

Calendar No. 366

108TH CONGRESS
1ST SESSION**S. 1627****[Report No. 108–187]**

To reauthorize the Workforce Investment Act of 1998, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 2003

Mr. ENZI (for himself, Mr. KENNEDY, Mr. GREGG, and Mrs. MURRAY) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

NOVEMBER 5, 2003

Reported by Mr. GREGG, with an amendment

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

To reauthorize the Workforce Investment Act of 1998, and
for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Workforce Investment
5 Act Amendments of 2003”.

1 **SEC. 2. TABLE OF CONTENTS.**

2 The table of contents of this Act is as follows:

See. 1. Short title.
 See. 2. Table of contents.
 See. 3. References.

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

Subtitle A—Definitions

See. 101. Definitions.

Subtitle B—Statewide and Local Workforce Investment Systems

See. 111. Purpose.
 See. 112. State workforce investment boards.
 See. 113. State plan.
 See. 114. Local workforce investment areas.
 See. 115. Local workforce investment boards.
 See. 116. Local plan.
 See. 117. Establishment of one-stop delivery systems.
 See. 118. Eligible providers of training services.
 See. 119. Eligible providers of youth activities.
 See. 120. Youth activities.
 See. 121. Adult and dislocated worker employment and training activities.
 See. 122. Performance accountability system.
 See. 123. Authorization of appropriations.

Subtitle C—Job Corps

See. 131. Job Corps.

Subtitle D—National Programs

See. 141. Native American programs.
 See. 142. Migrant and seasonal farmworker programs.
 See. 143. Veterans' workforce investment programs.
 See. 144. Youth challenge grants.
 See. 145. Technical assistance.
 See. 146. Demonstration, pilot, multiservice, research, and multistate projects.
 See. 147. National dislocated worker grants.
 See. 148. Authorization of appropriations for national activities.

Subtitle E—Administration

See. 151. Requirements and restrictions.
 See. 152. Cost principles.
 See. 153. Reports.
 See. 154. Administrative provisions.
 See. 155. Use of certain real property.

**TITLE II—AMENDMENTS TO THE ADULT EDUCATION AND
 FAMILY LITERACY ACT**

See. 201. Short title; purpose.

Sec. 202. Definitions.

Sec. 203. Authorization of appropriations.

Sec. 204. Reservation of funds; grants to eligible agencies; allotments.

Sec. 205. Performance accountability system.

Sec. 206. State administration.

Sec. 207. State distribution of funds; matching requirement.

Sec. 208. State leadership activities.

Sec. 209. State plan.

Sec. 210. Programs for corrections education and other institutionalized individuals.

Sec. 211. Grants and contracts for eligible providers.

Sec. 212. Local application.

Sec. 213. Local administrative cost limits.

Sec. 214. Administrative provisions.

Sec. 215. National Institute for Literacy.

Sec. 216. National leadership activities.

Sec. 217. Integrated English literacy and civics education.

Sec. 218. Transition.

TITLE III—AMENDMENTS TO OTHER PROVISIONS OF LAW

Sec. 301. Wagner-Peyser Act.

TITLE IV—REHABILITATION ACT AMENDMENTS

Sec. 401. Short title.

Sec. 402. Technical amendments to table of contents.

Sec. 403. Purpose.

Sec. 404. Definitions.

Sec. 405. Administration of the Act.

Sec. 406. Carryover.

Subtitle A—Vocational Rehabilitation Services

Sec. 411. Declaration of policy; authorization of appropriations.

Sec. 412. State plans.

Sec. 413. Eligibility and individualized plan for employment.

Sec. 414. Vocational rehabilitation services.

Sec. 415. State rehabilitation council.

Sec. 416. Evaluation standards and performance indicators.

Sec. 417. State allotments.

Sec. 418. Client assistance program.

Sec. 419. Incentive grants.

Sec. 420. Vocational rehabilitation services grants.

Sec. 421. GAO studies.

Subtitle B—Research and Training

Sec. 431. Authorization of appropriations.

Sec. 432. National Institute on Disability and Rehabilitation Research.

Sec. 433. Research and other covered activities.

Sec. 434. Rehabilitation research advisory council.

Subtitle C—Professional Development and Special Projects and Demonstrations

Sec. 441. Training.

Sec. 442. Demonstration and training programs.
 Sec. 443. Migrant and seasonal farmworkers.
 Sec. 444. Recreational programs.

Subtitle D—National Council on Disability

Sec. 451. Authorization of appropriations.

Subtitle E—Rights and Advocacy

Sec. 461. Architectural and transportation barriers compliance board.
 Sec. 462. Protection and advocacy of individual rights.

Subtitle F—Employment Opportunities for Individuals With Disabilities

Sec. 471. Projects with industry authorization of appropriations.
 Sec. 472. Services for individuals with significant disabilities authorization of appropriations.

Subtitle G—Independent Living Services and Centers for Independent Living

Sec. 481. State plan.
 Sec. 482. Statewide independent living council.
 Sec. 483. Independent living services authorization of appropriations.
 Sec. 484. Program authorization.
 Sec. 485. Grants to centers for independent living in States in which Federal funding exceeds State funding.
 Sec. 486. Grants to centers for independent living in States in which State funding equals or exceeds Federal funding.
 Sec. 487. Standards and assurances for centers for independent living.
 Sec. 488. Centers for independent living authorization of appropriations.
 Sec. 489. Independent living services for older individuals who are blind.
 Sec. 490. Program of grants.
 Sec. 491. Independent living services for older individuals who are blind authorization of appropriations.

Subtitle H—Miscellaneous

Sec. 495. Helen Keller National Center Act.

TITLE V—TRANSITION AND EFFECTIVE DATE

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

1 **SEC. 3. REFERENCES.**

2 Except as otherwise expressly provided, wherever in
 3 this Act an amendment or repeal is expressed in terms
 4 of an amendment to, or repeal of, a section or other provi-
 5 sion, the amendment or repeal shall be considered to be

1 made to a section or other provision of the Workforce In-
 2 vestment Act of 1998 (29 U.S.C. 2801 et seq.).

3 **TITLE I—AMENDMENTS TO**
 4 **TITLE I OF THE WORKFORCE**
 5 **INVESTMENT ACT OF 1998**
 6 **Subtitle A—Definitions**

7 **SEC. 101. DEFINITIONS.**

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

9 (1) by striking paragraph (24);

10 (2) by redesignating paragraphs (1) through
 11 (4), (5) through (16), (17), (18) through (23), (25)
 12 through (41), and (42) through (53) as paragraphs
 13 (2) through (5), (7) through (18), (20), (23)
 14 through (28), (29) through (45), and (47) through
 15 (58), respectively;

16 (3) by inserting before paragraph (3) (as redес-
 17 igned by paragraph (2)) the following:

18 “(1) ACCRUED EXPENDITURES.—The term ‘ac-
 19 crued expenditures’ means charges incurred by re-
 20 cipients of funds under this title for a given period
 21 requiring the provision of funds for—

22 “(A) goods or other tangible property re-
 23 ceived;

1 ~~“(B) services performed by employees, con-~~
 2 ~~tractors, subgrantees, subcontractors, and other~~
 3 ~~payees; and~~

4 ~~“(C) other amounts becoming owed under~~
 5 ~~programs assisted under this title for which no~~
 6 ~~current services or performance is required,~~
 7 ~~such as annuities, insurance claims, and other~~
 8 ~~benefit payments.~~

9 ~~(4) in paragraph (2) (as redesignated by para-~~
 10 ~~graph (2)), by striking “Except in sections 127 and~~
 11 ~~132,” and inserting “Except in section 132,”;~~

12 ~~(5) by inserting after paragraph (5) (as redesign-~~
 13 ~~ated by paragraph (2)) the following:~~

14 ~~“(6) BUSINESS INTERMEDIARY.—The term~~
 15 ~~‘business intermediary’ means an entity that brings~~
 16 ~~together various stakeholders with an expertise in an~~
 17 ~~industry or business sector.”;~~

18 ~~(6) in paragraph (9) (as redesignated by para-~~
 19 ~~graph (2)), by inserting “, including a faith-based~~
 20 ~~organization,” after “nonprofit organization”;~~

21 ~~(7) in paragraph (10) (as redesignated by para-~~
 22 ~~graph (2))—~~

23 ~~(A) in subparagraph (B), by striking~~
 24 ~~“and” after the semicolon;~~

25 ~~(B) in subparagraph (C)—~~

1 (i) by striking “not less than 50 per-
 2 cent of the cost of the training” and in-
 3 serting “a significant portion of the cost of
 4 training as determined by the local board,
 5 taking into account the size of the em-
 6 ployer and such other factors as the local
 7 board determines to be appropriate”; and

8 (ii) by striking the period and insert-
 9 ing “; and”; and

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

11 “(D) for customized training with employ-
 12 ers in various parts of the State, a significant
 13 portion of the cost of the training, as deter-
 14 mined by the Governor, taking into account the
 15 size of the employer and such other factors as
 16 the Governor determines appropriate.”;

17 (8) in paragraph (11) (as redesignated by para-
 18 graph (2))—

19 (A) in subparagraph (A)(ii)(II), by striking
 20 “section 134(e)” and inserting “section
 21 121(e)”;

22 (B) in subparagraph (C), by striking “or”
 23 after the semicolon;

24 (C) in subparagraph (D), by striking the
 25 period and inserting “; or”; and

1 ~~(D)~~ by adding at the end the following:

2 “~~(E)(i)~~ is a member of the Armed Forces
3 on active duty, who has been involuntarily sepa-
4 rated with an honorable discharge, from the
5 Armed Forces, or who has received notice of
6 such separation;

7 “~~(ii)~~ is the spouse or adult dependent of a
8 member of the Armed Forces who has experi-
9 enced the loss of employment as a direct result
10 of relocation to accommodate a change in duty
11 station of such member; or

12 “~~(iii)~~ is the spouse of a member of the
13 Armed Forces on active duty who meets the cri-
14 teria described in paragraph ~~(13)(B)~~.”;

15 ~~(9)~~ in paragraph ~~(12)(A)~~ (as redesignated by
16 paragraph ~~(2)~~)—

17 (A) by striking “and” after the semicolon
18 and inserting “or”;

19 (B) by striking “(A)” and inserting
20 “(A)(i)”; and

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

22 “~~(ii)~~ is the dependent spouse of a member
23 of the Armed Forces, whose family income is
24 significantly reduced because of a deployment,
25 an activation, a transfer of duty station, or the

1 service-connected death or disability of the
 2 spouse; and”;

3 (10) in paragraph (14)(A) (as redesignated by
 4 paragraph (2)), by striking “section 122(c)(3)” and
 5 inserting “section 122”;

6 (11) by inserting after paragraph (18) (as re-
 7 designated by paragraph (2)) the following:

8 “(19) **HARD-TO-SERVE POPULATIONS.**—The
 9 term ‘hard-to-serve populations’ means populations
 10 of individuals who are hard-to-serve, including dis-
 11 placed homemakers, low-income individuals, Native
 12 Americans, individuals with disabilities, older indi-
 13 viduals, ex-offenders, homeless individuals, individ-
 14 uals with limited English proficiency, individuals
 15 who do not meet the definition of literacy in section
 16 203, individuals facing substantial cultural barriers,
 17 migrant and seasonal farmworkers, individuals with-
 18 in 2 years of exhausting lifetime eligibility under
 19 part A of title IV of the Social Security Act (42
 20 U.S.C. 601 et seq.), and such other groups as the
 21 Governor determines to be hard-to-serve.”;

22 (12) by inserting after paragraph (20) (as re-
 23 designated by paragraph (2)) the following:

24 “(21) **INTEGRATED TRAINING PROGRAM.**—The
 25 term ‘integrated training program’ means a program

1 that combines occupational skills training with lan-
 2 guage acquisition.

3 ~~“(22) INSTITUTION OF HIGHER EDUCATION.—~~

4 The term ‘institution of higher education’ has the
 5 meaning given the term in section 102(a)(1) (A) and
 6 (B) of the Higher Education Act of 1965 (20 U.S.C.
 7 1002(a)(1)).”;

8 (13) in paragraph (29) (as redesignated by
 9 paragraph (2))—

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

14 (B) by redesignating subparagraphs (D)
 15 through (F) as subparagraphs (E) through (G),
 16 respectively; and

17 (C) by inserting after subparagraph (C)
 18 the following:

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

23 (14) in paragraph (34) (as redesignated by
 24 paragraph (2)), by inserting “, subject to section
 25 121(b)(1)(C)” after “121(b)(1)”;

1 (15) by striking paragraph (37) (as redesignated by paragraph (2)) and inserting the following:

3 “(37) ~~OUT-OF-SCHOOL YOUTH.~~—The term ‘out-of-school youth’ means an out-of-school youth as defined in section 129(a)(1)(B).”;

6 (16) in paragraph (45) (as redesignated by paragraph (2)); by striking “, and the term means such Secretary for purposes of section 503”;

9 (17) by inserting after paragraph (45) (as redesignated by paragraph (2)) the following:

11 “(46) ~~SELF-SUFFICIENCY.~~—The term ‘self-sufficiency’ has the meaning given the term in section 134(a)(3)(A)(4)(x) and section 134(e)(1)(A)(ix).”;

14 (18) in paragraph (48) (as redesignated by paragraph (2)); by striking “clause (iii) or (v) of section 136(b)(3)(A)” and inserting “section 136(b)(3)(A)(iii)”;

18 (19) in paragraph (57) (as redesignated by paragraph (2)); by striking “(or as described in section 129(e)(5))” and inserting “(or as described in section 129(a)(2))”; and

22 (20) in paragraph (58) (as redesignated by paragraph (2)); by striking “established under section 117(h)” and inserting “that may be established under section 117(h)(2)”.

1 **Subtitle B—Statewide and Local**
 2 **Workforce Investment Systems**

3 **SEC. 111. PURPOSE.**

4 Section 106 (29 U.S.C. 2811) is amended to read as
 5 follows:

6 ~~“SEC. 106. PURPOSES.~~

7 ~~“The purposes of this subtitle are the following:~~

8 ~~“(1)(A) Primarily, to provide workforce invest-~~
 9 ~~ment activities, through statewide and local work-~~
 10 ~~force investment systems, that increase the employ-~~
 11 ~~ment, retention, self-sufficiency, and earnings of~~
 12 ~~participants, and increase occupational skill attain-~~
 13 ~~ment by participants.~~

14 ~~“(B) As a result of the provision of the activi-~~
 15 ~~ties, to improve the quality of the workforce, reduce~~
 16 ~~welfare dependency, increase self-sufficiency, and en-~~
 17 ~~hance the productivity and competitiveness of the~~
 18 ~~Nation.~~

19 ~~“(2) To enhance the workforce investment sys-~~
 20 ~~tem of the Nation by strengthening one-stop centers,~~
 21 ~~providing for more effective governance arrange-~~
 22 ~~ments, promoting access to a more comprehensive~~
 23 ~~array of employment and training and related serv-~~
 24 ~~ices, establishing a targeted approach to serving~~

1 youth, improving performance accountability, and
2 promoting State and local flexibility.

3 “(3) To provide workforce investment activities
4 in a manner that promotes the informed choice of
5 participants and actively involves participants in de-
6 cisions affecting their participation in such activities.

7 “(4) To provide workforce investment systems
8 that are demand-driven and responsive to the needs
9 of all employers, including small employers.

10 “(5) To provide workforce investment systems
11 that work in all areas of the Nation, including urban
12 and rural areas.

13 “(6) To allow flexibility to meet State, local, re-
14 gional, and individual workforce investment needs.

15 “(7) To recognize and reinforce the vital link
16 between economic development and workforce invest-
17 ment activities.

18 “(8) To provide for accurate data collection, re-
19 porting, and performance measures that are not un-
20 duly burdensome.

21 “(9) To address the ongoing shortage of essen-
22 tial skills in the United States workforce related to
23 both manufacturing and knowledge-based economies
24 to ensure that the United States remains competi-
25 tive in the global economy.

1 “(10) To equip workers with higher skills and
2 contribute to lifelong education.

3 “(11) To eliminate training disincentives for
4 hard-to-serve populations and minority workers, in-
5 cluding effectively utilizing community programs,
6 services, and agencies.

7 “(12) To educate limited English proficient in-
8 dividuals about skills and language so the individ-
9 uals are employable.

10 “(13) To increase the employment, retention
11 and earnings of individuals with disabilities.”.

12 **SEC. 112. STATE WORKFORCE INVESTMENT BOARDS.**

13 (a) **MEMBERSHIP.**—

14 (1) **IN GENERAL.**—Section 111(b) (29 U.S.C.
15 2821(b)) is amended—

16 (A) in paragraph (1), by striking subpara-
17 graph (C) and inserting the following:

18 “(C) representatives appointed by the Gov-
19 ernor, who—

20 “(i) are the lead State agency officials
21 with responsibility for the programs and
22 activities that are described in section
23 121(b) and carried out by one-stop part-
24 ners, except that—

1 “(I) in any case in which no lead
2 State agency official has responsibility
3 for such a program or activity, the
4 representative shall be a representa-
5 tive in the State with expertise relat-
6 ing to such program or activity; and

7 “(H) in the case of the programs
8 authorized under title I of the Reha-
9 bilitation Act of 1973, the representa-
10 tive shall be the head of the des-
11 ignated State unit, as defined in sec-
12 tion 7 of the Rehabilitation Act of
13 1973 (29 U.S.C. 705);

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

16 “(iii) are representatives of all busi-
17 ness in the State, including small busi-
18 nesses, who—

19 “(I) are owners of businesses;
20 chief executive or operating officers of
21 businesses, or other business execu-
22 tives or employers with optimum pol-
23 icymaking or hiring authority;

24 “(H) represent businesses with
25 employment opportunities that reflect

1 employment opportunities in the
2 State; and

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

7 “(iv) is a chief elected official (rep-
8 resenting cities and counties, where appro-
9 priate);

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

13 “(vi) are such other State agency offi-
14 cials and other representatives as the Gov-
15 ernor may designate.”; and

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

19 (2) CONFORMING AMENDMENT.—Section
20 111(e) (29 U.S.C. 2821(e)) is amended by striking
21 “subsection (b)(1)(C)(i)” and inserting “subsection
22 (b)(1)(C)(iii)”.

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

1 (1) in paragraph (1), by striking “development”
 2 and inserting “development, implementation, and re-
 3 vision”;

4 (2) in paragraph (2), by striking “section
 5 134(e)” and inserting “section 121(e)”;

6 (3) by striking paragraph (3) and inserting the
 7 following:

8 “(3) reviewing and providing comment on the
 9 State plans of all one-stop partner programs, where
 10 applicable, in order to provide effective strategic
 11 leadership in the development of a high quality, com-
 12 prehensive statewide workforce investment system,
 13 including commenting at least once annually on the
 14 measures taken pursuant to section 113(b)(3) of the
 15 Carl D. Perkins Vocational and Technical Education
 16 Act of 1998 (20 U.S.C 2323(b)(3)) and title II of
 17 this Act;”;

18 (4) by redesignating paragraphs (4) through
 19 (9) as paragraphs (5) through (10), respectively;

20 (5) by inserting after paragraph (3) the fol-
 21 lowing:

22 “(4) development and review of statewide poli-
 23 cies affecting the coordinated provision of services
 24 through the one-stop delivery systems described in
 25 section 121(e) within the State, including—

1 “(A) the development of objective proce-
2 dures and criteria for use by local boards in as-
3 sessing the effectiveness and continuous im-
4 provement of one-stop centers under section
5 121(g);

6 “(B) the development of guidance for the
7 allocation of one-stop center infrastructure
8 funds under section 121(h)(1)(B);

9 “(C) the development of—

10 “(i) statewide policies relating to the
11 appropriate roles and contributions of one-
12 stop partner programs within the one-stop
13 delivery system, including approaches to
14 facilitating equitable and efficient cost allo-
15 cation in the one-stop delivery system;

16 “(ii) statewide strategies for providing
17 effective outreach to individuals, including
18 hard-to-serve populations, and employers
19 who could benefit from services provided
20 through the one-stop delivery system; and

21 “(iii) strategies for technology im-
22 provements to facilitate access to services
23 provided through the one-stop delivery sys-
24 tem, in remote areas, and for individuals

1 with disabilities, which may be utilized
2 throughout the State;

3 ~~“(D) identification and dissemination of~~
4 ~~information on best practices for effective oper-~~
5 ~~ation of one-stop centers, including use of inno-~~
6 ~~vative business outreach, partnerships, and~~
7 ~~service delivery strategies, including for hard-to-~~
8 ~~serve populations; and~~

9 ~~“(E) such other matters as may promote~~
10 ~~statewide objectives for, and enhance the per-~~
11 ~~formance of, the one-stop delivery systems;”;~~

12 ~~(6) in paragraph (5) (as redesignated by para-~~
13 ~~graph (4)), by inserting “and the development of~~
14 ~~Statewide criteria to be used by chief elected officials~~
15 ~~for the appointment of local boards and for use in~~
16 ~~certification of local boards consistent with section~~
17 ~~117” after “section 116”;~~

18 ~~(7) in paragraph (6) (as redesignated by para-~~
19 ~~graph (4)), by striking “sections 128(b)(3)(B) and~~
20 ~~133(b)(3)(B)” and inserting “sections 128(b)(3) and~~
21 ~~133(b)(3)(B)”;~~

22 ~~(8) in paragraph (8) (as redesignated by para-~~
23 ~~graph (4)), by striking “and” after the semicolon;~~

24 ~~(9) in paragraph (10) (as redesignated by para-~~
25 ~~graph (4))—~~

1 (A) by striking “section 503” and insert-
2 ing “section 136(i)(1)”;

3 (B) by striking the period and inserting “;
4 and”;

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

6 “(11) increasing the availability of skills train-
7 ing; employment opportunities; and career advance-
8 ment for hard-to-serve populations.”

9 (c) ~~ALTERNATIVE ENTITY~~.—Section 111(e) (29
10 ~~U.S.C. 2811(e)~~) is amended—

11 (1) in paragraph (1), by striking “For” and in-
12 serting “Subject to paragraph (3), for”;

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

14 “(3) ~~FAILURE TO MEET PERFORMANCE MEAS-~~
15 ~~URES~~.—If a State fails to meet the State adjusted
16 levels of performance established pursuant to section
17 136, the Secretary may require the State to estab-
18 lish a State board in accordance with subsections
19 (a), (b), and (c) in lieu of the alternative entity es-
20 tablished under paragraph (1).”

21 (d) ~~SUNSHINE PROVISION~~.—Section 111(g) (29
22 ~~U.S.C. 2822(g)~~) is amended—

23 (1) by inserting “, and modifications to the
24 State plan,” before “prior”; and

1 (2) by inserting “, and modifications to the
2 State plan” after “the plan”.

3 (c) ~~AUTHORITY TO HIRE STAFF.~~—Section 111 (29
4 U.S.C. 2811)) is amended by adding at the end the fol-
5 lowing:

6 “(h) ~~AUTHORITY TO HIRE STAFF.~~—The State board
7 may hire staff to assist in carrying out the functions de-
8 scribed in subsection (d) using funds allocated under sec-
9 tion 127(b)(1)(C) and section 132(b).”.

10 **SEC. 113. STATE PLAN.**

11 (a) ~~PLANNING CYCLE.~~—Section 112(a) (29 U.S.C.
12 2822(a)) is amended—

13 (1) by striking “5-year strategy” and inserting
14 “4-year strategy”; and

15 (2) by adding at the end the following: “At the
16 end of the first 2-year period of the 4-year State
17 plan, the State board shall review and, as needed,
18 amend the 4-year State plan to reflect labor market
19 and economic conditions. In addition, the State shall
20 submit a modification to the State plan at the end
21 of the first 2-year period of the State plan, which
22 may include redesignation of local areas pursuant to
23 section 116(a) and the levels of performance under
24 sections 136 for the third and fourth years of the
25 plan.”.

1 (b) ~~CONTENTS.—Section 112(b) (29 U.S.C. 2822(b))~~
 2 is amended—

3 ~~(1) in paragraph (8)(A)—~~

4 (A) in clause (ix), by striking “and” after
 5 the semicolon; and

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

7 “(xi) programs authorized under title
 8 II of the Social Security Act (42 U.S.C.
 9 401 et seq.) (relating to Federal old-age,
 10 survivors, and disability insurance bene-
 11 fits), title XVI of such Act (42 U.S.C.
 12 1381 et seq.) (relating to supplemental se-
 13 curity income), title XIX of such Act (42
 14 U.S.C. 1396 et seq.) (relating to med-
 15 icaid); and title XX of such Act (relating
 16 to block grants to States for social serv-
 17 ices); programs authorized under title VII
 18 of the Rehabilitation Act of 1973 (29
 19 U.S.C. 796 et seq.); and programs carried
 20 out by State agencies relating to mental
 21 retardation and developmental disabilities;
 22 and”;

23 ~~(2) by striking paragraph (10) and inserting~~
 24 the following:

1 “(10) a description of how the State will use
 2 funds the State received under this subtitle to lever-
 3 age other Federal, State, local, and private re-
 4 sources, in order to maximize the effectiveness of
 5 such resources, expand resources for the provision of
 6 education and training services, and expand the par-
 7 ticipation of businesses, employees, and individuals
 8 in the Statewide workforce investment system, in-
 9 cluding a description of incentives and technical as-
 10 sistance the State will provide to local areas for such
 11 purposes;”;

12 (3) in paragraph (12)(A), by striking “sections
 13 128(b)(3)(B) and 133(b)(3)(B)” and inserting “sec-
 14 tions 128(b)(3) and 133(b)(3)(B)”;

15 (4) in paragraph (14), by striking “section
 16 134(c)” and inserting “section 121(c)”;

17 (5) in paragraph (17)—

18 (A) in subparagraph (A)—

19 (i) in clause (iii)—

20 (I) by inserting “local” before
 21 “customized training”; and

22 (II) by striking “and” at the end;

23 (ii) in clause (iv), by striking “home-
 24 makers),” and all that follows through
 25 “disabilities)” and inserting “hard-to-serve

populations and individuals training for
nontraditional employment”; and

(iii) by adding after clause (iv) the
following:

“(v) how the State will serve the em-
ployment and training needs of individuals
with disabilities, consistent with section
188 and Executive Order 13217 (42
U.S.C. 12131 note; relating to community-
based alternatives for individuals with dis-
abilities); including the provision of out-
reach, intake, the conduct of assessments,
service delivery, the development of per-
formance measures, and the training of
staff; and”; and

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

(6) in paragraph (18)(D)—

(A) by striking “youth opportunity grants”
and inserting “youth challenge grants author-
ized under section 169 and other federally fund-
ed youth programs”; and

(B) by striking the period and inserting a
semicolon; and

(7) by adding at the end the following:

1 “(19) a description of how the State will utilize
2 technology to facilitate access to services in remote
3 areas, which may be utilized throughout the State;

4 “(20) a description of the State strategy for co-
5 ordinating workforce investment activities and eco-
6 nomic development activities;

7 “(21) a description of the State strategy and
8 assistance needed for ensuring regional cooperation;

9 “(22) a description of how the State will use
10 funds the State receives under this subtitle to—

11 “(A) implement innovative programs and
12 strategies designed to meet the needs of all
13 businesses in the State, including small busi-
14 nesses, which may include incumbent worker
15 training programs, sectoral and industry cluster
16 strategies, regional skills alliances, career ladder
17 programs, utilization of effective business inter-
18 mediaries, and other business services and
19 strategies that better engage employers in
20 workforce activities and make the statewide
21 workforce investment system more relevant to
22 the needs of State and local businesses, con-
23 sistent with the purposes of this Act; and

24 “(B) provide incentives and technical as-
25 sistance to assist local areas in more fully en-

gaging large and small employers in local workforce development activities; to make the workforce investment system more relevant to the needs of area businesses; and to better coordinate workforce investment and economic development efforts to contribute to the economic well being of the local area, as determined appropriate by the local board;

“(23) a description of the State strategy for ensuring cooperation between transportation providers, including public transportation providers, and workforce investment activities;

“(24) a description of how the State will assist local areas in assuring physical and programmatic assessability for individuals with disabilities at one-stop centers;

“(25) a description of the process and methodology that will be used by the State board to—

“(A) review statewide policies and provide guidance on the coordinated provision of services through the one-stop delivery system described in section 121;

“(B) establish, in consultation with chief elected officials and local boards, procedures and objective criteria for use by local boards in

periodically assessing the effectiveness and continuous improvement of one-stop centers and one-stop delivery systems as described in section 121(g); and

“(C) determine one-stop partner program contributions for—

“(i) the costs of the infrastructure of one-stop centers under section 121(h)(2); and

“(ii) the formula for allocating the funds described in section 121(h)(2) to local areas; and

“(26) a description of the State strategy for ensuring that activities carried out under this title are placing men and women in jobs, education, or training that lead to comparable pay.”.

(e) MODIFICATIONS TO PLAN.—Section 112(d) (29 U.S.C. 2822(d)) is amended—

(1) by striking “5-year period” and inserting “4-year period”; and

(2) by adding at the end the following: “In addition, the State shall submit the modifications to the State plan required under subsection (a), and under circumstances prescribed by the Secretary

1 that are due to changes in Federal law that signifi-
 2 cantly affect elements of the State plan.”.

3 **SEC. 114. LOCAL WORKFORCE INVESTMENT AREAS.**

4 (a) DESIGNATION OF AREAS.—

5 (1) CONSIDERATIONS.—Section 116(a)(1)(B)
 6 (~~29 U.S.C. 2831(a)(1)(B)~~) is amended by adding at
 7 the end the following:

8 “(vi) The extent to which such local
 9 areas will promote maximum effectiveness
 10 in the administration and provision of serv-
 11 ices.”.

12 (2) AUTOMATIC DESIGNATION.—Section
 13 116(a)(2) (~~29 U.S.C. 2831(a)(2)~~) is amended to
 14 read as follows:

15 “(2) AUTOMATIC DESIGNATION.—

16 “(A) IN GENERAL.—The Governor shall
 17 approve a request for designation as a local
 18 area that is submitted prior to the submission
 19 of the State plan, or of a modification to the
 20 State plan relating to area designation, from
 21 any area that—

22 “(i) is a unit of general local govern-
 23 ment with a population of 500,000 or
 24 more, except that after the initial 2-year
 25 period following such designation pursuant

1 to this clause that occurs after the date of
2 enactment of the Workforce Investment
3 Act Amendments of 2003, the Governor
4 shall only be required to approve a request
5 for designation from such area if such
6 area—

7 “(I) performed successfully; and

8 “(II) sustained fiscal integrity;

9 “(ii) was a local area under this title
10 for the preceding 2-year period, if such
11 local area—

12 “(I) performed successfully; and

13 “(II) sustained fiscal integrity; or

14 “(iii) is served by a rural concentrated
15 employment program grant recipient, ex-
16 cept that after the 2-year period following
17 any such designation under the initial
18 State plan submitted after the date of en-
19 actment of the Workforce Investment Act
20 Amendments of 2003, the Governor shall
21 only be required to approve a request for
22 designation under this clause if such
23 area—

24 “(I) performed successfully; and

25 “(II) sustained fiscal integrity.

“(B) DEFINITIONS.—For purposes of this paragraph:

“(i) PERFORMED SUCCESSFULLY.—

The term ‘performed successfully’ means that the local area involved is not subject to sanctions under section 136(h)(2) due to the failure to meet the levels of performance established under section 136(e) for 2 consecutive years.

“(ii) SUSTAINED FISCAL INTEG-

RITY.—The term ‘sustained fiscal integrity’ means that the Secretary has not made a formal determination during the preceding 2-year period that either the grant recipient or the administrative entity of the area misexpended funds provided under this title due to willful disregard of the requirements of the Act involved, gross negligence, or failure to comply with accepted standards of administration.”.

~~(3)~~ CONFORMING AMENDMENTS.—Section

116(a) (29 U.S.C. 2831(a)) is amended—

(A) by striking paragraph ~~(3)~~;

(B) by redesignating paragraphs (4) and

~~(5)~~ as paragraph ~~(3)~~ and (4), respectively;

(C) in paragraph (3) (as redesignated by subparagraph (B))—

(i) by striking “(including temporary designation)”; and

(ii) by striking “(v)” and inserting “(vi)”; and

(D) in paragraph (4) (as redesignated by subparagraph (B))—

(i) by striking “under paragraph (2) or (3)” and inserting “under paragraph (2)”; and

(ii) by striking the second sentence.

(b) SINGLE LOCAL AREA STATES.—Section 116(b) (29 U.S.C. 2831(b)) is amended to read as follows:

“(b) SINGLE LOCAL AREA STATES.—

“(1) CONTINUATION OF PREVIOUS DESIGNATION.—Notwithstanding subsection (a)(2), the Governor of any State that was a single local area for purposes of this title as of July 1, 2002, may continue to designate the State as a single local area for purposes of this title if the Governor identifies the State as a local area in the State plan under section 112(b)(5).

“(2) REDESIGNATION.—The Governor may redesignate the State as a single local area if, prior to

the submission of the State plan or modification to such plan so designating the State, no local area meeting the requirements for automatic designation under subsection (a)(2) requests such designation as a separate local area.

~~“(3) EFFECT ON LOCAL PLAN.—~~In any case in which a State is designated as a local area pursuant to this subsection, the local plan prepared under section 118 for the area shall be submitted to the Secretary for approval as part of the State plan under section 112.”.

~~(c) REGIONAL PLANNING.—~~Section 116(e) (29 U.S.C. 2831(e)) is amended—

(1) by striking paragraph (1) and inserting the following:

~~“(1) PLANNING.—~~

~~“(A) IN GENERAL.—~~As part of the process for developing the State plan, a State may require regional planning by local boards for a designated region in the State. The State may require the local boards for a designated region to participate in a regional planning process that results in the establishment of regional performance measures for workforce investment activities authorized under this subtitle. The

1 State, after consultation with local boards and
 2 chief elected officials, may require the local
 3 boards for the designated region to prepare,
 4 submit, and obtain approval of a single regional
 5 plan that incorporates local plans for each of
 6 the local areas in the region, as required under
 7 section 118. The State may award regional in-
 8 centive grants to the designated regions that
 9 meet or exceed the regional performance meas-
 10 ures pursuant to section 134(a)(2)(C).

11 “(B) TECHNICAL ASSISTANCE.—If the
 12 State requires regional planning as provided in
 13 subparagraph (A), the State shall provide tech-
 14 nical assistance and labor market information
 15 to such local areas in the designated regions to
 16 assist with such regional planning and subse-
 17 quent service delivery efforts.”;

18 (2) in paragraph (2), by inserting “information
 19 about the skill requirements of existing and emerg-
 20 ing industries and industry clusters,” after “infor-
 21 mation about employment opportunities and
 22 trends,”; and

23 (3) in paragraph (3), by adding at the end the
 24 following: “Such services may be required to be co-

1 ordinated with regional economic development serv-
 2 ices and strategies.”.

3 **SEC. 115. LOCAL WORKFORCE INVESTMENT BOARDS.**

4 (a) COMPOSITION.—Section 117(b) (29 U.S.C.
 5 2832(b)) is amended—

6 (1) in paragraph (2)(A)—

7 (A) in clause (i), by striking subclause (H)
 8 and inserting the following:

9 “(H) collectively, represent busi-
 10 nesses with employment opportunities
 11 that reflect the employment opportu-
 12 nities of the local area, and include
 13 representatives of businesses that are
 14 in high-growth and emerging indus-
 15 tries, and representatives of all busi-
 16 nesses, including small businesses, in
 17 the local area; and”;

18 (B) by striking clause (ii) and inserting the
 19 following:

20 “(ii)(I) a superintendent representing
 21 the local school districts involved or an-
 22 other high-level official from such districts;

23 “(II) the president or highest ranking
 24 official of an institution of higher edu-
 25 cation serving the local area; and

1 “(III) an administrator of local enti-
 2 ties providing adult education and literacy
 3 activities in the local area;”;

4 (C) in clause (iv), by inserting “, hard-to-
 5 serve populations,” after “disabilities”; and

6 (D) by striking clause (vi) and inserting
 7 the following:

8 “(vi) if the local board does not estab-
 9 lish a youth council, representatives with
 10 experience serving out-of-school youth, par-
 11 ticularly out-of-school youth facing barriers
 12 to employment.”; and

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

14 “(6) SPECIAL RULE.—In the case that there
 15 are multiple school districts or institutions of higher
 16 education serving a local area, the representatives
 17 described in paragraph (2)(A)(ii) shall be appointed
 18 from among individuals nominated by regional or
 19 local educational agencies, institutions, or organiza-
 20 tions representing such agencies or institutions.”.

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

23 (1) in the heading, by inserting “AND REP-
 24 RESENTATION” after “AUTHORITY”; 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 (e) CONFORMING AMENDMENT.—Section
5 117(e)(1)(C) (29 U.S.C. 2832 (e)(1)(C)) is amended by
6 striking “section 116(a)(2)(B)” and inserting “section
7 116(a)(2)(A)(ii)”.

8 (d) FUNCTIONS.—Section 117(d) (29 U.S.C.
9 2832(d)) is amended—

10 (1) in paragraph (2)—

11 (A) in subparagraph (B)—

12 (i) by inserting “(except as provided
13 in section 123(b))” after “basis”; and

14 (ii) by inserting “where appropriate”
15 after “youth council”; and

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

17 “(E) CONSUMER CHOICE REQUIRE-
18 MENTS.—Consistent with section 134(d)(3) and
19 (d)(4), the local board shall work to ensure
20 there are sufficient providers of intensive serv-
21 ices and training services serving the local area
22 in a manner that maximizes consumer choice;
23 including providers with expertise in assisting
24 individuals with disabilities.”;

1 (2) in paragraph (4), by inserting “, and shall
2 ensure the appropriate use and management of the
3 funds provided under this subtitle for such pro-
4 grams, activities, and system” after “area”;

5 (3) in paragraph (8)—

6 (A) by inserting “all” before “private sec-
7 tor”;

8 (B) by inserting “, including small employ-
9 ers,” after “private sector employers”; and

10 (C) by striking the period and inserting “,
11 taking into account the unique needs of small
12 businesses.”; and

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

14 “~~(9) TECHNOLOGY IMPROVEMENTS.—The local~~
15 board shall develop strategies for technology im-
16 provements to facilitate access to services, in remote
17 areas, for services authorized under this subtitle and
18 carried out in the local area.”.

19 (e) ~~CONFORMING AMENDMENT.—Section 117(f)(2)~~
20 ~~(29 U.S.C. 2832(f)(2))~~ is amended by striking “described
21 in section 134(e)”.

22 (f) ~~AUTHORITY TO ESTABLISH COUNCILS AND~~
23 ~~ELIMINATION OF REQUIREMENT FOR YOUTH COUN-~~
24 ~~CILS.—Section 117(h) (29 U.S.C. 2832(h))~~ is amended to
25 read as follows:

1 “(h) COUNCILS.—The local board may establish or
 2 continue councils to provide information and advice to as-
 3 sist the local board in carrying out activities under this
 4 title. Such councils may include—

5 “(1) a council composed of one-stop partners to
 6 advise the local board on the operation of the one-
 7 stop delivery system involved;

8 “(2) a youth council composed of experts and
 9 stakeholders in youth programs to advise the local
 10 board on youth activities; and

11 “(3) such other councils as the local board de-
 12 termines are appropriate.”.

13 (g) ALTERNATIVE ENTITY PROVISION.—Section
 14 117(i)(1) (29 U.S.C. 2832(i)(1)) is amended—

15 (1) by striking subparagraph (B) and inserting
 16 the following:

17 “(B) was in existence on August 7, 1998,
 18 pursuant to State law; and”;

19 (2) by striking subparagraph (C); and

20 (3) by redesignating subparagraph (D) as sub-
 21 paragraph (C).

22 **SEC. 116. LOCAL PLAN.**

23 (a) PLANNING CYCLE.—Section 118(a) (29 U.S.C.
 24 2833(a)) is amended—

1 (1) by striking “5-year” and inserting “4-year”;
2 and

3 (2) by adding at the end the following: “At the
4 end of the first 2-year period of the 4-year plan, the
5 local board shall review and, as needed, amend the
6 4-year plan to reflect labor market and economic
7 conditions.”.

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

10 (1) in paragraph (2)—

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

13 (B) by striking subparagraph (B) and in-
14 serting the following:

15 “(B) a description of how the local board
16 will facilitate access to services provided
17 through the one-stop delivery system, in remote
18 areas, including facilitating access through the
19 use of technology; and”;

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

21 “(C) a description of how the local board
22 will ensure physical and programmatic
23 accessibility for individuals with disabilities at
24 one-stop centers;”.

1 (2) in paragraph (9), by striking “; and” and
2 inserting a semicolon;

3 ~~(3)~~ by redesignating paragraph ~~(10)~~ as para-
4 graph (14); and

5 (4) by inserting after paragraph (9) the fol-
6 lowing:

7 “(10) a description of how the local board will
8 coordinate workforce investment activities carried
9 out in the local area with economic development ac-
10 tivities carried out in the local area;

11 “(11) a description of the strategies and serv-
12 ices that will be initiated in the local area to more
13 fully engage all employers, including small employ-
14 ers, in workforce development activities; to make the
15 workforce investment system more relevant to the
16 needs of area businesses; and to better coordinate
17 workforce investment and economic development ef-
18 forts, which may include the implementation of inno-
19 vative initiatives such as incumbent worker training
20 programs; sectoral and industry cluster strategies;
21 regional skills alliances; career ladder programs; uti-
22 lization of effective business intermediaries; and
23 other business services and strategies designed to
24 meet the needs of area employers and contribute to
25 the economic well being of the local area, as deter-

1 mined appropriate by the local board, consistent
 2 with the purposes of this Act;

3 “(12) a description of how the local board will
 4 expand access to education and training services for
 5 eligible individuals who are in need of such services
 6 through—

7 “(A) the utilization of programs funded
 8 under this title; and

9 “(B) the increased leveraging of resources
 10 other than those provided under this title, in-
 11 cluding tax credits, private sector-provided
 12 training, and other Federal, State, local, and
 13 private funding sources that are brokered
 14 through the one-stop centers for training;

15 “(13) a description of how the local board will
 16 coordinate workforce investment activities carried
 17 out in the local area with the provision of transpor-
 18 tation, including public transportation, in the local
 19 area; and”.

20 **SEC. 117. ESTABLISHMENT OF ONE-STOP DELIVERY SYS-**
 21 **TEMS.**

22 (a) ONE-STOP PARTNERS.—

23 (1) REQUIRED PARTNERS.—Section 121(b)(1)

24 (~~29 U.S.C. 2841(b)(1)~~) is amended—

1 (A) by striking subparagraph (A) and in-
 2 serting the following:

3 “(A) ROLES AND RESPONSIBILITIES OF
 4 ONE-STOP PARTNERS.—Each entity that carries
 5 out a program or activities described in sub-
 6 paragraph (B) shall—

7 “(i) provide access through the one-
 8 stop delivery system to the programs and
 9 activities carried out by the entity, includ-
 10 ing making the core services described in
 11 section 134(d)(2) that are applicable to the
 12 program of the entity available at the com-
 13 prehensive one-stop centers (in addition to
 14 any other appropriate locations);

15 “(ii) use a portion of the funds avail-
 16 able to the program of the entity to main-
 17 tain the one-stop delivery system, including
 18 payment of the infrastructure costs of one-
 19 stop centers in accordance with subsection
 20 (h);

21 “(iii) enter into the local memo-
 22 randum of understanding with the local
 23 board relating to the operation of the one-
 24 stop system that meets the requirements of
 25 subsection (e);

1 “(iv) participate in the operation of
 2 the one-stop system consistent with the
 3 terms of the memorandum of under-
 4 standing; the requirements of this title;
 5 and the requirements of the Federal laws
 6 authorizing the programs carried out by
 7 the entity; and

8 “(v) provide representation on the
 9 State board to the extent provided under
 10 section 111.”;

11 (B) in subparagraph (B)—

12 (i) by striking clause (v);

13 (ii) by redesignating clauses (vi)
 14 through (xii) as clauses (v) through (xi),
 15 respectively;

16 (iii) in clause (x) (as redesignated by
 17 clause (ii)), by striking “and” at the end;

18 (iv) in clause (xi) (as redesignated by
 19 clause (ii)), by striking the period and in-
 20 serting “; and”; and

21 (v) by adding at the end the following:

22 “(xii) programs authorized under part
 23 A of title IV of the Social Security Act (42
 24 U.S.C. 601 et seq.); subject to subpara-
 25 graph (C).”; and

1 ~~(C)~~ by adding at the end the following:

2 ~~“(C) DETERMINATION BY THE GOV-~~
 3 ~~ERNOR.—~~

4 ~~“(i) IN GENERAL.—~~An entity that
 5 carries out programs referred to in sub-
 6 paragraph ~~(B)(xii)~~ shall be included in the
 7 one-stop partners for the local area, as a
 8 required partner, for purposes of this title
 9 unless the Governor of the State provides
 10 the notification described in clause ~~(ii)~~.

11 ~~“(ii) NOTIFICATION.—~~The notification
 12 referred to in clause ~~(i)~~ is a notification
 13 that—

14 ~~“(I) is made in writing of a de-~~
 15 ~~termination by the Governor not to in-~~
 16 ~~clude such entity in the one-stop part-~~
 17 ~~ners described in clause (i); and~~

18 ~~“(II) is provided to the Secretary~~
 19 ~~and the Secretary of Health and~~
 20 ~~Human Services.”.~~

21 ~~(2) ADDITIONAL PARTNERS.—~~

22 ~~(A) IN GENERAL.—~~Section ~~121(b)(2)(A)~~
 23 ~~(29 U.S.C. 2841(b)(2)(A))~~ is amended to read
 24 as follows:

1 “(A) ~~IN GENERAL.~~—With the approval of
 2 the local board and chief elected official, in ad-
 3 dition to the entities described in paragraph
 4 (1), other entities that carry out a human re-
 5 source program described in subparagraph (B)
 6 may be a one-stop partner and carry out the re-
 7 sponsibilities described in paragraph (1)(A).”.

8 (B) ~~ADDITIONAL PARTNERS.~~—Section
 9 ~~121(b)(2)(B)~~ (29 U.S.C. 2841(b)(2)(B)) is
 10 amended—

11 (i) by redesignating clauses (iv) and
 12 (v) as clauses (v) and (vi), respectively;
 13 and

14 (ii) by striking clauses (i) through (iii)
 15 and inserting the following:

16 “(i) employment and training pro-
 17 grams administered by the Social Security
 18 Administration, including the Ticket to
 19 Work and Self-Sufficiency program estab-
 20 lished under section 1148 of the Social Se-
 21 curity Act (42 U.S.C. 1320b-19);

22 “(ii) programs carried out in the local
 23 area for individuals with disabilities, in-
 24 cluding programs carried out by State
 25 agencies relating to mental retardation and

developmental disabilities, Statewide Independent Living Councils established under section 705 of the Rehabilitation Act of 1973 (29 U.S.C. 796d), and centers for independent living defined in section 702 of the Rehabilitation Act of 1973 (29 U.S.C. 796a);

“(iii) employment and training programs carried out by the Small Business Administration;

“(iv) programs authorized under section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4));”.

(b) LOCAL MEMORANDUM OF UNDERSTANDING.—

(1) CONTENTS OF MEMORANDUM.—Section 121(c)(2)(A) (29 U.S.C. 2841(c)(2)(A)) is amended to read as follows:

“(A) provisions describing—

“(i) the services to be provided through the one-stop delivery system consistent with the requirements of this section, including the manner in which the services will be coordinated through such system;

1 “(ii) how the costs of such services
2 and the operating costs of such system will
3 be funded to provide a stable and equitable
4 funding stream for ongoing one-stop sys-
5 tem operations; including the funding of
6 the infrastructure costs of one-stop centers
7 in accordance with subsection (h);

8 “(iii) methods of referral of individ-
9 uals between the one-stop operator and the
10 one-stop partners for appropriate services
11 and activities;

12 “(iv) methods to ensure the needs of
13 hard-to-serve populations are addressed in
14 accessing services through the one-stop
15 system; and

16 “(v) the duration of the memorandum
17 of understanding and the procedures for
18 amending the memorandum during the
19 term of the memorandum; and assurances
20 that such memorandum shall be reviewed
21 not less than once every 2-year period to
22 ensure appropriate funding and delivery of
23 services; and”.

1 (e) CONFORMING AMENDMENT.—Section 121(d)(2)
 2 (29 U.S.C. 2841(d)(2)) is amended by striking “section
 3 134(e)” and inserting “section 121(e)”.

4 (d) PROVISION OF SERVICES.—

5 (1) ELIMINATION OF PROVISIONS CONCERNING
 6 ESTABLISHED SYSTEMS.—Section 121 (29 U.S.C.
 7 2841) is amended by striking subsection (e).

8 (2) REDESIGNATION.—Subtitle B of title I is
 9 amended—

10 (A) in section 134 (29 U.S.C. 2864), by
 11 redesignating subsection (e) as subsection (e);
 12 and

13 (B) by transferring that subsection (e) so
 14 that the subsection appears after subsection (d)
 15 of section 121.

16 (3) ONE-STOP DELIVERY SYSTEMS.—Paragraph
 17 (1) of section 121(e) (29 U.S.C. 2841(e)) (as reded-
 18 ignated by paragraph (2)) is amended—

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

22 (B) in subparagraph (B)—

23 (i) by striking “subsection (d)” and
 24 inserting “section 134(d)”;

1 (ii) by striking “individual training
2 accounts” and inserting “career scholar-
3 ship accounts”; and

4 (iii) by striking “subsection
5 (d)(4)(G)” and inserting “section
6 134(d)(4)(G”;

7 (C) in subparagraph (C), by striking “sub-
8 section (e)” and inserting “section 134(e”;

9 (D) in subparagraph (D), by striking “sec-
10 tion 121(b)” and inserting “subsection (b”;
11 and

12 (E) in subparagraph (E), by striking “in-
13 formation described in section 15” and insert-
14 ing “data, information, and analysis described
15 in section 15(a”.

16 (e) CONTINUOUS IMPROVEMENT OF ONE-STOP CEN-
17 TERS.—Section 121 (29 U.S.C. 2841) is amended by add-
18 ing at the end the following:

19 “(g) CONTINUOUS IMPROVEMENT OF ONE-STOP
20 CENTERS.—

21 “(1) IN GENERAL.—The State board, in con-
22 sultation with chief local elected officials and local
23 boards, shall establish procedures and objective cri-
24 teria for use by local boards in periodically assessing
25 the effectiveness, physical and programmatic accessi-

1 bility, and continuous improvement of one-stop cen-
 2 ters and one-stop delivery systems.

3 “(2) CRITERIA.—The procedures and criteria
 4 developed under this subsection shall include min-
 5 imum standards relating to the scope and degree of
 6 service coordination achieved by the one-stop deliv-
 7 ery system with respect to the programs adminis-
 8 tered by the one-stop partners at the one-stop cen-
 9 ters, consistent with the guidance provided by the
 10 Governor and by the State board, in consultation
 11 with the chief elected official and local boards, for
 12 such partners’ participation under subsections
 13 (h)(1)(B) and subsection (i), respectively, and such
 14 other factors relating to the quality, accessibility,
 15 and effectiveness of the one-stop delivery system as
 16 the State board determines appropriate.

17 “(3) LOCAL BOARDS.—Consistent with the cri-
 18 teria developed by the State, the local board may de-
 19 velop additional criteria of higher standards to re-
 20 spond to local labor market and demographic condi-
 21 tions and trends.

22 “(h) FUNDING OF ONE-STOP INFRASTRUCTURE AND
 23 OTHER COSTS.—

24 “(1) IN GENERAL.—

1 “(A) OPTIONS FOR INFRASTRUCTURE
2 FUNDING.—

3 “(i) LOCAL OPTIONS.—The local
4 board, chief elected officials, and one-stop
5 partners in a local area may choose to
6 fund the costs of the infrastructure of one-
7 stop centers through—

8 “(I) alternative methods de-
9 scribed in the local memorandum of
10 understanding, if one-stop partners,
11 the local board, and chief elected offi-
12 cial agree to such alternative methods;
13 or

14 “(II) the State infrastructure
15 funding mechanism described in para-
16 graph (2).

17 “(ii) FAILURE TO REACH AGREEMENT
18 ON FUNDING METHODS.—If, as of July 1,
19 2004, the local board, chief elected official,
20 and one-stop partners in a local area fail
21 to reach agreement on methods of funding
22 the infrastructure costs of one-stop cen-
23 ters, the State infrastructure funding
24 mechanism described in paragraph (2)
25 shall be applicable to such local area.”.

1 ~~“(B) GUIDANCE FOR INFRASTRUCTURE~~
 2 ~~FUNDING.—~~In addition to carrying out the re-
 3 quirements relating to the State mechanism for
 4 one-stop center infrastructure funding described
 5 in paragraph (2), the Governor, after consulta-
 6 tion with chief local elected official, local
 7 boards, and the State board, and consistent
 8 with the guidelines provided by the State board
 9 under subsection (i), shall provide—

10 ~~“(i) guidelines for State administered~~
 11 one-stop partner programs in determining
 12 such program’s contributions to and par-
 13 ticipation in the one-stop delivery system;
 14 including funding for the costs of infra-
 15 structure as described in paragraph (4),
 16 negotiated pursuant to the local memo-
 17 randum of understanding under subsection
 18 (b); and

19 ~~“(ii) guidance to assist local areas in~~
 20 identifying equitable and stable alternative
 21 methods of funding of the costs of the in-
 22 frastructure of one-stop centers in local
 23 areas.

24 ~~“(2) STATE ONE-STOP INFRASTRUCTURE FUND-~~
 25 ~~ING.—~~

1 “(A) PARTNER CONTRIBUTIONS.—

2 “(i) IN GENERAL.—Notwithstanding
3 any other provision of law, but subject to
4 clause (iii), a portion determined under
5 clause (ii) of the Federal funds provided to
6 the State and areas within the State under
7 the Federal laws authorizing the programs
8 described in subsection (b) and adminis-
9 tered by one-stop partners for a fiscal year
10 shall be provided to the Governor from
11 such programs to assist in paying the costs
12 of infrastructure of one-stop centers in
13 those local areas of the State not funded
14 under the option described in paragraph
15 (1)(B)(i)(I).

16 “(ii) DETERMINATION OF GOV-
17 ERNOR.—

18 “(I) IN GENERAL.—Subject to
19 subclause (II) and clause (iii), the
20 Governor, after consultation with chief
21 local elected officials, local boards,
22 and the State board, shall determine
23 the portion of funds to be provided
24 under clause (i) by each one-stop
25 partner from each program described

1 in clause (i). In making such deter-
2 mination, the Governor shall consider
3 the proportionate use of the one-stop
4 centers pursuant to clause (i)(II) or
5 (ii) of paragraph (1)(A) by each part-
6 ner, the costs of administration for
7 purposes not related to one-stop cen-
8 ters for each partner, and other rel-
9 evant factors described in paragraph
10 (3). The Governor shall exclude from
11 such determination the portion of
12 funds and use of one-stop centers at-
13 tributable to the programs of one-stop
14 partners for those local areas of the
15 State where the infrastructure of one-
16 stop centers is funded under the op-
17 tion described in paragraph
18 (1)(B)(i)(I).

19 “(H) SPECIAL RULE.—In a State
20 in which the State constitution places
21 policymaking authority that is inde-
22 pendent of the authority of the Gov-
23 ernor in an entity or official with re-
24 spect to the funds provided for adult
25 education and literacy activities au-

1 thorized under title II and for postsec-
2 ondary vocational and technical edu-
3 cation activities authorized under the
4 Carl D. Perkins Vocational and Tech-
5 nical Education Act of 1998 (20
6 U.S.C. 2301 et seq.); or vocational re-
7 habilitation services offered under the
8 Rehabilitation Act of 1973 (29 U.S.C.
9 701 et seq.); the determination de-
10 scribed in subclause (I) with respect
11 to the programs authorized under that
12 title and that Act shall be made by
13 the Governor and the appropriate en-
14 tity or official with such independent
15 policymaking authority.

16 “(III) APPEAL BY ONE-STOP
17 PARTNERS.—The Governor shall es-
18 tablish a procedure for the one-stop
19 partner administering a program de-
20 scribed in subsection (b) to appeal a
21 determination regarding the portion of
22 funds to be contributed under this
23 paragraph on the basis that such de-
24 termination is inconsistent with the
25 criteria described in the State plan or

1 with the requirements of this para-
 2 graph. Such procedure shall ensure
 3 prompt resolution of the appeal.

4 “(iii) LIMITATIONS.—

5 “(I) PROVISION FROM ADMINIS-
 6 TRATIVE FUNDS.—The funds provided
 7 under this paragraph by each one-stop
 8 partner shall be provided only from
 9 funds available for the costs of admin-
 10 istration under the program adminis-
 11 tered by such partner, and shall be
 12 subject to the program limitations
 13 with respect to the portion of funds
 14 under such program that may be used
 15 for administration.

16 “(II) CAP ON REQUIRED CON-
 17 TRIBUTIONS.—

18 “(aa) WIA FORMULA PRO-
 19 GRAMS AND EMPLOYMENT SERV-
 20 ICE.—The portion of funds re-
 21 quired to be contributed under
 22 this paragraph by the programs
 23 authorized under chapters 4 and
 24 5 of this title and under the
 25 Wagner-Peyser Act shall not be

1 in excess of 3 percent of the
2 amount of Federal funds pro-
3 vided to carry out each such pro-
4 gram in the State for a fiscal
5 year.

6 “(bb) OTHER ONE-STOP
7 PARTNERS.—The portion of
8 funds required to be contributed
9 under paragraph (1)(B)(ii) by a
10 one-stop partner from a program
11 described in subsection (b)(1)
12 other than the programs de-
13 scribed under item (aa) shall not
14 be in excess of 1 and 1/2 percent
15 of the amount of Federal funds
16 provided to carry out such pro-
17 gram in the State for a fiscal
18 year.

19 “(cc) SPECIAL RULE.—Not-
20 withstanding items (aa) and (bb),
21 an agreement, including local
22 memorandums of understanding,
23 entered into prior to the date of
24 enactment of the Workforce In-
25 vestment Act Amendments of

2003 by an entity regarding contributions under this title that permits the percentages described in such items to be exceeded; may continue to be in effect until terminated by the parties.

“(dd) VOCATIONAL REHABILITATION.—Notwithstanding items (aa) and (bb), an entity administering a program under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.) shall not be required to provide, for the purposes of this paragraph, an amount in excess of—

“(AA) 0.75 percent of the amount provided for such program in the State for the second program year that begins after the date of enactment of the Workforce Investment Act Amendments of 2003;

“(BB) 1.0 percent of the amount provided for such program in the State for the third

1 program year that begins after
2 such date;

3 “(CC) 1.25 percent of the
4 amount provided for such pro-
5 gram in the State for the fourth
6 program year that begins after
7 such date; and

8 “(DD) 1.5 percent of the
9 amount provided for such pro-
10 gram in the State for the fifth
11 and each succeeding program
12 year that begins after such date.

13 “(HH) FEDERAL DIRECT SPEND-
14 ING PROGRAMS.—An entity admin-
15 istering a program funded with direct
16 spending as defined in section
17 250(c)(8) of the Balanced Budget and
18 Emergency Deficit Control Act of
19 1985 (2 U.S.C. 900(c)(8)) shall not
20 be required to provide, for purposes of
21 this paragraph, an amount in excess
22 of the amount determined to be equiv-
23 alent to the cost of the proportionate
24 use of the one-stop centers for such
25 program in the State.

1 “(IV) NATIVE AMERICAN PRO-
2 GRAMS.—Native American programs
3 established under section 166 shall
4 not be subject to the provisions of this
5 subsection or subsection (i). The
6 method for determining the appro-
7 priate portion of funds to be provided
8 by such Native American programs to
9 pay for the costs of infrastructure of
10 a one-stop center certified under sub-
11 section (g) shall be determined as part
12 of the development of the memo-
13 randum of understanding under sub-
14 section (e) for the one-stop center and
15 shall be stated in the memorandum.

16 “(B) ALLOCATION BY GOVERNOR.—From
17 the funds provided under subparagraph (A), the
18 Governor shall allocate the funds to local areas
19 in accordance with the formula established
20 under subparagraph (C) for the purposes of as-
21 sisting in paying the costs of infrastructure of
22 one-stop centers.

23 “(C) ALLOCATION FORMULA.—The State
24 board shall develop a formula to be used by the
25 Governor to allocate the funds provided under

subparagraph (A) to local areas not funding infrastructure costs under the option described in paragraph (1)(B)(i)(II). The formula shall be based on factors including the number of one-stop centers in a local area, the population served by such centers, the services provided by such centers, and other factors relating to the performance of such centers that the State board determines are appropriate.

“(D) COSTS OF INFRASTRUCTURE.—In this subsection, the term ‘costs of infrastructure’, used with respect to a one-stop center, means the nonpersonnel costs that are necessary for the general operation of the one-stop center, including the rental costs of the facilities, the costs of utilities and maintenance, equipment (including adaptive technology for individuals with disabilities), and technology to facilitate remote access to the one-stop center’s strategic planning activities, and common outreach activities.

“(i) OTHER FUNDS.—

“(1) IN GENERAL.—In addition to the funds provided to carry out subsection (h), a portion of funds made available under Federal law authorizing

1 the programs described in subsection (b) and admin-
 2 istered by one-stop partners; or the noncash re-
 3 sources available under such programs; shall be used
 4 to pay the additional costs relating to the operation
 5 of the one-stop delivery system involved that are not
 6 paid from the funds provided under subsection (h);
 7 as determined in accordance with paragraph (2); to
 8 the extent not inconsistent with the Federal law in-
 9 volved. Such costs shall include the costs of the pro-
 10 vision of core services described in section 134(d)(2)
 11 applicable to each program and may include—

12 “(A) costs of infrastructure, as defined in
 13 subsection (h), that are in excess of the amount
 14 of funds provided under subsection (h); and

15 “(B) common costs that are in addition to
 16 the costs of infrastructure that are not paid
 17 from the funds provided under subsection (h).

18 “(2) DETERMINATION AND GUIDANCE.—The
 19 method for determining the appropriate portion of
 20 funds and noncash resources to be provided by each
 21 program under paragraph (1) for a one-stop center
 22 shall be determined as part of the development of
 23 the memorandum of understanding under subsection
 24 (c) for the one-stop center and shall be stated in the
 25 memorandum. The State board shall provide guid-

1 ance to facilitate the determination of an appro-
 2 priate allocation of the funds and noncash resources
 3 in local areas.”.

4 **SEC. 118. ELIGIBLE PROVIDERS OF TRAINING SERVICES.**

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

7 **“SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF**
 8 **TRAINING SERVICES.**

9 “(a) IN GENERAL.—The Governor, after consultation
 10 with the State board, shall establish criteria and proce-
 11 dures regarding the eligibility of providers of training serv-
 12 ices described in section 134(d)(4) (referred to in this sec-
 13 tion as ‘training services’) to receive funds provided under
 14 section 133(b) for the provision of training services.

15 “(b) CRITERIA.—

16 “(1) IN GENERAL.—The criteria established by
 17 the Governor pursuant to subsection (a) shall take
 18 into account—

19 “(A) the performance of providers of train-
 20 ing services with respect to the performance
 21 measures described in section 136 or other ap-
 22 propriate measures of performance outcomes
 23 for those individuals receiving training services
 24 under this subtitle (taking into consideration

1 the characteristics of the population served and
2 relevant economic conditions);

3 “(B) the need to ensure access to training
4 services throughout the State, including any
5 rural areas;

6 “(C) the information such providers are re-
7 quired to report to State agencies with respect
8 to Federal and State programs (other than the
9 program carried out under this subtitle), includ-
10 ing partner programs;

11 “(D) the requirements for State licensing
12 of providers of training services, and the licens-
13 ing status of each provider of training services
14 if applicable;

15 “(E) to the extent practicable, encouraging
16 the use of industry recognized standards and
17 certification;

18 “(F) the ability to provide training services
19 to hard-to-serve populations, including individ-
20 uals with disabilities; and

21 “(G) such other factors as the Governor
22 determines are appropriate to ensure—

23 “(i) the quality of services provided;

24 “(ii) the accountability of the pro-
25 viders;

1 “(iii) that the one-stop centers in the
2 State will ensure that such providers meet
3 the needs of local employers and partici-
4 pants;

5 “(iv) the informed choice of partici-
6 pants under chapter 5; and

7 “(v) that the collection of information
8 required is not unduly burdensome or cost-
9 ly to providers.

10 “(2) INFORMATION AND RENEWAL.—The cri-
11 teria established by the Governor shall require that
12 a provider of training services submit appropriate,
13 accurate, and timely information to the State for
14 purposes of carrying out subsection (d). The criteria
15 shall also provide for annual review and renewal of
16 eligibility under this section for providers of training
17 services.

18 “(3) LOCAL CRITERIA.—A local board in the
19 State may establish criteria in addition to the cri-
20 teria established by the Governor, or may require
21 higher levels of performance than required under the
22 criteria established by the Governor, for purposes of
23 determining the eligibility of providers of training
24 services to receive funds described in subsection (a)
25 to provide the services in the local areas involved.

1 “(c) PROCEDURES.—The procedures established
 2 under subsection (a) shall identify the application process
 3 for a provider of training services to become eligible to
 4 receive funds provided under section 133(b) for the provi-
 5 sion of training services, and identify the respective roles
 6 of the State and local areas in receiving and reviewing the
 7 applications and in making determinations of such eligi-
 8 bility based on the criteria established under this section.
 9 The procedures shall also establish a process for a pro-
 10 vider of training services to appeal a denial or termination
 11 of eligibility under this section, that includes an oppor-
 12 tunity for a hearing and prescribes appropriate time limits
 13 to ensure prompt resolution of the appeal.

14 “(d) INFORMATION TO ASSIST PARTICIPANTS IN
 15 CHOOSING PROVIDERS.—

16 “(1) IN GENERAL.—In order to facilitate and
 17 assist participants in choosing employment and
 18 training activities under chapter 5 and in choosing
 19 providers of training services, the Governor shall en-
 20 sure that an appropriate list of providers determined
 21 to be eligible under this section in the State, accom-
 22 panied by appropriate information provided by pro-
 23 viders of training in the State in accordance with
 24 subsection (b) and such other information as the
 25 Governor determines is appropriate, including infor-

1 mation on program costs for participants in applica-
 2 ble programs, is provided to the one-stop delivery
 3 system in the State. The list and the information
 4 shall be made available to such participants and to
 5 members of the public through the one-stop delivery
 6 system in the State.

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

14 “(e) ENFORCEMENT.—

15 “(1) IN GENERAL.—The criteria and proce-
 16 dures established under this section shall provide the
 17 following:

18 “(A) INTENTIONALLY SUPPLYING INAC-
 19 CURATE INFORMATION.—Upon a determination
 20 that a provider of training services, or indi-
 21 vidual providing information on behalf of the
 22 provider, intentionally supplied inaccurate infor-
 23 mation under this section, the eligibility of such
 24 provider to receive funds under chapter 5 shall

1 be terminated for a period of time that is not
 2 less than 2 years.

3 “(B) SUBSTANTIAL VIOLATIONS.—Upon a
 4 determination that a provider of training serv-
 5 ices substantially violated any requirement
 6 under this title; the eligibility of such provider
 7 to receive funds under the program involved
 8 may be terminated; or other appropriate action
 9 may be taken.

10 “(C) REPAYMENT.—A provider of training
 11 services whose eligibility is terminated under
 12 subparagraph (A) or (B) shall be liable for the
 13 repayment of funds received under chapter 5
 14 during a period of noncompliance described in
 15 such paragraph.

16 “(2) CONSTRUCTION.—Paragraph (1) shall be
 17 construed to provide remedies and penalties that
 18 supplement, but do not supplant, other civil and
 19 criminal remedies and penalties.”

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

24 “(g) OPPORTUNITY TO SUBMIT COMMENTS.—In es-
 25 tablishing criteria, procedures, and information required

1 under this section, the Governor shall provide an oppor-
 2 tunity for interested members of the public to make rec-
 3 ommendations and submit comments regarding such cri-
 4 teria, procedures, and information.

5 “(h) ~~TRANSITION PERIOD FOR IMPLEMENTATION.—~~

6 The requirements of this section shall be implemented not
 7 later than December 31, 2004. In order to facilitate early
 8 implementation of this section, the Governor may establish
 9 transition procedures under which providers eligible to
 10 provide training services under chapter 5 of this title as
 11 such chapter was in effect on the day before the date of
 12 enactment of the Workforce Investment Act Amendments
 13 of 2003 may continue to be eligible to provide such serv-
 14 ices until December 31, 2004, or until such earlier date
 15 as the Governor determines appropriate.

16 “(i) ~~ON-THE-JOB TRAINING OR CUSTOMIZED TRAIN-~~
 17 ~~ING EXCEPTION.—~~

18 “(1) ~~IN GENERAL.—~~Providers of on-the-job
 19 training or customized training shall not be subject
 20 to the requirements of subsections (a) through (h).

21 “(2) ~~COLLECTION AND DISSEMINATION OF IN-~~
 22 ~~FORMATION.—~~A one-stop operator in a local area
 23 shall collect such performance information from on-
 24 the-job training and customized training providers
 25 as the Governor may require, determine whether the

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

9 **SEC. 119. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.**

10 Section 123 (29 U.S.C. 2843) is amended to read as
 11 follows:

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

13 “(a) IN GENERAL.—From the funds allocated under
 14 section 128(b) to a local area, the local board for such
 15 area shall award grants or contracts on a competitive basis
 16 to providers of youth activities identified based on the cri-
 17 teria in the State plan described in section 112 and shall
 18 conduct oversight with respect to such providers.

19 “(b) EXCEPTIONS.—A local board may award grants
 20 or contracts on a sole-source basis if such board deter-
 21 mines there is an insufficient number of eligible providers
 22 of youth activities in the local area involved (such as a
 23 rural area) for grants and contracts to be awarded on a
 24 competitive basis under subsection (a).”.

1 **SEC. 120. YOUTH ACTIVITIES.**

2 (a) STATE ALLOTMENTS.—Section 127 (29 U.S.C.
3 2852) is amended—

4 (1) in subsection (a)(1), by striking “oppor-
5 tunity” and inserting “challenge”; and

6 (2) by striking subsection (b) and inserting the
7 following:

8 “(b) ALLOTMENT AMONG STATES.—

9 “(1) YOUTH ACTIVITIES.—

10 “(A) YOUTH CHALLENGE GRANTS.—

11 “(i) IN GENERAL.—For each fiscal
12 year in which the amount appropriated
13 under section 137(a) exceeds
14 \$1,000,000,000, the Secretary shall re-
15 serve a portion of the amount to provide
16 youth challenge grants and other activities
17 under section 169 (relating to youth chal-
18 lenge grants) and provide youth activities
19 under section 167 (relating to migrant and
20 seasonal farmworker programs).

21 “(ii) PORTION.—The portion referred
22 to in clause (i) shall equal, for a fiscal
23 year—

24 “(I) except as provided in sub-
25 clause (II), the difference obtained by
26 subtracting \$1,000,000,000 from the

amount appropriated under section
137(a) for the fiscal year; or

“(H) for any fiscal year in which
the amount is \$1,250,000,000 or
greater, \$250,000,000.

“(iii) YOUTH ACTIVITIES FOR FARM-
WORKERS.—The Secretary shall reserve
the greater of \$10,000,000 or 4 percent of
the portion described in clause (i) for a fis-
cal year to provide youth activities under
section 167.

“(iv) NATIVE AMERICANS.—From the
remainder of the amount appropriated
under section 137(a) for each fiscal year
the Secretary shall reserve not more than
1½ percent of such amount to provide
youth activities under section 166 (relating
to native Americans).

“(B) OUTLYING AREAS.—

“(i) IN GENERAL.—From the amount
made available under subsection (a)(2) for
each fiscal year the Secretary shall reserve
not more than ¼ of 1 percent of the
amount appropriated under section 137(a)
for the fiscal year to provide assistance to

1 the outlying areas to carry out youth ac-
2 tivities and statewide workforce investment
3 activities.

4 “(ii) LIMITATION FOR FREELY ASSO-
5 CIATED STATES.—

6 “(I) COMPETITIVE GRANTS.—

7 The Secretary shall use funds de-
8 scribed in clause (i)(II) to award
9 grants to Guam, American Samoa,
10 the Commonwealth of the Northern
11 Mariana Islands, and the Freely Asso-
12 ciated States to carry out youth ac-
13 tivities and statewide workforce in-
14 vestment activities.

15 “(II) AWARD BASIS.—The Sec-
16 retary shall award grants pursuant to
17 subclause (I) on a competitive basis
18 and pursuant to the recommendations
19 of experts in the field of employment
20 and training, working through the Pa-
21 cific Region Educational Laboratory
22 in Honolulu, Hawaii.

23 “(III) ASSISTANCE REQUIRE-
24 MENTS.—Any Freely Associated State
25 that desires to receive assistance

1 under this subparagraph shall submit
2 an application to the Secretary and
3 shall include in the application for as-
4 sistance—

5 “(aa) information dem-
6 onstrating that the Freely Asso-
7 ciated State will meet all condi-
8 tions that apply to States under
9 this title;

10 “(bb) an assurance that,
11 notwithstanding any other provi-
12 sion of this title, the Freely Asso-
13 ciated State will use such assist-
14 ance only for the direct provision
15 of services; and

16 “(cc) such other information
17 and assurances as the Secretary
18 may require.

19 “(IV) ADMINISTRATIVE COSTS.—

20 The Secretary may provide not more
21 than 5 percent of the funds made
22 available for grants under subclause
23 (I) to pay the administrative costs of
24 the Pacific Region Educational Lab-
25 oratory in Honolulu, Hawaii, regard-

ing activities assisted under this
clause.

“(iii) ~~ADDITIONAL REQUIREMENT.~~—

The provisions of Public Law 95–134, per-
mitting the consolidation of grants by the
outlying areas, shall not apply to assist-
ance provided to those areas, including the
Freely Associated States, under this sub-
paragraph.

“(C) ~~STATES.~~—

“(i) ~~IN GENERAL.~~—From the remain-
der of the amount appropriated under sec-
tion 137(a) for a fiscal year that exists
after the Secretary determines the
amounts to be reserved under subpara-
graphs (A) and (B), the Secretary shall
allot to the States—

“(I) an amount of the remainder
that is less than or equal to the total
amount that was allotted to States for
fiscal year 2003 under section
127(b)(1)(C) of this Act (as in effect
on the day before the date of enact-
ment of the Workforce Investment Act
Amendments of 2003), in accordance

1 with the requirements of such section
 2 127(b)(1)(C); and

3 “(H) the amount of the remain-
 4 der, if any, in excess of the amount
 5 referred to in subclause (I), in accord-
 6 ance with clause (ii).

7 “(ii) FORMULA.—Subject to clauses
 8 (iii) and (iv), of the amount described in
 9 clause (i)(H)—

10 “(I) $33\frac{1}{3}$ percent shall be allot-
 11 ted on the basis of the relative num-
 12 ber of individuals in the civilian labor
 13 force who are ages 16 through 21 in
 14 each State, compared to the total
 15 number of individuals in the civilian
 16 labor force who are ages 16 through
 17 21 in all States;

18 “(H) $33\frac{1}{3}$ percent shall be allot-
 19 ted on the basis of the relative num-
 20 ber of unemployed individuals in each
 21 State, compared to the total number
 22 of unemployed individuals in all
 23 States; and

24 “(III) $33\frac{1}{3}$ percent shall be allot-
 25 ted on the basis of the relative num-

ber of disadvantaged youth who are
ages 16 through 21 in each State,
compared to the total number of dis-
advantaged youth who are ages 16
through 21 in all States.

“(iii) MINIMUM AND MAXIMUM PER-
CENTAGES.—

“(I) MINIMUM PERCENTAGE.—

The Secretary shall ensure that no
State shall receive an allotment per-
centage under this subparagraph for a
fiscal year that is less than 90 percent
of the allotment percentage of the
State for the preceding fiscal year.

“(II) MAXIMUM PERCENTAGE.—

Subject to subclause (I), the Secretary
shall ensure that no State shall re-
ceive an allotment percentage under
this subparagraph for a fiscal year
that is more than 130 percent of the
allotment percentage of the State for
the preceding fiscal year.

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

ceive an allotment under this subparagraph
that is less than the total of—

“(I) $\frac{3}{10}$ of 1 percent of
\$1,000,000,000 of the remainder de-
scribed in clause (i) for the fiscal
year; and

“(H) if the remainder described
in clause (i) for the fiscal year exceeds
\$1,000,000,000, $\frac{2}{5}$ of 1 percent of
the excess.

“(2) DEFINITIONS.—For the purposes of para-
graph (1):

“(A) ALLOTMENT PERCENTAGE.—The
term ‘allotment percentage’, used with respect
to fiscal year 2004 or a subsequent fiscal year,
means a percentage of the remainder described
in paragraph (1)(C)(i) that is received by the
State involved through an allotment made
under this subsection for the fiscal year. The
term, used with respect to fiscal year 2003,
means the percentage of the amounts allotted
to States under this chapter (as in effect on the
day before the date of enactment of the Work-
force Investment Act Amendments of 2003)

1 that is received by the State involved for fiscal
 2 year 2003.

3 “(B) DISADVANTAGED YOUTH.—Subject to
 4 paragraph (3), the term ‘disadvantaged youth’
 5 means an individual who is age 16 through 21
 6 who received an income, or is a member of a
 7 family that received a total family income, that,
 8 in relation to family size, does not exceed the
 9 poverty line.

10 “(C) FREELY ASSOCIATED STATES.—The
 11 term ‘Freely Associated States’ means the Re-
 12 public of the Marshall Islands, the Federated
 13 States of Micronesia, and the Republic of
 14 Palau.

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

21 (b) REALLOTMENT.—

22 (1) AMENDMENT.—Section 127(c) (29 U.S.C.
 23 2852(e)) is amended—

24 (A) by striking paragraph (2) and insert-
 25 ing the following:

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

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

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

20 (B) in paragraph (3)—

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

24 (ii) by striking “such prior program
 25 year” and inserting “such program year”;

1 (C) by striking paragraph (4) and insert-
2 ing the following:

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

8 (D) in paragraph (5), by striking “obliga-
9 tion” and inserting “expenditure”.

10 (2) EFFECTIVE DATE.—The amendments made
11 by paragraph (1)(C) shall take effect for the later
12 of—

13 (A) the program year that begins after the
14 date of enactment of this Act; or

15 (B) program year 2004.

16 (c) WITHIN STATE ALLOCATIONS.—

17 (1) RESERVATION FOR STATEWIDE ACTIVI-
18 TIES.—Section 128(a) (29 U.S.C. 2853(a)) is
19 amended to read as follows:

20 “(a) RESERVATIONS FOR STATEWIDE ACTIVITIES.—

21 “(1) IN GENERAL.—The Governor of a State
22 shall reserve not more than 15 percent of each of
23 the amounts allotted to the State under section
24 127(b)(1)(C) and paragraphs (1)(B) and (2)(B) of

1 section 132(b) for a fiscal year for statewide work-
 2 force investment activities.

3 ~~“(2) USE OF FUNDS.—~~Regardless of whether
 4 the reserved amounts were allotted under section
 5 127(b)(1)(C), or under paragraph (1)(B) or (2)(B)
 6 of section 132(b), the Governor may use the re-
 7 served amounts to carry out statewide youth activi-
 8 ties under section 129(b) or statewide employment
 9 and training activities, for adults or dislocated work-
 10 ers, under section 134(a).”.

11 ~~(2) WITHIN STATE ALLOCATION.—~~Section
 12 128(b) ~~(29 U.S.C. 2853(b))~~ is amended to read as
 13 follows:

14 ~~“(b) WITHIN STATE ALLOCATIONS.—~~

15 ~~“(1) IN GENERAL.—~~Of the amount allotted to
 16 the State under section 127(b)(1)(C) and not re-
 17 served under subsection (a)(1)—

18 ~~“(A) a portion equal to not less than 80~~
 19 percent of such amount shall be allocated by
 20 the Governor to local areas in accordance with
 21 paragraph (2); and

22 ~~“(B) a portion equal to not more than 20~~
 23 percent of such amount may be allocated by the
 24 Governor to local areas in accordance with
 25 paragraph (3).

1 ~~“(2) ESTABLISHED FORMULA.—~~

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

5 ~~“(i) 33⅓ percent on the basis of the~~
 6 ~~relative number of individuals in the civil-~~
 7 ~~ian labor force who are ages 16 through 21~~
 8 ~~in each local area, compared to the total~~
 9 ~~number of individuals in the civilian labor~~
 10 ~~force who are ages 16 through 21 in all~~
 11 ~~local areas in the State;~~

12 ~~“(ii) 33⅓ percent on the basis of the~~
 13 ~~relative number of unemployed individuals~~
 14 ~~in each local area, compared to the total~~
 15 ~~number of unemployed individuals in all~~
 16 ~~local areas in the State; and~~

17 ~~“(iii) 33⅓ percent on the basis of the~~
 18 ~~relative number of disadvantaged youth~~
 19 ~~who are ages 16 through 21 in each local~~
 20 ~~area, compared to the total number of dis-~~
 21 ~~advantaged youth who are ages 16 through~~
 22 ~~21 in all local areas in the State.~~

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

1 “(i) MINIMUM PERCENTAGE.—The
 2 Governor shall ensure that no local area
 3 shall receive an allocation percentage under
 4 this paragraph for a fiscal year that is less
 5 than 90 percent of the allocation percent-
 6 age of the local area for the preceding fis-
 7 cal year.

8 “(ii) MAXIMUM PERCENTAGE.—Sub-
 9 ject to clause (i), the Governor shall ensure
 10 that no local area shall receive an alloca-
 11 tion percentage under this paragraph for a
 12 fiscal year that is more than 130 percent
 13 of the allocation percentage of the local
 14 area for the preceding fiscal year.

15 “(C) DEFINITIONS.—In this paragraph:

16 “(i) ALLOCATION PERCENTAGE.—The
 17 term ‘allocation percentage’, used with re-
 18 spect to fiscal year 2004 or a subsequent
 19 fiscal year, means a percentage of the por-
 20 tion described in paragraph (1)(A) that is
 21 received by the local area involved through
 22 an allocation made under this paragraph
 23 for the fiscal year. The term, used with re-
 24 spect to fiscal year 2003, means the per-
 25 centage of the amounts allocated to local

1 areas under this chapter (as in effect on
 2 the day before the date of enactment of the
 3 Workforce Investment Act Amendments of
 4 2003) that is received by the local area in-
 5 volved for fiscal year 2003.

6 “(ii) ~~DISADVANTAGED YOUTH.~~—The
 7 term ‘disadvantaged youth’ means an indi-
 8 vidual who—

9 “(I) is age 16 through 21;

10 “(II) is not a college student or
 11 member of the Armed Forces; and

12 “(III) received an income, or is a
 13 member of a family that received a
 14 total family income, that, in relation
 15 to family size, does not exceed the
 16 poverty line.

17 “(3) ~~YOUTH DISCRETIONARY ALLOCATION.~~—

18 The Governor may allocate the portion described in
 19 paragraph (1)(B) to local areas where there are a
 20 significant number of eligible youth, after consulta-
 21 tion with the State board and local board.

22 “(4) ~~LOCAL ADMINISTRATIVE COST LIMIT.~~—

23 “(A) ~~IN GENERAL.~~—Of the amount allo-
 24 cated to a local area under this subsection and
 25 section 133(b) for a fiscal year, not more than

1 10 percent of the amount may be used by the
 2 local board involved for the administrative costs
 3 of carrying out local workforce investment ac-
 4 tivities under this chapter or chapter 5.

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

12 (3) REALLOCATION.—

13 (A) AMENDMENT.—Section 128(e) (29
 14 U.S.C. 2853(e)) is amended—

15 (i) in paragraph (1), by striking
 16 “paragraph (2)(A) or (3) of”;

17 (ii) by striking paragraph (2) and in-
 18 serting the following:

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

(including amounts allocated to the local area in all prior program years that remained available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

“(A) the total amount of funds available to the local area under this section during the program year prior to the program year for which the determination is made (including amounts allocated to the local area in all prior program years that remained available); and

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

(iii) by amending paragraph (3)—

(I) by striking “subsection (b)(3)” each place it appears and inserting “subsection (b)”;

(II) by striking “for the prior program year” and inserting “for the program year for which the determination is made”;

(III) by striking “such prior program year” and inserting “such program year”; and

(IV) by striking the last sentence; and

1 (iv) by striking paragraph (4) and in-
 2 serting the following:

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

8 (B) EFFECTIVE DATE.—The amendments
 9 made by subparagraph (A) shall take effect for
 10 the later of—

11 (i) the program year that begins after
 12 the date of enactment of this Act; or

13 (ii) program year 2004.

14 (d) YOUTH PARTICIPANT ELIGIBILITY.—Section
 15 129(a) (29 U.S.C. 2854(a)) is amended to read as follows:

16 “(a) YOUTH PARTICIPANT ELIGIBILITY.—

17 “(1) ELIGIBILITY.—

18 “(A) IN GENERAL.—To be eligible to par-
 19 ticipate in activities carried out under this
 20 chapter during any program year an individual
 21 shall, at the time the eligibility determination is
 22 made, be an out-of-school youth or an in-school
 23 youth.

1 “(B) ~~OUT-OF-SCHOOL YOUTH.~~—In this
2 section the term ‘out-of-school youth’ means an
3 individual who is—

4 “(i) not younger than age 16 (subject
5 to paragraph (3)) nor older than age 21;
6 and

7 “(ii) one of the following:

8 “(I) A school dropout.

9 “(II) A youth who is within the
10 age for compulsory school attendance;
11 but has not attended school for at
12 least 1 school year calendar quarter.

13 “(III) A recipient of a secondary
14 school diploma or its equivalent who
15 is—

16 “(aa) deficient in basic
17 skills, including limited English
18 proficiency;

19 “(bb) a low-income indi-
20 vidual; and

21 “(cc) not attending any
22 school; or

23 “(IV) Subject to the juvenile jus-
24 tice system or ordered by a court to
25 an alternative school.

1 “(V) A low-income individual who
2 is pregnant or parenting and not at-
3 tending any school.

4 “(VI) A youth who is not attend-
5 ing school or a youth attending an al-
6 ternative school, who is homeless, a
7 runaway, a foster child, a child eligi-
8 ble for assistance under section 477 of
9 the Social Security Act, or in an out-
10 of-home placement.

11 “(C) IN-SCHOOL YOUTH.—In this section
12 the term ‘in-school youth’ means an individual
13 who is—

14 “(i) not younger than age 14 nor
15 older than age 21;

16 “(ii) a low-income individual; and

17 “(iii) one or more of the following:

18 “(I) Deficient in basic literacy
19 skills, including limited English pro-
20 ficiency.

21 “(II) Homeless, a runaway, a
22 foster child, a child eligible for assist-
23 ance under section 477 of the Social
24 Security Act, or in an out-of-home
25 placement.

1 ~~“(III) Pregnant or parenting.~~

2 ~~“(IV) An offender (other than an~~
 3 ~~individual described in subparagraph~~
 4 ~~(B)(ii)(IV)).~~

5 ~~“(V) An individual who requires~~
 6 ~~additional assistance to complete an~~
 7 ~~educational program; or to secure or~~
 8 ~~hold employment.~~

9 ~~“(2) EXCEPTION.—Not more than 5 percent of~~
 10 ~~the individuals assisted under this section in each~~
 11 ~~local area may be individuals who are not low-in-~~
 12 ~~come with respect to individuals for whom low-in-~~
 13 ~~come is a requirement for eligibility under this sec-~~
 14 ~~tion.~~

15 ~~“(3) LIMITATIONS ON ACTIVITIES FOR IN-~~
 16 ~~SCHOOL YOUTH.—~~

17 ~~“(A) IN GENERAL.—For any program~~
 18 ~~year, not more than 60 percent of the funds~~
 19 ~~available for statewide activities that serve~~
 20 ~~youth under subsection (b); and not more than~~
 21 ~~60 percent of funds available to local areas~~
 22 ~~under subsection (c); may be used to provide~~
 23 ~~activities for in-school youth meeting the re-~~
 24 ~~quirements of paragraph (1)(B).~~

1 ~~“(B) EXCEPTION.—A State that receives a~~
 2 ~~minimum allotment under section 127(b)(1) in~~
 3 ~~accordance with section 127(b)(1)(C)(iv)(II) or~~
 4 ~~under section 132(b)(1) in accordance with sec-~~
 5 ~~tion 132(b)(1)(B)(iv)(II) may increase the per-~~
 6 ~~centage described in subparagraph (A) for a~~
 7 ~~local area in the State, if—~~

8 ~~“(i) after an analysis of the eligible~~
 9 ~~youth population in the local area, the~~
 10 ~~State determines that the local area will be~~
 11 ~~unable to use at least 40 percent of the~~
 12 ~~funds available for activities that serve~~
 13 ~~youth under subsection (b) to serve out-of-~~
 14 ~~school youth due to a low number of out-~~
 15 ~~of-school youth; and~~

16 ~~“(ii)(I) the State submits to the Sec-~~
 17 ~~retary, for the local area, a request includ-~~
 18 ~~ing a proposed reduced percentage for pur-~~
 19 ~~poses of subparagraph (A), and the sum-~~
 20 ~~mary of the eligible youth population anal-~~
 21 ~~ysis; and~~

22 ~~“(II) the request is approved by the~~
 23 ~~Secretary.~~

24 ~~“(4) CONSISTENCY WITH COMPULSORY SCHOOL~~
 25 ~~ATTENDANCE LAWS.—In providing assistance under~~

1 this section to an individual who is required to at-
 2 tend school under applicable State compulsory school
 3 attendance laws; the priority in providing such as-
 4 sistance shall be for the individual to attend school
 5 regularly.”.

6 ~~(c) STATEWIDE ACTIVITIES.—Section 129(b) (29~~
 7 ~~U.S.C. 2854(b)) is amended to read as follows:~~

8 ~~“(b) STATEWIDE ACTIVITIES.—~~

9 ~~“(1) IN GENERAL.—Funds reserved by a Gov-~~
 10 ~~ernor for a State as described in sections 128(a) and~~
 11 ~~133(a)(1) shall be used, regardless of whether the~~
 12 ~~funds were allotted to the State under section~~
 13 ~~127(b)(1)(C) or under paragraph (1) or (2) of sec-~~
 14 ~~tion 132(b) for statewide activities, which may in-~~
 15 ~~clude—~~

16 ~~“(A) conducting—~~

17 ~~“(i) evaluations under section 136(e)~~
 18 ~~of activities authorized under this chapter~~
 19 ~~and chapter 5 in coordination with evalua-~~
 20 ~~tions carried out by the Secretary under~~
 21 ~~section 172;~~

22 ~~“(ii) research; and~~

23 ~~“(iii) demonstration projects;~~

24 ~~“(B) providing incentive grants to local~~
 25 ~~areas for regional cooperation among local~~

boards (including local boards in a designated region as described in section 116(e)), for local coordination of activities carried out under this title, and for exemplary performance by local areas under section 136(i)(2);

“(C) providing technical assistance and capacity building activities to local areas; one-stop operators; one-stop partners, and eligible providers, including the development and training of staff; the development of exemplary program activities; the provision of technical assistance to local areas that fail to meet local performance measures described in section 136(e), and the provision of technology to facilitate remote access to services provided through one-stop delivery systems;

“(D) operating a fiscal and management accountability information system under section 136(f);

“(E) carrying out monitoring and oversight of activities carried out under this chapter and chapter 5, which may include a review comparing the services provided to male and female youth;

1 “(F) providing additional assistance to
2 local areas that have high concentrations of eli-
3 gible youth;

4 “(G) supporting the development of alter-
5 native programs and other activities that en-
6 hance the choices available to eligible youth and
7 encourage such youth to reenter secondary edu-
8 cation, enroll in postsecondary education and
9 advanced training, and obtain career path em-
10 ployment; and

11 “(H) supporting the provision of core serv-
12 ices described in section 134(d)(2) in the one-
13 stop delivery system in the State;

14 “(2) LIMITATION.—Not more than 5 percent of
15 the funds allotted to a State under section
16 127(b)(1)(C) shall be used by the State for adminis-
17 trative activities carried out under this subsection or
18 section 134(a).

19 “(3) PROHIBITION.—No funds described in this
20 subsection may be used to develop or implement
21 education curricula for school systems in the
22 State.”.

23 (f) LOCAL ELEMENTS AND REQUIREMENTS.—

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

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

(B) in subparagraph (B), by inserting “are directly linked to 1 or more of the performance measures relating to this chapter under section 136, and that” after “for each participant that”; and

(C) in subparagraph (C)—

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

(ii) by inserting before clause (ii) (as redesignated by clause (i)) the following:

“(i) activities leading to the attainment of a secondary school diploma or its equivalent, or another recognized credential;”;

(iii) in clause (ii) (as redesignated by clause (i)), by inserting “and advanced training” after “opportunities”;

(iv) in clause (iii) (as redesignated by clause (i))—

(I) by inserting “instruction based on State academic content and

1 student academic achievement stand-
 2 ards established under section 1111 of
 3 the Elementary and Secondary Edu-
 4 cation Act of 1965 (20 U.S.C. 6311)”
 5 after “academic”; and

6 (H) by inserting “that lead to the
 7 attainment of recognized credentials”
 8 after “learning”; and

9 (v) by striking clause (v) (as redesign-
 10 ated by clause (i)) and inserting the fol-
 11 lowing:

12 “(v) effective connections to all em-
 13 ployers, including small employers, in sec-
 14 tors of the local and regional labor markets
 15 that are experiencing high growth in em-
 16 ployment opportunities.”

17 (2) PROGRAM ELEMENTS.—Section 129(c)(2)
 18 (29 U.S.C. 2854(c)(2)) is amended—

19 (A) in subparagraph (A), by striking “sec-
 20 ondary school, including dropout prevention
 21 strategies” and inserting “the requirements for
 22 a secondary school diploma or its recognized
 23 equivalent (including recognized alternative
 24 standards for individuals with disabilities) or

1 for another recognized credential, including
2 dropout prevention strategies”;

3 (B) in subparagraph (B), by inserting “,
4 with a priority on exposing youth to technology
5 and nontraditional jobs” before the semicolon;

6 (C) in subparagraph (F), by striking “dur-
7 ing nonschool hours”;

8 (D) in subparagraph (I), by striking “and”
9 at the end;

10 (E) in subparagraph (J), by striking the
11 period at the end and inserting a semicolon;
12 and

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

14 “(K) on-the-job training opportunities;

15 “(L) opportunities to acquire financial lit-
16 eracy skills;

17 “(M) entrepreneurial skills training and
18 microenterprise services; and

19 “(N) information about average wages for
20 a range of jobs available in the local area, in-
21 cluding technology jobs.”.

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

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

3 (4) ~~PRIORITY AND EXCEPTIONS.~~—Section
4 ~~129(c) (29 U.S.C. 2854(c))~~ is amended by striking
5 paragraphs (4) and (5).

6 (5) ~~PROHIBITIONS AND LINKAGES.~~—Section
7 ~~129(c) (29 U.S.C. 2854(c))~~, as amended by para-
8 graph (4), is further amended—

9 (A) by redesignating paragraphs (6), (7),
10 and (8) as paragraphs (4), (5), and (6), respec-
11 tively;

12 (B) in paragraph (4) (as redesignated by
13 subparagraph (A))—

14 (i) by striking subparagraph (B); and

15 (ii) by redesignating subparagraph

16 (C) as subparagraph (B); and

17 (C) in paragraph (5) (as redesignated by
18 subparagraph (A)); by striking “youth councils”
19 and inserting “local boards”.

20 **SEC. 121. ADULT AND DISLOCATED WORKER EMPLOYMENT**
21 **AND TRAINING ACTIVITIES.**

22 (a) ~~STATE ALLOTMENTS.~~—

23 (1) ~~RESERVATIONS.~~—Section ~~132(a)(2)(A)~~ is
24 amended by striking “national emergency grants”
25 and inserting “national dislocated worker grants”.

1 (2) ALLOTMENT AMONG STATES.—Section
2 132(b) (29 U.S.C. 2862(b)) is amended—

3 (A) in paragraph (1)(A)(ii), by striking
4 “section 127(b)(1)(B)” and all that follows and
5 inserting “section 127(b)(1)(D).”;

6 (B) by striking paragraph (1)(B)(ii) and
7 inserting the following:

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

10 “(I) 40 percent shall be allotted
11 on the basis of the relative number of
12 unemployed individuals in areas of
13 substantial unemployment in each
14 State, compared to the total number
15 of unemployed individuals in areas of
16 substantial unemployment in all
17 States;

18 “(II) 25 percent shall be allotted
19 on the basis of the relative number of
20 individuals in the civilian labor force
21 in each State, compared to the total
22 number of such individuals in all
23 States; and

24 “(III) 35 percent shall be allotted
25 on the basis of the relative number of

1 disadvantaged adults in each State;
 2 compared to the total number of dis-
 3 advantaged adults in all States, except
 4 as described in clause (iii).”;

5 (C) in paragraph (1)(B)(iii), by striking
 6 “section 116(a)(2)(B)” and inserting “section
 7 116(a)(2)(A)(ii)”; and

8 (D) in paragraph (2)(A)(ii), by striking
 9 “section 127(b)(1)(B)” and all that follows and
 10 inserting “section 127(b)(1)(D).”.

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

13 (A) by striking paragraph (2) and insert-
 14 ing the following:

15 “(2) AMOUNT.—The amount available for real-
 16 lotment for a program year for programs funded
 17 under subsection (b)(1)(B) (relating to adult em-
 18 ployment and training) and subsection (b)(2)(B) (re-
 19 lating to dislocated worker employment and train-
 20 ing), respectively, is equal to the amount by which
 21 the unexpended balance at the end of the program
 22 year prior to the program year for which the deter-
 23 mination is made exceeds 30 percent of the total
 24 amount of funds available to the State under sub-
 25 section (b)(1)(B) or (b)(2)(B), respectively, during

1 such prior program year (including amounts allotted
 2 to the State in all prior program years under such
 3 provisions that remained available). For purposes of
 4 this paragraph, the unexpended balance is the
 5 amount that is the difference between—

6 “(A) the total amount of funds available to
 7 the State under subsection (b)(1)(B) or
 8 (b)(2)(B), respectively, during the program year
 9 prior to the program year for which the deter-
 10 mination is made (including amounts allotted to
 11 the State in all prior program years under such
 12 provisions that remained available); and

13 “(B) the accrued expenditures from such
 14 total amount of funds available under sub-
 15 section (b)(1)(B) or (b)(2)(B), respectively,
 16 during such prior program year.”;

17 (B) in paragraph (3)—

18 (i) by striking “under this section for
 19 such activities for the prior program year”
 20 and inserting “under subsection (b)(1)(B)
 21 or (b)(2)(B), as appropriate, for the pro-
 22 gram year for which the determination is
 23 made”; and

24 (ii) by striking “under this subsection
 25 for such activities for such prior program

1 year” and inserting “under subsection
2 (b)(1)(B) or (b)(2)(B), as appropriate, for
3 such program year”;

4 (C) by striking paragraph (4) and insert-
5 ing the following:

6 “(4) ELIGIBILITY.—For purposes of this sub-
7 section, an eligible State means—

8 “(A) with respect to funds allotted under
9 subsection (b)(1)(B), a State that does not have
10 an amount of such funds available for reallocot-
11 ment under paragraph (2) for the program year
12 for which the determination under paragraph
13 (2) is made; and

14 “(B) with respect to funds allotted under
15 subsection (b)(2)(B), a State that does not have
16 an amount of such funds available for reallocot-
17 ment under paragraph (2) for the program year
18 for which the determination under paragraph
19 (2) is made.”; and

20 (D) in paragraph (5), by striking “obliga-
21 tion” and inserting “expenditure”.

22 (4) EFFECTIVE DATE.—The amendments made
23 by paragraph (3) shall take effect for the later of—

24 (A) the program year that begins after the
25 date of enactment of this Act; or

1 ~~(B)~~ program year 2004.

2 ~~(b)~~ WITHIN STATE ALLOCATIONS.—

3 ~~(1)~~ ALLOCATION.—Section ~~133(b)(5)(B)(ii)~~ ~~(29~~
4 ~~U.S.C. 2863(b)(5)(B)(ii))~~ is amended by striking
5 ~~“section 134(e)”~~ and inserting ~~“section 121(e)”~~.

6 ~~(2)~~ REALLOCATION.—Section ~~133(e)~~ ~~(29~~
7 ~~U.S.C. 2863(e))~~ is amended—

8 ~~(A)~~ in paragraph ~~(1)~~, by inserting ~~“; and~~
9 ~~under subsection (b)(2)(B) for dislocated work-~~
10 ~~er employment and training activities,”~~ after
11 ~~“activities”;~~

12 ~~(B)~~ by striking paragraph ~~(2)~~ and insert-
13 ing the following:

14 ~~“(2)~~ AMOUNT.—The amount available for re-
15 allocation for a program year for programs funded
16 under paragraphs ~~(2)(A)~~ and ~~(3)~~ of subsection ~~(b)~~
17 ~~(relating to adult employment and training)~~ and
18 subsection ~~(b)(2)(B)~~ ~~(relating to dislocated worker~~
19 ~~employment and training)~~, respectively, is equal to
20 the amount by which the unexpended balance at the
21 end of the program year prior to the program year
22 for which the determination is made exceeds 30 per-
23 cent of the total amount of funds available to the
24 local area under paragraphs ~~(2)(A)~~ and ~~(3)~~ of sub-
25 section ~~(b)~~, or subsection ~~(b)(2)(B)~~, respectively,

1 during such prior program year (including amounts
 2 allocated to the local area in all prior program years
 3 under such provisions that remained available). For
 4 purposes of this paragraph, the unexpended balance
 5 is the amount that is the difference between—

6 “(A) the total amount of funds available to
 7 the local area under paragraphs (2)(A) and (3)
 8 of subsection (b), or subsection (b)(2)(B), re-
 9 spectively, during the program year prior to the
 10 program year for which the determination is
 11 made (including amounts allotted to the local
 12 area in all prior program years under such pro-
 13 visions that remained available); and

14 “(B) the accrued expenditures from such
 15 total amount of funds available under para-
 16 graphs (2)(A) and (3) of subsection (b), or sub-
 17 section (b)(2)(B), respectively, during such
 18 prior program year.”;

19 (C) by striking paragraph (3) and insert-
 20 ing the following:

21 “(3) REALLOCATION.—In making reallocations
 22 to eligible local areas of amounts available pursuant
 23 to paragraph (2) for a program year, the Governor
 24 shall allocate to each eligible local area within the
 25 State—

1 “(A) with respect to amounts that are
2 available for reallocation under paragraph (2)
3 that were allocated under paragraphs (2)(A) or
4 (3) of subsection (b), an amount based on the
5 relative amount allocated to such local area
6 under paragraphs (2)(A) or (3) of subsection
7 (b), as appropriate, for the program year for
8 which the determination is made, as compared
9 to the total amount allocated to all eligible local
10 areas under paragraphs (2)(A) or (3) of sub-
11 section (b), as appropriate, of such program
12 year; and

13 “(B) with respect to amounts that are
14 available for reallocation under paragraph (2)
15 that were allocated under subsection (b)(2)(B),
16 an amount based on the relative amount allo-
17 cated to such local area under subsection
18 (b)(2)(B) for the program year for which the
19 determination is made, as compared to the total
20 amount allocated to all eligible local areas
21 under subsection (b)(2)(B) for such program
22 year.”; and

23 (D) by striking paragraph (4) and insert-
24 ing the following:

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

3 “(A) with respect to funds allocated under
4 paragraphs (2)(A) or (3) of subsection (b), a
5 local area that does not have an amount of such
6 funds available for reallocation under paragraph
7 (2) for the program year for which the deter-
8 mination under paragraph (2) is made; and

9 “(B) with respect to funds allocated under
10 subsection (b)(2)(B), a local area that does not
11 have an amount of such funds available for re-
12 allocation under paragraph (2) for the program
13 year for which the determination under para-
14 graph (2) is made.”.

15 (3) EFFECTIVE DATE.—The amendments made
16 by paragraph (2) shall take effect for the later of—

17 (A) the program year that begins after the
18 date of enactment of this Act; or

19 (B) program year 2004.

20 (c) USE OF FUNDS FOR EMPLOYMENT AND TRAIN-
21 ING ACTIVITIES.—

22 (1) STATEWIDE EMPLOYMENT AND TRAINING
23 ACTIVITIES.—

1 ~~(A) STATEWIDE RAPID RESPONSE ACTIVITIES.—~~
 2 ~~Section 134(a)(2)(A) (29 U.S.C.~~
 3 ~~2864(a)(2)(A))~~ is amended to read as follows:

4 ~~“(A) STATEWIDE RAPID RESPONSE ACTIVITIES.—~~
 5 ~~THES.—~~

6 ~~“(i) IN GENERAL.—~~A State shall
 7 ~~carry out statewide rapid response activi-~~
 8 ~~ties using funds reserved by a Governor for~~
 9 ~~a State under section 133(a)(2). Such ac-~~
 10 ~~tivities shall include—~~

11 ~~“(I) provision of rapid response~~
 12 ~~activities, carried out in local areas by~~
 13 ~~the State or by an entity designated~~
 14 ~~by the State, working in conjunction~~
 15 ~~with the local boards and the chief~~
 16 ~~elected officials for the local areas;~~
 17 ~~and~~

18 ~~“(II) provision of additional as-~~
 19 ~~sistance to local areas that experience~~
 20 ~~disasters, mass layoffs, or plant clos-~~
 21 ~~ings, or other events that precipitate~~
 22 ~~substantial increases in the number of~~
 23 ~~unemployed individuals, carried out in~~
 24 ~~local areas by the State, working in~~
 25 ~~conjunction with the local boards and~~

the chief elected officials for the local areas.

“(ii) USE OF UNEXPENDED FUNDS.—

Funds reserved under section 133(a)(2) to carry out this subparagraph that remain unexpended after the first program year for which such funds were allotted may be used by the Governor to carry out statewide activities authorized under subparagraphs (B) and (C) in addition to activities under this subparagraph.”.

(B) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—Section 134(a)(2) (29 U.S.C. 2864(a)(2)) is amended by striking subparagraph (B) and inserting the following:

“(B) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—Funds reserved by a Governor for a State under sections 128(a)(1) and 133(a)(1) and not used under paragraph (1)(A) shall be used for statewide employment and training activities, including—

“(i) disseminating—

“(I) the State list of eligible providers of training services, including

1 eligible providers of nontraditional
2 training services;

3 “(II) information identifying eli-
4 gible providers of on-the-job training
5 and customized training;

6 “(III) performance information
7 and program cost information; as de-
8 scribed in subsections (e) and (h) of
9 section 122; and

10 “(IV) information on physical
11 and programmatic assessability for in-
12 dividuals with disabilities;

13 “(ii) conducting evaluations under
14 section 136(e) of activities authorized
15 under this chapter and chapter 5 in coordi-
16 nation with evaluations carried out by the
17 Secretary under section 172;

18 “(iii) providing incentive grants to
19 local areas in recognition of exceptional
20 achievement relating to—

21 “(I) regional cooperation among
22 local boards (including local boards in
23 a designated region as described in
24 section 116(c));

1 “(H) expanded local coordination
2 of programs and activities carried out
3 as part of a comprehensive workforce
4 investment system; including—

5 “(aa) coordination of em-
6 ployment services under the
7 Wagner-Peyser Act and core ac-
8 tivities under this title; and

9 “(bb) partner programs de-
10 scribed in section 121;

11 “(III) exemplary performance by
12 local areas as described in section
13 136(i)(2); and

14 “(IV) providing expanded access
15 to education and training services; es-
16 pecially through increased leveraging
17 of resources other than those provided
18 through programs under this title;

19 “(iv) providing technical assistance
20 and capacity building to local areas; one-
21 stop operators; one-stop partners; and eli-
22 gible providers; including the development
23 and training of staff; the development of
24 exemplary program activities; and the pro-
25 vision of technical assistance to local areas

that fail to meet local performance measures described in section 136(e), which may include the development and training of staff to provide opportunities for hard-to-serve populations to enter high-wage, high-skilled, and nontraditional occupations;

“(v) operating a fiscal and management accountability system under section 136(f); and

“(vi) carrying out monitoring and oversight of activities carried out under this chapter and chapter 4.”

(C) ALLOWABLE STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—Section 134(a)(3)(A) (29 U.S.C. 2864(a)(3)(A) is amended to read as follows:

“(A) IN GENERAL.—A State may use funds reserved as described in sections 128(a) and 133(a)(1) (regardless of whether the funds were allotted to the State under section 127(b)(1) or paragraph (1) or (2) of section 132(b)) to carry out additional statewide employment and training activities, which may include—

1 “(i) implementing innovative pro-
2 grams and strategies designed to meet the
3 needs of all businesses in the State, includ-
4 ing small businesses; which may include in-
5 cumbent worker training programs; sec-
6 toral and industry cluster strategies and
7 partnerships, including regional skills alli-
8 ances, career ladder programs, micro-en-
9 terprise and entrepreneurial training and
10 support programs; utilization of effective
11 business intermediaries; activities to im-
12 prove linkages between the one-stop deliv-
13 ery systems in the State and all employers
14 (including small employers); in the State
15 and other business services and strategies
16 that better engage employers in workforce
17 activities and make the workforce invest-
18 ment system more relevant to the needs of
19 State and local businesses; consistent with
20 the purposes of this Act;

21 “(ii) developing strategies for effec-
22 tively serving hard-to-serve populations
23 and for coordinating programs and services
24 among one-stop partners;

1 “(iii) implementing innovative pro-
2 grams for displaced homemakers, which for
3 purposes of this subparagraph may include
4 an individual who is receiving public assist-
5 ance and is within 2 years of exhausting
6 lifetime eligibility under part A of title IV
7 of the Social Security Act (42 U.S.C. 601
8 et seq.);

9 “(iv) developing strategies for ensur-
10 ing that activities carried out under this
11 section are placing men and women in
12 jobs, education, and training that lead to
13 comparable pay;

14 “(v) implementing programs to in-
15 crease the number of individuals training
16 for and placed in nontraditional employ-
17 ment;

18 “(vi) carrying out activities to facili-
19 tate remote access to services, including
20 training services described in subsection
21 (d)(4), provided through a one-stop deliv-
22 ery system, including facilitating access
23 through the use of technology;

1 “(vii) supporting the provision of core
2 services described in subsection (d)(2) in
3 the one-stop delivery system in the State;

4 “(viii) coordinating with the child wel-
5 fare system to facilitate services for chil-
6 dren in foster care and those who are eligi-
7 ble for assistance under section 477 of the
8 Social Security Act;

9 “(ix) activities—

10 “(I) to improve coordination be-
11 tween workforce investment activities
12 carried out within the State involved
13 and economic development activities;

14 “(II) to improve coordination be-
15 tween employment and training assist-
16 ance and child support services and
17 assistance provided by State and local
18 agencies carrying out part D of title
19 IV of the Social Security Act (42
20 U.S.C. 651 et seq.);

21 “(III) to improve coordination
22 between employment and training as-
23 sistance and cooperative extension
24 programs carried out by the Depart-
25 ment of Agriculture; and

1 “(IV) to develop and disseminate
 2 workforce and labor market informa-
 3 tion;
 4 “(x) conducting—
 5 “(I) research; and
 6 “(II) demonstration projects; and
 7 “(xi) adopting, calculating, or com-
 8 missioning a minimum self-sufficiency
 9 standard that specifies the income needs of
 10 families, by family size, the number and
 11 ages of children in the family, and sub-
 12 State geographical considerations.”.

13 (2) REQUIRED LOCAL EMPLOYMENT AND
 14 TRAINING ACTIVITIES.—

15 (A) ALLOCATED FUNDS.—Section
 16 134(d)(1) (29 U.S.C. 2864(d)(1)) is amended—
 17 (i) in clause (i), by striking “described
 18 in subsection (c)”;
 19 (ii) in clause (iii), by striking “and”
 20 at the end;
 21 (iii) in clause (iv), by striking the pe-
 22 riod and inserting a semicolon; and
 23 (iv) by adding at the end the fol-
 24 lowing:

1 “(v) to designate a dedicated business
 2 liaison in the local area who may be funded
 3 with funds provided under this title or
 4 from other sources to establish and develop
 5 relationships and networks with large and
 6 small employers and their intermediaries;
 7 and

8 “(vi) in order to avoid duplication of
 9 services and enhance coordination of serv-
 10 ices; to require the colocation of employ-
 11 ment services provided under the Wagner-
 12 Peyser Act at the comprehensive one-stop
 13 centers.”.

14 (B) CORE SERVICES.—Section 134(d)(2)
 15 (~~29 U.S.C. 2864(d)(2)~~) is amended—

16 (i) in the matter preceding subpara-
 17 graph (A), by striking “paragraph (1)(A)”
 18 and inserting “paragraph (1)”;

19 (ii) in subparagraph (A), by striking
 20 “under this subtitle” and inserting “under
 21 the programs described in section 121(b)
 22 and administered by one-stop partners;
 23 consistent with the requirements of such
 24 programs”;

1 (iii) by striking subparagraph (D) and
 2 inserting the following:

3 “(D) labor exchange services, including—

4 “(i) job search and placement assist-
 5 ance and, in appropriate cases, career
 6 counseling, including—

7 “(I) exposure to high wage, high
 8 skill jobs; and

9 “(II) nontraditional employment;
 10 and

11 “(ii) appropriate recruitment and
 12 other business services for all employers,
 13 including small employers, in the local
 14 area, which may include services described
 15 in this subsection, including information
 16 and referral to specialized business services
 17 not traditionally offered through the one-
 18 stop delivery system;”;

19 (iv) in subparagraph (E)(iii)—

20 (I) by inserting “; career lad-
 21 ders,” after “earnings”; and

22 (II) by striking “and” at the end;

23 (v) in subparagraph (F)—

24 (I) by striking “and program cost
 25 information”; and

1 (H) by striking “described in sec-
2 tion 123”;

3 (vi) by striking subparagraph (H) and
4 inserting the following:

5 “(H) provision of accurate information, in
6 formats that are usable and understandable to
7 all one-stop customers, relating to the avail-
8 ability of supportive services or assistance, in-
9 cluding childcare, child support, medical or
10 child health assistance under title XIX or XXI
11 of the Social Security Act, benefits under the
12 Food Stamp Act of 1977, the earned income
13 tax credit under section 32 of the Internal Rev-
14 enue Code of 1986, and assistance under a
15 State program funded under part A of title IV
16 of the Social Security Act and other supportive
17 services and transportation provided through
18 funds made available under such part, available
19 in the local area, and referral to such services
20 or assistance as appropriate;” and

21 (vii) in subparagraph (J), by striking
22 “for—” and all that follows through “(ii)
23 programs” and inserting “for programs”.

24 (C) INTENSIVE SERVICES.—Section
25 134(d)(3) (29 U.S.C. 2864(d)(3)) is amended—

(i) by striking subparagraph (A) and inserting the following:

“(A) IN GENERAL.—

“(i) ELIGIBILITY.—Except as provided in clause (ii), funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), shall be used to provide intensive services to adults and dislocated workers, respectively—

“(I) who are unemployed and who, after an interview, evaluation, or assessment, have been determined by a one-stop operator or one-stop partner to be—

“(aa) unlikely or unable to obtain employment, that leads to self-sufficiency or wages comparable to or higher than previous employment, through core services described in paragraph (2); and

1 “(bb) in need of intensive
 2 services in order to obtain em-
 3 ployment that leads to self-suffi-
 4 ciency or wages comparable to or
 5 higher than previous employ-
 6 ment; or

7 “(H) who are employed, but who,
 8 after an interview, evaluation, or as-
 9 sessment are determined by a one-
 10 stop operator or one-stop partner to
 11 be in need of intensive services to ob-
 12 tain or retain employment that leads
 13 to self-sufficiency.

14 “(ii) SPECIAL RULE.—A new inter-
 15 view, evaluation, or assessment of a partic-
 16 ipant is not required under clause (i) if the
 17 one-stop operator or one-stop partner de-
 18 termines that it is appropriate to use a re-
 19 cent assessment of the participant con-
 20 ducted pursuant to another education or
 21 training program.”; and

22 (ii) in subparagraph (C)—

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

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

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

5 “(viii) Literacy activities relating to
 6 basic work readiness, and financial literacy
 7 activities.

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

10 “(x) English language acquisition and
 11 integrated training programs.”

12 (D) TRAINING SERVICES.—Section
 13 134(d)(4) (29 U.S.C. 2864(d)(4)) is amended—

14 (i) by striking subparagraph (A) and
 15 inserting the following:

16 “(A) IN GENERAL.—

17 “(i) ELIGIBILITY.—Except as pro-
 18 vided in clause (ii), funds allocated to a
 19 local area for adults under paragraph
 20 (2)(A) or (3), as appropriate, of section
 21 133(b), and funds allocated to the local
 22 area for dislocated workers under section
 23 133(b)(2)(B), shall be used to provide
 24 training services to adults and dislocated
 25 workers, respectively—

1 “(I) who, after an interview, eval-
2 uation, or assessment, and case man-
3 agement, have been determined by a
4 one-stop operator or one-stop partner,
5 as appropriate, to—

6 “(aa) be unlikely or unable
7 to obtain or retain employment,
8 that leads to self-sufficiency or
9 wages comparable to or higher
10 than previous employment,
11 through the intensive services de-
12 scribed in paragraph (3);

13 “(bb) be in need of training
14 services to obtain or retain em-
15 ployment that leads to self-suffi-
16 ciency or wages comparable to or
17 higher than previous employ-
18 ment; and

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

23 “(II) who select programs of
24 training services that are directly
25 linked to the employment opportuni-

ties in the local area or region involved or in another area to which the adults or dislocated workers are willing to commute or relocate;

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

“(IV) who are determined to be eligible in accordance with the priority system in effect under subparagraph (E).

“(ii) SPECIAL RULE.—A new interview, evaluation, or assessment of a participant is not required under clause (i) if the one-stop operator or one-stop partner determines that it is appropriate to use a recent assessment of the participant conducted pursuant to another education or training program.”;

(ii) in subparagraph (B)(i), by striking “Except” and inserting “Notwithstanding section 479B of the Higher Education Act of 1965 (20 U.S.C. 1087uu) and except”;

(iii) in subparagraph (D)—

1 (I) in clause (viii), by striking
2 “and” after the semicolon;

3 (II) in clause (ix), by striking the
4 period and inserting “; and”; and

5 (III) by adding at the end the
6 following:

7 “(x) English language acquisition and
8 integrated training programs.”;

9 (iv) in subparagraph (F)—

10 (I) in clause (ii), by striking “re-
11 ferred to in subsection (c), shall make
12 available—” and all that follows and
13 inserting “shall make available a list
14 of eligible providers of training serv-
15 ices, and accompanying information,
16 in accordance with section 122(d).”;

17 (II) in the heading of clause (iii),
18 by striking “INDIVIDUAL TRAINING
19 ACCOUNTS” and inserting “CAREER
20 SCHOLARSHIP ACCOUNTS”;

21 (III) in clause (iii)—

22 (aa) by striking “identifying
23 information” and inserting “ac-
24 companying information”;

1 (bb) by striking “clause
 2 (ii)(I)” and inserting “clause
 3 (ii)”; and

4 (cc) by striking “individual
 5 training account” and inserting
 6 “career scholarship account”;
 7 and

8 (IV) by adding the following
 9 clause after clause (iii):

10 “(iv) COORDINATION.—Each local
 11 board may, through one-stop centers, co-
 12 ordinate career scholarship accounts with
 13 other Federal, State, local, or private job
 14 training programs or sources to assist the
 15 individual in obtaining training services.”;
 16 and

17 (v) in subparagraph (G)—

18 (I) in the subparagraph heading,
 19 by striking “INDIVIDUAL TRAINING
 20 ACCOUNTS” and inserting “CAREER
 21 SCHOLARSHIP ACCOUNTS”;

22 (II) in clause (i), by striking “in-
 23 dividual training accounts” and in-
 24 serting “career scholarship accounts”;

25 (III) in clause (ii)—

1 (aa) by striking “individual
2 training account” and inserting
3 “career scholarship account”;
4 and

5 (bb) in subclause (II), by
6 striking “individual training ac-
7 counts” and inserting “career
8 scholarship accounts”;

9 (cc) in subclause (II), by
10 striking “or” after the semicolon;

11 (dd) in subclause (III), by
12 striking the period and inserting
13 ““, or”; and

14 (ee) by adding at the end
15 the following:

16 “(IV) the local board determines
17 that it would be most appropriate to
18 award a contract to an institution of
19 higher education in order to facilitate
20 the training of multiple individuals in
21 high-demand occupations, if such con-
22 tract does not limit customer choice.”;
23 and

24 (IV) in clause (iv)—

1 (aa) by redesignating sub-
 2 clause (IV) as subclause (V); and
 3 (bb) by inserting after sub-
 4 clause (III) the following:
 5 “(IV) Individuals with disabili-
 6 ties.”.

7 (3) PERMISSIBLE ACTIVITIES.—Section 134(e)
 8 (29 U.S.C. 2864(e)) is amended—
 9 (A) by striking the matter preceding para-
 10 graph (2) and inserting the following:
 11 “(e) PERMISSIBLE LOCAL EMPLOYMENT AND TRAIN-
 12 ING ACTIVITIES.—

13 “(1) IN GENERAL.—

14 “(A) ACTIVITIES.—Funds allocated to a
 15 local area for adults under paragraph (2)(A) or
 16 (3), as appropriate, of section 133(b), and
 17 funds allocated to the local area for dislocated
 18 workers under section 133(b)(2)(B), may be
 19 used to provide, through the one-stop delivery
 20 system involved—

21 “(i) customized screening and referral
 22 of qualified participants in training serv-
 23 ices described in subsection (d)(4) to em-
 24 ployment;

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

4 “(iii) customer support to enable
5 members of hard-to-serve populations, in-
6 cluding individuals with disabilities, to
7 navigate among multiple services and ac-
8 tivities for such populations;

9 “(iv) technical assistance and capacity
10 building for serving individuals with dis-
11 abilities in local areas, and by one-stop op-
12 erators, one-stop partners, and eligible pro-
13 viders, including the development and
14 training of staff, the provision of outreach,
15 intake, assessments, and service delivery,
16 and the development of performance meas-
17 ures;

18 “(v) employment and training assist-
19 ance provided in coordination with child
20 support enforcement activities of the State
21 and local agencies carrying out part D of
22 title IV of the Social Security Act (42
23 U.S.C. 601 et seq.);

24 “(vi) activities to improve coordination
25 between employment and training assist-

1 ance and child support services and assist-
2 ance provided by State and local agencies
3 carrying out part D of title IV of the So-
4 cial Security Act (42 U.S.C. 651 et seq.);

5 “(vii) activities to improve coordina-
6 tion between employment and training as-
7 sistance and cooperative extension pro-
8 grams carried out by the Department of
9 Agriculture;

10 “(viii) activities to facilitate remote
11 access to services provided through a one-
12 stop delivery system, including facilitating
13 access through the use of technology;

14 “(ix) activities—

15 “(I) to improve coordination be-
16 tween workforce investment activities
17 carried out within the local area in-
18 volved and economic development ac-
19 tivities; and

20 “(II) to improve services and
21 linkages between the local workforce
22 investment system including the local
23 one-stop delivery system, and all em-
24 ployers, including small employers in
25 the local area, through services de-

1 scribed under this section, including
2 subparagraph (B);

3 “(x) training programs for displaced
4 homemakers and for individuals training
5 for nontraditional occupations, in conjune-
6 tion with programs operated in the local
7 area;

8 “(xi) using a portion of the funds allo-
9 cated under section 133(b), activities to
10 carry out business services and strategies
11 that meet the workforce development needs
12 of local area employers, as determined by
13 the local board, consistent with the local
14 plan under section 118, which services—

15 “(I) may be provided through ef-
16 fective business intermediaries work-
17 ing in conjunction with the local
18 board, and may also be provided on a
19 fee for service basis or through the
20 leveraging of economic development
21 and other resources as determined ap-
22 propriate by the local board; and

23 “(II) may include—

24 “(aa) identifying for and
25 disseminating to business, edu-

1 eators, and job seekers, informa-
2 tion related to the workforce, eco-
3 nomic and community develop-
4 ment needs, and opportunities of
5 the local economy;

6 “(bb) development and deliv-
7 ery of innovative workforce in-
8 vestment services and strategies
9 for area businesses, which may
10 include sectoral, industry cluster,
11 regional skills alliances, career
12 ladder, skills upgrading, skill
13 standard development and certifi-
14 cation, apprenticeship, and other
15 effective initiatives for meeting
16 the workforce development needs
17 of area employers and workers;

18 “(cc) participation in semi-
19 nars and classes offered in part-
20 nership with relevant organiza-
21 tions focusing on the workforce-
22 related needs of area employers
23 and job seekers;

24 “(dd) training consulting,
25 needs analysis, and brokering

1 services for area businesses, in-
2 cluding the organization and ag-
3 gregation of training (which may
4 be paid for with funds other than
5 those provided under this title),
6 for individual employers and coa-
7 litions of employers with similar
8 interests, products, or workforce
9 needs;

10 “(cc) assistance to area em-
11 ployers in the aversion of layoffs
12 and in managing reductions in
13 force in coordination with rapid
14 response activities;

15 “(ff) the marketing of busi-
16 ness services offered under this
17 Act, to appropriate area employ-
18 ers, including small and mid-
19 sized employers;

20 “(gg) information referral
21 on concerns affecting local em-
22 ployers; and

23 “(hh) other business services
24 and strategies designed to better
25 engage employers in workforce

1 development activities and to
2 make the workforce investment
3 system more relevant to the
4 workforce development needs of
5 area businesses, as determined by
6 the local board to be consistent
7 with the purposes of this Act;
8 and

9 “(xii) activities to adjust the self-suffi-
10 ciency standards for local factors, or activi-
11 ties to adopt, calculate, or commission a
12 self-sufficiency standard that specifies the
13 income needs of families, by family size,
14 the number and ages of children in the
15 family, and sub-State geographical consid-
16 erations.

17 “(B) WORK SUPPORT ACTIVITIES FOR
18 ~~LOW-WAGE WORKERS.~~—

19 “(i) ~~IN GENERAL.~~—Funds allocated to
20 a local area for adults under paragraph
21 (2)(A) or (3), as appropriate, of section
22 133(b), and funds allocated to the local
23 area for dislocated workers under section
24 133(b)(2)(B), may be used to provide,
25 through the one-stop delivery system in-

1 volved, work support activities designed to
 2 assist low-wage workers in retaining and
 3 enhancing employment. The one-stop part-
 4 ners shall coordinate the appropriate pro-
 5 grams and resources of the partners with
 6 the activities and resources provided under
 7 this subparagraph.

8 “(ii) ACTIVITIES.—The activities de-
 9 scribed in clause (i) may include the provi-
 10 sion of activities described in this section
 11 through the one-stop delivery system in a
 12 manner that enhances the opportunities of
 13 such workers to participate in the activi-
 14 ties, such as the provision of activities de-
 15 scribed in this section during nontradi-
 16 tional hours and the provision of on-site
 17 child care while such activities are being
 18 provided.”;

19 (B) in paragraph (2), by striking the mat-
 20 ter preceding subparagraph (A) and inserting
 21 the following:

22 “(2) SUPPORTIVE SERVICES.—Funds allocated
 23 to a local area for adults under paragraph (2)(A) or
 24 (3), as appropriate, of section 133(b), and funds al-
 25 located to the local area for dislocated workers under

1 section 133(b)(2)(B), may be used to provide sup-
 2 portive services to adults and dislocated workers, re-
 3 spectively—”; and

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

5 “(4) INCUMBENT WORKER TRAINING PRO-
 6 GRAMS.—

7 “(A) IN GENERAL.—The local board may
 8 use up to 10 percent of the funds allocated to
 9 the local area involved under section 133(b) to
 10 pay for the Federal share of the cost of pro-
 11 viding training through an incumbent worker
 12 training program carried out in accordance with
 13 this paragraph. The Governor or State board
 14 may make recommendations to the local board
 15 regarding incumbent worker training with
 16 statewide impact.

17 “(B) TRAINING ACTIVITIES.—The training
 18 program for incumbent workers carried out
 19 under this paragraph shall be carried out by the
 20 local board in conjunction with the employers or
 21 groups of employers of such workers for the
 22 purpose of assisting such workers in obtaining
 23 the skills necessary to retain employment or
 24 avert layoffs.

25 “(C) EMPLOYER SHARE REQUIRED.—

1 “(i) IN GENERAL.—Employers partici-
 2 pating in the program carried out under
 3 this paragraph shall be required to pay the
 4 non-Federal share of the costs of providing
 5 the training to incumbent workers of the
 6 employers. The local board shall establish
 7 the non-Federal share of such costs, which
 8 may include in kind contributions. The
 9 non-Federal share shall not be less than—

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

12 “(II) 25 percent of the costs, for
 13 employers with more than 50 employ-
 14 ees but fewer than 100 employees;
 15 and

16 “(III) 50 percent of the costs, for
 17 employers with 100 or more employ-
 18 ees.

19 “(ii) CALCULATION OF EMPLOYER
 20 SHARE.—The non-Federal share paid by
 21 such an employer may include the amount
 22 of the wages paid by the employer to a
 23 worker while the worker is attending a
 24 training program under this paragraph.”.

1 **SEC. 122. PERFORMANCE ACCOUNTABILITY SYSTEM.**

2 ~~(a) STATE PERFORMANCE MEASURES.—~~

3 ~~(1) INDICATORS OF PERFORMANCE.—~~Section
 4 ~~136(b)(2)(A) (29 U.S.C. 2871(b)(2)(A))~~ is amend-
 5 ed—

6 ~~(A) in clause (i)—~~

7 ~~(i) in the matter preceding subclause~~
 8 ~~(I), by striking “and (for participants who~~
 9 ~~are eligible youth age 19 through 21) for~~
 10 ~~youth activities authorized under section~~
 11 ~~129”;~~

12 ~~(ii) by striking subclause (III) and in-~~
 13 ~~serting the following:~~

14 ~~“(III) increases in earnings from~~
 15 ~~unsubsidized employment; and”;~~ and

16 ~~(iii) in subclause (IV), by striking “,~~
 17 ~~or by participants” and all that follows~~
 18 ~~through “unsubsidized employment”;~~ and

19 ~~(B) by striking clause (ii) and inserting the~~
 20 ~~following:~~

21 ~~“(ii) CORE INDICATORS FOR ELIGIBLE~~
 22 ~~YOUTH.—The core indicators of perform-~~
 23 ~~ance for youth activities authorized under~~
 24 ~~section 129 shall consist of—~~

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

4 “(II) attainment of secondary
 5 school diplomas or their recognized
 6 equivalents, and postsecondary certifi-
 7 cates; and

8 “(III) literacy or numeracy
 9 gains.”.

10 (2) ADDITIONAL INDICATORS.—Section
 11 136(b)(2)(C) (29 U.S.C. 2871(b)(2)(C)) is amended
 12 to read as follows:

13 “(C) ADDITIONAL INDICATORS.—A State
 14 may identify in the State plan additional indica-
 15 tors for workforce investment activities under
 16 this subtitle, including indicators identified in
 17 collaboration with State business and industry
 18 associations, with employee representatives
 19 where applicable, and with local boards, to
 20 measure the performance of the workforce in-
 21 vestment system in serving the workforce needs
 22 of business and industry in the State.”.

23 (3) LEVELS OF PERFORMANCE.—Section
 24 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amend-
 25 ed—

1 (A) in clause (iii)—

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

4 (ii) by striking “and the customer sat-
5 isfaction indicator of performance, for the
6 first 3” and inserting “described in clauses
7 (i) and (ii) of paragraph (2)(A) and the
8 customer satisfaction indicator of perform-
9 ance, for the first 2”; and

10 (iii) by inserting at the end the fol-
11 lowing: “Agreements on levels of perform-
12 ance for each of the core indicators of per-
13 formance for the third and fourth program
14 years covered by the State plan shall be
15 reached prior to the beginning of the third
16 program year covered by the State plan;
17 and incorporated as a modification to the
18 State plan.”;

19 (B) in clause (iv)—

20 (i) in subclause (II)—

21 (I) by striking “taking into ac-
22 count” and inserting “and shall en-
23 sure that the levels involved are ad-
24 justed, using objective statistical
25 methods, based on”;

1 (II) by inserting “(such as dif-
 2 ferences in unemployment rates and
 3 job losses or gains in particular indus-
 4 tries)” after “economic conditions”;

5 (III) by inserting “(such as indi-
 6 cators of poor work history, lack of
 7 work experience, educational or occu-
 8 pational skills attainment, dislocation
 9 from high-wage and benefit employ-
 10 ment, low levels of literacy or English
 11 proficiency, disability status, home-
 12 lessness, and welfare dependency)”
 13 after “program”; and

14 (IV) by striking “and” at the
 15 end;

16 (ii) in subclause (III), by striking the
 17 period and inserting “; and”; and

18 (iii) by adding at the end the fol-
 19 lowing:

20 “(IV) the extent to which the lev-
 21 els involved will assist the State in
 22 meeting the national goals described
 23 in clause (v).”;

24 (C) by striking clause (v) and inserting the
 25 following:

1 “(v) ESTABLISHMENT OF NATIONAL
2 GOALS.—In order to promote enhanced
3 performance outcomes on the performance
4 measures and to facilitate the process of
5 reaching agreements with the States under
6 clause (iii) and to measure systemwide per-
7 formance for the one-stop delivery systems
8 of the States, the Secretary shall establish
9 long-term national goals for the adjusted
10 levels of performance for that systemwide
11 performance to be achieved by the pro-
12 grams assisted under chapters 4 and 5 on
13 the core indicators of performance de-
14 scribed in subparagraphs (A) and (B) of
15 subsection (b)(2). Such goals shall be es-
16 tablished in accordance with the Govern-
17 ment Performance and Results Act of
18 1993 in consultation with the States and
19 other appropriate parties.”; and
20 (D) in clause (vi)—

21 (i) by striking “or (v)”;

22 (ii) by striking “with the representa-
23 tives described in subsection (i)” and in-
24 serting “with the States and other inter-
25 ested parties”.

1 (b) LOCAL PERFORMANCE MEASURES.—Section
2 136(e)(3) (29 U.S.C. 2871(e)(3))—

3 (1) by striking “shall take into account” and
4 inserting “shall ensure such levels are adjusted
5 based on”;

6 (2) by inserting “(characteristics such as unem-
7 ployment rates and job losses or gains in particular
8 industries)” after “economic”; and

9 (3) by inserting “(characteristics such as indi-
10 cators of poor work history, lack of work experience,
11 educational and occupational skills attainment, dis-
12 location from high-wage and benefit employment,
13 low levels of literacy or English proficiency, dis-
14 ability status, homelessness, and welfare depend-
15 ency)” after “demographic”.

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

18 (1) in paragraph (1), by adding at the end the
19 following: “In the case of a State or local area that
20 chooses to expend funds under section
21 134(a)(3)(A)(i) or 134(e)(1)(A)(vii), respectively,
22 the report also shall include the amount of such
23 funds so expended and the percentage that such
24 funds are of the funds available under section 134;

25 (2) in paragraph (2)—

1 (A) in subparagraph (E)—

2 (i) by striking “(excluding partici-
3 pants who received only self-service and in-
4 formational activities)” and

5 (ii) by striking “and” after the semi-
6 colon;

7 (B) in subparagraph (F)—

8 (i) by inserting “nonecustodial parents
9 with child support obligations, homeless in-
10 dividuals,” after “displaced homemakers,”
11 and

12 (ii) by striking the period and insert-
13 ing a semicolon; and

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

15 “(G) the number of participants served
16 and the cost per participant; and

17 “(H) the amount of adult and dislocated
18 worker funds spent on—

19 “(i) core, intensive, and training serv-
20 ices, respectively; and

21 “(ii) services provided under section
22 134(a)(3)(A)(i) or 134(e)(1)(A)(iii), if ap-
23 plicable.”; and

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

1 “(4) DATA VALIDATION.—In preparing the re-
 2 ports described in this subsection, the States shall
 3 establish procedures, consistent with guidelines
 4 issued by the Secretary, to ensure that the informa-
 5 tion contained in the reports is valid and reliable.”.

6 (d) SANCTIONS FOR STATE.—Section 136(g) is
 7 amended—

8 (1) in paragraph (1)(B), by striking “If such
 9 failure continues for a second consecutive year” and
 10 inserting “If a State performs at less than 80 per-
 11 cent of the adjusted level of performance for a core
 12 indicator of performance described in subsection
 13 (b)(2)(A) for 2 consecutive years with respect to the
 14 same indicator of performance”; and

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

17 (e) SANCTIONS FOR LOCAL AREA.—Section
 18 136(h)(2)(A) (29 U.S.C. 2871(h)(2)(A)) is amended—

19 (1) in the matter preceding clause (i), by strik-
 20 ing “If such failure continues for a second consecu-
 21 tive year” and inserting “If a local area performs at
 22 less than 80 percent of the adjusted level of per-
 23 formance for a core indicator of performance de-
 24 scribed in subsection (b)(2)(A) for 2 consecutive

1 years with respect to the same indicator of perform-
 2 ance”;

3 (2) in clause (ii), by striking “or” after the
 4 semicolon;

5 (3) by redesignating clause (iii) as clause (iv);
 6 and

7 (4) by inserting after clause (ii) the following:
 8 “(iii) redesignate the local area in ac-
 9 cordance with section 116(a)(2); or”.

10 (f) INCENTIVE GRANTS.—Section 136(i) (29 U.S.C.
 11 2871(i)) is amended to read as follows:

12 “(i) INCENTIVE GRANTS FOR STATES AND LOCAL
 13 AREAS.—

14 “(1) INCENTIVE GRANTS FOR STATES.—

15 “(A) IN GENERAL.—From funds appro-
 16 priated under section 174(b) and made avail-
 17 able under subsection (g)(2), the Secretary may
 18 award incentive grants to States for exemplary
 19 performance in carrying out programs under
 20 chapters 4 and 5.

21 “(B) BASIS.—The Secretary shall award
 22 the grants on the basis—

23 “(i) of the States meeting or exceed-
 24 ing the performance measures established
 25 under subsection (b)(3)(A)(iii);

1 “(ii) of exemplary performance of the
2 States in serving hard-to-serve populations
3 (including performance relating to the lev-
4 els of service provided and the performance
5 outcomes on such performance measures
6 with respect to the populations);

7 “(iii) of States that are effectively—

8 “(I) coordinating multiple sys-
9 tems into a more effective workforce
10 development system; including coordi-
11 nation of employment services under
12 the Wagner-Peyser Act and core ac-
13 tivities under this title as well as part-
14 ner programs described in section
15 121;

16 “(II) expanding access to train-
17 ing; including through increased
18 leveraging of resources other than
19 those funded through programs under
20 this title; or

21 “(III) implementing innovative
22 business and economic development
23 initiatives.

24 “(iv) of such other factors relating to
25 the performance of the States under this

1 title as the Secretary determines are ap-
 2 propriate.

3 “(C) USE OF FUNDS.—The funds awarded
 4 to a State under this paragraph may be used to
 5 carry out any activities authorized for States
 6 under chapters 4 and 5, title II of this Act, and
 7 the Carl D. Perkins Vocational and Technical
 8 Education Act of 1998, including demonstra-
 9 tion projects and innovative programs for hard-
 10 to-serve populations.

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

12 “(A) IN GENERAL.—From funds reserved
 13 under sections 128(a) and 133(a)(1), the Gov-
 14 ernor involved shall award incentive grants to
 15 local areas for exemplary performance in ear-
 16 nying out programs under chapters 4 and 5.

17 “(B) BASIS.—The Governor shall award
 18 the grants on the basis—

19 “(i) that the local areas met or ex-
 20 ceeded the performance measures estab-
 21 lished under subsection (c)(2) relating to
 22 indicators described in subsection
 23 (b)(3)(A)(iii);

“(ii) of exemplary performance of the local areas in serving hard-to-serve populations; or

“(iii) of States and local areas that are effectively—

“(I) coordinating multiple systems into a comprehensive workforce development system, including coordination of employment services under the Wagner-Peyser Act and core activities under this title as well as partner programs described in section 121;

“(II) expanding access to training, including through increased leveraging of resources other than those funded through programs under this title; or

“(III) implementing innovative business and economic development initiatives.

“(C) USE OF FUNDS.—The funds awarded to a local area under this paragraph may be used to carry out activities authorized for local areas under chapters 4 and 5, and such dem-

1 onstration projects or innovative programs for
 2 hard-to-serve populations as may be approved
 3 by the Governor.”.

4 ~~(g) USE OF CORE MEASURES IN OTHER DEPART-~~
 5 ~~MENT OF LABOR PROGRAMS.—~~Section 136 (29 U.S.C.
 6 2871) is amended by adding at the end the following:

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

16 ~~(h) PREVIOUS DEFINITIONS OF CORE INDICATORS~~
 17 ~~AND INCENTIVE GRANTS.—~~Sections 502 and 503 (29
 18 U.S.C. 9272 and 9273) are repealed.

19 **SEC. 123. AUTHORIZATION OF APPROPRIATIONS.**

20 ~~(a) YOUTH ACTIVITIES.—~~Section 137(a) (29 U.S.C.
 21 2872(a)) is amended by striking “such sums as may be
 22 necessary for each of fiscal years 1999 through 2003” and
 23 inserting “such sums as may be necessary for each of fis-
 24 cal years 2004 through 2009”.

1 (b) ADULT EMPLOYMENT AND TRAINING ACTI-
 2 TIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by
 3 striking “such sums as may be necessary for each of fiscal
 4 years 1999 through 2003” and inserting “such sums as
 5 may be necessary for each of fiscal years 2004 through
 6 2009”.

7 (c) DISLOCATED WORKER EMPLOYMENT AND
 8 TRAINING ACTIVITIES.—Section 137(c) (29 U.S.C.
 9 2872(c)) is amended by striking “such sums as may be
 10 necessary for each of fiscal years 1999 through 2003” and
 11 inserting “such sums as may be necessary for each of fis-
 12 cal years 2004 through 2009”.

13 **Subtitle C—Job Corps**

14 **SEC. 131. JOB CORPS.**

15 (a) ELIGIBILITY.—Section 144(3) (29 U.S.C.
 16 2884(3)) is amended by adding at the end the following:

17 “(F) A child eligible for assistance under
 18 section 477 of the Social Security Act.”.

19 (b) IMPLEMENTATION OF STANDARDS AND PROCE-
 20 DURES.—Section 145(a)(3) (29 U.S.C. 2885(a)(3)) is
 21 amended—

22 (1) in subparagraph (B), by striking “and”
 23 after the semicolon;

24 (2) in subparagraph (C), by striking the period
 25 and inserting “; and”; and

1 ~~(3)~~ by adding at the end the following:

2 “(D) child welfare agencies that are re-
3 sponsible for children in foster care and chil-
4 dren eligible for assistance under section 477 of
5 the Social Security Act.”.

6 ~~(c) INDUSTRY COUNCILS.—Section 154(b) (29~~
7 ~~U.S.C. 2894(b)) is amended—~~

8 (1) in paragraph (1)(A), by striking “local and
9 distant”; and

10 ~~(2)~~ by adding at the end the following:

11 ~~“(3) EMPLOYERS OUTSIDE OF LOCAL AREA.—~~
12 ~~The industry council may include, or otherwise pro-~~
13 ~~vide for consultation with, employers from outside~~
14 ~~the local area who are likely to hire a significant~~
15 ~~number of enrollees from the Job Corps center.~~

16 ~~“(4) SPECIAL RULE FOR SINGLE LOCAL AREA~~
17 ~~STATES.—In the case of a single local area State~~
18 ~~designated under section 116(b), the industry coun-~~
19 ~~cil shall include a representative of the State~~
20 ~~Board.”.~~

21 ~~(d) INDICATORS OF PERFORMANCE.—Section 159~~
22 ~~(29 U.S.C. 2983) is amended—~~

23 (1) in subsection (c)—

24 (A) by striking paragraph (1) and insert-
25 ing the following:

1 “(1) PERFORMANCE INDICATORS.—The Sec-
 2 retary shall annually establish expected levels of per-
 3 formance for Job Corps centers and the Job Corps
 4 program relating to each of the core indicators of
 5 performance for youth activities identified in section
 6 136(b)(2)(A)(ii).”;

7 (B) in paragraph (2), by striking “meas-
 8 ures” each place it appears and inserting “indi-
 9 cators”; and

10 (C) in paragraph (3)—

11 (i) in the first sentence, by striking
 12 “core performance measures, as compared
 13 to the expected performance level for each
 14 performance measure” and inserting “per-
 15 formance indicators described in paragraph
 16 (1), as compared to the expected level of
 17 performance established under paragraph
 18 (1) for each performance measure”; and

19 (ii) in the second sentence, by striking
 20 “measures” each place it appears and in-
 21 serting “indicators”; and

22 (2) in subsection (f)(2), in the first sentence, by
 23 striking “core performance measures” and inserting
 24 “indicators of performance”.

1 (e) AUTHORIZATION OF APPROPRIATIONS.—Section
 2 161 (29 U.S.C. 2901) is amended by striking “1999
 3 through 2003” and inserting “2004 through 2009”.

4 **Subtitle D—National Programs**

5 **SEC. 141. NATIVE AMERICAN PROGRAMS.**

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

8 “(C) DUTIES.—The Council shall advise
 9 the Secretary on the operation and administra-
 10 tion of the programs assisted under this sec-
 11 tion, including the selection of the individual
 12 appointed as head of the unit established under
 13 paragraph (1).”.

14 (b) ASSISTANCE TO UNIQUE NATIVE POPULATIONS
 15 IN ALASKA AND HAWAII.—Section 166(j) (29 U.S.C.
 16 2911(j)) is amended to read as follows:

17 “(j) ASSISTANCE TO UNIQUE NATIVE POPULATIONS
 18 IN ALASKA AND HAWAII.—

19 “(1) IN GENERAL.—Notwithstanding any other
 20 provision of law, the Secretary is authorized to pro-
 21 vide assistance to unique native populations who re-
 22 side in Alaska or Hawaii to improve job training and
 23 workforce investment activities.

24 “(2) AUTHORIZATION OF APPROPRIATIONS.—

25 There are authorized to be appropriated to carry out

1 this subsection such sums as may be necessary for
2 fiscal year 2004.”.

3 ~~(c) PERFORMANCE INDICATORS.—Section 166 (29~~
4 ~~U.S.C. 2011 is amended by adding at the end the fol-~~
5 ~~lowing:~~

6 ~~“(c) PERFORMANCE INDICATORS.—~~

7 ~~“(1) DEVELOPMENT OF INDICATORS.—The~~
8 ~~Secretary, in consultation with the Native American~~
9 ~~Employment and Training Council, shall develop a~~
10 ~~set of performance indicators and standards which~~
11 ~~shall be applicable to programs under this section.~~

12 ~~“(2) SPECIAL CONSIDERATIONS.—Such per-~~
13 ~~formance indicators and standards shall take into~~
14 ~~account—~~

15 ~~“(A) the purposes of the programs under~~
16 ~~this section as described in paragraph (a)(1);~~

17 ~~“(B) the needs of the groups served by this~~
18 ~~section, including the differences in needs~~
19 ~~among such groups in various geographic serv-~~
20 ~~ice areas; and~~

21 ~~“(C) the economic circumstances of the~~
22 ~~communities served, including differences in cir-~~
23 ~~cumstances among various geographic service~~
24 ~~areas.”.~~

1 **SEC. 142. MIGRANT AND SEASONAL FARMWORKER PRO-**
 2 **GRAMS.**

3 Section 167(d) (29 U.S.C. 2912(d)) is amended by
 4 inserting “(including permanent housing)” after “hous-
 5 ing”.

6 **SEC. 143. VETERANS’ WORKFORCE INVESTMENT PRO-**
 7 **GRAMS.**

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

11 **SEC. 144. YOUTH CHALLENGE GRANTS.**

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

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

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

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

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

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

25 **“(1) ESTABLISHMENT.—**From the funds de-
 26 scribed in subsection (a)(1), the Secretary shall

1 award competitive grants to eligible entities to carry
 2 out activities authorized under this subsection to as-
 3 sist eligible youth in acquiring the skills, credentials,
 4 and employment experience necessary to achieve the
 5 performance outcomes for youth described in section
 6 136.

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

9 “(A) a State or consortium of States;

10 “(B) a local board or consortium of local
 11 boards;

12 “(C) a recipient of a grant under section
 13 166 (relating to Native American programs); or

14 “(D) a public or private entity (including
 15 a consortium of such entities) with expertise in
 16 the provision of youth activities, applying in
 17 partnership with a local board or consortium of
 18 local boards.

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

24 “(A) a description of the activities the eli-
 25 gible entity will provide to eligible youth under

1 this subsection, and how the eligible entity will
2 collaborate with State and local workforce in-
3 vestments systems established under this title
4 in the provision of such activities;

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

11 “(C) a description of the State, local, and
12 private resources that will be leveraged to pro-
13 vide the activities described under subparagraph
14 (A) in addition to funds provided under this
15 subsection, and a description of the extent of
16 the involvement of employers in the activities;

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

21 “(E) an assurance that the State board of
22 each State in which the proposed activities are
23 to be carried out had the opportunity to review
24 the application, and including the comments, if
25 any, of the affected State boards on the appli-

1 eation, except that this subparagraph shall not
 2 apply to an eligible entity described in para-
 3 graph (2)(C).

4 “(4) FACTORS FOR AWARD.—

5 “(A) IN GENERAL.—In awarding grants
 6 under this subsection the Secretary shall con-
 7 sider—

8 “(i) the quality of the proposed activi-
 9 ties;

10 “(ii) the goals to be achieved;

11 “(iii) the likelihood of successful im-
 12 plementation;

13 “(iv) the extent to which the proposed
 14 activities are based on proven strategies or
 15 the extent to which the proposed activities
 16 will expand the base of knowledge relating
 17 to the provision of activities for youth;

18 “(v) the extent of collaboration with
 19 the State and local workforce investment
 20 systems in carrying out the proposed ac-
 21 tivities;

22 “(vi) the extent of employer involve-
 23 ment in the proposed activities;

24 “(vii) whether there are other Federal
 25 and non-Federal funds available for similar

activities to the proposed activities; and the additional State, local, and private resources that will be provided to carry out the proposed activities; and

“(viii) the quality of proposed activities in meeting the needs of the youth to be served.

“(B) **EQUITABLE GEOGRAPHIC DISTRIBUTION.**—In awarding grants under this subsection the Secretary shall ensure an equitable distribution of such grants across geographically diverse areas.

“(5) **USE OF FUNDS.**—

“(A) **IN GENERAL.**—An eligible entity that receives a grant under this subsection shall use the grant funds to carry out activities that are designed to assist youth in acquiring the skills, credentials, and employment experience that are necessary to succeed in the labor market, including the activities identified in section 129.

“(B) **ACTIVITIES.**—The activities carried out pursuant to subparagraph (A) may include the following:

“(i) Training and internships for out-of-school youth in sectors of the economy

1 experiencing, or projected to experience,
2 high growth.

3 “(ii) Dropout prevention activities for
4 in-school youth.

5 “(iii) Activities designed to assist spe-
6 cial youth populations, such as court-in-
7 volved youth and youth with disabilities.

8 “(iv) Activities combining remediation
9 of academic skills, work readiness training,
10 and work experience, and including link-
11 ages to postsecondary education, appren-
12 ticeships, and career-ladder employment.

13 “(v) Activities, including work experi-
14 ence, paid internships, and entrepreneurial
15 training, in areas where there is a migra-
16 tion of youth out of the areas.

17 “(C) PARTICIPANT ELIGIBILITY.—Youth
18 who are 14 years of age through 24 years of
19 age, as of the time the eligibility determination
20 is made, may be eligible to participate in activi-
21 ties carried out under this subsection.

22 “(6) GRANT PERIOD.—The Secretary shall
23 make a grant under this subsection for a period of
24 2 years and may renew the grant, if the eligible enti-

ty has performed successfully, for a period of not more than 3 succeeding years.

~~“(7) MATCHING FUNDS REQUIRED.—The Secretary shall require that an eligible entity that receives a grant under this subsection provide non-Federal matching funds in an amount to be determined by the Secretary that is not less than 10 percent of the cost of activities carried out under the grant. The Secretary may require that such non-Federal matching funds be provided in cash resources, noncash resources, or a combination of cash and noncash resources.~~

~~“(8) EVALUATION.—The Secretary shall reserve not more than 3 percent of the funds described in subsection (a)(1) to provide technical assistance to, and conduct evaluations of (using appropriate techniques as described in section 172(e)), the projects funded under this subsection.~~

~~“(c) DISCRETIONARY GRANTS FOR YOUTH ACTIVITIES.—~~

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

1 “(2) ELIGIBLE ENTITY.—In this subsection, the
2 term ‘eligible entity’ means a public or private entity
3 that the Secretary determines would effectively carry
4 out activities relating to youth under this subsection.

5 “(3) EQUITABLE DISTRIBUTION TO RURAL
6 AREAS.—In awarding grants under this subsection
7 the Secretary shall ensure an equitable distribution
8 of such grants to rural areas.

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

14 “(5) USE OF FUNDS.—

15 “(A) IN GENERAL.—An eligible entity that
16 receives a grant under this subsection shall use
17 the grant funds to carry out—

18 “(i) activities that will assist youth in
19 preparing for, and entering and retaining,
20 employment, including the activities de-
21 scribed in section 129 for out-of-school
22 youth;

23 “(ii) activities designed to assist in-
24 school youth to stay in school and gain
25 work experience;

1 “(iii) activities designed to assist
2 youth in economically distressed areas; and

3 “(iv) such other activities that the
4 Secretary determines are appropriate to
5 ensure that youth entering the workforce
6 have the skills needed by employers.

7 “(B) PARTICIPANT ELIGIBILITY.—Youth
8 who are 14 years of age through 21 years of
9 age, as of the time the eligibility determination
10 is made, may be eligible to participate in activi-
11 ties carried out under this subsection.

12 “(6) MATCHING FUNDS REQUIRED.—The Sec-
13 retary shall require that an eligible entity that re-
14 ceives a grant under this subsection provide non-
15 Federal matching funds in an amount to be deter-
16 mined by the Secretary that is not less than 10 per-
17 cent of the cost of activities carried out under the
18 grant. The Secretary may require that such non-
19 Federal matching funds be provided in cash re-
20 sources, noncash resources, or a combination of cash
21 and noncash resources.

22 “(7) EVALUATIONS.—The Secretary may re-
23 quire that an eligible entity that receives a grant
24 under this subsection participate in an evaluation of
25 activities carried out under this subsection, including

1 an evaluation using the techniques described in sec-
2 tion 172(e).”.

3 **SEC. 145. TECHNICAL ASSISTANCE.**

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

5 (1) in subsection (a)(1), by—

6 (A) inserting “the training of staff pro-
7 viding rapid response services; the training of
8 other staff of recipients of funds under this
9 title; the training of members of State boards
10 and local boards; peer review activities under
11 this title,” after “localities,”; and

12 (B) striking “from carrying out activities”
13 and all that follows through the period and in-
14 serting “to implement the amendments made by
15 the Workforce Investment Act Amendments of
16 2003.”;

17 (2) in subsection (a)(2), by adding at the end
18 the following: “The Secretary shall also hire staff
19 qualified to provide the assistance described in para-
20 graph (1).”;

21 (3) in subsection (b)(2), by striking the last
22 sentence and inserting “Such projects shall be ad-
23 ministered by the Employment and Training Admin-
24 istration.”; and

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

1 “(c) **BEST PRACTICES COORDINATION.**—The Sec-
2 retary shall—

3 “(1) establish a system through which States
4 may share information regarding best practices with
5 regard to the operation of workforce investment ac-
6 tivities under this Act;

7 “(2) evaluate and disseminate information re-
8 garding best practices and identify knowledge gaps;
9 and

10 “(3) commission research under section 172 to
11 address knowledge gaps identified under paragraph
12 (2).”.

13 **SEC. 146. DEMONSTRATION, PILOT, MULTISERVICE, RE-**
14 **SEARCH, AND MULTISTATE PROJECTS.**

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

17 (1) in paragraph (1)—

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

20 (B) by striking subparagraphs (A) through
21 (E) and inserting the following:

22 “(A) projects that assist national employ-
23 ers in connecting with the workforce investment
24 system established under this title in order to
25 facilitate the recruitment and employment of

1 needed workers for career ladder jobs and to
2 provide information to such system on skills
3 and occupations in demand;

4 “(B) projects that promote the develop-
5 ment of systems that will improve the maximum
6 effectiveness of programs carried out under this
7 title;

8 “(C) projects that focus on opportunities
9 for employment in industries and sectors of in-
10 dustries that are experiencing, or are likely to
11 experience, high rates of growth and jobs with
12 wages leading to self-sufficiency;

13 “(D) projects that establish and implement
14 innovative integrated systems training programs
15 targeted to dislocated, disadvantaged incumbent
16 workers that utilize equipment and curriculum
17 designed in partnership with local, regional, or
18 national industries that is computerized, indi-
19 vidualized, self-paced, and interactive that deliv-
20 ers skills and proficiencies that are measurable
21 to train workers for employment in the oper-
22 ations, repair, and maintenance of high-tech
23 equipment that is used in integrated systems
24 technology;

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

4 (C) in subparagraph (G), by striking
5 “and” after the semicolon; and

6 (D) by striking subparagraph (H) and in-
7 serting the following:

8 “(H) projects that provide retention grants
9 to qualified job training programs upon place-
10 ment or retention of a low-income individual
11 trained by the program in employment with a
12 single employer for a period of 1 year, if such
13 employment provides the low-income individual
14 with an annual salary that is not less than
15 twice the poverty line applicable to the indi-
16 vidual;

17 “(I) targeted innovation projects that im-
18 prove access to and delivery of employment and
19 training services, with emphasis given to
20 projects that incorporate advanced technologies
21 to facilitate the connection of individuals to the
22 information and tools they need to upgrade
23 skills; and

24 “(J) projects that promote the use of dis-
25 tance learning, enabling students to take

courses through the use of media technology
such as videos, teleconferencing computers, and
the Internet.”; and

(2) in paragraph (2)—

(A) by striking subparagraph (B); and

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

(b) MULTISERVICE PROJECTS.—Section

171(c)(2)(B) (29 U.S.C. 2916(c)(2)(B)) is amended to
read as follows:

“(B) STUDIES AND REPORTS.—

“(i) NET IMPACT STUDIES AND RE-
PORTS.—

“(I) IN GENERAL.—The Sec-
retary shall conduct studies to deter-
mine the net impacts of programs,
services, and activities carried out
under this title.

“(H) REPORTS.—The Secretary
shall prepare and disseminate to the
public reports containing the results
of the studies conducted under sub-
clause (I).

“(ii) STUDY ON RESOURCES AVAIL-
ABLE TO ASSIST OUT-OF-SCHOOL

1 YOUTH.—The Secretary, in coordination
 2 with the Secretary of Education, may con-
 3 duct a study examining the resources avail-
 4 able at the Federal, State, and local levels
 5 to assist out-of-school youth in obtaining
 6 the skills, credentials, and work experience
 7 necessary to become successfully employed,
 8 including the availability of funds provided
 9 through average daily attendance and
 10 other methodologies used by States and
 11 local areas to distribute funds.

12 “(iii) STUDY OF INDUSTRY-BASED
 13 CERTIFICATION AND CREDENTIALS.—

14 “(I) IN GENERAL.—The Sec-
 15 retary shall conduct a study con-
 16 cerning the role and benefits of
 17 credentialing and certification to busi-
 18 nesses and workers in the economy
 19 and the implications of certification to
 20 the services provided through the
 21 workforce investment system. The
 22 study may examine issues such as—

23 “(aa) the characteristics of
 24 successful credentialing and cer-

1 tification systems that serve busi-
2 ness and individual needs;

3 “(bb) the relative propor-
4 tions of certificates and creden-
5 tials attained with assistance
6 from the public sector, with pri-
7 vate-sector training of new hires
8 or incumbent workers, and by in-
9 dividuals on their own initiative
10 without other assistance, respec-
11 tively;

12 “(cc) the return on human
13 capital investments from occupa-
14 tional credentials and industry-
15 based skill certifications, includ-
16 ing the extent to which acquisi-
17 tion of such credentials or certifi-
18 cates enhances outcomes such as
19 entry into employment, retention,
20 earnings (including the number
21 and amount of wage increases),
22 career advancement, and layoff
23 aversion;

24 “(dd) the implications of the
25 effects of skill certifications and

1 credentials to the types and deliv-
2 ery of services provided through
3 the workforce investment system;

4 “(cc) the role that Federal
5 and State governments play in
6 fostering the development of and
7 disseminating credentials and
8 skill standards; and

9 “(ff) the use of credentials
10 by businesses to achieve goals for
11 workforce skill upgrading and
12 greater operating efficiency.

13 “(H) REPORT TO CONGRESS.—

14 The Secretary shall prepare and sub-
15 mit to Congress a report containing
16 the results of the study conducted
17 pursuant to subelause (I). Such report
18 may include any recommendations
19 that the Secretary determines are ap-
20 propriate to include in such report re-
21 lating to promoting the acquisition of
22 industry-based certification and cre-
23 dentials, and the appropriate role of
24 the Department of Labor and the
25 workforce investment system in sup-

1 porting the needs of business and in-
2 dividuals with respect to such certifi-
3 cation and credentials.

4 “(iv) STUDY OF EFFECTIVENESS OF
5 WORKFORCE INVESTMENT SYSTEM IN
6 MEETING BUSINESS NEEDS.—

7 “(I) IN GENERAL.—Using funds
8 available to carry out this section
9 jointly with funds available to the Sec-
10 retary of Commerce and Adminis-
11 trator of the Small Business Adminis-
12 tration, the Secretary, in coordination
13 with the Secretary of Commerce and
14 the Administrator of the Small Busi-
15 ness Administration, may conduct a
16 study of the effectiveness of the work-
17 force investment system in meeting
18 the needs of business, with particular
19 attention to the needs of small busi-
20 ness, including in assisting workers to
21 obtain the skills needed to utilize
22 emerging technologies. In conducting
23 the study, the Secretary, in coordina-
24 tion with the Secretary of Commerce
25 and the Administrator of the Small

1 Business Administration, may exam-
2 ine issues such as—

3 “(aa) methods for identi-
4 fying the workforce needs of
5 businesses and how the require-
6 ments of small businesses may
7 differ from larger establishments;

8 “(bb) business satisfaction
9 with the workforce investment
10 system, with particular emphasis
11 on the satisfaction of small busi-
12 nesses;

13 “(cc) the extent to which
14 business is engaged as a collabo-
15 rative partner in the workforce
16 investment system, including the
17 extent of business involvement as
18 members of State boards and
19 local boards, and the extent to
20 which such boards and one-stop
21 centers effectively collaborate
22 with business and industry lead-
23 ers in developing workforce in-
24 vestment strategies, including

1 strategies to identify high growth
2 opportunities;

3 “(dd) ways in which the
4 workforce investment system ad-
5 dresses changing skill needs of
6 business that result from changes
7 in technology and work processes;

8 “(ee) promising practices for
9 serving small businesses;

10 “(ff) the extent and manner
11 in which the workforce invest-
12 ment system uses technology to
13 serve business and individual
14 needs, and how uses of tech-
15 nology could enhance efficiency
16 and effectiveness in providing
17 services; and

18 “(gg) the extent to which
19 various segments of the labor
20 force have access to and utilize
21 technology to locate job openings
22 and apply for jobs, and charac-
23 teristics of individuals utilizing
24 such technology (such as age,
25 gender, race or ethnicity, indus-

1 try sector, and occupational
2 groups).

3 ~~“(H) REPORT TO CONGRESS.—~~

4 The Secretary shall prepare and sub-
5 mit to Congress a report containing
6 the results of the study described in
7 clause (I). Such report may include
8 any recommendations the Secretary
9 determines are appropriate to include
10 in such report, including ways to en-
11 hance the effectiveness of the work-
12 force investment system in meeting
13 the needs of business for skilled work-
14 ers.”.

15 ~~(c) CONFORMING AMENDMENT.—Section 171(d) (29~~
16 ~~U.S.C. 2916(d)) is amended by striking the last sentence.~~

17 ~~(d) WAIVER AUTHORITY TO CARRY OUT DEM-~~
18 ~~ONSTRATIONS AND EVALUATIONS.—Section 171 (29~~
19 ~~U.S.C. 2916) is amended by adding at the end the fol-~~
20 ~~lowing:~~

21 ~~“(d) WAIVER AUTHORITY.—In carrying out dem-~~
22 ~~onstration, pilot, multiservice, research, and multistate~~
23 ~~projects under this section and evaluations under section~~
24 ~~172, the Secretary may waive any provisions of this sec-~~
25 ~~tion that the Secretary determines would prevent the Sec-~~

1 retary from carrying out such projects and evaluations;
 2 except for provisions relating to wage and labor standards
 3 such as nondisplacement protections, grievance procedures
 4 and judicial review, and nondiscrimination provisions.”.

5 (e) NEXT GENERATION TECHNOLOGIES.—Section
 6 171 (29 U.S.C. 2916) is amended further by adding at
 7 the end the following:

8 “(e) SKILL CERTIFICATION PILOT PROJECTS.—

9 “(1) PILOT PROJECTS.—In accordance with
 10 subsection (b) and from funds appropriated pursu-
 11 ant to paragraph (10), the Secretary of Labor shall
 12 establish and carry out not more than 10 pilot
 13 projects to establish a system of industry-validated
 14 national certifications of skills, including—

15 “(A) not more than 8 national certifi-
 16 cations of skills in high-technology industries,
 17 including biotechnology, telecommunications,
 18 highly automated manufacturing (including
 19 semiconductors), nanotechnology, and energy
 20 technology; and

21 “(B) not more than 2 cross-disciplinary
 22 national certifications of skills in homeland se-
 23 curity technology.

24 “(2) GRANTS TO ELIGIBLE ENTITIES.—In ear-
 25 rying out the pilot projects, the Secretary of Labor

1 shall make grants to eligible entities, for periods of
 2 not less than 36 months and not more than 48
 3 months, to carry out the authorized activities de-
 4 scribed in paragraph (7) with respect to the certifi-
 5 cations described in paragraph (1). In awarding
 6 grants under this subsection the Secretary of Labor
 7 shall take into consideration awarding grants to eli-
 8 gible entities from diverse geographic areas, includ-
 9 ing rural areas.

10 ~~“(3) ELIGIBLE ENTITIES.—~~

11 ~~“(A) DEFINITION OF ELIGIBLE ENTITY.—~~

12 In this subsection the term ‘eligible entity’
 13 means an entity that shall work in conjunction
 14 with a local board and shall include as a prin-
 15 cipal participant one or more of the following:

16 ~~“(i) A community college or consor-~~
 17 ~~tium of community colleges.~~

18 ~~“(ii) An advanced technology edu-~~
 19 ~~cation center.~~

20 ~~“(iii) A local workforce investment~~
 21 ~~board.~~

22 ~~“(iv) A representative of a business in~~
 23 ~~a target industry for the certification in-~~
 24 ~~volved.~~

1 “(v) A representative of an industry
2 association, labor organization, or commu-
3 nity development organization.

4 “(B) HISTORY OF DEMONSTRATED CAPA-
5 BILITY REQUIRED.—To be eligible to receive a
6 grant under this subsection, an eligible entity
7 shall have a history of demonstrated capability
8 for effective collaboration with industry on
9 workforce development activities that is con-
10 sistent with the goals of this Act.

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

16 “(5) CRITERIA.—The Secretary of Labor shall
17 establish criteria, consistent with paragraph (6), for
18 awarding grants under this subsection.

19 “(6) PRIORITY.—In selecting eligible entities to
20 receive grants under this subsection, the Secretary
21 of Labor shall give priority to eligible entities that
22 demonstrate the availability of and ability to provide
23 matching funds from industry or nonprofit sources.
24 Such matching funds may be provided in cash or in
25 kind.

1 “(7) AUTHORIZED ACTIVITIES.—

2 “(A) IN GENERAL.—An eligible entity that
3 receives a grant under this subsection shall use
4 the funds made available through the grant—

5 “(i) to facilitate the establishment of
6 certification requirements for a certifi-
7 cation described in paragraph (1) for an
8 industry;

9 “(ii) to develop and initiate a certifi-
10 cation program that includes preparatory
11 courses, course materials, procedures, and
12 examinations; for the certification; and

13 “(iii) to collect and analyze data re-
14 lated to the program at the program’s
15 completion; and to identify best practices
16 (consistent with paragraph (8)) that may
17 be used by local and State workforce in-
18 vestment boards in the future.

19 “(B) BASIS FOR REQUIREMENTS.—The
20 certification requirements shall be based on ap-
21 plicable skill standards for the industry involved
22 that have been developed by or linked to na-
23 tional centers of excellence under the National
24 Science Foundation’s Advanced Technological
25 Education Program. The requirements shall re-

1 quire an individual to demonstrate an identifi-
 2 able set of competencies relevant to the industry
 3 in order to receive certification. The require-
 4 ments shall be designed to provide evidence of
 5 a transferable skill set that allows flexibility and
 6 mobility of workers within a high technology in-
 7 dustry.

8 “(C) RELATIONSHIP TO TRAINING AND
 9 EDUCATION PROGRAMS.—The eligible entity
 10 shall ensure that—

11 “(i) a training and education program
 12 related to competencies for the industry in-
 13 volved, that is flexible in mode and time-
 14 frame for delivery and that meets the
 15 needs of those seeking the certification, is
 16 offered; and

17 “(ii) the certification program is of-
 18 fered at the completion of the training and
 19 education program.

20 “(D) RELATIONSHIP TO THE ASSOCIATE
 21 DEGREE.—The eligible entity shall ensure that
 22 the certification program is consistent with the
 23 requirements for a 2-year associate degree.

24 “(E) AVAILABILITY.—The eligible entity
 25 shall ensure that the certification program is

1 open to students pursuing associate degrees;
2 employed workers; and displaced workers.

3 ~~“(8) CONSULTATION.—The Secretary of Labor~~
4 ~~shall consult with the Director of the National~~
5 ~~Science Foundation to ensure that the pilot projects~~
6 ~~build on the expertise and information about best~~
7 ~~practices gained through the implementation of the~~
8 ~~National Science Foundation’s Advanced Techno-~~
9 ~~logical Education Program.~~

10 ~~“(9) CORE COMPONENTS; GUIDELINES; RE-~~
11 ~~PORTS.—After collecting and analyzing the data ob-~~
12 ~~tained from the pilot programs, the Secretary of~~
13 ~~Labor shall—~~

14 ~~“(A) establish the core components of a~~
15 ~~model high-technology certification program;~~

16 ~~“(B) establish guidelines to assure develop-~~
17 ~~ment of a uniform set of standards and policies~~
18 ~~for such programs;~~

19 ~~“(C) submit and prepare a report on the~~
20 ~~pilot projects to the Committee on Health, Edu-~~
21 ~~cation, Labor, and Pensions of the Senate and~~
22 ~~the Committee on Education and the Workforce~~
23 ~~of the House of Representatives; and~~

24 ~~“(D) make available to the public both the~~
25 ~~data and the report.~~

1 ~~“(10) AUTHORIZATION OF APPROPRIATIONS.—~~

2 In addition to amounts authorized to be appro-
3 priated under section 174(b), there is authorized to
4 be appropriated \$30,000,000 for fiscal year 2004 to
5 carry out this subsection.”.

6 ~~(f) INTEGRATED WORKFORCE TRAINING PROGRAMS~~
7 ~~FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—~~

8 Section 171 (29 U.S.C. 2916) is amended further by add-
9 ing at the end the following:

10 ~~“(f) INTEGRATED WORKFORCE TRAINING PROGRAMS~~
11 ~~FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—~~

12 ~~“(1) DEFINITIONS.—In this subsection:~~

13 ~~“(A) INTEGRATED WORKFORCE TRAIN-~~
14 ~~ING.—The term ‘integrated workforce training’~~
15 ~~means training that integrates occupational~~
16 ~~skills training with language acquisition.~~

17 ~~“(B) SECRETARY.—The term ‘Secretary’~~
18 ~~means the Secretary of Labor in consultation~~
19 ~~with the Secretary of Education.~~

20 ~~“(2) DEMONSTRATION PROJECT.—In accord-~~
21 ~~ance with subsection (b) and from funds appro-~~
22 ~~priated pursuant to paragraph (11), the Secretary~~
23 ~~shall establish and implement a national demonstra-~~
24 ~~tion project designed to both analyze and provide~~
25 ~~data on workforce training programs that integrate~~

1 English language acquisition and occupational train-
 2 ing.

3 ~~“(3) GRANTS.—~~

4 ~~“(A) IN GENERAL.—In carrying out the~~
 5 ~~demonstration project, the Secretary shall make~~
 6 ~~not less than 10 grants, on a competitive basis,~~
 7 ~~to eligible entities to provide the integrated~~
 8 ~~workforce training programs. In awarding~~
 9 ~~grants under this subsection the Secretary shall~~
 10 ~~take into consideration awarding grants to eligi-~~
 11 ~~ble entities from diverse geographic areas, in-~~
 12 ~~cluding rural areas.~~

13 ~~“(B) PERIODS.—The Secretary shall make~~
 14 ~~the grants for periods of not less than 24~~
 15 ~~months and not more than 48 months.~~

16 ~~“(4) ELIGIBLE ENTITIES.—~~

17 ~~“(A) IN GENERAL.—To be eligible to re-~~
 18 ~~ceive a grant under this subsection, an eligible~~
 19 ~~entity shall work in conjunction with a local~~
 20 ~~board and shall include as a principal partici-~~
 21 ~~pant one or more of the following:~~

22 ~~“(i) An employer or employer associa-~~
 23 ~~tion.~~

24 ~~“(ii) A nonprofit provider of English~~
 25 ~~language instruction.~~

1 “(iii) A provider of occupational or
2 skills training.

3 “(iv) A community-based organiza-
4 tion.

5 “(v) An educational institution, in-
6 cluding a 2- or 4-year college, or a tech-
7 nical or vocational school.

8 “(vi) A labor organization.

9 “(vii) A local board.

10 “(B) EXPERTISE.—To be eligible to re-
11 ceive a grant under this subsection, an eligible
12 entity shall have proven expertise in—

13 “(i) serving individuals with limited
14 English proficiency, including individuals
15 with lower levels of oral and written
16 English; and

17 “(ii) providing workforce programs
18 with training and English language in-
19 struction.

20 “(5) APPLICATIONS.—

21 “(A) IN GENERAL.—To be eligible to re-
22 ceive a grant under this subsection, an eligible
23 entity shall submit an application to the Sec-
24 retary at such time, in such manner, and con-

1 taining such information as the Secretary may
2 require.

3 “(B) CONTENTS.—Each application sub-
4 mitted under subparagraph (A) shall—

5 “(i) contain information, including ca-
6 pability statements, that demonstrates that
7 the eligible entity has the expertise de-
8 scribed in paragraph (4)(B); and

9 “(ii) include an assurance that the
10 program to be assisted shall—

11 “(I) establish a generalized adult
12 bilingual workforce training and edu-
13 cation model that integrates English
14 language acquisition and occupational
15 training; and incorporates the unique
16 linguistic and cultural factors of the
17 participants;

18 “(II) establish a framework by
19 which the employer, employee, and
20 other relevant members of the eligible
21 entity can create a career development
22 and training plan that assists both the
23 employer and the employee to meet
24 their long-term needs;

1 ~~“(III) ensure that this framework~~
 2 ~~takes into consideration the knowl-~~
 3 ~~edge, skills, and abilities of the em-~~
 4 ~~ployee with respect to both the cur-~~
 5 ~~rent and economic conditions of the~~
 6 ~~employer and future labor market~~
 7 ~~conditions relevant to the local area;~~
 8 ~~and~~

9 ~~“(IV) establish identifiable meas-~~
 10 ~~ures so that the progress of the em-~~
 11 ~~ployee and employer and the relative~~
 12 ~~efficacy of the program can be evalu-~~
 13 ~~ated and best practices identified.~~

14 ~~“(6) CRITERIA.—The Secretary of Labor shall~~
 15 ~~establish criteria for awarding grants under this~~
 16 ~~subsection.~~

17 ~~“(7) INTEGRATED WORKFORCE TRAINING PRO-~~
 18 ~~GRAMS.—~~

19 ~~“(A) PROGRAM COMPONENTS.—~~

20 ~~“(i) REQUIRED COMPONENTS.—Each~~
 21 ~~program that receives funding under this~~
 22 ~~subsection shall—~~

23 ~~“(I) test an individual’s English~~
 24 ~~language proficiency levels to assess~~
 25 ~~oral and literacy gains from the begin-~~

ning and throughout program enrollment;

“(H) combine training specific to a particular occupation or occupational cluster, with—

“(aa) English language instruction, such as instruction through English as a Second Language program, or English for Speakers of Other Languages;

“(bb) basic skills instruction; and

“(cc) supportive services;

“(III) effectively integrate public and private sector entities, including the local workforce investment system and its functions, to achieve the goals of the program; and

“(IV) require matching or in-kind resources from private and non-profit entities.

“(ii) PERMISSIBLE COMPONENTS.—

The program may offer other services, as necessary to promote successful participa-

tion and completion, including work-based learning, substance abuse treatment, and mental health services.

“(B) GOAL.—Each program that receives funding under this subsection shall be designed to prepare limited English proficient adults for and place such adults in employment in growing industries with identifiable career ladder paths.

“(C) PROGRAM TYPES.—In selecting programs to receive funding under this subsection, the Secretary shall select programs that meet 1 or more of the following criteria:

“(i) A program that—

“(I) serves unemployed, limited English proficient individuals with significant work experience or substantial education but persistently low wages; and

“(II) aims to prepare such individuals for and place such individuals in higher paying employment, defined for purposes of this subparagraph as employment that provides at least 75 percent of the median wage in the local area.

1 “(ii) A program that—

2 “(I) serves limited English pro-
3 ficient individuals with lower levels of
4 oral and written fluency, who are
5 working but at persistently low wages;
6 and

7 “(II) aims to prepare such indi-
8 viduals for and place such individuals
9 in higher paying employment, through
10 services provided at the worksite, or
11 at a location central to several work-
12 sites, during work hours.

13 “(iii) A program that—

14 “(I) serves unemployed, limited
15 English proficient individuals with
16 lower levels of oral and written flu-
17 ency, who have little or no work expe-
18 rience; and

19 “(II) aims to prepare such indi-
20 viduals for and place such individuals
21 in employment through services that
22 include subsidized employment, in ad-
23 dition to the components required in
24 subparagraph (A)(i).

1 “(iv) A program that includes funds
2 from private and nonprofit entities.

3 “(D) PROGRAM APPROACHES.—In select-
4 ing programs to receive funding under this sub-
5 section, the Secretary shall select programs
6 with different approaches to integrated work-
7 force training, in different contexts, in order to
8 obtain comparative data on multiple approaches
9 to integrated workforce training and English
10 language instruction, to ensure programs are
11 tailored to characteristics of individuals with
12 varying skill levels and to assess how different
13 curricula work for limited English proficient
14 populations. Such approaches may include—

15 “(i) bilingual programs in which the
16 workplace language component and the
17 training are conducted in a combination of
18 an individual’s native language and
19 English;

20 “(ii) integrated workforce training
21 programs that combine basic skills, lan-
22 guage instruction, and job specific skills
23 training; or

24 “(iii) sequential programs that provide
25 a progression of skills, language, and train-

ing to ensure success upon an individual's
completion of the program.

~~“(8) EVALUATION BY ELIGIBLE ENTITY.—Each~~
eligible entity that receives a grant under this sub-
section for a program shall carry out a continuous
program evaluation and an evaluation specific to the
last phase of the program operations.

~~“(9) EVALUATION BY SECRETARY.—~~

~~“(A) IN GENERAL.—The Secretary shall~~
conduct an evaluation of program impacts of
the programs funded under the demonstration
project, with a random assignment, experi-
mental design impact study done at each work-
site at which such a program is carried out.

~~“(B) DATA COLLECTION AND ANALYSIS.—~~

The Secretary shall collect and analyze the data
from the demonstration project to determine
program effectiveness, including gains in lan-
guage proficiency, acquisition of skills, and job
advancement for program participants.

~~“(C) REPORT.—The Secretary shall pre-~~
pare and submit to the Committee on Health,
Education, Labor, and Pensions of the Senate
and the Committee on Education and the
Workforce of the House of Representatives, and

1 make available to the public, a report on the
2 demonstration project, including the results of
3 the evaluation.

4 “(10) TECHNICAL ASSISTANCE.—The Secretary
5 shall provide technical assistance to recipients of
6 grants under this subsection throughout the grant
7 periods.

8 “(11) AUTHORIZATION OF APPROPRIATIONS.—
9 In addition to amounts authorized to be appro-
10 priated under section 174(b), there is authorized to
11 be appropriated \$10,000,000 for fiscal year 2004 to
12 carry out this subsection.”.

13 **SEC. 147. NATIONAL DISLOCATED WORKER GRANTS.**

14 (a) IN GENERAL.—Section 173 (29 U.S.C. 2918) is
15 amended—

16 (1) by striking the heading and inserting the
17 following:

18 **“SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.”;**

19 and

20 (2) in subsection (a)—

21 (A) by striking “national emergency
22 grants” and inserting “national dislocated
23 worker grants”;

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

1 (C) in paragraph (3), by striking “and”
 2 after the semicolon; and

3 (D) by striking paragraph (4) and insert-
 4 ing the following:

5 “(4) to a State or entity (as defined in sub-
 6 section (b)(1)(B)) to carry out subsection (d), in-
 7 cluding providing assistance to eligible individuals;

8 “(5) to a State or entity (as defined in sub-
 9 section (b)(1)(B)) to carry out subsection (e), in-
 10 cluding providing assistance to eligible individuals;
 11 and

12 “(6) to provide additional assistance to a State
 13 board or local board where a higher than average de-
 14 mand for employment and training services for dis-
 15 located members of the Armed Forces, or spouses of
 16 members of the Armed Forces as described in sub-
 17 section (e)(2)(A)(iv), exceeds State and local re-
 18 sources for providing such services, and where such
 19 programs are to be carried out in partnership with
 20 the Departments of Defense and Veterans Affairs
 21 transition assistance programs.”.

22 (b) ADMINISTRATION AND ADDITIONAL ASSIST-
 23 ANCE.—Section 173 (29 U.S.C. 2918) is amended—

24 (1) by striking subsection (b);

1 (2) by redesignating subsections (e) through (g)
2 as subsections (b) through (f), respectively;

3 (3) by striking subsection (d) (as redesignated
4 by paragraph (2)) and inserting the following:

5 “(d) **ADDITIONAL ASSISTANCE.**—

6 “~~(1)~~ **IN GENERAL.**—From the amount appro-
7 priated and made available to carry out this section
8 for any program year, the Secretary shall use not
9 more than \$20,000,000 to make grants to States to
10 provide employment and training activities under
11 section 134, in accordance with subtitle B.

12 “~~(2)~~ **ELIGIBLE STATES.**—The Secretary shall
13 make a grant under paragraph (1) to a State for a
14 program year if—

15 “(A) the amount of the allotment that
16 would be made to the State for the program
17 year 2003 under the formula specified in sec-
18 tion 132(b)(1)(B) as such section was in effect
19 on July 1, 2003, is greater than

20 “(B) the amount of the allotment that
21 would be made to the State for the program
22 year under the formula specified in section
23 132(b)(1)(B).

24 “~~(3)~~ **AMOUNT OF GRANTS.**—Subject to para-
25 graph (1), the amount of the grant made under

paragraph (1) to a State for a program year shall
be based on the difference between—

“(A) the amount of the allotment that
would be made to the State for the program
year 2003 under the formula specified in sec-
tion 132(b)(1)(B) as such section was in effect
on July 1, 2003; and

“(B) the amount of the allotment that
would be made to the State for the program
year under the formula specified in section
132(b)(1)(B).”;

(4) in subsection (e) (as redesignated by para-
graph (2))—

(A) in paragraph (1), by striking “para-
graph (4)(A)” and inserting “paragraph (4)”;

(B) in paragraph (2), by striking “sub-
section (g)” and inserting “subsection (e)”;

(C) in paragraph (4), by striking “sub-
section (g)” and inserting “subsection (e)”;

(D) in paragraph (5), by striking “sub-
section (g)” and inserting “subsection (e)”;

(E) in paragraph (6)—

(i) by striking “subsection (g)” and
inserting “subsection (e)”;

1 (ii) by striking “subsection (c)(1)(B)”
 2 and inserting “subsection (b)(1)(B)”; and
 3 ~~(5) in subsection (f)(1) (as redesignated by~~
 4 ~~paragraph (2))—~~
 5 (A) by striking “paragraph (4)(B)” and
 6 inserting “paragraph (4)”; and
 7 (B) by striking “subsection (f)(1)(A)” and
 8 inserting “subsection (d)(1)(A)”.

9 **SEC. 148. AUTHORIZATION OF APPROPRIATIONS FOR NA-**
 10 **TIONAL ACTIVITIES.**

11 (a) IN GENERAL.—Section 174(a)(1) (29 U.S.C.
 12 ~~2919(a)(1))~~ is amended by striking “1999 through 2003”
 13 and inserting “2004 through 2009”.

14 (b) RESERVATIONS.—Section 174(b) (29 U.S.C.
 15 ~~2919(b))~~ is amended to read as follows:

16 “(b) TECHNICAL ASSISTANCE; DEMONSTRATION AND
 17 PILOT PROJECTS; EVALUATIONS; INCENTIVE GRANTS.—
 18 There are authorized to be appropriated to carry out sec-
 19 tions 170 through 172 and section 136(i) such sums as
 20 may be necessary for each of fiscal years 2004 through
 21 2009.”.

22 **Subtitle E—Administration**

23 **SEC. 151. REQUIREMENTS AND RESTRICTIONS.**

24 Section 181(e) (29 U.S.C. ~~2931(e)~~) is amended by
 25 striking “economic development activities,”.

1 **SEC. 152. COST PRINCIPLES.**

2 The matter preceding clause (i) of section
3 184(a)(2)(B) (29 U.S.C. 2934(a)(2)(B)) is amended by
4 striking “section 134(a)(3)(B)” and inserting “section
5 134(a)(4)”.

6 **SEC. 153. REPORTS.**

7 Section 185(e) (29 U.S.C. 2935(e)) is amended—

8 (1) in paragraph (2), by striking “and” after
9 the semicolon“

10 (2) in paragraph (3), by striking the period and
11 inserting “; and”; and

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

13 “(4) shall have the option to submit or dissemi-
14 nate electronically any reports, records, plans, or any
15 other data that are required to be collected or dis-
16 seminated under this Act.”.

17 **SEC. 154. ADMINISTRATIVE PROVISIONS.**

18 (a) **ANNUAL REPORT.**—Section 189(d) (29 U.S.C.
19 2939(d)) is amended—

20 (1) in paragraph (3), by striking “and” after
21 the semicolon;

22 (2) by redesignating paragraph (4) as para-
23 graph (5); and

24 (3) by inserting after paragraph (3) the fol-
25 lowing:

1 “(4) the negotiated levels of performance of the
 2 States; the States’ requests for adjustments of such
 3 levels; and the adjustments of such levels that are
 4 made; and”.

5 (b) PROGRAM YEAR.—Section 189(g)(1)(B) (29
 6 U.S.C. 2939(g)(1)(B)) is amended—

7 (1) by striking “The” and inserting “For fiscal
 8 years preceding fiscal year 2005; the”; and

9 (2) by inserting “such” after “any”.

10 (c) AVAILABILITY.—Section 189(g)(2) (29 U.S.C.
 11 2939(g)(2)) is amended, in the first sentence—

12 (1) by striking “Funds” and inserting “Except
 13 as otherwise provided in this paragraph, funds”; and

14 (2) by striking “each State receiving” and in-
 15 serting “each recipient of”.

16 (d) GENERAL WAIVERS.—Section 189(i)(4) (29
 17 U.S.C. 2939(i)(4)) is amended by adding at the end the
 18 following:

19 “(D) EXPEDITED REQUESTS.—The Sec-
 20 retary shall expedite requests for waivers of
 21 statutory or regulatory requirements that have
 22 been approved for a State pursuant to subpara-
 23 graph (B), provided the requirements of this
 24 section have been satisfied.”.

1 **SEC. 155. USE OF CERTAIN REAL PROPERTY.**

2 Section 193 (29 U.S.C. 2943) is amended to read as
3 follows:

4 **“SEC. 193. TRANSFER OF FEDERAL EQUITY IN STATE EM-**
5 **PLOYMENT SECURITY AGENCY REAL PROP-**
6 **ERTY TO THE STATES.**

7 “(a) **TRANSFER OF FEDERAL EQUITY.**—Notwith-
8 standing any other provision of law, any Federal equity
9 acquired in real property through grants to States award-
10 ed under title III of the Social Security Act (42 U.S.C.
11 501 et seq.) or under the Wagner-Peyser Act is trans-
12 ferred to the States that used the grants for the acquisi-
13 tion of such equity. The portion of any real property that
14 is attributable to the Federal equity transferred under this
15 section shall be used to carry out activities authorized
16 under title III of the Social Security Act or the Wagner-
17 Peyser Act. Any disposition of such real property shall be
18 carried out in accordance with the procedures prescribed
19 by the Secretary and the portion of the proceeds from the
20 disposition of such real property that is attributable to the
21 Federal equity transferred under this section shall be used
22 to carry out activities authorized under title III of the So-
23 cial Security Act or the Wagner-Peyser Act.

24 “(b) **LIMITATION ON USE.**—A State shall not use
25 funds awarded under title III of the Social Security Act
26 or the Wagner-Peyser Act to amortize the costs of real

1 property that is purchased by any State on or after the
 2 effective date of this provision.”.

3 **SEC. 156. TABLE OF CONTENTS.**

4 Section 1(b) (29 U.S.C. 9201 note) is amended—

5 (1) by striking the item relating to section 123
 6 and inserting the following:

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

7 (2) by striking the item relating to section 169
 8 and inserting the following:

“Sec. 169. Youth challenge grants.”;

9 (3) by striking the item relating to section 193
 10 and inserting the following:

“Sec. 193. Transfer of Federal equity in State employment security agency real
 property to the States.”;

11 (4) by striking the item relating to section 173
 12 and inserting the following:

“Sec. 173. National dislocated worker grants.”;

13 (5) by inserting after the item relating to sec-
 14 tion 212 the following:

“Sec. 213. Incentive grants for States.”;

15 and

16 (6) by inserting after the item relating to sec-
 17 tion 243 the following:

“Sec. 244. Integrated english literacy and civics education.”.

1 **TITLE II—AMENDMENTS TO THE**
 2 **ADULT EDUCATION AND FAM-**
 3 **ILY LITERACY ACT**

4 **SEC. 201. SHORT TITLE; PURPOSE.**

5 (a) **SHORT TITLE.**—This title may be cited as the
 6 “Adult Education and Family Literacy Act Amendments
 7 of 2003”.

8 (b) **PURPOSE.**—Section 202 of the Adult Education
 9 and Family Literacy Act (20 U.S.C. 9201) is amended—
 10 (1) in paragraph (2), by striking “and” after
 11 the semicolon;

12 (2) in paragraph (3), by striking “education.”
 13 and inserting “education and in the transition to
 14 postsecondary education; and”; and

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

16 “(4) assist immigrants and other individuals
 17 with limited English proficiency in improving their
 18 reading, writing, speaking, and mathematics skills
 19 and acquiring an understanding of the American
 20 free enterprise system, individual freedom, and the
 21 responsibilities of citizenship.”.

22 **SEC. 202. DEFINITIONS.**

23 Section 203 of the Adult Education and Family Lit-
 24 eracy Act (20 U.S.C. 9202) is amended—

25 (1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking “services or instruction below the postsecondary level” and inserting “academic instruction and education services below the postsecondary level that increase an individual’s ability to read, write, and speak in English and perform mathematics skills”; and

(B) by striking subparagraph (C)(i) and inserting the following:

“(i) are basic skills deficient as defined in section 101;”;

(2) in paragraph (2), by striking “activities described in section 231(b)” and inserting “programs and services which include reading, writing, speaking, or mathematics skills, workplace literacy activities, family literacy activities, English language acquisition activities, or other activities necessary for the attainment of a secondary school diploma or its State recognized equivalent”;

(3) in paragraph (5)—

(A) by inserting “an organization that has demonstrated effectiveness in providing adult education, that may include” after “means”;

(B) in subparagraph (B), by striking “of demonstrated effectiveness”;

1 (C) in subparagraph (C), by striking “of
2 demonstrated effectiveness”; and

3 (D) in subparagraph (I), by inserting “or
4 coalition” after “consortium”;

5 (4) in paragraph (6)—

6 (A) by striking “LITERACY PROGRAM” and
7 inserting “LANGUAGE ACQUISITION PROGRAM”;

8 (B) by striking “literacy program” and in-
9 serting “language acquisition program”; and

10 (C) by inserting “reading, writing, and
11 speaking” after “competence in”;

12 (5) by redesignating paragraphs (7) through
13 (18) as paragraphs (8) through (19), respectively;

14 (6) by inserting after paragraph (6) the fol-
15 lowing:

16 “(7) ESSENTIAL COMPONENTS OF READING IN-
17 STRUCTION.—The term ‘essential components of
18 reading instruction’ has the meaning given the term
19 in section 1208 of the Elementary and Secondary
20 Education Act of 1965 (20 U.S.C. 6368).”; and

21 (7) by striking paragraph (19), as redesignated
22 by paragraph (4), and inserting the following:

23 “(19) WORKPLACE LITERACY PROGRAM.—The
24 term ‘workplace literacy program’ means an edu-
25 cational program designed to improve the produc-

1 tivity of the workforce through the improvement of
 2 literacy skills that is offered by an eligible provider
 3 in collaboration with an employer or an employee or-
 4 ganization at a workplace, at an off-site location, or
 5 in a simulated workplace environment.”.

6 **SEC. 203. AUTHORIZATION OF APPROPRIATIONS.**

7 Section 205 of the Adult Education and Family Lit-
 8 eracy Act (20 U.S.C. 9204) is amended—

9 (1) by striking “1999” and inserting “2004”;

10 and

11 (2) by striking “2003” and inserting “2009”.

12 **SEC. 204. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE**
 13 **AGENCIES; ALLOTMENTS.**

14 Section 211 of the Adult Education and Family Lit-
 15 eracy Act (20 U.S.C. 9211) is amended—

16 (1) by striking subsection (a) and inserting the
 17 following:

18 “(a) **RESERVATION OF FUNDS.**—From the sum ap-
 19 propriated under section 205 for a fiscal year, the Sec-
 20 retary—

21 “(1) shall reserve 1.5 percent to carry out sec-
 22 tion 242, except that the amount so reserved shall
 23 not exceed \$10,000,000;

1 “(2) shall reserve 1.5 percent to carry out sec-
 2 tion 243, except that the amount so reserved shall
 3 not exceed \$8,000,000;

4 “(3) shall make available, to the Secretary of
 5 Labor, 1.72 percent for incentive grants under sec-
 6 tion 136(i); and

7 “(4) shall reserve 12 percent of the amount
 8 that remains after reserving funds under paragraphs
 9 (1), (2) and (3) to carry out section 244.”;

10 (2) by striking subsection (d) and inserting the
 11 following:

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

15 “(1) is not less than 16 years of age;

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

19 “(3) does not have a secondary school diploma
 20 or its recognized equivalent (including recognized al-
 21 ternative standards for individuals with disabilities);
 22 and

23 “(4) is not enrolled in secondary school.”;

24 (3) in subsection (c)—

1 (A) by striking paragraph (2) and insert-
2 ing the following:

3 “(2) AWARD BASIS.—The Secretary shall award
4 grants pursuant to paragraph (1) on a competitive
5 basis and pursuant to recommendations from the
6 Pacific Region Educational Laboratory in Honolulu,
7 Hawaii.”; and

8 (B) in paragraph (3), by striking “shall”
9 and all that follows through the period and in-
10 serting “shall be eligible to receive a grant
11 under this title until the date when an agree-
12 ment for the extension of the United States
13 education assistance under the Compact of Free
14 Association for each of the Freely Associated
15 States becomes effective.”; and

16 (4) in subsection (f)—

17 (A) in the heading, by inserting “PROVI-
18 SIONS” after “HOLD-HARMLESS”;

19 (B) by redesignating paragraph (2) as
20 paragraph (3); and

21 (C) by striking paragraph (1) and insert-
22 ing the following:

23 “(1) IN GENERAL.—Notwithstanding subsection
24 (c) and subject to paragraphs (2) and (3), for fiscal
25 year 2004 and each succeeding fiscal year, no eligi-

ble agency shall receive an allotment under this title that is less than 90 percent of the allotment the eligible agency received for the preceding fiscal year under this title.

~~“(2) 100 PERCENT ALLOTMENT.—An eligible agency shall receive an allotment under this title that is equal to 100 percent of the allotment the eligible agency received for the preceding fiscal year under this title if the eligible agency received, for the preceding fiscal year, only an initial allotment under subsection (c)(1) and did not receive an additional allotment under subsection (c)(2).”.~~

SEC. 205. PERFORMANCE ACCOUNTABILITY SYSTEM.

Section 212 of the Adult Education and Family Literacy Act (20 U.S.C. 9212) is amended—

(1) in subsection (b)—

(A) in paragraph (1)(A)(ii), by striking “additional indicators of performance (if any)” and inserting “employment performance indicators”;

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (i), by striking “Demonstrated” and inserting “Measurable”;

1 (II) by striking clause (ii) and in-
 2 serting the following:

3 “(ii) Placement in, retention in, or
 4 completion of, postsecondary education or
 5 other training programs.”; and

6 (III) in clause (iii), by inserting
 7 “(including recognized alternative
 8 standards for individuals with disabili-
 9 ties)” after “equivalent”;

10 (ii) by redesignating subparagraph
 11 (B) as subparagraph (C);

12 (iii) by inserting after subparagraph
 13 (A), the following:

14 “(B) EMPLOYMENT PERFORMANCE INDICATORS.—An eligible agency shall identify in
 15 the State plan individual participant employ-
 16 ment performance indicators, including entry
 17 into unsubsidized employment, retention in un-
 18 subsidized employment, and career advance-
 19 ment. The State workforce investment board
 20 shall assist the eligible agency in obtaining and
 21 using quarterly wage records to collect data for
 22 such indicators, consistent with applicable Fed-
 23 eral and State privacy laws.”;

1 (iv) in subparagraph (C), as redesignated by clause (ii), by inserting “relevant” after “additional”; and

4 (v) by adding at the end the following:

5 “(D) INDICATORS FOR WORKPLACE LITERACY PROGRAMS.—Special accountability measures may be negotiated for workplace literacy programs.”; and

9 (C) in paragraph (3)—

10 (i) in subparagraph (A)—

11 (I) in clause (i)(II), by striking
12 “in performance” and inserting “the
13 agency’s performance outcomes in an
14 objective, quantifiable, and measurable form”;

16 (II) in clause (ii), by striking “3
17 programs years” and inserting “2
18 program years”;

19 (III) in clause (iii), by striking
20 “FIRST 3 YEARS” and inserting
21 “FIRST 2 YEARS”;

22 (IV) in clause (iii), by striking
23 “first 3 program years” and inserting
24 “first 2 program years”;

1 (V) in clause (v), by striking
 2 “4TH AND 5TH” and inserting “3RD
 3 AND 4TH”;

4 (VI) in clause (v), by striking “to
 5 the fourth” and inserting “to the
 6 third”;

7 (VII) in clause (v), by striking
 8 “fourth and fifth” and inserting
 9 “third and fourth”; and

10 (VIII) in clause (vi), by striking
 11 “(II)” and inserting “(I)”;
 12 (ii) in subparagraph (B)—

13 (I) by striking the heading and
 14 inserting “LEVELS OF EMPLOYMENT
 15 PERFORMANCE”;

16 (II) by striking “may” and in-
 17 serting “shall”; and

18 (III) by striking “additional” and
 19 inserting “employment”; and

20 (iii) by adding at the end the fol-
 21 lowing:

22 “(C) ALTERNATIVE ASSESSMENT SYS-
 23 TEMS.—Eligible agencies may approve the use
 24 of assessment systems that are not commer-
 25 cially available standardized systems if such

1 systems meet the Standards for Educational
 2 and Psychological Testing issued by the Joint
 3 Committee on Standards for Educational and
 4 Psychological Testing of the American Edu-
 5 cational Research Association, the American
 6 Psychological Association, and the National
 7 Council on Measurement in Education.”;

8 (2) in subsection (c)—

9 (A) in paragraph (1)—

10 (i) by inserting “the Governor, the
 11 State legislature, and the State workforce
 12 investment board” after “Secretary”; and

13 (ii) by striking “including” and all
 14 that follows through the period and insert-
 15 ing “including the following:

16 “(A) Information on the levels of perform-
 17 ance achieved by the eligible agency with re-
 18 spect to the core indicators of performance, and
 19 employment performance indicators.

20 “(B) The number and type of each eligible
 21 provider that receives funding under such
 22 grant.

23 “(C) The number of enrollees 16 to 18
 24 years of age who enrolled in adult education not

1 later than 1 year after participating in sec-
 2 ondary school education.”;

3 (B) in paragraph (2)(A), by inserting “eli-
 4 gible providers and” after “available to”; and

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

6 “(3) DATA ACCESS.—The report made available
 7 under paragraph (2) shall indicate which eligible
 8 agencies did not have access to State unemployment
 9 insurance wage data in measuring employment per-
 10 formance indicators.”; and

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

12 “(d) PROGRAM IMPROVEMENT.—

13 “(1) IN GENERAL.—If the Secretary determines
 14 that an eligible agency did not meet its adjusted lev-
 15 els of performance for the core indicators of per-
 16 formance described in subsection (b)(2)(A) for any
 17 program year, the eligible agency shall—

18 “(A) work with the Secretary to develop
 19 and implement a program improvement plan for
 20 the 2 program years succeeding the program
 21 year in which the eligible agency did not meet
 22 its adjusted levels of performance; and

23 “(B) revise its State plan under section
 24 224, if necessary, to reflect the changes agreed
 25 to in the program improvement plan.

1 “(2) FURTHER ASSISTANCE.—If, after the pe-
 2 riod described in paragraph (1)(A), the Secretary
 3 has provided technical assistance to the eligible
 4 agency but determines that the eligible agency did
 5 not meet its adjusted levels of performance for the
 6 core indicators of performance described in sub-
 7 section (b)(2)(A), the Secretary may require the eli-
 8 gible agency to make further revisions to the pro-
 9 gram improvement plan described in paragraph (1).
 10 Such further revisions shall be accompanied by fur-
 11 ther technical assistance from the Secretary.”.

12 **SEC. 206. STATE ADMINISTRATION.**

13 Section 221(1) of the Adult Education and Family
 14 Literacy Act (20 U.S.C. 9221(1)) is amended by striking
 15 “and implementation” and inserting “implementation,
 16 and monitoring”.

17 **SEC. 207. STATE DISTRIBUTION OF FUNDS; MATCHING RE-**
 18 **QUIREMENT.**

19 Section 222 of the Adult Education and Family Lit-
 20 eracy Act (20 U.S.C. 9222) is amended—

21 (1) in subsection (a)—

22 (A) in paragraph (1)—

23 (i) by striking “82.5” the first place
 24 such term appears and inserting “80”; and

- 1 (ii) by striking “the 82.5 percent”
 2 and inserting “such amount”;
 3 (B) in paragraph (2), by striking “not
 4 more than 12.5 percent” and inserting “not
 5 more than 15 percent”; and
 6 (C) in paragraph (3), by striking
 7 “\$65,000” and inserting “\$75,000”; and
 8 (2) in subsection (b)(1), by striking “equal to”
 9 and inserting “that is not less than”.

10 **SEC. 208. STATE LEADERSHIP ACTIVITIES.**

11 Section 223 of the Adult Education and Family Lit-
 12 eracy Act (20 U.S.C. 9223) is amended—

13 (1) in subsection (a)—

14 (A) in the matter preceding paragraph (1),
 15 by inserting “to develop or enhance the adult
 16 education system of the State” after “activi-
 17 ties”;

18 (B) in paragraph (1), by striking “instruc-
 19 tion incorporating” and all that follows through
 20 the period and inserting “instruction incor-
 21 porating the essential components of reading in-
 22 struction and instruction provided by volunteers
 23 or by personnel of a State or outlying area.”;

24 (C) in paragraph (2), by inserting “, in-
 25 cluding development and dissemination of in-

1 instructional and programmatic practices based
 2 on the most rigorous research available in read-
 3 ing, writing, speaking, mathematics, English
 4 language acquisition programs, distance learn-
 5 ing and staff training” after “activities”;

6 (D) in paragraph (5), by striking “moni-
 7 toring and”;

8 (E) by striking paragraph (6) and insert-
 9 ing the following:

10 “(6) The development and implementation of
 11 technology applications, translation technology, or
 12 distance learning, including professional development
 13 to support the use of instructional technology.”; and

14 (F) by striking paragraph (7) through
 15 paragraph (11) and inserting the following:

16 “(7) Coordination with—

17 “(A) other partners carrying out activities
 18 authorized under this Act; and

19 “(B) existing support services, such as
 20 transportation, child care, mental health serv-
 21 ices, and other assistance designed to increase
 22 rates of enrollment in, and successful comple-
 23 tion of adult education and literacy activities,
 24 for adults enrolled in such activities.

1 “(8) Developing and disseminating curricula,
2 including curricula incorporating the essential com-
3 ponents of reading instruction as they relate to
4 adults.

5 “(9) The provision of assistance to eligible pro-
6 viders in developing, implementing, and reporting
7 measurable progress in achieving the objectives of
8 this subtitle.

9 “(10) The development and implementation of
10 a system to assist in the transition from adult basic
11 education to postsecondary education, including link-
12 ages with postsecondary educational institutions.

13 “(11) Integration of literacy and English lan-
14 guage instruction with occupational skill training,
15 and promoting linkages with employers.

16 “(12) Activities to promote workplace literacy
17 programs.

18 “(13) Activities to promote and complement
19 local outreach initiatives described in section
20 243(e)(2)(H).

21 “(14) In cooperation with efforts funded under
22 sections 242 and 243, the development of curriculum
23 frameworks and rigorous content standards that—

24 “(A) specify what adult learners should
25 know and be able to do in the areas of reading

1 and language arts, mathematics, and English
2 language acquisition; and

3 ~~“(B) take into consideration the following:~~

4 ~~“(i) State academic standards estab-~~
5 ~~lished under section 1111(b) of the Ele-~~
6 ~~mentary and Secondary Education Act of~~
7 ~~1965.~~

8 ~~“(ii) The current adult skills and lit-~~
9 ~~eracy assessments used in the State.~~

10 ~~“(iii) The core indicators of perform-~~
11 ~~ance established under section~~
12 ~~212(b)(2)(A).~~

13 ~~“(iv) Standards and academic require-~~
14 ~~ments for enrollment in non-remedial, for-~~
15 ~~credit, courses in State supported postsec-~~
16 ~~ondary education institutions.~~

17 ~~“(v) Where appropriate, the basic and~~
18 ~~literacy skill content of occupational and~~
19 ~~industry skill standards widely used by~~
20 ~~business and industry in the State.~~

21 ~~“(15) In cooperation with efforts funded under~~
22 ~~sections 242 and 243, development and piloting of—~~

23 ~~“(A) new assessment tools and strategies~~
24 ~~that identify the needs and capture the gains of~~

1 students at all levels, with particular emphasis
 2 on—

3 “(i) students at the lowest achieve-
 4 ment level;

5 “(ii) students who have limited
 6 English proficiency; and

7 “(iii) adults with learning disabilities;
 8 “(B) options for improving teacher quality
 9 and retention; and

10 “(C) assistance in converting research into
 11 practice.

12 “(16) The development and implementation of
 13 programs and services to meet the needs of adult
 14 learners with learning disabilities or limited English
 15 proficiency.

16 “(17) Other activities of statewide significance
 17 that promote the purpose of this title.”; and

18 (2) in subsection (c), by striking “being State-
 19 or outlying area-imposed” and inserting “being im-
 20 posed by the State or outlying area”.

21 **SEC. 209. STATE PLAN.**

22 Section 224 of the Adult Education and Family Lit-
 23 eracy Act (20 U.S.C. 9224) is amended—

24 (1) in subsection (a)—

1 (A) by striking the heading and inserting
2 “4-YEAR PLANS”; and

3 (B) in paragraph (1), by striking “5” and
4 inserting “4”;
5 (2) in subsection (b)—

6 (A) in paragraph (1), by inserting “and
7 the role of provider and cooperating agencies in
8 preparing the assessment” after “serve”;

9 (B) by striking paragraph (2) and insert-
10 ing the following:

11 “(2) a description of how the eligible agency
12 will address the adult education and literacy needs
13 identified under paragraph (1) in each workforce de-
14 velopment area of the State, using funds received
15 under this subtitle, as well as other Federal, State,
16 or local funds received in partnership with other
17 agencies for the purpose of adult literacy as applica-
18 ble;”;

19 (C) in paragraph (3)—

20 (i) by inserting “and measure” after
21 “evaluate”;

22 (ii) by inserting “and improvement”
23 after “effectiveness”; and

24 (iii) by striking “212” and inserting
25 “212, including—

1 “(A) how the eligible agency will evaluate
2 and measure annually such effectiveness on a
3 ~~grant-by-grant~~ basis; and

4 “(B) how the eligible agency—

5 “(i) will hold eligible providers ac-
6 countable regarding the progress of such
7 providers in improving the academic
8 achievement of participants in adult edu-
9 cation programs under this subtitle and re-
10 garding the core indicators of performance
11 described in section 212(b)(2)(A); and

12 “(ii) will use technical assistance;
13 sanctions; and rewards (including alloca-
14 tion of grant funds based on performance
15 and termination of grant funds based on
16 performance)”;

17 (D) in paragraph (4), by striking “will en-
18 sure the improvement of” and inserting “im-
19 proved”;

20 (E) by redesignating paragraphs (5)
21 through (12) as paragraphs (6) through (13),
22 respectively;

23 (F) by inserting after paragraph (4) the
24 following:

1 “(5) a description of how the eligible agency
2 will improve teacher quality, the professional devel-
3 opment of eligible providers, and instruction;”;

4 (G) in paragraph (6) (as redesignated by
5 subparagraph (E)), by striking “who” and all
6 that follows through the semicolon and insert-
7 ing “that—

8 “(A) offers flexible schedules and coordi-
9 nates with necessary Federal, State, and local
10 support services (such as child care, transpor-
11 tation, mental health services, and case man-
12 agement) to enable individuals, including indi-
13 viduals with disabilities or individuals with
14 other special needs, to participate in adult edu-
15 cation and literacy activities; and

16 “(B) attempts to coordinate with support
17 services that are not provided under this sub-
18 title prior to using funds for adult education
19 and literacy activities provided under this sub-
20 title for support services;”;

21 (H) in paragraph (10) (as redesignated by
22 subparagraph (E)), by striking “plan” and in-
23 serting “plan, which process—

24 “(A) shall include the State Workforce In-
25 vestment Board, the Governor, State officials

1 representing public schools, community colleges,
 2 welfare agencies, agencies that provide services
 3 to individuals with disabilities, other State
 4 agencies that promote or operate adult edu-
 5 cation and literacy activities, and direct pro-
 6 viders of such adult literacy services; and

7 “(B) may include consultation with the
 8 State agency for higher education, institutions
 9 responsible for professional development of
 10 adult education and literacy education program
 11 instructors, institutions of higher education,
 12 representatives of business and industry, ref-
 13 ugee assistance programs, and community-
 14 based organizations, as defined in section
 15 101;”;

16 (I) in paragraph (11) (as redesignated by
 17 subparagraph (E))—

18 (i) by inserting “assess potential pop-
 19 ulation needs and” after “will”;

20 (ii) in subparagraph (A), by striking
 21 “students” and inserting “individuals”;

22 (iii) in subparagraph (C), by striking
 23 “and” after the semicolon; and

24 (iv) by adding at the end the fol-
 25 lowing:

1 ~~“(E) the unemployed; and~~

2 ~~“(F) those who are employed, but at levels~~
 3 ~~below self-sufficiency, as defined in section~~
 4 ~~101.”;~~

5 ~~(J) in paragraph (12) (as redesignated by~~
 6 ~~subparagraph (E))—~~

7 (i) by inserting “and how the plan
 8 submitted under this subtitle is coordi-
 9 nated with the plan submitted by the State
 10 under title I” after “eligible agency”; and

11 (ii) by striking “and” after the semi-
 12 colon;

13 ~~(K) in paragraph (13) (as redesignated by~~
 14 ~~subparagraph (E)), by striking “231(c)(1).”~~
 15 ~~and inserting “231(c)(1), including—~~

16 ~~“(A) how the State will build the capacity~~
 17 ~~of organizations that provide adult education~~
 18 ~~and literacy activities; and~~

19 ~~“(B) how the State will increase the par-~~
 20 ~~ticipation of business and industry in adult edu-~~
 21 ~~cation and literacy activities;”;~~ and

22 ~~(L) by adding at the end the following:~~

23 ~~“(14) a description of how the eligible agency~~
 24 ~~will consult with any State agency responsible for~~
 25 ~~postsecondary education to develop adult education~~

1 programs and services (including academic skill de-
 2 velopment and support services) that prepare stu-
 3 dents to enter postsecondary education upon comple-
 4 tion of secondary school programs or their recog-
 5 nized equivalent;

6 “(15) a description of how the eligible agency
 7 will consult with the State agency responsible for
 8 workforce development to develop adult education
 9 programs and services that are designed to prepare
 10 students to enter the workforce; and

11 “(16) a description of how the eligible agency
 12 will improve the professional development of eligible
 13 providers of adult education and literacy activities.”;

14 (3) in subsection (c), by adding at the end the
 15 following: “At a minimum, such revision shall occur
 16 every 2 years.”; and

17 (4) in subsection (d)—

18 (A) in paragraph (1), by inserting “; the
 19 chief State school officer, the State officer re-
 20 sponsible for administering community and
 21 technical colleges, and the State Workforce In-
 22 vestment Board” after “Governor”; and

23 (B) in paragraph (2), by striking “com-
 24 ments” and all that follows through the period
 25 and inserting “comments regarding the State

plan by the Governor, the chief State school officer, the State officer responsible for administering community and technical colleges, and the State Workforce Investment Board, and any revision to the State plan, are submitted to the Secretary.”.

**SEC. 210. PROGRAMS FOR CORRECTIONS EDUCATION AND
OTHER INSTITUTIONALIZED INDIVIDUALS.**

Section 225 of the Adult Education and Family Literacy Act (20 U.S.C. 9225) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking “basic education” and inserting “adult education and literacy activities”;

(B) in paragraph (2) by inserting “and” after the semicolon;

(C) by striking paragraph (3); and

(D) by redesignating paragraph (4) as paragraph (3); and

(2) in subsection (d), by striking “DEFINITION OF CRIMINAL OFFENDER.—” and inserting “DEFINITIONS.—In this section:”.

1 **SEC. 211. GRANTS AND CONTRACTS FOR ELIGIBLE PRO-**
2 **VIDERS.**

3 Section 231 of the Adult Education and Family Lit-
4 eracy Act (20 U.S.C. 9241) is amended—

5 (1) in subsection (b)—

6 (A) in paragraph (1), by striking “work-
7 place literacy services” and inserting “work-
8 place literacy programs”; and

9 (B) in paragraph (3), by striking “lit-
10 eracy” and inserting “language acquisition”;

11 (2) in subsection (c)—

12 (A) in paragraph (1), by inserting “to be
13 achieved annually on the core indicators of per-
14 formance and employment performance indica-
15 tors described in section 212(b)(2)” after “out-
16 comes”;

17 (B) by striking paragraph (3) and insert-
18 ing the following:

19 “(3) the commitment of the eligible provider to
20 be responsive to local needs and to serve individuals
21 in the community who were identified by the assess-
22 ment as most in need of adult literacy services, in-
23 cluding individuals who are low-income, have mini-
24 mal literacy skills, have learning disabilities, or have
25 limited English proficiency;”;

1 (C) in paragraph (4)(B), by striking “,
2 such as” and all that follows through the semi-
3 colon and inserting “that include the essential
4 components of reading instruction”;

5 (D) in paragraph (5), by striking “re-
6 search” and inserting “the most rigorous re-
7 search available”;

8 (E) in paragraph (7), by inserting “, when
9 appropriate and based on the most rigorous re-
10 search available,” after “real life contexts”;

11 (F) in paragraph (9), by inserting “edu-
12 cation, job-training, and social service” after
13 “other available”;

14 (G) in paragraph (10)—

15 (i) by inserting “coordination with
16 Federal, State, and local” after “schedules
17 and”; and

18 (ii) by striking “and transportation”
19 and inserting “, transportation, mental
20 health services, and case management”;

21 (H) in paragraph (11)—

22 (i) by inserting “measurable” after
23 “report”;

24 (ii) by striking “eligible agency”;

1 (iii) by inserting “established by the
2 eligible agency” after “performance meas-
3 ures”; and

4 (iv) by striking “and” after the semi-
5 colon;

6 (I) in paragraph (12), by striking “literacy
7 programs.” and inserting “language acquisition
8 programs and civics education programs;”; and

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

10 “(13) the capacity of the eligible provider to
11 produce information on performance results, includ-
12 ing enrollments and measurable participant out-
13 comes;

14 “(14) whether reading, writing, speaking, math-
15 ematics, and English language acquisition instruc-
16 tion provided by the eligible provider are based on
17 the best practices derived from the most rigorous re-
18 search available;

19 “(15) whether the eligible provider’s applica-
20 tions of technology and services to be provided are
21 sufficient to increase the amount and quality of
22 learning and lead to measurable learning gains with-
23 in specified time periods; and

24 “(16) the capacity of the eligible provider to
25 serve adult learners with learning disabilities.”.

1 **SEC. 212. LOCAL APPLICATION.**

2 Section 232 of the Adult Education and Family Lit-
 3 eracy Act (20 U.S.C. 9242) is amended—

4 (1) in paragraph (1)—

5 (A) by inserting “consistent with the re-
 6 quirements of this subtitle” after “spent”; and

7 (B) by striking “and” after the semicolon;

8 (2) in paragraph (2), by striking the period at
 9 the end and inserting “; and”; and

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

11 “(3) each of the demonstrations required under
 12 section 231(e).”.

13 **SEC. 213. LOCAL ADMINISTRATIVE COST LIMITS.**

14 Section 233 of the Adult Education and Family Lit-
 15 eracy Act (20 U.S.C. 9243) is amended—

16 (1) in subsection (a)(2)—

17 (A) by inserting “and professional” after
 18 “personnel”; and

19 (B) by inserting “development of measur-
 20 able goals in reading, writing, and speaking the
 21 English language, and in mathematical com-
 22 putation,” after “development,”; and

23 (2) in subsection (b)—

24 (A) by inserting “and professional” after
 25 “personnel”; and

1 (B) by inserting “development of measur-
 2 able goals in reading, writing, and speaking the
 3 English language, and in mathematical com-
 4 putation,” after “development,”.

5 **SEC. 214. ADMINISTRATIVE PROVISIONS.**

6 Section 241(b) of the Adult Education and Family
 7 Literacy Act (20 U.S.C. 9251(b)) is amended—

8 (1) in paragraph (1)(A)—

9 (A) by striking “adult education and lit-
 10 eracy activities” both places such terms appear
 11 and inserting “activities under this subtitle”;
 12 and

13 (B) by striking “was” and inserting
 14 “were”; and

15 (2) in paragraph (4)—

16 (A) by inserting “not more than” after
 17 “this subsection for”; and

18 (B) by striking “only”.

19 **SEC. 215. NATIONAL INSTITUTE FOR LITERACY.**

20 Section 242 of the Adult Education and Family Lit-
 21 eracy Act (20 U.S.C. 9252) is amended—

22 (1) in subsection (a)—

23 (A) in paragraph (1), by striking “lit-
 24 eracy” and inserting “effective literacy pro-
 25 grams for children, youth, adults, and families”;

1 (B) in paragraph (2), by inserting “and
2 disseminates information on” after “coordi-
3 nates”; and

4 (C) by striking paragraph (3)(A) and in-
5 serting the following:

6 “(A) coordinating and participating in the
7 Federal effort to identify and disseminate infor-
8 mation on literacy that is derived from scientif-
9 ically based research, or the most rigorous re-
10 search available and effective programs that
11 serve children, youth, adults, and families.”;

12 (2) by striking subsection (b)(3) and inserting
13 the following:

14 “(3) RECOMMENDATIONS.—The Interagency
15 Group, in consultation with the National Institute
16 for Literacy Advisory Board (in this section referred
17 to as the ‘Board’) established under subsection (c),
18 shall plan the goals of the Institute and the imple-
19 mentation of any programs to achieve the goals. The
20 Board may also request a meeting of the Inter-
21 agency Group to discuss any recommendations the
22 Board may make.”;

23 (3) in subsection (c)—

24 (A) in paragraph (1)—

25 (i) in subparagraph (A)—

1 (I) by striking “to establish” and
 2 inserting “to maintain”;

3 (II) in clause (i), by striking
 4 “phonemic awareness, systematic
 5 phonics, fluency, and reading com-
 6 prehension” and inserting “the essen-
 7 tial components of reading instruc-
 8 tion”;

9 (III) in clause (iii), by striking
 10 “and” after the semicolon;

11 (IV) in clause (iv), by inserting
 12 “and” after the semicolon; and

13 (V) by adding at the end the fol-
 14 lowing:

15 “(v) a list of local adult education and
 16 literacy programs,”;

17 (ii) in subparagraph (C)—

18 (I) by striking “reliable and
 19 replicable research” and inserting “re-
 20 liable and replicable research as de-
 21 fined by the Institute of Education
 22 Sciences”; and

23 (II) by striking “especially with
 24 the Office of Educational Research

1 and Improvement in the Department
2 of Education,”;

3 (iii) in subparagraph (D), by striking
4 “phonemic awareness, systematic phonics,
5 fluency, and reading comprehension based
6 on” and inserting “the essential compo-
7 nents of reading instruction and”;

8 (iv) in subparagraph (H), by striking
9 “and” after the semicolon;

10 (v) in subparagraph (I), by striking
11 the period at the end and inserting a semi-
12 colon; and

13 (vi) by adding at the end the fol-
14 lowing:

15 “(J) to work cooperatively with the De-
16 partment of Education to assist States that are
17 pursuing the implementation of standards-based
18 educational improvements for adults through
19 the dissemination of training, technical assist-
20 ance, and related support and through the de-
21 velopment and dissemination of related stand-
22 ards-based assessment instruments; and

23 “(K) to identify rigorous research on the
24 effectiveness of instructional practices and orga-
25 nizational strategies relating to literacy pro-

1 grams on the acquisition of skills in reading,
 2 writing, English acquisition, and mathe-
 3 matics.”; and

4 (B) by adding at the end the following:

5 “(3) COORDINATION.—In identifying the reli-
 6 able and replicable research the Institute will sup-
 7 port, the Institute shall use standards for research
 8 quality that are consistent with those of the Insti-
 9 tute of Education Sciences.”;

10 (4) in subsection (c)—

11 (A) in paragraph (1)(B)—

12 (i) in clause (i), by striking “literacy
 13 programs” and inserting “language acqui-
 14 sition programs”;

15 (ii) in clause (ii), by striking “literacy
 16 programs” and inserting “or have partici-
 17 pated in or partnered with workplace lit-
 18 eracy programs”;

19 (iii) in clause (iv), by inserting “, in-
 20 cluding adult literacy research” after “re-
 21 search”;

22 (iv) in clause (vi), by striking “and”
 23 after the semicolon;

24 (v) in clause (vii), by striking the pe-
 25 riod at the end and inserting “, and”; and

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

3 “(viii) institutions of higher edu-
4 cation.”;

5 (B) in paragraph (2)—

6 (i) in subparagraph (B), by striking
7 “and” after the semicolon;

8 (ii) in subparagraph (C), by striking
9 the period at the end and inserting “;
10 and”; and

11 (iii) by adding at the end the fol-
12 lowing:

13 “(D) review the biennial report submitted
14 to Congress pursuant to subsection (k).”; and

15 (C) in paragraph (5), by striking the sec-
16 ond sentence and inserting the following: “A
17 recommendation of the Board may be passed
18 only by a majority of the Board’s members
19 present at a meeting for which there is a
20 quorum.”; and

21 (5) in subsection (k)—

22 (A) by striking “Labor and Human Re-
23 sources” and inserting “Health, Education,
24 Labor, and Pensions”; and

1 (B) by striking “The Institute shall submit
 2 a report biennially to” and inserting “Not later
 3 than 1 year after the date of enactment of the
 4 Adult Education and Family Literacy Act
 5 Amendments of 2003, and biennially thereafter,
 6 the Institute shall submit a report to”.

7 **SEC. 216. NATIONAL LEADERSHIP ACTIVITIES.**

8 Section 243 of the Adult Education and Family Lit-
 9 eracy Act (20 U.S.C. 9253) is amended to read as follows:

10 **“SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.**

11 “(a) IN GENERAL.—The Secretary shall establish
 12 and carry out a program of national leadership activities
 13 to enhance the quality of adult education and literacy pro-
 14 grams nationwide.

15 “(b) PERMISSIVE ACTIVITIES.—The national leader-
 16 ship activities described in subsection (a) may include the
 17 following:

18 “(1) Technical assistance, including—

19 “(A) assistance provided to eligible pro-
 20 viders in developing and using performance
 21 measures for the improvement of adult edu-
 22 cation and literacy activities, including family
 23 literacy services;

24 “(B) assistance related to professional de-
 25 velopment activities, and assistance for the pur-

1 poses of developing, improving, identifying, and
2 disseminating the most successful methods and
3 techniques for providing adult education and
4 literacy activities, including family literacy serv-
5 ices, based on scientific evidence where avail-
6 able;

7 “(C) assistance in distance learning and
8 promoting and improving the use of technology
9 in the classroom;

10 “(D) assistance in developing valid, meas-
11 urable, and reliable performance data, including
12 data around employment and employment out-
13 come, and using performance information for
14 the improvement of adult education and literacy
15 programs; and

16 “(E) assistance to help States, particularly
17 low-performing States, meet the requirements
18 of section 212.

19 “(2) A program of grants, contracts, or cooper-
20 ative agreements awarded on a competitive basis to
21 national, regional, or local networks of private non-
22 profit organizations, public libraries, or institutions
23 of higher education to build the capacity of such net-
24 works’ members to meet the performance require-

1 ments of eligible providers under this title and in-
 2 volve adult learners in program improvement.

3 ~~“(3) Funding national leadership activities that~~
 4 ~~are not described in paragraph (1), either directly or~~
 5 ~~through grants, contracts, or cooperative agreements~~
 6 ~~awarded on a competitive basis to or with postsec-~~
 7 ~~ondary educational institutions, public or private or-~~
 8 ~~ganizations or agencies, or consortia of such institu-~~
 9 ~~tions, organizations, or agencies, such as—~~

10 ~~“(A) developing, improving, and identifying~~
 11 ~~the most successful methods and techniques for~~
 12 ~~addressing the education needs of adults, in-~~
 13 ~~cluding instructional practices using the essen-~~
 14 ~~tial components of reading instruction based on~~
 15 ~~the work of the National Institute of Child~~
 16 ~~Health and Human Development;~~

17 ~~“(B) increasing the effectiveness of, and~~
 18 ~~improving the quality of, adult education and~~
 19 ~~literacy activities, including family literacy serv-~~
 20 ~~ices;~~

21 ~~“(C) carrying out research on national lit-~~
 22 ~~eracy basic skill acquisition for adult learning,~~
 23 ~~including estimating the number of adults func-~~
 24 ~~tioning at the lowest levels of literacy pro-~~
 25 ~~ficiency;~~

1 “(D)(i) carrying out demonstration pro-
2 grams;

3 “(ii) disseminating best practices informa-
4 tion, including information regarding promising
5 practices resulting from federally funded dem-
6 onstration programs; and

7 “(iii) developing and replicating best prac-
8 tices and innovative programs, including—

9 “(I) the development of models for
10 basic skill certificates;

11 “(II) the identification of effective
12 strategies for working with adults with
13 learning disabilities and with adults with
14 limited English proficiency;

15 “(III) integrated basic and workplace
16 skills education programs;

17 “(IV) coordinated literacy and em-
18 ployment services; and

19 “(V) postsecondary education transi-
20 tion programs;

21 “(E) providing for the conduct of an inde-
22 pendent evaluation and assessment of adult
23 education and literacy activities through studies
24 and analyses conducted independently through
25 grants and contracts awarded on a competitive

1 basis, which evaluation and assessment shall in-
2 clude descriptions of—

3 “(i) the effect of performance meas-
4 ures and other measures of accountability
5 on the delivery of adult education and lit-
6 eracy activities, including family literacy
7 services;

8 “(ii) the extent to which the adult
9 education and literacy activities, including
10 family literacy services, increase the lit-
11 eracy skills of adults (and of children, in
12 the case of family literacy services); lead
13 the participants in such activities to in-
14 volvement in further education and train-
15 ing; enhance the employment and earnings
16 of such participants; and, if applicable,
17 lead to other positive outcomes, such as re-
18 ductions in recidivism in the case of pris-
19 on-based adult education and literacy ac-
20 tivities;

21 “(iii) the extent to which the provision
22 of support services to adults enrolled in
23 adult education and family literacy pro-
24 grams increase the rate of enrollment in;

1 and successful completion of, such pro-
2 grams; and

3 “(iv) the extent to which different
4 types of providers measurably improve the
5 skills of participants in adult education
6 and literacy programs;

7 “(F) supporting efforts aimed at capacity
8 building of programs at the State and local lev-
9 els such as technical assistance in program
10 planning; assessment, evaluation, and moni-
11 toring of activities carried out under this sub-
12 title;

13 “(G) collecting data, such as data regard-
14 ing the improvement of both local and State
15 data systems, through technical assistance and
16 development of model performance data collec-
17 tion systems;

18 “(H) supporting the development of an en-
19 tity that would produce and distribute tech-
20 nology-based programs and materials for adult
21 education and literacy programs using an inter-
22 connection system (as defined in section 397 of
23 the Communications Act of 1934 (47 U.S.C.
24 397)) and expand the effective outreach and

1 use of such programs and materials to adult
2 education eligible providers;

3 “(I) determining how participation in adult
4 education and literacy activities prepares indi-
5 viduals for entry into postsecondary education
6 and employment and, in the case of prison-
7 based services, has an effect on recidivism; and

8 “(J) other activities designed to enhance
9 the quality of adult education and literacy ac-
10 tivities nationwide.”

11 **SEC. 217. INTEGRATED ENGLISH LITERACY AND CIVICS**
12 **EDUCATION.**

13 Chapter 4 of subtitle A of title H (29 U.S.C. 9251
14 et seq.) is amended by adding at the end the following:

15 **“SEC. 244. INTEGRATED ENGLISH LITERACY AND CIVICS**
16 **EDUCATION.**

17 “(a) IN GENERAL.—From funds made available
18 under section 211(a)(4) for each fiscal year the Secretary
19 shall award grants to States, from allotments under sub-
20 section (b), for integrated English literacy and civics edu-
21 cation.

22 “(b) ALLOTMENT.—

23 “(1) IN GENERAL.—Subject to paragraph (2),
24 from amounts made available under section

1 211(a)(4) for a fiscal year the Secretary shall allo-
2 cate—

3 “(A) 65 percent to the States on the basis
4 of a State’s need for integrated English literacy
5 and civics education as determined by calcu-
6 lating each State’s share of a 10-year average
7 of the Immigration and Naturalization Service
8 data for immigrants admitted for legal perma-
9 nent residence for the 10 most recent years;
10 and

11 “(B) 35 percent to the States on the basis
12 of whether the State experienced growth as
13 measured by the average of the 3 most recent
14 years for which Immigration and Naturalization
15 Service data for immigrants admitted for legal
16 permanent residence are available.

17 “(2) MINIMUM.—No State shall receive an al-
18 lotment under paragraph (1) in an amount that is
19 less than \$60,000.”

20 **SEC. 218. TRANSITION.**

21 The Secretary shall take such steps as the Secretary
22 determines to be appropriate to provide for the orderly
23 transition to the authority of the Adult Education and
24 Family Literacy Act (as amended by this title) from any
25 authority under provisions of the Adult Education and

1 Family Literacy Act (as such Act was in effect on the day
 2 before the date of enactment of the Adult Education and
 3 Family Literacy Act Amendments of 2003).

4 **TITLE III—AMENDMENTS TO** 5 **OTHER PROVISIONS OF LAW**

6 **SEC. 301. WAGNER-PEYSER ACT.**

7 (a) CONFORMING AMENDMENT.—Section 2(3) of the
 8 Wagner-Peyser Act (29 U.S.C. 49a(3)) is amended by
 9 striking “section 134(c)” and inserting “section 121(e)”.

10 (b) COLOCATION.—Section 3 of the Wagner-Peyser
 11 Act (29 U.S.C. 49b) is amended by adding at the end the
 12 following:

13 “(d) In order to avoid duplication of services and en-
 14 hance integration of services, employment services offices
 15 in each State shall be collocated with comprehensive one-
 16 stop centers established under title I of the Workforce In-
 17 vestment Act of 1998.”.

18 (c) COOPERATIVE STATISTICAL PROGRAM.—Section
 19 14 of the Wagner-Peyser Act (29 U.S.C. 49l-1) is amend-
 20 ed by striking the section heading and all that follows
 21 through “There” and inserting the following:

22 **“SEC. 14. COOPERATIVE STATISTICAL PROGRAM.**

23 **“There”.**

1 (d) ~~WORKFORCE AND LABOR MARKET INFORMATION~~
 2 ~~SYSTEM.~~—Section 15 of the Wagner-Peyser Act (29
 3 U.S.C. 491–2) is amended—

4 (1) by striking the section heading and insert-
 5 ing the following:

6 **“SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION**
 7 **SYSTEM.”;**

8 (2) by striking “employment statistics system”
 9 each place it appears and inserting “workforce and
 10 labor market information system”;

11 (3) in subsection (a)(1), by striking “of employ-
 12 ment statistics”;

13 (4) in subsection (b)(2)(E)—

14 (A) in clause (i), by adding “and” at the
 15 end;

16 (B) in clause (ii), by striking “; and” and
 17 inserting a period; and

18 (C) by striking clause (iii);

19 (5) by striking subsections (c) and (d) and in-
 20 serting the following:

21 “(c) ~~NATIONAL ELECTRONIC TOOLS TO PROVIDE~~
 22 ~~SERVICES.~~—The Secretary, in consultation with States, is
 23 authorized to assist in the development of national elec-
 24 tronic tools that may be used to improve access to work-
 25 force information for individuals through—

1 “(1) the one-stop delivery systems established
2 under section 121(e); and

3 “(2) such other delivery systems as the Sec-
4 retary determines to be appropriate.

5 “(d) TWO-YEAR PLAN.—The Secretary, working
6 through the Bureau of Labor Statistics, and in coopera-
7 tion with the States and with the assistance of the Em-
8 ployment and Training Administration and other appro-
9 priate Federal agencies, shall prepare a 2-year plan which
10 shall be the mechanism for achieving cooperative manage-
11 ment of the nationwide workforce and labor market infor-
12 mation system described in subsection (a) and the state-
13 wide workforce and labor market information systems that
14 comprise the nationwide system. The plan shall—

15 “(1) describe the steps to be taken in the fol-
16 lowing 2 years to carry out the duties described in
17 subsection (b)(2);

18 “(2) evaluate the performance of the system
19 and recommend needed improvements, with par-
20 ticular attention to the improvements needed at the
21 State and local levels; and

22 “(3) describe the involvement of States in the
23 development of the plan, pursuant to a process es-
24 tablished by the Secretary in cooperation with the
25 States in accordance with subsection (d).

1 “(e) COORDINATION WITH THE STATES.—The Sec-
 2 retary, working through the Bureau of Labor Statistics and
 3 in coordination with the Employment and Training Ad-
 4 ministration, shall consult at least annually with rep-
 5 resentatives of each of the 10 Federal regions of the De-
 6 partment of Labor, elected (pursuant to a process estab-
 7 lished by the Secretary) by and from the State workforce
 8 and labor market information directors affiliated with the
 9 State agencies that perform the duties described in sub-
 10 section (e)(2).”;

11 (6) in subsection (e)(2)—

12 (A) in subparagraph (G), by adding “and”
 13 at the end;

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

15 (C) by redesignating subparagraph (I) as
 16 subparagraph (H); and

17 (7) in subsection (g), by striking “1999 through
 18 2004” and inserting “2004 through 2009 to enable
 19 the Secretary to carry out the provisions of this sec-
 20 tion through grants or cooperative agreements with
 21 the States”.

1 **TITLE IV—REHABILITATION ACT**

2 **AMENDMENTS**

3 **SEC. 401. SHORT TITLE.**

4 This title may be cited as the “Rehabilitation Act
5 Amendments of 2003”.

6 **SEC. 402. TECHNICAL AMENDMENTS TO TABLE OF CON-** 7 **TENTS.**

8 (a) INCENTIVE GRANTS.—Section 1(b) of the Reha-
9 bilitation Act of 1973 (29 U.S.C. 701 note) is amended
10 by inserting after the item relating to section 112 the fol-
11 lowing:

“Sec. 113. Incentive grants.”.

12 (b) INDEPENDENT LIVING SERVICES FOR OLDER IN-
13 DIVIDUALS WHO ARE BLIND.—Section 1(b) of the Reha-
14 bilitation Act of 1973 (29 U.S.C. 701 note) is amended
15 by striking the items relating to sections 752 and 753 and
16 inserting the following:

“Sec. 752. Training and technical assistance.

“Sec. 753. Program of grants.

“Sec. 754. Authorization of appropriations.”.

17 **SEC. 403. PURPOSE.**

18 Section 2(b) of the Rehabilitation Act of 1973 (29
19 U.S.C. 701(b)) is amended—

20 (1) in paragraph (1)(F), by striking “and”
21 after the semicolon;

22 (2) in paragraph (2), by striking the period at
23 the end and inserting “; and”; and

1 ~~(3)~~ by adding at the end the following:

2 ~~“(3) to provide opportunities for employers and~~
 3 ~~rehabilitation service providers to provide meaningful~~
 4 ~~input at all levels of government to ensure successful~~
 5 ~~employment of individuals with disabilities.”.~~

6 **SEC. 404. DEFINITIONS.**

7 Section 7 of the Rehabilitation Act of 1973 (~~29~~
 8 ~~U.S.C. 705~~) is amended—

9 ~~(1)~~ in paragraph ~~(2)~~(B)—

10 ~~(A)~~ in the matter preceding clause ~~(i)~~, by
 11 inserting “and literacy services” after “sup-
 12 ported employment”; and

13 ~~(B)~~ in clause ~~(iii)~~, by inserting “and lit-
 14 eracy skills” after “educational achievements”;

15 ~~(2)~~ in paragraph ~~(17)~~—

16 ~~(A)~~ in subparagraph ~~(C)~~, by striking
 17 “and” after the semicolon;

18 ~~(B)~~ in subparagraph ~~(D)~~, by striking the
 19 period at the end and inserting “; and”; and

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

21 ~~“(E) maintaining individuals with disabil-~~
 22 ~~ities in, or transitioning individuals with disabil-~~
 23 ~~ities to, community-based living.”;~~

24 ~~(3)~~ by redesignating paragraphs ~~(24)~~ through
 25 ~~(28)~~, ~~(29)~~ through ~~(34)~~, and ~~(35)~~ through ~~(39)~~, as

1 paragraphs (25) through (29), (31) through (36),
 2 and (38) through (42), respectively;

3 (4) by inserting after paragraph (23) the fol-
 4 lowing:

5 “(24) LITERACY.—The term ‘literacy’ has the
 6 meaning given the term in section 203 of the Adult
 7 Education and Family Literacy Act (20 U.S.C.
 8 9202).”;

9 (5) by inserting after paragraph (29), as redes-
 10 ignated by paragraph (3), the following:

11 “(30) POST-EMPLOYMENT SERVICE.—The term
 12 ‘post-employment’ service means a service identified
 13 in section 103(a) that is—

14 “(A) provided subsequent to the achieve-
 15 ment of an employment outcome; and

16 “(B) necessary for an individual to main-
 17 tain, regain, or advance in employment, con-
 18 sistent with the individual’s strengths, re-
 19 sources, priorities, concerns, abilities, capabili-
 20 ties, interests, and informed choice.”;

21 (6) by inserting after paragraph (36), as redes-
 22 ignated by paragraph (3), the following:

23 “(37) STUDENT WITH A DISABILITY.—

24 “(A) IN GENERAL.—The term ‘student
 25 with a disability’ means an individual with a

disability who attends an elementary school or
secondary school and who—

“(i) is not younger than 14 years of
age;

“(ii) is not older than 21 years of age;

“(iii) has been determined to be eligi-
ble under section 102(a) for assistance
under title I; and

“(iv)(I) is eligible for, and receiving,
special education and related services
under part B of the Individuals with Dis-
abilities Education Act (20 U.S.C. 1411 et
seq.); or

“(II) is an individual with a disability,
for purposes of section 504.

“(B) STUDENTS WITH DISABILITIES.—The
term ‘students with disabilities’ means more
than 1 student with a disability.”; and

(7) in paragraph (38)(A)(ii), as redesignated by
paragraph (3), by striking “paragraph (36)(C)” and
inserting “paragraph (39)(C)”.

SEC. 405. ADMINISTRATION OF THE ACT.

Section 12(a)(1) of the Rehabilitation Act of 1973
(29 U.S.C. 709(a)(1)) is amended—

(1) by inserting “(A)” after “(1)”;

1 (2) by striking the semicolon and inserting “;
2 and”; and

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

4 “(B) provide technical assistance to the des-
5 ignated State units on developing successful partner-
6 ships with employers;”.

7 **SEC. 406. CARRYOVER.**

8 Section 19 of the Rehabilitation Act of 1973 (29
9 U.S.C. 716) is amended—

10 (1) in subsection (a)(1)—

11 (A) by striking “; section 509 (except as
12 provided in section 509(b))”;

13 (B) by striking “or (C)”; and

14 (C) by striking “752(b)” and inserting
15 “753(b)”; and

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

17 “(e) PROTECTION AND ADVOCACY OF INDIVIDUAL
18 RIGHTS.—

19 “(1) APPROPRIATED AMOUNTS.—Notwith-
20 standing any other provision of law, any funds ap-
21 propriated for a fiscal year to carry out a grant pro-
22 gram under section 509 (except as provided in sec-
23 tion 509(b)), including any funds reallocated under
24 such grant program, that are not obligated and ex-
25 pended by recipients prior to the beginning of the

succeeding fiscal year shall remain available for obligation and expenditure by such recipients during such succeeding fiscal year.

“(2) PROGRAM INCOME.—Notwithstanding any other provision of law, any amounts of program income received by recipients under a grant program under section 509 that are not obligated and expended by recipients prior to the beginning of the fiscal year succeeding the fiscal year in which such amounts were received, shall remain available for obligation and expenditure by such recipients during any of the 4 succeeding fiscal years.”.

Subtitle A—Vocational Rehabilitation Services

SEC. 411. DECLARATION OF POLICY; AUTHORIZATION OF APPROPRIATIONS.

Section 100(b)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 720(b)(1)) is amended by striking “fiscal years 1999 through 2003” and inserting “fiscal years 2004 through 2009”.

SEC. 412. STATE PLANS.

Section 101(a) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) is amended—

(1) in paragraph (6)(B), by striking “to employ and advance in employment” and inserting “to recruit, employ, and advance in employment”;

(2) in paragraph (8)(A), by adding at the end the following:

“(iii) SERVICES IDENTIFIED IN INDIVIDUALIZED WORK PLAN.—For purposes of clause (i), for an individual who receives assistance under the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19), comparable benefits and services available under such program only include those benefits and services identified in the individual’s individualized work plan developed by an employment network pursuant to such section.”;

(3) in paragraph (11)—

(A) by striking subparagraph (D)(ii) and inserting the following:

“(ii) transition planning by personnel of the designated State agency and the State educational agency that will facilitate the development and completion of the individualized education programs under sec-

tion 614(d) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)) and, as appropriate, the development and completion of the individualized plan for employment, in order to achieve post-school employment outcomes of students with disabilities;” and

(B) by adding at the end the following:

“(G) COORDINATION WITH TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM.—The State plan shall provide that the designated State unit will coordinate activities with any other State agency that administers a Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19).” and

(4) in paragraph (20)—

(A) by redesignating subparagraph (B) as subparagraph (D);

(B) by inserting after subparagraph (A) the following:

“(B) INFORMATION ON ASSISTANCE FOR BENEFICIARIES OF ASSISTANCE UNDER TITLE II OR XVI OF THE SOCIAL SECURITY ACT.—The State plan shall include an assurance that the

designated State agency will make available to individuals entitled to benefits under title II or XVI of the Social Security Act (42 U.S.C. 401 et seq., 1381 et seq.) on the basis of a disability or blindness, information on the availability of—

“(i) medical assistance under the State medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

“(ii) benefits under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.);

“(iii) assistance through benefits planning and assistance programs under section 1149 of the Social Security Act (42 U.S.C. 1320b–20) and protection and advocacy programs under section 1150 of the Social Security Act (42 U.S.C. 1320b–21); and

“(iv) medical assistance under other federally-funded programs.

“(C) INFORMATION FOR INDIVIDUALS UNDER THE TICKET TO WORK PROGRAM.—The State plan shall include an assurance that the

1 designated State agency will make available to
 2 individuals entitled to benefits under title II or
 3 XVI of the Social Security Act (42 U.S.C. 401
 4 et seq., ~~1381~~ et seq.) on the basis of a disability
 5 or blindness and eligible for assistance under
 6 the Ticket to Work and Self-Sufficiency Pro-
 7 gram established under section ~~1148~~ of the So-
 8 cial Security Act (42 U.S.C. ~~1320b-19~~), gen-
 9 eral information regarding the Ticket to Work
 10 and Self-Sufficiency Program and specific infor-
 11 mation on how to contact the program manager
 12 of the Ticket to Work and Self-Sufficiency Pro-
 13 gram to obtain information on approved em-
 14 ployment networks.”; and

15 (C) in subparagraph (D)(ii), as redesign-
 16 nated by subparagraph (A)—

17 (i) in subclause (II), by inserting “; to
 18 the maximum extent possible,” after
 19 “point of contact”; and

20 (ii) in subclause (III), by striking “or
 21 regain” and inserting “regain, or advance
 22 in”.

1 **SEC. 413. ELIGIBILITY AND INDIVIDUALIZED PLAN FOR EM-**
 2 **PLOYMENT.**

3 Section 102 of the Rehabilitation Act of 1973 (29
 4 U.S.C. 722) is amended—

5 (1) in subsection (b)—

6 (A) in paragraph (1)—

7 (i) in subparagraph (A), by striking
 8 the semicolon at the end and inserting “,
 9 including a listing of all the community re-
 10 sources (including resources from organiza-
 11 tions of individuals with disabilities), to the
 12 maximum extent possible, to assist in the
 13 development of such individual’s individual-
 14 ized plan for employment to enable the in-
 15 dividual to make informed and effective
 16 choices in developing the individualized
 17 plan for employment;” and

18 (ii) in subparagraph (D)—

19 (I) in clause (i), by striking
 20 “and” after the semicolon;

21 (II) in clause (ii), by striking the
 22 period at the end and inserting a
 23 semicolon; and

24 (III) by adding at the end the
 25 following:

1 “(iii) for individuals entitled to benefits
2 under title II or XVI of the Social Security Act
3 (42 U.S.C. 401 et seq., 1381 et seq.) on the
4 basis of a disability or blindness; information on
5 the availability of—

6 “(I) medical assistance under the
7 State medicaid program under title XIX of
8 the Social Security Act (42 U.S.C. 1396 et
9 seq.);

10 “(II) benefits under the medicare pro-
11 gram under title XVIII of the Social Secu-
12 rity Act (42 U.S.C. 1395 et seq.);

13 “(III) assistance through benefits
14 planning and assistance programs under
15 section 1149 of the Social Security Act (42
16 U.S.C. 1320b-20) and protection and ad-
17 vocacy programs under section 1150 of the
18 Social Security Act (42 U.S.C. 1320b-21);
19 and

20 “(IV) medical assistance under other
21 federally-funded programs; and

22 “(iv) for individuals entitled to benefits
23 under title II or XVI of the Social Security Act
24 (42 U.S.C. 401 et seq., 1381 et seq.) on the
25 basis of a disability or blindness and eligible for

1 assistance under the Ticket to Work and Self-
 2 Sufficiency Program established under section
 3 1148 of the Social Security Act (42 U.S.C.
 4 1320b-19), information—

5 “(I) on the options under the Ticket
 6 to Work and Self-Sufficiency Program; and

7 “(II) on how to contact the program
 8 manager of the Ticket to Work and Self-
 9 Sufficiency Program who has contact in-
 10 formation on approved employment net-
 11 works, the benefits planning and assistance
 12 programs in the area, and the protection
 13 and advocacy programs in the area.”;

14 (B) in paragraph (2)(E)—

15 (i) in clause (i)(II), by striking “and”
 16 after the semicolon;

17 (ii) in clause (ii), by striking the pe-
 18 riod at the end and inserting “; and”; and

19 (iii) by adding at the end the fol-
 20 lowing:

21 “(iii) amended, as necessary, to in-
 22 clude the post-employment services and
 23 service providers that are necessary for the
 24 individual to maintain, regain, or advance
 25 in employment, consistent with the individ-

ual's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.”; and

(C) in paragraph (3)—

(i) in subparagraph (B)(i)(I), by striking “and personal assistance services” and inserting “mentoring services, and personal assistance services”;

(ii) in subparagraph (F)(ii), by striking “and” after the semicolon;

(iii) in subparagraph (G), by striking the period at the end and inserting a semicolon; and

(iv) by adding at the end the following:

“(H) for a student with a disability, the description—

“(i) in paragraph (3)(A), may be a description of the student's projected post-school employment outcome; and

“(ii) in paragraph (3)(B), shall include the specific transition services (including, as appropriate, work experience and mentoring activities) needed to achieve

1 the student's employment outcome or pro-
 2 jected employment outcome; and

3 “(I) for an individual who is receiving as-
 4 sistance under the Ticket to Work and Self-Suf-
 5 ficiency Program established under section
 6 1148 of the Social Security Act (42 U.S.C.
 7 1320b-19), a list of services such individual re-
 8 ceives from an employment network other than
 9 the designated State unit.”; and
 10 (2) in subsection (c)(7), by inserting “that take
 11 into consideration the informed choice of the indi-
 12 vidual,” after “plan development,”.

13 **SEC. 414. VOCATIONAL REHABILITATION SERVICES.**

14 Section 103(a) of the Rehabilitation Act of 1973 (29
 15 U.S.C. 723(a)) is amended—

16 (1) in paragraph (5), by inserting “literacy
 17 services,” after “vocational adjustment services,”;

18 (2) in paragraph (17), by striking “and” after
 19 the semicolon;

20 (3) in paragraph (18), by striking the period at
 21 the end and inserting “; and”; and

22 (4) by adding at the end the following:

23 “(19) mentoring services.”.

1 **SEC. 415. STATE REHABILITATION COUNCIL.**

2 Section ~~105(b)(1)(A)(ix)~~ of the Rehabilitation Act of
3 ~~1973 (29 U.S.C. 725(b)(1)(A)(ix))~~ is amended to read as
4 follows:

5 “~~(ix)~~ in a State in which ~~1~~ or more
6 projects provide services under section ~~121~~,
7 not less than ~~1~~ representative of the direc-
8 tors of the projects;”.

9 **SEC. 416. EVALUATION STANDARDS AND PERFORMANCE**
10 **INDICATORS.**

11 Section ~~106(b)(2)(B)(i)~~ of the Rehabilitation Act of
12 ~~1973 (29 U.S.C. 726(b)(2)(B)(i))~~ is amended by striking
13 “~~, if necessary~~” and all that follows through the semicolon
14 and inserting “if the State has not improved its perform-
15 ance to acceptable levels, as determined by the Commis-
16 sioner, direct the State to make further revisions to the
17 plan to improve performance, which may include allocating
18 a higher proportion of the State’s resources for services
19 to individuals with disabilities if the State’s spending on
20 such services is low in comparison to spending on such
21 services in comparable agencies in other States;”.

22 **SEC. 417. STATE ALLOTMENTS.**

23 Section ~~110~~ of the Rehabilitation Act of ~~1973 (29~~
24 ~~U.S.C. 730)~~ is amended—

25 (1) by striking subsection (b) and inserting the
26 following:

1 “(b) REALLOTMENT.—

2 “(1) DETERMINATION.—Not later than 45 days
3 prior to the end of the fiscal year, the Commissioner
4 shall determine, after reasonable opportunity for the
5 submission to the Commissioner of comments by the
6 State agency administering or supervising the pro-
7 gram established under this title, that any payment
8 of an allotment to a State under section 111(a) for
9 any fiscal year will not be utilized by such State in
10 carrying out the purposes of this title.

11 “(2) FORMULA.—

12 “(A) IN GENERAL.—As soon as practicable
13 but not later than the end of the fiscal year, the
14 Commissioner shall reallocate the amount available
15 under paragraph (1) to other States, consistent
16 with subparagraphs (B) and (C), for carrying
17 out the purposes of this title to the extent the
18 Commissioner determines such other State will
19 be able to use such additional amount during
20 that fiscal year or the subsequent fiscal year for
21 carrying out such purposes.

22 “(B) FORMULA.—

23 “(i) ELIGIBLE STATES.—The Com-
24 missioner shall reallocate the amount available
25 under paragraph (1) for a fiscal year to

1 each State whose allotment under sub-
2 section (a) for such fiscal year is less than
3 such State's allotment under subsection (a)
4 for the immediately preceding fiscal year
5 increased by the percentage change in the
6 funds available for subsection (a) from the
7 immediately preceding fiscal year.

8 “(ii) AMOUNT.—

9 “(I) IN GENERAL.—A State that
10 is eligible to receive a reallocation
11 under clause (i) shall receive an
12 amount for a fiscal year from the
13 amount available for reallocation
14 under paragraph (1) that is equal to
15 the difference between—

16 “(aa) the amount such State
17 received for such fiscal year; and

18 “(bb) the amount such State
19 was allotted under subsection (a)
20 for the immediately preceding fis-
21 cal year adjusted by the percent-
22 age change in the funds available
23 for subsection (a) from the im-
24 mediately preceding fiscal year.

1 “(H) INSUFFICIENT FUNDS.—If
2 the amount available for reallocation
3 under paragraph (1) is insufficient to
4 provide each State eligible to receive a
5 reallocation with the amount described
6 in subclause (I), the amount reallocated
7 to each eligible State shall be deter-
8 mined by the Commissioner.

9 “(C) REMAINING FUNDS.—If there are
10 funds remaining after each State eligible to re-
11 ceive a reallocation under subparagraph (B)(i)
12 receives the amount described in subparagraph
13 (B)(ii), the Commissioner shall reallocate the re-
14 maining funds among the States requesting a
15 reallocation.

16 “(3) NON-FEDERAL SHARE.—The Commis-
17 sioner shall reallocate an amount to a State under this
18 subsection only if the State will be able to make suf-
19 ficient payments from non-Federal sources to pay
20 for the non-Federal share of the cost of vocational
21 rehabilitation services under the State plan for the
22 fiscal year for which the amount was appropriated.

23 “(4) INCREASE IN ALLOTMENT.—For the pur-
24 poses of this part, any amount made available to a
25 State for any fiscal year pursuant to this subsection

1 shall be regarded as an increase of such State's al-
 2 lotment (as determined under the preceding provi-
 3 sions of this section) for such year.”; and

4 (2) by striking subsection (c)(2) and inserting
 5 the following:

6 “(2)(A) In this paragraph:

7 “(i) The term ‘appropriated amount’ means the
 8 amount appropriated under section 100(b)(1) for al-
 9 lotment under this section.

10 “(ii) The term ‘covered year’ means a fiscal
 11 year—

12 “(I) that begins after September 30, 2003;

13 and

14 “(II) for which the appropriated amount
 15 exceeds the total of—

16 “(aa) the appropriated amount for the
 17 preceding fiscal year; and

18 “(bb) 0.1 percent of the appropriated
 19 amount for the preceding fiscal year.

20 “(B) For each covered year, the sum referred to in
 21 paragraph (1) shall be, as determined by the Secretary,
 22 the lesser of—

23 “(i) the total of the sum reserved under this
 24 subsection for the preceding fiscal year and 0.1 per-

1 cent of the appropriated amount for the covered
 2 year; and

3 “(ii) 1.5 percent of the appropriated amount for
 4 the covered year.”.

5 **SEC. 418. CLIENT ASSISTANCE PROGRAM.**

6 Section 112 of the Rehabilitation Act of 1973 (29
 7 U.S.C. 732) is amended—

8 (1) in subsection (a), by striking “States” and
 9 inserting “agencies designated under subsection
 10 (c)”;

11 (2) in subsection (c)—

12 (A) in paragraph (1)—

13 (i) in subparagraph (A), by striking
 14 “The Secretary” and all that follows
 15 through the period and inserting the fol-
 16 lowing: “After reserving funds under sub-
 17 paragraphs (E) and (F), the Secretary
 18 shall allot the remainder of the sums ap-
 19 propriated for each fiscal year under this
 20 section among the agencies designated
 21 under subsection (c) within the States on
 22 the basis of relative population of each
 23 State, except that no such agency shall re-
 24 ceive less than \$50,000.”;

1 (ii) in subparagraph (B), by inserting
 2 “the designated agencies located in” after
 3 “each to”;

4 (iii) in subparagraph (D)(i)—

5 (I) by inserting “the designated
 6 agencies located in” after “\$100,000
 7 for”; and

8 (II) by inserting “the designated
 9 agencies located in” after “\$45,000
 10 for”; and

11 (iv) by adding at the end the fol-
 12 lowing:

13 “(E)(i) Beginning on October 1, 2004, for any fiscal
 14 year for which the amount appropriated to carry out this
 15 section equals or exceeds \$13,000,000, the Secretary shall
 16 reserve funds appropriated under this section to make
 17 grants to the protection and advocacy system serving the
 18 American Indian Consortium to provide client assistance
 19 services in accordance with this section. The amount of
 20 such grants shall be the same amount as provided to terri-
 21 tories under subparagraph (B), as increased under clauses
 22 (i) and (ii) of subparagraph (D).

23 “(ii) In this subparagraph:

24 “(I) The term ‘American Indian Consortium’
 25 has the meaning given the term in section 102 of the

1 Developmental Disabilities Assistance and Bill of
2 Rights Act of 2000 (42 U.S.C. 15002).

3 ~~“(H) The term ‘protection and advocacy sys-~~
4 ~~tem’ means a protection and advocacy system estab-~~
5 ~~lished under subtitle C of title I of the Develop-~~
6 ~~mental Disabilities Assistance and Bill of Rights Act~~
7 ~~of 2000 (42 U.S.C. 15041 et seq.).~~

8 ~~“(F) For any fiscal year for which the amount appro-~~
9 ~~priated to carry out this section equals or exceeds~~
10 ~~\$14,000,000, the Secretary shall reserve not less than 1.8~~
11 ~~percent and not more than 2.2 percent of such amount~~
12 ~~to provide training and technical assistance to the pro-~~
13 ~~grams established under this section. Such training and~~
14 ~~technical assistance shall be coordinated with funds avail-~~
15 ~~able under section 509(c)(1)(A).”;~~

16 ~~(B) in paragraph (2)—~~

17 ~~(i) by striking “State” each place~~
18 ~~such term appears and inserting “des-~~
19 ~~ignated agency”;~~ and

20 ~~(ii) by striking “States” each place~~
21 ~~such term appears and inserting “des-~~
22 ~~ignated agencies”;~~ and

23 ~~(C) in paragraph (3), by striking “Except~~
24 ~~as specifically prohibited by or as otherwise pro-~~

1 vided in State law, the Secretary shall pay” and
 2 inserting “The Secretary shall pay directly”;
 3 ~~(3)~~ in subsection ~~(f)~~, by striking “State” and
 4 inserting “agency designated under subsection (c)”;
 5 and
 6 ~~(4)~~ in subsection ~~(h)~~, by striking “fiscal years
 7 1999 through 2003” and inserting “fiscal years
 8 2004 through 2009”.

9 **SEC. 419. INCENTIVE GRANTS.**

10 Part B of title I of the Rehabilitation Act of 1973
 11 ~~(29 U.S.C. 730 et seq.)~~ is amended by adding at the end
 12 the following:

13 ~~“SEC. 113. INCENTIVE GRANTS.~~

14 ~~“(a) AUTHORITY.—The Commissioner is authorized~~
 15 ~~to make incentive grants to States that, based on the cri-~~
 16 ~~teria established under subsection (b)(1), demonstrate—~~

17 ~~“(1) a high level of performance; or~~

18 ~~“(2) a significantly improved level of perform-~~
 19 ~~ance as compared to the previous reporting period or~~
 20 ~~periods.~~

21 ~~“(b) CRITERIA.—~~

22 ~~“(1) ESTABLISHMENT.—Not later than 180~~
 23 ~~days after the date of enactment of this section, the~~
 24 ~~Commissioner shall establish, and publish in the~~

1 Federal Register, criteria for making grant awards
2 under subsection (a).

3 ~~“(2) DEVELOPMENT AND EVALUATION STAND-~~
4 ~~ARDS.—The criteria under paragraph (1) shall—~~

5 ~~“(A) be developed with input from State~~
6 ~~vocational rehabilitation agencies and other vo-~~
7 ~~cational rehabilitation stakeholders, including~~
8 ~~vocational rehabilitation consumers and con-~~
9 ~~sumer organizations; and~~

10 ~~“(B) be based upon the evaluation stand-~~
11 ~~ards and performance indicators established~~
12 ~~under section 106 and other performance re-~~
13 ~~lated measures that the Commissioner deter-~~
14 ~~mines to be appropriate.~~

15 ~~“(c) USE OF FUNDS.—A State that receives a grant~~
16 ~~under subsection (a) shall use the grant funds for any ap-~~
17 ~~proved activities in the State’s State plan submitted under~~
18 ~~section 101.~~

19 ~~“(d) NO NON-FEDERAL SHARE REQUIREMENT.—~~
20 ~~The provisions of sections 101(a)(3) and 111(a)(2) shall~~
21 ~~not apply to this section.~~

22 ~~“(e) AUTHORIZATION OF APPROPRIATIONS.—There~~
23 ~~are authorized to be appropriated to carry out this section~~
24 ~~such sums as may be necessary for each of fiscal years~~
25 ~~2004 through 2009.”.~~

1 **SEC. 420. VOCATIONAL REHABILITATION SERVICES**
 2 **GRANTS.**

3 Section 121 of the Rehabilitation Act of 1973 (29
 4 U.S.C. 741) is amended—

5 (1) in subsection (a), in the first sentence, by
 6 inserting “, consistent with such individuals’
 7 strengths, resources, priorities, concerns, abilities,
 8 capabilities, interests, and informed choice, so that
 9 such individuals may prepare for, and engage in,
 10 gainful employment” before the period at the end;
 11 and

12 (2) in subsection (b)—

13 (A) in paragraph (1)—

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

16 (ii) in subparagraph (C), by striking
 17 the period at the end and inserting “;
 18 and”; and

19 (iii) by adding at the end the fol-
 20 lowing:

21 “(D) contains assurances that—

22 “(i) all decisions affecting eligibility for vo-
 23 cational rehabilitation services, the nature and
 24 scope of available services, and the provision of
 25 such services, will be made by a representative

of the tribal vocational rehabilitation program;
and

“(ii) such decisions will not be delegated to
another agency or individual.”;

(B) in paragraph (3), by striking the first
sentence and inserting the following: “An appli-
cation approved under this part that complies
with the program requirements set forth in the
regulations promulgated to carry out this part
shall be effective for 5 years and shall be re-
newed for additional 5-year periods if the Com-
missioner determines that the grantee dem-
onstrated acceptable past performance and the
grantee submits a plan, including a proposed
budget, to the Commissioner that the Commis-
sioner approves that identifies future perform-
ance criteria, goals, and objectives.”; and

(C) by striking paragraph (4) and insert-
ing the following:

“(4) In allocating funds under this part, the Sec-
retary shall give priority to paying the continuation costs
of existing projects and may provide for increases in fund-
ing for such projects as determined necessary.”.

SEC. 421. GAO STUDIES.

(a) STUDY ON TITLE I AND TICKET TO WORK.—

1 (1) IN GENERAL.—The Comptroller General of
 2 the United States shall conduct a study on the inter-
 3 action of title I of the Rehabilitation Act of 1973
 4 (29 U.S.C. 720 et seq.) with the Ticket to Work and
 5 Self-Sufficiency Program established under section
 6 1148 of the Social Security Act (42 U.S.C. 1320b-
 7 19), including the impact of the interaction on bene-
 8 ficiaries, community rehabilitation programs, and
 9 State vocational rehabilitation agencies.

10 (2) CONDUCT OF STUDY.—In conducting the
 11 study under paragraph (1), the Comptroller General
 12 of the United States shall consult with all partici-
 13 pants in the Ticket to Work and Self-Sufficiency
 14 Program, including the Social Security Administra-
 15 tion, the Rehabilitation Services Administration,
 16 ticketholders, State agencies, community rehabilita-
 17 tion programs (including employment networks and
 18 nonemployment networks), protection and advocacy
 19 agencies, MAXIMUS, and organizations rep-
 20 resenting the interests of ticketholders.

21 (3) REPORT TO CONGRESS.—Not later than 18
 22 months after the date of enactment of this title, the
 23 Comptroller General of the United States shall sub-
 24 mit the study conducted pursuant to this subsection
 25 to the appropriate committees of Congress.

1 (b) STUDY ON THE ALLOTMENT FORMULA.—

2 (1) IN GENERAL.—The Comptroller General of
3 the United States shall conduct a study on the rela-
4 tionship between the State allotment formula under
5 section 110 of the Rehabilitation Act of 1973 (29
6 U.S.C. 730) and the ability of States to provide vo-
7 cational rehabilitation services in accordance with
8 the State’s State plan under section 101 of such
9 Act.

10 (2) CONDUCT OF STUDY.—In conducting the
11 study under paragraph (1), the Comptroller General
12 of the United States shall consult with appropriate
13 entities.

14 (3) REPORT TO CONGRESS.—Not later than 12
15 months after the date of enactment of this title, the
16 Comptroller General of the United States shall sub-
17 mit the study conducted pursuant to this subsection
18 to the appropriate committees of Congress.

19 **Subtitle B—Research and Training**

20 **SEC. 431. AUTHORIZATION OF APPROPRIATIONS.**

21 Section 201(a) of the Rehabilitation Act of 1973 (29
22 U.S.C. 761(a)) is amended—

23 (1) in paragraph (1), by striking “fiscal years
24 1999 through 2003” and inserting “fiscal years
25 2004 through 2009”; and

1 (2) in paragraph (2), by striking “fiscal years
2 1999 through 2003” and inserting “fiscal years
3 2004 through 2009”.

4 **SEC. 432. NATIONAL INSTITUTE ON DISABILITY AND REHA-**
5 **BILITATION RESEARCH.**

6 Section 202(f)(1) of the Rehabilitation Act of 1973
7 (29 U.S.C. 762(f)(1)) is amended by striking “Federal
8 employees” and inserting “Department of Education em-
9 ployees”.

10 **SEC. 433. RESEARCH AND OTHER COVERED ACTIVITIES.**

11 Section 204(e)(2) of the Rehabilitation Act of 1973
12 (29 U.S.C. 764(e)(2)) is amended by striking “\$500,000”
13 and inserting “\$750,000”.

14 **SEC. 434. REHABILITATION RESEARCH ADVISORY COUNCIL.**

15 Section 205(e) of the Rehabilitation Act of 1973 (29
16 U.S.C. 765(e)) is amended by adding at the end the fol-
17 lowing: “The Council also shall include a representative
18 from the business community who has experience with the
19 vocational rehabilitation system and hiring individuals
20 with disabilities.”.

1 **Subtitle C—Professional Develop-**
 2 **ment and Special Projects and**
 3 **Demonstrations**

4 **SEC. 441. TRAINING.**

5 Section 302 of the Rehabilitation Act of 1973 (29
 6 U.S.C. 772) is amended—

7 (1) in subsection (b)(1)(B)(i), by striking “or
 8 prosthetics and orthotics” and inserting “prosthetics
 9 and orthotics; rehabilitation for the blind; or orienta-
 10 tion and mobility instruction”; and

11 (2) in subsection (i), by striking “fiscal years
 12 1999 through 2003” and inserting “fiscal years
 13 2004 through 2009”.

14 **SEC. 442. DEMONSTRATION AND TRAINING PROGRAMS.**

15 Section 303 of the Rehabilitation Act of 1973 (29
 16 U.S.C. 773) is amended—

17 (1) by redesignating subsection (e) as sub-
 18 section (f);

19 (2) in subsection (f), as redesignated by para-
 20 graph (1), by striking “fiscal years 1999 through
 21 2003” and inserting “fiscal years 2004 through
 22 2009”; and

23 (3) by inserting after subsection (d) the fol-
 24 lowing:

25 “(e) ACCESS TO TELEWORK.—

1 “(1) DEFINITION OF TELEWORK.—In this sub-
2 section, the term ‘telework’ means to work from
3 home and other telework sites with the assistance of
4 a computer and with reasonable accommodations, in-
5 cluding the necessary equipment to facilitate suc-
6 cessful work from home and other telework sites.

7 “(2) AUTHORIZATION OF PROGRAM.—The Com-
8 missioner is authorized to make grants to States and
9 governing bodies of American Indian tribes located
10 on Federal and State reservations (and consortia of
11 such governing bodies) to pay for the Federal share
12 of the cost of establishing or expanding a telework
13 program.

14 “(3) APPLICATION.—A State that desires to re-
15 ceive a grant under this subsection shall submit an
16 application to the Commissioner at such time, in
17 such manner, and containing such information as
18 the Commissioner may require.

19 “(4) USE OF FUNDS.—A State that receives a
20 grant under this subsection shall establish or expand
21 a telework program that shall provide loans or other
22 alternative financing mechanisms to individuals with
23 disabilities to enable such individuals to purchase
24 computers or other equipment, including adaptive
25 equipment, that facilitates work from home and

1 other telework sites so that such individuals are able
 2 to telework.

3 ~~“(5) ANNUAL REPORT.—~~

4 ~~“(A) IN GENERAL.—A State that receives~~
 5 ~~a grant under this subsection shall submit an~~
 6 ~~annual report to the Commissioner.~~

7 ~~“(B) CONTENTS.—The report under sub-~~
 8 ~~paragraph (A) shall include the following:~~

9 ~~“(i) The characteristics of each indi-~~
 10 ~~vidual with a disability that receives a loan~~
 11 ~~or other alternative financing mechanism~~
 12 ~~under the program, including information~~
 13 ~~about the individual such as the following:~~

14 ~~“(I) Age.~~

15 ~~“(II) Ethnicity.~~

16 ~~“(III) Type of disability.~~

17 ~~“(IV) Employment status at the~~
 18 ~~time of application for a loan or other~~
 19 ~~alternative financing mechanism~~
 20 ~~under this subsection.~~

21 ~~“(V) Whether the individual at-~~
 22 ~~tempted to secure financial support~~
 23 ~~from other sources to enable the indi-~~
 24 ~~vidual to telework and, if so, a de-~~
 25 ~~scription of such sources.~~

1 “(VI) Whether the individual is
 2 working and, if so, whether the indi-
 3 vidual teleworks, the occupation in
 4 which the individual is working, the
 5 hourly salary the individual receives,
 6 and the hourly salary of the individual
 7 prior to receiving a loan or other al-
 8 ternative financing mechanism under
 9 the program.

10 “(VII) Whether the individual
 11 has repaid the loan or other alter-
 12 native financing mechanism received
 13 under the program, is in repayment
 14 status, is delinquent on repayments,
 15 or has defaulted on the loan or other
 16 alternative financing mechanism.

17 “(ii) Any other information that the
 18 Commissioner may require.

19 “(6) FEDERAL SHARE.—The Federal share of
 20 the cost of establishing a telework program shall be
 21 10 percent of the cost.”

22 **SEC. 443. MIGRANT AND SEASONAL FARMWORKERS.**

23 Section 304(b) of the Rehabilitation Act of 1973 (29
 24 U.S.C. 774(b)) is amended by striking “fiscal years 1999

1 through 2003” and inserting “fiscal years 2004 through
2 2009”.

3 **SEC. 444. RECREATIONAL PROGRAMS.**

4 Section 305 of the Rehabilitation Act of 1973 (29
5 U.S.C. 775) is amended—

6 (1) in subsection (a)(1)(B), by striking “con-
7 struction of facilities for aquatic rehabilitation ther-
8 apy,”; and

9 (2) in subsection (b), by striking “fiscal years
10 1999 through 2003” and inserting “fiscal years
11 2004 through 2009”.

12 **Subtitle D—National Council on**
13 **Disability**

14 **SEC. 451. AUTHORIZATION OF APPROPRIATIONS.**

15 Section 405 of the Rehabilitation Act of 1973 (29
16 U.S.C. 785) is amended by striking “fiscal years 1999
17 through 2003” and inserting “fiscal years 2004 through
18 2009”.

19 **Subtitle E—Rights and Advocacy**

20 **SEC. 461. ARCHITECTURAL AND TRANSPORTATION BAR-**
21 **RIERS COMPLIANCE BOARD.**

22 Section 502(j) of the Rehabilitation Act of 1973 (29
23 U.S.C. 792(j)) is amended by striking “fiscal years 1999
24 through 2003” and inserting “fiscal years 2004 through
25 2009”.

1 **SEC. 462. PROTECTION AND ADVOCACY OF INDIVIDUAL**
 2 **RIGHTS.**

3 Section 509 of the Rehabilitation Act of 1973 (29
 4 U.S.C. 794e) is amended—

5 (1) in subsection (g)(2), by striking “was paid”
 6 and inserting “was paid, except that program in-
 7 come generated from the amount paid to an eligible
 8 system shall remain available to such system for ob-
 9 ligation during any succeeding fiscal year”; and

10 (2) in subsection (l), by striking “fiscal years
 11 1999 through 2003” and inserting “fiscal years
 12 2004 through 2009”.

13 **Subtitle F—Employment Opportu-**
 14 **nities for Individuals With Dis-**
 15 **abilities**

16 **SEC. 471. PROJECTS WITH INDUSTRY AUTHORIZATION OF**
 17 **APPROPRIATIONS.**

18 Section 612 of the Rehabilitation Act of 1973 (29
 19 U.S.C. 795a) is amended by striking “fiscal years 1999
 20 through 2003” and inserting “fiscal years 2004 through
 21 2009”.

22 **SEC. 472. SERVICES FOR INDIVIDUALS WITH SIGNIFICANT**
 23 **DISABILITIES AUTHORIZATION OF APPRO-**
 24 **PRIATIONS.**

25 Section 628 of the Rehabilitation Act of 1973 (29
 26 U.S.C. 795n) is amended by striking “fiscal years 1999

1 through 2003” and inserting “fiscal years 2004 through
2 2009”.

3 **Subtitle G—Independent Living**
4 **Services and Centers for Inde-**
5 **pendent Living**

6 **SEC. 481. STATE PLAN.**

7 Section 704 of the Rehabilitation Act of 1973 (42
8 U.S.C. 795e) is amended by adding at the end the fol-
9 lowing:

10 “(o) **PROMOTING FULL ACCESS TO COMMUNITY**
11 **LIFE.**—The plan shall describe how the State will provide
12 independent living services that promote full access to
13 community life for individuals with significant disabilities.
14 The services shall include, as appropriate, facilitating
15 transitions from nursing homes and other institutions, in-
16 cluding institutions serving individuals with cognitive dis-
17 abilities, to community-based residences, assisting individ-
18 uals with significant disabilities at risk of entering institu-
19 tions to remain in the community, and promoting home
20 ownership among individuals with significant disabili-
21 ties.”.

22 **SEC. 482. STATEWIDE INDEPENDENT LIVING COUNCIL.**

23 Section 705(b)(5) of the Rehabilitation Act of 1973
24 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

1 ~~“(5) CHAIRPERSON.—The Council shall select a~~
 2 ~~chairperson from among the voting membership of~~
 3 ~~the Council.”.~~

4 **SEC. 483. INDEPENDENT LIVING SERVICES AUTHORIZA-**
 5 **TION OF APPROPRIATIONS.**

6 Section 714 of the Rehabilitation Act of 1973 (29
 7 U.S.C. 796c-3) is amended by striking “fiscal years 1999
 8 through 2003” and inserting “fiscal years 2004 through
 9 2009”.

10 **SEC. 484. PROGRAM AUTHORIZATION.**

11 Section 721 of the Rehabilitation Act of 1973 (42
 12 U.S.C. 796f) is amended—

13 (1) by striking subsection (c) and inserting the
 14 following:

15 ~~“(c) ALLOTMENTS TO STATES.—~~

16 ~~“(1) DEFINITIONS.—In this subsection:~~

17 ~~“(A) ADDITIONAL APPROPRIATION.—The~~
 18 ~~term ‘additional appropriation’ means the~~
 19 ~~amount (if any) by which the appropriation for~~
 20 ~~a fiscal year exceeds the total of—~~

21 ~~“(i) the amount reserved under sub-~~
 22 ~~section (b) for that fiscal year; and~~

23 ~~“(ii) the appropriation for fiscal year~~
 24 ~~2003.~~

1 “(B) APPROPRIATION.—The term ‘appro-
2 piation’ means the amount appropriated to
3 carry out this part.

4 “(C) BASE APPROPRIATION.—The term
5 ‘base appropriation’ means the portion of the
6 appropriation for a fiscal year that is equal to
7 the lesser of—

8 “(i) an amount equal to 100 percent
9 of the appropriation, minus the amount re-
10 served under subsection (b) for that fiscal
11 year; or

12 “(ii) the appropriation for fiscal year
13 2003.

14 “(2) ALLOTMENTS TO STATES FROM BASE AP-
15 PROPRIATION.—After the reservation required by
16 subsection (b) has been made, the Commissioner
17 shall allot to each State whose State plan has been
18 approved under section 706 an amount that bears
19 the same ratio to the base appropriation as the
20 amount the State received under this subsection for
21 fiscal year 2003 bears to the total amount that all
22 States received under this subsection for fiscal year
23 2003.

24 “(3) ALLOTMENTS TO STATES OF ADDITIONAL
25 APPROPRIATION.—From any additional appropria-

1 tion for each fiscal year, the Commissioner shall
 2 allot to each State whose State plan has been ap-
 3 proved under section 706 an amount equal to the
 4 sum of—

5 “(A) an amount that bears the same ratio
 6 to 50 percent of the additional appropriation as
 7 the population of the State bears to the popu-
 8 lation of all States; and

9 “(B) $\frac{1}{56}$ of 50 percent of the additional
 10 appropriation.”; and

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

12 “(e) CARRYOVER AUTHORITY.—Any amount paid to
 13 an agency to operate a center for independent living under
 14 this chapter for a fiscal year and any amount of program
 15 income that remains unobligated at the end of such year
 16 shall remain available to such agency for obligation during
 17 the next 2 fiscal years for the purposes for which such
 18 amount was paid.”.

19 **SEC. 485. GRANTS TO CENTERS FOR INDEPENDENT LIVING**
 20 **IN STATES IN WHICH FEDERAL FUNDING EX-**
 21 **CEEDS STATE FUNDING.**

22 Section 722(c) of the Rehabilitation Act of 1973 (29
 23 U.S.C. 796f–1(c)) is amended by striking “by September
 24 30, 1997” and inserting “during the preceding year”.

1 **SEC. 486. GRANTS TO CENTERS FOR INDEPENDENT LIVING**
 2 **IN STATES IN WHICH STATE FUNDING**
 3 **EQUALS OR EXCEEDS FEDERAL FUNDING.**

4 Section 723(e) of the Rehabilitation Act of 1973 (29
 5 U.S.C. 796f-2(e)) is amended by striking “by September
 6 30, 1997” and inserting “during the preceding year”.

7 **SEC. 487. STANDARDS AND ASSURANCES FOR CENTERS**
 8 **FOR INDEPENDENT LIVING.**

9 Section 725(b) of the Rehabilitation Act of 1973 (29
 10 U.S.C. 796f-4(b)) is amended—

11 (1) in paragraph (4), by striking “disabilities.”
 12 and inserting “disabilities, including maintaining in-
 13 dividuals with disabilities in, or transitioning individ-
 14 uals with disabilities to, community-based living.”;
 15 and

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

17 “(8) **PROMOTING FULL ACCESS TO COMMUNITY**
 18 **LIFE.**—The center shall provide independent living
 19 services that promote full access to community life
 20 for individuals with significant disabilities. The serv-
 21 ices shall include, as appropriate, facilitating transi-
 22 tions from nursing homes and other institutions, in-
 23 cluding institutions serving individuals with cognitive
 24 disabilities, to community-based residences, assisting
 25 individuals with significant disabilities at risk of en-
 26 tering institutions to remain in the community, and

1 promoting home ownership among individuals with
 2 significant disabilities.”.

3 **SEC. 488. CENTERS FOR INDEPENDENT LIVING AUTHORIZA-**
 4 **TION OF APPROPRIATIONS.**

5 Section 727 of the Rehabilitation Act of 1973 (29
 6 U.S.C. 796f–6) is amended by striking “fiscal years 1999
 7 through 2003” and inserting “fiscal years 2004 through
 8 2009”.

9 **SEC. 489. INDEPENDENT LIVING SERVICES FOR OLDER IN-**
 10 **DIVIDUALS WHO ARE BLIND.**

11 Chapter 2 of title VII of the Rehabilitation Act of
 12 1973 (29 U.S.C. 796j et seq.) is amended—

13 (1) by redesignating sections 752 and 753 as
 14 sections 753 and 754, respectively; and

15 (2) by inserting after section 751 the following:

16 **“SEC. 752. TRAINING AND TECHNICAL ASSISTANCE.**

17 **“(a) GRANTS; CONTRACTS; OTHER ARRANGE-**
 18 **MENTS.—**For any fiscal year for which the funds appro-
 19 priated to carry out this chapter exceed the funds appro-
 20 priated to carry out this chapter for fiscal year 2003, the
 21 Commissioner shall first reserve from such excess, to pro-
 22 vide training and technical assistance to eligible entities
 23 for such fiscal year, not less than 1.8 percent, and not
 24 more than 2 percent, of the funds appropriated to carry
 25 out this chapter for the fiscal year involved.

1 “(b) ALLOCATION.—From the funds reserved under
2 subsection (a), the Commissioner shall make grants to,
3 and enter into contracts and other arrangements with, en-
4 tities that demonstrate expertise in the provision of serv-
5 ices to older individuals who are blind to provide training
6 and technical assistance with respect to planning, devel-
7 oping, conducting, administering, and evaluating inde-
8 pendent living programs for older individuals who are
9 blind.

10 “(c) FUNDING PRIORITIES.—The Commissioner shall
11 conduct a survey of designated State agencies that receive
12 grants under section 753 regarding training and technical
13 assistance needs in order to determine funding priorities
14 for grants, contracts, and other arrangements under this
15 section.

16 “(d) REVIEW.—To be eligible to receive a grant or
17 enter into a contract or other arrangement under this sec-
18 tion, an eligible entity shall submit an application to the
19 Commissioner at such time, in such manner, containing
20 a proposal to provide such training and technical assist-
21 ance, and containing such additional information as the
22 Commissioner may require.

23 “(e) PROHIBITION ON COMBINED FUNDS.—No funds
24 reserved by the Commissioner under this section may be
25 combined with funds appropriated under any other Act or

1 part of this Act if the purpose of combining funds is to
 2 make a single discretionary grant or a single discretionary
 3 payment, unless such funds appropriated under this chap-
 4 ter are separately identified in such grant or payment and
 5 are used for the purposes of this chapter.”.

6 **SEC. 490. PROGRAM OF GRANTS.**

7 Section 753 of the Rehabilitation Act of 1973, as re-
 8 designated by section 489, is amended—

9 (1) in subsection (g), by inserting “, or con-
 10 tracts with,” after “grants to”;

11 (2) by striking subsection (h);

12 (3) by redesignating subsections (i) and (j) as
 13 subsections (h) and (i), respectively;

14 (4) in subsection (b), by striking “section 753”
 15 and inserting “section 754”;

16 (5) in subsection (c)—

17 (A) in paragraph (1), by striking “section
 18 753” and inserting “section 754”; and

19 (B) in paragraph (2)—

20 (i) by striking “subsection (i)” and in-
 21 serting “subsection (h)”; and

22 (ii) by striking “subsection (j)” and
 23 inserting “subsection (i)”;

24 (6) in subsection (h), as redesignated by para-
 25 graph (3)—

1 (A) in paragraph (1), by striking “sub-
 2 section (j)(4)” and inserting “subsection
 3 (i)(4)”; and

4 (B) in paragraph (2)—

5 (i) in subparagraph (A)(vi), by adding
 6 “and” after the semicolon;

7 (ii) in subparagraph (B)(ii)(III), by
 8 striking “; and” and inserting a period;
 9 and

10 (iii) by striking subparagraph (C);
 11 and

12 (7) in subsection (i), as redesignated by para-
 13 graph (3)—

14 (A) by striking paragraph (2) and insert-
 15 ing the following:

16 “(2) MINIMUM ALLOTMENT.—

17 “(A) STATES.—In the case of the several
 18 States, the District of Columbia, and the Com-
 19 monwealth of Puerto Rico, the amount referred
 20 to in paragraph (1)(A) for a fiscal year is the
 21 greater of—

22 “(i) \$350,000;

23 “(ii) an amount equal to the amount
 24 the State, the District of Columbia, or the
 25 Commonwealth of Puerto Rico received to

1 carry out this chapter for fiscal year 2003;

2 or

3 “(iii) an amount equal to $\frac{1}{3}$ of 1 per-
4 cent of the amount appropriated under sec-
5 tion 754, and not reserved under section
6 752, for the fiscal year and available for
7 allotments under subsection (a).

8 “(B) CERTAIN TERRITORIES.—In the case
9 of Guam, American Samoa, the United States
10 Virgin Islands, and the Commonwealth of the
11 Northern Mariana Islands, the amount referred
12 to in paragraph (1)(A) for a fiscal year is
13 \$60,000.”;

14 (B) in paragraph (3)(A), by striking “sec-
15 tion 753” and inserting “section 754, and not
16 reserved under section 752,”; and

17 (C) in paragraph (4)(B)(i), by striking
18 “subsection (i)” and inserting “subsection (h)”.

19 **SEC. 491. INDEPENDENT LIVING SERVICES FOR OLDER IN-**
20 **DIVIDUALS WHO ARE BLIND AUTHORIZATION**
21 **OF APPROPRIATIONS.**

22 Section 754 of the Rehabilitation Act of 1973, as re-
23 designated by section 489, is amended by striking “fiscal
24 years 1999 through 2003” and inserting “fiscal years
25 2004 through 2009”.

1 **Subtitle H—Miscellaneous**

2 **SEC. 495. HELEN KELLER NATIONAL CENTER ACT.**

3 (a) GENERAL AUTHORIZATION OF APPROPRIA-
4 TIONS.—The first sentence of section 205(a) of the Helen
5 Keller National Center Act (29 U.S.C. 1904(a)) is amend-
6 ed by striking “1999 through 2003” and inserting “2004
7 through 2009”.

8 (b) HELEN KELLER NATIONAL CENTER FEDERAL
9 ENDOWMENT FUND.—The first sentence of section
10 208(h) of the Helen Keller National Center Act (29
11 U.S.C. 1907(h)) is amended by striking “1999 through
12 2003” and inserting “2004 through 2009”.

13 **TITLE V—TRANSITION AND** 14 **EFFECTIVE DATE**

15 **SEC. 501. TRANSITION PROVISIONS.**

16 The Secretary of Labor shall, at the discretion of the
17 Secretary, take such actions as the Secretary determines
18 to be appropriate to provide for the orderly implementa-
19 tion of this Act.

20 **SEC. 502. EFFECTIVE DATE.**

21 Except as otherwise provided in this Act, this Act and
22 the amendments made by this Act, shall take effect on
23 the date of enactment of this Act.

1 **SECTION 1. SHORT TITLE.**

2 *This Act may be cited as the “Workforce Investment*
 3 *Act Amendments of 2003”.*

4 **SEC. 2. TABLE OF CONTENTS.**

5 *The table of contents of this Act is as follows:*

Sec. 1. Short title.

Sec. 2. Table of contents.

Sec. 3. References.

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

Subtitle A—Definitions

Sec. 101. Definitions.

Subtitle B—Statewide and Local Workforce Investment Systems

Sec. 111. Purpose.

Sec. 112. State workforce investment boards.

Sec. 113. State plan.

Sec. 114. Local workforce investment areas.

Sec. 115. Local workforce investment boards.

Sec. 116. Local plan.

Sec. 117. Establishment of one-stop delivery systems.

Sec. 118. Eligible providers of training services.

Sec. 119. Eligible providers of youth activities.

Sec. 120. Youth activities.

Sec. 121. Adult and dislocated worker employment and training activities.

Sec. 122. Performance accountability system.

Sec. 123. Authorization of appropriations.

Subtitle C—Job Corps

Sec. 131. Job Corps.

Subtitle D—National Programs

Sec. 141. Native American programs.

Sec. 142. Migrant and seasonal farmworker programs.

Sec. 143. Veterans’ workforce investment programs.

Sec. 144. Youth challenge grants.

Sec. 145. Technical assistance.

Sec. 146. Demonstration, pilot, multiservice, research, and multistate projects.

Sec. 147. National dislocated worker grants.

Sec. 148. Authorization of appropriations for national activities.

Subtitle E—Administration

Sec. 151. Requirements and restrictions.

Sec. 152. Reports.

Sec. 153. Administrative provisions.

Sec. 154. Use of certain real property.

Sec. 155. Table of contents.

Subtitle F—Incentive Grants

Sec. 161. Incentive grants.

TITLE II—AMENDMENTS TO THE ADULT EDUCATION AND FAMILY LITERACY ACT

Sec. 201. Short title; purpose.

Sec. 202. Definitions.

Sec. 203. Authorization of appropriations.

Sec. 204. Home schools.

Sec. 205. Reservation of funds; grants to eligible agencies; allotments.

Sec. 206. Performance accountability system.

Sec. 207. State administration.

Sec. 208. State distribution of funds; matching requirement.

Sec. 209. State leadership activities.

Sec. 210. State plan.

Sec. 211. Programs for corrections education and other institutionalized individuals.

Sec. 212. Grants and contracts for eligible providers.

Sec. 213. Local application.

Sec. 214. Local administrative cost limits.

Sec. 215. Administrative provisions.

Sec. 216. National Institute for Literacy.

Sec. 217. National leadership activities.

Sec. 218. Integrated English literacy and civics education.

Sec. 219. Transition.

TITLE III—AMENDMENTS TO OTHER PROVISIONS OF LAW

Sec. 301. Wagner-Peyser Act.

TITLE IV—REHABILITATION ACT AMENDMENTS

Sec. 401. Short title.

Sec. 402. Technical amendments to table of contents.

Sec. 403. Purpose.

Sec. 404. Definitions.

Sec. 405. Administration of the Act.

Sec. 406. Carryover.

Subtitle A—Vocational Rehabilitation Services

Sec. 411. Declaration of policy; authorization of appropriations.

Sec. 412. State plans.

Sec. 413. Eligibility and individualized plan for employment.

Sec. 414. Vocational rehabilitation services.

Sec. 415. State rehabilitation council.

Sec. 416. Evaluation standards and performance indicators.

Sec. 417. State allotments.

Sec. 418. Client assistance program.

Sec. 419. Incentive grants.

Sec. 420. Vocational rehabilitation services grants.

Sec. 421. GAO studies.

Subtitle B—Research and Training

- Sec. 431. Authorization of appropriations.*
Sec. 432. National Institute on Disability and Rehabilitation Research.
Sec. 433. Research and other covered activities.
Sec. 434. Rehabilitation research advisory council.

Subtitle C—Professional Development and Special Projects and Demonstrations

- Sec. 441. Training.*
Sec. 442. Demonstration and training programs.
Sec. 443. Migrant and seasonal farmworkers.
Sec. 444. Recreational programs.

Subtitle D—National Council on Disability

- Sec. 451. Authorization of appropriations.*

Subtitle E—Rights and Advocacy

- Sec. 461. Architectural and transportation barriers compliance board.*
Sec. 462. Protection and advocacy of individual rights.

Subtitle F—Employment Opportunities for Individuals With Disabilities

- Sec. 471. Projects with industry authorization of appropriations.*
Sec. 472. Services for individuals with significant disabilities authorization of appropriations.

Subtitle G—Independent Living Services and Centers for Independent Living

- Sec. 481. State plan.*
Sec. 482. Statewide independent living council.
Sec. 483. Independent living services authorization of appropriations.
Sec. 484. Program authorization.
Sec. 485. Grants to centers for independent living in States in which Federal funding exceeds State funding.
Sec. 486. Grants to centers for independent living in States in which State funding equals or exceeds Federal funding.
Sec. 487. Standards and assurances for centers for independent living.
Sec. 488. Centers for independent living authorization of appropriations.
Sec. 489. Independent living services for older individuals who are blind.
Sec. 490. Program of grants.
Sec. 491. Independent living services for older individuals who are blind authorization of appropriations.

Subtitle H—Miscellaneous

- Sec. 495. 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 reference shall be considered to be made to a section or*
 6 *other provision of the Workforce Investment Act of 1998 (29*
 7 *U.S.C. 2801 et seq.).*

8 **TITLE I—AMENDMENTS TO**
 9 **TITLE I OF THE WORKFORCE**
 10 **INVESTMENT ACT OF 1998**
 11 **Subtitle A—Definitions**

12 **SEC. 101. DEFINITIONS.**

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

14 *(1) by redesignating paragraphs (1) through (4),*
 15 *(5) through (16), (17), (18) through (41), and (42)*
 16 *through (53) as paragraphs (2) through (5), (7)*
 17 *through (18), (20), (23) through (46), and (48)*
 18 *through (59), respectively;*

19 *(2) by inserting before paragraph (2) (as redesign-*
 20 *ated by paragraph (1)) the following:*

21 *“(1) ACCRUED EXPENDITURES.—The term ‘ac-*
 22 *crued expenditures’ means charges incurred by recipi-*
 23 *ents of funds under this title for a given period re-*
 24 *quiring the provision of funds for—*

25 *“(A) goods or other tangible property re-*
 26 *ceived;*

1 “(B) services performed by employees, con-
 2 tractors, subgrantees, subcontractors, and other
 3 payees; and

4 “(C) other amounts becoming owed under
 5 programs assisted under this title for which no
 6 current services or performance is required, such
 7 as annuities, insurance claims, and other benefit
 8 payments.”;

9 (3) in paragraph (2) (as redesignated by para-
 10 graph (1)), by striking “Except in sections 127 and
 11 132,” and inserting “Except in section 132,”;

12 (4) by striking paragraph (5) (as redesignated
 13 by paragraph (1)) and inserting the following:

14 “(5) *BASIC SKILLS DEFICIENT*.—The term ‘basic
 15 skills deficient’ means, with respect to an individual,
 16 that the individual—

17 “(A) has English reading, writing, or com-
 18 puting skills at or below the 8th grade level on
 19 a generally accepted standardized test or a com-
 20 parable score on a criterion-referenced test; or

21 “(B) is unable to compute or solve problems,
 22 read, write, or speak English at a level necessary
 23 to function on the job, in the individual’s family,
 24 or in society.”;

1 (5) by inserting after paragraph (5) (as redesign-
2 nated by paragraph (1)) the following:

3 “(6) *BUSINESS INTERMEDIARY.*—The term ‘busi-
4 ness intermediary’ means an entity that brings to-
5 gether various stakeholders with an expertise in an
6 industry or business sector.”;

7 (6) in paragraph (9) (as redesignated by para-
8 graph (1)), by inserting “, including a faith-based or-
9 ganization,” after “nonprofit organization”;

10 (7) in paragraph (10) (as redesignated by para-
11 graph (1))—

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

14 (B) in subparagraph (C)—

15 (i) by striking “for not less than 50
16 percent of the cost of the training.” and in-
17 serting “for—

18 “(i) a significant portion of the cost of
19 training as determined by the local board,
20 taking into account the size of the employer
21 and such other factors as the local board de-
22 termines to be appropriate; and

23 “(ii) for customized training (as de-
24 fined in subparagraphs (A) and (B)) with
25 an employer in multiple local areas in the

1 *State, a significant portion of the cost of the*
 2 *training, as determined by the Governor,*
 3 *taking into account the size of the employer*
 4 *and such other factors as the Governor de-*
 5 *termines to be appropriate.”;*

6 *(8) in paragraph (11) (as redesignated by para-*
 7 *graph (1))—*

8 *(A) in subparagraph (A)(ii)(II), by striking*
 9 *“section 134(c)” and inserting “section 121(e)”;*

10 *(B) in subparagraph (C), by striking “or”*
 11 *after the semicolon;*

12 *(C) in subparagraph (D), by striking the*
 13 *period and inserting “; or”; and*

14 *(D) by adding at the end the following:*

15 *“(E)(i) is the spouse of a member of the*
 16 *Armed Forces on active duty for a period of*
 17 *more than 30 days (as defined in section*
 18 *101(d)(2) of title 10, United States Code) who*
 19 *has experienced a loss of employment as a direct*
 20 *result of relocation to accommodate a permanent*
 21 *change in duty station of such member; or*

22 *“(ii) is the spouse of a member of the*
 23 *Armed Forces on active duty who meets the cri-*
 24 *teria described in paragraph (12)(B).”;*

1 (9) in paragraph (12)(A) (as redesignated by
2 paragraph (1))—

3 (A) by striking “and” after the semicolon
4 and inserting “or”;

5 (B) by striking “(A)” and inserting
6 “(A)(i)”; and

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

8 “(ii) is the dependent spouse of a member of
9 the Armed Forces on active duty for a period of
10 more than 30 days (as defined in section
11 101(d)(2) of title 10, United States Code) whose
12 family income is significantly reduced because of
13 a deployment (as defined in section 991(b) of
14 title 10, United States Code, or pursuant to
15 paragraph (4) of such section), a call or order to
16 active duty pursuant to a provision of law re-
17 ferred to in section 101(a)(13)(B) of title 10,
18 United States Code, a permanent change of sta-
19 tion, or the service-connected (as defined in sec-
20 tion 101(16) of title 38, United States Code)
21 death or disability of the member; and”;

22 (10) in paragraph (14)(A) (as redesignated by
23 paragraph (1)), by striking “section 122(e)(3)” and
24 inserting “section 122”;

(11) by inserting after paragraph (18) (as redesignated by paragraph (1)) the following:

“(19) *HARD-TO-SERVE POPULATIONS.*—The term ‘hard-to-serve populations’ means populations of individuals who are hard to serve, including displaced homemakers, low-income individuals, Native Americans, individuals with disabilities, older individuals, ex-offenders, homeless individuals, individuals with limited English proficiency, individuals who do not meet the definition of literacy in section 203, individuals facing substantial cultural barriers, migrant and seasonal farmworkers, individuals within 2 years of exhausting lifetime eligibility under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), and such other groups as the Governor determines to be hard to serve.”;

(12) by inserting after paragraph (20) (as redesignated by paragraph (1)) the following:

“(21) *INTEGRATED TRAINING PROGRAM.*—The term ‘integrated training program’ means a program that combines occupational skills training with English language acquisition.

“(22) *INSTITUTION OF HIGHER EDUCATION.*—The term ‘institution of higher education’ has the meaning given the term in section 101(a), and sub-

1 *paragraphs (A) and (B) of section 102(a)(1), of the*
 2 *Higher Education Act of 1965 (20 U.S.C. 1001(a),*
 3 *1002(a)(1)).”;*

4 *(13) in paragraph (30) (as redesignated by*
 5 *paragraph (1))—*

6 *(A) by redesignating subparagraphs (D)*
 7 *through (F) as subparagraphs (E) through (G),*
 8 *respectively; and*

9 *(B) by inserting after subparagraph (C) the*
 10 *following:*

11 *“(D) receives or is eligible to receive a free*
 12 *or reduced price lunch under the Richard B.*
 13 *Russell National School Lunch Act (42 U.S.C.*
 14 *1751 et seq.);”;*

15 *(14) in paragraph (35) (as redesignated by*
 16 *paragraph (1)), by inserting “, subject to section*
 17 *121(b)(1)(C)” after “121(b)(1)”;*

18 *(15) by striking paragraph (38) (as redesignated*
 19 *by paragraph (1)) and inserting the following:*

20 *“(38) OUT-OF-SCHOOL YOUTH.—The term ‘out-*
 21 *of-school youth’ means an out-of-school youth as de-*
 22 *finied in section 129(a)(1)(B).”;*

23 *(16) in paragraph (46) (as redesignated by*
 24 *paragraph (1)), by striking “, and the term means*
 25 *such Secretary for purposes of section 503”;*

1 (17) by inserting after paragraph (46) (as redesi-
2 gnated by paragraph (1)) the following:

3 “(47) *SELF-SUFFICIENCY.*—The term ‘self-suffi-
4 ciency’ means self-sufficiency within the meaning of
5 subsections (a)(3)(A)(x) and (e)(1)(A)(xii) of section
6 134.”;

7 (18) in paragraph (49) (as redesignated by
8 paragraph (1)), by striking “clause (iii) or (v) of sec-
9 tion 136(b)(3)(A)” and inserting “section
10 136(b)(3)(A)(iii)”;

11 (19) in paragraph (58) (as redesignated by
12 paragraph (1)), by striking “(or as described in sec-
13 tion 129(c)(5))” and inserting “(or as described in
14 section 129(a)(2))”; and

15 (20) in paragraph (59) (as redesignated by
16 paragraph (1)), by striking “established under section
17 117(h)” and inserting “that may be established under
18 section 117(h)(2)”.

19 ***Subtitle B—Statewide and Local***
20 ***Workforce Investment Systems***

21 ***SEC. 111. PURPOSE.***

22 Section 106 (29 U.S.C. 2811) is amended to read as
23 follows:

24 ***“SEC. 106. PURPOSES.***

25 *“The purposes of this subtitle are the following:*

1 “(1)(A) *Primarily, to provide workforce invest-*
2 *ment activities, through statewide and local workforce*
3 *investment systems, that increase the employment, re-*
4 *tention, self-sufficiency, and earnings of participants,*
5 *and increase occupational skill attainment by partici-*
6 *pants.*

7 “(B) *As a result of the provision of the activities,*
8 *to improve the quality of the workforce, reduce welfare*
9 *dependency, increase self-sufficiency, and enhance the*
10 *productivity and competitiveness of the Nation.*

11 “(2) *To enhance the workforce investment system*
12 *of the Nation by strengthening one-stop centers, pro-*
13 *viding for more effective governance arrangements,*
14 *promoting access to a more comprehensive array of*
15 *employment and training and related services, estab-*
16 *lishing a targeted approach to serving youth, improv-*
17 *ing performance accountability, and promoting State*
18 *and local flexibility.*

19 “(3) *To provide workforce investment activities*
20 *in a manner that promotes the informed choice of*
21 *participants and actively involves participants in de-*
22 *cisions affecting their participation in such activities.*

23 “(4) *To provide workforce investment systems*
24 *that are demand-driven and responsive to the needs*
25 *of all employers, including small employers.*

1 “(5) To provide workforce investment systems
2 that work in all areas of the Nation, including urban
3 and rural areas.

4 “(6) To allow flexibility to meet State, local, re-
5 gional, and individual workforce investment needs.

6 “(7) To recognize and reinforce the vital link be-
7 tween economic development and workforce invest-
8 ment activities.

9 “(8) To provide for accurate data collection, re-
10 porting, and performance measures that are not un-
11 duly burdensome.

12 “(9) To address the ongoing shortage of essential
13 skills in the United States workforce related to both
14 manufacturing and knowledge-based economies to en-
15 sure that the United States remains competitive in
16 the global economy.

17 “(10) To equip workers with higher skills and
18 contribute to lifelong education.

19 “(11) To eliminate training disincentives for
20 hard-to-serve populations and minority workers, in-
21 cluding effectively utilizing community programs,
22 services, and agencies.

23 “(12) To educate limited English proficient indi-
24 viduals about skills and language so the individuals
25 are employable.

1 “(13) *To increase the employment, retention and*
 2 *earnings of individuals with disabilities.*”.

3 **SEC. 112. STATE WORKFORCE INVESTMENT BOARDS.**

4 (a) *MEMBERSHIP.*—

5 (1) *IN GENERAL.*—Section 111(b) (29 U.S.C.
 6 2821(b)) is amended—

7 (A) in paragraph (1), by striking subpara-
 8 graph (C) and inserting the following:

9 “(C) *representatives appointed by the Gov-*
 10 *ernor, who—*

11 “(i) *are the lead State agency officials*
 12 *with responsibility for the programs and ac-*
 13 *tivities that are described in section 121(b)*
 14 *and carried out by one-stop partners, except*
 15 *that—*

16 “(I) *in any case in which no lead*
 17 *State agency official has responsibility*
 18 *for such a program or activity, the*
 19 *representative shall be a representative*
 20 *in the State with expertise relating to*
 21 *such program or activity; and*

22 “(II) *in the case of the programs*
 23 *authorized under title I of the Reha-*
 24 *bilitation Act of 1973, the representa-*
 25 *tive shall be the director of the des-*

1 *ignated State unit, as defined in sec-*
2 *tion 7 of the Rehabilitation Act of*
3 *1973 (29 U.S.C. 705);*

4 *“(ii) are the State agency officials re-*
5 *sponsible for economic development;*

6 *“(iii) are representatives of business in*
7 *the State, including small businesses, who—*

8 *“(I) are owners of businesses, chief*
9 *executive or operating officers of busi-*
10 *nesses, or other business executives or*
11 *employers with optimum policymaking*
12 *or hiring authority;*

13 *“(II) represent businesses with*
14 *employment opportunities that reflect*
15 *employment opportunities in the State;*
16 *and*

17 *“(III) are appointed from among*
18 *individuals nominated by State busi-*
19 *ness organizations, business trade asso-*
20 *ciations, and local boards;*

21 *“(iv) are chief elected officials (rep-*
22 *resenting cities and counties, where appro-*
23 *priate);*

1 “(v) are representatives of labor orga-
 2 nizations, who have been nominated by
 3 State labor federations; and

4 “(vi) are such other State agency offi-
 5 cials and other representatives as the Gov-
 6 ernor may designate.”; and

7 (B) in paragraph (3), by striking “para-
 8 graph (1)(C)(i)” and inserting “paragraph
 9 (1)(C)(iii)”.

10 (2) *CONFORMING AMENDMENT.*—Section 111(c)
 11 (29 U.S.C. 2821(c)) is amended by striking “sub-
 12 section (b)(1)(C)(i)” and inserting “subsection
 13 (b)(1)(C)(iii)”.

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

16 (1) in paragraph (1), by striking “development”
 17 and inserting “development, implementation, and re-
 18 vision”;

19 (2) in paragraph (2), by striking “section
 20 134(c)” and inserting “section 121(e)”;

21 (3) by striking paragraph (3) and inserting the
 22 following:

23 “(3) reviewing and providing comment on the
 24 State plans of all one-stop partner programs, where
 25 applicable, in order to provide effective strategic lead-

ership in the development of a high quality, comprehensive statewide workforce investment system, including commenting at least once annually on the measures taken pursuant to section 113(b)(3) of the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C 2323(b)(3)) and title II of this Act;

(4) by redesignating paragraphs (4) through (9) as paragraphs (5) through (10), respectively;

(5) by inserting after paragraph (3) the following:

“(4) development and review of statewide policies affecting the coordinated provision of services through the one-stop delivery systems described in section 121(e) within the State, including—

“(A) the development of objective criteria and procedures for use by local boards in assessing the effectiveness and continuous improvement of one-stop centers under section 121(g);

“(B) the development of guidance for the allocation of one-stop center infrastructure funds under section 121(h)(1)(B);

“(C) the development of—

“(i) statewide policies relating to the appropriate roles and contributions of one-

1 *stop partner programs within the one-stop*
2 *delivery system, including approaches to fa-*
3 *ilitating equitable and efficient cost alloca-*
4 *tion in the one-stop delivery system;*

5 “(ii) statewide strategies for providing
6 effective outreach to individuals, including
7 hard-to-serve populations, and employers
8 who could benefit from services provided
9 through the one-stop delivery system; and

10 “(iii) strategies for technology improve-
11 ments to facilitate access to services pro-
12 vided through the one-stop delivery system,
13 in remote areas, and for individuals with
14 disabilities, which may be utilized through-
15 out the State;

16 “(D) identification and dissemination of in-
17 formation on best practices for effective operation
18 of one-stop centers, including use of innovative
19 business outreach, partnerships, and service de-
20 livery strategies, including for hard-to-serve pop-
21 ulations; and

22 “(E) conduct of such other matters as may
23 promote statewide objectives for, and enhance the
24 performance of, the one-stop delivery systems;”;

1 (6) in paragraph (5) (as redesignated by para-
 2 graph (4)), by inserting “and the development of
 3 statewide criteria to be used by chief elected officials
 4 for the appointment of local boards consistent with
 5 section 117” after “section 116”;

6 (7) in paragraph (6) (as redesignated by para-
 7 graph (4)), by striking “sections 128(b)(3)(B) and
 8 133(b)(3)(B)” and inserting “sections 128(b)(3) and
 9 133(b)(3)(B)”;

10 (8) in paragraph (9) (as redesignated by para-
 11 graph (4)), by striking “and” after the semicolon;

12 (9) in paragraph (10) (as redesignated by para-
 13 graph (4))—

14 (A) by striking “section 503” and inserting
 15 “section 136(i)(1)”;

16 (B) by striking the period and inserting “;
 17 and”; and

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

19 “(11) increasing the availability of skills train-
 20 ing, employment opportunities, and career advance-
 21 ment, for hard-to-serve populations.”.

22 (c) *ALTERNATIVE ENTITY*.—Section 111(e) (29 U.S.C.
 23 2811(e)) is amended—

24 (1) in paragraph (1), by striking “For” and in-
 25 serting “Subject to paragraph (3), for”; and

1 (2) *by adding at the end the following:*

2 “(3) *FAILURE TO MEET PERFORMANCE MEAS-*
 3 *URES.—If a State fails to have performed successfully,*
 4 *as defined in section 116(a)(2), the Secretary may re-*
 5 *quire the State to establish a State board in accord-*
 6 *ance with subsections (a), (b), and (c) in lieu of the*
 7 *alternative entity established under paragraph (1).”.*

8 (d) *SUNSHINE PROVISION.—Section 111(g) (29 U.S.C.*
 9 *2822(g)) is amended—*

10 (1) *by inserting “, and modifications to the*
 11 *State plan,” before “prior”; and*

12 (2) *by inserting “, and modifications to the*
 13 *State plan” after “the plan”.*

14 (e) *AUTHORITY TO HIRE STAFF.—Section 111 (29*
 15 *U.S.C. 2811)) is amended by adding at the end the fol-*
 16 *lowing:*

17 “(h) *AUTHORITY TO HIRE STAFF.—The State board*
 18 *may hire staff to assist in carrying out the functions de-*
 19 *scribed in subsection (d) using funds allocated under sec-*
 20 *tions 127(b)(1)(C) and 132(b).”.*

21 **SEC. 113. STATE PLAN.**

22 (a) *PLANNING CYCLE.—Section 112(a) (29 U.S.C.*
 23 *2822(a)) is amended—*

24 (1) *by striking “5-year strategy” and inserting*
 25 *“4-year strategy”; and*

1 (2) *by adding at the end the following: “At the*
 2 *end of the first 2-year period of the 4-year State plan,*
 3 *the State board shall review and, as needed, amend*
 4 *the 4-year State plan to reflect labor market and eco-*
 5 *nomic conditions. In addition, the State shall submit*
 6 *a modification to the State plan at the end of the first*
 7 *2-year period of the State plan, which may include*
 8 *redesignation of local areas pursuant to section*
 9 *116(a) and specification of the levels of performance*
 10 *under sections 136 for the third and fourth years of*
 11 *the plan.”.*

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

14 (1) *in paragraph (8)(A)—*

15 (A) *in clause (ix), by striking “and” after*
 16 *the semicolon; and*

17 (B) *by adding at the end the following:*

18 “(xi) *programs authorized under title II of*
 19 *the Social Security Act (42 U.S.C. 401 et seq.)*
 20 *(relating to Federal old-age, survivors, and dis-*
 21 *ability insurance benefits), title XVI of such Act*
 22 *(42 U.S.C. 1381 et seq.) (relating to supple-*
 23 *mental security income), title XIX of such Act*
 24 *(42 U.S.C. 1396 et seq.) (relating to medicaid),*
 25 *and title XX of such Act (relating to block grants*

1 to States for social services), programs author-
 2 ized under title VII of the Rehabilitation Act of
 3 1973 (29 U.S.C. 796 et seq.), and programs car-
 4 ried out by State agencies relating to mental re-
 5 tardation and developmental disabilities; and”;

6 (2) by striking paragraph (10) and inserting the
 7 following:

8 “(10) a description of how the State will use
 9 funds the State received under this subtitle to leverage
 10 other Federal, State, local, and private resources, in
 11 order to maximize the effectiveness of such resources,
 12 expand resources for the provision of education and
 13 training services, and expand the participation of
 14 businesses, employees, and individuals in the state-
 15 wide workforce investment system, including a de-
 16 scription of incentives and technical assistance the
 17 State will provide to local areas for such purposes;”;

18 (3) in paragraph (12)(A), by striking “sections
 19 128(b)(3)(B) and 133(b)(3)(B)” and inserting “sec-
 20 tions 128(b)(3) and 133(b)(3)(B)”;

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

23 (5) in paragraph (17)—

24 (A) in subparagraph (A)—

25 (i) in clause (iii)—

1 (I) by inserting “local” before
2 “customized training”; and

3 (II) by striking “and” at the end;

4 (ii) in clause (iv), by striking “(in-
5 cluding displaced homemakers),” and all
6 that follows through “disabilities)” and in-
7 serting “, hard-to-serve populations and in-
8 dividuals training for nontraditional em-
9 ployment”; and

10 (iii) by adding after clause (iv) the fol-
11 lowing:

12 “(v) how the State will serve the em-
13 ployment and training needs of individuals
14 with disabilities, consistent with section 188
15 and Executive Order 13217 (42 U.S.C.
16 12131 note; relating to community-based al-
17 ternatives for individuals with disabilities),
18 including the provision of outreach, intake,
19 the conduct of assessments, service delivery,
20 the development of adjustments to perform-
21 ance measures established under section
22 136, and the training of staff; and”; and

23 (B) in subparagraph (B), by striking “and”
24 at the end;

25 (6) in paragraph (18)(D)—

1 (A) by striking “youth opportunity grants”
 2 and inserting “youth challenge grants authorized
 3 under section 169 and other federally funded
 4 youth programs”; and

5 (B) by striking the period and inserting a
 6 semicolon; and

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

8 “(19) a description of how the State will utilize
 9 technology to facilitate access to services in remote
 10 areas, which may be utilized throughout the State;

11 “(20) a description of the State strategy for co-
 12 ordinating workforce investment activities and eco-
 13 nomic development activities;

14 “(21) a description of the State strategy and as-
 15 sistance to be provided for ensuring regional coopera-
 16 tion within the State and across State borders as ap-
 17 propriate;

18 “(22) a description of how the State will use
 19 funds the State receives under this subtitle to—

20 “(A) implement innovative programs and
 21 strategies designed to meet the needs of all busi-
 22 nesses in the State, including small businesses,
 23 which may include incumbent worker training
 24 programs, sectoral and industry cluster strate-
 25 gies, regional skills alliances, career ladder pro-

grams, utilization of effective business intermediaries, and other business services and strategies that better engage employers in workforce investment activities and make the statewide workforce investment system more relevant to the needs of State and local businesses, consistent with the objectives of this title; and

“(B) provide incentives and technical assistance to assist local areas in more fully engaging all employers, including small employers, in local workforce investment activities, to make the workforce investment system more relevant to the needs of area businesses, and to better coordinate workforce investment and economic development efforts to contribute to the economic well-being of the local area, as determined appropriate by the local board;

“(23) a description of the State strategy—

“(A) for ensuring cooperation between transportation providers, including public transportation providers, and providers of workforce investment activities; and

“(B) for ensuring coordination among appropriate State agencies and programs to make available skills training, employment services

1 *and opportunities, and career advancement ac-*
2 *tivities, that will assist ex-offenders in reentering*
3 *the workforce;*

4 “(24) a description of how the State will assist
5 *local areas in assuring physical and programmatic*
6 *accessibility for individuals with disabilities at one-*
7 *stop centers;*

8 “(25) a description of the process and method-
9 *ology that will be used by the State board to—*

10 “(A) review statewide policies and provide
11 *guidance on the coordinated provision of services*
12 *through the one-stop delivery system described in*
13 *section 121;*

14 “(B) establish, in consultation with chief
15 *elected officials and local boards, objective cri-*
16 *teria and procedures for use by local boards in*
17 *periodically assessing the effectiveness, physical*
18 *and programmatic accessibility, and continuous*
19 *improvement of one-stop centers and one-stop de-*
20 *livery systems as described in section 121(g); and*

21 “(C) determine—

22 “(i) one-stop partner program con-
23 *tributions for the costs of the infrastructure*
24 *of one-stop centers under section 121(h)(2);*
25 *and*

1 “(ii) the formula for allocating the
2 funds described in section 121(h)(2) to local
3 areas;

4 “(26) a description of the State strategy for en-
5 suring that activities carried out under this title are
6 placing men and women in jobs, education, or train-
7 ing that lead to comparable pay; and

8 “(27) a description of the technical assistance
9 available to one-stop operators and providers of train-
10 ing services for strategies to serve hard-to-serve popu-
11 lations and promote placement in nontraditional em-
12 ployment.”.

13 (c) *MODIFICATIONS TO PLAN.*—Section 112(d) (29
14 *U.S.C. 2822(d)) is amended—*

15 (1) by striking “5-year period” and inserting
16 “4-year period”; and

17 (2) by adding at the end the following: “In addi-
18 tion, the State shall submit the modifications to the
19 State plan required under subsection (a), under cir-
20 cumstances prescribed by the Secretary that are due
21 to changes in Federal law that significantly affect ele-
22 ments of the State plan.”.

23 **SEC. 114. LOCAL WORKFORCE INVESTMENT AREAS.**

24 (a) *DESIGNATION OF AREAS.*—

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

4 “(vi) *The extent to which such local*
 5 *areas will promote maximum effectiveness*
 6 *in the administration and provision of serv-*
 7 *ices.”.*

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

11 “(2) *AUTOMATIC DESIGNATION.*—

12 “(A) *IN GENERAL.*—*The Governor shall ap-*
 13 *prove a request for designation as a local area*
 14 *that is submitted prior to the submission of the*
 15 *State plan, or of a modification to the State*
 16 *plan relating to area designation, from any area*
 17 *that—*

18 “(i) *is a unit of general local govern-*
 19 *ment with a population of 500,000 or more,*
 20 *except that after the initial 2-year period*
 21 *following such designation pursuant to this*
 22 *clause that occurs after the date of enact-*
 23 *ment of the Workforce Investment Act*
 24 *Amendments of 2003, the Governor shall*

1 *only be required to approve a request for*
 2 *designation from such area if such area—*

3 *“(I) performed successfully; and*

4 *“(II) sustained fiscal integrity;*

5 *“(ii) was a local area under this title*
 6 *for the preceding 2-year period, if such local*
 7 *area—*

8 *“(I) performed successfully; and*

9 *“(II) sustained fiscal integrity;*

10 *“(iii) is served by a rural concentrated*
 11 *employment program grant recipient, ex-*
 12 *cept that after the initial 2-year period fol-*
 13 *lowing any such designation under the ini-*
 14 *tial State plan submitted after the date of*
 15 *enactment of the Workforce Investment Act*
 16 *Amendments of 2003, the Governor shall*
 17 *only be required to approve a request for*
 18 *designation under this clause for such area*
 19 *if such area—*

20 *“(I) performed successfully; and*

21 *“(II) sustained fiscal integrity; or*

22 *“(iv) was a local area under section*
 23 *116(a)(2)(C) (as in effect on the day before*
 24 *the date of enactment of the Workforce In-*
 25 *vestment Act Amendments of 2003), except*

1 that after the initial 2-year period following
 2 such designation pursuant to this clause
 3 that occurs after that date of enactment, the
 4 Governor shall only be required to approve
 5 a request for designation under this clause
 6 for such area if such area—

7 “(I) performed successfully; and

8 “(II) sustained fiscal integrity.

9 “(B) *DEFINITIONS.*—For purposes of this
 10 paragraph:

11 “(i) *PERFORMED SUCCESSFULLY.*—The
 12 term ‘performed successfully’, when used
 13 with respect to a local area, means the local
 14 area performed at 80 percent or more of the
 15 adjusted level of performance for core indi-
 16 cators of performance described in section
 17 136(b)(2)(A) for 2 consecutive years.

18 “(ii) *SUSTAINED FISCAL INTEGRITY.*—
 19 The term ‘sustained fiscal integrity’, used
 20 with respect to an area, means that the Sec-
 21 retary has not made a formal determination
 22 during the preceding 2-year period that ei-
 23 ther the grant recipient or the administra-
 24 tive entity of the area misexpended funds
 25 provided under this title due to willful dis-

1 *regard of the requirements of the Act in-*
 2 *volved, gross negligence, or failure to comply*
 3 *with accepted standards of administra-*
 4 *tion.”.*

5 (3) *CONFORMING AMENDMENTS.—Section 116(a)*
 6 *(29 U.S.C. 2831(a)) is amended—*

7 (A) *by striking paragraph (3);*

8 (B) *by redesignating paragraphs (4) and*
 9 *(5) as paragraph (3) and (4), respectively;*

10 (C) *in paragraph (3) (as redesignated by*
 11 *subparagraph (B))—*

12 (i) *by striking “(including temporary*
 13 *designation)”;* and

14 (ii) *by striking “(v)” and inserting*
 15 *“(vi)”;* and

16 (D) *in paragraph (4) (as redesignated by*
 17 *subparagraph (B))—*

18 (i) *by striking “under paragraph (2)*
 19 *or (3)” and inserting “under paragraph*
 20 *(2)”;* and

21 (ii) *by striking the second sentence.*

22 (b) *SINGLE LOCAL AREA STATES.—Section 116(b) (29*
 23 *U.S.C. 2831(b)) is amended to read as follows:*

24 “(b) *SINGLE LOCAL AREA STATES.—*

1 “(1) *CONTINUATION OF PREVIOUS DESIGNA-*
 2 *TION.*—Notwithstanding subsection (a)(2), the Gov-
 3 *ernor of any State that was a single local area for*
 4 *purposes of this title as of July 1, 2002, may continue*
 5 *to designate the State as a single local area for pur-*
 6 *poses of this title if the Governor identifies the State*
 7 *as a local area in the State plan under section*
 8 *112(b)(5).*

9 “(2) *REDESIGNATION.*—The Governor of a State
 10 *not described in paragraph (1) may designate the*
 11 *State as a single local area if, prior to the submission*
 12 *of the State plan or modification to such plan so des-*
 13 *ignating the State, no local area meeting the require-*
 14 *ments for automatic designation under subsection*
 15 *(a)(2) requests such designation as a separate local*
 16 *area.*

17 “(3) *EFFECT ON LOCAL PLAN.*—In any case in
 18 *which a State is designated as a local area pursuant*
 19 *to this subsection, the local plan prepared under sec-*
 20 *tion 118 for the area shall be submitted to the Sec-*
 21 *retary for approval as part of the State plan under*
 22 *section 112.’’.*

23 “(c) *REGIONAL PLANNING.*—Section 116(c) (29 U.S.C.
 24 2831(c)) is amended—

1 (1) by striking paragraph (1) and inserting the
2 *following:*

3 “(1) *PLANNING.*—

4 “(A) *IN GENERAL.*—As part of the process
5 *for developing the State plan, a State may re-*
6 *quire regional planning by local boards for a*
7 *designated region in the State. The State may*
8 *require the local boards for a designated region*
9 *to participate in a regional planning process*
10 *that results in the establishment of regional per-*
11 *formance measures for workforce investment ac-*
12 *tivities authorized under this subtitle. The State,*
13 *after consultation with local boards and chief*
14 *elected officials, may require the local boards for*
15 *the designated region to prepare, submit, and ob-*
16 *tain approval of a single regional plan that in-*
17 *corporates local plans for each of the local areas*
18 *in the region, as required under section 118. The*
19 *State may award regional incentive grants to*
20 *the designated regions that meet or exceed the re-*
21 *gional performance measures pursuant to section*
22 *134(a)(2)(B)(iii).*

23 “(B) *TECHNICAL ASSISTANCE.*—*If the State*
24 *requires regional planning as provided in sub-*
25 *paragraph (A), the State shall provide technical*

1 *assistance and labor market information to such*
 2 *local areas in the designated regions to assist*
 3 *with such regional planning and subsequent*
 4 *service delivery efforts.”;*

5 *(2) in paragraph (2), by inserting “information*
 6 *about the skill requirements of existing and emerging*
 7 *industries and industry clusters,” after “information*
 8 *about employment opportunities and trends,”; and*

9 *(3) in paragraph (3), by adding at the end the*
 10 *following: “Such services may be required to be co-*
 11 *ordinated with regional economic development serv-*
 12 *ices and strategies.”.*

13 **SEC. 115. LOCAL WORKFORCE INVESTMENT BOARDS.**

14 *(a) COMPOSITION.—Section 117(b) (29 U.S.C.*
 15 *2832(b)) is amended—*

16 *(1) in paragraph (2)(A)—*

17 *(A) in clause (i), by striking subclause (II)*
 18 *and inserting the following:*

19 *“(II) collectively, represent busi-*
 20 *nesses with employment opportunities*
 21 *that reflect the employment opportuni-*
 22 *ties of the local area, and include rep-*
 23 *resentatives of businesses that are in*
 24 *high-growth and emerging industries,*
 25 *and representatives of businesses, in-*

1 cluding small businesses, in the local
2 area; and”;

3 (B) by striking clause (ii) and inserting the
4 following:

5 “(ii)(I) a superintendent representing
6 the local school districts involved or another
7 high-level official from such districts;

8 “(II) the president or highest ranking
9 official of an institution of higher education
10 serving the local area; and

11 “(III) an administrator of local enti-
12 ties providing adult education and literacy
13 activities in the local area;”;

14 (C) in clause (iv), by inserting “, hard-to-
15 serve populations,” after “disabilities”; and

16 (D) by striking clause (vi) and inserting the
17 following:

18 “(vi) if the local board does not estab-
19 lish or continue a youth council, representa-
20 tives with experience serving out-of-school
21 youth, particularly out-of-school youth fac-
22 ing barriers to employment; and”;

23 (2) by adding at the end the following:

24 “(6) SPECIAL RULE.—In the case that there are
25 multiple school districts or institutions of higher edu-

1 *cation serving a local area, the representatives de-*
 2 *scribed in subclause (I) or (II) of paragraph*
 3 *(2)(A)(ii), respectively, shall be appointed from*
 4 *among individuals nominated by regional or local*
 5 *educational agencies, institutions, or organizations*
 6 *representing such agencies or institutions.”.*

7 *(b) AUTHORITY OF BOARD MEMBERS.—Section*
 8 *117(b)(3) (29 U.S.C. 2832(b)(3)) is amended—*

9 *(1) in the heading, by inserting “AND REP-*
 10 *RESENTATION” after “AUTHORITY”; and*

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

14 *(c) CONFORMING AMENDMENT.—Section 117(c)(1)(C)*
 15 *(29 U.S.C. 2832(c)(1)(C)) is amended by striking “section*
 16 *116(a)(2)(B)” and inserting “section 116(a)(2)(A)(ii)”.*

17 *(d) FUNCTIONS.—Section 117(d) (29 U.S.C. 2832(d))*
 18 *is amended—*

19 *(1) in paragraph (2)—*

20 *(A) in subparagraph (B)—*

21 *(i) by inserting “(except as provided in*
 22 *section 123(b))” after “basis”; and*

23 *(ii) by inserting “(where appropriate)”*
 24 *after “youth council”; and*

25 *(B) by adding at the end the following:*

1 “(E) *CONSUMER CHOICE REQUIREMENTS.*—
 2 *Consistent with sections 122 and paragraphs (3)*
 3 *and (4) of 134(d), the local board shall work to*
 4 *ensure there are sufficient providers of intensive*
 5 *services and training services serving the local*
 6 *area in a manner that maximizes consumer*
 7 *choice, including providers with expertise in as-*
 8 *sisting individuals with disabilities.”;*

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

13 (3) *in paragraph (8)—*

14 (A) *by inserting “, including small employ-*
 15 *ers,” after “private sector employers”; and*

16 (B) *by striking the period and inserting “,*
 17 *taking into account the unique needs of small*
 18 *businesses.”; and*

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

20 “(9) *TECHNOLOGY IMPROVEMENTS.*—*The local*
 21 *board shall develop strategies for technology improve-*
 22 *ments to facilitate access to services, in remote areas,*
 23 *for services authorized under this subtitle and carried*
 24 *out in the local area.”.*

1 (e) *CONFORMING AMENDMENT.*—Section 117(f)(2) (29
2 U.S.C. 2832(f)(2)) is amended by striking “described in sec-
3 tion 134(c)”.

4 (f) *AUTHORITY TO ESTABLISH COUNCILS AND ELIMI-*
5 *NATION OF REQUIREMENT FOR YOUTH COUNCILS.*—Section
6 117(h) (29 U.S.C. 2832(h)) is amended to read as follows:
7 “(h) *COUNCILS.*—The local board may establish or
8 continue councils to provide information and advice to as-
9 sist the local board in carrying out activities under this
10 title. Such councils may include—

11 “(1) a council composed of one-stop partners to
12 advise the local board on the operation of the one-stop
13 delivery system involved;

14 “(2) a youth council composed of experts and
15 stakeholders in youth programs to advise the local
16 board on youth activities; and

17 “(3) such other councils as the local board deter-
18 mines are appropriate.”.

19 (g) *ALTERNATIVE ENTITY PROVISION.*—Section
20 117(i)(1) (29 U.S.C. 2832(i)(1)) is amended—

21 (1) by striking subparagraph (B) and inserting
22 the following:

23 “(B) was in existence on August 7, 1998,
24 pursuant to State law; and”;

25 (2) by striking subparagraph (C); and

1 (3) *by redesignating subparagraph (D) as sub-*
 2 *paragraph (C).*

3 **SEC. 116. LOCAL PLAN.**

4 (a) *PLANNING CYCLE.*—Section 118(a) (29 U.S.C.
 5 2833(a)) *is amended—*

6 (1) *by striking “5-year” and inserting “4-year”;*
 7 *and*

8 (2) *by adding at the end the following: “At the*
 9 *end of the first 2-year period of the 4-year plan, the*
 10 *local board shall review and, as needed, amend the 4-*
 11 *year plan to reflect labor market and economic condi-*
 12 *tions.”.*

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

15 (1) *in paragraph (2)—*

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

18 (B) *by striking subparagraph (B) and in-*
 19 *serting the following:*

20 “(B) *a description of how the local board*
 21 *will facilitate access to services provided through*
 22 *the one-stop delivery system, in remote areas, in-*
 23 *cluding facilitating access through the use of*
 24 *technology; and”; and*

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

1 “(C) a description of how the local board
 2 will ensure physical and programmatic accessi-
 3 bility for individuals with disabilities at one-
 4 stop centers;”;

5 (2) in paragraph (9), by striking “; and” and
 6 inserting a semicolon;

7 (3) by redesignating paragraph (10) as para-
 8 graph (14); and

9 (4) by inserting after paragraph (9) the fol-
 10 lowing:

11 “(10) a description of how the local board will
 12 coordinate workforce investment activities carried out
 13 in the local area with economic development activities
 14 carried out in the local area;

15 “(11) a description of the strategies and services
 16 that will be initiated in the local area to more fully
 17 engage all employers, including small employers, in
 18 workforce investment activities, to make the workforce
 19 investment system more relevant to the needs of area
 20 businesses, and to better coordinate workforce invest-
 21 ment and economic development efforts, which may
 22 include the implementation of innovative initiatives
 23 such as incumbent worker training programs, sectoral
 24 and industry cluster strategies, regional skills alliance
 25 initiatives, career ladder programs, utilization of ef-

1 *fective business intermediaries, and other business*
2 *services and strategies designed to meet the needs of*
3 *area employers and contribute to the economic well-*
4 *being of the local area, as determined appropriate by*
5 *the local board, consistent with the objectives of this*
6 *title;*

7 *“(12) a description of how the local board will*
8 *expand access to education and training services for*
9 *eligible individuals who are in need of such services*
10 *through—*

11 *“(A) the utilization of programs funded*
12 *under this title; and*

13 *“(B) the increased leveraging of resources*
14 *other than those provided under this title, in-*
15 *cluding tax credits, private sector-provided*
16 *training, and other Federal, State, local, and*
17 *private funds that are brokered through the one-*
18 *stop centers for training services;*

19 *“(13) a description of how the local board will*
20 *coordinate workforce investment activities carried out*
21 *in the local area with the provision of transportation,*
22 *including public transportation, in the local area;*
23 *and”.*

1 **SEC. 117. ESTABLISHMENT OF ONE-STOP DELIVERY SYS-**
 2 **TEMS.**

3 *(a) ONE-STOP PARTNERS.—*

4 *(1) REQUIRED PARTNERS.—Section 121(b)(1)*
 5 *(29 U.S.C. 2841(b)(1)) is amended—*

6 *(A) by striking subparagraph (A) and in-*
 7 *serting the following:*

8 *“(A) ROLES AND RESPONSIBILITIES OF*
 9 *ONE-STOP PARTNERS.—Each entity that carries*
 10 *out a program or activities described in subpara-*
 11 *graph (B) shall—*

12 *“(i) provide access through the one-stop*
 13 *delivery system to the programs and activi-*
 14 *ties carried out by the entity, including*
 15 *making the core services described in section*
 16 *134(d)(2) that are applicable to the pro-*
 17 *gram of the entity available at the com-*
 18 *prehensive one-stop centers (in addition to*
 19 *any other appropriate locations);*

20 *“(ii) use a portion of the funds avail-*
 21 *able to the program of the entity to main-*
 22 *tain the one-stop delivery system, including*
 23 *payment of the infrastructure costs of one-*
 24 *stop centers in accordance with subsection*
 25 *(h);*

1 “(iii) enter into a local memorandum
2 of understanding with the local board relat-
3 ing to the operation of the one-stop system
4 that meets the requirements of subsection
5 (c);

6 “(iv) participate in the operation of
7 the one-stop system consistent with the
8 terms of the memorandum of under-
9 standing, the requirements of this title, and
10 the requirements of the Federal laws author-
11 izing the programs carried out by the enti-
12 ty; and

13 “(v) provide representation on the
14 State board to the extent provided under
15 section 111.”;

16 (B) in subparagraph (B)—

17 (i) by striking clause (v);

18 (ii) by redesignating clauses (vi)
19 through (xii) as clauses (v) through (xi), re-
20 spectively;

21 (iii) in clause (x) (as redesignated by
22 clause (ii)), by striking “and” at the end;

23 (iv) in clause (xi) (as redesignated by
24 clause (ii)), by striking the period and in-
25 serting “; and”; and

1 (v) by adding at the end the following:

2 “(xii) programs authorized under part
3 A of title IV of the Social Security Act (42
4 U.S.C. 601 et seq.), subject to subparagraph
5 (C).”; and

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

7 “(C) *DETERMINATION BY THE GOVERNOR.*—

8 “(i) *IN GENERAL.*—An entity that car-
9 ries out programs referred to in subpara-
10 graph (B)(xii) shall be included in the one-
11 stop partners for the local area, as a re-
12 quired partner, for purposes of this title un-
13 less the Governor of the State provides the
14 notification described in clause (ii).

15 “(ii) *NOTIFICATION.*—The notification
16 referred to in clause (i) is a notification
17 that—

18 “(I) is made in writing of a deter-
19 mination by the Governor not to in-
20 clude such entity in the one-stop part-
21 ners described in clause (i); and

22 “(II) is provided to the Secretary
23 and the Secretary of Health and
24 Human Services.”.

25 (2) *ADDITIONAL PARTNERS.*—

1 (A) *IN GENERAL*.—Section 121(b)(2)(A) (29
2 U.S.C. 2841(b)(2)(A)) is amended to read as fol-
3 lows:

4 “(A) *IN GENERAL*.—With the approval of
5 the local board and chief elected official, in addi-
6 tion to the entities described in paragraph (1),
7 other entities that carry out human resource pro-
8 grams described in subparagraph (B) may be
9 one-stop partners and carry out the responsibil-
10 ities described in paragraph (1)(A).”.

11 (B) *ADDITIONAL PARTNERS*.—Section
12 121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is
13 amended by striking clauses (i) through (iii) and
14 inserting the following:

15 “(i) employment and training pro-
16 grams administered by the Social Security
17 Administration, including the Ticket to
18 Work and Self-Sufficiency program estab-
19 lished under section 1148 of the Social Se-
20 curity Act (42 U.S.C. 1320b–19);

21 “(ii) employment and training pro-
22 grams carried out by the Small Business
23 Administration;

1 “(iii) programs authorized under sec-
2 tion 6(d)(4) of the Food Stamp Act of 1977
3 (7 U.S.C. 2015(d)(4));”.

4 (b) *LOCAL MEMORANDUM OF UNDERSTANDING.*—Sec-
5 tion 121(c)(2)(A) (29 U.S.C. 2841(c)(2)(A)) is amended to
6 read as follows:

7 “(A) provisions describing—

8 “(i) the services to be provided through
9 the one-stop delivery system consistent with
10 the requirements of this section, including
11 the manner in which the services will be co-
12 ordinated through such system;

13 “(ii) how the costs of such services and
14 the operating costs of such system will be
15 funded to provide a stable and equitable
16 funding stream for ongoing one-stop system
17 operations, including the funding of the in-
18 frastructure costs of one-stop centers in ac-
19 cordance with subsection (h);

20 “(iii) methods of referral of individuals
21 between the one-stop operator and the one-
22 stop partners for appropriate services and
23 activities;

24 “(iv) methods to ensure the needs of
25 hard-to-serve populations are addressed in

1 *providing access to services through the one-*
 2 *stop system; and*

3 “(v) *the duration of the memorandum*
 4 *of understanding and the procedures for*
 5 *amending the memorandum during the*
 6 *term of the memorandum, and assurances*
 7 *that such memorandum shall be reviewed*
 8 *not less than once every 2-year period to en-*
 9 *sure appropriate funding and delivery of*
 10 *services; and”.*

11 (c) *CONFORMING AMENDMENT.*—Section 121(d)(2) (29
 12 U.S.C. 2841(d)(2)) *is amended by striking “section 134(c)”*
 13 *and inserting “section 121(e)”.*

14 (d) *PROVISION OF SERVICES.*—

15 (1) *ELIMINATION OF PROVISIONS CONCERNING*
 16 *ESTABLISHED SYSTEMS.*—Section 121 (29 U.S.C.
 17 2841) *is amended by striking subsection (e).*

18 (2) *REDESIGNATION.*—Subtitle B of title I *is*
 19 *amended—*

20 (A) *in section 134 (29 U.S.C. 2864), by re-*
 21 *designating subsection (c) as subsection (e); and*

22 (B) *by transferring that subsection (e) so*
 23 *that the subsection appears after subsection (d)*
 24 *of section 121.*

1 (3) *ONE-STOP DELIVERY SYSTEMS.*—Paragraph
 2 (1) of section 121(e) (29 U.S.C. 2841(e)) (as redesign-
 3 nated by paragraph (2)) is amended—

4 (A) in subparagraph (A), by striking “sub-
 5 section (d)(2)” and inserting “section
 6 134(d)(2)”;

7 (B) in subparagraph (B)—

8 (i) by striking “subsection (d)” and in-
 9 serting “section 134(d)”;

10 (ii) by striking “individual training
 11 accounts” and inserting “career scholarship
 12 accounts”; and

13 (iii) by striking “subsection (d)(4)(G)”
 14 and inserting “section 134(d)(4)(G)”;

15 (C) in subparagraph (C), by striking “sub-
 16 section (e)” and inserting “section 134(e)”;

17 (D) in subparagraph (D), by striking “sec-
 18 tion 121(b)” and inserting “subsection (b)”;

19 (E) in subparagraph (E), by striking “in-
 20 formation described in section 15” and inserting
 21 “data, information, and analysis described in
 22 section 15(a)”.

23 (e) *CONTINUOUS IMPROVEMENT OF ONE-STOP CEN-*
 24 *TERS.*—Section 121 (29 U.S.C. 2841) is amended by add-
 25 ing at the end the following:

1 “(g) *CONTINUOUS IMPROVEMENT OF ONE-STOP CEN-*
2 *TERS.*—

3 “(1) *IN GENERAL.*—*The State board, in con-*
4 *sultation with chief local elected officials and local*
5 *boards, shall establish objective criteria and proce-*
6 *dures for use by local boards in periodically assessing*
7 *the effectiveness, physical and programmatic accessi-*
8 *bility, and continuous improvement of one-stop cen-*
9 *ters and one-stop delivery systems.*

10 “(2) *CRITERIA.*—*The procedures and criteria de-*
11 *veloped under this subsection shall include minimum*
12 *standards relating to the scope and degree of service*
13 *coordination achieved by the one-stop delivery system*
14 *with respect to the programs administered by the one-*
15 *stop partners at the one-stop centers, consistent with*
16 *the guidelines and guidance provided by the Governor*
17 *and by the State board, in consultation with the chief*
18 *elected official and local boards, for such partners’*
19 *participation under subsections (h)(1)(B) and sub-*
20 *section (i), respectively, and such other factors relat-*
21 *ing to the quality, accessibility, and effectiveness of*
22 *the one-stop delivery system as the State board deter-*
23 *mines to be appropriate.*

24 “(3) *LOCAL BOARDS.*—*Consistent with the cri-*
25 *teria developed by the State, the local board may de-*

1 *velop additional criteria of higher standards to re-*
 2 *spond to local labor market and demographic condi-*
 3 *tions and trends.*

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

5 *“(1) IN GENERAL.—*

6 *“(A) OPTIONS FOR INFRASTRUCTURE FUND-*
 7 *ING.—*

8 *“(i) LOCAL OPTIONS.—The local board,*
 9 *chief elected officials, and one-stop partners*
 10 *in a local area may choose to fund the costs*
 11 *of the infrastructure of one-stop centers*
 12 *through—*

13 *“(I) methods described in the local*
 14 *memorandum of understanding, if, the*
 15 *local board, chief elected officials, and*
 16 *one-stop partners agree to such meth-*
 17 *ods; or*

18 *“(II) the State infrastructure*
 19 *funding mechanism described in para-*
 20 *graph (2).*

21 *“(ii) FAILURE TO REACH AGREEMENT*
 22 *ON FUNDING METHODS.—If, as of July 1,*
 23 *2004, the local board, chief elected officials,*
 24 *and one-stop partners in a local area fail to*
 25 *reach agreement on methods of sufficient*

1 *funding of the infrastructure costs of one-*
2 *stop centers, as determined by the local*
3 *area, the State infrastructure funding mech-*
4 *anism described in paragraph (2) shall be*
5 *applicable to such local area.*

6 “(B) *GUIDANCE FOR INFRASTRUCTURE*
7 *FUNDING.—In addition to carrying out the re-*
8 *quirements relating to the State mechanism for*
9 *one-stop center infrastructure funding described*
10 *in paragraph (2), the Governor, after consulta-*
11 *tion with chief local elected officials, local boards,*
12 *and the State board, and consistent with the*
13 *guidelines provided by the State board under*
14 *subsection (i), shall provide—*

15 “(i) *guidelines for State administered*
16 *one-stop partner programs in determining*
17 *such programs’ contributions to and par-*
18 *ticipation in the one-stop delivery system,*
19 *including funding for the costs of infra-*
20 *structure as defined in paragraph (2)(D),*
21 *negotiated pursuant to the local memo-*
22 *randum of understanding under subsection*
23 *(c); and*

24 “(ii) *guidance to assist local areas in*
25 *identifying equitable and stable alternative*

1 *methods of funding of the costs of the infra-*
 2 *structure of one-stop centers in local areas.*

3 “(2) *STATE ONE-STOP INFRASTRUCTURE FUND-*
 4 *ING.—*

5 “(A) *PARTNER CONTRIBUTIONS.—*

6 “(i) *IN GENERAL.—Subject to clause*
 7 *(iii), a portion determined under clause (ii)*
 8 *of the Federal funds provided to the State*
 9 *and areas within the State under the Fed-*
 10 *eral laws authorizing the programs de-*
 11 *scribed in subsection (b)(1) and adminis-*
 12 *tered by one-stop partners for a fiscal year*
 13 *shall be provided to the Governor from such*
 14 *programs to assist in paying the costs of in-*
 15 *frastructure of one-stop centers in those*
 16 *local areas of the State not funded under*
 17 *the option described in paragraph*
 18 *(1)(A)(i)(I).*

19 “(ii) *DETERMINATION OF GOV-*
 20 *ERNOR.—*

21 “(I) *IN GENERAL.—Subject to*
 22 *subclause (II) and clause (iii), the*
 23 *Governor, after consultation with chief*
 24 *local elected officials, local boards, and*
 25 *the State board, shall determine the*

1 portion of funds to be provided under
2 clause (i) by each one-stop partner
3 from each program described in clause
4 (i). In making such determination, the
5 Governor shall calculate the propor-
6 tionate use of the one-stop centers for
7 the purpose of determining funding
8 contributions pursuant to clause (i)(II)
9 or (ii) of paragraph (1)(A) by each
10 partner, and the costs of administra-
11 tion for purposes not related to one-
12 stop centers for each partner. The Gov-
13 ernor shall exclude from such deter-
14 mination the portion of funds and use
15 of one-stop centers attributable to the
16 programs of one-stop partners for those
17 local areas of the State where the infra-
18 structure of one-stop centers is funded
19 under the option described in para-
20 graph (1)(A)(i)(I).

21 “(II) SPECIAL RULE.—In a State
22 in which the State constitution places
23 policymaking authority that is inde-
24 pendent of the authority of the Gov-
25 ernor in an entity or official with re-

1 *spect to the funds provided for adult*
2 *education and literacy activities au-*
3 *thorized under title II and for postsec-*
4 *ondary vocational and technical edu-*
5 *cation activities authorized under the*
6 *Carl D. Perkins Vocational and Tech-*
7 *nical Education Act of 1998 (20*
8 *U.S.C. 2301 et seq.), or vocational re-*
9 *habilitation services offered under the*
10 *Rehabilitation Act of 1973 (29 U.S.C.*
11 *701 et seq.), the determination de-*
12 *scribed in subclause (I) with respect to*
13 *the programs authorized under that*
14 *title and those Acts shall be made by*
15 *the chief officer of the entity with such*
16 *authority in consultation with the*
17 *Governor.*

18 “(III) *APPEAL BY ONE-STOP*
19 *PARTNERS.—The Governor shall estab-*
20 *lish a procedure for the one-stop part-*
21 *ner administering a program described*
22 *in subsection (b) to appeal a deter-*
23 *mination regarding the portion of*
24 *funds to be contributed under this*
25 *paragraph on the basis that such deter-*

1 *mination is inconsistent with the cri-*
 2 *teria described in the State plan or*
 3 *with the requirements of this para-*
 4 *graph. Such procedure shall ensure*
 5 *prompt resolution of the appeal.*

6 “(iii) *LIMITATIONS.—*

7 “(I) *PROVISION FROM ADMINIS-*
 8 *TRATIVE FUNDS.—The funds provided*
 9 *under this paragraph by each one-stop*
 10 *partner shall be provided only from*
 11 *funds available for the costs of adminis-*
 12 *tration under the program adminis-*
 13 *tered by such partner, and shall be*
 14 *subject to the program limitations with*
 15 *respect to the portion of funds under*
 16 *such program that may be used for ad-*
 17 *ministration.*

18 “(II) *CAP ON REQUIRED CON-*
 19 *TRIBUTIONS.—*

20 “(aa) *WIA FORMULA PRO-*
 21 *GRAMS AND EMPLOYMENT SERV-*
 22 *ICE.—The portion of funds re-*
 23 *quired to be contributed under*
 24 *clause (i)(II) or (ii) of paragraph*
 25 *(1)(A) by the programs authorized*

1 *under chapters 4 and 5 and under*
2 *the Wagner-Peyser Act shall not*
3 *be in excess of 3 percent of the*
4 *amount of Federal funds provided*
5 *to carry out each such program in*
6 *the State for a fiscal year.*

7 “(bb) OTHER ONE-STOP
8 PARTNERS.—*The portion of funds*
9 *required to be contributed under*
10 *clause (i)(II) or (ii) of paragraph*
11 *(1)(A) by a one-stop partner from*
12 *a program described in subsection*
13 *(b)(1) other than the programs de-*
14 *scribed under item (aa) shall not*
15 *be in excess of 1½ percent of the*
16 *amount of Federal funds provided*
17 *to carry out such program in the*
18 *State for a fiscal year.*

19 “(cc) SPECIAL RULE.—*Not-*
20 *withstanding items (aa) and (bb),*
21 *an agreement, including a local*
22 *memorandum of understanding,*
23 *entered into prior to the date of*
24 *enactment of the Workforce Invest-*
25 *ment Act Amendments of 2003 by*

1 *an entity regarding contributions*
2 *under this title that permits the*
3 *percentages described in such*
4 *items to be exceeded, may con-*
5 *tinue to be in effect until termi-*
6 *nated by the parties.*

7 “(dd) VOCATIONAL REHA-
8 BILITATION.—Notwithstanding
9 *items (aa) and (bb), an entity ad-*
10 *ministering a program under title*
11 *I of the Rehabilitation Act of 1973*
12 *(29 U.S.C. 720 et seq.) shall not*
13 *be required to provide, for the*
14 *purposes of this paragraph, an*
15 *amount in excess of—*

16 “(AA) 0.75 percent of
17 *the amount provided for such*
18 *program in the State for the*
19 *second program year that be-*
20 *gins after the date of enact-*
21 *ment of the Workforce Invest-*
22 *ment Act Amendments of*
23 *2003;*

24 “(BB) 1.0 percent of the
25 *amount provided for such*

1 *program in the State for the*
 2 *third program year that be-*
 3 *gins after such date;*

4 *“(CC) 1.25 percent of*
 5 *the amount provided for such*
 6 *program in the State for the*
 7 *fourth program year that be-*
 8 *gins after such date; and*

9 *“(DD) 1.5 percent of the*
 10 *amount provided for such*
 11 *program in the State for the*
 12 *fifth and each succeeding*
 13 *program year that begins*
 14 *after such date.*

15 *“(III) FEDERAL DIRECT SPEND-*
 16 *ING PROGRAMS.—An entity admin-*
 17 *istering a program funded with direct*
 18 *spending as defined in section*
 19 *250(c)(8) of the Balanced Budget and*
 20 *Emergency Deficit Control Act of 1985*
 21 *(2 U.S.C. 900(c)(8)) shall not be re-*
 22 *quired to provide, for purposes of this*
 23 *paragraph, an amount in excess of the*
 24 *amount determined to be equivalent to*
 25 *the cost of the proportionate use of the*

1 *one-stop centers for such program in*
2 *the State.*

3 “(IV) NATIVE AMERICAN PRO-
4 GRAMS.—*Native American programs*
5 *established under section 166 shall not*
6 *be subject to the provisions of this sub-*
7 *section or subsection (i). The method*
8 *for determining the appropriate por-*
9 *tion of funds to be provided by such*
10 *Native American programs to pay for*
11 *the costs of infrastructure of a one-stop*
12 *center shall be determined as part of*
13 *the development of the memorandum of*
14 *understanding under subsection (c) for*
15 *the one-stop center and shall be stated*
16 *in the memorandum.*

17 “(B) ALLOCATION BY GOVERNOR.—*From*
18 *the funds provided under subparagraph (A), the*
19 *Governor shall allocate the funds to local areas*
20 *in accordance with the formula established under*
21 *subparagraph (C) for the purposes of assisting in*
22 *paying the costs of infrastructure of one-stop cen-*
23 *ters.*

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

1 Governor to allocate the funds provided under
 2 subparagraph (A) to local areas not funding in-
 3 frastructure costs under the option described in
 4 paragraph (1)(A)(i)(I). The formula shall be
 5 based on factors including the number of one-
 6 stop centers in a local area, the population
 7 served by such centers, the services provided by
 8 such centers, and other factors relating to the
 9 performance of such centers that the State board
 10 determines are appropriate.

11 “(D) COSTS OF INFRASTRUCTURE.—In this
 12 subsection, the term ‘costs of infrastructure’, used
 13 with respect to a one-stop center, means the non-
 14 personnel costs that are necessary for the general
 15 operation of the one-stop center, including the
 16 rental costs of the facilities, the costs of utilities
 17 and maintenance, equipment (including adapt-
 18 ive technology for individuals with disabilities),
 19 and technology to facilitate remote access to the
 20 one-stop center’s strategic planning activities,
 21 and common outreach activities.

22 “(i) OTHER FUNDS.—

23 “(1) IN GENERAL.—Subject to the memorandum
 24 of understanding described in subsection (c) for the
 25 one-stop delivery system involved, in addition to the

1 *funds provided to carry out subsection (h), a portion*
2 *of funds made available under Federal law author-*
3 *izing the programs described in subsection (b) and*
4 *administered by one-stop partners, or the noncash re-*
5 *sources available under such programs, shall be used*
6 *to pay the additional costs relating to the operation*
7 *of the one-stop delivery system that are not paid from*
8 *the funds provided under subsection (h), as deter-*
9 *mined in accordance with paragraph (2), to the ex-*
10 *tent not inconsistent with the Federal law involved.*
11 *Such costs shall include the costs of the provision of*
12 *core services described in section 134(d)(2) applicable*
13 *to each program and may include common costs that*
14 *are not paid from the funds provided under sub-*
15 *section (h).*

16 “(2) *DETERMINATION AND GUIDANCE.—The*
17 *method for determining the appropriate portion of*
18 *funds and noncash resources to be provided by each*
19 *program under paragraph (1) for a one-stop center*
20 *shall be determined as part of the development of the*
21 *memorandum of understanding under subsection (c)*
22 *for the one-stop center and shall be stated in the*
23 *memorandum. The State board shall provide guidance*
24 *to facilitate the determination of an appropriate allo-*

1 *cation of the funds and noncash resources in local*
 2 *areas.”.*

3 **SEC. 118. ELIGIBLE PROVIDERS OF TRAINING SERVICES.**

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

6 **“SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF**
 7 **TRAINING SERVICES.**

8 *“(a) IN GENERAL.—The Governor, after consultation*
 9 *with the State board, shall establish criteria and procedures*
 10 *regarding the eligibility of providers of training services de-*
 11 *scribed in section 134(d)(4) (referred to in this section as*
 12 *‘training services’) to receive funds provided under section*
 13 *133(b) for the provision of training services.*

14 *“(b) CRITERIA.—*

15 *“(1) IN GENERAL.—The criteria established by*
 16 *the Governor pursuant to subsection (a) shall take*
 17 *into account—*

18 *“(A) the performance of providers of train-*
 19 *ing services with respect to the performance*
 20 *measures described in section 136 or other ap-*
 21 *propriate measures of performance outcomes for*
 22 *those individuals receiving training services*
 23 *under this subtitle (taking into consideration the*
 24 *characteristics of the population served and rel-*
 25 *evant economic conditions);*

1 “(B) the need to ensure access to training
2 services throughout the State, including any
3 rural areas;

4 “(C) the information such providers are re-
5 quired to report to State agencies with respect to
6 Federal and State programs (other than the pro-
7 gram carried out under this subtitle), including
8 one-stop partner programs;

9 “(D) the requirements for State licensing of
10 providers of training services, and the licensing
11 status of each provider of training services if ap-
12 plicable;

13 “(E) to the extent practicable, encouraging
14 the use of industry-recognized standards and cer-
15 tification;

16 “(F) the ability to provide training services
17 to hard-to-serve populations, including individ-
18 uals with disabilities; and

19 “(G) such other factors as the Governor de-
20 termines are appropriate to ensure—

21 “(i) the quality of services provided;

22 “(ii) the accountability of the pro-
23 viders;

24 “(iii) that the one-stop centers in the
25 State will ensure that such providers meet

1 *the needs of local employers and partici-*
 2 *pants;*

3 “(iv) *the informed choice of partici-*
 4 *pants under chapter 5; and*

5 “(v) *that the collection of information*
 6 *required is not unduly burdensome or costly*
 7 *to providers.*

8 “(2) *INFORMATION AND RENEWAL.—The criteria*
 9 *established by the Governor shall require that a pro-*
 10 *vider of training services submit appropriate, accu-*
 11 *rate, and timely information to the State for purposes*
 12 *of carrying out subsection (d). The criteria shall also*
 13 *provide for annual review and renewal of eligibility*
 14 *under this section for providers of training services.*

15 “(3) *LOCAL CRITERIA.—A local board in the*
 16 *State may establish criteria in addition to the cri-*
 17 *teria established by the Governor, or may require*
 18 *higher levels of performance than required under the*
 19 *criteria established by the Governor, for purposes of*
 20 *determining the eligibility of providers of training*
 21 *services to receive funds described in subsection (a) to*
 22 *provide the services in the local area involved.*

23 “(c) *PROCEDURES.—The procedures established under*
 24 *subsection (a) shall identify the application process for a*
 25 *provider of training services to become eligible to receive*

1 *funds provided under section 133(b) for the provision of*
 2 *training services, and identify the respective roles of the*
 3 *State and local areas in receiving and reviewing the appli-*
 4 *cations and in making determinations of such eligibility*
 5 *based on the criteria established under this section. The pro-*
 6 *cedures shall also establish a process for a provider of train-*
 7 *ing services to appeal a denial or termination of eligibility*
 8 *under this section, that includes an opportunity for a hear-*
 9 *ing and prescribes appropriate time limits to ensure*
 10 *prompt resolution of the appeal.*

11 “(d) *INFORMATION TO ASSIST PARTICIPANTS IN*
 12 *CHOOSING PROVIDERS.—*

13 “(1) *IN GENERAL.—In order to facilitate and as-*
 14 *sist participants in choosing employment and train-*
 15 *ing activities under chapter 5 and in choosing pro-*
 16 *viders of training services, the Governor shall ensure*
 17 *that an appropriate list of providers determined to be*
 18 *eligible under this section in the State, accompanied*
 19 *by appropriate information provided by providers of*
 20 *training services in the State in accordance with sub-*
 21 *section (b) and such other information as the Gov-*
 22 *ernor determines is appropriate, including informa-*
 23 *tion on program costs for participants in applicable*
 24 *programs, is provided to the one-stop delivery system*
 25 *in the State. The list and the information shall be*

1 *made available to such participants and to members*
 2 *of the public through the one-stop delivery system in*
 3 *the State.*

4 “(2) *SPECIAL RULE.*—*An entity that carries out*
 5 *programs under the Act of August 16, 1937 (com-*
 6 *monly known as the ‘National Apprenticeship Act’,*
 7 *50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.) shall*
 8 *be included on the list of eligible providers described*
 9 *in paragraph (1) for so long as such entity remains*
 10 *certified by the Department of Labor.*

11 “(e) *ENFORCEMENT.*—

12 “(1) *IN GENERAL.*—*The criteria and procedures*
 13 *established under this section shall provide the fol-*
 14 *lowing:*

15 “(A) *INTENTIONALLY SUPPLYING INAC-*
 16 *CURATE INFORMATION.*—*Upon a determination,*
 17 *by an individual or entity specified in the cri-*
 18 *teria or procedures, that a provider of training*
 19 *services, or individual providing information on*
 20 *behalf of the provider, intentionally supplied in-*
 21 *accurate information under this section, the eli-*
 22 *gibility of such provider to receive funds under*
 23 *chapter 5 shall be terminated for a period of*
 24 *time that is not less than 2 years.*

1 “(B) *SUBSTANTIAL VIOLATIONS.*—Upon a
 2 determination, by an individual or entity speci-
 3 fied in the criteria or procedures, that a provider
 4 of training services substantially violated any re-
 5 quirement under this title, the eligibility of such
 6 provider to receive funds under the program in-
 7 volved may be terminated, or other appropriate
 8 action may be taken.

9 “(C) *REPAYMENT.*—A provider of training
 10 services whose eligibility is terminated under
 11 subparagraph (A) or (B) shall be liable for the
 12 repayment of funds received under chapter 5
 13 during a period of noncompliance described in
 14 such subparagraph.

15 “(2) *CONSTRUCTION.*—Paragraph (1) shall be
 16 construed to provide remedies and penalties that sup-
 17 plement, but do not supplant, other civil and crimi-
 18 nal remedies and penalties.

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

23 “(g) *OPPORTUNITY TO SUBMIT COMMENTS.*—In estab-
 24 lishing criteria, procedures, and information required
 25 under this section, the Governor shall provide an oppor-

1 tunity for interested members of the public to make rec-
 2 ommendations and submit comments regarding such cri-
 3 teria, procedures, and information.

4 “(h) *TRANSITION PERIOD FOR IMPLEMENTATION.*—
 5 The requirements of this section shall be implemented not
 6 later than December 31, 2004. In order to facilitate early
 7 implementation of this section, the Governor may establish
 8 transition procedures under which providers eligible to pro-
 9 vide training services under chapter 5 as such chapter was
 10 in effect on the day before the date of enactment of the Work-
 11 force Investment Act Amendments of 2003 may continue to
 12 be eligible to provide such services until December 31, 2004,
 13 or until such earlier date as the Governor determines to be
 14 appropriate.

15 “(i) *ON-THE-JOB TRAINING OR CUSTOMIZED TRAIN-*
 16 *ING EXCEPTION.*—

17 “(1) *IN GENERAL.*—Providers of on-the-job train-
 18 ing or customized training shall not be subject to the
 19 requirements of subsections (a) through (h).

20 “(2) *COLLECTION AND DISSEMINATION OF INFOR-*
 21 *MATION.*—A one-stop operator in a local area shall
 22 collect such performance information from on-the-job
 23 training and customized training providers as the
 24 Governor may require, determine whether the pro-
 25 viders meet such performance criteria as the Governor

1 *may require, and disseminate information identifying*
 2 *providers that meet the criteria as eligible providers,*
 3 *and the performance information, through the one-*
 4 *stop delivery system. Providers determined to meet the*
 5 *criteria shall be considered to be identified as eligible*
 6 *providers of training services.”.*

7 **SEC. 119. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.**

8 *Section 123 (29 U.S.C. 2843) is amended to read as*
 9 *follows:*

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

11 *“(a) IN GENERAL.—From the funds allocated under*
 12 *section 128(b) to a local area, the local board for such area*
 13 *shall award grants or contracts on a competitive basis to*
 14 *providers of youth activities identified based on the criteria*
 15 *in the State plan described in section 112 and shall conduct*
 16 *oversight with respect to such providers.*

17 *“(b) EXCEPTIONS.—A local board may award grants*
 18 *or contracts on a sole-source basis if such board determines*
 19 *there is an insufficient number of eligible providers of youth*
 20 *activities in the local area involved (such as a rural area)*
 21 *for grants and contracts to be awarded on a competitive*
 22 *basis under subsection (a).”.*

23 **SEC. 120. YOUTH ACTIVITIES.**

24 *(a) STATE ALLOTMENTS.—Section 127 (29 U.S.C.*
 25 *2852) is amended—*

1 (1) *in subsection (a)(1), by striking “oppor-*
 2 *tunity” and inserting “challenge”; and*

3 (2) *by striking subsection (b) and inserting the*
 4 *following:*

5 “(b) *ALLOTMENT AMONG STATES.—*

6 “(1) *YOUTH ACTIVITIES.—*

7 “(A) *YOUTH CHALLENGE GRANTS.—*

8 “(i) *IN GENERAL.—For each fiscal*
 9 *year in which the amount appropriated*
 10 *under section 137(a) exceeds*
 11 *\$1,000,000,000, the Secretary shall reserve a*
 12 *portion of the amount to provide youth*
 13 *challenge grants and other activities under*
 14 *section 169 (relating to youth challenge*
 15 *grants) and provide youth activities under*
 16 *section 167 (relating to migrant and sea-*
 17 *sonal farmworker programs).*

18 “(ii) *PORTION.—The portion referred*
 19 *to in clause (i) shall equal, for a fiscal*
 20 *year—*

21 “(I) *except as provided in sub-*
 22 *clause (II), the difference obtained by*
 23 *subtracting \$1,000,000,000 from the*
 24 *amount appropriated under section*
 25 *137(a) for the fiscal year; or*

1 “(II) for any fiscal year in which
2 the amount is \$1,250,000,000 or great-
3 er, \$250,000,000.

4 “(iii) YOUTH ACTIVITIES FOR FARM-
5 WORKERS.—The Secretary shall reserve the
6 greater of \$10,000,000 or 4 percent of the
7 portion described in clause (i) for a fiscal
8 year to provide youth activities under sec-
9 tion 167.

10 “(iv) NATIVE AMERICANS.—From the
11 remainder of the amount appropriated
12 under section 137(a) for each fiscal year the
13 Secretary shall reserve not more than 1½
14 percent of such amount to provide youth ac-
15 tivities under section 166 (relating to Na-
16 tive Americans).

17 “(B) OUTLYING AREAS.—

18 “(i) IN GENERAL.—From the amount
19 made available under subsection (a)(2) for
20 each fiscal year the Secretary shall reserve
21 not more than ¼ of 1 percent of the amount
22 appropriated under section 137(a) for the
23 fiscal year to provide assistance to the out-
24 lying areas to carry out youth activities

1 *and statewide workforce investment activi-*
2 *ties.*

3 “(ii) *LIMITATION FOR FREELY ASSOCI-*
4 *ATED STATES.—*

5 “(I) *COMPETITIVE GRANTS.—The*
6 *Secretary shall use funds described in*
7 *clause (i) to award grants to Guam,*
8 *American Samoa, the Commonwealth*
9 *of the Northern Mariana Islands, and*
10 *the Freely Associated States to carry*
11 *out youth activities and statewide*
12 *workforce investment activities.*

13 “(II) *AWARD BASIS.—The Sec-*
14 *retary shall award grants pursuant to*
15 *subclause (I) on a competitive basis*
16 *and pursuant to the recommendations*
17 *of experts in the field of employment*
18 *and training, working through the Pa-*
19 *cific Region Educational Laboratory*
20 *in Honolulu, Hawaii.*

21 “(III) *ASSISTANCE REQUIRE-*
22 *MENTS.—Any Freely Associated State*
23 *that desires to receive assistance under*
24 *this subparagraph shall submit an ap-*
25 *plication to the Secretary and shall in-*

1 *clude in the application for assist-*
2 *ance—*

3 *“(aa) information dem-*
4 *onstrating that the Freely Associ-*
5 *ated State will meet all conditions*
6 *that apply to States under this*
7 *title;*

8 *“(bb) an assurance that, not-*
9 *withstanding any other provision*
10 *of this title, the Freely Associated*
11 *State will use such assistance only*
12 *for the direct provision of services;*
13 *and*

14 *“(cc) such other information*
15 *and assurances as the Secretary*
16 *may require.*

17 *“(IV) ADMINISTRATIVE COSTS.—*
18 *The Secretary may provide not more*
19 *than 5 percent of the funds made*
20 *available for grants under subclause (I)*
21 *to pay the administrative costs of the*
22 *Pacific Region Educational Labora-*
23 *tory in Honolulu, Hawaii, regarding*
24 *activities assisted under this clause.*

1 “(iii) *ADDITIONAL REQUIREMENT.*—
 2 *The provisions of Public Law 95–134, per-*
 3 *mitting the consolidation of grants by the*
 4 *outlying areas, shall not apply to assistance*
 5 *provided to those areas, including the Free-*
 6 *ly Associated States, under this subpara-*
 7 *graph.*

8 “(C) *STATES.*—

9 “(i) *IN GENERAL.*—*From the remain-*
 10 *der of the amount appropriated under sec-*
 11 *tion 137(a) for a fiscal year that exists after*
 12 *the Secretary determines the amounts to be*
 13 *reserved under subparagraphs (A) and (B),*
 14 *the Secretary shall allot to the States—*

15 “(I) *an amount of the remainder*
 16 *that is less than or equal to the total*
 17 *amount that was allotted to States for*
 18 *fiscal year 2003 under section*
 19 *127(b)(1)(C) of this Act (as in effect on*
 20 *the day before the date of enactment of*
 21 *the Workforce Investment Act Amend-*
 22 *ments of 2003), in accordance with the*
 23 *requirements of such section*
 24 *127(b)(1)(C); and*

1 “(II) *the amount of the remain-*
 2 *der, if any, in excess of the amount re-*
 3 *ferred to in subclause (I), in accord-*
 4 *ance with clause (ii).*

5 “(ii) *FORMULA.—Subject to clauses*
 6 *(iii) and (iv), of the amount described in*
 7 *clause (i)(II)—*

8 “(I) *33¹/₃ percent shall be allotted*
 9 *on the basis of the relative number of*
 10 *individuals in the civilian labor force*
 11 *who are ages 16 through 21 in each*
 12 *State, compared to the total number of*
 13 *individuals in the civilian labor force*
 14 *who are ages 16 through 21 in all*
 15 *States;*

16 “(II) *33¹/₃ percent shall be allot-*
 17 *ted on the basis of the relative number*
 18 *of unemployed individuals in each*
 19 *State, compared to the total number of*
 20 *unemployed individuals in all States;*
 21 *and*

22 “(III) *33¹/₃ percent shall be allot-*
 23 *ted on the basis of the relative number*
 24 *of disadvantaged youth who are ages*
 25 *16 through 21 in each State, compared*

1 to the total number of disadvantaged
2 youth who are ages 16 through 21 in
3 all States.

4 “(iii) *MINIMUM AND MAXIMUM PER-*
5 *CENTAGES.*—

6 “(I) *MINIMUM PERCENTAGE.*—*The*
7 *Secretary shall ensure that no State*
8 *shall receive an allotment percentage*
9 *under this subparagraph for a fiscal*
10 *year that is less than 90 percent of the*
11 *allotment percentage of the State for*
12 *the preceding fiscal year.*

13 “(II) *MAXIMUM PERCENTAGE.*—
14 *Subject to subclause (I), the Secretary*
15 *shall ensure that no State shall receive*
16 *an allotment percentage under this*
17 *subparagraph for a fiscal year that is*
18 *more than 130 percent of the allotment*
19 *percentage of the State for the pre-*
20 *ceding fiscal year.*

21 “(iv) *SMALL STATE MINIMUM ALLOT-*
22 *MENT.*—*Subject to clause (iii), the Sec-*
23 *retary shall ensure that no State shall re-*
24 *ceive an allotment under this subparagraph*
25 *that is less than the total of—*

1 “(I) $\frac{3}{10}$ of 1 percent of
 2 \$1,000,000,000 of the remainder de-
 3 scribed in clause (i) for the fiscal year;
 4 and

5 “(II) if the remainder described
 6 in clause (i) for the fiscal year exceeds
 7 \$1,000,000,000, $\frac{2}{5}$ of 1 percent of the
 8 excess.

9 “(2) *DEFINITIONS.*—For the purposes of para-
 10 graph (1):

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

24 “(B) *DISADVANTAGED YOUTH.*—Subject to
 25 paragraph (3), the term ‘disadvantaged youth’

means an individual who is age 16 through 21 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the higher of—

“(i) the poverty line; or

“(ii) 70 percent of the lower living standard income level.

“(C) *FREELY ASSOCIATED STATE*.—The term ‘Freely Associated State’ means the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

“(3) *SPECIAL RULE*.—For purposes of the formula specified in paragraph (1)(C), the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of disadvantaged youth.”.

(b) *REALLOTMENT*.—

(1) *AMENDMENT*.—Section 127(c) (29 U.S.C. 2852(c)) is amended—

(A) by striking paragraph (2) and inserting the following:

“(2) *AMOUNT*.—The amount available for real-
lotment for a program year is equal to the amount

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

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

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

18 *(B) in paragraph (3)—*

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

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

24 *(C) by striking paragraph (4) and inserting*
 25 *the following:*

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

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

8 (2) *EFFECTIVE DATE.*—The amendment made by
 9 paragraph (1) shall take effect for the program year
 10 that begins after the date of enactment of this Act.

11 (c) *WITHIN STATE ALLOCATIONS.*—

12 (1) *RESERVATION FOR STATEWIDE ACTIVITIES.*—
 13 Section 128(a) (29 U.S.C. 2853(a)) is amended to
 14 read as follows:

15 “(a) *RESERVATIONS FOR STATEWIDE ACTIVITIES.*—

16 “(1) *IN GENERAL.*—The Governor of a State
 17 shall reserve not more than 15 percent of each of the
 18 amounts allotted to the State under section
 19 127(b)(1)(C) and paragraphs (1)(B) and (2)(B) of
 20 section 132(b) for a fiscal year for statewide workforce
 21 investment activities.

22 “(2) *USE OF FUNDS.*—Regardless of whether the
 23 reserved amounts were allotted under section
 24 127(b)(1)(C), or under paragraph (1)(B) or (2)(B) of
 25 section 132(b), the Governor may use the reserved

1 *amounts to carry out statewide activities under sec-*
 2 *tion 129(b) or statewide employment and training ac-*
 3 *tivities, for adults or dislocated workers, under section*
 4 *134(a).”.*

5 (2) *WITHIN STATE ALLOCATION.*—*Section 128(b)*
 6 *(29 U.S.C. 2853(b)) is amended to read as follows:*

7 *“(b) WITHIN STATE ALLOCATIONS.—*

8 *“(1) IN GENERAL.—Of the amount allotted to the*
 9 *State under section 127(b)(1)(C) and not reserved*
 10 *under subsection (a)(1)—*

11 *“(A) a portion equal to not less than 80*
 12 *percent of such amount shall be allocated by the*
 13 *Governor to local areas in accordance with para-*
 14 *graph (2); and*

15 *“(B) a portion equal to not more than 20*
 16 *percent of such amount may be allocated by the*
 17 *Governor to local areas in accordance with para-*
 18 *graph (3).*

19 (2) *ESTABLISHED FORMULA.—*

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

23 *“(i) 33¹/₃ percent on the basis of the*
 24 *relative number of individuals in the civil-*
 25 *ian labor force who are ages 16 through 21*

1 *in each local area, compared to the total*
2 *number of individuals in the civilian labor*
3 *force who are ages 16 through 21 in all*
4 *local areas in the State;*

5 “(ii) $33\frac{1}{3}$ percent on the basis of the
6 *relative number of unemployed individuals*
7 *in each local area, compared to the total*
8 *number of unemployed individuals in all*
9 *local areas in the State; and*

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

16 “(B) *MINIMUM AND MAXIMUM PERCENT-*
17 *AGES.—*

18 “(i) *MINIMUM PERCENTAGE.—The*
19 *Governor shall ensure that no local area*
20 *shall receive an allocation percentage under*
21 *this paragraph for a fiscal year that is less*
22 *than 90 percent of the allocation percentage*
23 *of the local area for the preceding fiscal*
24 *year.*

1 “(ii) *MAXIMUM PERCENTAGE.*—Subject
2 to clause (i), the Governor shall ensure that
3 no local area shall receive an allocation per-
4 centage under this paragraph for a fiscal
5 year that is more than 130 percent of the
6 allocation percentage of the local area for
7 the preceding fiscal year.

8 “(C) *DEFINITIONS.*—In this paragraph:

9 “(i) *ALLOCATION PERCENTAGE.*—The
10 term ‘allocation percentage’, used with re-
11 spect to fiscal year 2004 or a subsequent fis-
12 cal year, means a percentage of the portion
13 described in paragraph (1)(A) that is re-
14 ceived by the local area involved through an
15 allocation made under this paragraph for
16 the fiscal year. The term, used with respect
17 to fiscal year 2003, means the percentage of
18 the amounts allocated to local areas under
19 this chapter (as in effect on the day before
20 the date of enactment of the Workforce In-
21 vestment Act Amendments of 2003) that is
22 received by the local area involved for fiscal
23 year 2003.

1 “(ii) *DISADVANTAGED YOUTH.*—*The*
 2 *term ‘disadvantaged youth’ means an indi-*
 3 *vidual who—*

4 “(I) *is age 16 through 21;*

5 “(II) *is not a college student or*
 6 *member of the Armed Forces; and*

7 “(III) *received an income, or is a*
 8 *member of a family that received a*
 9 *total family income, that, in relation*
 10 *to family size, does not exceed the high-*
 11 *er of—*

12 “(aa) *the poverty line; or*

13 “(bb) *70 percent of the lower*
 14 *living standard income level.*

15 “(3) *YOUTH DISCRETIONARY ALLOCATION.*—*The*
 16 *Governor may allocate the portion described in para-*
 17 *graph (1)(B) to local areas where there are a signifi-*
 18 *cant number of eligible youth, after consultation with*
 19 *the State board and local boards.*

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

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

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

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

10 (3) *REALLOCATION.*—

11 (A) *AMENDMENT.*—*Section 128(c) (29*
 12 *U.S.C. 2853(c)) is amended—*

13 (i) *in paragraph (1), by striking*
 14 *“paragraph (2)(A) or (3) of”;*

15 (ii) *by striking paragraph (2) and in-*
 16 *serting the following:*

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

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

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

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

11 *(iii) by amending paragraph (3)—*

12 *(I) by striking “subsection (b)(3)”*
13 *each place it appears and inserting*
14 *“subsection (b)”;*

15 *(II) by striking “for the prior*
16 *program year” the first place it ap-*
17 *pears and inserting “for the program*
18 *year for which the determination is*
19 *made”;*

20 *(III) by striking “such prior pro-*
21 *gram year” and inserting “such pro-*
22 *gram year”;* and

23 *(IV) by striking the last sentence;*
24 *and*

1 (iv) by striking paragraph (4) and in-
2 serting the following:

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

8 (B) *EFFECTIVE DATE.*—The amendments
9 made by subparagraph (A) shall take effect for
10 the later of—

11 (i) the program year that begins after
12 the date of enactment of this Act; or

13 (ii) program year 2004.

14 (d) *YOUTH PARTICIPANT ELIGIBILITY.*—Section
15 129(a) (29 U.S.C. 2854(a)) is amended to read as follows:

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

17 “(1) *ELIGIBILITY.*—

18 “(A) *IN GENERAL.*—To be eligible to par-
19 ticipate in activities carried out under this chap-
20 ter during any program year an individual
21 shall, at the time the eligibility determination is
22 made, be an out-of-school youth or an in-school
23 youth.

1 “(B) *OUT-OF-SCHOOL YOUTH*.—*In this title*
 2 *the term ‘out-of-school youth’ means an indi-*
 3 *vidual who is—*

4 “(i) *not younger than age 16 (subject*
 5 *to paragraph (3)) nor older than age 21;*
 6 *and*

7 “(ii) *one of the following:*

8 “(I) *A school dropout.*

9 “(II) *A youth who is within the*
 10 *age for compulsory school attendance,*
 11 *but has not attended school for at least*
 12 *1 school year calendar quarter.*

13 “(III) *A recipient of a secondary*
 14 *school diploma or its equivalent who*
 15 *is—*

16 “(aa) *deficient in basic skills,*
 17 *including limited English pro-*
 18 *ficiency;*

19 “(bb) *a low-income indi-*
 20 *vidual; and*

21 “(cc) *not attending any*
 22 *school.*

23 “(IV) *Subject to the juvenile jus-*
 24 *tice system or ordered by a court to an*
 25 *alternative school.*

1 “(V) *A low-income individual who*
 2 *is pregnant or parenting and not at-*
 3 *tending any school.*

4 “(VI) *A youth who is not attend-*
 5 *ing school or a youth attending an al-*
 6 *ternative school, who is homeless, a*
 7 *runaway, a foster child, a child eligible*
 8 *for assistance under section 477 of the*
 9 *Social Security Act, or in an out-of-*
 10 *home placement.*

11 “(VII) *A low-income individual*
 12 *who requires additional assistance to*
 13 *complete an educational program or to*
 14 *secure or hold employment.*

15 “(C) *IN-SCHOOL YOUTH.—In this section*
 16 *the term ‘in-school youth’ means an individual*
 17 *who is—*

18 “(i) *not younger than age 14 nor older*
 19 *than age 21;*

20 “(ii) *a low-income individual; and*

21 “(iii) *one or more of the following:*

22 “(I) *Deficient in basic literacy*
 23 *skills, including limited English pro-*
 24 *ficiency.*

1 “(II) *Homeless, a runaway, a fos-*
 2 *ter child, a child eligible for assistance*
 3 *under section 477 of the Social Secu-*
 4 *rity Act, or in an out-of-home place-*
 5 *ment.*

6 “(III) *Pregnant or parenting.*

7 “(IV) *An offender (other than an*
 8 *individual described in subparagraph*
 9 *(B)(ii)(IV)).*

10 “(V) *An individual who requires*
 11 *additional assistance to complete an*
 12 *educational program or to secure or*
 13 *hold employment.*

14 “(2) *EXCEPTION.—Not more than 5 percent of*
 15 *the individuals assisted under this section in each*
 16 *local area, in the case of individuals for whom low*
 17 *income is a requirement for eligibility under this sec-*
 18 *tion, may be individuals who are not low income.*

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

21 “(A) *IN GENERAL.—For any program year,*
 22 *not more than 60 percent of the funds available*
 23 *for statewide activities under subsection (b), and*
 24 *not more than 60 percent of funds available to*
 25 *local areas under subsection (c), may be used to*

1 *provide activities for in-school youth meeting the*
2 *requirements of paragraph (1)(B).*

3 *“(B) EXCEPTION.—A State that receives a*
4 *minimum allotment under section 127(b)(1) in*
5 *accordance with section 127(b)(1)(C)(iv) or*
6 *under section 132(b)(1) in accordance with sec-*
7 *tion 132(b)(1)(B)(iv)(II) may increase the per-*
8 *centage described in subparagraph (A) for a*
9 *local area in the State, if—*

10 *“(i) after an analysis of the eligible*
11 *youth population in the local area, the*
12 *State determines that the local area will be*
13 *unable to use at least 40 percent of the*
14 *funds available for activities under sub-*
15 *section (b) or (c) to serve out-of-school youth*
16 *due to a low number of out-of-school youth;*
17 *and*

18 *“(ii)(I) the State submits to the Sec-*
19 *retary, for the local area, a request includ-*
20 *ing a proposed increased percentage for*
21 *purposes of subparagraph (A), and the sum-*
22 *mary of the eligible youth population anal-*
23 *ysis; and*

24 *“(II) the request is approved by the*
25 *Secretary.*

1 “(4) *CONSISTENCY WITH COMPULSORY SCHOOL*
 2 *ATTENDANCE LAWS.*—*In providing assistance under*
 3 *this section to an individual who is required to attend*
 4 *school under applicable State compulsory school at-*
 5 *tendance laws, the priority in providing such assist-*
 6 *ance shall be for the individual to attend school regu-*
 7 *larly.”.*

8 (e) *STATEWIDE ACTIVITIES.*—*Section 129(b) (29*
 9 *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) shall be used, regardless of whether the*
 14 *funds were allotted to the State under section*
 15 *127(b)(1)(C) or under paragraph (1)(B) or (2)(B) of*
 16 *section 132(b) for statewide activities, which may in-*
 17 *clude—*

18 “(A) *conducting—*

19 “(i) *evaluations under section 136(e) of*
 20 *activities authorized under this chapter and*
 21 *chapter 5 in coordination with evaluations*
 22 *carried out by the Secretary under section*
 23 *172;*

24 “(ii) *research; and*

25 “(iii) *demonstration projects;*

1 “(B) 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 title, and for performance by local areas as de-
7 scribed in section 136(i)(2);

8 “(C) providing technical assistance and ca-
9 pacity building activities to local areas, one-stop
10 operators, one-stop partners, and eligible pro-
11 viders, including the development and training
12 of staff, the development of exemplary program
13 activities, the provision of technical assistance to
14 local areas that fail to meet local performance
15 measures described in section 136(c), and the
16 provision of technology to facilitate remote access
17 to services provided through one-stop delivery
18 systems;

19 “(D) operating a fiscal and management
20 accountability information system under section
21 136(f);

22 “(E) carrying out monitoring and oversight
23 of activities carried out under this chapter and
24 chapter 5, which may include a review com-

1 *paring the services provided to male and female*
 2 *youth;*

3 *“(F) providing additional assistance to*
 4 *local areas that have high concentrations of eligi-*
 5 *ble youth;*

6 *“(G) supporting the development of alter-*
 7 *native programs and other activities that en-*
 8 *hance the choices available to eligible youth and*
 9 *encourage such youth to reenter secondary edu-*
 10 *cation, enroll in postsecondary education and*
 11 *advanced training, and obtain career path em-*
 12 *ployment; and*

13 *“(H) supporting the provision of core serv-*
 14 *ices described in section 134(d)(2) in the one-*
 15 *stop delivery system in the State.*

16 *“(2) LIMITATION.—Not more than 5 percent of*
 17 *the funds allotted to a State under section*
 18 *127(b)(1)(C) shall be used by the State for adminis-*
 19 *trative activities carried out under this subsection or*
 20 *section 134(a).*

21 *“(3) PROHIBITION.—No funds described in this*
 22 *subsection may be used to develop or implement edu-*
 23 *cation curricula for school systems in the State.”.*

24 *(f) LOCAL ELEMENTS AND REQUIREMENTS.—*

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

3 (A) *in the matter that precedes subpara-*
4 *graph (A), by striking “paragraph (2)(A) or (3),*
5 *as appropriate, of”;*

6 (B) *in subparagraph (B), by inserting “are*
7 *directly linked to 1 or more of the performance*
8 *measures relating to this chapter under section*
9 *136, and that” after “for each participant that”;*
10 *and*

11 (C) *in subparagraph (C)—*

12 (i) *by redesignating clauses (i) through*
13 *(iv) as clauses (ii) through (v), respectively;*

14 (ii) *by inserting before clause (ii) (as*
15 *redesignated by clause (i)) the following:*

16 “(i) *activities leading to the attain-*
17 *ment of a secondary school diploma or its*
18 *equivalent, or another recognized creden-*
19 *tial;”;*

20 (iii) *in clause (ii) (as redesignated by*
21 *clause (i)), by inserting “and advanced*
22 *training” after “opportunities”;*

23 (iv) *in clause (iii) (as redesignated by*
24 *clause (i))—*

1 (I) by inserting “instruction
 2 based on State academic content and
 3 student academic achievement stand-
 4 ards established under section 1111 of
 5 the Elementary and Secondary Edu-
 6 cation Act of 1965 (20 U.S.C. 6311)”
 7 after “academic”; and

8 (II) by inserting “that lead to the
 9 attainment of recognized credentials”
 10 after “learning”; and

11 (v) by striking clause (v) (as redesign-
 12 ated by clause (i)) and inserting the fol-
 13 lowing:

14 “(v) effective connections to all employ-
 15 ers, including small employers, in sectors of
 16 the local and regional labor markets that
 17 are experiencing high growth in employ-
 18 ment opportunities.”.

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

21 (A) in subparagraph (A), by striking “sec-
 22 ondary school, including dropout prevention
 23 strategies” and inserting “the requirements for a
 24 secondary school diploma or its recognized equiv-
 25 alent (including recognized alternative standards

1 *for individuals with disabilities) or for another*
 2 *recognized credential, including dropout preven-*
 3 *tion strategies”;*

4 *(B) in subparagraph (B), by inserting “,*
 5 *with a priority on exposing youth to technology*
 6 *and nontraditional jobs” before the semicolon;*

7 *(C) in subparagraph (F), by striking “dur-*
 8 *ing nonschool hours”;*

9 *(D) in subparagraph (I), by striking “and”*
 10 *at the end;*

11 *(E) in subparagraph (J), by striking the*
 12 *period at the end and inserting a semicolon; and*

13 *(F) by adding at the end the following:*

14 *“(K) on-the-job training opportunities;*

15 *“(L) opportunities to acquire financial lit-*
 16 *eracy skills;*

17 *“(M) entrepreneurial skills training and*
 18 *microenterprise services; and*

19 *“(N) information about average wages for a*
 20 *range of jobs available in the local area, includ-*
 21 *ing technology jobs.”.*

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

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

3 (4) *PRIORITY AND EXCEPTIONS.*—Section 129(c)
 4 (29 U.S.C. 2854(c)) *is amended by striking para-*
 5 *graphs (4) and (5).*

6 (5) *PROHIBITIONS AND LINKAGES.*—Section
 7 129(c) (29 U.S.C. 2854(c)), *as amended by paragraph*
 8 *(4), is further amended—*

9 (A) *by redesignating paragraphs (6), (7),*
 10 *and (8) as paragraphs (4), (5), and (6), respec-*
 11 *tively;*

12 (B) *in paragraph (4) (as redesignated by*
 13 *subparagraph (A))—*

14 (i) *by striking subparagraph (B); and*

15 (ii) *by redesignating subparagraph (C)*

16 *as subparagraph (B); and*

17 (C) *in paragraph (5) (as redesignated by*
 18 *subparagraph (A)), by striking “youth councils”*
 19 *and inserting “local boards”.*

20 **SEC. 121. ADULT AND DISLOCATED WORKER EMPLOYMENT**
 21 **AND TRAINING ACTIVITIES.**

22 (a) *STATE ALLOTMENTS.*—

23 (1) *RESERVATIONS.*—Section 132(a)(2)(A) *is*
 24 *amended by striking “national emergency grants”*
 25 *and inserting “national dislocated worker grants”.*

1 (2) *ALLOTMENT AMONG STATES.—Section 132(b)*
2 *(29 U.S.C. 2862(b)) is amended—*

3 (A) *in paragraph (1)(A)(ii), by striking*
4 *“section 127(b)(1)(B)” and all that follows and*
5 *inserting “section 127(b)(1)(B).”;*

6 (B) *by striking paragraph (1)(B)(ii) and*
7 *inserting the following:*

8 “(ii) *FORMULA.—Subject to clauses*
9 *(iii) and (iv), of the remainder—*

10 “(I) *40 percent shall be allotted*
11 *on the basis of the relative number of*
12 *unemployed individuals in areas of*
13 *substantial unemployment in each*
14 *State, compared to the total number of*
15 *unemployed individuals in areas of*
16 *substantial unemployment in all*
17 *States;*

18 “(II) *25 percent shall be allotted*
19 *on the basis of the relative number of*
20 *individuals in the civilian labor force*
21 *in each State, compared to the total*
22 *number of such individuals in all*
23 *States; and*

24 “(III) *35 percent shall be allotted*
25 *on the basis of the relative number of*

1 *disadvantaged adults in each State,*
 2 *compared to the total number of dis-*
 3 *advantaged adults in all States, except*
 4 *as described in clause (iii).”;*

5 *(C) in paragraph (1)(B)—*

6 *(i) in clause (iii), by striking “section*
 7 *116(a)(2)(B)” and inserting “section*
 8 *116(a)(2)(A)(iii); and*

9 *(ii) in clause (iv)—*

10 *(I) in subclause (II), by striking*
 11 *“subclauses (I), (III), and (IV)” and*
 12 *inserting “subclauses (I) and (III);*
 13 *and*

14 *(II) by striking subclause (IV);*
 15 *and*

16 *(D) in paragraph (2)(A)(ii), by striking*
 17 *“section 127(b)(1)(B)” and all that follows and*
 18 *inserting “section 127(b)(1)(B).”.*

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

21 *(A) by striking paragraph (2) and inserting*
 22 *the following:*

23 *“(2) AMOUNT.—The amount available for real-*
 24 *lotment for a program year for programs funded*
 25 *under subsection (b)(1)(B) (relating to adult employ-*

ment and training) and subsection (b)(2)(B) (relating to dislocated worker employment and training), respectively, is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the State under subsection (b)(1)(B) or (b)(2)(B), respectively, during such prior program year (including amounts allotted to the State in all prior program years under such provisions that remained available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

“(A) the total amount of funds available to the State under subsection (b)(1)(B) or (b)(2)(B), respectively, during the program year prior to the program year for which the determination is made (including amounts allotted to the State in all prior program years under such provisions that remained available); and

“(B) the accrued expenditures from such total amount of funds available under subsection (b)(1)(B) or (b)(2)(B), respectively, during such prior program year.”;

(B) in paragraph (3)—

1 (i) by striking “under this section for
 2 such activities for the prior program year”
 3 and inserting “under subsection (b)(1)(B)
 4 or (b)(2)(B), as appropriate, for the pro-
 5 gram year for which the determination is
 6 made”; and

7 (ii) by striking “under this subsection
 8 for such activities for such prior program
 9 year” and inserting “under subsection
 10 (b)(1)(B) or (b)(2)(B), as appropriate, for
 11 such program year”;

12 (C) by striking paragraph (4) and inserting
 13 the following:

14 “(4) *ELIGIBILITY.*—For purposes of this sub-
 15 section, an eligible State means—

16 “(A) with respect to funds allotted under
 17 subsection (b)(1)(B), a State that does not have
 18 an amount of such funds available for reallocot-
 19 ment under paragraph (2) for the program year
 20 for which the determination under paragraph (2)
 21 is made; and

22 “(B) with respect to funds allotted under
 23 subsection (b)(2)(B), a State that does not have
 24 an amount of such funds available for reallocot-
 25 ment under paragraph (2) for the program year

1 *for which the determination under paragraph (2)*
 2 *is made.”; and*

3 *(D) in paragraph (5), by striking “obligation”*
 4 *and inserting “accrued expenditure”.*

5 *(4) EFFECTIVE DATE.—The amendments made*
 6 *by paragraph (3) shall take effect for the later of—*

7 *(A) the program year that begins after the*
 8 *date of enactment of this Act; or*

9 *(B) program year 2004.*

10 *(b) WITHIN STATE ALLOCATIONS.—*

11 *(1) ALLOCATION.—Section 133(b)(5)(B)(ii) (29*
 12 *U.S.C. 2863(b)(5)(B)(ii)) is amended by striking*
 13 *“section 134(c)” and inserting “section 121(e)”.*

14 *(2) REALLOCATION.—Section 133(c) (29 U.S.C.*
 15 *2863(c)) is amended—*

16 *(A) in paragraph (1), by inserting “, and*
 17 *under subsection (b)(2)(B) for dislocated worker*
 18 *employment and training activities,” after “ac-*
 19 *tivities”;*

20 *(B) by striking paragraph (2) and inserting*
 21 *the following:*

22 *“(2) AMOUNT.—The amount available for re-*
 23 *allocation for a program year for programs funded*
 24 *under paragraphs (2)(A) and (3) of subsection (b)*
 25 *(relating to adult employment and training) and sub-*

1 *section (b)(2)(B) (relating to dislocated worker em-*
2 *ployment and training), respectively, is equal to the*
3 *amount by which the unexpended balance at the end*
4 *of the program year prior to the program year for*
5 *which the determination is made exceeds 30 percent*
6 *of the total amount of funds available to the local*
7 *area under paragraphs (2)(A) and (3) of subsection*
8 *(b), or subsection (b)(2)(B), respectively, during such*
9 *prior program year (including amounts allocated to*
10 *the local area in all prior program years under such*
11 *provisions that remained available). For purposes of*
12 *this paragraph, the unexpended balance is the*
13 *amount that is the difference between—*

14 *“(A) the total amount of funds available to*
15 *the local area under paragraphs (2)(A) and (3)*
16 *of subsection (b), or subsection (b)(2)(B), respec-*
17 *tively, during the program year prior to the pro-*
18 *gram year for which the determination is made*
19 *(including amounts allotted to the local area in*
20 *all prior program years under such provisions*
21 *that remained available); and*

22 *“(B) the accrued expenditures from such*
23 *total amount of funds available under para-*
24 *graphs (2)(A) and (3) of subsection (b), or sub-*

1 *section (b)(2)(B), respectively, during such prior*
2 *program year.”;*

3 *(C) by striking paragraph (3) and inserting*
4 *the following:*

5 “(3) *REALLOCATION.*—*In making reallocations*
6 *to eligible local areas of amounts available pursuant*
7 *to paragraph (2) for a program year, the Governor*
8 *shall allocate to each eligible local area within the*
9 *State—*

10 *“(A) with respect to amounts that are avail-*
11 *able for reallocation under paragraph (2) that*
12 *were allocated under paragraphs (2)(A) or (3) of*
13 *subsection (b), an amount based on the relative*
14 *amount allocated to such local area under para-*
15 *graphs (2)(A) or (3) of subsection (b), as appro-*
16 *priate, for the program year for which the deter-*
17 *mination is made, as compared to the total*
18 *amount allocated to all eligible local areas under*
19 *paragraphs (2)(A) or (3) of subsection (b), as ap-*
20 *propriate, of such program year; and*

21 *“(B) with respect to amounts that are*
22 *available for reallocation under paragraph (2)*
23 *that were allocated under subsection (b)(2)(B),*
24 *an amount based on the relative amount allo-*
25 *cated to such local area under subsection*

1 (b)(2)(B) for the program year for which the de-
2 termination is made, as compared to the total
3 amount allocated to all eligible local areas under
4 subsection (b)(2)(B) for such program year.”;
5 and

6 (D) by striking paragraph (4) and insert-
7 ing the following:

8 “(4) *ELIGIBILITY.*—For purposes of this sub-
9 section, an eligible local area means—

10 “(A) with respect to funds allocated under
11 paragraphs (2)(A) or (3) of subsection (b), a
12 local area that does not have an amount of such
13 funds available for reallocation under paragraph
14 (2) for the program year for which the deter-
15 mination under paragraph (2) is made; and

16 “(B) with respect to funds allocated under
17 subsection (b)(2)(B), a local area that does not
18 have an amount of such funds available for re-
19 allocation under paragraph (2) for the program
20 year for which the determination under para-
21 graph (2) is made.”.

22 (3) *EFFECTIVE DATE.*—The amendments made
23 by paragraph (2) shall take effect for the later of—

24 (A) the program year that begins after the
25 date of enactment of this Act; or

1 (B) program year 2004.

2 (c) *USE OF FUNDS FOR EMPLOYMENT AND TRAINING*
3 *ACTIVITIES.*—

4 (1) *STATEWIDE EMPLOYMENT AND TRAINING AC-*
5 *TIVITIES.*—

6 (A) *STATEWIDE RAPID RESPONSE ACTIVI-*
7 *TIES.*—Section 134(a)(2)(A) (29 U.S.C.
8 2864(a)(2)(A)) is amended to read as follows:

9 “(A) *STATEWIDE RAPID RESPONSE ACTIVI-*
10 *TIES.*—

11 “(i) *IN GENERAL.*—A State shall carry
12 out statewide rapid response activities using
13 funds reserved by a Governor for a State
14 under section 133(a)(2). Such activities
15 shall include—

16 “(I) provision of rapid response
17 activities, carried out in local areas by
18 the State or by an entity designated by
19 the State, working in conjunction with
20 the local boards and the chief elected
21 officials for the local areas; and

22 “(II) provision of additional as-
23 sistance to local areas that experience
24 disasters, mass layoffs, or plant clos-
25 ings, or other events that precipitate

1 substantial increases in the number of
 2 unemployed individuals, carried out in
 3 local areas by the State, working in
 4 conjunction with the local boards and
 5 the chief elected officials for the local
 6 areas.

7 “(ii) *USE OF UNEXPENDED FUNDS.*—
 8 *Funds reserved under section 133(a)(2) to*
 9 *carry out this subparagraph that remain*
 10 *unexpended after the first program year for*
 11 *which such funds were allotted may be used*
 12 *by the Governor to carry out statewide ac-*
 13 *tivities authorized under subparagraph (B)*
 14 *and paragraph (3)(A) in addition to activi-*
 15 *ties under this subparagraph.”.*

16 *(B) STATEWIDE EMPLOYMENT AND TRAIN-*
 17 *ING ACTIVITIES.*—*Section 134(a)(2) (29 U.S.C.*
 18 *2864(a)(2)) is amended by striking subpara-*
 19 *graph (B) and inserting the following:*

20 “(B) *STATEWIDE EMPLOYMENT AND TRAIN-*
 21 *ING ACTIVITIES.*—*Funds reserved by a Governor*
 22 *for a State under sections 128(a)(1) and*
 23 *133(a)(1) and not used under paragraph (1)(A)*
 24 *(regardless of whether the funds were allotted to*
 25 *the States under section 127(b)(1)(C) or para-*

1 *graphs (1)(B) or (2)(B) of section 132(b)) shall*
2 *be used for statewide employment and training*
3 *activities, including—*

4 *“(i) disseminating—*

5 *“(I) the State list of eligible pro-*
6 *viders of training services, including*
7 *eligible providers of nontraditional*
8 *training services;*

9 *“(II) information identifying eli-*
10 *gible providers of on-the-job training*
11 *and customized training;*

12 *“(III) performance information*
13 *and program cost information, as de-*
14 *scribed in subsections (d) and (i) of*
15 *section 122; and*

16 *“(IV) information on physical*
17 *and programmatic accessibility for in-*
18 *dividuals with disabilities;*

19 *“(ii) conducting evaluations under sec-*
20 *tion 136(e) of activities authorized under*
21 *this chapter and chapter 5 in coordination*
22 *with evaluations carried out by the Sec-*
23 *retary under section 172;*

1 “(iii) providing incentive grants to
2 local areas in recognition of exceptional
3 achievement relating to—

4 “(I) regional cooperation among
5 local boards (including local boards in
6 a designated region as described in sec-
7 tion 116(c));

8 “(II) expanded local coordination
9 of programs and activities carried out
10 as part of a comprehensive workforce
11 investment system, including—

12 “(aa) employment services
13 under the Wagner-Peyser Act and
14 core activities under this title;
15 and

16 “(bb) one-stop partner pro-
17 grams described in section 121;

18 “(III) performance by local areas
19 as described in section 136(i)(2); and

20 “(IV) providing expanded access
21 to education and training services, es-
22 pecially through increased leveraging
23 of resources other than those provided
24 through programs under this title;

1 “(iv) *developing strategies for ensuring*
2 *that activities carried out under this section*
3 *are placing men and women in jobs, edu-*
4 *cation, and training that lead to com-*
5 *parable pay;*

6 “(v) *providing technical assistance and*
7 *capacity building to local areas, one-stop*
8 *operators, one-stop partners, and eligible*
9 *providers, including the development and*
10 *training of staff, the development of exem-*
11 *plary program activities, and the provision*
12 *of technical assistance to local areas that*
13 *fail to meet local performance measures de-*
14 *scribed in section 136(c), which may in-*
15 *clude the development and training of staff*
16 *to provide opportunities for hard-to-serve*
17 *populations to enter high-wage, high-skilled,*
18 *and nontraditional occupations;*

19 “(vi) *operating a fiscal and manage-*
20 *ment accountability system under section*
21 *136(f); and*

22 “(vii) *carrying out monitoring and*
23 *oversight of activities carried out under this*
24 *chapter and chapter 4.”.*

1 (C) *ALLOWABLE STATEWIDE EMPLOYMENT*
 2 AND *TRAINING ACTIVITIES.*—Section
 3 134(a)(3)(A) (29 U.S.C. 2864(a)(3)(A) is amend-
 4 ed to read as follows:

5 “(A) *IN GENERAL.*—Funds reserved by a
 6 Governor for a State under sections 128(a)(1)
 7 and 133(a)(1) and not used under paragraph
 8 (1)(A) or (2)(B) (regardless of whether the funds
 9 were allotted to the State under section
 10 127(b)(1)(C) or paragraph (1)(B) or (2)(B) of
 11 section 132(b)) may be used to carry out addi-
 12 tional statewide employment and training ac-
 13 tivities, which may include—

14 “(i) *implementing innovative pro-*
 15 grams and strategies designed to meet the
 16 needs of all businesses in the State, includ-
 17 ing small businesses, which may include in-
 18 cumbent worker training programs, sectoral
 19 and industry cluster strategies and partner-
 20 ships, including regional skills alliances, ca-
 21 reer ladder programs, micro-enterprise and
 22 entrepreneurial training and support pro-
 23 grams, utilization of effective business inter-
 24 mediaries, activities to improve linkages be-
 25 tween the one-stop delivery systems in the

1 *State and all employers (including small*
2 *employers) in the State, and other business*
3 *services and strategies that better engage*
4 *employers in workforce investment activities*
5 *and make the workforce investment system*
6 *more relevant to the needs of State and local*
7 *businesses, consistent with the objectives of*
8 *this title;*

9 “(ii) *developing strategies for effec-*
10 *tively serving hard-to-serve populations and*
11 *for coordinating programs and services*
12 *among one-stop partners;*

13 “(iii) *implementing innovative pro-*
14 *grams for displaced homemakers, which for*
15 *purposes of this clause may include an in-*
16 *dividual who is receiving public assistance*
17 *and is within 2 years of exhausting lifetime*
18 *eligibility under part A of title IV of the*
19 *Social Security Act (42 U.S.C. 601 et seq.);*

20 “(iv) *implementing programs to in-*
21 *crease the number of individuals training*
22 *for and placed in nontraditional employ-*
23 *ment;*

24 “(v) *carrying out activities to facilitate*
25 *remote access to services, including training*

1 *services described in subsection (d)(4), pro-*
2 *vided through a one-stop delivery system,*
3 *including facilitating access through the use*
4 *of technology;*

5 “(vi) *supporting the provision of core*
6 *services described in subsection (d)(2) in the*
7 *one-stop delivery system in the State;*

8 “(vii) *coordinating with the child wel-*
9 *fare system to facilitate services for children*
10 *in foster care and those who are eligible for*
11 *assistance under section 477 of the Social*
12 *Security Act;*

13 “(viii) *activities—*

14 “(I) *to improve coordination be-*
15 *tween workforce investment activities*
16 *carried out within the State involved*
17 *and economic development activities;*

18 “(II) *to improve coordination be-*
19 *tween employment and training assist-*
20 *ance, child support services, and assist-*
21 *ance provided by State and local agen-*
22 *cies carrying out part D of title IV of*
23 *the Social Security Act (42 U.S.C. 651*
24 *et seq.);*

1 “(III) to improve coordination be-
2 tween employment and training assist-
3 ance and cooperative extension pro-
4 grams carried out by the Department
5 of Agriculture;

6 “(IV) to improve coordination be-
7 tween employment and training assist-
8 ance and programs carried out in the
9 local area for individuals with disabili-
10 ties, including programs carried out
11 by State agencies relating to mental re-
12 tardation and developmental disabili-
13 ties, Statewide Independent Living
14 Councils established under section 705
15 of the Rehabilitation Act of 1973 (29
16 U.S.C. 796d), and centers for inde-
17 pendent living defined in section 702
18 of the Rehabilitation Act of 1973 (29
19 U.S.C. 796a);

20 “(V) to develop and disseminate
21 workforce and labor market informa-
22 tion; and

23 “(VI) to improve coordination
24 with the corrections system to facilitate
25 provision of training services and em-

1 *ployment opportunities that will assist*
 2 *ex-offenders in reentering the work-*
 3 *force;*

4 “(ix) conducting—

5 “(I) research; and

6 “(II) demonstration projects; and

7 “(x) adopting, calculating, or commis-
 8 *sioning a minimum self-sufficiency stand-*
 9 *ard that specifies the income needs of fami-*
 10 *lies, by family size, the number and ages of*
 11 *children in the family, and sub-State geo-*
 12 *graphical considerations.”.*

13 (2) *REQUIRED LOCAL EMPLOYMENT AND TRAIN-*
 14 *ING ACTIVITIES.—*

15 (A) *ALLOCATED FUNDS.—Section*
 16 *134(d)(1)(A) (29 U.S.C. 2864(d)(1)(A)) is*
 17 *amended—*

18 (i) *in clause (i), by striking “described*
 19 *in subsection (c)”;*

20 (ii) *in clause (iii), by striking “and”*
 21 *at the end;*

22 (iii) *in clause (iv), by striking the pe-*
 23 *riod and inserting a semicolon; and*

24 (iv) *by adding at the end the following:*

1 “(v) to designate a dedicated business
 2 liaison in the local area who may be funded
 3 with funds provided under this title or from
 4 other sources to establish and develop rela-
 5 tionships and networks with large and
 6 small employers and their intermediaries;
 7 and

8 “(vi) in order to avoid duplication of
 9 services and enhance coordination of serv-
 10 ices, to require the colocation of employment
 11 services provided under the Wagner-Peyser
 12 Act at the comprehensive one-stop centers.”.

13 (B) *CORE SERVICES*.—Section 134(d)(2)
 14 (29 U.S.C. 2864(d)(2)) is amended—

15 (i) in the matter preceding subpara-
 16 graph (A), by striking “paragraph (1)(A)”
 17 and inserting “paragraph (1)”;

18 (ii) by striking subparagraph (D) and
 19 inserting the following:

20 “(D) labor exchange services, including—

21 “(i) job search and placement assist-
 22 ance and, in appropriate cases, career coun-
 23 seling, including—

24 “(I) exposure to high wage, high
 25 skill jobs; and

1 “(II) *nontraditional employment;*

2 *and*

3 “(ii) *appropriate recruitment and*

4 *other business services for all employers, in-*

5 *cluding small employers, in the local area,*

6 *which may include services described in this*

7 *subsection, including information and refer-*

8 *ral to specialized business services not tra-*

9 *ditionally offered through the one-stop deliv-*

10 *ery system;”;*

11 *(iii) in subparagraph (E)(iii)—*

12 *(I) by inserting “, career ladders,”*

13 *after “earnings”; and*

14 *(II) by striking “and” at the end;*

15 *(iv) in subparagraph (F)—*

16 *(I) by striking “and program cost*

17 *information”; and*

18 *(II) by striking “described in sec-*

19 *tion 123”;*

20 *(v) by striking subparagraph (H) and*

21 *inserting the following:*

22 *“(H) provision of accurate information, in*

23 *formats that are usable and understandable to*

24 *all one-stop center customers, relating to the*

25 *availability of supportive services or assistance,*

1 including child care, child support, medical or
 2 child health assistance under title XIX or XXI of
 3 the Social Security Act, benefits under the Food
 4 Stamp Act of 1977, the earned income tax credit
 5 under section 32 of the Internal Revenue Code of
 6 1986, and assistance under a State program
 7 funded under part A of title IV of the Social Se-
 8 curity Act and other supportive services and
 9 transportation provided through funds made
 10 available under such part, available in the local
 11 area, and referral to such services or assistance
 12 as appropriate;” and

13 (vi) in subparagraph (J), by striking
 14 “for—” and all that follows through “(ii)
 15 programs” and inserting “for programs”.

16 (C) INTENSIVE SERVICES.—Section
 17 134(d)(3) (29 U.S.C. 2864(d)(3)) is amended—

18 (i) by striking subparagraph (A) and
 19 inserting the following:

20 “(A) IN GENERAL.—

21 “(i) ELIGIBILITY.—Except as provided
 22 in clause (ii), funds allocated to a local
 23 area for adults under paragraph (2)(A) or
 24 (3), as appropriate, of section 133(b), and
 25 funds allocated to the local area for dis-

1 *located workers under section 133(b)(2)(B),*
2 *shall be used to provide intensive services to*
3 *adults and dislocated workers, respec-*
4 *tively—*

5 *“(I) who are unemployed and*
6 *who, after an interview, evaluation, or*
7 *assessment, have been determined by a*
8 *one-stop operator or one-stop partner*
9 *to be—*

10 *“(aa) unlikely or unable to*
11 *obtain employment, that leads to*
12 *self-sufficiency or wages com-*
13 *parable to or higher than previous*
14 *employment, through core services*
15 *described in paragraph (2); and*

16 *“(bb) in need of intensive*
17 *services to obtain employment*
18 *that leads to self-sufficiency or*
19 *wages comparable to or higher*
20 *than previous employment; or*

21 *“(II) who are employed, but who,*
22 *after an interview, evaluation, or as-*
23 *essment are determined by a one-stop*
24 *operator or one-stop partner to be in*
25 *need of intensive services to obtain or*

1 *retain employment that leads to self-*
 2 *sufficiency.*

3 “(ii) *SPECIAL RULE.—A new inter-*
 4 *view, evaluation, or assessment of a partici-*
 5 *pant is not required under clause (i) if the*
 6 *one-stop operator or one-stop partner deter-*
 7 *mines that it is appropriate to use a recent*
 8 *assessment of the participant conducted*
 9 *pursuant to another education or training*
 10 *program.”; and*

11 *(ii) in subparagraph (C)—*

12 *(I) in clause (v), by striking “for*
 13 *participants seeking training services*
 14 *under paragraph (4)”; and*

15 *(II) by adding at the end the fol-*
 16 *lowing:*

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

18 *“(viii) Literacy activities relating to*
 19 *basic work readiness, and financial literacy*
 20 *activities.*

21 *“(ix) Out-of-area job search assistance*
 22 *and relocation assistance.*

23 *“(x) English language acquisition and*
 24 *integrated training programs.”.*

1 (D) *TRAINING SERVICES.—Section*
2 *134(d)(4) (29 U.S.C. 2864(d)(4)) is amended—*

3 *(i) by striking subparagraph (A) and*
4 *inserting the following:*

5 “(A) *IN GENERAL.—*

6 “(i) *ELIGIBILITY.—Except as provided*
7 *in clause (ii), funds allocated to a local*
8 *area for adults under paragraph (2)(A) or*
9 *(3), as appropriate, of section 133(b), and*
10 *funds allocated to the local area for dis-*
11 *located workers under section 133(b)(2)(B),*
12 *shall be used to provide training services to*
13 *adults and dislocated workers, respec-*
14 *tively—*

15 “(I) *who, after an interview, eval-*
16 *uation, or assessment, and case man-*
17 *agement, have been determined by a*
18 *one-stop operator or one-stop partner,*
19 *as appropriate, to—*

20 “(aa) *be unlikely or unable*
21 *to obtain or retain employment,*
22 *that leads to self-sufficiency or*
23 *wages comparable to or higher*
24 *than previous employment,*

1 *through the intensive services de-*
2 *scribed in paragraph (3);*

3 *“(bb) be in need of training*
4 *services to obtain or retain em-*
5 *ployment that leads to self-suffi-*
6 *ciency or wages comparable to or*
7 *higher than previous employment;*
8 *and*

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

13 *“(II) who select programs of*
14 *training services that are directly*
15 *linked to the employment opportunities*
16 *in the local area or region involved or*
17 *in another area to which the adults or*
18 *dislocated workers are willing to com-*
19 *mute or relocate;*

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

22 *“(IV) who are determined to be el-*
23 *igible in accordance with the priority*
24 *system in effect under subparagraph*
25 *(E).*

1 “(ii) *SPECIAL RULE.*—A new inter-
 2 view, evaluation, or assessment of a partici-
 3 pant is not required under clause (i) if the
 4 one-stop operator or one-stop partner deter-
 5 mines that it is appropriate to use a recent
 6 assessment of the participant conducted
 7 pursuant to another education or training
 8 program.”;

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

14 (iii) in subparagraph (D)—

15 (I) in clause (viii), by striking
 16 “and” after the semicolon;

17 (II) in clause (ix), by striking the
 18 period and inserting “; and”; and

19 (III) by adding at the end the fol-
 20 lowing:

21 “(x) English language acquisition and
 22 integrated training programs.”;

23 (iv) in subparagraph (F)—

24 (I) in clause (ii), by striking “re-
 25 ferred to in subsection (c), shall make

1 *available—” and all that follows and*
 2 *inserting “shall make available a list*
 3 *of eligible providers of training serv-*
 4 *ices, and accompanying information,*
 5 *in accordance with section 122(d).”;*

6 *(II) in the heading of clause (iii),*
 7 *by striking “INDIVIDUAL TRAINING AC-*
 8 *COUNTS” and inserting “CAREER*
 9 *SCHOLARSHIP ACCOUNTS”;*

10 *(III) in clause (iii)—*

11 *(aa) by striking “identifying*
 12 *information” and inserting “ac-*
 13 *companying information”;*

14 *(bb) by striking “clause*
 15 *(ii)(I)” and inserting “clause*
 16 *(ii)”;* and

17 *(cc) by striking “individual*
 18 *training account” and inserting*
 19 *“career scholarship account”; and*

20 *(IV) by adding at the end the fol-*
 21 *lowing:*

22 *“(iv) COORDINATION.—Each local*
 23 *board may, through one-stop centers, coordi-*
 24 *nate career scholarship accounts with other*
 25 *Federal, State, local, or private job training*

1 *programs or sources to assist the individual*
 2 *in obtaining training services.”; and*

3 *(v) in subparagraph (G)—*

4 *(I) in the subparagraph heading,*
 5 *by striking “INDIVIDUAL TRAINING AC-*
 6 *COUNTS” and inserting “CAREER*
 7 *SCHOLARSHIP ACCOUNTS”;*

8 *(II) in clause (i), by striking “in-*
 9 *dividual training accounts” and in-*
 10 *serting “career scholarship accounts”;*

11 *(III) in clause (ii)—*

12 *(aa) by striking “individual*
 13 *training account” and inserting*
 14 *“career scholarship account”;*

15 *(bb) in subclause (II), by*
 16 *striking “individual training ac-*
 17 *counts” and inserting “career*
 18 *scholarship accounts”;*

19 *(cc) in subclause (II) by*
 20 *striking “or” after the semicolon;*

21 *(dd) in subclause (III), by*
 22 *striking “special participant pop-*
 23 *ulations that face multiple bar-*
 24 *riers to employment” and insert-*
 25 *ing “hard-to-serve populations”;*

1 (ee) in subclause (III), by
 2 striking the period and inserting
 3 “; or”; and

4 (ff) by adding at the end the
 5 following:

6 “(IV) the local board determines
 7 that it would be most appropriate to
 8 award a contract to an institution of
 9 higher education in order to facilitate
 10 the training of multiple individuals in
 11 high-demand occupations, if such con-
 12 tract does not limit customer choice.”;
 13 and

14 (IV) in clause (iv)—

15 (aa) by redesignating sub-
 16 clause (IV) as subclause (V); and

17 (bb) by inserting after sub-
 18 clause (III) the following:

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

21 (3) *PERMISSIBLE ACTIVITIES*.—Section 134(e)
 22 (29 U.S.C. 2864(e)) is amended—

23 (A) by striking the matter preceding para-
 24 graph (2) and inserting the following:

1 “(e) *PERMISSIBLE LOCAL EMPLOYMENT AND TRAIN-*
2 *ING ACTIVITIES.*—

3 “(1) *IN GENERAL.*—

4 “(A) *ACTIVITIES.*—*Funds allocated to a*
5 *local area for adults under paragraph (2)(A) or*
6 *(3), as appropriate, of section 133(b), and funds*
7 *allocated to the local area for dislocated workers*
8 *under section 133(b)(2)(B), may be used to pro-*
9 *vide, through the one-stop delivery system in-*
10 *volved—*

11 “(i) *customized screening and referral*
12 *of qualified participants in training serv-*
13 *ices described in subsection (d)(4) to em-*
14 *ployment;*

15 “(ii) *customized employment-related*
16 *services to employers on a fee-for-service*
17 *basis;*

18 “(iii) *customer support to enable mem-*
19 *bers of hard-to-serve populations, including*
20 *individuals with disabilities, to navigate*
21 *among multiple services and activities for*
22 *such populations;*

23 “(iv) *technical assistance and capacity*
24 *building for serving individuals with dis-*
25 *abilities in local areas, for one-stop opera-*

1 *tors, one-stop partners, and eligible pro-*
2 *viders, including the development and*
3 *training of staff, the provision of outreach,*
4 *intake, assessments, and service delivery,*
5 *and the development of performance meas-*
6 *ures;*

7 *“(v) employment and training assist-*
8 *ance provided in coordination with child*
9 *support enforcement activities of the State*
10 *and local agencies carrying out part D of*
11 *title IV of the Social Security Act (42*
12 *U.S.C. 601 et seq.);*

13 *“(vi) activities to improve coordination*
14 *between employment and training assist-*
15 *ance, child support services, and assistance*
16 *provided by State and local agencies car-*
17 *rying out part D of title IV of the Social*
18 *Security Act (42 U.S.C. 651 et seq.);*

19 *“(vii) activities to improve coordina-*
20 *tion between employment and training as-*
21 *sistance and cooperative extension programs*
22 *carried out by the Department of Agri-*
23 *culture;*

24 *“(viii) activities to facilitate remote*
25 *access to services provided through a one-*

1 *stop delivery system, including facilitating*
2 *access through the use of technology;*

3 *“(ix) activities—*

4 *“(I) to improve coordination be-*
5 *tween workforce investment activities*
6 *carried out within the local area in-*
7 *volved and economic development ac-*
8 *tivities; and*

9 *“(II) to improve services and*
10 *linkages between the local workforce in-*
11 *vestment system including the local*
12 *one-stop delivery system, and all em-*
13 *ployers, including small employers in*
14 *the local area, through services de-*
15 *scribed in this section, including sub-*
16 *paragraph (B);*

17 *“(x) training programs for displaced*
18 *homemakers and for individuals training*
19 *for nontraditional occupations, in conjunc-*
20 *tion with programs operated in the local*
21 *area;*

22 *“(xi) using a portion of the funds allo-*
23 *cated under section 133(b), activities to*
24 *carry out business services and strategies*
25 *that meet the workforce investment needs of*

1 *local area employers, as determined by the*
2 *local board, consistent with the local plan*
3 *under section 118, which services—*

4 *“(I) may be provided through ef-*
5 *fective business intermediaries working*
6 *in conjunction with the local board,*
7 *and may also be provided on a fee-for-*
8 *service basis or through the leveraging*
9 *of economic development and other re-*
10 *sources as determined appropriate by*
11 *the local board; and*

12 *“(II) may include—*

13 *“(aa) identifying and dis-*
14 *seminating to business, educators,*
15 *and job seekers, information re-*
16 *lated to the workforce, economic*
17 *and community development*
18 *needs, and opportunities of the*
19 *local economy;*

20 *“(bb) development and deliv-*
21 *ery of innovative workforce invest-*
22 *ment services and strategies for*
23 *area businesses, which may in-*
24 *clude sectoral, industry cluster, re-*
25 *gional skills alliances, career lad-*

1 *der, skills upgrading, skill stand-*
2 *ard development and certification,*
3 *apprenticeship, and other effective*
4 *initiatives for meeting the work-*
5 *force investment needs of area em-*
6 *ployers and workers;*

7 *“(cc) participation in semi-*
8 *nars and classes offered in part-*
9 *nership with relevant organiza-*
10 *tions focusing on the workforce-re-*
11 *lated needs of area employers and*
12 *job seekers;*

13 *“(dd) training consulting,*
14 *needs analysis, and brokering*
15 *services for area businesses, in-*
16 *cluding the organization and ag-*
17 *gregation of training (which may*
18 *be paid for with funds other than*
19 *those provided under this title),*
20 *for individual employers and coa-*
21 *litions of employers with similar*
22 *interests, products, or workforce*
23 *needs;*

24 *“(ee) assistance to area em-*
25 *ployers in the aversion of layoffs*

1 *and in managing reductions in*
2 *force in coordination with rapid*
3 *response activities;*

4 “(ff) the marketing of busi-
5 *ness services offered under this*
6 *title, to appropriate area employ-*
7 *ers, including small and mid-*
8 *sized employers;*

9 “(gg) information referral on
10 *concerns affecting local employers;*
11 *and*

12 “(hh) other business services
13 *and strategies designed to better*
14 *engage employers in workforce in-*
15 *vestment activities and to make*
16 *the workforce investment system*
17 *more relevant to the workforce in-*
18 *vestment needs of area businesses,*
19 *as determined by the local board*
20 *to be consistent with the objectives*
21 *of this title;*

22 “(xii) activities to adjust the self-suffi-
23 *ciency standards for local factors, or activi-*
24 *ties to adopt, calculate, or commission a*
25 *self-sufficiency standard that specifies the*

1 *income needs of families, by family size, the*
 2 *number and ages of children in the family,*
 3 *and sub-State geographical considerations;*
 4 *and*

5 *“(xiii) improved coordination between*
 6 *employment and training assistance and*
 7 *programs carried out in the local area for*
 8 *individuals with disabilities, including pro-*
 9 *grams carried out by State agencies relating*
 10 *to mental retardation and developmental*
 11 *disabilities, Statewide Independent Living*
 12 *Councils established under section 705 of the*
 13 *Rehabilitation Act of 1973 (29 U.S.C.*
 14 *796d), and centers for independent living*
 15 *defined in section 702 of the Rehabilitation*
 16 *Act of 1973 (29 U.S.C. 796a).*

17 *“(B) WORK SUPPORT ACTIVITIES FOR LOW-*
 18 *WAGE WORKERS.—*

19 *“(i) IN GENERAL.—Funds allocated to*
 20 *a local area for adults under paragraph*
 21 *(2)(A) or (3), as appropriate, of section*
 22 *133(b), and funds allocated to the local area*
 23 *for dislocated workers under section*
 24 *133(b)(2)(B), may be used to provide,*
 25 *through the one-stop delivery system in-*

1 *involved, work support activities designed to*
 2 *assist low-wage workers in retaining and*
 3 *enhancing employment. The one-stop part-*
 4 *ners shall coordinate the appropriate pro-*
 5 *grams and resources of the partners with*
 6 *the activities and resources provided under*
 7 *this subparagraph.*

8 *“(ii) ACTIVITIES.—The activities de-*
 9 *scribed in clause (i) may include the provi-*
 10 *sion of activities described in this section*
 11 *through the one-stop delivery system in a*
 12 *manner that enhances the opportunities of*
 13 *such workers to participate in the activities,*
 14 *such as the provision of activities described*
 15 *in this section during nontraditional hours*
 16 *and the provision of onsite child care while*
 17 *such activities are being provided.”;*

18 *(B) in paragraph (2), by striking the mat-*
 19 *ter preceding subparagraph (A) and inserting*
 20 *the following:*

21 *“(2) SUPPORTIVE SERVICES.—Funds allocated to*
 22 *a local area for adults under paragraph (2)(A) or (3),*
 23 *as appropriate, of section 133(b), and funds allocated*
 24 *to the local area for dislocated workers under section*
 25 *133(b)(2)(B), may be used to provide supportive serv-*

1 *ices to adults and dislocated workers, respectively—*;
 2 *and*

3 *(C) by adding at the end the following:*

4 *“(4) INCUMBENT WORKER TRAINING PRO-*
 5 *GRAMS.—*

6 *“(A) IN GENERAL.—The local board may*
 7 *use up to 10 percent of the funds allocated to the*
 8 *local area involved under section 133(b) to pay*
 9 *for the Federal share of the cost of providing*
 10 *training through an incumbent worker training*
 11 *program carried out in accordance with this*
 12 *paragraph. The Governor or State board may*
 13 *make recommendations to the local board regard-*
 14 *ing incumbent worker training with statewide*
 15 *impact.*

16 *“(B) TRAINING ACTIVITIES.—The training*
 17 *program for incumbent workers carried out*
 18 *under this paragraph shall be carried out by the*
 19 *local board in conjunction with the employers or*
 20 *groups of employers of such workers for the pur-*
 21 *pose of assisting such workers in obtaining the*
 22 *skills necessary to retain employment or avert*
 23 *layoffs.*

24 *“(C) EMPLOYER SHARE REQUIRED.—*

1 “(i) *IN GENERAL.*—Employers partici-
 2 *pating in the program carried out under*
 3 *this paragraph shall be required to pay the*
 4 *non-Federal share of the costs of providing*
 5 *the training to incumbent workers of the*
 6 *employers. The local board shall establish*
 7 *the non-Federal share of such costs, which*
 8 *may include in-kind contributions. The*
 9 *non-Federal share shall not be less than—*

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

12 “(II) 25 percent of the costs, for
 13 *employers with more than 50 employ-*
 14 *ees but fewer than 100 employees; and*

15 “(III) 50 percent of the costs, for
 16 *employers with 100 or more employees.*

17 “(ii) *CALCULATION OF EMPLOYER*
 18 *SHARE.*—*The non-Federal share paid by*
 19 *such an employer may include the amount*
 20 *of the wages paid by the employer to a*
 21 *worker while the worker is attending a*
 22 *training program under this paragraph.”.*

23 **SEC. 122. PERFORMANCE ACCOUNTABILITY SYSTEM.**

24 *(a) STATE PERFORMANCE MEASURES.*—

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

3 (A) in clause (i)—

4 (i) in the matter preceding subclause
5 (I), by striking “and (for participants who
6 are eligible youth age 19 through 21) for
7 youth activities authorized under section
8 129”;

9 (ii) by striking subclause (III) and in-
10 serting the following:

11 “(III) increases in earnings from
12 unsubsidized employment; and”; and

13 (iii) in subclause (IV), by striking “,
14 or by participants” and all that follows
15 through “unsubsidized employment”; and

16 (B) by striking clause (ii) and inserting the
17 following:

18 “(ii) *CORE INDICATORS FOR ELIGIBLE*
19 *YOUTH.*—The core indicators of performance
20 for youth activities authorized under section
21 129 shall consist of—

22 “(I) entry into employment, edu-
23 cation or advanced training, or mili-
24 tary service;

1 “(II) attainment of secondary
 2 school diplomas or their recognized
 3 equivalents, and postsecondary certifi-
 4 cates; and
 5 “(III) literacy or numeracy
 6 gains.”.

7 (2) *ADDITIONAL INDICATORS.*—Section
 8 136(b)(2)(C) (29 U.S.C. 2871(b)(2)(C)) is amended to
 9 read as follows:

10 “(C) *ADDITIONAL INDICATORS.*—A State
 11 may identify in the State plan additional indi-
 12 cators for workforce investment activities under
 13 this subtitle, including indicators identified in
 14 collaboration with State business and industry
 15 associations, with employee representatives where
 16 applicable, and with local boards, to measure the
 17 performance of the workforce investment system
 18 in serving the workforce needs of business and
 19 industry in the State.”.

20 (3) *LEVELS OF PERFORMANCE.*—Section
 21 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amended—
 22 (A) in clause (iii)—
 23 (i) in the heading, by striking “FOR
 24 FIRST 3 YEARS”;

1 (ii) by striking “and the customer sat-
 2 isfaction indicator of performance, for the
 3 first 3” and inserting “described in clauses
 4 (i) and (ii) of paragraph (2)(A) and the
 5 customer satisfaction indicator of perform-
 6 ance, for the first 2”; and

7 (iii) by inserting at the end the fol-
 8 lowing: “Agreements on levels of perform-
 9 ance for each of the core indicators of per-
 10 formance for the third and fourth program
 11 years covered by the State plan shall be
 12 reached prior to the beginning of the third
 13 program year covered by the State plan,
 14 and incorporated as a modification to the
 15 State plan.”;

16 (B) in clause (iv)—

17 (i) in subclause (II)—

18 (I) by striking “taking into ac-
 19 count” and inserting “and shall ensure
 20 that the levels involved are adjusted,
 21 using objective statistical methods,
 22 based on”;

23 (II) by inserting “(such as dif-
 24 ferences in unemployment rates and

1 *job losses or gains in particular indus-*
 2 *tries)” after “economic conditions”;*

3 (III) *by inserting “(such as indi-*
 4 *cators of poor work history, lack of*
 5 *work experience, lack of educational or*
 6 *occupational skills attainment, disloca-*
 7 *tion from high-wage and benefit em-*
 8 *ployment, low levels of literacy or*
 9 *English proficiency, disability status,*
 10 *homelessness, and welfare dependency)”*
 11 *after “program”; and*

12 (IV) *by striking “and” at the end;*

13 (ii) *in subclause (III), by striking the*
 14 *period and inserting “; and”; and*

15 (iii) *by adding at the end the fol-*
 16 *lowing:*

17 “(IV) *the extent to which the levels*
 18 *involved will assist the State in meet-*
 19 *ing the national goals described in*
 20 *clause (v).”;*

21 (C) *by striking clause (v) and inserting the*
 22 *following:*

23 “(v) *ESTABLISHMENT OF NATIONAL*
 24 *GOALS.—In order to promote enhanced per-*
 25 *formance outcomes on the performance*

measures and to facilitate the process of reaching agreements with the States under clause (iii) and to measure systemwide performance for the one-stop delivery systems of the States, the Secretary shall establish long-term national goals for the adjusted levels of performance for that systemwide performance to be achieved by the programs assisted under chapters 4 and 5 on the core indicators of performance described in subparagraphs (A) and (B) of subsection (b)(2). Such goals shall be established in accordance with the Government Performance and Results Act of 1993 in consultation with the States and other appropriate parties.”; and

(D) in clause (vi)—

(i) by striking “or (v)”; and

(ii) by striking “with the representatives described in subsection (i)” and inserting “with the States and other interested parties”.

(b) *LOCAL PERFORMANCE MEASURES.*—Section

136(c)(3) (29 U.S.C 2871(c)(3))—

1 (1) by striking “shall take into account” and in-
 2 serting “shall ensure that the levels involved are ad-
 3 justed, using objective statistical methods, based on”;

4 (2) by inserting “(characteristics such as unem-
 5 ployment rates and job losses or gains in particular
 6 industries)” after “economic”; and

7 (3) by inserting “(characteristics such as indica-
 8 tors of poor work history, lack of work experience,
 9 lack of educational and occupational skills attain-
 10 ment, dislocation from high-wage and benefit employ-
 11 ment, low levels of literacy or English proficiency,
 12 disability status, homelessness, and welfare depend-
 13 ency)” after “demographic”.

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

16 (1) in paragraph (1), by adding at the end the
 17 following: “In the case of a State or local area that
 18 chooses to expend funds for activities under subsection
 19 (a)(3)(A)(i) or (e)(1)(A)(xi), respectively, of section
 20 134, the report also shall include the amount of such
 21 funds so expended and the percentage that such funds
 22 are of the funds available for activities under section
 23 134.”;

24 (2) in paragraph (2)—

25 (A) in subparagraph (E)—

1 (i) by striking “(excluding partici-
 2 pants who received only self-service and in-
 3 formational activities)”; and

4 (ii) by striking “and” after the semi-
 5 colon;

6 (B) in subparagraph (F)—

7 (i) by inserting “noncustodial parents
 8 with child support obligations, homeless in-
 9 dividuals,” after “displaced homemakers,”;
 10 and

11 (ii) by striking the period and insert-
 12 ing a semicolon; and

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

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

16 “(H) the amount of adult and dislocated
 17 worker funds spent on—

18 “(i) core, intensive, and training serv-
 19 ices, respectively; and

20 “(ii) services provided under subsection
 21 (a)(3)(A)(i) or (e)(1)(A)(xi) of section 134,
 22 if applicable.”; and

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

24 “(4) DATA VALIDATION.—In preparing the re-
 25 ports described in this subsection, the States shall es-

1 *tablish procedures, consistent with guidelines issued*
 2 *by the Secretary, to ensure that the information con-*
 3 *tained in the reports is valid and reliable.”.*

4 *(d) EVALUATION OF STATE PROGRAMS.—Section*
 5 *136(e)(3) is amended by inserting “, including information*
 6 *on promoting self-sufficiency and comparable pay between*
 7 *men and women” after “employers”.*

8 *(e) SANCTIONS FOR STATE.—Section 136(g) is amend-*
 9 *ed—*

10 *(1) in paragraph (1)(B), by striking “If such*
 11 *failure continues for a second consecutive year” and*
 12 *inserting “If a State performs at less than 80 percent*
 13 *of the adjusted level of performance for core indicators*
 14 *of performance described in subsection (b)(2)(A) for 2*
 15 *consecutive years”; and*

16 *(2) in paragraph (2), by striking “section 503”*
 17 *and inserting “subsection (i)(1)”.*

18 *(f) SANCTIONS FOR LOCAL AREA.—Section*
 19 *136(h)(2)(A) (29 U.S.C. 2871(h)(2)(A)) is amended—*

20 *(1) in the matter preceding clause (i), by strik-*
 21 *ing “If such failure continues for a second consecutive*
 22 *year” and inserting “If a local area performs at less*
 23 *than 80 percent of the adjusted level of performance*
 24 *for core indicators of performance described in sub-*
 25 *section (b)(2)(A) for 2 consecutive years”;*

1 (2) *in clause (ii), by striking “or” after the semi-*
 2 *colon;*

3 (3) *by redesignating clause (iii) as clause (iv);*
 4 *and*

5 (4) *by inserting after clause (ii) the following:*

6 *“(iii) redesignate the local area in ac-*
 7 *cordance with section 116(b)(2); or”.*

8 (g) *INCENTIVE GRANTS.—Section 136(i) (29 U.S.C.*
 9 *2871(i)) is amended to read as follows:*

10 *“(i) INCENTIVE GRANTS FOR LOCAL AREAS.—*

11 *“(1) IN GENERAL.—From funds reserved under*
 12 *sections 128(a) and 133(a)(1), the Governor involved*
 13 *shall award incentive grants to local areas for per-*
 14 *formance described in paragraph (2) in carrying out*
 15 *programs under chapters 4 and 5.*

16 *“(2) BASIS.—The Governor shall award the*
 17 *grants on the basis—*

18 *“(A) that the local areas met or exceeded the*
 19 *performance measures established under sub-*
 20 *section (c)(2) relating to indicators described in*
 21 *subsection (b)(3)(A)(iii);*

22 *“(B) of exemplary performance of the local*
 23 *areas in serving hard-to-serve populations; or*

24 *“(C) that the local areas are effectively—*

1 “(i) coordinating multiple systems into
 2 a comprehensive workforce investment sys-
 3 tem, including coordination of employment
 4 services under the Wagner-Peyser Act and
 5 core activities under this title as well as
 6 one-stop partner programs described in sec-
 7 tion 121;

8 “(ii) expanding access to training, in-
 9 cluding through increased leveraging of re-
 10 sources other than those funded through pro-
 11 grams under this title; or

12 “(iii) implementing innovative busi-
 13 ness and economic development initiatives.

14 “(3) *USE OF FUNDS.*—The funds awarded to a
 15 local area under this paragraph may be used to carry
 16 out activities authorized for local areas under chap-
 17 ters 4 and 5, and such demonstration projects or in-
 18 novative programs for hard-to-serve populations as
 19 may be approved by the Governor.”.

20 “(g) *USE OF CORE MEASURES IN OTHER DEPARTMENT*
 21 *OF LABOR PROGRAMS.*—Section 136 (29 U.S.C. 2871) is
 22 amended by adding at the end the following:

23 “(j) *USE OF CORE INDICATORS FOR OTHER PRO-*
 24 *GRAMS.*—In addition to the programs carried out under
 25 chapters 4 and 5, and consistent with the requirements of

1 *the applicable authorizing laws, the Secretary shall use the*
 2 *indicators of performance described in subparagraphs (A)*
 3 *and (B) of subsection (b)(2) to assess the effectiveness of the*
 4 *programs described in clauses (i), (ii), and (vi) of section*
 5 *121(b)(1)(B) that are carried out by the Secretary.”.*

6 *(h) PREVIOUS DEFINITIONS OF CORE INDICATORS.—*
 7 *Section 502 (29 U.S.C. 9272) is repealed.*

8 **SEC. 123. AUTHORIZATION OF APPROPRIATIONS.**

9 *(a) YOUTH ACTIVITIES.—Section 137(a) (29 U.S.C.*
 10 *2872(a)) is amended by striking “such sums as may be nec-*
 11 *essary for each of fiscal years 1999 through 2003” and in-*
 12 *serting “such sums as may be necessary for each of fiscal*
 13 *years 2004 through 2009”.*

14 *(b) ADULT EMPLOYMENT AND TRAINING ACTIVI-*
 15 *TIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by*
 16 *striking “such sums as may be necessary for each of fiscal*
 17 *years 1999 through 2003” and inserting “such sums as may*
 18 *be necessary for each of fiscal years 2004 through 2009”.*

19 *(c) DISLOCATED WORKER EMPLOYMENT AND TRAIN-*
 20 *ING ACTIVITIES.—Section 137(c) (29 U.S.C. 2872(c)) is*
 21 *amended by striking “such sums as may be necessary for*
 22 *each of fiscal years 1999 through 2003” and inserting “such*
 23 *sums as may be necessary for each of fiscal years 2004*
 24 *through 2009”.*

Subtitle C—Job Corps

SEC. 131. JOB CORPS.

(a) *ELIGIBILITY.*—Section 144(3) (29 U.S.C. 2884(3)) is amended by adding at the end the following:

“(F) A child eligible for assistance under section 477 of the Social Security Act.”.

(b) *IMPLEMENTATION OF STANDARDS AND PROCEDURES.*—Section 145(a)(3) (29 U.S.C. 2885(a)(3)) is amended—

(1) in subparagraph (B), by striking “and” after the semicolon;

(2) in subparagraph (C), by striking the period and inserting “; and”; and

(3) by adding at the end the following:

“(D) child welfare agencies that are responsible for children in foster care and children eligible for assistance under section 477 of the Social Security Act.”.

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

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

(2) by adding at the end the following:

“(3) *EMPLOYERS OUTSIDE OF LOCAL AREA.*—The industry council may include, or otherwise pro-

1 *vide for consultation with, employers from outside the*
 2 *local area who are likely to hire a significant number*
 3 *of enrollees from the Job Corps center.*

4 “(4) *SPECIAL RULE FOR SINGLE LOCAL AREA*
 5 *STATES.—In the case of a single local area State des-*
 6 *ignated under section 116(b), the industry council*
 7 *shall include a representative of the State Board.”.*

8 (d) *INDICATORS OF PERFORMANCE.—Section 159 (29*
 9 *U.S.C. 2899) is amended—*

10 (1) *in subsection (c)—*

11 (A) *by striking paragraph (1) and inserting*
 12 *the following:*

13 “(1) *PERFORMANCE INDICATORS.—The Secretary*
 14 *shall annually establish expected levels of performance*
 15 *for Job Corps centers and the Job Corps program re-*
 16 *lating to each of the core indicators of performance*
 17 *for youth activities identified in section*
 18 *136(b)(2)(A)(ii).”;*

19 (B) *in paragraph (2), by striking “meas-*
 20 *ures” each place it appears and inserting “indi-*
 21 *cators”;* *and*

22 (C) *in paragraph (3)—*

23 (i) *in the first sentence, by striking*
 24 *“core performance measures, as compared to*
 25 *the expected performance level for each per-*

1 *formance measure” and inserting “perform-*
 2 *ance indicators described in paragraph (1),*
 3 *as compared to the expected level of per-*
 4 *formance established under paragraph (1)*
 5 *for each performance measure”;* and

6 *(ii) in the second sentence, by striking*
 7 *“measures” each place it appears and in-*
 8 *serting “indicators”;* and

9 *(2) in subsection (f)(2), in the first sentence, by*
 10 *striking “core performance measures” and inserting*
 11 *“indicators of performance”.*

12 *(e) AUTHORIZATION OF APPROPRIATIONS.—Section*
 13 *161 (29 U.S.C. 2901) is amended by striking “1999 through*
 14 *2003” and inserting “2004 through 2009”.*

15 ***Subtitle D—National Programs***

16 ***SEC. 141. NATIVE AMERICAN PROGRAMS.***

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

19 *“(C) DUTIES.—The Council shall advise the*
 20 *Secretary on the operation and administration*
 21 *of the programs assisted under this section, in-*
 22 *cluding the selection of the individual appointed*
 23 *as head of the unit established under paragraph*
 24 *(1).”.*

1 **(b) ASSISTANCE TO UNIQUE POPULATIONS IN ALASKA**
 2 **AND HAWAII.—Section 166(j) (29 U.S.C. 2911(j)) is**
 3 *amended to read as follows:*

4 **“(j) ASSISTANCE TO UNIQUE POPULATIONS IN ALASKA**
 5 **AND HAWAII.—**

6 **“(1) IN GENERAL.—***Notwithstanding any other*
 7 *provision of law, the Secretary is authorized to pro-*
 8 *vide assistance to unique populations who reside in*
 9 *Alaska or Hawaii to improve job training and work-*
 10 *force investment activities.*

11 **“(2) AUTHORIZATION OF APPROPRIATIONS.—**
 12 *There are authorized to be appropriated to carry out*
 13 *this subsection such sums as may be necessary for fis-*
 14 *cal year 2004.”.*

15 **(c) PERFORMANCE INDICATORS.—Section 166 (29**
 16 **U.S.C. 2911) is amended by adding at the end the fol-**
 17 *lowing’:*

18 **“(k) PERFORMANCE INDICATORS.—**

19 **“(1) DEVELOPMENT OF INDICATORS.—***The Sec-*
 20 *retary, in consultation with the Native American*
 21 *Employment and Training Council, shall develop a*
 22 *set of performance indicators and standards which*
 23 *shall be applicable to programs under this section.*

1 “(2) *SPECIAL CONSIDERATIONS.*—Such perform-
 2 *ance indicators and standards shall take into ac-*
 3 *count—*

4 “(A) *the purposes of the programs under*
 5 *this section as described in paragraph (a)(1);*

6 “(B) *the needs of the groups served by this*
 7 *section, including the differences in needs among*
 8 *such groups in various geographic service areas;*
 9 *and*

10 “(C) *the economic circumstances of the com-*
 11 *munities served, including differences in cir-*
 12 *cumstances among various geographic service*
 13 *areas.”.*

14 **SEC. 142. MIGRANT AND SEASONAL FARMWORKER PRO-**
 15 **GRAMS.**

16 *Section 167(d) (29 U.S.C. 2912(d)) is amended by in-*
 17 *serting “(including permanent housing)” after “housing”.*

18 **SEC. 143. VETERANS’ WORKFORCE INVESTMENT PRO-**
 19 **GRAMS.**

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

23 **SEC. 144. YOUTH CHALLENGE GRANTS.**

24 *Section 169 (29 U.S.C. 2914) is amended to read as*
 25 *follows:*

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

2 “(a) *IN GENERAL.*—*Of the amounts reserved by the*
3 *Secretary under section 127(b)(1)(A) for a fiscal year—*

4 “(1) *the Secretary shall use not less than 80 per-*
5 *cent to award competitive grants under subsection*
6 *(b); and*

7 “(2) *the Secretary may use not more than 20*
8 *percent to award discretionary grants under sub-*
9 *section (c).*

10 “(b) *COMPETITIVE GRANTS TO STATES AND LOCAL*
11 *AREAS.*—

12 “(1) *ESTABLISHMENT.*—*From the funds de-*
13 *scribed in subsection (a)(1), the Secretary shall award*
14 *competitive grants to eligible entities to carry out ac-*
15 *tivities authorized under this subsection to assist eli-*
16 *gible youth in acquiring the skills, credentials, and*
17 *employment experience necessary to achieve the per-*
18 *formance outcomes for youth described in section 136*

19 “(2) *ELIGIBLE ENTITY.*—*In this subsection, the*
20 *term ‘eligible entity’ means—*

21 “(A) *a State or consortium of States;*

22 “(B) *a local board or consortium of local*
23 *boards;*

24 “(C) *a recipient of a grant under section*
25 *166 (relating to Native American programs); or*

1 “(D) a public or private entity (including
2 a consortium of such entities) with expertise in
3 the provision of youth activities, applying in
4 partnership with a local board or consortium of
5 local boards.

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

11 “(A) a description of the activities the eligi-
12 ble entity will provide to eligible youth under
13 this subsection, and how the eligible entity will
14 collaborate with State and local workforce invest-
15 ment systems established under this title in the
16 provision of such activities;

17 “(B) a description of the programs of dem-
18 onstrated effectiveness on which the provision of
19 the activities under subparagraph (A) are based,
20 and a description of how such activities will ex-
21 pand the base of knowledge relating to the provi-
22 sion of activities for youth;

23 “(C) a description of the State, local, and
24 private resources that will be leveraged to pro-
25 vide the activities described under subparagraph

1 (A) *in addition to funds provided under this*
 2 *subsection, and a description of the extent of the*
 3 *involvement of employers in the activities;*

4 “(D) *the levels of performance the eligible*
 5 *entity expects to achieve with respect to the indi-*
 6 *cators of performance for youth specified in sec-*
 7 *tion 136(b)(2)(A)(ii); and*

8 “(E) *an assurance that the State board of*
 9 *each State in which the proposed activities are*
 10 *to be carried out had the opportunity to review*
 11 *the application, and including the comments, if*
 12 *any, of the affected State boards on the applica-*
 13 *tion, except that this subparagraph shall not*
 14 *apply to an eligible entity described in para-*
 15 *graph (2)(C).*

16 “(4) *FACTORS FOR AWARD.—*

17 “(A) *IN GENERAL.—In awarding grants*
 18 *under this subsection the Secretary shall con-*
 19 *sider—*

20 “(i) *the quality of the proposed activi-*
 21 *ties;*

22 “(ii) *the goals to be achieved;*

23 “(iii) *the likelihood of successful imple-*
 24 *mentation;*

1 “(iv) the extent to which the proposed
2 activities are based on proven strategies or
3 the extent to which the proposed activities
4 will expand the base of knowledge relating
5 to the provision of activities for youth;

6 “(v) the extent of collaboration with the
7 State and local workforce investment sys-
8 tems in carrying out the proposed activities;

9 “(vi) the extent of employer involve-
10 ment in the proposed activities;

11 “(vii) whether there are other Federal
12 and non-Federal funds available for similar
13 activities to the proposed activities, and the
14 additional State, local, and private re-
15 sources that will be provided to carry out
16 the proposed activities; and

17 “(viii) the quality of proposed activi-
18 ties in meeting the needs of the youth to be
19 served.

20 “(B) *EQUITABLE GEOGRAPHIC DISTRIBUTION.*—In awarding grants under this subsection
21 the Secretary shall ensure an equitable distribu-
22 tion of such grants across geographically diverse
23 areas.

24 “(5) *USE OF FUNDS.*—

1 “(A) *IN GENERAL.*—*An eligible entity that*
2 *receives a grant under this subsection shall use*
3 *the grant funds to carry out activities that are*
4 *designed to assist youth in acquiring the skills,*
5 *credentials, and employment experience that are*
6 *necessary to succeed in the labor market, includ-*
7 *ing the activities identified in section 129.*

8 “(B) *ACTIVITIES.*—*The activities carried*
9 *out pursuant to subparagraph (A) may include*
10 *the following:*

11 “(i) *Training and internships for out-*
12 *of-school youth in sectors of the economy ex-*
13 *periencing, or projected to experience, high*
14 *growth.*

15 “(ii) *Dropout prevention activities for*
16 *in-school youth.*

17 “(iii) *Activities designed to assist spe-*
18 *cial youth populations, such as court-in-*
19 *volved youth and youth with disabilities.*

20 “(iv) *Activities combining remediation*
21 *of academic skills, work readiness training,*
22 *and work experience, and including link-*
23 *ages to postsecondary education, apprentice-*
24 *ships, and career-ladder employment.*

1 “(v) *Activities, including work experi-*
2 *ence, paid internships, and entrepreneurial*
3 *training, in areas where there is a migra-*
4 *tion of youth out of the areas.*

5 “(C) *PARTICIPANT ELIGIBILITY.—Youth*
6 *who are 14 years of age through 21 years of age,*
7 *as of the time the eligibility determination is*
8 *made, may be eligible to participate in activities*
9 *carried out under this subsection.*

10 “(6) *GRANT PERIOD.—The Secretary shall make*
11 *a grant under this subsection for a period of 2 years*
12 *and may renew the grant, if the eligible entity has*
13 *performed successfully, for a period of not more than*
14 *3 succeeding years.*

15 “(7) *MATCHING FUNDS REQUIRED.—The Sec-*
16 *retary shall require that an eligible entity that re-*
17 *ceives a grant under this subsection provide non-Fed-*
18 *eral matching funds in an amount to be determined*
19 *by the Secretary that is not less than 10 percent of*
20 *the cost of activities carried out under the grant. The*
21 *Secretary may require that such non-Federal match-*
22 *ing funds be provided in cash resources, noncash re-*
23 *sources, or a combination of cash and noncash re-*
24 *sources.*

1 “(8) *EVALUATION.*—*The Secretary shall reserve*
 2 *not more than 3 percent of the funds described in sub-*
 3 *section (a)(1) to provide technical assistance to, and*
 4 *conduct evaluations of (using appropriate techniques*
 5 *as described in section 172(c)), the projects funded*
 6 *under this subsection.*

7 “(c) *DISCRETIONARY GRANTS FOR YOUTH ACTIVI-*
 8 *TIES.*—

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

14 “(2) *ELIGIBLE ENTITY.*—*In this subsection, the*
 15 *term ‘eligible entity’ means a public or private entity*
 16 *that the Secretary determines would effectively carry*
 17 *out activities relating to youth under this subsection.*

18 “(3) *EQUITABLE DISTRIBUTION TO RURAL*
 19 *AREAS.*—*In awarding grants under this subsection*
 20 *the Secretary shall ensure an equitable distribution of*
 21 *such grants to rural areas.*

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

1 *in such manner, and containing such information as*
 2 *the Secretary may require.*

3 “(5) *USE OF FUNDS.—*

4 “(A) *IN GENERAL.—An eligible entity that*
 5 *receives a grant under this subsection shall use*
 6 *the grant funds to carry out—*

7 “(i) *activities that will assist youth in*
 8 *preparing for, and entering and retaining,*
 9 *employment, including the activities de-*
 10 *scribed in section 129 for out-of-school*
 11 *youth;*

12 “(ii) *activities designed to assist in-*
 13 *school youth to stay in school and gain*
 14 *work experience;*

15 “(iii) *activities designed to assist youth*
 16 *in economically distressed areas; and*

17 “(iv) *such other activities that the Sec-*
 18 *retary determines are appropriate to ensure*
 19 *that youth entering the workforce have the*
 20 *skills needed by employers.*

21 “(B) *PARTICIPANT ELIGIBILITY.—Youth*
 22 *who are 14 years of age through 21 years of age,*
 23 *as of the time the eligibility determination is*
 24 *made, may be eligible to participate in activities*
 25 *carried out under this subsection.*

1 “(6) *MATCHING FUNDS REQUIRED.*—*The Sec-*
 2 *retary shall require that an eligible entity that re-*
 3 *ceives a grant under this subsection provide non-Fed-*
 4 *eral matching funds in an amount to be determined*
 5 *by the Secretary that is not less than 10 percent of*
 6 *the cost of activities carried out under the grant. The*
 7 *Secretary may require that such non-Federal match-*
 8 *ing funds be provided in cash resources, noncash re-*
 9 *sources, or a combination of cash and noncash re-*
 10 *sources.*

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

17 **SEC. 145. TECHNICAL ASSISTANCE.**

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

19 *(1) in subsection (a)(1), by—*

20 *(A) inserting “the training of staff pro-*
 21 *viding rapid response services, the training of*
 22 *other staff of recipients of funds under this title,*
 23 *the training of members of State boards and*
 24 *local boards, peer review activities under this*
 25 *title,” after “localities,”; and*

1 (B) striking “from carrying out activities”
 2 and all that follows through the period and in-
 3 serting “to implement the amendments made by
 4 the Workforce Investment Act Amendments of
 5 2003.”;

6 (2) in subsection (a)(2), by adding at the end the
 7 following: “The Secretary shall also hire staff quali-
 8 fied to provide the assistance described in paragraph
 9 (1).”;

10 (3) in subsection (b)(2), by striking the last sen-
 11 tence and inserting “Such projects shall be adminis-
 12 tered by the Employment and Training Administra-
 13 tion.”; and

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

15 “(c) *BEST PRACTICES COORDINATION.*—The Secretary
 16 shall—

17 “(1) establish a system through which States
 18 may share information regarding best practices with
 19 regard to the operation of workforce investment ac-
 20 tivities under this Act;

21 “(2) evaluate and disseminate information re-
 22 garding best practices and identify knowledge gaps;
 23 and

1 “(3) commission research under section 172 to
 2 address knowledge gaps identified under paragraph
 3 (2).”.

4 **SEC. 146. DEMONSTRATION, PILOT, MULTISERVICE, RE-**
 5 **SEARCH, AND MULTISTATE PROJECTS.**

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

8 (1) in paragraph (1)—

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

11 (B) by striking subparagraphs (A) through
 12 (E) and inserting the following:

13 “(A) projects that assist national employers
 14 in connecting with the workforce investment sys-
 15 tem established under this title in order to facili-
 16 tate the recruitment and employment of needed
 17 workers for career ladder jobs and to provide in-
 18 formation to such system on skills and occupa-
 19 tions in demand;

20 “(B) projects that promote the development
 21 of systems that will improve the maximum effec-
 22 tiveness of programs carried out under this title;

23 “(C) projects that focus on opportunities for
 24 employment in industries and sectors of indus-
 25 tries that are experiencing, or are likely to expe-

1 *rience, high rates of growth and jobs with wages*
 2 *leading to self-sufficiency;*

3 *“(D) computerized, individualized, self-*
 4 *paced training projects targeted to dislocated,*
 5 *disadvantaged, or incumbent workers utilizing*
 6 *equipment and curriculum designed in partner-*
 7 *ship with industries for employment in the oper-*
 8 *ations, repair, and maintenance of high-tech*
 9 *equipment that is used in integrated systems*
 10 *technology;*

11 *“(E) projects carried out by States and*
 12 *local areas to test innovative approaches to deliv-*
 13 *ering employment-related services;”;*

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

16 *(D) by striking subparagraph (H) and in-*
 17 *serting the following:*

18 *“(H) projects that provide retention grants,*
 19 *which shall—*

20 *“(i) be made to qualified job training*
 21 *programs offering instruction, assessment,*
 22 *or professional coaching, upon placement of*
 23 *a low-income individual trained by the pro-*
 24 *gram involved in employment with an em-*
 25 *ployer and retention of the low-income indi-*

vidual in that employment with that employer for a period of 1 year, if that employment provides the low-income individual with an annual salary—

“(I) that is at least \$10,000 more than the individual’s federally adjusted income for the previous year; and

“(II) that is not less than twice the poverty line applicable to the individual; and

“(ii) be made taking into account the economic benefit received by the Federal Government from the employment and retention of the individual, including the economic benefit from tax revenue and decreased public subsidies;

“(I) targeted innovation projects that improve access to and delivery of employment and training services, with emphasis given to projects that incorporate advanced technologies to facilitate the connection of individuals to the information and tools they need to upgrade skills;

“(J) projects that promote the use of distance learning, enabling students to take courses through the use of media technology such as vid-

1 *eos, teleconferencing computers, and the Internet;*
 2 *and*

3 “(K) *projects that provide comprehensive*
 4 *education and training services, and support*
 5 *services, in coordination with local boards, for*
 6 *populations in targeted high poverty areas where*
 7 *the greatest barriers to employment exist, includ-*
 8 *ing ex-offenders, out-of-school youth, and public*
 9 *assistance recipient populations.”; and*

10 *(2) in paragraph (2)—*

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

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

14 *(b) MULTISERVICE PROJECTS.—Section 171(c)(2)(B)*

15 *(29 U.S.C. 2916(c)(2)(B)) is amended to read as follows:*

16 “(B) *STUDIES AND REPORTS.—*

17 “(i) *NET IMPACT STUDIES AND RE-*
 18 *PORTS.—*

19 “(I) *IN GENERAL.—The Secretary,*
 20 *in coordination with the Secretary of*
 21 *Education, shall conduct studies to de-*
 22 *termine the net impacts of programs,*
 23 *services, and activities carried out*
 24 *under this title.*

1 “(II) *REPORTS.*—*The Secretary*
 2 *shall prepare and disseminate to the*
 3 *public reports containing the results of*
 4 *the studies conducted under subclause*
 5 *(I).*

6 “(ii) *STUDY ON RESOURCES AVAILABLE*
 7 *TO ASSIST OUT-OF-SCHOOL YOUTH.*—*The*
 8 *Secretary, in coordination with the Sec-*
 9 *retary of Education, may conduct a study*
 10 *examining the resources available at the*
 11 *Federal, State, and local levels to assist out-*
 12 *of-school youth in obtaining the skills, cre-*
 13 *dentials, and work experience necessary to*
 14 *become successfully employed, including the*
 15 *availability of funds provided through aver-*
 16 *age daily attendance and other methodolo-*
 17 *gies used by States and local areas to dis-*
 18 *tribute funds.*

19 “(iii) *STUDY OF INDUSTRY-BASED CER-*
 20 *TIFICATION AND CREDENTIALS.*—

21 “(I) *IN GENERAL.*—*The Secretary*
 22 *shall conduct a study concerning the*
 23 *role and benefits of credentialing and*
 24 *certification to businesses and workers*
 25 *in the economy and the implications of*

1 *certification to the services provided*
2 *through the workforce investment sys-*
3 *tem. The study may examine issues*
4 *such as—*

5 *“(aa) the characteristics of*
6 *successful credentialing and cer-*
7 *tification systems that serve busi-*
8 *ness and individual needs;*

9 *“(bb) the relative proportions*
10 *of certificates and credentials at-*
11 *tained with assistance from the*
12 *public sector, with private-sector*
13 *training of new hires or incum-*
14 *bent workers, and by individuals*
15 *on their own initiative without*
16 *other assistance, respectively;*

17 *“(cc) the return on human*
18 *capital investments from occupa-*
19 *tional credentials and industry-*
20 *based skill certifications, includ-*
21 *ing the extent to which acquisi-*
22 *tion of such credentials or certifi-*
23 *cates enhances outcomes such as*
24 *entry into employment, retention,*
25 *earnings (including the number*

1 *and amount of wage increases),*
2 *career advancement, and layoff*
3 *aversion;*

4 *“(dd) the implications of the*
5 *effects of skill certifications and*
6 *credentials to the types and deliv-*
7 *ery of services provided through*
8 *the workforce investment system;*

9 *“(ee) the role that Federal*
10 *and State governments play in*
11 *fostering the development of and*
12 *disseminating credentials and*
13 *skill standards; and*

14 *“(ff) the use of credentials by*
15 *businesses to achieve goals for*
16 *workforce skill upgrading and*
17 *greater operating efficiency.*

18 *“(II) REPORT TO CONGRESS.—*
19 *The Secretary shall prepare and sub-*
20 *mit to Congress a report containing*
21 *the results of the study conducted pur-*
22 *suant to subclause (I). Such report*
23 *may include any recommendations*
24 *that the Secretary determines are ap-*
25 *propriate to include in such report re-*

1 *lating to promoting the acquisition of*
 2 *industry-based certification and cre-*
 3 *dentials, and the appropriate role of*
 4 *the Department of Labor and the work-*
 5 *force investment system in supporting*
 6 *the needs of business and individuals*
 7 *with respect to such certification and*
 8 *credentials.*

9 “(iv) *STUDY OF EFFECTIVENESS OF*
 10 *WORKFORCE INVESTMENT SYSTEM IN MEET-*
 11 *ING BUSINESS NEEDS.—*

12 “(I) *IN GENERAL.—Using funds*
 13 *available to carry out this section*
 14 *jointly with funds available to the Sec-*
 15 *retary of Commerce and Administrator*
 16 *of the Small Business Administration,*
 17 *the Secretary, in coordination with the*
 18 *Secretary of Commerce and the Ad-*
 19 *ministrator of the Small Business Ad-*
 20 *ministration, may conduct a study of*
 21 *the effectiveness of the workforce invest-*
 22 *ment system in meeting the needs of*
 23 *business, with particular attention to*
 24 *the needs of small business, including*
 25 *in assisting workers to obtain the skills*

1 *needed to utilize emerging technologies.*

2 *In conducting the study, the Secretary,*

3 *in coordination with the Secretary of*

4 *Commerce and the Administrator of*

5 *the Small Business Administration,*

6 *may examine issues such as—*

7 *“(aa) methods for identifying*

8 *the workforce needs of businesses*

9 *and how the requirements of small*

10 *businesses may differ from larger*

11 *establishments;*

12 *“(bb) business satisfaction*

13 *with the workforce investment sys-*

14 *tem, with particular emphasis on*

15 *the satisfaction of small busi-*

16 *nesses;*

17 *“(cc) the extent to which*

18 *business is engaged as a collabo-*

19 *rative partner in the workforce*

20 *investment system, including the*

21 *extent of business involvement as*

22 *members of State boards and local*

23 *boards, and the extent to which*

24 *such boards and one-stop centers*

25 *effectively collaborate with busi-*

1 *ness and industry leaders in de-*
2 *veloping workforce investment*
3 *strategies, including strategies to*
4 *identify high growth opportuni-*
5 *ties;*

6 *“(dd) ways in which the*
7 *workforce investment system ad-*
8 *dresses changing skill needs of*
9 *business that result from changes*
10 *in technology and work processes;*

11 *“(ee) promising practices for*
12 *serving small businesses;*

13 *“(ff) the extent and manner*
14 *in which the workforce investment*
15 *system uses technology to serve*
16 *business and individual needs,*
17 *and how uses of technology could*
18 *enhance efficiency and effective-*
19 *ness in providing services; and*

20 *“(gg) the extent to which var-*
21 *ious segments of the labor force*
22 *have access to and utilize tech-*
23 *nology to locate job openings and*
24 *apply for jobs, and characteristics*
25 *of individuals utilizing such tech-*

1 *nology (such as age, gender, race*
 2 *or ethnicity, industry sector, and*
 3 *occupational groups).*

4 “(II) *REPORT TO CONGRESS.—*
 5 *The Secretary shall prepare and sub-*
 6 *mit to Congress a report containing*
 7 *the results of the study described in*
 8 *clause (I). Such report may include*
 9 *any recommendations the Secretary de-*
 10 *termines are appropriate to include in*
 11 *such report, including ways to enhance*
 12 *the effectiveness of the workforce invest-*
 13 *ment system in meeting the needs of*
 14 *business for skilled workers.”.*

15 (c) *NEXT GENERATION TECHNOLOGIES.—Section 171*
 16 *(29 U.S.C. 2916) is amended by adding at the end the fol-*
 17 *lowing:*

18 “(e) *SKILL CERTIFICATION PILOT PROJECTS.—*
 19 “(1) *PILOT PROJECTS.—In accordance with sub-*
 20 *section (b) and from funds appropriated pursuant to*
 21 *paragraph (10), the Secretary shall establish and*
 22 *carry out not more than 10 pilot projects to establish*
 23 *a system of industry-validated national certifications*
 24 *of skills, including—*

1 “(A) not more than 8 national certifications
 2 of skills in high-technology industries, including
 3 biotechnology, telecommunications, highly auto-
 4 mated manufacturing (including semiconduc-
 5 tors), nanotechnology, and energy technology;
 6 and

7 “(B) not more than 2 cross-disciplinary na-
 8 tional certifications of skills in homeland secu-
 9 rity technology.

10 “(2) GRANTS TO ELIGIBLE ENTITIES.—In car-
 11 rying out the pilot projects, the Secretary shall make
 12 grants to eligible entities, for periods of not less than
 13 36 months and not more than 48 months, to carry out
 14 the authorized activities described in paragraph (7)
 15 with respect to the certifications described in para-
 16 graph (1). In awarding grants under this subsection
 17 the Secretary shall take into consideration awarding
 18 grants to eligible entities from diverse geographic
 19 areas, including rural areas.

20 “(3) ELIGIBLE ENTITIES.—

21 “(A) DEFINITION OF ELIGIBLE ENTITY.—In
 22 this subsection the term ‘eligible entity’ means
 23 an entity that shall work in conjunction with a
 24 local board and shall include as a principal par-
 25 ticipant one or more of the following:

1 “(i) *An educational institution, in-*
2 *cluding a 2- or 4-year college, or a technical*
3 *or vocational school.*

4 “(ii) *An advanced technology edu-*
5 *cation center.*

6 “(iii) *A local board.*

7 “(iv) *A representative of a business in*
8 *a target industry for the certification in-*
9 *volved.*

10 “(v) *A representative of an industry*
11 *association, labor organization, or commu-*
12 *nity development organization.*

13 “(B) *HISTORY OF DEMONSTRATED CAPA-*
14 *BILITY REQUIRED.—To be eligible to receive a*
15 *grant under this subsection, an eligible entity*
16 *shall have a history of demonstrated capability*
17 *for effective collaboration with industry on work-*
18 *force investment activities that is consistent with*
19 *the objectives of this title.*

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

1 “(5) *CRITERIA.*—*The Secretary shall establish*
 2 *criteria, consistent with paragraph (6), for awarding*
 3 *grants under this subsection.*

4 “(6) *PRIORITY.*—*In selecting eligible entities to*
 5 *receive grants under this subsection, the Secretary*
 6 *shall give priority to eligible entities that demonstrate*
 7 *the availability of and ability to provide matching*
 8 *funds from industry or nonprofit sources. Such*
 9 *matching funds may be provided in cash or in kind.*

10 “(7) *AUTHORIZED ACTIVITIES.*—

11 “(A) *IN GENERAL.*—*An eligible entity that*
 12 *receives a grant under this subsection shall use*
 13 *the funds made available through the grant—*

14 “(i) *to facilitate the establishment of*
 15 *certification requirements for a certification*
 16 *described in paragraph (1) for an industry;*

17 “(ii) *to develop and initiate a certifi-*
 18 *cation program that includes preparatory*
 19 *courses, course materials, procedures, and*
 20 *examinations, for the certification; and*

21 “(iii) *to collect and analyze data re-*
 22 *lated to the program at the program’s com-*
 23 *pletion, and to identify best practices (con-*
 24 *sistent with paragraph (8)) that may be*

1 *used by local and State workforce invest-*
2 *ment boards in the future.*

3 “(B) *BASIS FOR REQUIREMENTS.—The cer-*
4 *tification requirements established under the*
5 *grant shall be based on applicable skill standards*
6 *for the industry involved that have been devel-*
7 *oped by or linked to national centers of excellence*
8 *under the National Science Foundation’s Ad-*
9 *vanced Technological Education Program. The*
10 *requirements shall require an individual to dem-*
11 *onstrate an identifiable set of competencies rel-*
12 *evant to the industry in order to receive certifi-*
13 *cation. The requirements shall be designed to*
14 *provide evidence of a transferable skill set that*
15 *allows flexibility and mobility of workers within*
16 *a high technology industry.*

17 “(C) *RELATIONSHIP TO TRAINING AND EDU-*
18 *CATION PROGRAMS.—The eligible entity shall en-*
19 *sure that—*

20 “(i) *a training and education program*
21 *related to competencies for the industry in-*
22 *volved, that is flexible in mode and time-*
23 *frame for delivery and that meets the needs*
24 *of those seeking the certification, is offered;*
25 *and*

1 “(ii) the certification program is of-
 2 ferred at the completion of the training and
 3 education program.

4 “(D) *RELATIONSHIP TO THE ASSOCIATE*
 5 *DEGREE.*—The eligible entity shall ensure that
 6 the certification program is consistent with the
 7 requirements for a 2-year associate degree.

8 “(E) *AVAILABILITY.*—The eligible entity
 9 shall ensure that the certification program is
 10 open to students pursuing associate degrees, em-
 11 ployed workers, and displaced workers.

12 “(8) *CONSULTATION.*—The Secretary shall con-
 13 sult with the Director of the National Science Foun-
 14 dation to ensure that the pilot projects build on the
 15 expertise and information about best practices gained
 16 through the implementation of the National Science
 17 Foundation’s Advanced Technological Education Pro-
 18 gram.

19 “(9) *CORE COMPONENTS; GUIDELINES; RE-*
 20 *PORTS.*—After collecting and analyzing the data ob-
 21 tained from the pilot programs, the Secretary shall—

22 “(A) establish the core components of a
 23 model high-technology certification program;

1 “(B) establish guidelines to assure develop-
 2 ment of a uniform set of standards and policies
 3 for such programs;

4 “(C) prepare and submit a report on the
 5 pilot projects to the Committee on Health, Edu-
 6 cation, Labor, and Pensions of the Senate and
 7 the Committee on Education and the Workforce
 8 of the House of Representatives; and

9 “(D) make available to the public both the
 10 data and the report.

11 “(10) AUTHORIZATION OF APPROPRIATIONS.—In
 12 addition to amounts authorized to be appropriated
 13 under section 174(b), there is authorized to be appro-
 14 priated \$30,000,000 for fiscal year 2004 to carry out
 15 this subsection.”.

16 (d) INTEGRATED WORKFORCE TRAINING PROGRAMS
 17 FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—Sec-
 18 tion 171 (29 U.S.C. 2916), as amended by subsection (c),
 19 is further amended by adding at the end the following:

20 “(f) INTEGRATED WORKFORCE TRAINING PROGRAMS
 21 FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—

22 “(1) DEFINITIONS.—In this subsection:

23 “(A) INTEGRATED WORKFORCE TRAINING.—
 24 The term ‘integrated workforce training’ means

1 *training that integrates occupational skills*
2 *training with language acquisition.*

3 “(B) *SECRETARY.*—*The term ‘Secretary’*
4 *means the Secretary of Labor in consultation*
5 *with the Secretary of Education.*

6 “(2) *DEMONSTRATION PROJECT.*—*In accordance*
7 *with subsection (b) and from funds appropriated pur-*
8 *suant to paragraph (11), the Secretary shall establish*
9 *and implement a national demonstration project de-*
10 *signed to both analyze and provide data on workforce*
11 *training programs that integrate English language*
12 *acquisition and occupational training.*

13 “(3) *GRANTS.*—

14 “(A) *IN GENERAL.*—*In carrying out the*
15 *demonstration project, the Secretary shall make*
16 *not less than 10 grants, on a competitive basis,*
17 *to eligible entities to provide the integrated work-*
18 *force training programs. In awarding grants*
19 *under this subsection the Secretary shall take*
20 *into consideration awarding grants to eligible*
21 *entities from diverse geographic areas, including*
22 *rural areas.*

23 “(B) *PERIODS.*—*The Secretary shall make*
24 *the grants for periods of not less than 24 months*
25 *and not more than 48 months.*

1 “(4) *ELIGIBLE ENTITIES.*—

2 “(A) *IN GENERAL.*—*To be eligible to receive*
 3 *a grant under this subsection, an eligible entity*
 4 *shall work in conjunction with a local board and*
 5 *shall include as a principal participant one or*
 6 *more of the following:*

7 “(i) *An employer or employer associa-*
 8 *tion.*

9 “(ii) *A nonprofit provider of English*
 10 *language instruction.*

11 “(iii) *A provider of occupational or*
 12 *skills training.*

13 “(iv) *A community-based organization.*

14 “(v) *An educational institution, in-*
 15 *cluding a 2- or 4-year college, or a technical*
 16 *or vocational school.*

17 “(vi) *A labor organization.*

18 “(vii) *A local board.*

19 “(B) *EXPERTISE.*—*To be eligible to receive*
 20 *a grant under this subsection, an eligible entity*
 21 *shall have proven expertise in—*

22 “(i) *serving individuals with limited*
 23 *English proficiency, including individuals*
 24 *with lower levels of oral and written*
 25 *English; and*

1 “(ii) *providing workforce programs*
 2 *with training and English language in-*
 3 *struction.*

4 “(5) *APPLICATIONS.—*

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

10 “(B) *CONTENTS.—Each application sub-*
 11 *mitted under subparagraph (A) shall—*

12 “(i) *contain information, including ca-*
 13 *pability statements, that demonstrates that*
 14 *the eligible entity has the expertise described*
 15 *in paragraph (4)(B); and*

16 “(ii) *include an assurance that the*
 17 *program to be assisted shall—*

18 “(I) *establish a generalized adult*
 19 *bilingual workforce training and edu-*
 20 *cation model that integrates English*
 21 *language acquisition and occupational*
 22 *training, and incorporates the unique*
 23 *linguistic and cultural factors of the*
 24 *participants;*

1 “(II) establish a framework by
 2 which the employer, employee, and
 3 other relevant members of the eligible
 4 entity can create a career development
 5 and training plan that assists both the
 6 employer and the employee to meet
 7 their long-term needs;

8 “(III) ensure that the framework
 9 established under subclause (II) takes
 10 into consideration the knowledge, skills,
 11 and abilities of the employee with re-
 12 spect to both the current and economic
 13 conditions of the employer and future
 14 labor market conditions relevant to the
 15 local area; and

16 “(IV) establish identifiable meas-
 17 ures so that the progress of the em-
 18 ployee and employer and the relative
 19 efficacy of the program can be evalu-
 20 ated and best practices identified.

21 “(6) CRITERIA.—The Secretary shall establish
 22 criteria for awarding grants under this subsection.

23 “(7) INTEGRATED WORKFORCE TRAINING PRO-
 24 GRAMS.—

25 “(A) PROGRAM COMPONENTS.—

1 “(i) *REQUIRED COMPONENTS.—Each*
2 *program that receives funding under this*
3 *subsection shall—*

4 “(I) *test an individual’s English*
5 *language proficiency levels to assess*
6 *oral and literacy gains from the begin-*
7 *ning and throughout program enroll-*
8 *ment;*

9 “(II) *combine training specific to*
10 *a particular occupation or occupa-*
11 *tional cluster, with—*

12 “(aa) *English language in-*
13 *struction, such as instruction*
14 *through an English as a Second*
15 *Language program, or an English*
16 *for Speakers of Other Languages*
17 *program;*

18 “(bb) *basic skills instruction;*
19 *and*

20 “(cc) *supportive services;*

21 “(III) *effectively integrate public*
22 *and private sector entities, including*
23 *the local workforce investment system*
24 *and its functions, to achieve the goals*
25 *of the program; and*

1 “(IV) *require matching or in-kind*
 2 *resources from private and nonprofit*
 3 *entities.*

4 “(ii) *PERMISSIBLE COMPONENTS.—The*
 5 *program may offer other services, as nec-*
 6 *essary to promote successful participation*
 7 *and completion, including work-based*
 8 *learning, substance abuse treatment, and*
 9 *mental health services.*

10 “(B) *GOAL.—Each program that receives*
 11 *funding under this subsection shall be designed*
 12 *to prepare limited English proficient adults for,*
 13 *and place such adults in employment in, grow-*
 14 *ing industries with identifiable career ladder*
 15 *paths.*

16 “(C) *PROGRAM TYPES.—In selecting pro-*
 17 *grams to receive funding under this subsection,*
 18 *the Secretary shall select programs that meet 1*
 19 *or more of the following criteria:*

20 “(i) *A program that—*

21 “(I) *serves unemployed, limited*
 22 *English proficient individuals with*
 23 *significant work experience or substan-*
 24 *tial education but persistently low*
 25 *wages; and*

1 “(II) aims to prepare such indi-
2 viduals for, and place such individuals
3 in, higher paying employment, defined
4 for purposes of this subparagraph as
5 employment that provides at least 75
6 percent of the median wage in the local
7 area.

8 “(ii) A program that—

9 “(I) serves limited English pro-
10 ficient individuals with lower levels of
11 oral and written fluency, who are
12 working but at persistently low wages;
13 and

14 “(II) aims to prepare such indi-
15 viduals for, and place such individuals
16 in, higher paying employment, through
17 services provided at the worksite, or at
18 a location central to several work sites,
19 during work hours.

20 “(iii) A program that—

21 “(I) serves unemployed, limited
22 English proficient individuals with
23 lower levels of oral and written flu-
24 ency, who have little or no work expe-
25 rience; and

1 “(II) aims to prepare such indi-
2 viduals for, and place such individuals
3 in, employment through services that
4 include subsidized employment, in ad-
5 dition to the components required in
6 subparagraph (A)(i).

7 “(iv) A program that includes funds
8 from private and nonprofit entities.

9 “(D) PROGRAM APPROACHES.—In selecting
10 programs to receive funding under this sub-
11 section, the Secretary shall select programs with
12 different approaches to integrated workforce
13 training, in different contexts, in order to obtain
14 comparative data on multiple approaches to in-
15 tegrated workforce training and English lan-
16 guage instruction, to ensure programs are tai-
17 lored to characteristics of individuals with vary-
18 ing skill levels and to assess how different cur-
19 ricula work for limited English proficient popu-
20 lations. Such approaches may include—

21 “(i) bilingual programs in which the
22 workplace language component and the
23 training are conducted in a combination of
24 an individual’s native language and
25 English;

1 “(ii) *integrated workforce training*
2 *programs that combine basic skills, lan-*
3 *guage instruction, and job specific skills*
4 *training; or*

5 “(iii) *sequential programs that provide*
6 *a progression of skills, language, and train-*
7 *ing to ensure success upon an individual’s*
8 *completion of the program.*

9 “(8) *EVALUATION BY ELIGIBLE ENTITY.—Each*
10 *eligible entity that receives a grant under this sub-*
11 *section for a program shall carry out a continuous*
12 *program evaluation and an evaluation specific to the*
13 *last phase of the program operations.*

14 “(9) *EVALUATION BY SECRETARY.—*

15 “(A) *IN GENERAL.—The Secretary shall*
16 *conduct an evaluation of program impacts of the*
17 *programs funded under the demonstration*
18 *project, with a random assignment, experimental*
19 *design impact study done at each worksite at*
20 *which such a program is carried out.*

21 “(B) *DATA COLLECTION AND ANALYSIS.—*
22 *The Secretary shall collect and analyze the data*
23 *from the demonstration project to determine pro-*
24 *gram effectiveness, including gains in language*

1 *proficiency, acquisition of skills, and job ad-*
 2 *vancement for program participants.*

3 “(C) *REPORT.*—*The Secretary shall prepare*
 4 *and submit to the Committee on Health, Edu-*
 5 *cation, Labor, and Pensions of the Senate and*
 6 *the Committee on Education and the Workforce*
 7 *of the House of Representatives, and make avail-*
 8 *able to the public, a report on the demonstration*
 9 *project, including the results of the evaluation.*

10 “(10) *TECHNICAL ASSISTANCE.*—*The Secretary*
 11 *shall provide technical assistance to recipients of*
 12 *grants under this subsection throughout the grant pe-*
 13 *riods.*

14 “(11) *AUTHORIZATION OF APPROPRIATIONS.*—*In*
 15 *addition to amounts authorized to be appropriated*
 16 *under section 174(b), there is authorized to be appro-*
 17 *priated \$10,000,000 for fiscal year 2004 to carry out*
 18 *this subsection.”.*

19 **SEC. 147. NATIONAL DISLOCATED WORKER GRANTS.**

20 (a) *IN GENERAL.*—*Section 173 (29 U.S.C. 2918) is*
 21 *amended—*

22 (1) *by striking the heading and inserting the fol-*
 23 *lowing:*

24 **“SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.”;**

25 *and*

1 (2) *in subsection (a)—*

2 (A) *by striking the matter preceding para-*
3 *graph (1) and inserting the following:*

4 “(a) *IN GENERAL.—The Secretary is authorized to*
5 *award national dislocated worker grants—*”;

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

8 (C) *in paragraph (3), by striking “and”*
9 *after the semicolon; and*

10 (D) *by striking paragraph (4) and insert-*
11 *ing the following:*

12 “(4) *to a State or entity (as defined in sub-*
13 *section (b)(1)(B)) to carry out subsection (e), includ-*
14 *ing providing assistance to eligible individuals;*

15 “(5) *to a State or entity (as defined in sub-*
16 *section (b)(1)(B)) to carry out subsection (f), includ-*
17 *ing providing assistance to eligible individuals;*

18 “(6) *to provide additional assistance to a State*
19 *board or local board where a higher than average de-*
20 *mand for employment and training services for dis-*
21 *located members of the Armed Forces, or spouses, as*
22 *defined in section 101(9)(E), of members of the Armed*
23 *Forces as described in subsection (b)(2)(A)(iv), exceeds*
24 *State and local resources for providing such services,*
25 *and where such programs are to be carried out in*

1 *partnership with the Department of Defense and De-*
 2 *partment of Veterans Affairs transition assistance*
 3 *programs; and*

4 *“(7) to provide assistance to a State for state-*
 5 *wide or local use in order to—*

6 *“(A) address cases in which there have been*
 7 *worker dislocations across multiple sectors or*
 8 *across multiple local areas and such workers re-*
 9 *main dislocated;*

10 *“(B) coordinate the State plan described in*
 11 *section 112 with emerging economic development*
 12 *needs; and*

13 *“(C) train eligible individuals who are dis-*
 14 *located workers described in subparagraph (A).*

15 *The Secretary shall issue a final decision on an application*
 16 *for a national dislocated worker grant under this subsection*
 17 *not later than 60 calendar days after receipt of the applica-*
 18 *tion. The Secretary shall issue a notice of obligation for*
 19 *such a grant not later than 10 days after the award of the*
 20 *grant.”.*

21 *(b) ADMINISTRATION AND ADDITIONAL ASSISTANCE.—*

22 *Section 173 (29 U.S.C. 2918) is amended—*

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

24 *(2) by redesignating subsections (c) through (g)*
 25 *as subsections (b) through (f), respectively;*

1 (3) *by striking subsection (d) (as redesignated by*
 2 *paragraph (2)) and inserting the following:*

3 “(d) *ADDITIONAL ASSISTANCE.*—

4 “(1) *IN GENERAL.*—*From the amount appro-*
 5 *priated and made available to carry out this section*
 6 *for any program year, the Secretary shall use not*
 7 *more than \$20,000,000 to make grants to States to*
 8 *provide employment and training activities under*
 9 *section 134, in accordance with subtitle B.*

10 “(2) *ELIGIBLE STATES.*—*The Secretary shall*
 11 *make a grant under paragraph (1) to a State for a*
 12 *program year if—*

13 “(A) *the amount of the allotment that was*
 14 *made to the State for the program year 2003*
 15 *under the formula specified in section*
 16 *132(b)(1)(B) as such section was in effect on*
 17 *July 1, 2003, is greater than*

18 “(B) *the amount of the allotment that*
 19 *would be made to the State for the program year*
 20 *under the formula specified in section*
 21 *132(b)(1)(B).*

22 “(3) *AMOUNT OF GRANTS.*—*Subject to paragraph*
 23 *(1), the amount of the grant made under paragraph*
 24 *(1) to a State for a program year shall be based on*
 25 *the difference between—*

1 “(A) the amount of the allotment that was
 2 made to the State for the program year 2003
 3 under the formula specified in section
 4 132(b)(1)(B) as such section was in effect on
 5 July 1, 2003; and

6 “(B) the amount of the allotment that
 7 would be made to the State for the program year
 8 under the formula specified in section
 9 132(b)(1)(B).”;

10 (4) in subsection (e) (as redesignated by para-
 11 graph (2))—

12 (A) in paragraph (1), by striking “para-
 13 graph (4)(A)” and inserting “paragraph (4)”;

14 (B) in paragraph (2), by striking “sub-
 15 section (g)” and inserting “subsection (f)”;

16 (C) in paragraph (4), by striking “sub-
 17 section (g)” and inserting “subsection (f)”;

18 (D) in paragraph (5), by striking “sub-
 19 section (g)” and inserting “subsection (f)”;

20 (E) in paragraph (6)—

21 (i) by striking “subsection (g)” and in-
 22 serting “subsection (f)”;

23 (ii) by striking “subsection (c)(1)(B)”
 24 and inserting “subsection (b)(1)(B)”;

1 (5) in subsection (f)(1) (as redesignated by para-
2 graph (2))—

3 (A) by striking “paragraph (4)(B)” and in-
4 serting “paragraph (4)”; and

5 (B) by striking “subsection (f)(1)(A)” and
6 inserting “subsection (e)(1)(A)”.

7 **SEC. 148. AUTHORIZATION OF APPROPRIATIONS FOR NA-**
8 **TIONAL ACTIVITIES.**

9 (a) *IN GENERAL.*—Section 174(a)(1) (29 U.S.C.
10 2919(a)(1)) is amended by striking “1999 through 2003”
11 and inserting “2004 through 2009”.

12 (b) *RESERVATIONS.*—Section 174(b) (29 U.S.C.
13 2919(b)) is amended to read as follows:

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

19 **Subtitle E—Administration**

20 **SEC. 151. REQUIREMENTS AND RESTRICTIONS.**

21 Section 181(e) (29 U.S.C. 2931(e)) is amended by
22 striking “economic development activities,”.

23 **SEC. 152. REPORTS.**

24 Section 185(c) (29 U.S.C. 2935(c)) is amended—

1 (1) in paragraph (2), by striking “and” after the
2 semicolon;

3 (2) in paragraph (3), by striking the period and
4 inserting “; and”; and

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

6 “(4) shall have the option to submit or dissemi-
7 nate electronically any reports, records, plans, or any
8 other data that are required to be collected or dissemi-
9 nated under this title.”.

10 **SEC. 153. ADMINISTRATIVE PROVISIONS.**

11 (a) *ANNUAL REPORT*.—Section 189(d) (29 U.S.C.
12 2939(d)) is amended—

13 (1) in paragraph (3), by striking “and” after the
14 semicolon;

15 (2) by redesignating paragraph (4) as para-
16 graph (5); and

17 (3) by inserting after paragraph (3) the fol-
18 lowing:

19 “(4) the negotiated levels of performance of the
20 States, the States’ requests for adjustments of such
21 levels, and the adjustments of such levels that are
22 made; and”.

23 (b) *AVAILABILITY*.—Section 189(g)(2) (29 U.S.C.
24 2939(g)(2)) is amended, in the first sentence—

1 (1) *by striking “Funds” and inserting “Except*
 2 *as otherwise provided in this paragraph, funds”; and*

3 (2) *by striking “each State receiving” and in-*
 4 *serting “each recipient of”.*

5 (c) *GENERAL WAIVERS.—Section 189(i)(4) (29 U.S.C.*
 6 *2939(i)(4)) is amended—*

7 (1) *in subparagraph (A)(i), by inserting “the*
 8 *funding of infrastructure costs for one-stop centers,”*
 9 *after “local boards,”; and*

10 (2) *by adding at the end the following:*

11 “(D) *EXPEDITED REQUESTS.—The Sec-*
 12 *retary shall expedite requests for waivers of stat-*
 13 *utory or regulatory requirements that have been*
 14 *approved for a State pursuant to subparagraph*
 15 *(B), if the requirements of this paragraph have*
 16 *been satisfied.”.*

17 **SEC. 154. USE OF CERTAIN REAL PROPERTY.**

18 *Section 193 (29 U.S.C. 2943) is amended to read as*
 19 *follows:*

20 **“SEC. 193. TRANSFER OF FEDERAL EQUITY IN STATE EM-**
 21 **PLOYMENT SECURITY AGENCY REAL PROP-**
 22 **ERTY TO THE STATES.**

23 “(a) *TRANSFER OF FEDERAL EQUITY.—Notwith-*
 24 *standing any other provision of law, any Federal equity*
 25 *acquired in real property through grants to States awarded*

1 *under title III of the Social Security Act (42 U.S.C. 501*
 2 *et seq.) or under the Wagner-Peyser Act is transferred to*
 3 *the States that used the grants for the acquisition of such*
 4 *equity. The portion of any real property that is attributable*
 5 *to the Federal equity transferred under this section shall*
 6 *be used to carry out activities authorized under title III*
 7 *of the Social Security Act or the Wagner-Peyser Act. Any*
 8 *disposition of such real property shall be carried out in ac-*
 9 *cordance with the procedures prescribed by the Secretary*
 10 *and the portion of the proceeds from the disposition of such*
 11 *real property that is attributable to the Federal equity*
 12 *transferred under this section shall be used to carry out ac-*
 13 *tivities authorized under title III of the Social Security Act*
 14 *or the Wagner-Peyser Act.*

15 “(b) *LIMITATION ON USE.*—A State shall not use funds
 16 *awarded under title III of the Social Security Act or the*
 17 *Wagner-Peyser Act to amortize the costs of real property*
 18 *that is purchased by any State on or after the effective date*
 19 *of this provision.”.*

20 **SEC. 155. TABLE OF CONTENTS.**

21 Section 1(b) (29 U.S.C. 9201 note) is amended—

22 (1) *by striking the item relating to section 106*
 23 *and inserting the following:*

“Sec. 106. *Purposes.*”;

1 (2) *by striking the item relating to section 123*
 2 *and inserting the following:*

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

3 (3) *by striking the item relating to section 169*
 4 *and inserting the following:*

“Sec. 169. Youth challenge grants.”;

5 (4) *by striking the item relating to section 173*
 6 *and inserting the following:*

“Sec. 173. National dislocated worker grants.”;

7 (5) *by striking the item relating to section 193*
 8 *and inserting the following:*

“Sec. 193. Transfer of Federal equity in State employment security agency real
 property to the States.”;

9 *and*

10 (6) *by inserting after the item relating to section*
 11 *243 the following:*

“Sec. 244. Integrated english literacy and civics education.”.

12 ***Subtitle F—Incentive Grants***

13 ***SEC. 161. INCENTIVE GRANTS.***

14 *Section 503 (20 U.S.C. 9273) is amended—*

15 (1) *by striking subsection (a) and inserting the*
 16 *following:*

17 “(a) *IN GENERAL.—*

18 “(1) *PRIOR TO JULY 1, 2005.—Prior to July 1,*
 19 *2005, the Secretary shall award a grant to each State*
 20 *in accordance with the provisions of this section as*
 21 *this section was in effect on July 1, 2003.*

1 “(2) *BEGINNING ON JULY 1, 2005.—Beginning on*
2 *July 1, 2005, the Secretary shall award a grant to*
3 *each State on the basis—*

4 “(A) *of the State’s exceeding the State ad-*
5 *justed levels of performance for title I, the ad-*
6 *justed levels of performance for title II, and the*
7 *levels of performance for programs under the*
8 *Carl D. Perkins Vocational and Technical Edu-*
9 *cation Act of 1998 (20 U.S.C. 2301 et seq.), for*
10 *the purpose of carrying out an innovative pro-*
11 *gram consistent with the requirements of any*
12 *one or more of the programs within title I, title*
13 *II, or such Act, respectively;*

14 “(B) *of exemplary performance of the States*
15 *in serving hard-to-serve populations (as defined*
16 *in section 101) (including performance relating*
17 *to the levels of service provided and the perform-*
18 *ance outcomes on such performance measures*
19 *with respect to the populations);*

20 “(C) *of States that are effectively—*

21 “(i) *coordinating multiple systems into*
22 *a more effective workforce investment sys-*
23 *tem, including coordination of employment*
24 *services under the Wagner-Peyser Act and*

1 *core activities under title I as well as part-*
 2 *ner programs described in section 121;*

3 “(ii) *expanding access to training, in-*
 4 *cluding through increased leveraging of re-*
 5 *sources other than those funded through pro-*
 6 *grams under title I; or*

7 “(iii) *implementing innovative busi-*
 8 *ness and economic development initiatives;*
 9 *or*

10 “(D) *of such other factors relating to the*
 11 *performance of the States under title I as the*
 12 *Secretary determines are appropriate.”; and*
 13 *(2) in subsection (b)(2), by adding at the end the*
 14 *following:*

15 “(D) *USE OF FUNDS.—The funds awarded*
 16 *to a State under this section may be used to*
 17 *carry out any activities authorized for States*
 18 *under chapters 4 and 5 of subtitle B of title I,*
 19 *title II, and the Carl D. Perkins Vocational and*
 20 *Technical Education Act of 1998, including dem-*
 21 *onstration projects and innovative programs for*
 22 *hard-to-serve populations (as defined in section*
 23 *101).”.*

1 **TITLE II—AMENDMENTS TO THE**
 2 **ADULT EDUCATION AND FAM-**
 3 **ILY LITERACY ACT**

4 **SEC. 201. SHORT TITLE; PURPOSE.**

5 (a) *SHORT TITLE.*—This title may be cited as the
 6 “Adult Education and Family Literacy Act Amendments
 7 of 2003”.

8 (b) *PURPOSE.*—Section 202 of the Adult Education
 9 and Family Literacy Act (20 U.S.C. 9201) is amended—
 10 (1) in paragraph (2), by striking “and” after the
 11 semicolon;

12 (2) in paragraph (3), by striking “education.”
 13 and inserting “education and in the transition to
 14 postsecondary education; and”; and

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

16 “(4) assist immigrants and other individuals
 17 with limited English proficiency in improving their
 18 reading, writing, speaking, and mathematics skills
 19 and acquiring an understanding of the American free
 20 enterprise system, individual freedom, and the re-
 21 sponsibilities of citizenship.”.

22 **SEC. 202. DEFINITIONS.**

23 Section 203 of the Adult Education and Family Lit-
 24 eracy Act (20 U.S.C. 9202) is amended—

25 (1) in paragraph (1)—

1 (A) in the matter preceding subparagraph
 2 (A), by striking “services or instruction below
 3 the postsecondary level” and inserting “academic
 4 instruction and education services below the
 5 postsecondary level that increase an individual’s
 6 ability to read, write, and speak in English and
 7 perform mathematics”; and

8 (B) by striking subparagraph (C)(i) and in-
 9 serting the following:

10 “(i) are basic skills deficient as defined
 11 in section 101;”;

12 (2) in paragraph (2), by striking “activities de-
 13 scribed in section 231(b)” and inserting “programs
 14 and services which include reading, writing, speaking,
 15 or mathematics skills, workplace literacy activities,
 16 family literacy activities, English language acquisi-
 17 tion activities, or other activities necessary for the at-
 18 tainment of a secondary school diploma or its State
 19 recognized equivalent”;

20 (3) in paragraph (5)—

21 (A) by inserting “an organization that has
 22 demonstrated effectiveness in providing adult
 23 education, that may include” after “means”;

24 (B) in subparagraph (B), by striking “of
 25 demonstrated effectiveness”;

1 (C) in subparagraph (C), by striking “of
2 demonstrated effectiveness”; and

3 (D) in subparagraph (I), by inserting “or
4 coalition” after “consortium”;

5 (4) in paragraph (6)—

6 (A) by striking “LITERACY PROGRAM” and
7 inserting “LANGUAGE ACQUISITION PROGRAM”;

8 (B) by striking “literacy program” and in-
9 serting “language acquisition program”; and

10 (C) by inserting “reading, writing, and
11 speaking” after “competence in”;

12 (5) by redesignating paragraphs (7) through (18)
13 as paragraphs (8) through (19), respectively;

14 (6) by inserting after paragraph (6) the fol-
15 lowing:

16 “(7) *ESSENTIAL COMPONENTS OF READING IN-*
17 *STRUCTION.—The term ‘essential components of read-*
18 *ing instruction’ has the meaning given the term in*
19 *section 1208 of the Elementary and Secondary Edu-*
20 *cation Act of 1965 (20 U.S.C. 6368).’; and*

21 (7) by striking paragraph (19), as redesignated
22 by paragraph (4), and inserting the following:

23 “(19) *WORKPLACE LITERACY PROGRAM.—The*
24 *term ‘workplace literacy program’ means an edu-*
25 *cational program designed to improve the produc-*

1 *tivity of the workforce through the improvement of lit-*
 2 *eracy skills that is offered by an eligible provider in*
 3 *collaboration with an employer or an employee orga-*
 4 *nization at a workplace, at an off-site location, or in*
 5 *a simulated workplace environment.”.*

6 **SEC. 203. AUTHORIZATION OF APPROPRIATIONS.**

7 *Section 205 of the Adult Education and Family Lit-*
 8 *eracy Act (20 U.S.C. 9204) is amended—*

9 *(1) by striking “1999” and inserting “2004”;*
 10 *and*

11 *(2) by striking “2003” and inserting “2009”.*

12 **SEC. 204. HOME SCHOOLS.**

13 *Section 204 of the Adult Education and Family Lit-*
 14 *eracy Act (20 U.S.C. 9203) is amended to read as follows:*

15 **“SEC. 204. HOME SCHOOLS.**

16 *“Nothing in this title shall be construed to affect home*
 17 *schools, whether a home school is treated as a home school*
 18 *or a private school under State law, or to compel a parent*
 19 *engaged in home schooling to participate in an English lit-*
 20 *eracy program, family literacy services, or adult edu-*
 21 *cation.”.*

22 **SEC. 205. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE**
 23 **AGENCIES; ALLOTMENTS.**

24 *Section 211 of the Adult Education and Family Lit-*
 25 *eracy Act (20 U.S.C. 9211) is amended—*

1 (1) *by striking subsection (a) and inserting the*
 2 *following:*

3 “(a) *RESERVATION OF FUNDS.—From the sum appro-*
 4 *priated under section 205 for a fiscal year, the Secretary—*

5 *“(1) shall reserve 1.5 percent to carry out section*
 6 *242, except that the amount so reserved shall not ex-*
 7 *ceed \$10,000,000;*

8 *“(2) shall reserve 1.5 percent to carry out section*
 9 *243 and subsection (f)(4), except that the amount so*
 10 *reserved shall not exceed \$8,000,000;*

11 *“(3) shall make available, to the Secretary of*
 12 *Labor, 1.72 percent for incentive grants under section*
 13 *136(i); and*

14 *“(4) shall reserve 12 percent of the amount that*
 15 *remains after reserving funds under paragraphs (1),*
 16 *(2) and (3) to carry out section 244.”;*

17 (2) *in subsection (c)(1)(B), by striking*
 18 *“\$250,000” and inserting “\$350,000”;*

19 (3) *by striking subsection (d) and inserting the*
 20 *following:*

21 “(d) *QUALIFYING ADULT.—For the purpose of sub-*
 22 *section (c)(2), the term ‘qualifying adult’ means an adult*
 23 *who—*

24 *“(1) is not less than 16 years of age;*

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

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

5 “(4) is not enrolled in secondary school.”;

6 (4) in subsection (e)—

7 (A) by striking paragraph (2) and inserting
8 the following:

9 “(2) AWARD BASIS.—The Secretary shall award
10 grants pursuant to paragraph (1) on a competitive
11 basis and pursuant to recommendations from the Pa-
12 cific Region Educational Laboratory in Honolulu,
13 Hawaii.”; and

14 (B) in paragraph (3), by striking “shall”
15 and all that follows through the period and in-
16 serting “shall be eligible to receive a grant under
17 this title until the date when an agreement for
18 the extension of the United States education as-
19 sistance under the Compact of Free Association
20 for each of the Freely Associated States becomes
21 effective.”; and

22 (5) by striking subsection (f) and inserting the
23 following:

24 “(f) HOLD-HARMLESS PROVISIONS.—

1 “(1) *IN GENERAL.*—*Notwithstanding subsection*
 2 *(c) and subject to paragraph (2), for fiscal year 2004*
 3 *and each succeeding fiscal year, no eligible agency*
 4 *shall receive an allotment under this section that is*
 5 *less than 90 percent of the allotment the eligible agen-*
 6 *cy received for the preceding fiscal year under this*
 7 *section.*

8 “(2) *100 PERCENT ALLOTMENT.*—*Notwith-*
 9 *standing paragraphs (1) and (2) of subsection (e), an*
 10 *eligible agency that receives only an initial allotment*
 11 *under subsection (c)(1) (and no additional allotment*
 12 *under subsection (c)(2)) shall receive an allotment*
 13 *under this section that is equal to 100 percent of the*
 14 *initial allotment under subsection (c)(1).*

15 “(3) *RATABLE REDUCTION.*—*If for any fiscal*
 16 *year the amount available for allotment under this*
 17 *subtitle is insufficient to satisfy the provisions of*
 18 *paragraphs (1) and (2), the Secretary shall ratably*
 19 *reduce the payments to all eligible agencies, as nec-*
 20 *essary.*

21 “(4) *ADDITIONAL ASSISTANCE.*—

22 “(A) *IN GENERAL.*—*From amounts reserved*
 23 *under subsection (a)(2), the Secretary shall make*
 24 *grants to eligible agencies described in subpara-*

graph (B) to enable such agencies to provide activities authorized under chapter 2.

“(B) *ELIGIBILITY.*—An eligible agency is eligible to receive a grant under this paragraph for a fiscal year if the amount of the allotment such agency receives under this section for the fiscal year is less than the amount such agency would have received for the fiscal year if the allotment formula under this section as in effect on September 30, 2003, were in effect for such year.

“(C) *AMOUNT OF GRANT.*—The amount of a grant made to an eligible agency under this paragraph for a fiscal year shall be the difference between—

“(i) the amount of the allotment such agency would have received for the fiscal year if the allotment formula under this section as in effect on September 30, 2003, were in effect for such year; and

“(ii) the amount of the allotment such agency receives under this section for the fiscal year.”.

SEC. 206. PERFORMANCE ACCOUNTABILITY SYSTEM.

Section 212 of the Adult Education and Family Literacy Act (20 U.S.C. 9212) is amended—

1 (1) in subsection (b)—

2 (A) in paragraph (1)(A)(ii), by striking
3 “additional indicators of performance (if any)”
4 and inserting “employment performance indica-
5 tors”;

6 (B) in paragraph (2)—

7 (i) in subparagraph (A)—

8 (I) in clause (i), by striking
9 “Demonstrated” and inserting “Meas-
10 urable”;

11 (II) by striking clause (ii) and in-
12 serting the following:

13 “(ii) Placement in, retention in, or
14 completion of, postsecondary education or
15 other training programs.”; and

16 (III) in clause (iii), by inserting
17 “(including recognized alternative
18 standards for individuals with disabili-
19 ties)” after “equivalent”;

20 (ii) by redesignating subparagraph (B)
21 as subparagraph (C);

22 (iii) by inserting after subparagraph
23 (A), the following:

24 “(B) EMPLOYMENT PERFORMANCE INDICA-
25 TORS.—An eligible agency shall identify in the

1 *State plan individual participant employment*
 2 *performance indicators, including entry into un-*
 3 *subsidized employment, retention in unsub-*
 4 *sidized employment, and career advancement.*
 5 *The State workforce investment board shall assist*
 6 *the eligible agency in obtaining and using quar-*
 7 *terly wage records to collect data for such indica-*
 8 *tors, consistent with applicable Federal and*
 9 *State privacy laws.”;*

10 *(iv) in subparagraph (C), as redesign-*
 11 *ated by clause (ii), by inserting “relevant”*
 12 *after “additional”; and*

13 *(v) by adding at the end the following:*

14 “(D) *INDICATORS FOR WORKPLACE LIT-*
 15 *ERACY PROGRAMS.—Special accountability*
 16 *measures may be negotiated for workplace lit-*
 17 *eracy programs.”; and*

18 *(C) in paragraph (3)—*

19 *(i) in subparagraph (A)—*

20 *(I) in clause (i)(II), by striking*
 21 *“in performance” and inserting “the*
 22 *agency’s performance outcomes in an*
 23 *objective, quantifiable, and measurable*
 24 *form”;*

1 *(II) in clause (ii), by striking “3*
 2 *programs years” and inserting “2 pro-*
 3 *gram years”;*

4 *(III) in clause (iii), by striking*
 5 *“FIRST 3 YEARS” and inserting “FIRST*
 6 *2 YEARS”;*

7 *(IV) in clause (iii), by striking*
 8 *“first 3 program years” and inserting*
 9 *“first 2 program years”;*

10 *(V) in clause (v), by striking “4TH*
 11 *AND 5TH” and inserting “3RD AND*
 12 *4TH”;*

13 *(VI) in clause (v), by striking “to*
 14 *the fourth” and inserting “to the*
 15 *third”;*

16 *(VII) in clause (v), by striking*
 17 *“fourth and fifth” and inserting “third*
 18 *and fourth”;* *and*

19 *(VIII) in clause (vi), by striking*
 20 *“(II)” and inserting “(I)”;*
 21 *(ii) in subparagraph (B)—*

22 *(I) by striking the heading and*
 23 *inserting “LEVELS OF EMPLOYMENT*
 24 *PERFORMANCE”;*

1 (II) by striking “may” and in-
2 serting “shall”; and

3 (III) by striking “additional” and
4 inserting “employment”; and

5 (iii) by adding at the end the fol-
6 lowing:

7 “(C) *ALTERNATIVE ASSESSMENT SYS-*
8 *TEMS.—Eligible agencies may approve the use of*
9 *assessment systems that are not commercially*
10 *available standardized systems if such systems*
11 *meet the Standards for Educational and Psycho-*
12 *logical Testing issued by the Joint Committee on*
13 *Standards for Educational and Psychological*
14 *Testing of the American Educational Research*
15 *Association, the American Psychological Associa-*
16 *tion, and the National Council on Measurement*
17 *in Education.”;*

18 (2) in subsection (c)—

19 (A) in paragraph (1)—

20 (i) by inserting “the Governor, the
21 State legislature, and the State workforce
22 investment board” after “Secretary”; and

23 (ii) by striking “including” and all
24 that follows through the period and insert-
25 ing “including the following:

1 “(A) Information on the levels of perform-
 2 ance achieved by the eligible agency with respect
 3 to the core indicators of performance, and em-
 4 ployment performance indicators.

5 “(B) The number and type of each eligible
 6 provider that receives funding under such grant.

7 “(C) The number of enrollees 16 to 18 years
 8 of age who enrolled in adult education not later
 9 than 1 year after participating in secondary
 10 school education.”;

11 (B) in paragraph (2)(A), by inserting “eli-
 12 gible providers and” after “available to”; and

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

14 “(3) DATA ACCESS.—The report made available
 15 under paragraph (2) shall indicate which eligible
 16 agencies did not have access to State unemployment
 17 insurance wage data in measuring employment per-
 18 formance indicators.”; and

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

20 “(d) PROGRAM IMPROVEMENT.—

21 “(1) IN GENERAL.—If the Secretary determines
 22 that an eligible agency did not meet its adjusted levels
 23 of performance for the core indicators of performance
 24 described in subsection (b)(2)(A) for any program
 25 year, the eligible agency shall—

1 “(A) *work with the Secretary to develop and*
 2 *implement a program improvement plan for the*
 3 *2 program years succeeding the program year in*
 4 *which the eligible agency did not meet its ad-*
 5 *justed levels of performance; and*

6 “(B) *revise its State plan under section*
 7 *224, if necessary, to reflect the changes agreed to*
 8 *in the program improvement plan.*

9 “(2) *FURTHER ASSISTANCE.—If, after the period*
 10 *described in paragraph (1)(A), the Secretary has pro-*
 11 *vided technical assistance to the eligible agency but*
 12 *determines that the eligible agency did not meet its*
 13 *adjusted levels of performance for the core indicators*
 14 *of performance described in subsection (b)(2)(A), the*
 15 *Secretary may require the eligible agency to make*
 16 *further revisions to the program improvement plan*
 17 *described in paragraph (1). Such further revisions*
 18 *shall be accompanied by further technical assistance*
 19 *from the Secretary.”.*

20 **SEC. 207. STATE ADMINISTRATION.**

21 *Section 221(1) of the Adult Education and Family*
 22 *Literacy Act (20 U.S.C. 9221(1)) is amended by striking*
 23 *“and implementation” and inserting “implementation, and*
 24 *monitoring”.*

1 **SEC. 208. STATE DISTRIBUTION OF FUNDS; MATCHING RE-**
 2 **QUIREMENT.**

3 *Section 222 of the Adult Education and Family Lit-*
 4 *eracy Act (20 U.S.C. 9222) is amended—*

5 *(1) in subsection (a)—*

6 *(A) in paragraph (1)—*

7 *(i) by striking “82.5” the first place*
 8 *such term appears and inserting “80”; and*

9 *(ii) by striking “the 82.5 percent” and*
 10 *inserting “such amount”;*

11 *(B) in paragraph (2), by striking “not more*
 12 *than 12.5 percent” and inserting “not more than*
 13 *15 percent”; and*

14 *(C) in paragraph (3), by striking “\$65,000”*
 15 *and inserting “\$75,000”; and*

16 *(2) in subsection (b)(1), by striking “equal to”*
 17 *and inserting “that is not less than”.*

18 **SEC. 209. STATE LEADERSHIP ACTIVITIES.**

19 *Section 223 of the Adult Education and Family Lit-*
 20 *eracy Act (20 U.S.C. 9223) is amended—*

21 *(1) in subsection (a)—*

22 *(A) in the matter preceding paragraph (1),*
 23 *by inserting “to develop or enhance the adult*
 24 *education system of the State” after “activities”;*

25 *(B) in paragraph (1), by striking “instruc-*
 26 *tion incorporating” and all that follows through*

1 *the period and inserting “instruction incor-*
 2 *porating the essential components of reading in-*
 3 *struction and instruction provided by volunteers*
 4 *or by personnel of a State or outlying area.”;*

5 *(C) in paragraph (2), by inserting “, in-*
 6 *cluding development and dissemination of in-*
 7 *structional and programmatic practices based on*
 8 *the most rigorous research available in reading,*
 9 *writing, speaking, mathematics, English lan-*
 10 *guage acquisition programs, distance learning*
 11 *and staff training” after “activities”;*

12 *(D) in paragraph (5), by striking “moni-*
 13 *toring and”;*

14 *(E) by striking paragraph (6) and inserting*
 15 *the following:*

16 *“(6) The development and implementation of*
 17 *technology applications, translation technology, or*
 18 *distance learning, including professional development*
 19 *to support the use of instructional technology.”; and*

20 *(F) by striking paragraph (7) through*
 21 *paragraph (11) and inserting the following:*

22 *“(7) Coordination with—*

23 *“(A) other partners carrying out activities*
 24 *authorized under this Act;*

1 “(B) existing support services, such as
2 transportation, child care, mental health services,
3 and other assistance designed to increase rates of
4 enrollment in, and successful completion of adult
5 education and literacy activities, for adults en-
6 rolled in such activities.

7 “(8) Developing and disseminating curricula, in-
8 cluding curricula incorporating the essential compo-
9 nents of reading instruction as they relate to adults.

10 “(9) The provision of assistance to eligible pro-
11 viders in developing, implementing, and reporting
12 measurable progress in achieving the objectives of this
13 subtitle.

14 “(10) The development and implementation of a
15 system to assist in the transition from adult basic
16 education to postsecondary education, including link-
17 ages with postsecondary educational institutions.

18 “(11) Integration of literacy and English lan-
19 guage instruction with occupational skill training,
20 and promoting linkages with employers.

21 “(12) Activities to promote workplace literacy
22 programs.

23 “(13) Activities to promote and complement local
24 outreach initiatives described in section 243(b)(3)(F).

1 “(14) *In cooperation with efforts funded under*
 2 *sections 242 and 243, the development of curriculum*
 3 *frameworks and rigorous content standards that—*

4 “(A) *specify what adult learners should*
 5 *know and be able to do in the areas of reading*
 6 *and language arts, mathematics, and English*
 7 *language acquisition; and*

8 “(B) *take into consideration the following:*

9 “(i) *State academic standards estab-*
 10 *lished under section 1111(b) of the Elemen-*
 11 *tary and Secondary Education Act of 1965.*

12 “(ii) *The current adult skills and lit-*
 13 *eracy assessments used in the State.*

14 “(iii) *The core indicators of perform-*
 15 *ance established under section 212(b)(2)(A).*

16 “(iv) *Standards and academic require-*
 17 *ments for enrollment in non-remedial, for-*
 18 *credit, courses in State supported postsec-*
 19 *ondary education institutions.*

20 “(v) *Where appropriate, the basic and*
 21 *literacy skill content of occupational and*
 22 *industry skill standards widely used by*
 23 *business and industry in the State.*

24 “(15) *In cooperation with efforts funded under*
 25 *sections 242 and 243, development and piloting of—*

1 “(A) new assessment tools and strategies
 2 that identify the needs and capture the gains of
 3 students at all levels, with particular emphasis
 4 on—

5 “(i) students at the lowest achievement
 6 level;

7 “(ii) students who have limited
 8 English proficiency; and

9 “(iii) adults with learning disabilities;
 10 “(B) options for improving teacher quality
 11 and retention; and

12 “(C) assistance in converting research into
 13 practice.

14 “(16) The development and implementation of
 15 programs and services to meet the needs of adult
 16 learners with learning disabilities or limited English
 17 proficiency.

18 “(17) Other activities of statewide significance
 19 that promote the purpose of this title.”; and

20 (2) in subsection (c), by striking “being State- or
 21 outlying area-imposed” and inserting “being imposed
 22 by the State or outlying area”.

23 **SEC. 210. STATE PLAN.**

24 Section 224 of the Adult Education and Family Lit-
 25 eracy Act (20 U.S.C. 9224) is amended—

1 (1) in subsection (a)—

2 (A) by striking the heading and inserting
3 “4-YEAR PLANS”; and

4 (B) in paragraph (1), by striking “5” and
5 inserting “4”;

6 (2) in subsection (b)—

7 (A) in paragraph (1), by inserting “and the
8 role of provider and cooperating agencies in pre-
9 paring the assessment” after “serve”;

10 (B) by striking paragraph (2) and inserting
11 the following:

12 “(2) a description of how the eligible agency will
13 address the adult education and literacy needs identi-
14 fied under paragraph (1) in each workforce develop-
15 ment area of the State, using funds received under
16 this subtitle, as well as other Federal, State, or local
17 funds received in partnership with other agencies for
18 the purpose of adult literacy as applicable;”;

19 (C) in paragraph (3)—

20 (i) by inserting “and measure” after
21 “evaluate”;

22 (ii) by inserting “and improvement”
23 after “effectiveness”; and

24 (iii) by striking “212” and inserting
25 “212, including—

1 “(A) how the eligible agency will evaluate
2 and measure annually such effectiveness on a
3 grant-by-grant basis; and

4 “(B) how the eligible agency—

5 “(i) will hold eligible providers ac-
6 countable regarding the progress of such
7 providers in improving the academic
8 achievement of participants in adult edu-
9 cation programs under this subtitle and re-
10 garding the core indicators of performance
11 described in section 212(b)(2)(A); and

12 “(ii) will use technical assistance,
13 sanctions, and rewards (including alloca-
14 tion of grant funds based on performance
15 and termination of grant funds based on
16 performance)’”;

17 (D) in paragraph (4), by striking “will en-
18 sure the improvement of” and inserting “im-
19 proved”;

20 (E) by redesignating paragraphs (5)
21 through (12) as paragraphs (6) through (13), re-
22 spectively;

23 (F) by inserting after paragraph (4) the fol-
24 lowing:

1 “(5) a description of how the eligible agency will
2 improve teacher quality, the professional development
3 of eligible providers, and instruction;”;

4 (G) in paragraph (6) (as redesignated by
5 subparagraph (E)), by striking “who” and all
6 that follows through the semicolon and inserting
7 “that—

8 “(A) offers flexible schedules and coordinates
9 with necessary Federal, State, and local support
10 services (such as child care, transportation, men-
11 tal health services, and case management) to en-
12 able individuals, including individuals with dis-
13 abilities or individuals with other special needs,
14 to participate in adult education and literacy
15 activities; and

16 “(B) attempts to coordinate with support
17 services that are not provided under this subtitle
18 prior to using funds for adult education and lit-
19 eracy activities provided under this subtitle for
20 support services;”;

21 (H) in paragraph (10) (as redesignated by
22 subparagraph (E)), by striking “plan” and in-
23 serting “plan, which process—

24 “(A) shall include the State Workforce In-
25 vestment Board, the Governor, State officials

1 *representing public schools, community colleges,*
 2 *welfare agencies, agencies that provide services to*
 3 *individuals with disabilities, other State agencies*
 4 *that promote or operate adult education and lit-*
 5 *eracy activities, and direct providers of such*
 6 *adult literacy services;*

7 *“(B) may include consultation with the*
 8 *State agency for higher education, institutions*
 9 *responsible for professional development of adult*
 10 *education and literacy education program in-*
 11 *structors, institutions of higher education, rep-*
 12 *resentatives of business and industry, refugee as-*
 13 *sistance programs, and community-based organi-*
 14 *zations, as defined in section 101;”;*

15 *(I) in paragraph (11) (as redesignated by*
 16 *subparagraph (E))—*

17 *(i) by inserting “assess potential popu-*
 18 *lation needs and” after “will”;*

19 *(ii) in subparagraph (A), by striking*
 20 *“students” and inserting “individuals”;*

21 *(iii) in subparagraph (C), by striking*
 22 *“and” after the semicolon; and*

23 *(iv) by adding at the end the following:*
 24 *“(E) the unemployed; and*

1 “(F) those who are employed, but at levels
2 below self-sufficiency, as defined in section 101.”;

3 (J) in paragraph (12) (as redesignated by
4 subparagraph (E))—

5 (i) by inserting “and how the plan
6 submitted under this subtitle is coordinated
7 with the plan submitted by the State under
8 title I” after “eligible agency”; and

9 (ii) by striking “and” after the semi-
10 colon;

11 (K) in paragraph (13) (as redesignated by
12 subparagraph (E)), by striking “231(c)(1).” and
13 inserting “231(c)(1), including—

14 “(A) how the State will build the capacity
15 of organizations that provide adult education
16 and literacy activities; and

17 “(B) how the State will increase the partici-
18 pation of business and industry in adult edu-
19 cation and literacy activities;”; and

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

21 “(14) a description of how the eligible agency
22 will consult with any State agency responsible for
23 postsecondary education to develop adult education
24 programs and services (including academic skill de-
25 velopment and support services) that prepare students

1 to enter postsecondary education upon completion of
 2 secondary school programs or their recognized equiva-
 3 lent;

4 “(15) a description of how the eligible agency
 5 will consult with the State agency responsible for
 6 workforce development to develop adult education pro-
 7 grams and services that are designed to prepare stu-
 8 dents to enter the workforce; and

9 “(16) a description of how the eligible agency
 10 will improve the professional development of eligible
 11 providers of adult education and literacy activities.”;

12 (3) in subsection (c), by adding at the end the
 13 following: “At the end of the first 2-year period of the
 14 4-year State plan, the eligible agency shall review
 15 and, as needed, revise the 4-year State plan.”; and

16 (4) in subsection (d)—

17 (A) in paragraph (1), by inserting “, the
 18 chief State school officer, the State officer respon-
 19 sible for administering community and technical
 20 colleges, and the State Workforce Investment
 21 Board” after “Governor”; and

22 (B) in paragraph (2), by striking “com-
 23 ments” and all that follows through the period
 24 and inserting “comments regarding the State
 25 plan by the Governor, the chief State school offi-

1 *cer, the State officer responsible for admin-*
 2 *istering community and technical colleges, and*
 3 *the State Workforce Investment Board, and any*
 4 *revision to the State plan, are submitted to the*
 5 *Secretary.”.*

6 **SEC. 211. PROGRAMS FOR CORRECTIONS EDUCATION AND**
 7 **OTHER INSTITUTIONALIZED INDIVIDUALS.**

8 *Section 225 of the Adult Education and Family Lit-*
 9 *eracy Act (20 U.S.C. 9225) is amended—*

10 *(1) in subsection (b)—*

11 *(A) in paragraph (1), by striking “basic*
 12 *education” and inserting “adult education and*
 13 *literacy activities”;*

14 *(B) in paragraph (2), by inserting “and”*
 15 *after the semicolon;*

16 *(C) by striking paragraph (3); and*

17 *(D) by redesignating paragraph (4) as*
 18 *paragraph (3); and*

19 *(2) in subsection (d), by striking “DEFINITION*
 20 *OF CRIMINAL OFFENDER.—” and inserting “DEFINI-*
 21 *TIONS.—In this section:”.*

22 **SEC. 212. GRANTS AND CONTRACTS FOR ELIGIBLE PRO-**
 23 **VIDERS.**

24 *Section 231 of the Adult Education and Family Lit-*
 25 *eracy Act (20 U.S.C. 9241) is amended—*

1 (1) in subsection (b)—

2 (A) in paragraph (1), by striking “work-
3 place literacy services” and inserting “workplace
4 literacy programs”; and

5 (B) in paragraph (3), by striking “literacy”
6 and inserting “language acquisition”;

7 (2) in subsection (e)—

8 (A) in paragraph (1), by inserting “to be
9 achieved annually on the core indicators of per-
10 formance and employment performance indica-
11 tors described in section 212(b)(2)” after “out-
12 comes”;

13 (B) by striking paragraph (3) and inserting
14 the following:

15 “(3) the commitment of the eligible provider to
16 be responsive to local needs and to serve individuals
17 in the community who were identified by the assess-
18 ment as most in need of adult literacy services, in-
19 cluding individuals who are low-income, have mini-
20 mal literacy skills, have learning disabilities, or have
21 limited English proficiency;”;

22 (C) in paragraph (4)(B), by striking “,
23 such as” and all that follows through the semi-
24 colon and inserting “that include the essential
25 components of reading instruction;”;

1 (D) in paragraph (5), by striking “re-
 2 search” and inserting “the most rigorous re-
 3 search available”;

4 (E) in paragraph (7), by inserting “, when
 5 appropriate and based on the most rigorous re-
 6 search available,” after “real life contexts”;

7 (F) in paragraph (9), by inserting “edu-
 8 cation, job-training, and social service” after
 9 “other available”;

10 (G) in paragraph (10)—

11 (i) by inserting “coordination with
 12 Federal, State, and local” after “schedules
 13 and”; and

14 (ii) by striking “and transportation”
 15 and inserting “, transportation, mental
 16 health services, and case management”;

17 (H) in paragraph (11)—

18 (i) by inserting “measurable” after
 19 “report”;

20 (ii) by striking “eligible agency”;

21 (iii) by inserting “established by the el-
 22 igible agency” after “performance meas-
 23 ures”; and

24 (iv) by striking “and” after the semi-
 25 colon;

1 (I) in paragraph (12), by striking “literacy
2 programs.” and inserting “language acquisition
3 programs and civics education programs;”; and

4 (J) by adding at the end the following:

5 “(13) the capacity of the eligible provider to
6 produce information on performance results, includ-
7 ing enrollments and measurable participant out-
8 comes;

9 “(14) whether reading, writing, speaking, mathe-
10 matics, and English language acquisition instruction
11 provided by the eligible provider are based on the best
12 practices derived from the most rigorous research
13 available;

14 “(15) whether the eligible provider’s applications
15 of technology and services to be provided are sufficient
16 to increase the amount and quality of learning and
17 lead to measurable learning gains within specified
18 time periods; and

19 “(16) the capacity of the eligible provider to
20 serve adult learners with learning disabilities.”.

21 **SEC. 213. LOCAL APPLICATION.**

22 Section 232 of the Adult Education and Family Lit-
23 eracy Act (20 U.S.C. 9242) is amended—

24 (1) in paragraph (1)—

1 (A) by inserting “consistent with the re-
2 quirements of this subtitle” after “spent”; and

3 (B) by striking “and” after the semicolon;

4 (2) in paragraph (2), by striking the period at
5 the end and inserting “; and”; and

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

7 “(3) information that addresses each of the con-
8 siderations required under section 231(e).”.

9 **SEC. 214. LOCAL ADMINISTRATIVE COST LIMITS.**

10 Section 233 of the Adult Education and Family Lit-
11 eracy Act (20 U.S.C. 9243) is amended—

12 (1) in subsection (a)(2)—

13 (A) by inserting “and professional” after
14 “personnel”; and

15 (B) by inserting “development of measur-
16 able goals in reading, writing, and speaking the
17 English language, and in mathematical com-
18 putation,” after “development,”; and

19 (2) in subsection (b)—

20 (A) by inserting “and professional” after
21 “personnel”; and

22 (B) by inserting “development of measur-
23 able goals in reading, writing, and speaking the
24 English language, and in mathematical com-
25 putation,” after “development,”.

1 **SEC. 215. ADMINISTRATIVE PROVISIONS.**

2 *Section 241(b) of the Adult Education and Family*
 3 *Literacy Act (20 U.S.C. 9251(b)) is amended—*

4 *(1) in paragraph (1)(A)—*

5 *(A) by striking “adult education and lit-*
 6 *eracy activities” both places such terms appear*
 7 *and inserting “activities under this subtitle”;*
 8 *and*

9 *(B) by striking “was” and inserting*
 10 *“were”; and*

11 *(2) in paragraph (4)—*

12 *(A) by inserting “not more than” after*
 13 *“this subsection for”; and*

14 *(B) by striking “only”.*

15 **SEC. 216. NATIONAL INSTITUTE FOR LITERACY.**

16 *Section 242 of the Adult Education and Family Lit-*
 17 *eracy Act (20 U.S.C. 9252) is amended—*

18 *(1) in subsection (a)—*

19 *(A) in paragraph (1), by striking “literacy”*
 20 *and inserting “effective literacy programs for*
 21 *children, youth, adults, and families”;*

22 *(B) in paragraph (2), by inserting “and*
 23 *disseminates information on” after “coordi-*
 24 *nates”; and*

25 *(C) by striking paragraph (3)(A) and in-*
 26 *serting the following:*

1 “(A) coordinating and participating in the
 2 Federal effort to identify and disseminate infor-
 3 mation on literacy that is derived from scientif-
 4 ically based research, or the most rigorous re-
 5 search available and effective programs that
 6 serve children, youth, adults, and families; and”;
 7 (2) by striking subsection (b)(3) and inserting
 8 the following:

9 “(3) RECOMMENDATIONS.—The Interagency
 10 Group, in consultation with the National Institute for
 11 Literacy Advisory Board (in this section referred to
 12 as the ‘Board’) established under subsection (e), shall
 13 plan the goals of the Institute and the implementation
 14 of any programs to achieve the goals. The Board may
 15 also request a meeting of the Interagency Group to
 16 discuss any recommendations the Board may make.”;

17 (3) in subsection (c)—

18 (A) in paragraph (1)—

19 (i) in subparagraph (A)—

20 (I) by striking “to establish” and
 21 inserting “to maintain”;

22 (II) in clause (i), by striking
 23 “phonemic awareness, systematic
 24 phonics, fluency, and reading com-
 25 prehension” and inserting “the essen-

1 *tial components of reading instruc-*
 2 *tion”;*

3 *(III) in clause (iii), by striking*
 4 *“and” after the semicolon;*

5 *(IV) in clause (iv), by inserting*
 6 *“and” after the semicolon; and*

7 *(V) by adding at the end the fol-*
 8 *lowing:*

9 *“(v) a list of local adult education and*
 10 *literacy programs;”;*

11 *(ii) in subparagraph (C)—*

12 *(I) by striking “reliable and*
 13 *replicable research” and inserting “re-*
 14 *liable and replicable research as de-*
 15 *finied by the Institute of Education*
 16 *Sciences”; and*

17 *(II) by striking “especially with*
 18 *the Office of Educational Research and*
 19 *Improvement in the Department of*
 20 *Education,”;*

21 *(iii) in subparagraph (D), by striking*
 22 *“phonemic awareness, systematic phonics,*
 23 *fluency, and reading comprehension based*
 24 *on” and inserting “the essential components*
 25 *of reading instruction and”;*

1 (iv) in subparagraph (H), by striking
2 “and” after the semicolon;

3 (v) in subparagraph (I), by striking
4 the period at the end and inserting a semi-
5 colon; and

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

7 “(J) to work cooperatively with the Depart-
8 ment of Education to assist States that are pur-
9 suing the implementation of standards-based
10 educational improvements for adults through the
11 dissemination of training, technical assistance,
12 and related support and through the development
13 and dissemination of related standards-based as-
14 sessment instruments; and

15 “(K) to identify rigorous research on the ef-
16 fectiveness of instructional practices and organi-
17 zational strategies relating to literacy programs
18 on the acquisition of skills in reading, writing,
19 English acquisition, and mathematics.”; and

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

21 “(3) COORDINATION.—In identifying the reliable
22 and replicable research the Institute will support, the
23 Institute shall use standards for research quality that
24 are consistent with those of the Institute of Education
25 Sciences.”;

1 (4) *in subsection (e)*—

2 (A) *in paragraph (1)(B)*—

3 (i) *in clause (i), by striking “literacy*
4 *programs” and inserting “language acquisi-*
5 *tion programs”;*

6 (ii) *in clause (ii), by striking “literacy*
7 *programs” and inserting “or have partici-*
8 *pated in or partnered with workplace lit-*
9 *eracy programs”;*

10 (iii) *in clause (iv), by inserting “, in-*
11 *cluding adult literacy research” after “re-*
12 *search”;*

13 (iv) *in clause (vi), by striking “and”*
14 *after the semicolon;*

15 (v) *in clause (vii), by striking the pe-*
16 *riod at the end and inserting “; and”; and*

17 (vi) *by adding at the end the following:*

18 “(viii) *institutions of higher edu-*
19 *cation.”;*

20 (B) *in paragraph (2)*—

21 (i) *in subparagraph (B), by striking*
22 *“and” after the semicolon;*

23 (ii) *in subparagraph (C), by striking*
24 *the period at the end and inserting “; and”;*
25 *and*

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

3 “(D) review the biennial report submitted to
4 Congress pursuant to subsection (k).”; and

5 (C) in paragraph (5), by striking the second
6 sentence and inserting the following: “A rec-
7 ommendation of the Board may be passed only
8 by a majority of the Board’s members present at
9 a meeting for which there is a quorum.”; and
10 (5) in subsection (k)—

11 (A) by striking “Labor and Human Re-
12 sources” and inserting “Health, Education,
13 Labor, and Pensions”; and

14 (B) by striking “The Institute shall submit
15 a report biennially to” and inserting “Not later
16 than 1 year after the date of enactment of the
17 Adult Education and Family Literacy Act
18 Amendments of 2003, and biennially thereafter,
19 the Institute shall submit a report to”.

20 **SEC. 217. NATIONAL LEADERSHIP ACTIVITIES.**

21 Section 243 of the Adult Education and Family Lit-
22 eracy Act (20 U.S.C. 9253) is amended to read as follows:

23 **“SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.**

24 “(a) *IN GENERAL.*—The Secretary shall establish and
25 carry out a program of national leadership activities to en-

1 *hance the quality of adult education and literacy programs*
 2 *nationwide.*

3 “(b) *PERMISSIVE ACTIVITIES.*—*The national leader-*
 4 *ship activities described in subsection (a) may include the*
 5 *following:*

6 “(1) *Technical assistance, including—*

7 “(A) *assistance provided to eligible pro-*
 8 *viders in developing and using performance*
 9 *measures for the improvement of adult education*
 10 *and literacy activities, including family literacy*
 11 *services;*

12 “(B) *assistance related to professional devel-*
 13 *opment activities, and assistance for the pur-*
 14 *poses of developing, improving, identifying, and*
 15 *disseminating the most successful methods and*
 16 *techniques for providing adult education and lit-*
 17 *eracy activities, including family literacy serv-*
 18 *ices, based on scientific evidence where available;*

19 “(C) *assistance in distance learning and*
 20 *promoting and improving the use of technology*
 21 *in the classroom;*

22 “(D) *assistance in developing valid, meas-*
 23 *urable, and reliable performance data, including*
 24 *data around employment and employment out-*
 25 *come, and using performance information for the*

1 *improvement of adult education and literacy*
 2 *programs; and*

3 “(E) assistance to help States, particularly
 4 *low-performing States, meet the requirements of*
 5 *section 212.*

6 “(2) A program of grants, contracts, or coopera-
 7 *tive agreements awarded on a competitive basis to na-*
 8 *tional, regional, or local networks of private nonprofit*
 9 *organizations, public libraries, or institutions of high-*
 10 *er education to build the capacity of such networks’*
 11 *members to meet the performance requirements of eli-*
 12 *gible providers under this title and involve adult*
 13 *learners in program improvement.*

14 “(3) Funding national leadership activities that
 15 *are not described in paragraph (1), either directly or*
 16 *through grants, contracts, or cooperative agreements*
 17 *awarded on a competitive basis to or with postsec-*
 18 *ondary educational institutions, public or private or-*
 19 *ganizations or agencies, or consortia of such institu-*
 20 *tions, organizations, or agencies, such as—*

21 “(A) developing, improving, and identifying
 22 *the most successful methods and techniques for*
 23 *addressing the education needs of adults, includ-*
 24 *ing instructional practices using the essential*
 25 *components of reading instruction based on the*

1 *work of the National Institute of Child Health*
2 *and Human Development;*

3 “(B) increasing the effectiveness of, and im-
4 proving the quality of, adult education and lit-
5 eracy activities, including family literacy serv-
6 ices;

7 “(C) carrying out research on national lit-
8 eracy basic skill acquisition for adult learning,
9 including estimating the number of adults func-
10 tioning at the lowest levels of literacy pro-
11 ficiency;

12 “(D)(i) carrying out demonstration pro-
13 grams;

14 “(ii) disseminating best practices informa-
15 tion, including information regarding promising
16 practices resulting from federally funded dem-
17 onstration programs; and

18 “(iii) developing and replicating best prac-
19 tices and innovative programs, including—

20 “(I) the development of models for
21 basic skill certificates;

22 “(II) the identification of effective
23 strategies for working with adults with
24 learning disabilities and with adults with
25 limited English proficiency;

1 “(III) integrated basic and workplace
2 skills education programs;

3 “(IV) coordinated literacy and employ-
4 ment services; and

5 “(V) postsecondary education transi-
6 tion programs;

7 “(E) providing for the conduct of an inde-
8 pendent evaluation and assessment of adult edu-
9 cation and literacy activities through studies
10 and analyses conducted independently through
11 grants and contracts awarded on a competitive
12 basis, which evaluation and assessment shall in-
13 clude descriptions of—

14 “(i) the effect of performance measures
15 and other measures of accountability on the
16 delivery of adult education and literacy ac-
17 tivities, including family literacy services;

18 “(ii) the extent to which the adult edu-
19 cation and literacy activities, including
20 family literacy services, increase the lit-
21 eracy skills of adults (and of children, in
22 the case of family literacy services), lead the
23 participants in such activities to involve-
24 ment in further education and training, en-
25 hance the employment and earnings of such

1 *participants, and, if applicable, lead to*
2 *other positive outcomes, such as reductions*
3 *in recidivism in the case of prison-based*
4 *adult education and literacy activities;*

5 *“(iii) the extent to which the provision*
6 *of support services to adults enrolled in*
7 *adult education and family literacy pro-*
8 *grams increase the rate of enrollment in,*
9 *and successful completion of, such pro-*
10 *grams; and*

11 *“(iv) the extent to which different types*
12 *of providers measurably improve the skills*
13 *of participants in adult education and lit-*
14 *eracy programs;*

15 *“(F) supporting efforts aimed at capacity*
16 *building of programs at the State and local levels*
17 *such as technical assistance in program plan-*
18 *ning, assessment, evaluation, and monitoring of*
19 *activities carried out under this subtitle;*

20 *“(G) collecting data, such as data regarding*
21 *the improvement of both local and State data*
22 *systems, through technical assistance and devel-*
23 *opment of model performance data collection sys-*
24 *tems;*

1 “(H) supporting the development of an enti-
 2 ty that would produce and distribute technology-
 3 based programs and materials for adult edu-
 4 cation and literacy programs using an inter-
 5 connection system (as defined in section 397 of
 6 the Communications Act of 1934 (47 U.S.C.
 7 397)) and expand the effective outreach and use
 8 of such programs and materials to adult edu-
 9 cation eligible providers;

10 “(I) determining how participation in
 11 adult education and literacy activities prepares
 12 individuals for entry into postsecondary edu-
 13 cation and employment and, in the case of pris-
 14 on-based services, has an effect on recidivism;
 15 and

16 “(J) other activities designed to enhance the
 17 quality of adult education and literacy activities
 18 nationwide.”.

19 **SEC. 218. INTEGRATED ENGLISH LITERACY AND CIVICS**
 20 **EDUCATION.**

21 Chapter 4 of subtitle A of title II (29 U.S.C. 9251 et
 22 seq.) is amended by adding at the end the following:

1 **“SEC. 244. INTEGRATED ENGLISH LITERACY AND CIVICS**
2 **EDUCATION.**

3 “(a) *IN GENERAL.*—From funds made available under
4 section 211(a)(4) for each fiscal year the Secretary shall
5 award grants to States, from allotments under subsection
6 (b), for integrated English literacy and civics education.

7 “(b) *ALLOTMENT.*—

8 “(1) *IN GENERAL.*—Subject to paragraph (2),
9 from amounts made available under section 211(a)(4)
10 for a fiscal year the Secretary shall allocate—

11 “(A) 65 percent to the States on the basis
12 of a State’s need for integrated English literacy
13 and civics education as determined by calcu-
14 lating each State’s share of a 10-year average of
15 the Immigration and Naturalization Service
16 data for immigrants admitted for legal perma-
17 nent residence for the 10 most recent years; and

18 “(B) 35 percent to the States on the basis
19 of whether the State experienced growth as meas-
20 ured by the average of the 3 most recent years
21 for which Immigration and Naturalization Serv-
22 ice data for immigrants admitted for legal per-
23 manent residence are available.

24 “(2) *MINIMUM.*—No State shall receive an allot-
25 ment under paragraph (1) in an amount that is less
26 than \$60,000.”.

1 **SEC. 219. TRANSITION.**

2 *The Secretary shall take such steps as the Secretary*
 3 *determines to be appropriate to provide for the orderly tran-*
 4 *sition to the authority of the Adult Education and Family*
 5 *Literacy Act (as amended by this title) from any authority*
 6 *under provisions of the Adult Education and Family Lit-*
 7 *eracy Act (as such Act was in effect on the day before the*
 8 *date of enactment of the Adult Education and Family Lit-*
 9 *eracy Act Amendments of 2003.*

10 **TITLE III—AMENDMENTS TO**
 11 **OTHER PROVISIONS OF LAW**

12 **SEC. 301. WAGNER-PEYSER ACT.**

13 (a) *CONFORMING AMENDMENT.*—Section 2(3) of the
 14 *Wagner-Peyser Act (29 U.S.C. 49a(3)) is amended by strik-*
 15 *ing “section 134(c)” and inserting “section 121(e)”.*

16 (b) *COLOCATION.*—Section 3 of the *Wagner-Peyser Act*
 17 *(29 U.S.C. 49b) is amended by adding at the end the fol-*
 18 *lowing:*

19 “(d) *In order to avoid duplication of services and en-*
 20 *hance integration of services, employment services offices in*
 21 *each State shall be colocated with comprehensive one-stop*
 22 *centers established under title I of the Workforce Investment*
 23 *Act of 1998.”.*

24 (c) *COOPERATIVE STATISTICAL PROGRAM.*—Section
 25 *14 of the Wagner-Peyser Act (29 U.S.C. 49l–1) is amended*

1 *by striking the section heading and all that follows through*
 2 *“There” and inserting the following:*

3 **“SEC. 14. COOPERATIVE STATISTICAL PROGRAM.**

4 *“There”.*

5 *(d) WORKFORCE AND LABOR MARKET INFORMATION*
 6 *SYSTEM.—Section 15 of the Wagner-Peyser Act (29 U.S.C.*
 7 *49l-2) is amended—*

8 *(1) by striking the section heading and inserting*
 9 *the following:*

10 **“SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION**
 11 **SYSTEM.”;**

12 *(2) by striking “employment statistics system”*
 13 *each place it appears and inserting “workforce and*
 14 *labor market information system”;*

15 *(3) in subsection (a)(1), by striking “of employ-*
 16 *ment statistics”;*

17 *(4) in subsection (b)(2)(E)—*

18 *(A) in clause (i), by adding “and” at the*
 19 *end;*

20 *(B) in clause (ii), by striking “; and” and*
 21 *inserting a period; and*

22 *(C) by striking clause (iii);*

23 *(5) by striking subsections (c) and (d) and in-*
 24 *serting the following:*

1 “(c) *NATIONAL ELECTRONIC TOOLS TO PROVIDE*
 2 *SERVICES.*—*The Secretary, in consultation with States, is*
 3 *authorized to assist in the development of national elec-*
 4 *tronic tools that may be used to improve access to workforce*
 5 *information for individuals through—*

6 “(1) *the one-stop delivery systems established*
 7 *under section 121(e); and*

8 “(2) *such other delivery systems as the Secretary*
 9 *determines to be appropriate.*

10 “(d) *TWO-YEAR PLAN.*—*The Secretary, working*
 11 *through the Bureau of Labor Statistics, and in cooperation*
 12 *with the States and with the assistance of the Employment*
 13 *and Training Administration and other appropriate Fed-*
 14 *eral agencies, shall prepare a 2-year plan which shall be*
 15 *the mechanism for achieving cooperative management of the*
 16 *nationwide workforce and labor market information system*
 17 *described in subsection (a) and the statewide workforce and*
 18 *labor market information systems that comprise the nation-*
 19 *wide system. The plan shall—*

20 “(1) *describe the steps to be taken in the fol-*
 21 *lowing 2 years to carry out the duties described in*
 22 *subsection (b)(2);*

23 “(2) *evaluate the performance of the system and*
 24 *recommend needed improvements, with particular at-*

1 *tention to the improvements needed at the State and*
 2 *local levels; and*

3 *“(3) describe the involvement of States in the de-*
 4 *velopment of the plan, pursuant to a process estab-*
 5 *lished by the Secretary in cooperation with the States*
 6 *in accordance with subsection (i).”;*

7 *(6) in subsection (e)(2)—*

8 *(A) in subparagraph (G), by adding “and”*
 9 *at the end;*

10 *(B) by striking subparagraph (H); and*

11 *(C) by redesignating subparagraph (I) as*
 12 *subparagraph (H);*

13 *(7) in subsection (g), by striking “1999 through*
 14 *2004” and inserting “2004 through 2009 to enable the*
 15 *Secretary to carry out the provisions of this section*
 16 *in a timely manner through grants or cooperative*
 17 *agreements with the States”;*

18 *(8) in subsection (g)—*

19 *(A) by striking “There are” and inserting*
 20 *the following:*

21 *“(1) IN GENERAL.—There are”; and*

22 *(B) by adding at the end the following:*

23 *“(2) DISTRIBUTION OF FUNDS.—With regard to*
 24 *distributing funds appropriated under paragraph (1)*
 25 *(relating to workforce and labor market information*

1 *funding) for fiscal years 2004 through 2009, the Sec-*
 2 *retary shall continue to distribute the funds to the*
 3 *States in the manner in which the Secretary distrib-*
 4 *uted funds to the States under this section for fiscal*
 5 *years 1999 through 2003.”; and*

6 *(9) by adding at the end the following:*

7 “(i) *COORDINATION WITH THE STATES.—The Sec-*
 8 *retary, working through the Bureau of Labor Statistics and*
 9 *in coordination with the Employment and Training Ad-*
 10 *ministration, shall consult at least annually with represent-*
 11 *atives of each of the 10 Federal regions of the Department*
 12 *of Labor, elected (pursuant to a process established by the*
 13 *Secretary) by and from the State workforce and labor mar-*
 14 *ket information directors affiliated with the State agencies*
 15 *that perform the duties described in subsection (e)(2).”.*

16 ***TITLE IV—REHABILITATION ACT*** 17 ***AMENDMENTS***

18 ***SEC. 401. SHORT TITLE.***

19 *This title may be cited as the “Rehabilitation Act*
 20 *Amendments of 2003”.*

21 ***SEC. 402. TECHNICAL AMENDMENTS TO TABLE OF CON-*** 22 ***TENTS.***

23 “(a) *INCENTIVE GRANTS.—Section 1(b) of the Rehabili-*
 24 *tation Act of 1973 (29 U.S.C. 701 note) is amended by in-*
 25 *serting after the item relating to section 112 the following:*

“Sec. 113. Incentive grants.”.

1 (b) *INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND.*—Section 1(b) of the Rehabilitation Act of 1973 (29 U.S.C. 701 note) is amended by striking the items relating to sections 752 and 753 and inserting the following:

“Sec. 752. Training and technical assistance.

“Sec. 753. Program of grants.

“Sec. 754. Authorization of appropriations.”.

6 **SEC. 403. PURPOSE.**

7 Section 2(b) of the Rehabilitation Act of 1973 (29 U.S.C. 701(b)) is amended—

9 (1) in paragraph (1)(F), by striking “and” after the semicolon;

11 (2) in paragraph (2), by striking the period at the end and inserting “; and”; and

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

14 “(3) to provide opportunities for employers and rehabilitation service providers to provide meaningful input at all levels of government to ensure successful employment of individuals with disabilities.”.

18 **SEC. 404. DEFINITIONS.**

19 Section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705) is amended—

21 (1) in paragraph (2)(B)—

22 (A) in the matter preceding clause (i), by inserting “and literacy services” after “supported employment”; and

1 (B) in clause (iii), by inserting “and lit-
2 eracy skills” after “educational achievements”;

3 (2) by striking paragraph (7) and inserting the
4 following:

5 “(7) CONSUMER ORGANIZATION.—The term ‘con-
6 sumer organization’ means a membership organiza-
7 tion in which a majority of the organization’s mem-
8 bers and a majority of the organization’s officers are
9 individuals with disabilities.”;

10 (3) in paragraph (17)—

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

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

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

16 “(E) maintaining individuals with signifi-
17 cant disabilities in, or transitioning individuals
18 with significant disabilities to, community-based
19 living.”;

20 (4) by redesignating paragraphs (24) through
21 (28), (29) through (34), and (35) through (39), as
22 paragraphs (25) through (29), (31) through (36), and
23 (38) through (42), respectively;

24 (5) by inserting after paragraph (23) the fol-
25 lowing:

1 “(24) *LITERACY*.—The term ‘literacy’ has the
 2 meaning given the term in section 203 of the Adult
 3 Education and Family Literacy Act (20 U.S.C.
 4 9202).”;

5 (6) by inserting after paragraph (29), as redesign-
 6 ated by paragraph (4), the following:

7 “(30) *POST-EMPLOYMENT SERVICE*.—The term
 8 ‘post-employment’ service means a service identified
 9 in section 103(a) that is—

10 “(A) provided subsequent to the achievement
 11 of an employment outcome; and

12 “(B) necessary for an individual to main-
 13 tain, regain, or advance in employment, con-
 14 sistent with the individual’s strengths, resources,
 15 priorities, concerns, abilities, capabilities, inter-
 16 ests, and informed choice.”;

17 (7) by inserting after paragraph (36), as redesign-
 18 ated by paragraph (4), the following:

19 “(37) *STUDENT WITH A DISABILITY*.—

20 “(A) *IN GENERAL*.—The term ‘student with
 21 a disability’ means an individual with a dis-
 22 ability who attends an elementary school or sec-
 23 ondary school and who—

24 “(i) is not younger than 14 years of
 25 age;

1 “(ii) is not older than 21 years of age;

2 “(iii) has been determined to be eligible
3 under section 102(a) for assistance under
4 title I; and

5 “(iv)(I) is eligible for, and receiving,
6 special education and related services under
7 part B of the Individuals with Disabilities
8 Education Act (20 U.S.C. 1411 et seq.); or

9 “(II) is an individual with a dis-
10 ability, for purposes of section 504.

11 “(B) STUDENTS WITH DISABILITIES.—The
12 term ‘students with disabilities’ means more
13 than 1 student with a disability.”; and

14 (8) in paragraph (38)(A)(ii), as redesignated by
15 paragraph (4), by striking “paragraph (36)(C)” and
16 inserting “paragraph (39)(C)”.

17 **SEC. 405. ADMINISTRATION OF THE ACT.**

18 Section 12(a)(1) of the Rehabilitation Act of 1973 (29
19 U.S.C. 709(a)(1)) is amended—

20 (1) by inserting “(A)” after “(1)”;

21 (2) by striking the semicolon and inserting “;
22 and”; and

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

1 “(B) provide technical assistance to the des-
 2 ignated State units on developing successful partner-
 3 ships with employers;”.

4 **SEC. 406. CARRYOVER.**

5 Section 19 of the Rehabilitation Act of 1973 (29 U.S.C.
 6 716) is amended—

7 (1) in subsection (a)(1)—

8 (A) by striking “, section 509 (except as
 9 provided in section 509(b))”;

10 (B) by striking “or (C)”; and

11 (C) by striking “752(b)” and inserting
 12 “753(b)”; and

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

14 “(c) *PROTECTION AND ADVOCACY OF INDIVIDUAL*
 15 *RIGHTS.*—

16 “(1) *APPROPRIATED AMOUNTS.*—Notwith-
 17 standing any other provision of law, any funds ap-
 18 propriated for a fiscal year to carry out a grant pro-
 19 gram under section 509 (except as provided in section
 20 509(b)), including any funds reallocated under such
 21 grant program, that are not obligated and expended
 22 by recipients prior to the beginning of the succeeding
 23 fiscal year shall remain available for obligation and
 24 expenditure by such recipients during such succeeding
 25 fiscal year.

1 “(2) *PROGRAM INCOME*.—Notwithstanding any
 2 other provision of law, any amounts of program in-
 3 come received by recipients under a grant program
 4 under section 509 in a fiscal year that are not obli-
 5 gated and expended by recipients prior to the begin-
 6 ning of the succeeding fiscal year, shall remain avail-
 7 able until expended.”.

8 ***Subtitle A—Vocational*** 9 ***Rehabilitation Services***

10 ***SEC. 411. DECLARATION OF POLICY; AUTHORIZATION OF*** 11 ***APPROPRIATIONS.***

12 Section 100(b)(1) of the Rehabilitation Act of 1973 (29
 13 U.S.C. 720(b)(1)) is amended by striking “fiscal years 1999
 14 through 2003” and inserting “fiscal years 2004 through
 15 2009”.

16 ***SEC. 412. STATE PLANS.***

17 Section 101(a) of the Rehabilitation Act of 1973 (29
 18 U.S.C. 721(a)) is amended—

19 (1) in paragraph (6)(B), by striking “to employ
 20 and advance in employment” and inserting “to re-
 21 cruit, employ, and advance in employment”;

22 (2) in paragraph (7)(A)(v), by striking subclause
 23 (I) and inserting the following:

24 “(I) a system for the continuing
 25 education of rehabilitation profes-

1 sionals and paraprofessionals within
 2 the designated State unit, particularly
 3 with respect to rehabilitation tech-
 4 nology, including training imple-
 5 mented in coordination with State pro-
 6 grams carried out under section 101 of
 7 the Assistive Technology Act of 1998
 8 (29 U.S.C. 3011); and”;

9 (3) in paragraph (8)(A), by adding at the end
 10 the following:

11 “(iii) *SERVICES IDENTIFIED IN INDIVIDUALIZED WORK PLAN.*—For purposes of
 12 *clause (i), for an individual who receives*
 13 *assistance under the Ticket to Work and*
 14 *Self-Sufficiency Program established under*
 15 *section 1148 of the Social Security Act (42*
 16 *U.S.C. 1320b–19), comparable benefits and*
 17 *services available under such program only*
 18 *include those benefits and services identified*
 19 *in the individual’s individualized work*
 20 *plan developed by an employment network*
 21 *pursuant to such section.”;*

22 (4) in paragraph (10)—

23 (A) in subparagraph (B), by striking “an-
 24 nual reporting on the eligible individuals receiv-
 25

1 *ing the services, on those specific data elements*
 2 *described in section 136(d)(2) of the Workforce*
 3 *Investment Act of 1998” and inserting “annual*
 4 *reporting of information on eligible individuals*
 5 *receiving services that is needed to assess per-*
 6 *formance on the core indicators of performance*
 7 *described in section 136(b)(2)(A)(i) of the Work-*
 8 *force Investment Act of 1998”;*

9 *(B) in subparagraph (C), by striking*
 10 *clauses (iii) and (iv) and inserting the following:*

11 *“(iii) the number of applicants and el-*
 12 *igible recipients, including the number of*
 13 *individuals with significant disabilities,*
 14 *who exited the program carried out under*
 15 *this title and the number of such individ-*
 16 *uals who achieved employment outcomes*
 17 *after receiving vocational rehabilitation*
 18 *services; and*

19 *“(iv) the number of individuals who*
 20 *received vocational rehabilitation services*
 21 *who entered and retained employment and*
 22 *the increases in earnings of such individ-*
 23 *uals, consistent with State reporting respon-*
 24 *sibilities pursuant to section 136(b)(2)(A)(i)*

1 *of the Workforce Investment Act of 1998.”;*
2 *and*

3 *(C) in subparagraph (E)(ii), by striking*
4 *“in meeting” and all that follows through the pe-*
5 *riod and inserting “in meeting the standards*
6 *and indicators established pursuant to section*
7 *106.”;*

8 *(5) in paragraph (11)—*

9 *(A) by striking subparagraph (C) and in-*
10 *serting the following:*

11 *“(C) INTERAGENCY COOPERATION WITH*
12 *OTHER AGENCIES.—The State plan shall include*
13 *descriptions of interagency cooperation with, and*
14 *utilization of the services and facilities of, Fed-*
15 *eral, State, and local agencies and programs, in-*
16 *cluding the State programs carried out under*
17 *section 101 of the Assistive Technology Act of*
18 *1998 (29 U.S.C. 3011), programs carried out by*
19 *the Under Secretary for Rural Development of*
20 *the Department of Agriculture, and State use*
21 *contracting programs, to the extent that such*
22 *agencies and programs are not carrying out ac-*
23 *tivities through the statewide workforce invest-*
24 *ment system.”;*

1 (B) by striking subparagraph (D)(ii) and
 2 inserting the following:

3 “(ii) transition planning by personnel
 4 of the designated State agency and the State
 5 educational agency that will facilitate the
 6 development and completion of the individ-
 7 ualized education programs under section
 8 614(d) of the Individuals with Disabilities
 9 Education Act (20 U.S.C. 1414(d)) and, as
 10 appropriate, the development and comple-
 11 tion of the individualized plan for employ-
 12 ment, in order to achieve post-school em-
 13 ployment outcomes of students with disabil-
 14 ities;”;

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

16 “(G) COORDINATION WITH TICKET TO WORK
 17 AND SELF-SUFFICIENCY PROGRAM.—The State
 18 plan shall provide that the designated State unit
 19 will coordinate activities with any other State
 20 agency that administers a Ticket to Work and
 21 Self-Sufficiency Program established under sec-
 22 tion 1148 of the Social Security Act (42 U.S.C.
 23 1320b–19).”;

24 (6) in paragraph (20)—

1 (A) by redesignating subparagraph (B) as
2 subparagraph (D);

3 (B) by inserting after subparagraph (A) the
4 following:

5 “(B) INFORMATION ON ASSISTANCE FOR
6 BENEFICIARIES OF ASSISTANCE UNDER TITLE II
7 OR XVI OF THE SOCIAL SECURITY ACT.—The
8 State plan shall include an assurance that the
9 designated State agency will make available to
10 individuals entitled to benefits under title II or
11 XVI of the Social Security Act (42 U.S.C. 401
12 et seq., 1381 et seq.) on the basis of a disability
13 or blindness, information on the availability
14 of—

15 “(i) medical assistance under the State
16 medicaid program under title XIX of the
17 Social Security Act (42 U.S.C. 1396 et
18 seq.);

19 “(ii) benefits under the medicare pro-
20 gram under title XVIII of the Social Secu-
21 rity Act (42 U.S.C. 1395 et seq.);

22 “(iii) assistance through benefits plan-
23 ning and assistance programs under section
24 1149 of the Social Security Act (42 U.S.C.
25 1320b–20) and protection and advocacy

1 *programs under section 1150 of the Social*
 2 *Security Act (42 U.S.C. 1320b–21); and*

3 *“(iv) medical assistance under other*
 4 *federally funded programs.*

5 *“(C) INFORMATION FOR INDIVIDUALS*
 6 *UNDER THE TICKET TO WORK PROGRAM.—The*
 7 *State plan shall include an assurance that the*
 8 *designated State agency will make available to*
 9 *individuals entitled to benefits under title II or*
 10 *XVI of the Social Security Act (42 U.S.C. 401*
 11 *et seq., 1381 et seq.) on the basis of a disability*
 12 *or blindness and eligible for assistance under the*
 13 *Ticket to Work and Self-Sufficiency Program es-*
 14 *tablished under section 1148 of the Social Secu-*
 15 *rity Act (42 U.S.C. 1320b–19), general informa-*
 16 *tion regarding the Ticket to Work and Self-Suffi-*
 17 *ciency Program and specific information on how*
 18 *to contact the program manager of the Ticket to*
 19 *Work and Self-Sufficiency Program to obtain in-*
 20 *formation on approved employment networks.”;*
 21 *and*

22 *(C) in subparagraph (D)(ii), as redesign-*
 23 *ated by subparagraph (A)—*

(i) in subclause (II), by inserting “, to the maximum extent possible,” after “point of contact”; and

(ii) in subclause (III), by striking “or regain” and inserting “regain, or advance in”.

SEC. 413. ELIGIBILITY AND INDIVIDUALIZED PLAN FOR EMPLOYMENT.

Section 102 of the Rehabilitation Act of 1973 (29 U.S.C. 722) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking the semicolon at the end and inserting “, including a listing of all the community resources (including resources from consumer organizations), to the maximum extent possible, to assist in the development of such individual’s individualized plan for employment to enable the individual to make informed and effective choices in developing the individualized plan for employment;”; and

(ii) in subparagraph (D)—

1 (I) in clause (i), by striking
2 “and” after the semicolon;

3 (II) in clause (ii), by striking the
4 period at the end and inserting a semi-
5 colon; and

6 (III) by adding at the end the fol-
7 lowing:

8 “(iii) for individuals entitled to benefits
9 under title II or XVI of the Social Security Act
10 (42 U.S.C. 401 et seq., 1381 et seq.) on the basis
11 of a disability or blindness, information on the
12 availability of—

13 “(I) medical assistance under the State
14 medicaid program under title XIX of the
15 Social Security Act (42 U.S.C. 1396 et
16 seq.);

17 “(II) benefits under the medicare pro-
18 gram under title XVIII of the Social Secu-
19 rity Act (42 U.S.C. 1395 et seq.);

20 “(III) assistance through benefits plan-
21 ning and assistance programs under section
22 1149 of the Social Security Act (42 U.S.C.
23 1320b–20) and protection and advocacy
24 programs under section 1150 of the Social
25 Security Act (42 U.S.C. 1320b–21); and

1 “(IV) *medical assistance under other*
 2 *federally funded programs; and*

3 “(iv) *for individuals entitled to benefits*
 4 *under title II or XVI of the Social Security Act*
 5 *(42 U.S.C. 401 et seq., 1381 et seq.) on the basis*
 6 *of a disability or blindness and eligible for as-*
 7 *sistance under the Ticket to Work and Self-Suffi-*
 8 *ciency Program established under section 1148 of*
 9 *the Social Security Act (42 U.S.C. 1320b–19),*
 10 *information—*

11 “(I) *on the options under the Ticket to*
 12 *Work and Self-Sufficiency Program; and*

13 “(II) *on how to contact the program*
 14 *manager of the Ticket to Work and Self-*
 15 *Sufficiency Program who has contact infor-*
 16 *mation on approved employment networks,*
 17 *the benefits planning and assistance pro-*
 18 *grams in the area, and the protection and*
 19 *advocacy programs in the area.”;*

20 (B) *in paragraph (2)(E)—*

21 (i) *in clause (i)(II), by striking “and”*
 22 *after the semicolon;*

23 (ii) *in clause (ii), by striking the pe-*
 24 *riod at the end and inserting “; and”; and*

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

3 “(iii) amended, as necessary, to in-
4 clude the post-employment services and
5 service providers that are necessary for the
6 individual to maintain, regain, or advance
7 in employment, consistent with the individ-
8 ual’s strengths, resources, priorities, con-
9 cerns, abilities, capabilities, interests, and
10 informed choice.”; and

11 (C) in paragraph (3)—

12 (i) in subparagraph (B)(i)(I), by strik-
13 ing “and personal assistance services” and
14 inserting “mentoring services, and personal
15 assistance services”;

16 (ii) in subparagraph (F)(ii), by strik-
17 ing “and” after the semicolon;

18 (iii) in subparagraph (G), by striking
19 the period at the end and inserting a semi-
20 colon; and

21 (iv) by adding at the end the following:

22 “(H) for a student with a disability, the de-
23 scription—

1 “(i) in paragraph (3)(A), may be a de-
 2 scription of the student’s projected post-
 3 school employment outcome; and

4 “(ii) in paragraph (3)(B), shall in-
 5 clude the specific transition services (includ-
 6 ing, as appropriate, work experience and
 7 mentoring activities) needed to achieve the
 8 student’s employment outcome or projected
 9 employment outcome; and

10 “(I) for an individual who is receiving as-
 11 sistance under the Ticket to Work and Self-Suffi-
 12 ciency Program established under section 1148 of
 13 the Social Security Act (42 U.S.C. 1320b–19), a
 14 list of services such individual receives from an
 15 employment network other than the designated
 16 State unit.”; and

17 (2) in subsection (c)(7), by inserting “that take
 18 into consideration the informed choice of the indi-
 19 vidual,” after “plan development,”.

20 **SEC. 414. VOCATIONAL REHABILITATION SERVICES.**

21 Section 103(a) of the Rehabilitation Act of 1973 (29
 22 U.S.C. 723(a)) is amended—

23 (1) in paragraph (5), by inserting “literacy serv-
 24 ices,” after “vocational adjustment services,”;

1 (2) in paragraph (17), by striking “and” after
2 the semicolon;

3 (3) in paragraph (18), by striking the period at
4 the end and inserting “; and”; and

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

6 “(19) mentoring services.”.

7 **SEC. 415. STATE REHABILITATION COUNCIL.**

8 Section 105(b) of the Rehabilitation Act of 1973 (29
9 U.S.C. 725(b)) is amended—

10 (1) in paragraph (1)(A), by striking clause (ix)
11 and inserting the following:

12 “(ix) in a State in which 1 or more
13 projects provide services under section 121,
14 not less than 1 representative of the direc-
15 tors of the projects;”; and

16 (2) by striking paragraph (5) and inserting the
17 following:

18 “(5) CHAIRPERSON.—The Council shall select a
19 chairperson from among the voting membership of the
20 Council.”.

21 **SEC. 416. EVALUATION STANDARDS AND PERFORMANCE IN-**
22 **DICATORS.**

23 Section 106(b)(2)(B)(i) of the Rehabilitation Act of
24 1973 (29 U.S.C. 726(b)(2)(B)(i)) is amended by striking
25 “, if necessary” and all that follows through the semicolon

1 *and inserting “if the State has not improved its perform-*
 2 *ance to acceptable levels, as determined by the Commis-*
 3 *sioner, direct the State to make further revisions to the plan*
 4 *to improve performance, which may include allocating a*
 5 *higher proportion of the State’s resources for services to in-*
 6 *dividuals with disabilities if the State’s spending on such*
 7 *services is low in comparison to spending on such services*
 8 *in comparable agencies in other States;”.*

9 **SEC. 417. STATE ALLOTMENTS.**

10 *Section 110 of the Rehabilitation Act of 1973 (29*
 11 *U.S.C. 730) is amended—*

12 *(1) by striking subsection (b) and inserting the*
 13 *following:*

14 *“(b) REALLOTMENT.—*

15 *“(1) DETERMINATION.—Not later than 45 days*
 16 *prior to the end of the fiscal year, the Commissioner*
 17 *shall determine, after reasonable opportunity for the*
 18 *submission to the Commissioner of comments by the*
 19 *State agency administering or supervising the pro-*
 20 *gram established under this title, that any payment*
 21 *of an allotment to a State under section 111(a) for*
 22 *any fiscal year will not be utilized by such State in*
 23 *carrying out the purposes of this title.*

24 *“(2) FORMULA.—*

1 “(A) *IN GENERAL.*—As soon as practicable
 2 but not later than the end of the fiscal year, the
 3 Commissioner shall reallocate the amount available
 4 under paragraph (1) to other States, consistent
 5 with subparagraphs (B) and (C), for carrying
 6 out the purposes of this title to the extent the
 7 Commissioner determines such other State will
 8 be able to use such additional amount during
 9 that fiscal year or the subsequent fiscal year for
 10 carrying out such purposes.

11 “(B) *FORMULA.*—

12 “(i) *ELIGIBLE STATES.*—The Commis-
 13 sioner shall reallocate the amount available
 14 under paragraph (1) for a fiscal year to
 15 each State whose allotment under subsection
 16 (a) for such fiscal year is less than such
 17 State’s allotment under subsection (a) for
 18 the immediately preceding fiscal year in-
 19 creased by the percentage change in the
 20 funds available for subsection (a) from the
 21 immediately preceding fiscal year.

22 “(ii) *AMOUNT.*—

23 “(I) *IN GENERAL.*—A State that
 24 is eligible to receive a reallocation
 25 under clause (i) shall receive an

1 *amount for a fiscal year from the*
 2 *amount available for reallocation under*
 3 *paragraph (1) that is equal to the dif-*
 4 *ference between—*

5 *“(aa) the amount such State*
 6 *received for such fiscal year; and*

7 *“(bb) the amount such State*
 8 *was allotted under subsection (a)*
 9 *for the immediately preceding fis-*
 10 *cal year adjusted by the percent-*
 11 *age change in the funds available*
 12 *for subsection (a) from the imme-*
 13 *diately preceding fiscal year.*

14 *“(II) INSUFFICIENT FUNDS.—If*
 15 *the amount available for reallocation*
 16 *under paragraph (1) is insufficient to*
 17 *provide each State eligible to receive a*
 18 *reallocation with the amount described*
 19 *in subclause (I), the amount reallocated*
 20 *to each eligible State shall be deter-*
 21 *mined by the Commissioner.*

22 *“(C) REMAINING FUNDS.—If there are funds*
 23 *remaining after each State eligible to receive a*
 24 *reallocation under subparagraph (B)(i) receives*
 25 *the amount described in subparagraph (B)(ii),*

1 *the Commissioner shall reallocate the remaining*
 2 *funds among the States requesting a reallocation.*

3 “(3) *NON-FEDERAL SHARE.*—*The Commissioner*
 4 *shall reallocate an amount to a State under this sub-*
 5 *section only if the State will be able to make sufficient*
 6 *payments from non-Federal sources to pay for the*
 7 *non-Federal share of the cost of vocational rehabilita-*
 8 *tion services under the State plan for the fiscal year*
 9 *for which the amount was appropriated.*

10 “(4) *INCREASE IN ALLOTMENT.*—*For the pur-*
 11 *poses of this part, any amount made available to a*
 12 *State for any fiscal year pursuant to this subsection*
 13 *shall be regarded as an increase of such State’s allot-*
 14 *ment (as determined under the preceding provisions*
 15 *of this section) for such year.”; and*

16 (2) *by striking subsection (c)(2) and inserting*
 17 *the following:*

18 “(2)(A) *In this paragraph:*

19 “(i) *The term ‘appropriated amount’ means the*
 20 *amount appropriated under section 100(b)(1) for al-*
 21 *lotment under this section.*

22 “(ii) *The term ‘covered year’ means a fiscal*
 23 *year—*

24 “(I) *that begins after September 30, 2003;*

25 *and*

1 “(II) for which the appropriated amount
2 exceeds the total of—

3 “(aa) the appropriated amount for the
4 preceding fiscal year; and

5 “(bb) 0.075 percent of the appropriated
6 amount for the preceding fiscal year.

7 “(B) For each covered year, the sum referred to in
8 paragraph (1) shall be, as determined by the Secretary—

9 “(i) not less than the total of the sum reserved
10 under this subsection for the preceding fiscal year and
11 0.1 percent of the appropriated amount for the cov-
12 ered year; and

13 “(ii) not more than 1.5 percent of the appro-
14 priated amount for the covered year.”.

15 **SEC. 418. CLIENT ASSISTANCE PROGRAM.**

16 Section 112 of the Rehabilitation Act of 1973 (29
17 U.S.C. 732) is amended—

18 (1) in subsection (a), by striking “States” and
19 inserting “agencies designated under subsection (c)”;

20 (2) in subsection (e)—

21 (A) in paragraph (1)—

22 (i) in subparagraph (A), by striking
23 “The Secretary” and all that follows
24 through the period and inserting the fol-
25 lowing: “After reserving funds under sub-

1 paragraphs (E) and (F), the Secretary shall
 2 allot the remainder of the sums appro-
 3 priated for each fiscal year under this sec-
 4 tion among the agencies designated under
 5 subsection (c) within the States on the basis
 6 of relative population of each State, except
 7 that no such agency shall receive less than
 8 \$50,000.”;

9 (ii) in subparagraph (B), by inserting
 10 “the designated agencies located in” after
 11 “each to”;

12 (iii) in subparagraph (D)(i)—

13 (I) by inserting “the designated
 14 agencies located in” after “\$100,000
 15 for”; and

16 (II) by inserting “the designated
 17 agencies located in” after “\$45,000
 18 for”; and

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

20 “(E)(i) Beginning on October 1, 2004, for any fiscal
 21 year for which the amount appropriated to carry out this
 22 section equals or exceeds \$13,000,000, the Secretary shall
 23 reserve funds appropriated under this section to make
 24 grants to the protection and advocacy system serving the
 25 American Indian Consortium to provide client assistance

1 *services in accordance with this section. The amount of such*
2 *grants shall be the same amount as provided to territories*
3 *under subparagraph (B), as increased under clauses (i) and*
4 *(ii) of subparagraph (D).*

5 “(ii) *In this subparagraph:*

6 “(I) *The term ‘American Indian Consortium’*
7 *has the meaning given the term in section 102 of the*
8 *Developmental Disabilities Assistance and Bill of*
9 *Rights Act of 2000 (42 U.S.C. 15002).*

10 “(II) *The term ‘protection and advocacy system’*
11 *means a protection and advocacy system established*
12 *under subtitle C of title I of the Developmental Dis-*
13 *abilities Assistance and Bill of Rights Act of 2000 (42*
14 *U.S.C. 15041 et seq.).*

15 “(F) *For any fiscal year for which the amount appro-*
16 *priated to carry out this section equals or exceeds*
17 *\$14,000,000, the Secretary shall reserve not less than 1.8*
18 *percent and not more than 2.2 percent of such amount to*
19 *provide training and technical assistance to the programs*
20 *established under this section. Such training and technical*
21 *assistance shall be coordinated with activities provided*
22 *under section 509(c)(1)(A).”;*

23 *(B) in paragraph (2)—*

1 (i) by striking “State” each place such
 2 term appears and inserting “designated
 3 agency”; and

4 (ii) by striking “States” each place
 5 such term appears and inserting “des-
 6 ignated agencies”; and

7 (C) in paragraph (3), by striking “Except
 8 as specifically prohibited by or as otherwise pro-
 9 vided in State law, the Secretary shall pay” and
 10 inserting “The Secretary shall pay directly”;

11 (3) in subsection (f), by striking “State” and in-
 12 serting “agency designated under subsection (c)”; and

13 (4) in subsection (h), by striking “fiscal years
 14 1999 through 2003” and inserting “fiscal years 2004
 15 through 2009”.

16 **SEC. 419. INCENTIVE GRANTS.**

17 Part B of title I of the Rehabilitation Act of 1973 (29
 18 U.S.C. 730 *et seq.*) is amended by adding at the end the
 19 following:

20 **“SEC. 113. INCENTIVE GRANTS.**

21 “(a) *AUTHORITY.*—The Commissioner is authorized to
 22 make incentive grants to States that, based on the criteria
 23 established under subsection (b)(1), demonstrate—

24 “(1) a high level of performance; or

1 “(2) a significantly improved level of perform-
 2 ance as compared to the previous reporting period or
 3 periods.

4 “(b) CRITERIA.—

5 “(1) ESTABLISHMENT.—Not later than 180 days
 6 after the date of enactment of this section, the Com-
 7 missioner shall establish, and publish in the Federal
 8 Register, criteria for making grant awards under sub-
 9 section (a).

10 “(2) DEVELOPMENT AND EVALUATION STAND-
 11 ARDS.—The criteria under paragraph (1) shall—

12 “(A) be developed with input from State vo-
 13 cational rehabilitation agencies and other voca-
 14 tional rehabilitation stakeholders, including vo-
 15 cational rehabilitation consumers and consumer
 16 organizations; and

17 “(B) be based upon the evaluation stand-
 18 ards and performance indicators established
 19 under section 106 and other performance related
 20 measures that the Commissioner determines to be
 21 appropriate.

22 “(c) USE OF FUNDS.—A State that receives a grant
 23 under subsection (a) shall use the grant funds for any ap-
 24 proved activities in the State’s State plan submitted under
 25 section 101.

1 “(d) *NO NON-FEDERAL SHARE REQUIREMENT.*—The
 2 provisions of sections 101(a)(3) and 111(a)(2) shall not
 3 apply to this section.

4 “(e) *AUTHORIZATION OF APPROPRIATIONS.*—There are
 5 authorized to be appropriated to carry out this section such
 6 sums as may be necessary for each of fiscal years 2004
 7 through 2009.”.

8 **SEC. 420. VOCATIONAL REHABILITATION SERVICES**
 9 **GRANTS.**

10 Section 121 of the Rehabilitation Act of 1973 (29
 11 U.S.C. 741) is amended—

12 (1) in subsection (a), in the first sentence, by in-
 13 serting “, consistent with such individuals’ strengths,
 14 resources, priorities, concerns, abilities, capabilities,
 15 interests, and informed choice, so that such individ-
 16 uals may prepare for, and engage in, gainful employ-
 17 ment” before the period at the end; and

18 (2) in subsection (b)—

19 (A) in paragraph (1)—

20 (i) in subparagraph (B), by striking
 21 “and” after the semicolon;

22 (ii) in subparagraph (C), by striking
 23 the period at the end and inserting “; and”;
 24 and

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

3 “(D) contains assurances that—

4 “(i) all decisions affecting eligibility for vo-
5 cational rehabilitation services, the nature and
6 scope of available services, and the provision of
7 such services, will be made by a representative of
8 the tribal vocational rehabilitation program; and

9 “(ii) such decisions will not be delegated to
10 another agency or individual.”;

11 (B) in paragraph (3), by striking the first
12 sentence and inserting the following: “An appli-
13 cation approved under this part that complies
14 with the program requirements set forth in the
15 regulations promulgated to carry out this part
16 shall be effective for 5 years and shall be renewed
17 for additional 5-year periods if the Commis-
18 sioner determines that the grantee demonstrated
19 acceptable past performance and the grantee sub-
20 mits a plan, including a proposed budget, to the
21 Commissioner that the Commissioner approves
22 that identifies future performance criteria, goals,
23 and objectives.”; and

24 (C) by striking paragraph (4) and inserting
25 the following:

1 “(4) *In allocating funds under this part, the Secretary*
 2 *shall give priority to paying the continuation costs of exist-*
 3 *ing projects and may provide for increases in funding for*
 4 *such projects as determined necessary.”.*

5 **SEC. 421. GAO STUDIES.**

6 (a) *STUDY ON TITLE I AND TICKET TO WORK.—*

7 (1) *IN GENERAL.—The Comptroller General of*
 8 *the United States shall conduct a study on the inter-*
 9 *action of title I of the Rehabilitation Act of 1973 (29*
 10 *U.S.C. 720 et seq.) with the Ticket to Work and Self-*
 11 *Sufficiency Program established under section 1148 of*
 12 *the Social Security Act (42 U.S.C. 1320b–19), includ-*
 13 *ing the impact of the interaction on beneficiaries,*
 14 *community rehabilitation programs, and State voca-*
 15 *tional rehabilitation agencies.*

16 (2) *CONDUCT OF STUDY.—In conducting the*
 17 *study under paragraph (1), the Comptroller General*
 18 *of the United States shall consult with all partici-*
 19 *pants in the Ticket to Work and Self-Sufficiency Pro-*
 20 *gram, including the Social Security Administration,*
 21 *the Rehabilitation Services Administration, ticket-*
 22 *holders, State agencies, community rehabilitation pro-*
 23 *grams (including employment networks and non-*
 24 *employment networks), protection and advocacy agen-*

1 *cies, MAXIMUS, and organizations representing the*
2 *interests of ticketholders.*

3 (3) *REPORT TO CONGRESS.*—*Not later than 18*
4 *months after the date of enactment of this title, the*
5 *Comptroller General of the United States shall submit*
6 *the study conducted pursuant to this subsection to the*
7 *appropriate committees of Congress.*

8 (b) *STUDY ON THE ALLOTMENT FORMULA.*—

9 (1) *IN GENERAL.*—*The Comptroller General of*
10 *the United States shall conduct a study on the rela-*
11 *tionship between the State allotment formula under*
12 *section 110 of the Rehabilitation Act of 1973 (29*
13 *U.S.C. 730) and the ability of States to provide voca-*
14 *tional rehabilitation services in accordance with the*
15 *State's State plan under section 101 of such Act.*

16 (2) *CONDUCT OF STUDY.*—*In conducting the*
17 *study under paragraph (1), the Comptroller General*
18 *of the United States shall consult with appropriate*
19 *entities.*

20 (3) *REPORT TO CONGRESS.*—*Not later than 12*
21 *months after the date of enactment of this title, the*
22 *Comptroller General of the United States shall submit*
23 *the study conducted pursuant to this subsection to the*
24 *appropriate committees of Congress.*

1 ***Subtitle B—Research and Training***

2 ***SEC. 431. AUTHORIZATION OF APPROPRIATIONS.***

3 *Section 201(a) of the Rehabilitation Act of 1973 (29*
 4 *U.S.C. 761(a)) is amended—*

5 *(1) in paragraph (1), by striking “fiscal years*
 6 *1999 through 2003” and inserting “fiscal years 2004*
 7 *through 2009”; and*

8 *(2) in paragraph (2), by striking “fiscal years*
 9 *1999 through 2003” and inserting “fiscal years 2004*
 10 *through 2009”.*

11 ***SEC. 432. NATIONAL INSTITUTE ON DISABILITY AND REHA-*** 12 ***BILITATION RESEARCH.***

13 *Section 202(f)(1) of the Rehabilitation Act of 1973 (29*
 14 *U.S.C. 762(f)(1)) is amended by striking “Federal employ-*
 15 *ees” and inserting “Department of Education employees”.*

16 ***SEC. 433. RESEARCH AND OTHER COVERED ACTIVITIES.***

17 *Section 204(c)(2) of the Rehabilitation Act of 1973 (29*
 18 *U.S.C. 764(c)(2)) is amended by striking “\$500,000” and*
 19 *inserting “\$750,000”.*

20 ***SEC. 434. REHABILITATION RESEARCH ADVISORY COUNCIL.***

21 *Section 205(c) of the Rehabilitation Act of 1973 (29*
 22 *U.S.C. 765(c)) is amended by adding at the end the fol-*
 23 *lowing: “The Council also shall include a representative*
 24 *from the business community who has experience with the*

1 *vocational rehabilitation system and hiring individuals*
 2 *with disabilities.”.*

3 ***Subtitle C—Professional Develop-***
 4 ***ment and Special Projects and***
 5 ***Demonstrations***

6 ***SEC. 441. TRAINING.***

7 *Section 302 of the Rehabilitation Act of 1973 (29*
 8 *U.S.C. 772) is amended—*

9 *(1) in subsection (b)(1)(B)(i), by striking “or*
 10 *prosthetics and orthotics” and inserting “prosthetics*
 11 *and orthotics, rehabilitation for the blind, or orienta-*
 12 *tion and mobility instruction”; and*

13 *(2) in subsection (i), by striking “fiscal years*
 14 *1999 through 2003” and inserting “fiscal years 2004*
 15 *through 2009”.*

16 ***SEC. 442. DEMONSTRATION AND TRAINING PROGRAMS.***

17 *Section 303 of the Rehabilitation Act of 1973 (29*
 18 *U.S.C. 773) is amended—*

19 *(1) in subsection (b)(5)(A)(i), by striking “spe-*
 20 *cial projects” and inserting “not less than 2 special*
 21 *projects”;*

22 *(2) by redesignating subsections (c), (d), and (e)*
 23 *as subsections (e), (f), and (h), respectively;*

24 *(3) by inserting after subsection (b) the fol-*
 25 *lowing:*

1 “(c) *DEMONSTRATION PROJECTS FOR EMPLOYMENT*
2 *OF STUDENTS WITH INTELLECTUAL DISABILITIES OR*
3 *MENTAL ILLNESS.*—

4 “(1) *PURPOSE.*—*The purpose of this subsection*
5 *is to support model demonstration projects to provide*
6 *supported and competitive employment experiences*
7 *for students with intellectual disabilities or students*
8 *with mental illness, and training for personnel that*
9 *work with students described in this paragraph, to*
10 *enable the students to gain employment skills and ex-*
11 *perience that will promote effective transitions from*
12 *school to employment and adult living.*

13 “(2) *GRANTS AUTHORIZED.*—

14 “(A) *COMPETITIVE GRANTS AUTHORIZED.*—
15 *The Secretary may award grants, contracts, and*
16 *cooperative agreements, on a competitive basis,*
17 *to eligible organizations described in paragraph*
18 *(3), to enable the organizations to carry out*
19 *demonstration projects described in paragraph*
20 *(1).*

21 “(B) *DURATION.*—*The Secretary shall*
22 *award grants under this subsection for periods of*
23 *3 to 5 years.*

1 “(3) *ELIGIBLE ORGANIZATIONS.*—*To be eligible*
2 *to receive a grant, contract, or cooperative agreement*
3 *under this subsection, an organization shall—*

4 “(A) *have expertise in providing employ-*
5 *ment and support services for individuals with*
6 *intellectual disabilities or individuals with men-*
7 *tal illness;*

8 “(B) *have a proven track record in success-*
9 *fully running supported employment programs;*

10 “(C) *provide employment services that are*
11 *exclusively integrated community-based sup-*
12 *ported employment services;*

13 “(D) *have expertise in creating natural sup-*
14 *ports for employment;*

15 “(E) *have expertise in providing computer*
16 *training for the targeted population for the*
17 *project involved; and*

18 “(F) *have experience operating mentoring*
19 *programs for the target population in middle*
20 *and high schools for at least a decade in diverse*
21 *communities throughout the Nation.*

22 “(4) *APPLICATIONS.*—*Each organization desir-*
23 *ing to receive a grant, contract, or cooperative agree-*
24 *ment under this subsection shall submit an applica-*
25 *tion to the Secretary at such time, in such manner,*

1 *and including such information as the Secretary may*
2 *require. Each application shall include—*

3 “(A) *a description of how the organization*
4 *plans to carry out the activities authorized in*
5 *this subsection through a demonstration project;*

6 “(B) *a description of how the organization*
7 *will evaluate the project;*

8 “(C) *a description of how the organization*
9 *will disseminate information about the activities*
10 *and the impact of the activities on the lives of*
11 *students served by the project; and*

12 “(D) *a description of how the organization*
13 *will coordinate activities with any other relevant*
14 *service providers in the locality where the orga-*
15 *nization is based, including federally supported*
16 *independent living centers.*

17 “(5) *AUTHORIZED ACTIVITIES.—An organization*
18 *that receives a grant under this subsection shall use*
19 *the funds made available through the grant to carry*
20 *out 1 or more of the following activities for individ-*
21 *uals, ages 14 through 21, who are students with intel-*
22 *lectual disabilities or students with mental illness:*

23 “(A) *PROVIDING SUPPORTED AND COMPETI-*
24 *TIVE EMPLOYMENT EXPERIENCES.—The develop-*
25 *ment of innovative and effective supported and*

1 *competitive employment experiences after school,*
2 *on weekends, and in the summer, utilizing nat-*
3 *ural supports that lead to competitive high-pay-*
4 *ing jobs.*

5 “(B) PROVIDING TRAINING TO SCHOOL AND
6 *TRANSITION PERSONNEL.—The development and*
7 *deployment of experts to work with transition*
8 *programs (including personnel working with stu-*
9 *dents on transition) so that personnel from the*
10 *programs develop skills needed to train students*
11 *with intellectual disabilities or students with*
12 *mental illness to be successful in competitive em-*
13 *ployment in a range of settings, including office*
14 *settings. The training shall include training for*
15 *the personnel in providing instruction to stu-*
16 *dents in computer skills, office skills, interview*
17 *etiquette, and appropriate social behavior re-*
18 *quired for successful long-term employment in*
19 *professional environments.*

20 “(6) AUTHORIZATION OF APPROPRIATIONS.—
21 *There are authorized to be appropriated to carry out*
22 *this subsection \$5,000,000 for fiscal year 2004 and*
23 *such sums as may be necessary for fiscal years 2005*
24 *through 2008.*

1 “(d) *DEMONSTRATION PROJECT FOR EMPLOYMENT OF*
 2 *INDIVIDUALS WHO ARE DEAF AND LOW FUNCTIONING.*—

3 “(1) *PURPOSE.*—*It is the purpose of this sub-*
 4 *section to support a model demonstration project to*
 5 *provide training and support services for individuals*
 6 *who are deaf and low functioning to enable them to*
 7 *gain employment skills that will allow them to become*
 8 *employed and economically self-sufficient.*

9 “(2) *DEFINITION.*—

10 “(A) *IN GENERAL.*—*In this subsection, the*
 11 *term ‘individual who is deaf and low func-*
 12 *tioning’ means an individual who has been deaf*
 13 *from birth or very early childhood, reads at or*
 14 *below the second grade level, has little or no in-*
 15 *telligible speech, and lacks a high school diploma*
 16 *or GED.*

17 “(B) *SECONDARY DISABILITIES.*—*Such*
 18 *term may include an individual with a sec-*
 19 *ondary disability.*

20 “(3) *GRANTS AUTHORIZED.*—

21 “(A) *COMPETITIVE GRANTS AUTHORIZED.*—
 22 *The Secretary may award grants to State agen-*
 23 *cies, other public agencies or organizations, or*
 24 *not-for-profit organizations with expertise in*
 25 *providing employment training and support*

1 *services for individuals who are deaf and low*
2 *functioning to support model demonstration*
3 *projects.*

4 “(B) *DURATION.*—*Grants under this sub-*
5 *section shall be awarded for a period not to ex-*
6 *ceed 5 years.*

7 “(4) *AUTHORIZED ACTIVITIES.*—

8 “(A) *DEVELOPING A COMPREHENSIVE*
9 *TRAINING PROGRAM.*—*Each grant recipient shall*
10 *develop an innovative, comprehensive program of*
11 *instruction for individuals who are deaf and low*
12 *functioning that can be implemented at multiple*
13 *training locations through such means as dis-*
14 *tance learning and use of advanced technology,*
15 *as appropriate. Such training program shall be*
16 *developed to maximize the potential for replica-*
17 *tion of the program by other training providers.*

18 “(B) *IMPLEMENTATION.*—*Each grant re-*
19 *cipient shall implement the comprehensive train-*
20 *ing program developed in subparagraph (A) as*
21 *soon as feasible. Such training shall provide in-*
22 *struction on the job and the social skills nec-*
23 *essary for successful long-term employment of in-*
24 *dividuals who are deaf and low functioning.*

1 “(C) *ESTABLISHING A POST-TRAINING PRO-*
2 *GRAM OF EMPLOYMENT AND SUPPORT SERV-*
3 *ICES.—Each grant recipient shall implement*
4 *employment and support services to assist indi-*
5 *viduals who complete the training program*
6 *under subparagraph (A) in securing employment*
7 *and transitioning to the workplace for a period*
8 *of not less than 90 days subsequent to placement.*

9 “(5) *APPLICATIONS.—Each entity desiring to re-*
10 *ceive a grant under this subsection shall submit an*
11 *application to the Secretary at such time, in such*
12 *manner, and accompanied by such information as the*
13 *Secretary may require including—*

14 “(A) *a description of how the applicant*
15 *plans to address the activities authorized under*
16 *this subsection;*

17 “(B) *a description of the evaluation plan to*
18 *be used in the project;*

19 “(C) *a description of how the applicant will*
20 *disseminate information about the training pro-*
21 *gram developed and the results of the model dem-*
22 *onstration project; and*

23 “(D) *a description of how the project will*
24 *coordinate with any other relevant service pro-*
25 *viders or entities providing employment training*

1 *and supports for individuals who are deaf and*
 2 *low functioning.*

3 “(6) *MANDATED EVALUATION AND DISSEMINA-*
 4 *TION ACTIVITIES.—*

5 “(A) *ANNUAL REPORT.—Not later than 2*
 6 *years after the date on which a grant under this*
 7 *subsection is awarded and annually thereafter,*
 8 *each grant recipient shall submit to the Commis-*
 9 *sioner a report containing—*

10 “(i) *the number of individuals who are*
 11 *participating in the demonstration project*
 12 *funded under this subsection;*

13 “(ii) *the employment and other skills*
 14 *being taught in the project;*

15 “(iii) *the number of individuals par-*
 16 *ticipating in the project that are placed in*
 17 *employment;*

18 “(iv) *the job sites in which those indi-*
 19 *viduals are placed and the type of jobs they*
 20 *are placed in; and*

21 “(v) *the number of individuals who*
 22 *have dropped out of the project and the rea-*
 23 *sons for their terminating participation in*
 24 *the project.*

1 “(B) *EVALUATION OF THE PROJECT.*—Each
2 *grant recipient shall implement the evaluation*
3 *plan approved in its application for determining*
4 *the results of the project within the timeframe*
5 *specified in, and following the provisions of, its*
6 *approved application.*

7 “(C) *PARTICIPANT EVALUATION PROCESS;*
8 *FINAL EVALUATION.*—In the final year of the
9 *project, the grant recipient will produce a final*
10 *evaluation report of the results of the model dem-*
11 *onstration project containing—*

12 “(i) *the number of individuals who*
13 *participated in the training program;*

14 “(ii) *a description of the job sites in*
15 *which those individuals were placed;*

16 “(iii) *the number of individuals placed*
17 *in employment and the type of employment*
18 *in which they were placed;*

19 “(iv) *the number of individuals who*
20 *did not complete their training and the rea-*
21 *sons those individuals dropped out of the*
22 *project;*

23 “(v) *the number of individuals who*
24 *participated in the training project and*
25 *who remain employed as of 2 months prior*

1 to the date on which the final report is sub-
2 mitted to the Secretary;

3 “(vi) a written analysis of the model
4 project, including both the strengths and
5 weaknesses of the project, to assist other en-
6 tities in replicating the training program
7 developed through this model demonstration
8 project; and

9 “(vii) such other information as the
10 Secretary determines appropriate.

11 “(D) *DISSEMINATION.*—Not later than 5
12 years after the date on which an award is grant-
13 ed under this subsection, the evaluations and re-
14 sults of activities funded by such grant shall be
15 disseminated to State vocational rehabilitation
16 agencies, school systems providing instruction to
17 students who are deaf, supported employment
18 providers, postsecondary vocational training pro-
19 grams, employers, the Social Security Adminis-
20 tration, and other interested parties.

21 “(7) *AUTHORIZATION OF APPROPRIATIONS.*—
22 There are authorized to be appropriated to carry out
23 this subsection, \$5,000,000 for fiscal year 2004 and
24 such sums as may be necessary for each of fiscal years
25 2005 through 2008.”;

1 (4) *by inserting after subsection (f), as redesign-*
2 *ated by paragraph (2), the following:*

3 “(g) *ACCESS TO TELEWORK.—*

4 “(1) *DEFINITION OF TELEWORK.—In this sub-*
5 *section, the term ‘telework’ means to work from home*
6 *and other telework sites with the assistance of a com-*
7 *puter and with reasonable accommodations, including*
8 *the necessary equipment to facilitate successful work*
9 *from home and other telework sites.*

10 “(2) *AUTHORIZATION OF PROGRAM.—The Com-*
11 *missioner is authorized to make grants to States and*
12 *governing bodies of American Indian tribes located on*
13 *Federal and State reservations (and consortia of such*
14 *governing bodies) to pay for the Federal share of the*
15 *cost of establishing or expanding a telework program.*

16 “(3) *APPLICATION.—A State that desires to re-*
17 *ceive a grant under this subsection shall submit an*
18 *application to the Commissioner at such time, in such*
19 *manner, and containing such information as the*
20 *Commissioner may require.*

21 “(4) *USE OF FUNDS.—A State that receives a*
22 *grant under this subsection shall establish or expand*
23 *a telework program that shall provide loans or other*
24 *alternative financing mechanisms to individuals with*
25 *disabilities to enable such individuals to purchase*

1 *computers or other equipment, including adaptive*
 2 *equipment, that facilitates work from home and other*
 3 *telework sites so that such individuals are able to*
 4 *telework.*

5 “(5) *ANNUAL REPORT.*—

6 “(A) *IN GENERAL.*—*A State that receives a*
 7 *grant under this subsection shall submit an an-*
 8 *nual report to the Commissioner.*

9 “(B) *CONTENTS.*—*The report under sub-*
 10 *paragraph (A) shall include the following:*

11 “(i) *The characteristics of each indi-*
 12 *vidual with a disability that receives a loan*
 13 *or other alternative financing mechanism*
 14 *under the program, including information*
 15 *about the individual such as the following:*

16 “(I) *Age.*

17 “(II) *Ethnicity.*

18 “(III) *Type of disability.*

19 “(IV) *Employment status at the*
 20 *time of application for a loan or other*
 21 *alternative financing mechanism under*
 22 *this subsection.*

23 “(V) *Whether the individual at-*
 24 *tempted to secure financial support*
 25 *from other sources to enable the indi-*

1 *vidual to telework and, if so, a descrip-*
 2 *tion of such sources.*

3 “(VI) *Whether the individual is*
 4 *working and, if so, whether the indi-*
 5 *vidual teleworks, the occupation in*
 6 *which the individual is working, the*
 7 *hourly salary the individual receives,*
 8 *and the hourly salary of the individual*
 9 *prior to receiving a loan or other alter-*
 10 *native financing mechanism under the*
 11 *program.*

12 “(VII) *Whether the individual has*
 13 *repaid the loan or other alternative fi-*
 14 *nancing mechanism received under the*
 15 *program, is in repayment status, is de-*
 16 *linquent on repayments, or has de-*
 17 *faulted on the loan or other alternative*
 18 *financing mechanism.*

19 “(ii) *Any other information that the*
 20 *Commissioner may require.*

21 “(6) *FEDERAL SHARE.—The Federal share of the*
 22 *cost of establishing a telework program shall be 10*
 23 *percent of the cost.”; and*

24 (5) *in subsection (h), as redesignated by para-*
 25 *graph (2)—*

1 (A) by striking “this section” and inserting
 2 “this section (other than subsections (c) and
 3 (d))”; and

4 (B) by striking “fiscal years 1999 through
 5 2003” and inserting “fiscal years 2004 through
 6 2009”.

7 **SEC. 443. MIGRANT AND SEASONAL FARMWORKERS.**

8 Section 304(b) of the Rehabilitation Act of 1973 (29
 9 U.S.C. 774(b)) is amended by striking “fiscal years 1999
 10 through 2003” and inserting “fiscal years 2004 through
 11 2009”.

12 **SEC. 444. RECREATIONAL PROGRAMS.**

13 Section 305 of the Rehabilitation Act of 1973 (29
 14 U.S.C. 775) is amended—

15 (1) in subsection (a)(1)(B), by striking “con-
 16 struction of facilities for aquatic rehabilitation ther-
 17 apy,”; and

18 (2) in subsection (b), by striking “fiscal years
 19 1999 through 2003” and inserting “fiscal years 2004
 20 through 2009”.

21 **Subtitle D—National Council on**
 22 **Disability**

23 **SEC. 451. AUTHORIZATION OF APPROPRIATIONS.**

24 Section 405 of the Rehabilitation Act of 1973 (29
 25 U.S.C. 785) is amended by striking “fiscal years 1999

1 *through 2003” and inserting “fiscal years 2004 through*
 2 *2009”.*

3 ***Subtitle E—Rights and Advocacy***

4 ***SEC. 461. ARCHITECTURAL AND TRANSPORTATION BAR-*** 5 ***RIERS COMPLIANCE BOARD.***

6 *Section 502(j) of the Rehabilitation Act of 1973 (29*
 7 *U.S.C. 792(j)) is amended by striking “fiscal years 1999*
 8 *through 2003” and inserting “fiscal years 2004 through*
 9 *2009”.*

10 ***SEC. 462. PROTECTION AND ADVOCACY OF INDIVIDUAL*** 11 ***RIGHTS.***

12 *Section 509 of the Rehabilitation Act of 1973 (29*
 13 *U.S.C. 794e) is amended—*

14 *(1) in subsection (g)(2), by striking “was paid”*
 15 *and inserting “was paid, except that program income*
 16 *generated from the amount paid to an eligible system*
 17 *shall remain available to such system until ex-*
 18 *pended”; and*

19 *(2) in subsection (l), by striking “fiscal years*
 20 *1999 through 2003” and inserting “fiscal years 2004*
 21 *through 2009”.*

1 ***Subtitle F—Employment Opportuni-***
 2 ***ties for Individuals With Dis-***
 3 ***abilities***

4 ***SEC. 471. PROJECTS WITH INDUSTRY AUTHORIZATION OF***
 5 ***APPROPRIATIONS.***

6 *Section 612 of the Rehabilitation Act of 1973 (29*
 7 *U.S.C. 795a) is amended by striking “fiscal years 1999*
 8 *through 2003” and inserting “fiscal years 2004 through*
 9 *2009”.*

10 ***SEC. 472. SERVICES FOR INDIVIDUALS WITH SIGNIFICANT***
 11 ***DISABILITIES AUTHORIZATION OF APPRO-***
 12 ***PRIATIONS.***

13 *Section 628 of the Rehabilitation Act of 1973 (29*
 14 *U.S.C. 795n) is amended by striking “fiscal years 1999*
 15 *through 2003” and inserting “fiscal years 2004 through*
 16 *2009”.*

17 ***Subtitle G—Independent Living***
 18 ***Services and Centers for Inde-***
 19 ***pendent Living***

20 ***SEC. 481. STATE PLAN.***

21 *Section 704 of the Rehabilitation Act of 1973 (42*
 22 *U.S.C. 795c) is amended by adding at the end the following:*

23 *“(o) PROMOTING FULL ACCESS TO COMMUNITY*
 24 *LIFE.—The plan shall describe how the State will provide*
 25 *independent living services that promote full access to com-*

1 *munity life for individuals with significant disabilities. The*
 2 *services shall include, as appropriate, facilitating transi-*
 3 *tions from nursing homes and other institutions, including*
 4 *institutions serving individuals with cognitive disabilities,*
 5 *to community-based residences, assisting individuals with*
 6 *significant disabilities at risk of entering institutions to re-*
 7 *main in the community, and promoting home ownership*
 8 *among individuals with significant disabilities.”.*

9 **SEC. 482. STATEWIDE INDEPENDENT LIVING COUNCIL.**

10 *(a) Section 705(b) of the Rehabilitation Act of 1973*
 11 *(29 U.S.C. 796d(b)) is amended—*

12 *(1) in paragraph (2), by striking subparagraph*
 13 *(C) and inserting the following:*

14 *“(C) in a State in which 1 or more projects*
 15 *provide services under section 121, not less than*
 16 *1 representative of the directors of the projects.”;*
 17 *and*

18 *(2) by striking paragraph (5) and inserting the*
 19 *following:*

20 *“(5) CHAIRPERSON.—The Council shall select a*
 21 *chairperson from among the voting membership of the*
 22 *Council.”.*

1 **SEC. 483. INDEPENDENT LIVING SERVICES AUTHORIZA-**
 2 **TION OF APPROPRIATIONS.**

3 *Section 714 of the Rehabilitation Act of 1973 (29*
 4 *U.S.C. 796e-3) is amended by striking “fiscal years 1999*
 5 *through 2003” and inserting “fiscal years 2004 through*
 6 *2009”.*

7 **SEC. 484. PROGRAM AUTHORIZATION.**

8 *Section 721 of the Rehabilitation Act of 1973 (42*
 9 *U.S.C. 796f) is amended—*

10 *(1) by striking subsection (c) and inserting the*
 11 *following:*

12 *“(c) ALLOTMENTS TO STATES.—*

13 *“(1) DEFINITIONS.—In this subsection:*

14 *“(A) ADDITIONAL APPROPRIATION.—The*
 15 *term ‘additional appropriation’ means the*
 16 *amount (if any) by which the appropriation for*
 17 *a fiscal year exceeds the total of—*

18 *“(i) the amount reserved under sub-*
 19 *section (b) for that fiscal year; and*

20 *“(ii) the appropriation for fiscal year*
 21 *2003.*

22 *“(B) APPROPRIATION.—The term ‘appro-*
 23 *priation’ means the amount appropriated to*
 24 *carry out this part.*

25 *“(C) BASE APPROPRIATION.—The term*
 26 *‘base appropriation’ means the portion of the ap-*

1 *appropriation for a fiscal year that is equal to the*
 2 *lesser of—*

3 “(i) *an amount equal to 100 percent of*
 4 *the appropriation, minus the amount re-*
 5 *served under subsection (b) for that fiscal*
 6 *year; or*

7 “(ii) *the appropriation for fiscal year*
 8 *2003.*

9 “(2) *ALLOTMENTS TO STATES FROM BASE AP-*
 10 *PROPRIATION.—After the reservation required by sub-*
 11 *section (b) has been made, the Commissioner shall*
 12 *allot to each State whose State plan has been ap-*
 13 *proved under section 706 an amount that bears the*
 14 *same ratio to the base appropriation as the amount*
 15 *the State received under this subsection for fiscal year*
 16 *2003 bears to the total amount that all States received*
 17 *under this subsection for fiscal year 2003.*

18 “(3) *ALLOTMENTS TO STATES OF ADDITIONAL*
 19 *APPROPRIATION.—From any additional appropria-*
 20 *tion for each fiscal year, the Commissioner shall allot*
 21 *to each State whose State plan has been approved*
 22 *under section 706 an amount equal to the sum of—*

23 “(A) *an amount that bears the same ratio*
 24 *to 50 percent of the additional appropriation as*

1 *the population of the State bears to the popu-*
2 *lation of all States; and*

3 *“(B) $\frac{1}{56}$ of 50 percent of the additional ap-*
4 *propriation.”; and*

5 *(2) by adding at the end the following:*

6 *“(e) CARRYOVER AUTHORITY.—Notwithstanding any*
7 *other provision of law—*

8 *“(1) any funds appropriated for a fiscal year to*
9 *carry out a grant program under section 722 or 723,*
10 *that are not obligated and expended by recipients*
11 *prior to the beginning of the succeeding fiscal year*
12 *shall remain available for obligation and expenditure*
13 *by such recipients during that succeeding fiscal year*
14 *and the subsequent fiscal year; and*

15 *“(2) any amounts of program income received by*
16 *recipients under a grant program under section 722*
17 *or 723 in a fiscal year that are not obligated and ex-*
18 *pended by recipients prior to the beginning of the suc-*
19 *ceeding fiscal year, shall remain available for obliga-*
20 *tion and expenditure by such recipients during that*
21 *succeeding fiscal year and the subsequent fiscal*
22 *year.”.*

1 **SEC. 485. GRANTS TO CENTERS FOR INDEPENDENT LIVING**
 2 **IN STATES IN WHICH FEDERAL FUNDING EX-**
 3 **CEEDS STATE FUNDING.**

4 *Section 722(c) of the Rehabilitation Act of 1973 (29*
 5 *U.S.C. 796f-1(c)) is amended by striking “by September*
 6 *30, 1997” and inserting “during the preceding year”.*

7 **SEC. 486. GRANTS TO CENTERS FOR INDEPENDENT LIVING**
 8 **IN STATES IN WHICH STATE FUNDING**
 9 **EQUALS OR EXCEEDS FEDERAL FUNDING.**

10 *Section 723(c) of the Rehabilitation Act of 1973 (29*
 11 *U.S.C. 796f-2(c)) is amended by striking “by September*
 12 *30, 1997” and inserting “during the preceding year”.*

13 **SEC. 487. STANDARDS AND ASSURANCES FOR CENTERS FOR**
 14 **INDEPENDENT LIVING.**

15 *Section 725(b) of the Rehabilitation Act of 1973 (29*
 16 *U.S.C. 796f-4(b)) is amended by adding at the end the fol-*
 17 *lowing:*

18 *“(8) PROMOTING FULL ACCESS TO COMMUNITY*
 19 *LIFE.—The center shall provide independent living*
 20 *services that promote full access to community life for*
 21 *individuals with significant disabilities. The services*
 22 *shall include, as appropriate, facilitating transitions*
 23 *from nursing homes and other institutions, including*
 24 *institutions serving individuals with cognitive dis-*
 25 *abilities, to community-based residences, assisting in-*
 26 *dividuals with significant disabilities at risk of enter-*

1 *ing institutions to remain in the community, and*
 2 *promoting home ownership among individuals with*
 3 *significant disabilities.”.*

4 **SEC. 488. CENTERS FOR INDEPENDENT LIVING AUTHORIZA-**
 5 **TION OF APPROPRIATIONS.**

6 *Section 727 of the Rehabilitation Act of 1973 (29*
 7 *U.S.C. 796f–6) is amended by striking “fiscal years 1999*
 8 *through 2003” and inserting “fiscal years 2004 through*
 9 *2009”.*

10 **SEC. 489. INDEPENDENT LIVING SERVICES FOR OLDER IN-**
 11 **DIVIDUALS WHO ARE BLIND.**

12 *Chapter 2 of title VII of the Rehabilitation Act of 1973*
 13 *(29 U.S.C. 796j et seq.) is amended—*

14 *(1) by redesignating sections 752 and 753 as sec-*
 15 *tions 753 and 754, respectively; and*

16 *(2) by inserting after section 751 the following:*

17 **“SEC. 752. TRAINING AND TECHNICAL ASSISTANCE.**

18 **“(a) GRANTS; CONTRACTS; OTHER ARRANGEMENTS.—**
 19 *For any fiscal year for which the funds appropriated to*
 20 *carry out this chapter exceed the funds appropriated to*
 21 *carry out this chapter for fiscal year 2003, the Commis-*
 22 *sioner shall first reserve from such excess, to provide train-*
 23 *ing and technical assistance to designated State agencies*
 24 *for such fiscal year, not less than 1.8 percent, and not more*

1 *than 2 percent, of the funds appropriated to carry out this*
2 *chapter for the fiscal year involved.*

3 “(b) *ALLOCATION.*—*From the funds reserved under*
4 *subsection (a), the Commissioner shall make grants to, and*
5 *enter into contracts and other arrangements with, entities*
6 *that demonstrate expertise in the provision of services to*
7 *older individuals who are blind to provide training and*
8 *technical assistance with respect to planning, developing,*
9 *conducting, administering, and evaluating independent liv-*
10 *ing programs for older individuals who are blind.*

11 “(c) *FUNDING PRIORITIES.*—*The Commissioner shall*
12 *conduct a survey of designated State agencies that receive*
13 *grants under section 753 regarding training and technical*
14 *assistance needs in order to determine funding priorities*
15 *for grants, contracts, and other arrangements under this*
16 *section.*

17 “(d) *REVIEW.*—*To be eligible to receive a grant or*
18 *enter into a contract or other arrangement under this sec-*
19 *tion, an eligible entity shall submit an application to the*
20 *Commissioner at such time, in such manner, containing a*
21 *proposal to provide such training and technical assistance,*
22 *and containing such additional information as the Com-*
23 *missioner may require.*

24 “(e) *PROHIBITION ON COMBINED FUNDS.*—*No funds*
25 *reserved by the Commissioner under this section may be*

1 *combined with funds appropriated under any other Act or*
 2 *part of this Act if the purpose of combining funds is to*
 3 *make a single discretionary grant or a single discretionary*
 4 *payment, unless such funds appropriated under this chap-*
 5 *ter are separately identified in such grant or payment and*
 6 *are used for the purposes of this chapter.”.*

7 **SEC. 490. PROGRAM OF GRANTS.**

8 *Section 753 of the Rehabilitation Act of 1973, as redes-*
 9 *ignated by section 489, is amended—*

10 *(1) in subsection (g), by inserting “, or contracts*
 11 *with,” after “grants to”;*

12 *(2) by striking subsection (h);*

13 *(3) by redesignating subsections (i) and (j) as*
 14 *subsections (h) and (i), respectively;*

15 *(4) in subsection (b), by striking “section 753”*
 16 *and inserting “section 754”;*

17 *(5) in subsection (c)—*

18 *(A) in paragraph (1), by striking “section*
 19 *753” and inserting “section 754”; and*

20 *(B) in paragraph (2)—*

21 *(i) by striking “subsection (i)” and in-*
 22 *serting “subsection (h)”;* and

23 *(ii) by striking “subsection (j)” and*
 24 *inserting “subsection (i)”;*

1 (6) in subsection (h), as redesignated by para-
2 graph (3)—

3 (A) in paragraph (1), by striking “sub-
4 section (j)(4)” and inserting “subsection (i)(4”;
5 and

6 (B) in paragraph (2)—

7 (i) in subparagraph (A)(vi), by adding
8 “and” after the semicolon;

9 (ii) in subparagraph (B)(ii)(III), by
10 striking “; and” and inserting a period;
11 and

12 (iii) by striking subparagraph (C);
13 and

14 (7) in subsection (i), as redesignated by para-
15 graph (3)—

16 (A) by striking paragraph (2) and inserting
17 the following:

18 “(2) *MINIMUM ALLOTMENT.*—

19 “(A) *STATES.*—In the case of the several
20 States, the District of Columbia, and the Com-
21 monwealth of Puerto Rico, the amount referred
22 to in paragraph (1)(A) for a fiscal year is the
23 greater of—

24 “(i) \$350,000;

1 “(ii) an amount equal to the amount
 2 the State, the District of Columbia, or the
 3 Commonwealth of Puerto Rico received to
 4 carry out this chapter for fiscal year 2003;
 5 or

6 “(iii) an amount equal to $\frac{1}{3}$ of 1 per-
 7 cent of the amount appropriated under sec-
 8 tion 754, and not reserved under section
 9 752, for the fiscal year and available for al-
 10 lotments under subsection (a).

11 “(B) CERTAIN TERRITORIES.—In the case
 12 of Guam, American Samoa, the United States
 13 Virgin Islands, and the Commonwealth of the
 14 Northern Mariana Islands, the amount referred
 15 to in paragraph (1)(A) for a fiscal year is
 16 \$60,000.”;

17 (B) in paragraph (3)(A), by striking “sec-
 18 tion 753” and inserting “section 754, and not
 19 reserved under section 752,”; and

20 (C) in paragraph (4)(B)(i), by striking
 21 “subsection (i)” and inserting “subsection (h)”.

1 **SEC. 491. INDEPENDENT LIVING SERVICES FOR OLDER IN-**
 2 **DIVIDUALS WHO ARE BLIND AUTHORIZATION**
 3 **OF APPROPRIATIONS.**

4 *Section 754 of the Rehabilitation Act of 1973, as redes-*
 5 *ignated by section 489, is amended by striking “fiscal years*
 6 *1999 through 2003” and inserting “fiscal years 2004*
 7 *through 2009”.*

8 ***Subtitle H—Miscellaneous***

9 **SEC. 495. HELEN KELLER NATIONAL CENTER ACT.**

10 *(a) GENERAL AUTHORIZATION OF APPROPRIATIONS.—*
 11 *The first sentence of section 205(a) of the Helen Keller Na-*
 12 *tional Center Act (29 U.S.C. 1904(a)) is amended by strik-*
 13 *ing “1999 through 2003” and inserting “2004 through*
 14 *2009”.*

15 *(b) HELEN KELLER NATIONAL CENTER FEDERAL EN-*
 16 *DOWMENT FUND.—The first sentence of section 208(h) of*
 17 *the Helen Keller National Center Act (29 U.S.C. 1907(h))*
 18 *is amended by striking “1999 through 2003” and inserting*
 19 *“2004 through 2009”.*

20 ***TITLE V—TRANSITION AND***
 21 ***EFFECTIVE DATE***

22 **SEC. 501. TRANSITION PROVISIONS.**

23 *The Secretary of Labor shall, at the discretion of the*
 24 *Secretary, take such actions as the Secretary determines to*
 25 *be appropriate to provide for the orderly implementation*
 26 *of titles I and III of this Act. The Secretary of Education*

1 *shall, at the discretion of the Secretary, take such actions*
2 *as the Secretary determines to be appropriate to provide*
3 *for the orderly implementation of titles II and IV of this*
4 *Act.*

5 **SEC. 502. EFFECTIVE DATE.**

6 *Except as otherwise provided in this Act, this Act and*
7 *the amendments made by this Act shall take effect on the*
8 *date of enactment of this Act.*

Calendar No. 366

108TH CONGRESS
1ST SESSION

S. 1627

[Report No. 108–187]

A BILL

To reauthorize the Workforce Investment Act of
1998, and for other purposes.

NOVEMBER 5, 2003

Reported with an amendment