 (E) in subparagraph (F) (as so redesign-
9 ated, by striking “; and” and inserting a semi-
10 colon;

11 (F) by inserting after subparagraph (F) (as
12 so redesignated) the following:

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

21 (G) by amending subparagraph (H) to read
22 as follows:

23 “(H) projects that focus on opportunities for
24 employment in industries and sectors of indus-
25 tries that are being transformed by technology

1 *and innovation requiring new knowledge or skill*
2 *sets for workers, including advanced manufac-*
3 *turing; and”;* and

4 *(H) by adding at the end the following:*

5 *“(I) projects carried out by States and local*
6 *areas to assist adults or out of school youth in*
7 *starting a small business, including training*
8 *and assistance in business or financial manage-*
9 *ment or in developing other skills necessary to*
10 *operate a business.”;* and

11 *(2) in paragraph (2)—*

12 *(A) by striking subparagraph (B); and*

13 *(B) by redesignating subparagraph (C) as*
14 *subparagraph (B).*

15 **(b) MULTISERVICE PROJECTS.**—*Section 171(c)(2)(B)*
16 *(29 U.S.C. 2916(c)(2)(B)) is amended to read as follows:*

17 **“(B) NET IMPACT STUDIES AND RE-**
18 **PORTS.**—*The Secretary shall conduct studies to*
19 *determine the net impacts of programs, services,*
20 *and activities carried out under this title. The*
21 *Secretary shall prepare and disseminate to Con-*
22 *gress and the public reports containing the re-*
23 *sults of such studies.”.*

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

2 *Section 171(d) of the Workforce Investment Act of 1998*
3 *is amended to read as follows:*

4 “(d) *COMMUNITY-BASED JOB TRAINING.*—

5 “(1) *DEMONSTRATION PROJECT.*—*In addition to*
6 *the demonstration projects under subsection (b), the*
7 *Secretary may establish and implement a national*
8 *demonstration project designed to develop local solu-*
9 *tions to the workforce challenges facing high-growth,*
10 *high-skill industries with labor shortages, and in-*
11 *crease opportunities for workers to gain access to em-*
12 *ployment in high-growth, high-demand occupations*
13 *by promoting the establishment of partnerships*
14 *among education entities, the workforce investment*
15 *system, and businesses in high-growth, high-skill in-*
16 *dustry.*

17 “(2) *GRANTS.*—*In carrying out the demonstra-*
18 *tion project under this subsection, the Secretary shall*
19 *award competitive grants, in accordance with gen-*
20 *erally applicable Federal requirements, to eligible en-*
21 *tities to carry out activities authorized under this*
22 *subsection.*

23 “(3) *DEFINITIONS.*—

24 “(A) *ELIGIBLE ENTITY.*—*In this subsection,*
25 *the term ‘eligible entity’ means a community col-*

1 *lege or consortium of community colleges that*
2 *shall work in conjunction with—*

3 “(i) *the local workforce investment sys-*
4 *tem; and*

5 “(ii) *business or businesses in a quali-*
6 *fied industry or an industry association in*
7 *a qualified industry.*

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

13 “(i) *is projected to add substantial*
14 *numbers of new jobs to the economy;*

15 “(ii) *has significant impact on the*
16 *economy;*

17 “(iii) *impacts the growth of other in-*
18 *dustries and economic sectors;*

19 “(iv) *is being transformed by tech-*
20 *nology and innovation requiring new*
21 *knowledge or skill sets for workers;*

22 “(v) *is a new or emerging industry or*
23 *economic sector that is projected to grow; or*

24 “(vi) *has high-skilled occupations and*
25 *significant labor shortages in the local area.*

1 “(C) *COMMUNITY COLLEGE.*—As used in
2 this subsection, the term ‘community college’
3 means an institution of higher education, as de-
4 fined in section 101 of the Higher Education Act
5 of 1965 (20 U.S.C. 1001), that provides not less
6 than a 2-year program that is acceptable for full
7 credit toward a bachelor’s degree, or is a tribally
8 controlled college or university.

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

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

17 “(A) the development, by a community col-
18 lege, in consultation with representatives of
19 qualified industries, of rigorous training and
20 education programs related to employment in a
21 qualified industry identified in the eligible enti-
22 ty’s application;

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

1 *dustry identified in the eligible entity’s applica-*
2 *tion;*

3 “(C) *disseminating to adults and dislocated*
4 *workers, through the one-stop delivery system, in-*
5 *formation on high-growth, high-demand occupa-*
6 *tions 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 commu-*
11 *nity colleges with activities of businesses and the*
12 *one-stop delivery system to meet the training*
13 *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 community college*
20 *that will offer training under the grant;*

21 “(B) *an economic analysis of the local labor*
22 *market to identify high-growth, high-demand in-*
23 *dustries and identify the workforce issues faced*
24 *by those industries;*

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

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

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

15 “(F) a description of how the activities
16 funded by the proposed grant will be coordinated
17 with activities provided through the one-stop de-
18 livery system in the local area or areas; 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 to
22 carry out and expand such activities after the
23 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 con-*
3 *sider—*

4 “(i) *the extent of public and private*
5 *collaboration, including existing partner-*
6 *ships among industries, community colleges,*
7 *and the public workforce investment system;*

8 “(ii) *the extent to which the grant will*
9 *provide job seekers with employment oppor-*
10 *tunities in high-growth, high-demand occu-*
11 *pations;*

12 “(iii) *the extent to which the grant will*
13 *expand the local one-stop delivery system’s*
14 *capacity to be demand-driven and respon-*
15 *sive to local economic needs;*

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

19 “(v) *the extent to which the eligible en-*
20 *tity commits to make any newly developed*
21 *products, such as competencies or training*
22 *curriculum, available for distribution na-*
23 *tionally.*

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 private*
5 *resources, in addition to the funds provided*
6 *under this subsection, will be made avail-*
7 *able to support the activities carried out*
8 *under this subsection; and*

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

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

16 “(8) *PERFORMANCE ACCOUNTABILITY AND EVAL-*
17 *UATION.*—

18 “(A) *PERFORMANCE ACCOUNTABILITY.*—*The*
19 *Secretary shall require an eligible entity that re-*
20 *ceives a grant under this subsection to report to*
21 *the Secretary on the employment outcomes ob-*
22 *tained by individuals receiving training under*
23 *this subsection using the indicators of perform-*
24 *ance identified in the eligible entity’s grant ap-*
25 *plication.*

1 “(B) *EVALUATION.*—*The Secretary may re-*
2 *quire that an eligible entity that receives a grant*
3 *under this subsection participate in an evalua-*
4 *tion of activities carried out under this sub-*
5 *section, including an evaluation using the tech-*
6 *niques described in section 172(c).”.*

7 **SEC. 123. PERSONAL REEMPLOYMENT ACCOUNTS.**

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

10 “(e) *PERSONAL REEMPLOYMENT ACCOUNTS.*—

11 “(1) *DEFINITION.*—*In this subsection, the term*
12 *‘State’ means each of the several States of the United*
13 *States, the District of Columbia, the Commonwealth*
14 *of Puerto Rico, and the United States Virgin Islands.*

15 “(2) *DEMONSTRATION PROJECT.*—*In addition to*
16 *the demonstration projects under subsection (b), the*
17 *Secretary may establish and implement a national*
18 *demonstration project designed to analyze and pro-*
19 *vide data on workforce training programs that accel-*
20 *erate the reemployment of unemployed individuals,*
21 *promote the retention in employment of such individ-*
22 *uals, and provide such individuals with enhanced*
23 *flexibility, choice, and control in obtaining intensive*
24 *reemployment, training, and supportive services.*

25 “(3) *GRANTS.*—

1 “(A) *IN GENERAL.*—*In carrying out the*
2 *demonstration project, the Secretary shall make*
3 *grants, on a competitive basis, to eligible entities*
4 *to provide personal reemployment accounts to el-*
5 *igible individuals. In awarding grants under*
6 *this subsection the Secretary shall take into con-*
7 *sideration awarding grants to eligible entities*
8 *from diverse geographic areas, including rural*
9 *areas.*

10 “(B) *DURATION.*—*The Secretary shall make*
11 *the grants for periods of not less than 2 years*
12 *and may renew the grant for each of the suc-*
13 *ceeding 3 years.*

14 “(4) *ELIGIBLE ENTITY.*—*In this subsection, the*
15 *term ‘eligible entity’ means—*

16 “(A) *a State; or*

17 “(B) *a local board or consortium of local*
18 *boards.*

19 “(5) *USE OF FUNDS.*—

20 “(A) *IN GENERAL.*—*An eligible entity that*
21 *receives a grant under this subsection shall use*
22 *the grant funds to provide, through a local area*
23 *or areas, eligible individuals with personal reem-*
24 *ployment accounts. An eligible individual may*
25 *receive only 1 personal reemployment account.*

1 “(B) *GEOGRAPHIC AREA AND AMOUNT.*—

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

8 “(ii) *OPTION FOR STATES.*—*If the eli-*
9 *gible entity is a State, the eligible entity*
10 *may choose to use the grant statewide, if*
11 *practicable, or only in specified local areas*
12 *within a State.*

13 “(C) *ELIGIBLE INDIVIDUALS.*—

14 “(i) *IN GENERAL.*—*Each eligible entity*
15 *shall establish eligibility criteria for indi-*
16 *viduals for personal reemployment accounts*
17 *in accordance with this subparagraph.*

18 “(ii) *ELIGIBILITY CRITERIA REQUIRE-*
19 *MENTS.*—

20 “(I) *IN GENERAL.*—*Subject to*
21 *subclause (II), an individual shall be*
22 *eligible to receive a personal reemploy-*
23 *ment account under a grant awarded*
24 *under this subsection if, beginning*

1 *after the date of enactment of this sub-*
2 *section, the individual—*

3 “*(aa) is identified by the*
4 *State pursuant to section*
5 *303(j)(1) of the Social Security*
6 *Act (42 U.S.C. 503(j)(1)) as likely*
7 *to exhaust regular unemployment*
8 *compensation and in need of job*
9 *search assistance to make a suc-*
10 *cessful transition to new employ-*
11 *ment, or the individual’s unem-*
12 *ployment can be attributed in*
13 *substantial part to unfair com-*
14 *petition from Federal Prison In-*
15 *dustries, Incorporated;*

16 “*(bb) is receiving regular un-*
17 *employment compensation under*
18 *any Federal or State unemploy-*
19 *ment compensation program ad-*
20 *ministered by the State; and*

21 “*(cc) is eligible for not less*
22 *than 20 weeks of regular unem-*
23 *ployment compensation described*
24 *in item (bb).*

1 “(II) *ADDITIONAL ELIGIBILITY*
2 *AND PRIORITY CRITERIA.*—*An eligible*
3 *entity may establish criteria that are*
4 *in addition to the criteria described in*
5 *subclause (I) for the eligibility of indi-*
6 *viduals to receive a personal reemploy-*
7 *ment account under this subsection. An*
8 *eligible entity may also establish cri-*
9 *teria for priority in the provision of a*
10 *personal reemployment account to such*
11 *eligible individuals under a grant*
12 *awarded under this subsection.*

13 “(iii) *TRANSITION RULE.*—

14 “(I) *PREVIOUSLY IDENTIFIED AS*
15 *LIKELY TO EXHAUST UNEMPLOYMENT*
16 *COMPENSATION.*—

17 “(aa) *IN GENERAL.*—*At the*
18 *option of the eligible entity, and*
19 *subject to item (bb), an individual*
20 *may be eligible to receive a per-*
21 *sonal reemployment account*
22 *under this subsection if the indi-*
23 *vidual—*

24 “(AA) *during the 13-*
25 *week period ending the week*

1 *prior to the date of the enact-*
2 *ment of the subsection, was*
3 *identified by the State pursu-*
4 *ant to section 303(j)(1) of the*
5 *Social Security Act (42*
6 *U.S.C. 503(j)(1)) as likely to*
7 *exhaust regular unemploy-*
8 *ment compensation and in*
9 *need of job search assistance*
10 *to make a successful transi-*
11 *tion to new employment; and*
12 *“(BB) otherwise meets*
13 *the requirements of clause*
14 *(ii)(I)(bb) and (cc).*
15 *“(bb) ADDITIONAL ELIGI-*
16 *BILITY AND PRIORITY CRITERIA.—*
17 *An eligible entity may establish*
18 *criteria that is in addition to the*
19 *criteria described in item (aa) for*
20 *the eligibility of individuals to re-*
21 *ceive a personal reemployment ac-*
22 *count under this subsection. An*
23 *eligible entity may also establish*
24 *criteria for priority in the provi-*
25 *sion of such accounts to such eligi-*

1 *ble individuals under this sub-*
2 *section.*

3 “(II) *PREVIOUSLY EXHAUSTED*
4 *UNEMPLOYMENT COMPENSATION.—At*
5 *the option of the eligible entity, an in-*
6 *dividual may be eligible to receive a*
7 *personal reemployment account under*
8 *a grant awarded under this subsection*
9 *if the individual—*

10 “(aa) *during the 26-week pe-*
11 *riod ending the week prior to the*
12 *date of the enactment of this sub-*
13 *section, exhausted all rights to*
14 *any unemployment compensation;*
15 *and*

16 “(bb)(AA) *is enrolled in*
17 *training and needs additional*
18 *support to complete such training,*
19 *with a priority of service to be*
20 *provided to such individuals who*
21 *are training for shortage occupa-*
22 *tions or high-growth industries; or*

23 “(BB) *is separated from em-*
24 *ployment in an industry or occu-*
25 *pation that has experienced de-*

1 *clining employment, or no longer*
2 *provides any employment, in the*
3 *local labor market during the 2-*
4 *year period ending on the date of*
5 *the determination of eligibility of*
6 *the individual under this sub-*
7 *paragraph.*

8 *“(iv) NO INDIVIDUAL ENTITLEMENT.—*
9 *Nothing in this subsection shall be construed*
10 *to entitle any individual to receive a per-*
11 *sonal reemployment account.*

12 *“(D) LIMITATIONS.—*

13 *“(i) INFORMATION AND ATTESTA-*
14 *TION.—Prior to the establishment of a per-*
15 *sonal reemployment account for an eligible*
16 *individual, the eligible entity receiving a*
17 *grant, through the one-stop delivery system*
18 *in the participating local area or areas,*
19 *shall ensure that the individual—*

20 *“(I) is informed of the require-*
21 *ments applicable to the personal reem-*
22 *ployment account, including the allow-*
23 *able uses of funds from the account, the*
24 *limitations on access to services de-*
25 *scribed in paragraph (7)(A)(iii) and a*

1 *description of such services, and the*
2 *conditions for receiving a reemploy-*
3 *ment bonus;*

4 *“(II) has the option to develop a*
5 *personal reemployment plan which will*
6 *identify the employment goals and ap-*
7 *propriate combination of services se-*
8 *lected by the individual to achieve the*
9 *employment goals; and*

10 *“(III) signs an attestation that*
11 *the individual has been given the op-*
12 *tion to develop a personal reemploy-*
13 *ment plan in accordance with sub-*
14 *clause (II), will comply with the re-*
15 *quirements under this subsection relat-*
16 *ing to the personal reemployment ac-*
17 *counts, and will reimburse the account*
18 *or, if the account has been terminated,*
19 *the grant awarded under this sub-*
20 *section, for any amounts expended*
21 *from the account that are not allow-*
22 *able.*

23 *“(ii) PERIODIC INTERVIEWS.—If a re-*
24 *ipient exhausts his or her rights to any un-*
25 *employment compensation, and the recipi-*

1 ent has a remaining balance in his or her
2 personal reemployment account, the one-
3 stop delivery system shall conduct periodic
4 interviews with the recipient to assist the
5 recipient in meeting his or her individual
6 employment goals.

7 “(iii) *USE OF PERSONAL REEMPLOY-*
8 *MENT ACCOUNTS.*—The eligible entity re-
9 ceiving a grant shall ensure that eligible in-
10 dividuals receiving a personal reemploy-
11 ment account use the account in accordance
12 with paragraph (7).

13 “(6) *APPLICATION FOR GRANTS.*—To be eligible
14 to receive a grant under this subsection, an eligible
15 entity shall submit an application to the Secretary at
16 such time, in such manner, and containing such in-
17 formation as the Secretary may require, including—

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

19 “(i) assurance that the application was
20 developed in conjunction with the local
21 board or boards and chief elected officials
22 where the personal reemployment accounts
23 shall be made available; and

24 “(ii) a description of the methods and
25 procedures for providing funds to local

1 *areas where the personal reemployment ac-*
2 *counts shall be made available;*

3 “(B) a description of the criteria and meth-
4 *ods to be used for determining eligibility for the*
5 *personal reemployment account, including*
6 *whether the eligible entity intends to include the*
7 *optional categories described in paragraph*
8 *(5)(C)(iii), and the additional criteria and pri-*
9 *ority for service that the eligible entity intends*
10 *to apply, if any, pursuant to paragraph*
11 *(5)(C)(ii)(II);*

12 “(C) a description of the methods or proce-
13 *dures to be used to provide eligible individuals*
14 *information relating to services and providers;*

15 “(D) a description of safeguards to ensure
16 *that funds from the personal reemployment ac-*
17 *counts are used for purposes authorized under*
18 *this subsection and to ensure the quality and in-*
19 *tegrity of services and providers, consistent with*
20 *the purpose of providing eligible individuals*
21 *with enhanced flexibility, choice, and control in*
22 *obtaining intensive reemployment, training, and*
23 *supportive services;*

24 “(E) a description of how the eligible entity
25 *will coordinate the activities carried out under*

1 *this subsection with the employment and train-*
2 *ing activities carried out under section 134 and*
3 *other activities carried out by local boards*
4 *through the one-stop delivery system in the State*
5 *or local area; and*

6 “(F) *an assurance that the eligible entity*
7 *will comply with any evaluation and reporting*
8 *requirements the Secretary may require.*

9 “(7) *USE OF PERSONAL REEMPLOYMENT AC-*
10 *COUNTS.—*

11 “(A) *ALLOWABLE ACTIVITIES.—*

12 “(i) *IN GENERAL.—Subject to the re-*
13 *quirements contained in clauses (ii) and*
14 *(iii), a recipient of a personal reemploy-*
15 *ment account may use amounts in a per-*
16 *sonal reemployment account to purchase 1*
17 *or more of the following:*

18 “(I) *Intensive services, including*
19 *those type of services specified in sec-*
20 *tion 134(d)(3)(C).*

21 “(II) *Training services, including*
22 *those types of services specified in sec-*
23 *tion 134(d)(4)(D).*

24 “(III) *Supportive services, except*
25 *for needs related payments.*

1 “(i) *DELIVERY OF SERVICES.*—*The*
2 *following requirements relating to delivery*
3 *of services shall apply to the grants under*
4 *this subsection:*

5 “(I) *Recipients may use funds*
6 *from the personal reemployment ac-*
7 *count to purchase the services described*
8 *in clause (i) through the one-stop deliv-*
9 *ery system on a fee-for-service basis, or*
10 *through other providers, consistent*
11 *with the safeguards described in para-*
12 *graph (6)(D).*

13 “(II) *The eligible entity, through*
14 *the one-stop delivery system in the par-*
15 *ticipating local area, may pay costs*
16 *for such services directly on behalf of*
17 *the recipient, through a voucher sys-*
18 *tem, or by reimbursement to the recipi-*
19 *ent upon receipt of appropriate cost*
20 *documentation.*

21 “(III) *Each eligible entity,*
22 *through the one-stop delivery system in*
23 *the participating local area, shall*
24 *make available to recipients informa-*
25 *tion on training providers specified in*

1 *section 134(d)(4)(F)(ii), information*
2 *available to the one-stop delivery sys-*
3 *tem on providers of the intensive and*
4 *supportive services described in clause*
5 *(i), and information relating to occu-*
6 *pations in demand in the local area.*

7 *“(iii) LIMITATIONS.—The following*
8 *limitations shall apply with respect to per-*
9 *sonal reemployment accounts under this*
10 *subsection:*

11 *“(I) Amounts in a personal reem-*
12 *ployment account may be used for up*
13 *to 1 year from the date of the establish-*
14 *ment of the account.*

15 *“(II) Each recipient shall submit*
16 *cost documentation as required by the*
17 *one-stop delivery system.*

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

1 “(IV) *Amounts in a personal re-*
2 *employment account shall be non-*
3 *transferable.*

4 “(B) *REEMPLOYMENT BONUS.—*

5 “(i) *IN GENERAL.—Subject to clause*
6 *(ii)—*

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

15 “(II) *if a recipient determined eli-*
16 *gible under paragraph (5)(C)(iii) ob-*
17 *tains full-time employment before the*
18 *end of the 13th week after the date on*
19 *which the account is established, the*
20 *balance of his or her personal reem-*
21 *ployment account shall be provided di-*
22 *rectly to the recipient in cash.*

23 “(ii) *LIMITATIONS.—The following*
24 *limitations shall apply with respect to a re-*
25 *recipient described in clause (i):*

1 “(I) 60 percent of the remaining
2 personal reemployment account bal-
3 ance shall be paid to the recipient at
4 the time of employment.

5 “(II) 40 percent of the remaining
6 personal reemployment account shall
7 be paid to the recipient after 26 weeks
8 of employment retention.

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

20 “(8) *PROGRAM INFORMATION AND EVALUA-*
21 *TION.—*

22 “(A) *INFORMATION.—The Secretary may*
23 *require from eligible entities the collection and*
24 *reporting on such financial, performance, and*
25 *other program-related information as the Sec-*

1 retary determines is appropriate to carry out
2 this subsection, including the evaluation de-
3 scribed in subparagraph (B).

4 “(B) *EVALUATION.*—

5 “(i) *IN GENERAL.*—The Secretary, pur-
6 suant to the authority provided under sec-
7 tion 172, shall, directly or through grants,
8 contracts, or cooperative agreement with ap-
9 propriate entities, conduct an evaluation of
10 the activities carried out under any grants
11 awarded under this subsection.

12 “(ii) *REPORT.*—The report to Congress
13 under section 172(e) relating to the results
14 of the evaluations required under section
15 172 shall include the recommendation of the
16 Secretary with respect to the use of personal
17 reemployment account as a mechanism to
18 assist individuals in obtaining and retain-
19 ing employment.”.

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

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

23 “(f) *TRAINING FOR REALTIME WRITERS.*—

24 “(1) *IN GENERAL.*—The Secretary may make
25 competitive grants to eligible entities under para-

1 *graph (2)(A) to promote training and placement of*
2 *individuals as realtime writers in order to meet the*
3 *requirements for closed captioning of video program-*
4 *ming set forth in section 723 of the Communications*
5 *Act of 1934 (47 U.S.C. 613) and the rules prescribed*
6 *thereunder.*

7 “(2) *LIMITATIONS.—*

8 “(A) *ELIGIBLE ENTITIES.—For purposes of*
9 *this subsection, an eligible entity is a court re-*
10 *porting or realtime writing training program*
11 *that—*

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

21 “(ii) *is and entity that—*

22 “(I) *is an eligible provider of*
23 *training services under section 122; or*

24 “(II) *is accredited by an accred-*
25 *iting agency recognized by the Depart-*

1 *ment of Education; and participates in*
2 *student aid programs under title IV of*
3 *the Higher Education Act of 1965 (20*
4 *U.S.C. 1070 et seq.).*

5 *“(B) PRIORITY IN GRANTS.—In determining*
6 *whether to award grants under this section, the*
7 *Secretary shall give priority to eligible entities*
8 *that—*

9 *“(i) demonstrate the greatest ability to*
10 *increase their capacity to train realtime*
11 *writers;*

12 *“(ii) demonstrate the most promising*
13 *collaboration with local workforce invest-*
14 *ment boards, local educational institutions,*
15 *businesses, labor organizations, or other*
16 *community-based organization having the*
17 *potential to train or provide job placement*
18 *assistance to realtime writers; and*

19 *“(iii) propose the most promising and*
20 *innovative approaches for initiating or ex-*
21 *anding training or job placement assist-*
22 *ance efforts for realtime writers.*

23 *“(C) DURATION OF GRANT.—A grant under*
24 *this subsection shall be for a period of 2 years.*

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

4 “(3) *APPLICATION.*—*To receive a grant under*
5 *paragraph (1), an eligible entity shall submit an ap-*
6 *plication to the Secretary at such time and in such*
7 *manner as the Secretary may require. The applica-*
8 *tion shall include—*

9 “(A) *a description of the training and as-*
10 *istance to be funded using the grant amount,*
11 *including how such training and assistance will*
12 *increase the number of realtime writers;*

13 “(B) *a description of performance measures*
14 *to be utilized to evaluate the progress of individ-*
15 *uals receiving such training and assistance in*
16 *matters relating to enrollment, completion of*
17 *training, and job placement and retention;*

18 “(C) *a description of the manner in which*
19 *the eligible entity intends to continue providing*
20 *the training and assistance to be funded by the*
21 *grant after the end of the grant period, including*
22 *any partnerships or arrangements established for*
23 *that purpose;*

24 “(D) *a description of how the eligible entity*
25 *will work with local workforce investment boards*

1 to ensure that training and assistance to be
2 funded with the grant will further local work-
3 force goals, including the creation of educational
4 opportunities for individuals who are from eco-
5 nomically disadvantaged backgrounds or are dis-
6 located workers; and

7 “(E) such other information as the Sec-
8 retary may require.

9 “(4) USE OF FUNDS.—

10 “(A) IN GENERAL.—An eligible entity re-
11 ceiving a grant under paragraph (1) shall use
12 the grant amount for purposes relating to the re-
13 cruitment, training, assistance, and job place-
14 ment of individuals (including individuals who
15 have completed a court reporting training pro-
16 gram) as realtime writers, including—

17 “(i) recruitment activities;

18 “(ii) the provision of training grants
19 to individuals for training in realtime writ-
20 ing;

21 “(iii) distance learning;

22 “(iv) design and development of cur-
23 riculum to more effectively train realtime
24 writing skills and education in the knowl-

1 *edge bases necessary for the delivery of high*
2 *quality closed captioning services;*

3 “(v) *assistance in job placement for*
4 *upcoming and recent graduates with all*
5 *types of captioning employers; and*

6 “(vi) *encouragement of individuals*
7 *with disabilities to pursue a career in*
8 *realtime writing.*

9 “(B) *ADMINISTRATIVE COSTS.—The recipi-*
10 *ent of a grant under paragraph (1) may not use*
11 *more than 5 percent of the grant amount to pay*
12 *administrative costs associated with activities*
13 *funded by the grant.*

14 “(5) *REPORTS.—Each eligible entity receiving a*
15 *grant under paragraph (1) shall submit to the Sec-*
16 *retary, at the end of each year of the grant period,*
17 *a report which shall include—*

18 “(A) *a description of the use of grant*
19 *amounts by the entity during such year;*

20 “(B) *an assessment, utilizing the perform-*
21 *ance measures submitted by the entity in the ap-*
22 *plication for the grant under paragraph (2)(D),*
23 *of the effectiveness of activities carried out using*
24 *such funds in increasing the number of realtime*
25 *writers; and*

1 “(C) a description of the best practices iden-
2 tified by the entity as a result of the grant for
3 increasing the number of individuals who are
4 trained, employed, and retained in employment
5 as realtime writers.”.

6 **SEC. 125. BUSINESS PARTNERSHIP GRANTS.**

7 Section 171 (29 U.S.C. 2916) is further amended by
8 adding at the end the following:

9 “(g) **BUSINESS PARTNERSHIP GRANTS.**—

10 “(1) **DEMONSTRATION PROJECT.**—In addition to
11 the demonstration projects under subsection (b), (d),
12 and (e), the Secretary may make up to 10 competitive
13 grants per year to eligible entities to expand local sec-
14 tor-focused training and workforce development in
15 high growth, high wage industry sectors in one or
16 more regions of particular States.

17 “(2) **ELIGIBLE ENTITIES.**—For purposes of this
18 subsection an eligible entity is a business or business
19 partnership, including associations of single or re-
20 lated industry employers and employee representa-
21 tives, consortia of such employers, employee represent-
22 atives, and workforce development community-based
23 organizations, and higher education institutions.

24 “(3) **USE OF FUNDS.**—Grants awarded under
25 this subsection may be used to—

1 “(A) provide workforce-directed business
2 services to help employers in targeted industries
3 better retain, support and advance their skilled
4 workers;

5 “(B) provide capacity building through re-
6 gional skill alliances, workforce intermediaries,
7 and other collaborative entities to link businesses
8 to public workforce systems and service providers
9 targeted for their industry;

10 “(C) conduct analyses of skills that are
11 needed in the workforce in such industries cur-
12 rently and in the future to project new market
13 opportunities in particular industries;

14 “(D) develop rigorous training and edu-
15 cation programs related to employment in high-
16 growth, high-wage industries;

17 “(E) develop skill standards and industry-
18 certified curricula used in preparing workers for
19 employment in such industries;

20 “(F) train adults and dislocated workers in
21 the skills and competencies needed to obtain or
22 upgrade employment;

23 “(G) disseminate information on high-
24 growth, high-wage occupations;

1 “(H) place trained individuals into employ-
2 ment in high-growth, high-wage industries;

3 “(I) increase integration between training
4 providers, businesses, and the one-stop delivery
5 system to meet the training needs of particular
6 industries.

7 “(4) *REPORTS.*—The Secretary shall track and
8 annually report to the chairmen and ranking minor-
9 ity members of the Committee on Education and the
10 Workforce of the House of Representatives and the
11 Committee on Health, Education, Labor and Pen-
12 sions of the Senate, on the industries receiving grants
13 under this subsection, the performance results of each
14 such grant, and the percentage and amount of grants
15 awarded to eligible entities for programs serving each
16 of the following populations: incumbent workers, dis-
17 located workers, adults, and youth.”.

18 **SEC. 126. NATIONAL DISLOCATED WORKER GRANTS.**

19 (a) *IN GENERAL.*—Section 173 (29 U.S.C. 2916) is
20 amended—

21 (1) by amending the designation and heading to
22 read as follows:

23 “**SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.**”; and

24 (2) in subsection (a)—

1 (A) by striking “national emergency
2 grants” in the matter preceding paragraph (1)
3 and inserting “national dislocated worker
4 grants”; and

5 (B) in paragraph (1), by striking “sub-
6 section (c)” and inserting “subsection (b)”.

7 (b) *ADMINISTRATION*.—Section 173 (29 U.S.C. 2918)
8 is further amended—

9 (1) by striking subsection (b) and redesignating
10 subsections (c) and (d) as subsections (b) and (c), re-
11 spectively; and

12 (2) by striking subsection (e) and redesignating
13 subsections (f) and (g) as subsection (d) and (e), re-
14 spectively.

15 (c) *ELIGIBLE ENTITIES*.—Section 173(b)(1)(B) (29
16 U.S.C. 2918(b)(1)(B)) (as redesignated by subsection (b)(1)
17 of this section) is amended by striking “, and other entities”
18 and all that follows and inserting a period.

19 (d) *PARTICIPANT ELIGIBILITY FOR MILITARY*
20 *SPOUSES*.—Section 173(b)(2)(A) (29 U.S.C. 2918(b)(2)(A))
21 (as redesignated by subsection (b)(1) of this section) is
22 amended—

23 (1) in clause (iii), by striking “; or” and insert-
24 ing a semicolon;

1 (2) *in clause (iv)(IV) by striking the period and*
 2 *inserting “; or”; and*

3 (3) *by inserting at the end the following:*

4 *“(v) is the spouse of a member of the*
 5 *Armed Forces who is on active duty or full-*
 6 *time National Guard duty, or who was re-*
 7 *cently separated from such duties, and such*
 8 *spouse is in need of employment and train-*
 9 *ing assistance to obtain or retain employ-*
 10 *ment.”.*

11 (e) *CONFORMING AMENDMENT.—The table of contents*
 12 *in section 1(b) is amended by amending the item related*
 13 *to section 173 to read as follows:*

“Sec. 173. National dislocated worker grants.”.

14 **SEC. 127. AUTHORIZATION OF APPROPRIATIONS FOR NA-**
 15 **TIONAL ACTIVITIES.**

16 (a) *IN GENERAL.—Section 174(a)(1) (29 U.S.C.*
 17 *2919(a)(1)) is amended by striking “1999 through 2003”*
 18 *and inserting “2006 through 2011”.*

19 (b) *RESERVATIONS.—Section 174(b) is amended to*
 20 *read as follows:*

21 *“(b) TECHNICAL ASSISTANCE; DEMONSTRATION AND*
 22 *PILOT PROJECTS; EVALUATIONS; INCENTIVE GRANTS.—*

23 *“(1) DEMONSTRATION AND PILOT PROJECTS.—*

24 *“(A) IN GENERAL.—There are authorized to*
 25 *be appropriated to carry out section 171,*

1 \$211,000,000 for fiscal year 2006 and such sums
2 as may be necessary for fiscal years 2007
3 through 2011.

4 “(B) *RESERVATION FOR COMMUNITY-BASED*
5 *JOB TRAINING.*—Of the amount appropriated
6 pursuant to subparagraph (A), the Secretary
7 shall reserve up to \$125,000,000 for carrying out
8 section 171(d).

9 “(2) *TECHNICAL ASSISTANCE, EVALUATIONS.*—
10 There are authorized to be appropriated to carry out
11 section 170, section 172, and section 136 such sums
12 as may be necessary for each of fiscal years 2006
13 through 2011.”.

14 **SEC. 128. REQUIREMENTS AND RESTRICTIONS.**

15 (a) *IN GENERAL.*—Section 181(c)(2)(A) (29 U.S.C.
16 2931(c)(2)(A)) is amended in the matter preceding clause
17 (i) by striking “shall” and inserting “may”.

18 (b) *LIMITATIONS.*—Section 181(e) (29 U.S.C. 2931(e))
19 is amended by striking “training for” and inserting “the
20 entry into employment, retention in employment, or in-
21 creases in earnings of”.

22 (c) *REPORTS TO CONGRESS.*—Section 185(e)(2) (29
23 U.S.C. 2935(e)(2)) is amended by inserting “and the Sec-
24 retary shall submit to the Committee on Education and the
25 Workforce of the House of Representatives and the Com-

1 *mittee on Health, Education, Labor, and Pensions of the*
2 *Senate,” after “Secretary,”.*

3 **SEC. 129. NONDISCRIMINATION.**

4 *Section 188(a)(2) (29 U.S.C. 2931(a)(2)) is amended*
5 *to read as follows:*

6 *“(2) PROHIBITION OF DISCRIMINATION REGARD-*
7 *ING PARTICIPATION, BENEFITS, AND EMPLOYMENT.—*

8 *“(A) IN GENERAL.—Except as provided in*
9 *subparagraph (B), no individual shall be ex-*
10 *cluded from participation in, denied the benefits*
11 *of, subjected to discrimination under, or denied*
12 *employment in the administration of or in con-*
13 *nection with, any such program or activity be-*
14 *cause of race, color, religion, sex (except as other-*
15 *wise permitted under title IX of the Education*
16 *Amendments of 1972), national origin, age, dis-*
17 *ability, or political affiliation or belief.*

18 *“(B) EXEMPTION FOR RELIGIOUS ORGANI-*
19 *ZATIONS.—Subparagraph (A) shall not apply to*
20 *a recipient of financial assistance under this*
21 *title that is a religious corporation, association,*
22 *educational institution, or society, with respect*
23 *to the employment of individuals of a particular*
24 *religion to perform work connected with the car-*
25 *rying on by such corporation, association, edu-*

1 *cational institution, or society of its activities.*
2 *Such recipients shall comply with the other re-*
3 *quirements contained in subparagraph (A).”.*

4 **SEC. 130. ADMINISTRATIVE PROVISIONS.**

5 (a) *PROGRAM YEAR.*—Section 189(g)(1) (29 U.S.C.
6 2939(g)(1)) is amended to read as follows:

7 “(1) *IN GENERAL.*—Appropriations for any fis-
8 *cal year for programs and activities carried out*
9 *under this title shall be available for obligation only*
10 *on the basis of a program year. The program year*
11 *shall begin on July 1 in the fiscal year for which the*
12 *appropriation is made.”.*

13 (b) *AVAILABILITY.*—Section 189(g)(2) (29 U.S.C.
14 2939(g)(2)) is amended by striking “each State” and insert-
15 ing “each recipient”.

16 (c) *GENERAL WAIVERS.*—Section 189(i)(4) (29 U.S.C.
17 2939(i)(4)) is amended—

18 (1) *in subparagraph (A), in the matter preceding*
19 *clause (i), by inserting “, or in accordance with sub-*
20 *paragraph (D)” after “subparagraph (B)”;* and

21 (2) *by adding the following subparagraph:*

22 “(D) *EXPEDITED PROCESS FOR EXTENDING*
23 *APPROVED WAIVERS TO ADDITIONAL STATES.*—

24 *In lieu of the requirements of subparagraphs (B)*
25 *and (C), the Secretary may establish an expe-*

1 dited procedure for the purpose of extending to
2 additional States the waiver of statutory or regu-
3 latory requirements that have been approved for
4 a State pursuant to a request under subpara-
5 graph (B). Such procedure shall ensure that the
6 extension of such waivers to additional States
7 are accompanied by appropriate conditions re-
8 lating the implementation of such waivers.”.

9 **SEC. 131. GENERAL PROGRAM REQUIREMENTS.**

10 Section 195 (29 U.S.C. 2945) is amended by adding
11 at the end the following new paragraphs:

12 “(14) Funds provided under this title shall not
13 be used to establish or operate stand-alone fee-for-serv-
14 ice enterprises that compete with private sector em-
15 ployment agencies within the meaning of section
16 701(c) of the Civil Rights Act of 1964 (42 U.S.C.
17 2000e(c)). For purposes of this paragraph, such an
18 enterprise does not include one-stop centers.

19 “(15) Any report required to be submitted to
20 Congress, or to a Committee of Congress, under this
21 title shall be submitted to both the chairmen and
22 ranking minority members of the Committee on Edu-
23 cation and the Workforce of the House of Representa-
24 tives and the Committee on Health, Education,
25 Labor, and Pensions of the Senate.”.

1 **TITLE II—ADULT EDUCATION,**
 2 **BASIC SKILLS, AND FAMILY**
 3 **LITERACY EDUCATION**

4 **SEC. 201. TABLE OF CONTENTS.**

5 *The table of contents in section 1(b) is amended by*
 6 *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 in-
 dividuals.*

“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.”.

7 **SEC. 202. AMENDMENT.**

8 *Title II (29 U.S.C. 2901 et seq.) is amended to read*
 9 *as follows:*

1 **“TITLE II—ADULT EDUCATION,**
2 **BASIC SKILLS, AND FAMILY**
3 **LITERACY EDUCATION**

4 **“SEC. 201. SHORT TITLE.**

5 *“This title may be cited as the ‘Adult Education, Basic*
6 *Skills, and Family Literacy Education Act’.*

7 **“SEC. 202. PURPOSE.**

8 *“It is the purpose of this title to provide instructional*
9 *opportunities for adults seeking to improve their literacy*
10 *skills, including their basic reading, writing, speaking, and*
11 *math skills, and support States and local communities in*
12 *providing, on a voluntary basis, adult education, basic*
13 *skills, and family literacy education programs, in order*
14 *to—*

15 *“(1) increase the literacy of adults, including the*
16 *basic reading, writing, speaking, and math skills, to*
17 *a level of proficiency necessary for adults to obtain*
18 *employment and self-sufficiency and to successfully*
19 *advance in the workforce;*

20 *“(2) assist adults in the completion of a sec-*
21 *ondary school education (or its equivalent) and the*
22 *transition to a postsecondary educational institution;*

23 *“(3) assist adults who are parents to enable them*
24 *to support the educational development of their chil-*
25 *dren and make informed choices regarding their chil-*

1 *dren’s education including, through instruction in*
2 *basic reading, writing, speaking, and math skills; and*
3 *“(4) assist immigrants who are not proficient in*
4 *English in improving their reading, writing, speak-*
5 *ing, and math skills and acquiring an understanding*
6 *of the American free enterprise system, individual*
7 *freedom, and the responsibilities of citizenship.*

8 **“SEC. 203. DEFINITIONS.**

9 *“In this title:*

10 *“(1) ADULT EDUCATION, BASIC SKILLS, AND*
11 *FAMILY LITERACY EDUCATION PROGRAMS.—The term*
12 *‘adult education, basic skills, and family literacy edu-*
13 *cation programs’ means a sequence of academic in-*
14 *struction and educational services below the postsec-*
15 *ondary level that increase an individual’s ability to*
16 *read, write, and speak in English and perform math-*
17 *ematical computations leading to a level of pro-*
18 *ficiency equivalent to at least a secondary school com-*
19 *pletion that is provided for individuals—*

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

21 *“(B) who are not enrolled or required to be*
22 *enrolled in secondary school under State law;*
23 *and*

24 *“(C) who—*

1 “(i) *lack sufficient mastery of basic*
2 *reading, writing, speaking, and math skills*
3 *to enable the individuals to function effec-*
4 *tively in society;*

5 “(ii) *do not have a secondary school*
6 *diploma, General Educational Development*
7 *credential (GED), or other State-recognized*
8 *equivalent and have not achieved an equiva-*
9 *lent level of education; or*

10 “(iii) *are unable to read, write, or*
11 *speak the English language.*

12 “(2) *ELIGIBLE AGENCY.—The term ‘eligible*
13 *agency’—*

14 “(A) *means the primary entity or agency in*
15 *a State or an outlying area responsible for ad-*
16 *ministering or supervising policy for adult edu-*
17 *cation, basic skills, and family literacy edu-*
18 *cation programs in the State or outlying area,*
19 *respectively, consistent with the law of the State*
20 *or outlying area, respectively; and*

21 “(B) *may be the State educational agency,*
22 *the State agency responsible for administering*
23 *workforce investment activities, or the State*
24 *agency responsible for administering community*
25 *or technical colleges.*

1 “(3) *ELIGIBLE PROVIDER.*—*The term ‘eligible*
2 *provider’ means—*

3 “(A) *a local educational agency;*

4 “(B) *a community-based or faith-based or-*
5 *ganization of demonstrated effectiveness;*

6 “(C) *a volunteer literacy organization of*
7 *demonstrated effectiveness;*

8 “(D) *an institution of higher education;*

9 “(E) *a public or private educational agen-*
10 *cy;*

11 “(F) *a library;*

12 “(G) *a public housing authority;*

13 “(H) *an institution that is not described in*
14 *any of subparagraphs (A) through (G) and has*
15 *the ability to provide adult education, basic*
16 *skills, and family literacy education programs to*
17 *adults and families; or*

18 “(I) *a consortium of the agencies, organiza-*
19 *tions, institutions, libraries, or authorities de-*
20 *scribed in any of subparagraphs (A) through*
21 *(H).*

22 “(4) *ENGLISH LANGUAGE ACQUISITION PRO-*
23 *GRAM.*—*The term ‘English language acquisition pro-*
24 *gram’ means a program of instruction designed to*
25 *help individuals with limited English proficiency*

1 *achieve competence in reading, writing, and speaking*
2 *the English language.*

3 “(5) *ESSENTIAL COMPONENTS OF READING IN-*
4 *STRUCTION.—The term ‘essential components of read-*
5 *ing instruction’ has the meaning given to that term*
6 *in section 1208 of the Elementary and Secondary*
7 *Education Act of 1965.*

8 “(6) *FAMILY LITERACY EDUCATION PROGRAM.—*
9 *The term ‘family literacy education program’ means*
10 *an educational program that—*

11 “(A) *assists parents and students, on a vol-*
12 *untary basis, in achieving the purposes of this*
13 *title as described in section 202; and*

14 “(B) *is of sufficient intensity in terms of*
15 *hours and of sufficient duration to make sustain-*
16 *able changes in a family, is based upon scientific*
17 *research-based principles, and, for the purpose of*
18 *substantially increasing the ability of parents*
19 *and children to read, write, and speak English,*
20 *integrates—*

21 “(i) *interactive literacy activities be-*
22 *tween parents and their children;*

23 “(ii) *training for parents regarding*
24 *how to be the primary teacher for their chil-*

1 *dren and full partners in the education of*
2 *their children;*

3 *“(iii) parent literacy training that*
4 *leads to economic self-sufficiency; and*

5 *“(iv) an age-appropriate education to*
6 *prepare children for success in school and*
7 *life experiences.*

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

10 *“(8) INDIVIDUAL WITH A DISABILITY.—*

11 *“(A) IN GENERAL.—The term ‘individual*
12 *with a disability’ means an individual with any*
13 *disability (as defined in section 3 of the Ameri-*
14 *cans with Disabilities Act of 1990).*

15 *“(B) INDIVIDUALS WITH DISABILITIES.—*
16 *The term ‘individuals with disabilities’ means*
17 *more than one individual with a disability.*

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

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

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

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

8 “(11) *LITERACY.—The term ‘literacy’ means an*
9 *individual’s ability to read, write, and speak in*
10 *English, compute, and solve problems at a level of*
11 *proficiency necessary to obtain employment and to*
12 *successfully make the transition to postsecondary edu-*
13 *cation.*

14 “(12) *LOCAL EDUCATIONAL AGENCY.—The term*
15 *‘local educational agency’ has the meaning given to*
16 *that term in section 9101 of the Elementary and Sec-*
17 *ondary Education Act of 1965.*

18 “(13) *OUTLYING AREA.—The term ‘outlying*
19 *area’ has the meaning given to that term in section*
20 *101 of this Act.*

21 “(14) *POSTSECONDARY EDUCATIONAL INSTITU-*
22 *TION.—The term ‘postsecondary educational institu-*
23 *tion’ means—*

24 “(A) *an institution of higher education that*
25 *provides not less than a 2-year program of in-*

1 *struction that is acceptable for credit toward a*
2 *bachelor's degree;*

3 “(B) *a tribally controlled community col-*
4 *lege; or*

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

8 “(15) *READING.—The term ‘reading’ has the*
9 *meaning given to that term in section 1208 of the El-*
10 *ementary and Secondary Education Act of 1965.*

11 “(16) *SCIENTIFICALLY BASED RESEARCH.—The*
12 *term ‘scientifically based research’ has the meaning*
13 *given to that term in section 9101 of the Elementary*
14 *and Secondary Education Act of 1965.*

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

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

20 “(19) *STATE EDUCATIONAL AGENCY.—The term*
21 *‘State educational agency’ has the meaning given to*
22 *that term in section 9101 of the Elementary and Sec-*
23 *ondary Education Act of 1965.*

24 “(20) *WORKPLACE LITERACY PROGRAM.—The*
25 *term ‘workplace literacy program’ means an edu-*

1 *ational program that is offered in collaboration be-*
2 *tween eligible providers and employers or employee*
3 *organizations for the purpose of improving the pro-*
4 *ductivity of the workforce through the improvement of*
5 *reading, writing, speaking, and math skills.*

6 **“SEC. 204. HOME SCHOOLS.**

7 *“Nothing in this title shall be construed to affect home*
8 *schools, whether or not a home school is treated as a home*
9 *school or a private school under State law, or to compel*
10 *a parent engaged in home schooling to participate in an*
11 *English language acquisition program, a family literacy*
12 *education program, or an adult education, basic skills, and*
13 *family literacy education program.*

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

15 *“There are authorized to be appropriated to carry out*
16 *this title \$590,127,000 for fiscal year 2006 and such sums*
17 *as may be necessary for fiscal years 2007 through 2011.*

18 **“CHAPTER 1—FEDERAL PROVISIONS**

19 **“SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE**
20 **AGENCIES; ALLOTMENTS.**

21 *“(a) RESERVATION OF FUNDS.—From the sums ap-*
22 *propriated under section 205 for a fiscal year, the Sec-*
23 *retary—*

24 *“(1) shall reserve up to 1.72 percent for incentive*
25 *grants under section 213;*

1 “(2) shall reserve 1.75 percent to carry out sec-
2 tion 242; and

3 “(3) shall reserve up to 1.55 percent to carry out
4 section 243.

5 “(b) GRANTS TO ELIGIBLE AGENCIES.—

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

15 “(2) PURPOSE OF GRANTS.—The Secretary may
16 award a grant under paragraph (1) only if the eligi-
17 ble agency involved agrees to expend the grant in ac-
18 cordance with the provisions of this title.

19 “(c) ALLOTMENTS.—

20 “(1) INITIAL ALLOTMENTS.—From the sums ap-
21 propriated under section 205 and not reserved under
22 subsection (a) for a fiscal year, the Secretary shall
23 allot to each eligible agency having a State plan ap-
24 proved under section 224—

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

3 “(B) \$250,000, in the case of any other eli-
4 gible agency.

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

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

18 “(1) is at least 16 years of age;

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

21 “(3) does not have a secondary school diploma,
22 General Educational Development credential (GED),
23 or other State-recognized equivalent; and

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

25 “(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 pro-*
7 *visions of this title as determined by the Secretary.*

8 “(2) *TERMINATION OF ELIGIBILITY.*—*Notwith-*
9 *standing any other provision of law, the Republic of*
10 *Palau shall be eligible to receive a grant under this*
11 *title until an agreement for the extension of United*
12 *States education assistance under the Compact of*
13 *Free Association for the Republic of Palau becomes ef-*
14 *fective.*

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

21 “(f) *HOLD-HARMLESS PROVISIONS.*—

22 “(1) *IN GENERAL.*—*Notwithstanding subsection*
23 *(c), and subject to paragraphs (2) and (3), for fiscal*
24 *year 2006 and each succeeding fiscal year, no eligible*
25 *agency shall receive an allotment under this title that*

1 *is less than 90 percent of the allotment the eligible*
2 *agency received for the preceding fiscal year under*
3 *this title.*

4 “(2) *EXCEPTION.*—*An eligible agency that re-*
5 *ceives for the preceding fiscal year only an initial al-*
6 *lotment under subsection (c)(1) (and no additional al-*
7 *lotment under subsection (c)(2)) shall receive an allot-*
8 *ment equal to 100 percent of the initial allotment.*

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

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

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

24 “(a) *PURPOSE.*—*The purpose of this section is to es-*
25 *tablish a comprehensive performance accountability system,*

1 *composed of the activities described in this section, to assess*
2 *the effectiveness of eligible agencies in achieving continuous*
3 *improvement of adult education, basic skills, and family*
4 *literacy education programs funded under this title, in*
5 *order to optimize the return on investment of Federal funds*
6 *in adult education, basic skills, and family literacy edu-*
7 *cation programs.*

8 “(b) *ELIGIBLE AGENCY PERFORMANCE MEASURES.—*

9 “(1) *IN GENERAL.—For each eligible agency, the*
10 *eligible agency performance measures shall consist*
11 *of—*

12 “(A)(i) *the core indicators of performance*
13 *described in paragraph (2)(A); and*

14 “(i) *employment performance indicators*
15 *identified by the eligible agency under para-*
16 *graph (2)(B); and*

17 “(B) *an eligible agency adjusted level of*
18 *performance for each indicator described in sub-*
19 *paragraph (A).*

20 “(2) *INDICATORS OF PERFORMANCE.—*

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

24 “(i) *Measurable improvements in lit-*
25 *eracy, including basic skill levels in read-*

1 *ing, writing, and speaking the English lan-*
2 *guage and basic math, leading to pro-*
3 *ficiency in each skill.*

4 “(ii) *Receipt of a secondary school di-*
5 *ploma, General Educational Development*
6 *credential (GED), or other State-recognized*
7 *equivalent.*

8 “(iii) *Placement in postsecondary edu-*
9 *cation or other training programs.*

10 “(B) *EMPLOYMENT PERFORMANCE INDICA-*
11 *TORS.—Consistent with applicable Federal and*
12 *State privacy laws, an eligible agency shall iden-*
13 *tify in the State plan the following individual*
14 *participant employment performance indicators:*

15 “(i) *Entry into employment.*

16 “(ii) *Retention in employment.*

17 “(iii) *Increase in earnings.*

18 “(3) *LEVELS OF PERFORMANCE.—*

19 “(A) *ELIGIBLE AGENCY ADJUSTED LEVELS*
20 *OF PERFORMANCE FOR CORE INDICATORS.—*

21 “(i) *IN GENERAL.—For each eligible*
22 *agency submitting a State plan, there shall*
23 *be established, in accordance with this sub-*
24 *paragraph, levels of performance for each of*
25 *the core indicators of performance described*

1 *in paragraph (2)(A) for adult education,*
2 *basic skills, and family literacy education*
3 *programs authorized under this title. The*
4 *levels of performance established under this*
5 *subparagraph shall, at a minimum—*

6 *“(I) be expressed in an objective,*
7 *quantifiable, and measurable form;*
8 *and*

9 *“(II) show the progress of the eli-*
10 *gible agency toward continuously and*
11 *significantly improving the agency’s*
12 *performance outcomes in an objective,*
13 *quantifiable, and measurable form.*

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

21 *“(iii) AGREEMENT ON ELIGIBLE AGEN-*
22 *CY ADJUSTED LEVELS OF PERFORMANCE*
23 *FOR FIRST 3 YEARS.—In order to ensure an*
24 *optimal return on the investment of Federal*
25 *funds in adult education, basic skills, and*

1 *family literacy education programs author-*
2 *ized under this title, the Secretary and each*
3 *eligible agency shall reach agreement on lev-*
4 *els of student performance for each of the*
5 *core indicators of performance, for the first*
6 *3 program years covered by the State plan,*
7 *taking into account the levels identified in*
8 *the State plan under clause (ii) and the fac-*
9 *tors described in clause (iv). The levels*
10 *agreed to under this clause shall be consid-*
11 *ered to be the eligible agency adjusted levels*
12 *of performance for the eligible agency for*
13 *such years and shall be incorporated into*
14 *the State plan prior to the approval of such*
15 *plan.*

16 “(iv) *FACTORS.*—*The agreement de-*
17 *scribed in clause (iii) or (v) shall take into*
18 *account—*

19 “(I) *how the levels involved com-*
20 *pare with the eligible agency’s adjusted*
21 *levels of performance, taking into ac-*
22 *count factors including the characteris-*
23 *tics of participants when the partici-*
24 *pants entered the program; and*

1 “(II) *the extent to which such lev-*
2 *els promote continuous and significant*
3 *improvement in performance on the*
4 *student proficiency measures used by*
5 *such eligible agency and ensure opti-*
6 *mal return on the investment of Fed-*
7 *eral funds.*

8 “(v) *AGREEMENT ON ELIGIBLE AGENCY*
9 *ADJUSTED LEVELS OF PERFORMANCE FOR*
10 *SECOND 3 YEARS.—Prior to the fourth pro-*
11 *gram year covered by the State plan, the*
12 *Secretary and each eligible agency shall*
13 *reach agreement on levels of student per-*
14 *formance for each of the core indicators of*
15 *performance for the fourth, fifth, and sixth*
16 *program years covered by the State plan,*
17 *taking into account the factors described in*
18 *clause (iv). The levels agreed to under this*
19 *clause shall be considered to be the eligible*
20 *agency adjusted levels of performance for the*
21 *eligible agency for such years and shall be*
22 *incorporated into the State plan.*

23 “(vi) *REVISIONS.—If unanticipated*
24 *circumstances arise in a State resulting in*
25 *a significant change in the factors described*

1 *in clause (iv)(I), the eligible agency may re-*
2 *quest that the eligible agency adjusted levels*
3 *of performance agreed to under clause (iii)*
4 *or (v) be revised.*

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

12 “(c) *REPORT.—*

13 “(1) *IN GENERAL.—Each eligible agency that re-*
14 *ceives a grant under section 211(b) shall annually*
15 *prepare and submit to the Secretary, the Governor,*
16 *the State legislature, and eligible providers a report*
17 *on the progress of the eligible agency in achieving eli-*
18 *gible agency performance measures, including the fol-*
19 *lowing:*

20 “(A) *Information on the levels of perform-*
21 *ance achieved by the eligible agency with respect*
22 *to the core indicators of performance and em-*
23 *ployment performance indicators.*

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

1 “(2) *INFORMATION DISSEMINATION.*—*The Sec-*
2 *retary—*

3 “(A) *shall make the information contained*
4 *in such reports available to the general public*
5 *through publication (including on the Internet*
6 *site of the Department of Education) and other*
7 *appropriate methods;*

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

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

12 **“SEC. 213. INCENTIVE GRANTS FOR STATES.**

13 “(a) *IN GENERAL.*—*From funds appropriated under*
14 *section 211(a)(1), the Secretary may award grants to States*
15 *for exemplary performance in carrying out programs under*
16 *this title. Such awards shall be based on States exceeding*
17 *the core indicators of performance established under section*
18 *212(b)(2)(A) and may be based on the performance of the*
19 *State in serving populations, such as those described in sec-*
20 *tion 224(b)(10), including the levels of service provided and*
21 *the performance outcomes, and such other factors relating*
22 *to the performance of the State under this title as the Sec-*
23 *retary determines appropriate.*

24 “(b) *USE OF FUNDS.*—*The funds awarded to a State*
25 *under this paragraph may be used to carry out any activi-*

1 *ties authorized under this title, including demonstrations*
2 *and innovative programs for hard-to-serve populations.*

3 **“CHAPTER 2—STATE PROVISIONS**

4 **“SEC. 221. STATE ADMINISTRATION.**

5 *“Each eligible agency shall be responsible for the fol-*
6 *lowing activities under this title:*

7 *“(1) The development, submission, implementa-*
8 *tion, and monitoring of the State plan.*

9 *“(2) Consultation with other appropriate agen-*
10 *cies, groups, and individuals that are involved in, or*
11 *interested in, the development and implementation of*
12 *activities assisted under this title.*

13 *“(3) Coordination and avoidance of duplication*
14 *with other Federal and State education, training, cor-*
15 *rections, public housing, and social service programs.*

16 **“SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING RE-**
17 **QUIREMENT.**

18 *“(a) STATE DISTRIBUTION OF FUNDS.—Each eligible*
19 *agency receiving a grant under this title for a fiscal year—*

20 *“(1) shall use an amount not less than 82.5 per-*
21 *cent of the grant funds to award grants and contracts*
22 *under section 231 and to carry out section 225, of*
23 *which not more than 10 percent of such amount shall*
24 *be available to carry out section 225;*

1 “(2) shall use not more than 12.5 percent of the
2 grant funds to carry out State leadership activities
3 under section 223; and

4 “(3) shall use not more than 5 percent of the
5 grant funds, or \$75,000, whichever is greater, for the
6 administrative expenses of the eligible agency.

7 “(b) *MATCHING REQUIREMENT.*—

8 “(1) *IN GENERAL.*—In order to receive a grant
9 from the Secretary under section 211(b), each eligible
10 agency shall provide, for the costs to be incurred by
11 the eligible agency in carrying out the adult edu-
12 cation, basic skills, and family literacy education
13 programs for which the grant is awarded, a non-Fed-
14 eral contribution in an amount at least equal to—

15 “(A) in the case of an eligible agency serv-
16 ing an outlying area, 12 percent of the total
17 amount of funds expended for adult education,
18 basic skills, and family literacy education pro-
19 grams in the outlying area, except that the Sec-
20 retary may decrease the amount of funds re-
21 quired under this subparagraph for an eligible
22 agency; and

23 “(B) in the case of an eligible agency serv-
24 ing a State, 25 percent of the total amount of
25 funds expended for adult education, basic skills,

1 *and family literacy education programs in the*
2 *State.*

3 “(2) *NON-FEDERAL CONTRIBUTION.*—*An eligible*
4 *agency’s non-Federal contribution required under*
5 *paragraph (1) may be provided in cash or in kind,*
6 *fairly evaluated, and shall include only non-Federal*
7 *funds that are used for adult education, basic skills,*
8 *and family literacy education programs in a manner*
9 *that is consistent with the purpose of this title.*

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

11 “(a) *IN GENERAL.*—*Each eligible agency may use*
12 *funds made available under section 222(a)(2) for any of*
13 *the following adult education, basic skills, and family lit-*
14 *eracy education programs:*

15 “(1) *The establishment or operation of profes-*
16 *sional development programs to improve the quality*
17 *of instruction provided pursuant to local activities re-*
18 *quired under section 231(b), including instruction in-*
19 *corporating the essential components of reading in-*
20 *struction and instruction provided by volunteers or*
21 *by personnel of a State or outlying area.*

22 “(2) *The provision of technical assistance to eli-*
23 *gible providers of adult education, basic skills, and*
24 *family literacy education programs, including for the*
25 *development and dissemination of scientifically based*

1 *research instructional practices in reading, writing,*
2 *speaking, math, and English language acquisition*
3 *programs.*

4 “(3) *The provision of assistance to eligible pro-*
5 *viders in developing, implementing, and reporting*
6 *measurable progress in achieving the objectives of this*
7 *title.*

8 “(4) *The provision of technology assistance, in-*
9 *cluding staff training, to eligible providers of adult*
10 *education, basic skills, and family literacy education*
11 *programs, including distance learning activities, to*
12 *enable the eligible providers to improve the quality of*
13 *such activities.*

14 “(5) *The development and implementation of*
15 *technology applications or distance learning, includ-*
16 *ing professional development to support the use of in-*
17 *structional technology.*

18 “(6) *Coordination with other public programs,*
19 *including welfare-to-work, workforce development, and*
20 *job training programs.*

21 “(7) *Coordination with existing support services,*
22 *such as transportation, child care, and other assist-*
23 *ance designed to increase rates of enrollment in, and*
24 *successful completion of, adult education, basic skills,*

1 *and family literacy education programs, for adults*
2 *enrolled in such activities.*

3 “(8) *The development and implementation of a*
4 *system to assist in the transition from adult basic*
5 *education to postsecondary education.*

6 “(9) *Activities to promote workplace literacy*
7 *programs.*

8 “(10) *Activities to promote and complement local*
9 *outreach initiatives described in section 243(7).*

10 “(11) *Other activities of statewide significance,*
11 *including assisting eligible providers in achieving*
12 *progress in improving the skill levels of adults who*
13 *participate in programs under this title.*

14 “(12) *Integration of literacy, instructional, and*
15 *occupational skill training and promotion of linkages*
16 *with employees.*

17 “(b) *COORDINATION.—In carrying out this section, eli-*
18 *gible agencies shall coordinate where possible, and avoid du-*
19 *plicating efforts, in order to maximize the impact of the*
20 *activities described in subsection (a).*

21 “(c) *STATE-IMPOSED REQUIREMENTS.—Whenever a*
22 *State or outlying area implements any rule or policy relat-*
23 *ing to the administration or operation of a program au-*
24 *thorized under this title that has the effect of imposing a*
25 *requirement that is not imposed under Federal law (includ-*

1 *ing any rule or policy based on a State or outlying area*
2 *interpretation of a Federal statute, regulation, or guide-*
3 *line), the State or outlying area shall identify, to eligible*
4 *providers, the rule or policy as being imposed by the State*
5 *or outlying area.*

6 **“SEC. 224. STATE PLAN.**

7 *“(a) 6-YEAR PLANS.—*

8 *“(1) IN GENERAL.—Each eligible agency desiring*
9 *a grant under this title for any fiscal year shall sub-*
10 *mit to, or have on file with, the Secretary a 6-year*
11 *State plan.*

12 *“(2) COMPREHENSIVE PLAN OR APPLICATION.—*
13 *The eligible agency may submit the State plan as*
14 *part of a comprehensive plan or application for Fed-*
15 *eral education assistance.*

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

18 *“(1) an objective assessment of the needs of indi-*
19 *viduals in the State or outlying area for adult edu-*
20 *cation, basic skills, and family literacy education*
21 *programs, including individuals most in need or*
22 *hardest to serve;*

23 *“(2) a description of the adult education, basic*
24 *skills, and family literacy education programs that*

1 *will be carried out with funds received under this*
2 *title;*

3 *“(3) a description of how the eligible agency will*
4 *evaluate and measure annually the effectiveness and*
5 *improvement of the adult education, basic skills, and*
6 *family literacy education programs based on the per-*
7 *formance measures described in section 212 includ-*
8 *ing—*

9 *“(A) how the eligible agency will evaluate*
10 *and measure annually such effectiveness on a*
11 *grant-by-grant basis; and*

12 *“(B) how the eligible agency—*

13 *“(i) will hold eligible providers ac-*
14 *countable regarding the progress of such*
15 *providers in improving the academic*
16 *achievement of participants in adult edu-*
17 *cation programs under this title and re-*
18 *garding the core indicators of performance*
19 *described in section 212(b)(2)(A); and*

20 *“(ii) will use technical assistance,*
21 *sanctions, and rewards (including alloca-*
22 *tion of grant funds based on performance*
23 *and termination of grant funds based on*
24 *nonperformance);*

1 “(4) a description of the performance measures
2 described in section 212 and how such performance
3 measures have significantly improved adult edu-
4 cation, basic skills, and family literacy education
5 programs in the State or outlying area;

6 “(5) an assurance that the eligible agency will,
7 in addition to meeting all of the other requirements
8 of this title, award not less than one grant under this
9 title to an eligible provider that—

10 “(A) offers flexible schedules and necessary
11 support services (such as child care and trans-
12 portation) to enable individuals, including indi-
13 viduals with disabilities, or individuals with
14 other special needs, to participate in adult edu-
15 cation, basic skills, and family literacy edu-
16 cation programs; and

17 “(B) attempts to coordinate with support
18 services that are not provided under this title
19 prior to using funds for adult education, basic
20 skills, and family literacy education programs
21 provided under this title for support services;

22 “(6) an assurance that the funds received under
23 this title will not be expended for any purpose other
24 than for activities under this title;

1 “(7) a description of how the eligible agency will
2 *fund local activities in accordance with the measur-*
3 *able goals described in section 231(d);*

4 “(8) an assurance that the eligible agency will
5 *expend the funds under this title only in a manner*
6 *consistent with fiscal requirements in section 241;*

7 “(9) a description of the process that will be used
8 *for public participation and comment with respect to*
9 *the State plan, which process—*

10 “(A) shall include consultation with the
11 *State workforce investment board, the State*
12 *board responsible for administering community*
13 *or technical colleges, the Governor, the State edu-*
14 *cational agency, the State board or agency re-*
15 *sponsible for administering block grants for tem-*
16 *porary assistance to needy families under title*
17 *IV of the Social Security Act, the State council*
18 *on disabilities, the State vocational rehabilita-*
19 *tion agency, other State agencies that promote*
20 *the improvement of adult education, basic skills,*
21 *and family literacy education programs, and di-*
22 *rect providers of such programs; and*

23 “(B) may include consultation with the
24 *State agency on higher education, institutions*
25 *responsible for professional development of adult*

1 *education, basic skills, and family literacy edu-*
2 *cation programs instructors, representatives of*
3 *business and industry, refugee assistance pro-*
4 *grams, and faith-based organizations;*

5 “(10) *a description of the eligible agency’s strate-*
6 *gies for serving populations that include, at a min-*
7 *imum—*

8 “(A) *low-income individuals;*

9 “(B) *individuals with disabilities;*

10 “(C) *the unemployed;*

11 “(D) *the underemployed; and*

12 “(E) *individuals with multiple barriers to*
13 *educational enhancement, including individuals*
14 *with limited English proficiency;*

15 “(11) *a description of how the adult education,*
16 *basic skills, and family literacy education programs*
17 *that will be carried out with any funds received*
18 *under this title will be integrated with other adult*
19 *education, career development, and employment and*
20 *training activities in the State or outlying area*
21 *served by the eligible agency;*

22 “(12) *a description of the steps the eligible agen-*
23 *cy will take to ensure direct and equitable access, as*
24 *required in section 231(c)(1), including—*

1 “(A) *how the State will build the capacity*
2 *of community-based and faith-based organiza-*
3 *tions to provide adult education, basic skills, and*
4 *family literacy education programs; and*

5 “(B) *how the State will increase the partici-*
6 *pation of business and industry in adult edu-*
7 *cation, basic skills, and family literacy edu-*
8 *cation programs;*

9 “(13) *an assessment of the adequacy of the sys-*
10 *tem of the State or outlying area to ensure teacher*
11 *quality and a description of how the State or out-*
12 *lying area will use funds received under this subtitle*
13 *to improve teacher quality, including professional de-*
14 *velopment on the use of scientifically based research*
15 *to improve instruction; and*

16 “(14) *a description of how the eligible agency*
17 *will consult with any State agency responsible for*
18 *postsecondary education to develop adult education*
19 *that prepares students to enter postsecondary edu-*
20 *cation without the need for remediation upon comple-*
21 *tion of secondary school equivalency programs.*

22 “(c) *PLAN REVISIONS.—When changes in conditions*
23 *or other factors require substantial revisions to an approved*
24 *State plan, the eligible agency shall submit the revisions*
25 *of the State plan to the Secretary.*

1 “(d) *CONSULTATION.*—*The eligible agency shall—*

2 “(1) *submit the State plan, and any revisions to*
3 *the State plan, to the Governor, the chief State school*
4 *officer, or the State officer responsible for admin-*
5 *istering community or technical colleges, or outlying*
6 *area for review and comment; and*

7 “(2) *ensure that any comments regarding the*
8 *State plan by the Governor, the chief State school offi-*
9 *cer, or the State officer responsible for administering*
10 *community or technical colleges, and any revision to*
11 *the State plan, are submitted to the Secretary.*

12 “(e) *PLAN APPROVAL.*—*A State plan submitted to the*
13 *Secretary shall be approved by the Secretary only if the*
14 *plan is consistent with the specific provisions of this title.*

15 **“SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND**
16 ***OTHER INSTITUTIONALIZED INDIVIDUALS.***

17 “(a) *PROGRAM AUTHORIZED.*—*From funds made*
18 *available under section 222(a)(1) for a fiscal year, each eli-*
19 *gible agency shall carry out corrections education and edu-*
20 *cation for other institutionalized individuals.*

21 “(b) *USES OF FUNDS.*—*The funds described in sub-*
22 *section (a) shall be used for the cost of educational programs*
23 *for criminal offenders in correctional institutions and for*
24 *other institutionalized individuals, including academic*
25 *programs for—*

1 “(1) *basic skills education;*

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

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

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

8 “(c) *PRIORITY.—Each eligible agency that is using as-*
9 *sistance provided under this section to carry out a program*
10 *for criminal offenders within a correctional institution*
11 *shall give priority to serving individuals who are likely to*
12 *leave the correctional institution within 5 years of partici-*
13 *pation in the program.*

14 “(d) *DEFINITIONS.—For purposes of this section:*

15 “(1) *CORRECTIONAL INSTITUTION.—The term*
16 *‘correctional institution’ means any—*

17 “(A) *prison;*

18 “(B) *jail;*

19 “(C) *reformatory;*

20 “(D) *work farm;*

21 “(E) *detention center; or*

22 “(F) *halfway house, community-based reha-*
23 *ilitation center, or any other similar institution*
24 *designed for the confinement or rehabilitation of*
25 *criminal offenders.*

1 “(2) *CRIMINAL OFFENDER.*—*The term ‘criminal*
2 *offender’ means any individual who is charged with,*
3 *or convicted of, any criminal offense.*

4 **“CHAPTER 3—LOCAL PROVISIONS**

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

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

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

20 “(1) *Adult education, basic skills, and family lit-*
21 *eracy education programs (including proficiency in*
22 *reading, writing, speaking, and math).*

23 “(2) *Workplace literacy programs.*

24 “(3) *English language acquisition programs.*

25 “(4) *Family literacy education programs.*

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

4 “(1) *all eligible providers have direct and equi-*
5 *table access to apply for grants or contracts under*
6 *this section; and*

7 “(2) *the same grant or contract announcement*
8 *process and application process is used for all eligible*
9 *providers in the State or outlying area.*

10 “(d) *MEASURABLE GOALS.—The eligible agency shall*
11 *require eligible providers receiving a grant or contract*
12 *under subsection (a) to demonstrate—*

13 “(1) *the eligible provider’s measurable goals for*
14 *participant outcomes to be achieved annually on the*
15 *core indicators of performance and employment per-*
16 *formance indicators described in section 212(b)(2);*

17 “(2) *the past effectiveness of the eligible provider*
18 *in improving the basic academic skills of adults and,*
19 *for eligible providers receiving grants in the prior*
20 *year, the success of the eligible provider receiving*
21 *funding under this title in exceeding its performance*
22 *goals in the prior year;*

23 “(3) *the commitment of the eligible provider to*
24 *serve individuals in the community who are the most*
25 *in need of basic academic skills instruction services,*

1 *including individuals who are low-income or have*
2 *minimal reading, writing, speaking, and math skills,*
3 *or limited English proficiency;*

4 *“(4) the program—*

5 *“(A) is of sufficient intensity and duration*
6 *for participants to achieve substantial learning*
7 *gains; and*

8 *“(B) uses instructional practices that in-*
9 *clude the essential components of reading in-*
10 *struction;*

11 *“(5) educational practices are based on scientif-*
12 *ically based research;*

13 *“(6) the activities of the eligible provider effec-*
14 *tively employ advances in technology, as appropriate,*
15 *including the use of computers;*

16 *“(7) the activities provide instruction in real-life*
17 *contexts, when appropriate, to ensure that an indi-*
18 *vidual has the skills needed to compete in the work-*
19 *place and exercise the rights and responsibilities of*
20 *citizenship;*

21 *“(8) the activities are staffed by well-trained in-*
22 *structors, counselors, and administrators;*

23 *“(9) the activities are coordinated with other*
24 *available resources in the community, such as through*
25 *strong links with elementary schools and secondary*

1 *schools, postsecondary educational institutions, one-*
2 *stop centers, job training programs, community-based*
3 *and faith-based organizations, and social service*
4 *agencies;*

5 *“(10) the activities offer flexible schedules and*
6 *support services (such as child care and transpor-*
7 *tation) that are necessary to enable individuals, in-*
8 *cluding individuals with disabilities or other special*
9 *needs, to attend and complete programs;*

10 *“(11) the activities include a high-quality infor-*
11 *mation management system that has the capacity to*
12 *report measurable participant outcomes and to mon-*
13 *itor program performance against the performance*
14 *measures established by the eligible agency;*

15 *“(12) the local communities have a demonstrated*
16 *need for additional English language acquisition pro-*
17 *grams;*

18 *“(13) the capacity of the eligible provider to*
19 *produce valid information on performance results, in-*
20 *cluding enrollments and measurable participant out-*
21 *comes;*

22 *“(14) adult education, basic skills, and family*
23 *literacy education programs offer rigorous reading,*
24 *writing, speaking, and math content that are based*
25 *on scientifically based research; and*

1 “(15) applications of technology, and services to
2 be provided by the eligible providers, are of sufficient
3 intensity and duration to increase the amount and
4 quality of learning and lead to measurable learning
5 gains within specified time periods.

6 “(e) *SPECIAL RULE.*—Eligible providers may use
7 grant funds under this title to serve children participating
8 in family literacy programs assisted under this part, pro-
9 vided that other sources of funds available to provide simi-
10 lar services for such children are used first.

11 **“SEC. 232. LOCAL APPLICATION.**

12 “Each eligible provider desiring a grant or contract
13 under this title shall submit an application to the eligible
14 agency containing such information and assurances as the
15 eligible agency may require, including—

16 “(1) a description of how funds awarded under
17 this title will be spent consistent with the require-
18 ments of this title;

19 “(2) a description of any cooperative arrange-
20 ments the eligible provider has with other agencies,
21 institutions, or organizations for the delivery of adult
22 education, basic skills, and family literacy education
23 programs; and

24 “(3) each of the demonstrations required by sec-
25 tion 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 eligible
4 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 development,*
16 *and interagency coordination, the eligible provider may ne-*
17 *gotiate with the eligible agency in order to determine an*
18 *adequate level of funds to be used for noninstructional pur-*
19 *poses.*

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 expended*

1 *for adult education, basic skills, and family literacy edu-*
2 *cation 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 such*
9 *eligible agency for activities under this title, in*
10 *the second preceding fiscal year, were not less*
11 *than 90 percent of the fiscal effort per student or*
12 *the aggregate expenditures of such eligible agency*
13 *for adult education, basic skills, and family lit-*
14 *eracy education programs, in the third preceding*
15 *fiscal year.*

16 “(B) *PROPORTIONATE REDUCTION.*—*Subject*
17 *to paragraphs (2), (3), and (4), for any fiscal*
18 *year with respect to which the Secretary deter-*
19 *mines under subparagraph (A) that the fiscal ef-*
20 *fort or the aggregate expenditures of an eligible*
21 *agency for the preceding program year were less*
22 *than such effort or expenditures for the second*
23 *preceding program year, the Secretary—*

1 “(i) shall determine the percentage de-
2 creases 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 the
6 agency for adult education, basic skills, and
7 family literacy education programs by the
8 lesser of such percentages.

9 “(2) COMPUTATION.—In computing the fiscal ef-
10 fort and aggregate expenditures under paragraph (1),
11 the Secretary shall exclude capital expenditures and
12 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 per
20 student and the aggregate expenditures of an eligible
21 agency required in order to avoid a reduction under
22 paragraph (1)(B) shall be decreased by the same per-
23 centage as the percentage decrease in the amount so
24 made available.

1 “(4) *WAIVER.*—*The Secretary may waive the re-*
2 *quirements of this subsection for not more than 1 fis-*
3 *cal 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 re-*
7 *sources 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 effort*
10 *required under paragraph (1) shall not be reduced in*
11 *the subsequent fiscal year because of the waiver.*

12 **“SEC. 242. NATIONAL INSTITUTE FOR LITERACY.**

13 “(a) *IN GENERAL.*—

14 “(1) *PURPOSE.*—*The purpose of the National In-*
15 *stitute for Literacy is to promote the improvement of*
16 *literacy, including skills in reading, writing, and*
17 *English language acquisition for children, youth, and*
18 *adults, through practices derived from the findings of*
19 *scientifically based research.*

20 “(2) *ESTABLISHMENT.*—*There is established a*
21 *National Institute for Literacy (in this section re-*
22 *ferred to as the ‘Institute’). The Institute shall be ad-*
23 *ministered under the terms of an interagency agree-*
24 *ment entered into, reviewed annually, and modified*
25 *as needed by the Secretary of Education with the Sec-*

1 *retary of Health and Human Services and the Sec-*
2 *retary of Labor (in this section referred to as the*
3 *‘Interagency Group’).*

4 “(3) *OFFICES.*—*The Institute shall have offices*
5 *separate from the offices of the Department of Edu-*
6 *cation, the Department of Health and Human Serv-*
7 *ices, and the Department of Labor.*

8 “(4) *ADMINISTRATIVE SUPPORT.*—*The Depart-*
9 *ment of Education shall provide administrative sup-*
10 *port for the Institute.*

11 “(5) *DAILY OPERATIONS.*—*The Director of the*
12 *Institute shall administer the daily operations of the*
13 *Institute.*

14 “(b) *DUTIES.*—

15 “(1) *IN GENERAL.*—*To carry out its purpose, the*
16 *Institute may—*

17 “(A) *identify and disseminate rigorous sci-*
18 *entific research on the effectiveness of instruc-*
19 *tional practices and organizational strategies re-*
20 *lating to programs on the acquisition of skills in*
21 *reading, writing, and English language acquisi-*
22 *tion for children, youth, and adults;*

23 “(B) *create and widely disseminate mate-*
24 *rials about the acquisition and application of*
25 *skills in reading, writing, and English language*

1 *acquisition for children, youth, and adults based*
2 *on scientifically based research;*

3 “(C) *ensure a broad understanding of sci-*
4 *entifically based research on reading, writing,*
5 *and English language acquisition for children,*
6 *youth, and adults among Federal agencies with*
7 *responsibilities for administering programs that*
8 *provide related services, including State and*
9 *local educational agencies;*

10 “(D) *facilitate coordination and informa-*
11 *tion sharing among national organizations and*
12 *associations interested in programs that provide*
13 *services to improve skills in reading, writing,*
14 *and English language acquisition for children,*
15 *youth, and adults;*

16 “(E) *coordinate with the appropriate offices*
17 *in the Department of Education, the Department*
18 *of Health and Human Services, the Department*
19 *of Labor, and other Federal agencies to apply the*
20 *findings of scientifically based research related to*
21 *programs on reading, writing, and English lan-*
22 *guage acquisition for children, youth, and*
23 *adults;*

24 “(F) *establish a national electronic database*
25 *and Internet site describing and fostering com-*

1 *munication on scientifically based programs in*
2 *reading, writing, and English language acquisi-*
3 *tion for children, youth, and adults, including*
4 *professional development programs; and*

5 “(G) *provide opportunities for technical as-*
6 *sistance, meetings, and conferences that will fos-*
7 *ter increased coordination among Federal, State,*
8 *and local agencies and entities and improvement*
9 *of reading, writing, and English language acqui-*
10 *sition skills for children, youth, and adults.*

11 “(2) *COORDINATION.—In identifying scientif-*
12 *ically based research on reading, writing, and*
13 *English language acquisition for children, youth, and*
14 *adults, the Institute shall use standards for research*
15 *quality that are consistent with those established by*
16 *the Institute of Education Sciences.*

17 “(3) *GRANTS, CONTRACTS, AND COOPERATIVE*
18 *AGREEMENTS.—*

19 “(A) *IN GENERAL.—The Institute may*
20 *award grants to, or enter into contracts or coop-*
21 *erative agreements with, individuals, public or*
22 *private institutions, agencies, organizations, or*
23 *consortia of such individuals, institutions, agen-*
24 *cies, or organizations, to carry out the activities*
25 *of the Institute.*

1 “(B) *REGULATIONS.*—*The Director may*
2 *adopt the general administrative regulations of*
3 *the Department of Education, as applicable, for*
4 *use by the Institute.*

5 “(C) *RELATION TO OTHER LAWS.*—*The du-*
6 *ties and powers of the Institute under this title*
7 *are in addition to the duties and powers of the*
8 *Institute under subparts 1, 2, and 3 of part B*
9 *of the Elementary and Secondary Education Act*
10 *of 1965 (commonly referred to as Reading First,*
11 *Early Reading First, and the William F. Good-*
12 *ling Even Start Family Literacy Program, re-*
13 *spectively).*

14 “(c) *VISITING SCHOLARS.*—*The Institute may estab-*
15 *lish a visiting scholars program, with such stipends and*
16 *allowances as the Director considers necessary, for out-*
17 *standing researchers, scholars, and individuals who—*

18 “(1) *have careers in adult education, workforce*
19 *development, or scientifically based reading, writing,*
20 *or English language acquisition; and*

21 “(2) *can assist the Institute in translating re-*
22 *search into practice and providing analysis that ad-*
23 *vances instruction in the fields of reading, writing,*
24 *and English language acquisition for children, youth,*
25 *and adults.*

1 “(d) *INTERNS AND VOLUNTEERS.*—*The Institute, in*
 2 *consultation with the National Institute for Literacy Advi-*
 3 *sory Board, may award paid and unpaid internships to*
 4 *individuals seeking to assist the Institute in carrying out*
 5 *its purpose. Notwithstanding section 1342 of title 31,*
 6 *United States Code, the Institute may accept and use vol-*
 7 *untary and uncompensated services as the Institute deter-*
 8 *mines necessary.*

9 “(e) *NATIONAL INSTITUTE FOR LITERACY ADVISORY*
 10 *BOARD.*—

11 “(1) *ESTABLISHMENT.*—

12 “(A) *IN GENERAL.*—*There shall be a Na-*
 13 *tional Institute for Literacy Advisory Board (in*
 14 *this section referred to as the ‘Board’), which*
 15 *shall consist of 10 individuals appointed by the*
 16 *President with the advice and consent of the Sen-*
 17 *ate.*

18 “(B) *QUALIFICATIONS.*—*The Board shall be*
 19 *composed of individuals who—*

20 “(i) *are not otherwise officers or em-*
 21 *ployees of the Federal Government; and*

22 “(ii) *are knowledgeable about current*
 23 *effective scientifically based research find-*
 24 *ings on instruction in reading, writing, and*

1 *English language acquisition for children,*
2 *youth, and adults.*

3 “(C) *COMPOSITION.*—*The Board may in-*
4 *clude—*

5 “(i) *representatives of business, indus-*
6 *try, labor, literacy organizations, adult edu-*
7 *cation providers, community colleges, stu-*
8 *dents with disabilities, and State agencies,*
9 *including State directors of adult education;*
10 *and*

11 “(ii) *individuals who, and representa-*
12 *tives of entities that, have been successful in*
13 *improving skills in reading, writing, and*
14 *English language acquisition for children,*
15 *youth, and adults.*

16 “(2) *DUTIES.*—*The Board shall—*

17 “(A) *make recommendations concerning the*
18 *appointment of the Director of the Institute;*

19 “(B) *provide independent advice on the op-*
20 *eration of the Institute;*

21 “(C) *receive reports from the Interagency*
22 *Group and the Director; and*

23 “(D) *review the biennial report to the Con-*
24 *gress under subsection (k).*

1 “(3) *FEDERAL ADVISORY COMMITTEE ACT.*—*Ex-*
2 *cept as otherwise provided, the Board shall be subject*
3 *to the provisions of the Federal Advisory Committee*
4 *Act.*

5 “(4) *APPOINTMENTS.*—

6 “(A) *IN GENERAL.*—*Each member of the*
7 *Board shall be appointed for a term of 3 years,*
8 *except that the initial terms for members may be*
9 *1, 2, or 3 years in order to establish a rotation*
10 *in which one-third of the members are selected*
11 *each year. Any such member may be appointed*
12 *for not more than 2 consecutive terms.*

13 “(B) *VACANCIES.*—*Any member appointed*
14 *to fill a vacancy occurring before the expiration*
15 *of the term for which the member’s predecessor*
16 *was appointed shall be appointed only for the re-*
17 *mainder of that term. A member may serve after*
18 *the expiration of that member’s term until a suc-*
19 *cessor has taken office.*

20 “(5) *QUORUM.*—*A majority of the members of*
21 *the Board shall constitute a quorum, but a lesser*
22 *number may hold hearings. A recommendation of the*
23 *Board may be passed only by a majority of the*
24 *Board’s members present at a meeting for which there*
25 *is a quorum.*

1 “(6) *ELECTION OF OFFICERS.*—*The Chairperson*
2 *and Vice Chairperson of the Board shall be elected by*
3 *the members of the Board. The term of office of the*
4 *Chairperson and Vice Chairperson shall be 2 years.*

5 “(7) *MEETINGS.*—*The Board shall meet at the*
6 *call of the Chairperson or a majority of the members*
7 *of the Board.*

8 “(f) *GIFTS, BEQUESTS, AND DEVISES.*—

9 “(1) *IN GENERAL.*—*The Institute may accept,*
10 *administer, and use gifts or donations of services,*
11 *money, or property, whether real or personal, tangible*
12 *or intangible.*

13 “(2) *RULES.*—*The Board shall establish written*
14 *rules setting forth the criteria to be used by the Insti-*
15 *tute in determining whether the acceptance of con-*
16 *tributions of services, money, or property whether real*
17 *or personal, tangible or intangible, would reflect unfa-*
18 *vorably upon the ability of the Institute or any em-*
19 *ployee to carry out the responsibilities of the Institute*
20 *or employee, or official duties, in a fair and objective*
21 *manner, or would compromise the integrity, or the*
22 *appearance of the integrity, of the Institute’s pro-*
23 *grams or any official involved in those programs.*

24 “(g) *MAILS.*—*The Board and the Institute may use the*
25 *United States mails in the same manner and under the*

1 *same conditions as other departments and agencies of the*
2 *United States.*

3 “(h) *DIRECTOR.*—*The Secretary of Education, after*
4 *considering recommendations made by the Board and con-*
5 *sulting with the Interagency Group, shall appoint and fix*
6 *the pay of the Director of the Institute and, when necessary,*
7 *shall appoint an Interim Director of the Institute.*

8 “(i) *APPLICABILITY OF CERTAIN CIVIL SERVICE*
9 *LAWS.*—*The Director and staff of the Institute may be ap-*
10 *pointed without regard to the provisions of title 5, United*
11 *States Code, governing appointments in the competitive*
12 *service, and may be paid without regard to the provisions*
13 *of chapter 51 and subchapter III of chapter 53 of that title*
14 *relating to classification and General Schedule pay rates,*
15 *except that an individual so appointed may not receive pay*
16 *in excess of the annual rate of basic pay payable for level*
17 *IV of the Executive Schedule.*

18 “(j) *EXPERTS AND CONSULTANTS.*—*The Institute may*
19 *procure temporary and intermittent services under section*
20 *3109(b) of title 5, United States Code.*

21 “(k) *BIENNIAL REPORT.*—

22 “(1) *IN GENERAL.*—*The Institute shall submit a*
23 *report biennially to the Committee on Education and*
24 *the Workforce of the House of Representatives and the*
25 *Committee on Health, Education, Labor, and Pen-*

1 *sions of the Senate. Each report submitted under this*
2 *subsection shall include—*

3 *“(A) a comprehensive and detailed descrip-*
4 *tion of the Institute’s operations, activities, fi-*
5 *nancial condition, and accomplishments in iden-*
6 *tifying and describing programs on reading,*
7 *writing, and English language acquisition for*
8 *children, youth, and adults for the period covered*
9 *by the report; and*

10 *“(B) a description of how plans for the op-*
11 *eration of the Institute for the succeeding 2 fiscal*
12 *years will facilitate achievement of the purpose*
13 *of the Institute.*

14 *“(2) FIRST REPORT.—The Institute shall submit*
15 *its first report under this subsection to the Congress*
16 *not later than 1 year after the date of the enactment*
17 *of the Job Training Improvement Act of 2005.*

18 *“(l) ADDITIONAL FUNDING.—In addition to the funds*
19 *authorized under section 205 and reserved for the Institute*
20 *under section 211, the Secretary of Education, the Secretary*
21 *of Health and Human Services, the Secretary of Labor, or*
22 *the head of any other Federal agency or department that*
23 *participates in the activities of the Institute may provide*
24 *funds to the Institute for activities that the Institute is au-*
25 *thorized to perform under this section.*

1 **“SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.**

2 *“The Secretary shall establish and carry out a pro-*
3 *gram of national leadership activities that may include the*
4 *following:*

5 *“(1) Technical assistance, on request, including*
6 *assistance—*

7 *“(A) on request to volunteer community-*
8 *and faith-based organizations, including but not*
9 *limited to, improving their fiscal management,*
10 *research-based instruction, and reporting re-*
11 *quirements, and the development of measurable*
12 *objectives to carry out the requirements of this*
13 *title;*

14 *“(B) in developing valid, measurable, and*
15 *reliable performance data, and using perform-*
16 *ance information for the improvement of adult*
17 *education basic skills, English language acquisi-*
18 *tion, and family literacy education programs;*

19 *“(C) on adult education professional devel-*
20 *opment; and*

21 *“(D) in using distance learning and im-*
22 *proving the application of technology in the*
23 *classroom, including instruction in English lan-*
24 *guage acquisition for individuals who have lim-*
25 *ited English proficiency.*

1 “(2) *Providing for the conduct of research on na-*
2 *tional literacy basic skill acquisition levels among*
3 *adults, including the number of limited English pro-*
4 *ficient adults functioning at different levels of reading*
5 *proficiency.*

6 “(3) *Improving the coordination, efficiency, and*
7 *effectiveness of adult education and workforce develop-*
8 *ment services at the national, State, and local levels.*

9 “(4) *Determining how participation in adult*
10 *education basic skills, English language acquisition,*
11 *and family literacy education programs prepares in-*
12 *dividuals for entry into and success in postsecondary*
13 *education and employment, and in the case of prison-*
14 *based services, the effect on recidivism.*

15 “(5) *Evaluating how different types of providers,*
16 *including community and faith-based organizations*
17 *or private for-profit agencies measurably improve the*
18 *skills of participants in adult education basic skills,*
19 *English language acquisition, and family literacy*
20 *education programs.*

21 “(6) *Identifying model integrated basic and*
22 *workplace skills education programs, including pro-*
23 *grams for individuals with limited English pro-*
24 *ficiency coordinated literacy and employment serv-*

1 **“SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION**
2 **SYSTEM.**

3 “(a) *SYSTEM CONTENT.*—

4 “(1) *IN GENERAL.*—*The Secretary of Labor, in*
5 *accordance with the provisions of this section, shall*
6 *oversee the development, maintenance, and continuous*
7 *improvement of a nationwide workforce and labor*
8 *market information system that includes—*

9 “(A) *statistical data from cooperative sta-*
10 *tistical survey and projection programs and data*
11 *from administrative reporting systems that,*
12 *taken together, enumerate, estimate, and project*
13 *employment opportunities and conditions at na-*
14 *tional, State, and local levels in a timely man-*
15 *ner, including statistics on—*

16 “(i) *employment and unemployment*
17 *status of national, State, and local popu-*
18 *lations, including self-employed, part-time,*
19 *and seasonal workers;*

20 “(ii) *industrial distribution of occupa-*
21 *tions, as well as current and projected em-*
22 *ployment opportunities, wages, benefits*
23 *(where data is available), and skill trends*
24 *by occupation and industry, with par-*
25 *ticular attention paid to State and local*
26 *conditions;*

1 “(iii) the incidence of, industrial and
2 geographical location of, and number of
3 workers displaced by, permanent layoffs
4 and plant closings; and

5 “(iv) employment and earnings infor-
6 mation maintained in a longitudinal man-
7 ner to be used for research and program
8 evaluation;

9 “(B) information on State and local em-
10 ployment opportunities, and other appropriate
11 statistical data related to labor market dynam-
12 ics, which—

13 “(i) shall be current and comprehen-
14 sive;

15 “(ii) shall meet the needs identified
16 through the consultations described in sub-
17 paragraphs (A) and (B) of subsection (e)(2);
18 and

19 “(iii) shall meet the needs for the infor-
20 mation identified in section 134(d);

21 “(C) technical standards (which the Sec-
22 retary shall publish annually) for data and in-
23 formation described in subparagraphs (A) and
24 (B) that, at a minimum, meet the criteria of
25 chapter 35 of title 44, United States Code;

1 “(D) procedures to ensure compatibility and
2 additivity of the data and information described
3 in subparagraphs (A) and (B) from national,
4 State, and local levels;

5 “(E) procedures to support standardization
6 and aggregation of data from administrative re-
7 porting systems described in subparagraph (A)
8 of employment-related programs;

9 “(F) analysis of data and information de-
10 scribed in subparagraphs (A) and (B) for uses
11 such as—

12 “(i) national, State, and local policy-
13 making;

14 “(ii) implementation of Federal poli-
15 cies (including allocation formulas);

16 “(iii) program planning and evalua-
17 tion; and

18 “(iv) researching labor market dynam-
19 ics;

20 “(G) wide dissemination of such data, in-
21 formation, and analysis in a user-friendly man-
22 ner and voluntary technical standards for dis-
23 semination mechanisms; and

24 “(H) programs of—

1 “(i) training for effective data dissemi-
2 nation;

3 “(ii) research and demonstration; and

4 “(iii) programs and technical assist-
5 ance.

6 “(2) INFORMATION TO BE CONFIDENTIAL.—

7 “(A) IN GENERAL.—No officer or employee
8 of the Federal Government or agent of the Fed-
9 eral Government may—

10 “(i) use any submission that is fur-
11 nished for exclusively statistical purposes
12 under the provisions of this section for any
13 purpose other than the statistical purposes
14 for which the submission is furnished;

15 “(ii) make any publication or media
16 transmittal of the data contained in the
17 submission described in clause (i) that per-
18 mits information concerning individual
19 subjects to be reasonably inferred by either
20 direct or indirect means; or

21 “(iii) permit anyone other than a
22 sworn officer, employee, or agent of any
23 Federal department or agency, or a con-
24 tractor (including an employee of a con-
25 tractor) of such department or agency, to

1 *examine an individual submission described*
2 *in clause (i),*
3 *without the consent of the individual, agency, or*
4 *other person who is the subject of the submission*
5 *or provides that submission.*

6 “(B) *IMMUNITY FROM LEGAL PROCESS.—*
7 *Any submission (including any data derived*
8 *from the submission) that is collected and re-*
9 *tained by a Federal department or agency, or an*
10 *officer, employee, agent, or contractor of such a*
11 *department or agency, for exclusively statistical*
12 *purposes under this section shall be immune*
13 *from the legal process and shall not, without the*
14 *consent of the individual, agency, or other person*
15 *who is the subject of the submission or provides*
16 *that submission, be admitted as evidence or used*
17 *for any purpose in any action, suit, or other ju-*
18 *dicial or administrative proceeding.*

19 “(C) *RULE OF CONSTRUCTION.—Nothing in*
20 *this section shall be construed to provide immu-*
21 *nity from the legal process for such submission*
22 *(including any data derived from the submis-*
23 *sion) if the submission is in the possession of*
24 *any person, agency, or entity other than the Fed-*
25 *eral Government or an officer, employee, agent,*

1 *or contractor of the Federal Government, or if*
2 *the submission is independently collected, re-*
3 *tained, or produced for purposes other than the*
4 *purposes of this Act.*

5 “(b) *SYSTEM RESPONSIBILITIES.*—

6 “(1) *IN GENERAL.*—*The workforce and labor*
7 *market information system described in subsection (a)*
8 *shall be planned, administered, overseen, and evalu-*
9 *ated through a cooperative governance structure in-*
10 *volving the Federal Government and States.*

11 “(2) *DUTIES.*—*The Secretary, with respect to*
12 *data collection, analysis, and dissemination of labor*
13 *employment statistics for the system, shall carry out*
14 *the following duties:*

15 “(A) *Assign responsibilities within the De-*
16 *partment of Labor for elements of the workforce*
17 *and labor market information system described*
18 *in subsection (a) to ensure that all statistical*
19 *and administrative data collected is consistent*
20 *with appropriate Bureau of Labor Statistics*
21 *standards and definitions.*

22 “(B) *Actively seek the cooperation of other*
23 *Federal agencies to establish and maintain*
24 *mechanisms for ensuring complementarity and*
25 *nonduplication in the development and oper-*

1 *ation of statistical and administrative data col-*
2 *lection activities.*

3 “(C) *Eliminate gaps and duplication in*
4 *statistical undertakings, with the systemization*
5 *of wage surveys as an early priority.*

6 “(D) *In collaboration with the Bureau of*
7 *Labor Statistics and States, develop and main-*
8 *tain the elements of the workforce and labor mar-*
9 *ket information system described in subsection*
10 *(a), including the development of consistent pro-*
11 *cedures and definitions for use by the States in*
12 *collecting the data and information described in*
13 *subparagraphs (A) and (B) of subsection (a)(1).*

14 “(E) *Establish procedures for the system to*
15 *ensure that—*

16 “(i) *such data and information are*
17 *timely;*

18 “(ii) *paperwork and reporting for the*
19 *system are reduced to a minimum; and*

20 “(iii) *States and localities are fully in-*
21 *volved in the development and continuous*
22 *improvement of the system at all levels, in-*
23 *cluding ensuring the provision, to such*
24 *States and localities, of budget information*

1 *necessary for carrying out their responsibil-*
2 *ities under subsection (e).*

3 “(c) *NATIONAL ELECTRONIC TOOLS TO PROVIDE*
4 *SERVICES.—The Secretary is authorized to assist in the de-*
5 *velopment of national electronic tools that may be used to*
6 *facilitate the delivery of core services described in section*
7 *134 and to provide workforce information to individuals*
8 *through the one-stop delivery systems described in section*
9 *121 and through other appropriate delivery systems.*

10 “(d) *COORDINATION WITH THE STATES.—*

11 “(1) *IN GENERAL.—The Secretary, working*
12 *through the Bureau of Labor Statistics and the Em-*
13 *ployment and Training Administration, shall regu-*
14 *larly consult with representatives of State agencies*
15 *carrying out workforce information activities regard-*
16 *ing strategies for improving the workforce and labor*
17 *market information system.*

18 “(2) *FORMAL CONSULTATIONS.—At least twice*
19 *each year, the Secretary, working through the Bureau*
20 *of Labor Statistics, shall conduct formal consultations*
21 *regarding programs carried out by the Bureau of*
22 *Labor Statistics with representatives of each of the 10*
23 *Federal regions of the Department of Labor, elected*
24 *from the State directors affiliated with State agencies*
25 *that perform the duties described in subsection (e)(2).*

1 “(e) *STATE RESPONSIBILITIES.*—

2 “(1) *IN GENERAL.*—*In order to receive Federal*
3 *financial assistance under this section, the Governor*
4 *of a State shall—*

5 “(A) *be responsible for the management of*
6 *the portions of the workforce and labor market*
7 *information system described in subsection (a)*
8 *that comprise a statewide workforce and labor*
9 *market information system and for the State’s*
10 *participation in the development of the annual*
11 *plan;*

12 “(B) *establish a process for the oversight of*
13 *such system;*

14 “(C) *consult with State and local employ-*
15 *ers, participants, and local workforce investment*
16 *boards about the labor market relevance of the*
17 *data to be collected and disseminated through the*
18 *statewide workforce and labor market informa-*
19 *tion system;*

20 “(D) *consult with State educational agen-*
21 *cies and local educational agencies concerning*
22 *the provision of employment statistics in order to*
23 *meet the needs of secondary school and postsec-*
24 *ondary school students who seek such informa-*
25 *tion;*

1 “(E) collect and disseminate for the system,
2 on behalf of the State and localities in the State,
3 the information and data described in subpara-
4 graphs (A) and (B) of subsection (a)(1);

5 “(F) maintain and continuously improve
6 the statewide workforce and labor market infor-
7 mation system in accordance with this section;

8 “(G) perform contract and grant respon-
9 sibilities for data collection, analysis, and dis-
10 semination for such system;

11 “(H) conduct such other data collection,
12 analysis, and dissemination activities as will en-
13 sure an effective statewide workforce and labor
14 market information system;

15 “(I) actively seek the participation of other
16 State and local agencies in data collection, anal-
17 ysis, and dissemination activities in order to en-
18 sure complementarity, compatibility, and useful-
19 ness of data;

20 “(J) participate in the development of the
21 annual plan described in subsection (c); and

22 “(K) utilize the quarterly records described
23 in section 136(f)(2) of the Workforce Investment
24 Act of 1998 to assist the State and other States

1 *in measuring State progress on State perform-*
2 *ance measures.*

3 “(2) *RULE OF CONSTRUCTION.*—*Nothing in this*
4 *section shall be construed as limiting the ability of a*
5 *Governor to conduct additional data collection, anal-*
6 *ysis, and dissemination activities with State funds or*
7 *with Federal funds from sources other than this sec-*
8 *tion.*

9 “(f) *NONDUPLICATION REQUIREMENT.*—*None of the*
10 *functions and activities carried out pursuant to this section*
11 *shall duplicate the functions and activities carried out*
12 *under the Carl D. Perkins Vocational and Applied Tech-*
13 *nology Education Act (20 U.S.C. 2301 et seq.).*

14 “(g) *AUTHORIZATION OF APPROPRIATIONS.*—*There*
15 *are authorized to be appropriated to carry out this section*
16 *such sums as may be necessary for each of the fiscal years*
17 *2006 through 2011.*

18 “(h) *DEFINITION.*—*In this section, the term ‘local*
19 *area’ means the smallest geographical area for which data*
20 *can be produced with statistical reliability.’.*

21 **TITLE IV—AMENDMENTS TO THE**
22 **REHABILITATION ACT OF 1973**

23 **SEC. 401. FINDINGS.**

24 *Section 2(a) of the Rehabilitation Act of 1973 (29*
25 *U.S.C. 701(a)) is amended—*

1 (1) *in paragraph (5), by striking “and” at the*
2 *end;*

3 (2) *in paragraph (6), by striking the period and*
4 *inserting “; and”; and*

5 (3) *by adding at the end the following:*

6 “(7) *there is a substantial need to improve and*
7 *expand services for students with disabilities under*
8 *this Act.”.*

9 **SEC. 402. REHABILITATION SERVICES ADMINISTRATION.**

10 *Section 3(a) of the Rehabilitation Act of 1973 (29*
11 *U.S.C. 702(a)) is amended—*

12 (1) *by striking “Office of the Secretary” and in-*
13 *serting “Department of Education”;*

14 (2) *by striking “President by and with the ad-*
15 *vice and consent of the Senate” and inserting “Sec-*
16 *retary, except that the Commissioner appointed under*
17 *the authority existing on the day prior to the date of*
18 *enactment of the Job Training Improvement Act of*
19 *2005 may continue to serve in the former capacity”;*
20 *and*

21 (3) *by striking “, and the Commissioner shall be*
22 *the principal officer,”.*

23 **SEC. 403. DIRECTOR.**

24 *(a) IN GENERAL.—The Rehabilitation Act of 1973 (29*
25 *U.S.C. 701 et seq.) is amended—*

1 (1) by striking “Commissioner” each place it ap-
2 pears, except in sections 3(a) (as amended by section
3 402) and 21, and inserting “Director”;

4 (2) in section 100(d)(2)(B), by striking
5 “COMMISIONER” and inserting “DIRECTOR”;

6 (3) in section 706, by striking
7 “**COMMISIONER**” and inserting “**DIRECTOR**”; and

8 (4) in section 723(a)(3), by striking
9 “COMMISIONER” and inserting “DIRECTOR”.

10 (b) *EXCEPTION.*—Section 21 of the Rehabilitation Act
11 of 1973 (29 U.S.C. 718) is amended—

12 (1) in subsection (b)(1)—

13 (A) by striking “Commissioner” the first
14 place it appears and inserting “Director of the
15 Rehabilitation Services Administration”; and

16 (B) by striking “(referred to in this sub-
17 section as the ‘Director’)”; and

18 (2) by striking “Commissioner and the Director”
19 each place it appears and inserting “both such Direc-
20 tors”.

21 **SEC. 404. DEFINITIONS.**

22 Section 7 of the Rehabilitation Act of 1973 (29 U.S.C.
23 705) is amended—

1 (1) by redesignating paragraphs (35) through
2 (39) as paragraphs (36), (37), (38), (40), and (41),
3 respectively;

4 (2) in subparagraph (A)(ii) of paragraph (36)
5 (as redesignated in paragraph (1)), by striking
6 “paragraph (36)(C)” and inserting “paragraph
7 (37)(C)”;

8 (3) by inserting after paragraph (34) the fol-
9 lowing:

10 “(35)(A) The term ‘student with a disability’
11 means an individual with a disability who—

12 “(i) is not younger than 16 and not older
13 than 21;

14 “(ii) has been determined to be eligible
15 under section 102(a) for assistance under this
16 title; and

17 “(iii)(I) is eligible for, and is receiving, spe-
18 cial education under part B of the Individuals
19 with Disabilities Education Act (20 U.S.C. 1411
20 et seq.); or

21 “(II) is an individual with a disability, for
22 purposes of section 504.

23 “(B) The term ‘students with disabilities’ means
24 more than 1 student with a disability.”; and

1 (4) *by inserting after paragraph (38) (as redesignated by paragraph (1)) the following:*

2 “*(39) The term ‘transition services expansion year’ means—*

3 “*(A) the first fiscal year for which the*
4 *amount appropriated under section 100(b) exceeds the amount appropriated under section*
5 *100(b) for fiscal year 2004 by not less than*
6 *\$100,000,000; and*

7 “*(B) each fiscal year subsequent to that first*
8 *fiscal year.*”.

9 12 **SEC. 405. STATE PLAN.**

10 13 *(a) COORDINATION WITH EDUCATION OFFICIALS AND*
11 14 *ASSISTIVE TECHNOLOGY PROGRAMS.—Section 101(a)(11)*
12 15 *of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(11))*
13 16 *is amended—*

14 17 *(1) in subparagraph (D)(i) by inserting “, which*
15 18 *may be provided using alternative means of meeting*
16 19 *participation (such as video conferences and con-*
17 20 *ference calls)” before the semicolon; and*

18 21 *(2) by adding at the end the following:*

19 22 “*(G) COORDINATION WITH ASSISTIVE TECH-*
20 23 *NOLOGY PROGRAMS.—The State plan shall in-*
21 24 *clude an assurance that the designated State*
22 25 *unit and the lead agency responsible for carrying*

1 *out duties under the Assistive Technology Act of*
2 *1998 (29 U.S.C. 3001), as amended, have devel-*
3 *oped working relationships and coordinate their*
4 *activities.”.*

5 **(b) ASSESSMENT AND STRATEGIES.**—*Section*
6 *101(a)(15) of the Rehabilitation Act of 1973 (29 U.S.C.*
7 *721(a)(15)) is amended—*

8 *(1) in subparagraph (A)*

9 *(A) in clause (i)—*

10 *(i) in subclause (II), by striking “and”*
11 *at the end;*

12 *(ii) in subclause (III), by adding*
13 *“and” at the end; and*

14 *(iii) by adding at the end the fol-*
15 *lowing:*

16 *“(IV) in a transition services ex-*
17 *pansion year, students with disabil-*
18 *ities, including their need for transi-*
19 *tion services;”;* and

20 *(B) by redesignating clauses (ii) and (iii)*
21 *as clauses (iii) and (iv), respectively, and insert-*
22 *ing after clause (i) the following:*

23 *“(ii) include an assessment of the tran-*
24 *sition services provided under this Act, and*
25 *coordinated with transition services under*

1 *the Individuals with Disabilities Education*
2 *Act, as to those services meeting the needs of*
3 *individuals with disabilities;”;* and

4 (2) *in subparagraph (D)—*

5 *(A) by redesignating clauses (iii), (iv), and*
6 *(v) as clauses (iv), (v), and (vi), respectively;*
7 *and*

8 *(B) by inserting after clause (ii) the fol-*
9 *lowing:*

10 *“(iii) in a transition services expan-*
11 *sion year, the methods to be used to improve*
12 *and expand vocational rehabilitation serv-*
13 *ices for students with disabilities, including*
14 *the coordination of services designed to fa-*
15 *facilitate the transition of such students from*
16 *the receipt of educational services in school*
17 *to the receipt of vocational rehabilitation*
18 *services under this title or to postsecondary*
19 *education or employment;”.*

20 (c) *SERVICES FOR STUDENTS WITH DISABILITIES.—*
21 *Section 101(a) of the Rehabilitation Act of 1973 (29 U.S.C.*
22 *721(a)) is further amended by adding at the end the fol-*
23 *lowing:*

24 *“(25) SERVICES FOR STUDENTS WITH DISABIL-*
25 *ITIES.—The State plan for a transition services ex-*

1 *pansion year shall provide an assurance satisfactory*
2 *to the Secretary that the State—*

3 *“(A) has developed and implemented strate-*
4 *gies to address the needs identified in the assess-*
5 *ment described in paragraph (15), and achieve*
6 *the goals and priorities identified by the State,*
7 *to improve and expand vocational rehabilitation*
8 *services for students with disabilities on a state-*
9 *wide basis in accordance with paragraph (15);*
10 *and*

11 *“(B) from funds reserved under section*
12 *110A, shall carry out programs or activities de-*
13 *signed to improve and expand vocational reha-*
14 *bilitation services for students with disabilities*
15 *that—*

16 *“(i) facilitate the transition of the stu-*
17 *dents with disabilities from the receipt of*
18 *educational services in school, to the receipt*
19 *of vocational rehabilitation services under*
20 *this title, including, at a minimum, those*
21 *services specified in the interagency agree-*
22 *ment required in paragraph (11)(D);*

23 *“(ii) improve the achievement of post-*
24 *school goals of students with disabilities, in-*
25 *cluding improving the achievement through*

1 *participation (as appropriate when voca-*
2 *tional goals are discussed) in meetings re-*
3 *garding individualized education programs*
4 *developed under section 614 of the Individ-*
5 *uals with Disabilities Education Act (20*
6 *U.S.C. 1414);*

7 *“(iii) provide vocational guidance, ca-*
8 *reer exploration services, and job search*
9 *skills and strategies and technical assistance*
10 *to students with disabilities;*

11 *“(iv) support the provision of training*
12 *and technical assistance to State and local*
13 *educational agency and designated State*
14 *agency personnel responsible for the plan-*
15 *ning and provision of services to students*
16 *with disabilities; and*

17 *“(v) support outreach activities to stu-*
18 *dents with disabilities who are eligible for,*
19 *and need, services under this title.”.*

20 **SEC. 406. SCOPE OF SERVICES.**

21 *Section 103 of the Rehabilitation Act of 1973 (29*
22 *U.S.C. 723) is amended—*

23 *(1) in subsection (a), by striking paragraph (15)*
24 *and inserting the following:*

1 “(15) transition services for students with dis-
2 abilities, that facilitate the achievement of the em-
3 ployment outcome identified in the individualized
4 plan for employment, including, in a transition serv-
5 ices expansion year, services described in clauses (i)
6 through (iii) of section 101(a)(25)(B);”;

7 (2) in subsection (b), by striking paragraph (6)
8 and inserting the following:

9 “(6)(A)(i) Consultation and technical assistance
10 services to assist State and local educational agencies
11 in planning for the transition of students with dis-
12 abilities from school to post-school activities, includ-
13 ing employment.

14 “(ii) In a transition services expansion year,
15 training and technical assistance described in section
16 101(a)(25)(B)(iv).

17 “(B) In a transition services expansion year,
18 services for groups of individuals with disabilities
19 who meet the requirements of clauses (i) and (iii) of
20 section 7(35)(A), including services described in
21 clauses (i), (ii), (iii), and (v) of section
22 101(a)(25)(B), to assist in the transition from school
23 to post-school activities.”; and

24 (3) in subsection (b) by inserting at the end, the
25 following:

1 “(7) *The establishment, development, or improve-*
2 *ment of assistive technology demonstration, loan, re-*
3 *utilization, or financing programs in coordination*
4 *with activities authorized under the Assistive Tech-*
5 *nology Act of 1998 (29. U.S.C. 3001), as amended, to*
6 *promote access to assistive technology for individuals*
7 *with disabilities and employers.”.*

8 **SEC. 407. STANDARDS AND INDICATORS.**

9 *Section 106(a) of the Rehabilitation Act of 1973 (29*
10 *U.S.C. 726(a)) is amended by striking paragraph (1)(C)*
11 *and all that follows through paragraph (2) and inserting*
12 *the following:*

13 “(2) *MEASURES.—The standards and indicators*
14 *shall include outcome and related measures of pro-*
15 *gram performance that—*

16 “(A) *facilitate the accomplishment of the*
17 *purpose and policy of this title;*

18 “(B) *to the maximum extent practicable,*
19 *are consistent with the core indicators of per-*
20 *formance, and corresponding State adjusted lev-*
21 *els of performance, established under section*
22 *136(b) of the Workforce Investment Act of 1998*
23 *(29 U.S.C. 2871(b)); and*

24 “(C) *include measures of the program’s per-*
25 *formance with respect to the transition to post-*

1 *school vocational activities, and achievement of*
 2 *the post-school vocational goals, of students with*
 3 *disabilities served under the program.”.*

4 **SEC. 408. RESERVATION FOR EXPANDED TRANSITION SERV-**
 5 **ICES.**

6 *The Rehabilitation Act of 1973 is amended by insert-*
 7 *ing after section 110 (29 U.S.C. 730) the following:*

8 **“SEC. 110A. RESERVATION FOR EXPANDED TRANSITION**
 9 **SERVICES.**

10 *“(a) RESERVATION.—From the State allotment under*
 11 *section 110 in a transition services expansion year, each*
 12 *State shall reserve an amount calculated by the Director*
 13 *under subsection (b) to carry out programs and activities*
 14 *under sections 101(a)(25)(B) and 103(b)(6).*

15 *“(b) CALCULATION.—The Director shall calculate the*
 16 *amount to be reserved for such programs and activities for*
 17 *a fiscal year by each State by multiplying \$50,000,000 by*
 18 *the percentage determined by dividing—*

19 *“(1) the amount allotted to that State under sec-*
 20 *tion 110 for the prior fiscal year, by*

21 *“(2) the total amount allotted to all States under*
 22 *section 110 for that prior fiscal year.”.*

23 **SEC. 409. CLIENT ASSISTANCE PROGRAM.**

24 *Section 112(e)(1) of the Rehabilitation Act of 1973 (29*
 25 *U.S.C. 732(e)(1)) is amended by redesignating subpara-*

1 (2) in section 100(d)(1)(B) by striking “fiscal
2 year 2003” and inserting “fiscal year 2011”;

3 (3) in section 110(c) by amending paragraph (2)
4 to read as follows:

5 “(2) The sum referred to in paragraph (1) shall
6 be, as determined by the Secretary, not less than 1
7 percent and not more than 1.5 percent of the amount
8 referred to in paragraph (1) for each of fiscal years
9 2003 through 2011.”;

10 (4) in section 112(h) by striking “fiscal years
11 1999 through 2003” and inserting “fiscal years 2006
12 through 2011”;

13 (5) in section 201(a) by striking “fiscal years
14 1999 through 2003” each place it appears and insert-
15 ing “fiscal years 2006 through 2011”;

16 (6) in section 302(i) by striking “fiscal years
17 1999 through 2003” and inserting “fiscal years 2006
18 through 2011”;

19 (7) in section 303(e) by striking “fiscal years
20 1999 through 2003” and inserting “fiscal years 2006
21 through 2011”;

22 (8) in section 304(b) by striking “fiscal years
23 1999 through 2003” and inserting “fiscal years 2006
24 through 2011”;

1 (9) in section 305(b) by striking “fiscal years
2 1999 through 2003” and inserting “fiscal years 2006
3 through 2011”;

4 (10) in section 405 by striking “fiscal years 1999
5 through 2003” and inserting “fiscal years 2006
6 through 2011”;

7 (11) in section 502(j) by striking “fiscal years
8 1999 through 2003” and inserting “fiscal years 2006
9 through 2011”;

10 (12) in section 509(l) by striking “fiscal years
11 1999 through 2003” and inserting “fiscal years 2006
12 through 2011”;

13 (13) in section 612 by striking “fiscal years 1999
14 through 2003” and inserting “fiscal years 2006
15 through 2011”;

16 (14) in section 628 by striking “fiscal years 1999
17 through 2003” and inserting “fiscal years 2006
18 through 2011”;

19 (15) in section 714 by striking “fiscal years 1999
20 through 2003” and inserting “fiscal years 2006
21 through 2011”;

22 (16) in section 727 by striking “fiscal years 1999
23 through 2003” and inserting “fiscal years 2006
24 through 2011”; and

1 (17) in section 753 by striking “fiscal years 1999
2 through 2003” and inserting “fiscal years 2006
3 through 2011”.

4 **SEC. 413. CONFORMING AMENDMENT.**

5 Section 1(b) of the Rehabilitation Act of 1973 is
6 amended by inserting after the item relating to section 110
7 the following:

 “Sec. 110A. Reservation for expanded transition services.”.

8 **SEC. 414. HELEN KELLER NATIONAL CENTER ACT.**

9 (a) *GENERAL AUTHORIZATION OF APPROPRIATIONS.*—
10 The first sentence of section 205(a) of the Helen Keller Na-
11 tional Center Act (29 U.S.C. 1904(a)) is amended by strik-
12 ing “1999 through 2003” and inserting “2006 through
13 2011”.

14 (b) *HELEN KELLER NATIONAL CENTER FEDERAL EN-*
15 *DOWMENT FUND.*—The first sentence of section 208(h) of
16 such Act (29 U.S.C. 1907(h)) is amended by striking “1999
17 through 2003” and inserting “2006 through 2011”.

18 **TITLE V—TRANSITION AND**
19 **EFFECTIVE DATE**

20 **SEC. 501. TRANSITION PROVISIONS.**

21 The Secretary of Labor shall take such actions as the
22 Secretary determines to be appropriate to provide for the
23 orderly implementation of this Act.

1 **SEC. 502. EFFECTIVE DATE.**

2 *Except as otherwise provided in this Act, this Act and*
3 *the amendments made by this Act, shall take effect on the*
4 *date of enactment of this Act.*

Union Calendar No. 4

109TH CONGRESS
1ST Session

H. R. 27

[Report No. 109-9]

A BILL

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

FEBRUARY 25, 2005

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed