

***In the Senate of the United States,***

*June 29, 2006.*

*Resolved*, That the bill from the House of Representatives (H.R. 27) entitled “An Act to enhance the workforce investment system of the Nation by strengthening one-stop career centers, providing for more effective governance arrangements, promoting access to a more comprehensive array of employment, training, and related services, establishing a targeted approach to serving youth, and improving performance accountability, and for other purposes.”, do pass with the following

**AMENDMENT:**

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE.***

2 *This Act may be cited as the “Workforce Investment*

3 *Act Amendments of 2005”.*

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

2 *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. General program requirements.*

*Subtitle F—Incentive Grants*

- Sec. 161. Incentive grants.*

*Subtitle G—Conforming Amendments**Sec. 171. Table of contents.**Sec. 172. Conforming amendments.**TITLE II—AMENDMENTS TO THE ADULT EDUCATION AND FAMILY LITERACY ACT**Sec. 201. Short title; purpose.**Sec. 202. Definitions.**Sec. 203. Home schools.**Sec. 204. Authorization of appropriations.**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. Rehabilitation Services Administration**Sec. 405. Definitions.**Sec. 406. Administration of the Act.**Sec. 407. Reports.**Sec. 408. 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. Monitoring and review.**Sec. 418. State allotments.**Sec. 419. Reservation for expanded transition services.**Sec. 420. Client assistance program.**Sec. 421. Incentive grants.*

- Sec. 422. Vocational rehabilitation services grants.*  
*Sec. 423. GAO studies.*

*Subtitle B—Research and Training*

- Sec. 431. Declaration of purpose.*  
*Sec. 432. Authorization of appropriations.*  
*Sec. 433. National Institute on Disability and Rehabilitation Research.*  
*Sec. 434. Interagency committee.*  
*Sec. 435. Research and other covered activities.*  
*Sec. 436. Rehabilitation Research Advisory Council.*  
*Sec. 437. Definition.*

*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.*  
*Sec. 472. Projects with industry authorization of appropriations.*  
*Sec. 473. 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-*

ents of funds under this title for a given period requiring the provision of funds for—

“(A) goods or other tangible property received;

“(B) services performed by employees, contractors, subgrantees, subcontractors, and other payees; and

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

(3) in paragraph (2) (as redesignated by paragraph (1)), by striking “Except in sections 127 and 132,” and inserting “Except in section 132,”;

(4) by striking paragraph (5) (as redesignated by paragraph (1)) and inserting the following:

“(5) *BASIC SKILLS DEFICIENT*.—The term ‘basic skills deficient’ means, with respect to an individual, that the individual—

“(A) has English reading, writing, or computing skills at or below the 8th grade level on a generally accepted standardized test or a comparable score on a criterion-referenced test; or

1           “(B) is unable to compute or solve problems,  
 2           read, write, or speak English at a level necessary  
 3           to function on the job, in the individual’s family,  
 4           or in society.”;

5           (5) by inserting after paragraph (5) (as redesign-  
 6           ated by paragraph (1)) the following:

7           “(6) *BUSINESS INTERMEDIARY*.—The term ‘busi-  
 8           ness intermediary’ means an entity that brings to-  
 9           gether various stakeholders with an expertise in an  
 10          industry or business sector.”;

11          (6) in paragraph (9) (as redesignated by para-  
 12          graph (1)), by inserting “, including a faith-based or-  
 13          ganization,” after “nonprofit organization”;

14          (7) in paragraph (10) (as redesignated by para-  
 15          graph (1)), in subparagraph (C), by striking “for not  
 16          less than 50 percent of the cost of the training.” and  
 17          inserting “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) in the case of customized training  
 24                 (as defined in subparagraphs (A) and (B))  
 25                 with an employer in multiple local areas in

1           *the State, a significant portion of the cost*  
 2           *of the training, as determined by the Gov-*  
 3           *ernor, taking into account the size of the*  
 4           *employer and such other factors as the Gov-*  
 5           *ernor determines 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.), single parents (including single pregnant women), 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

1        *meaning given the term in section 101(a), and sub-*  
 2        *paragraphs (A) and (B) of section 102(a)(1), of the*  
 3        *Higher Education Act of 1965 (20 U.S.C. 1001(a),*  
 4        *1002(a)(1)).”;*

5            *(13) in paragraph (30) (as redesignated by*  
 6        *paragraph (1))—*

7            *(A) by redesignating subparagraphs (D)*  
 8            *through (F) as subparagraphs (E) through (G),*  
 9            *respectively; and*

10          *(B) by inserting after subparagraph (C) the*  
 11        *following:*

12            *“(D) receives or is eligible to receive a free*  
 13            *or reduced price lunch under the Richard B.*  
 14            *Russell National School Lunch Act (42 U.S.C.*  
 15            *1751 et seq.);”;*

16          *(14) in paragraph (31) (as redesignated by*  
 17        *paragraph (1)), by inserting after “fields of work” the*  
 18        *following: “, including occupations in computer*  
 19        *science and technology and other emerging high-skill*  
 20        *occupations,”;*

21          *(15) in paragraph (35) (as redesignated by*  
 22        *paragraph (1)), by inserting “, subject to section*  
 23        *121(b)(1)(C)” after “121(b)(1)”;*

24          *(16) by striking paragraph (38) (as redesignated*  
 25        *by paragraph (1)) and inserting the following:*

1           “(38) *OUT-OF-SCHOOL YOUTH*.—*The term ‘out-*  
 2           *of-school youth’ means an out-of-school youth as de-*  
 3           *finied in section 129(a)(1)(B).*”;

4           (17) *by inserting after paragraph (46) (as reded-*  
 5           *ignated by paragraph (1)) the following:*

6           “(47) *SELF-SUFFICIENCY*.—*The term ‘self-suffi-*  
 7           *ciency’ means self-sufficiency within the meaning of*  
 8           *subsections (a)(3)(A)(x) and (e)(1)(A)(xii) of section*  
 9           *134.*”;

10          (18) *in paragraph (49) (as redesignated by*  
 11          *paragraph (1)), by striking “clause (iii) or (v) of sec-*  
 12          *tion 136(b)(3)(A)” and inserting “section*  
 13          *136(b)(3)(A)(iii)”;*

14          (19) *in paragraph (58) (as redesignated by*  
 15          *paragraph (1)), by striking “(or as described in sec-*  
 16          *tion 129(c)(5))” and inserting “(or as described in*  
 17          *section 129(a)(2))”; and*

18          (20) *in paragraph (59) (as redesignated by*  
 19          *paragraph (1)), by striking “established under section*  
 20          *117(h)” and inserting “that may be established under*  
 21          *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 workforce*  
10            *investment systems, that increase the employment, re-*  
11            *tention, self-sufficiency, and earnings of participants,*  
12            *and increase occupational skill attainment by partici-*  
13            *pants.*

14            *“(B) As a result of the provision of the activities,*  
15            *to improve the quality of the workforce, reduce welfare*  
16            *dependency, increase self-sufficiency, and enhance the*  
17            *productivity and competitiveness of the Nation.*

18            *“(2) To enhance the workforce investment system*  
19            *of the Nation by strengthening one-stop centers, pro-*  
20            *viding for more effective governance arrangements,*  
21            *promoting access to a more comprehensive array of*  
22            *employment and training and related services, estab-*  
23            *lishing a targeted approach to serving youth, improv-*  
24            *ing performance accountability, and promoting State*  
25            *and local flexibility.*

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

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

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

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

13          “(7) To recognize and reinforce the vital link be-  
14          tween economic development and workforce invest-  
15          ment activities.

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

19          “(9) To address the ongoing shortage of essential  
20          skills in the United States workforce related to both  
21          manufacturing and knowledge-based economies to en-  
22          sure that the United States remains competitive in  
23          the global economy.

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

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

5           “(12) To educate limited English proficient indi-  
6           viduals about skills and language so the individuals  
7           are employable.

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

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

11           (a) *MEMBERSHIP.*—

12           (1) *IN GENERAL.*—Section 111(b) (29 U.S.C.  
13           2821(b)) is amended—

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

16           “(C) representatives appointed by the Gov-  
17           ernor, who—

18           “(i) are the lead State agency officials  
19           with responsibility for the programs and ac-  
20           tivities that are described in section 121(b)  
21           and carried out by one-stop partners, except  
22           that—

23           “(I) in any case in which no lead  
24           State agency official has responsibility  
25           for such a program or activity, the

1           *representative shall be a representative*  
2           *in the State with expertise relating to*  
3           *such program or activity; and*

4                     *“(II) in the case of the programs*  
5                     *authorized under title I of the Reha-*  
6                     *bilitation Act of 1973 (29 U.S.C. 720*  
7                     *et seq.), the representative shall be the*  
8                     *director of the designated State unit,*  
9                     *as defined in section 7 of the Rehabili-*  
10                    *tation Act of 1973 (29 U.S.C. 705);*

11                   *“(ii) are the State agency officials re-*  
12                   *sponsible for economic development;*

13                   *“(iii) are representatives of business in*  
14                   *the State, including small businesses, who—*

15                             *“(I) are owners of businesses, chief*  
16                             *executive or operating officers of busi-*  
17                             *nesses, or other business executives or*  
18                             *employers with optimum policymaking*  
19                             *or hiring authority;*

20                            *“(II) represent businesses with*  
21                            *employment opportunities that reflect*  
22                            *employment opportunities in the State;*  
23                            *and*

24                            *“(III) are appointed from among*  
25                            *individuals nominated by State busi-*



1                    *ness organizations, business trade asso-*  
 2                    *ciations, and local boards;*

3                    *“(iv) are chief elected officials (rep-*  
 4                    *resenting cities and counties, where appro-*  
 5                    *priate);*

6                    *“(v) are representatives of labor orga-*  
 7                    *nizations, who have been nominated by*  
 8                    *State labor federations; and*

9                    *“(vi) are such other State agency offi-*  
 10                    *cials and other representatives as the Gov-*  
 11                    *ernor may designate.”; and*

12                    *(B) in paragraph (3), by striking “para-*  
 13                    *graph (1)(C)(i)” and inserting “paragraph*  
 14                    *(1)(C)(iii)”.*

15                    *(2) CONFORMING AMENDMENT.—Section 111(c)*  
 16                    *(29 U.S.C. 2821(c)) is amended by striking “sub-*  
 17                    *section (b)(1)(C)(i)” and inserting “subsection*  
 18                    *(b)(1)(C)(iii)”.*

19                    *(b) FUNCTIONS.—Section 111(d) (29 U.S.C. 2821(d))*  
 20                    *is amended—*

21                    *(1) in paragraph (1), by striking “development”*  
 22                    *and inserting “development, implementation, and re-*  
 23                    *vision”;*

24                    *(2) in paragraph (2)—*

1           (A) by striking “section 134(c)” and insert-  
 2           ing “section 121(e)”; and

3           (B) in subparagraph (A), by inserting after  
 4           “section 121(b)” the following: “, including  
 5           granting the authority for the State employment  
 6           service under the Wagner-Peyser Act (29 U.S.C.  
 7           49 *et seq.*) to plan and coordinate employment  
 8           and training activities with local boards”;

9           (3) by striking paragraph (3) and inserting the  
 10          following:

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

21           (4) by redesignating paragraphs (4) through (9)  
 22          as paragraphs (5) through (10), respectively;

23           (5) by inserting after paragraph (3) the fol-  
 24          lowing:

1           “(4) development and review of statewide policies  
2           affecting the coordinated provision of services through  
3           the one-stop delivery system described in section  
4           121(e) within the State, including—

5                   “(A) the development of objective criteria  
6                   and procedures for use by local boards in assess-  
7                   ing the effectiveness and continuous improvement  
8                   of one-stop centers under section 121(g);

9                   “(B) the development of guidance for the al-  
10                  location of one-stop center infrastructure funds  
11                  under section 121(h)(1)(B);

12                  “(C) the development of—

13                          “(i) statewide policies relating to the  
14                          appropriate roles and contributions of one-  
15                          stop partner programs within the one-stop  
16                          delivery system, including approaches to fa-  
17                          cilitating equitable and efficient cost alloca-  
18                          tion in the one-stop delivery system;

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

24                          “(iii) strategies for technology improve-  
25                          ments to facilitate access to services pro-

1            *vided through the one-stop delivery system,*  
 2            *in remote areas, and for individuals with*  
 3            *disabilities, which may be utilized through-*  
 4            *out the State; and*

5            *“(iv) strategies for the effective coordi-*  
 6            *nation of activities between the one-stop de-*  
 7            *livery system of the State and the State em-*  
 8            *ployment service under the Wagner-Peyser*  
 9            *Act (29 U.S.C. 49 et seq.);*

10           *“(D) identification and dissemination of in-*  
 11           *formation on best practices for effective operation*  
 12           *of one-stop centers, including use of innovative*  
 13           *business outreach, partnerships, and service de-*  
 14           *livery strategies, including for hard-to-serve pop-*  
 15           *ulations; and*

16           *“(E) conduct of such other matters as may*  
 17           *promote statewide objectives for, and enhance the*  
 18           *performance of, the one-stop delivery system;”;*

19           *(6) in paragraph (5) (as redesignated by para-*  
 20           *graph (4)), by inserting “and the development of*  
 21           *statewide criteria to be used by chief elected officials*  
 22           *for the appointment of local boards consistent with*  
 23           *section 117” after “section 116”;*

24           *(7) in paragraph (6) (as redesignated by para-*  
 25           *graph (4)), by striking “sections 128(b)(3)(B) and*

1       133(b)(3)(B)” and inserting “sections 128(b)(3) and  
2       133(b)(3)(B)”;

3               (8) in paragraph (9) (as redesignated by para-  
4       graph (4))—

5               (A) by striking “employment statistics sys-  
6       tem” and inserting “workforce and labor market  
7       information system”; and

8               (B) by striking “and” after the semicolon;

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

11              (A) by inserting “section 136(i) and” before  
12      “section 503”; and

13              (B) by striking the period and inserting “;  
14      and”; and

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

16              “(11) increasing the availability of skills train-  
17      ing, employment opportunities, and career advance-  
18      ment, for hard-to-serve populations.”.

19      (c) *ALTERNATIVE ENTITY*.—Section 111(e) (29 U.S.C.  
20   2821(e)) is amended—

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

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

24              “(3) *FAILURE TO MEET PERFORMANCE MEAS-*  
25      *URES*.—If a State fails to have performed successfully,

1       *as defined in section 116(a)(2), the Secretary may re-*  
 2       *quire the State to establish a State board in accord-*  
 3       *ance with subsections (a), (b), and (c) in lieu of the*  
 4       *alternative entity established under paragraph (1).”.*

5       *(d) CONFLICT OF INTEREST.—Section 111(f)(1) (29*  
 6       *U.S.C. 2821(f)(1)) is amended by inserting “or participate*  
 7       *in action taken” after “vote”.*

8       *(e) SUNSHINE PROVISION.—Section 111(g) (29 U.S.C.*  
 9       *2821(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       *(f) AUTHORITY TO HIRE STAFF.—Section 111 (29*  
 15       *U.S.C. 2821) is amended by adding at the end the following:*

16       *“(h) AUTHORITY TO HIRE STAFF.—*

17           *“(1) IN GENERAL.—The State board may hire*  
 18           *staff to assist in carrying out the functions described*  
 19           *in subsection (d) using funds allocated under sections*  
 20           *127(b)(1)(C) and 132(b).*

21           *“(2) LIMITATION ON RATE.—Funds appropriated*  
 22           *under this title shall not be used to pay staff em-*  
 23           *ployed by the State board, either as a direct cost or*  
 24           *through any proration as an indirect cost, at a rate*  
 25           *in excess of the maximum rate payable for a position*

1        *at GS-15 of the General Schedule as in effect on the*  
 2        *date of enactment of the Workforce Investment Act*  
 3        *Amendments of 2005.”.*

4    **SEC. 113. STATE PLAN.**

5        (a) *PLANNING CYCLE.*—Section 112(a) (29 U.S.C.  
 6    2822(a)) *is amended—*

7            (1) *by inserting “, or a State unified plan as de-*  
 8        *scribed in section 501,” before “that outlines”;*

9            (2) *by striking “5-year strategy” and inserting*  
 10        *“4-year strategy”; and*

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

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

24            (1) *in paragraph (8)(A)—*

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

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

4           “(xi) programs authorized under title II of  
5           the Social Security Act (42 U.S.C. 401 et seq.)  
6           (relating to Federal old-age, survivors, and dis-  
7           ability insurance benefits), title XVI of such Act  
8           (42 U.S.C. 1381 et seq.) (relating to supple-  
9           mental security income), title XIX of such Act  
10          (42 U.S.C. 1396 et seq.) (relating to medicaid),  
11          and title XX of such Act (42 U.S.C. 1397 et seq.)  
12          (relating to block grants to States for social serv-  
13          ices), programs authorized under title VII of the  
14          Rehabilitation Act of 1973 (29 U.S.C. 796 et  
15          seq.), and programs carried out by State agen-  
16          cies relating to mental retardation and develop-  
17          mental disabilities; and”;

18          (2) by striking paragraph (10) and inserting the  
19          following:

20          “(10) a description of how the State will use  
21          funds the State received under this subtitle to leverage  
22          other Federal, State, local, and private resources, in  
23          order to maximize the effectiveness of such resources,  
24          expand resources for the provision of education and  
25          training services, and expand the participation of



1 *businesses, employees, and individuals in the state-*  
 2 *wide workforce investment system, including a de-*  
 3 *scription of incentives and technical assistance the*  
 4 *State will provide to local areas for such purposes;”;*

5 *(3) in paragraph (12)(A), by striking “sections*  
 6 *128(b)(3)(B) and 133(b)(3)(B)” and inserting “sec-*  
 7 *tions 128(b)(3) and 133(b)(3)(B)”;*

8 *(4) in paragraph (14), by striking “section*  
 9 *134(c)” and inserting “section 121(e)”;*

10 *(5) in paragraph (15), by striking “section*  
 11 *116(a)(5)” and inserting “section 116(a)(4)”;*

12 *(6) in paragraph (17)—*

13 *(A) in subparagraph (A)—*

14 *(i) in clause (iii)—*

15 *(I) by inserting “local” before*  
 16 *“customized training”; and*

17 *(II) by striking “and” at the end;*

18 *(ii) in clause (iv), by striking “(in-*  
 19 *cluding displaced homemakers),” and all*  
 20 *that follows through “disabilities)” and in-*  
 21 *serting “, hard-to-serve populations, and in-*  
 22 *dividuals training for nontraditional em-*  
 23 *ployment”; and*

24 *(iii) by adding after clause (iv) the fol-*  
 25 *lowing:*

1                   “(v) *how the State will serve the em-*  
2                   *ployment and training needs of individuals*  
3                   *with disabilities, consistent with section 188*  
4                   *and Executive Order 13217 (42 U.S.C.*  
5                   *12131 note; relating to community-based al-*  
6                   *ternatives for individuals with disabilities),*  
7                   *including the provision of outreach, intake,*  
8                   *the conduct of assessments, service delivery,*  
9                   *the development of adjustments to perform-*  
10                  *ance measures established under section*  
11                  *136, and the training of staff; and”;* and  
12                  *(B) in subparagraph (B), by striking “and”*  
13                  *at the end;*  
14                  *(7) in paragraph (18)(D)—*  
15                  *(A) by striking “youth opportunity grants*  
16                  *under section 169” and inserting “youth chal-*  
17                  *lenge grants authorized under section 169 and*  
18                  *other federally funded youth programs”;* and  
19                  *(B) by striking the period and inserting a*  
20                  *semicolon; and*  
21                  *(8) by adding at the end the following:*  
22                  *“(19) a description of how the State will utilize*  
23                  *technology to facilitate access to services in remote*  
24                  *areas, which may be utilized throughout the State;*

1           “(20) a description of the State strategy for co-  
 2           ordinating workforce investment activities and eco-  
 3           nomic development activities, and promoting entre-  
 4           preneurial skills training and microenterprise serv-  
 5           ices;

6           “(21) a description of the State strategy and as-  
 7           sistance to be provided for ensuring regional coopera-  
 8           tion within the State and across State borders as ap-  
 9           propriate;

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

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

1           “(B) provide incentives and technical as-  
2           sistance to assist local areas in more fully engag-  
3           ing all employers, including small employers, in  
4           local workforce investment activities, to make the  
5           workforce investment system more relevant to the  
6           needs of area businesses, and to better coordinate  
7           workforce investment and economic development  
8           efforts to contribute to the economic well-being of  
9           the local area, as determined appropriate by the  
10          local board;

11          “(23) a description of the State strategy—

12               “(A) for ensuring cooperation between  
13               transportation providers, including public trans-  
14               portation providers, and providers of workforce  
15               investment activities; and

16               “(B) for ensuring coordination among ap-  
17               propriate State agencies and programs to make  
18               available skills training, employment services  
19               and opportunities, and career advancement ac-  
20               tivities, that will assist ex-offenders in reentering  
21               the workforce;

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

1           “(25) a description of the process and method-  
2           ology that will be used by the State board to—

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

7           “(B) establish, in consultation with chief  
8           elected officials and local boards, objective cri-  
9           teria and procedures for use by local boards in  
10          periodically assessing the effectiveness, physical  
11          and programmatic accessibility, and continuous  
12          improvement of one-stop centers and the one-stop  
13          delivery system as described in section 121(g);  
14          and

15          “(C) determine—

16               “(i) one-stop partner program con-  
17               tributions for the costs of the infrastructure  
18               of one-stop centers under section 121(h)(2);  
19               and

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

23          “(26) a description of the State strategy for en-  
24          suring that activities carried out under this title are

1        *placing men and women in jobs, education, or train-*  
 2        *ing that lead to comparable pay; and*

3                *“(27) a description of the technical assistance*  
 4        *available to one-stop operators and providers of train-*  
 5        *ing services for strategies to serve hard-to-serve popu-*  
 6        *lations and promote placement in nontraditional em-*  
 7        *ployment.”.*

8        *(c) MODIFICATIONS TO PLAN.—Section 112(d) (29*  
 9        *U.S.C. 2822(d)) is amended—*

10                *(1) by striking “5-year period” and inserting*  
 11        *“4-year period”; and*

12                *(2) by adding at the end the following: “In addi-*  
 13        *tion, the State shall submit the modifications to the*  
 14        *State plan required under subsection (a), under cir-*  
 15        *cumstances prescribed by the Secretary that are due*  
 16        *to changes in Federal law that significantly affect ele-*  
 17        *ments of the State plan.”.*

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

19        *(a) DESIGNATION OF AREAS.—*

20                *(1) CONSIDERATIONS.—Section 116(a)(1) (29*  
 21        *U.S.C. 2831(a)(1)) is amended—*

22                *(A) in subparagraph (A), by striking*  
 23        *“paragraphs (2), (3), and (4)” and inserting*  
 24        *“paragraphs (2) and (3)”;* and

1           (B) in subparagraph (B), by adding at the  
2           end the following:

3                   “(vi) The extent to which such local  
4                   areas will promote maximum effectiveness  
5                   in the administration and provision of serv-  
6                   ices.”.

7           (2)       *AUTOMATIC       DESIGNATION.*—Section  
8           116(a)(2) (29 U.S.C. 2831(a)(2)) is amended to read  
9           as follows:

10           “(2) *AUTOMATIC DESIGNATION.*—

11                   “(A) *IN GENERAL.*—The Governor shall ap-  
12                   prove a request for designation as a local area  
13                   that is submitted prior to the submission of the  
14                   State plan, or of a modification to the State  
15                   plan relating to area designation, from any area  
16                   that—

17                           “(i) is a unit of general local govern-  
18                           ment with a population of 500,000 or more,  
19                           except that after the initial 2-year period  
20                           following such designation pursuant to this  
21                           clause that occurs after the date of enact-  
22                           ment of the Workforce Investment Act  
23                           Amendments of 2005, the Governor shall  
24                           only be required to approve a request for  
25                           designation from such area if such area—

1 “(I) performed successfully; and

2 “(II) sustained fiscal integrity;

3 “(ii) was a local area under this title  
4 for the preceding 2-year period (prior to the  
5 date of approval), if such local area—

6 “(I) performed successfully; and

7 “(II) sustained fiscal integrity;

8 “(iii) is served by a rural concentrated  
9 employment program grant recipient, ex-  
10 cept that after the initial 2-year period fol-  
11 lowing any such designation under the ini-  
12 tial State plan submitted after the date of  
13 enactment of the Workforce Investment Act  
14 Amendments of 2005, the Governor shall  
15 only be required to approve a request for  
16 designation under this clause for such area  
17 if such area—

18 “(I) performed successfully; and

19 “(II) sustained fiscal integrity; or

20 “(iv) was a local area under section  
21 116(a)(2)(C) (as in effect on the day before  
22 the date of enactment of the Workforce In-  
23 vestment Act Amendments of 2005), except  
24 that after the initial 2-year period following  
25 such designation pursuant to this clause



1           *that occurs after that date of enactment, the*  
 2           *Governor shall only be required to approve*  
 3           *a request for designation under this clause*  
 4           *for such area if such area—*

5                     *“(I) performed successfully; and*

6                     *“(II) sustained fiscal integrity.*

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

9                     *“(i) PERFORMED SUCCESSFULLY.—The*  
 10           *term ‘performed successfully’, when used*  
 11           *with respect to a local area, means the local*  
 12           *area performed at 80 percent or more of the*  
 13           *adjusted level of performance for core indi-*  
 14           *cators of performance described in section*  
 15           *136(b)(2)(A) for 2 consecutive years.*

16                    *“(ii) SUSTAINED FISCAL INTEGRITY.—*  
 17           *The term ‘sustained fiscal integrity’, used*  
 18           *with respect to an area, means that the Sec-*  
 19           *retary has not made a formal determination*  
 20           *during the preceding 2-year period that ei-*  
 21           *ther the grant recipient or the administra-*  
 22           *tive entity of the area misexpended funds*  
 23           *provided under this title due to willful dis-*  
 24           *regard of the requirements of the Act in-*  
 25           *volved, gross negligence, or failure to comply*

1                   *with accepted standards of administra-*  
 2                   *tion.”.*

3                   (3) *CONFORMING AMENDMENTS.—Section 116(a)*  
 4                   *(29 U.S.C. 2831(a)) is amended—*

5                   (A) *by striking paragraph (3);*

6                   (B) *by redesignating paragraphs (4) and*  
 7                   *(5) as paragraph (3) and (4), respectively;*

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

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

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

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

16                   (i) *by striking “under paragraph (2)*  
 17                   *or (3)” and inserting “under paragraph*  
 18                   *(2)”;* and

19                   (ii) *by striking the second sentence.*

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

22                   “(b) *SINGLE LOCAL AREA STATES.—*

23                   “(1) *CONTINUATION OF PREVIOUS DESIGNA-*  
 24                   *TION.—Notwithstanding subsection (a)(2), the Gov-*  
 25                   *ernor of any State that was a single local area for*

1        *purposes of this title as of July 1, 2004, may continue*  
 2        *to designate the State as a single local area for pur-*  
 3        *poses of this title if the Governor identifies the State*  
 4        *as a local area in the State plan under section*  
 5        *112(b)(5).*

6                “(2) *REDESIGNATION.*—*The Governor of a State*  
 7        *not described in paragraph (1) may designate the*  
 8        *State as a single local area if, prior to the submission*  
 9        *of the State plan or modification to such plan so des-*  
 10        *ignating the State, no local area meeting the require-*  
 11        *ments for automatic designation under subsection*  
 12        *(a)(2) requests such designation as a separate local*  
 13        *area.*

14                “(3) *EFFECT ON LOCAL PLAN.*—*In any case in*  
 15        *which a State is designated as a local area pursuant*  
 16        *to this subsection, the local plan prepared under sec-*  
 17        *tion 118 for the area shall be submitted to the Sec-*  
 18        *retary for approval as part of the State plan under*  
 19        *section 112.”.*

20                (c) *REGIONAL PLANNING.*—*Section 116(c) (29 U.S.C.*  
 21        *2831(c)) is amended—*

22                        (1) *by striking paragraph (1) and inserting the*  
 23        *following:*

24                        “(1) *PLANNING.*—

1           “(A) *IN GENERAL.*—As part of the process  
2           for developing the State plan, a State may re-  
3           quire regional planning by local boards for a  
4           designated region in the State. The State may  
5           require the local boards for a designated region  
6           to participate in a regional planning process  
7           that results in the establishment of regional per-  
8           formance measures for workforce investment ac-  
9           tivities authorized under this subtitle. The State,  
10          after consultation with local boards and chief  
11          elected officials, may require the local boards for  
12          the designated region to prepare, submit, and ob-  
13          tain approval of a single regional plan that in-  
14          corporates local plans for each of the local areas  
15          in the region, as required under section 118. The  
16          State may award regional incentive grants to  
17          the designated regions that meet or exceed the re-  
18          gional performance measures pursuant to section  
19          134(a)(2)(B)(iii).

20          “(B) *TECHNICAL ASSISTANCE.*—If the State  
21          requires regional planning as provided in sub-  
22          paragraph (A), the State shall provide technical  
23          assistance and labor market information to such  
24          local areas in the designated regions to assist

1           *with such regional planning and subsequent*  
 2           *service delivery efforts.”;*

3           (2) *in paragraph (2), by inserting “information*  
 4           *about the skill requirements of existing and emerging*  
 5           *industries and industry clusters,” after “information*  
 6           *about employment opportunities and trends,”; and*

7           (3) *in paragraph (3), by adding at the end the*  
 8           *following: “Such services may be required to be co-*  
 9           *ordinated with regional economic development serv-*  
 10          *ices and strategies.”.*

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

12          (a) *COMPOSITION.*—Section 117(b) (29 U.S.C.  
 13 2832(b)) *is amended—*

14           (1) *in paragraph (2)(A)—*

15               (A) *in clause (i), by striking subclause (II)*  
 16           *and inserting the following:*

17                       “(II) *collectively, represent busi-*  
 18                       *nesses with employment opportunities*  
 19                       *that reflect the employment opportuni-*  
 20                       *ties of the local area, and include rep-*  
 21                       *resentatives of businesses that are in*  
 22                       *high-growth and emerging industries,*  
 23                       *and representatives of businesses, in-*  
 24                       *cluding small businesses, in the local*  
 25                       *area; and”;*

1                   (B) by striking clause (ii) and inserting the  
2                   following:

3                   “(ii)(I) a superintendent representing  
4                   the local school districts involved or another  
5                   high-level official from such districts;

6                   “(II) the president or highest ranking  
7                   official of an institution of higher education  
8                   participating in the workforce investment  
9                   activities in the local area; and

10                  “(III) an administrator of local enti-  
11                  ties providing adult education and literacy  
12                  activities in the local area;”;

13                  (C) in clause (iv), by inserting “, hard-to-  
14                  serve populations,” after “disabilities”;

15                  (D) in clause (v), by striking “and” at the  
16                  end; and

17                  (E) by striking clause (vi) and inserting the  
18                  following:

19                  “(vi) a representative from the State  
20                  employment service under the Wagner-  
21                  Peyser Act (29 U.S.C. 49 et seq.) who is  
22                  serving the local area; and

23                  “(vii) if the local board does not estab-  
24                  lish or continue a youth council, representa-  
25                  tives with experience serving out-of-school

1                   youth, particularly out-of-school youth fac-  
 2                   ing barriers to employment; and”;

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

4                   “(6) *SPECIAL RULE.*—In the case that there are  
 5                   multiple school districts or institutions of higher edu-  
 6                   cation serving a local area, the representatives de-  
 7                   scribed in subclause (I) or (II) of paragraph  
 8                   (2)(A)(ii), respectively, shall be appointed from  
 9                   among individuals nominated by regional or local  
 10                  educational agencies, institutions, or organizations  
 11                  representing such agencies or institutions.”.

12                  (b) *AUTHORITY OF BOARD MEMBERS.*—Section  
 13                  117(b)(3) (29 U.S.C. 2832(b)(3)) is amended—

14                   (1) in the heading, by inserting “AND REP-  
 15                   RESENTATION” after “AUTHORITY”; and

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

19                  (c) *CONFORMING AMENDMENT.*—Section 117(c)(1)(C)  
 20                  (29 U.S.C. 2832(c)(1)(C)) is amended by striking “section  
 21                  116(a)(2)(B)” and inserting “section 116(a)(2)(A)(iii)”.

22                  (d) *FUNCTIONS.*—Section 117(d) (29 U.S.C. 2832(d))  
 23                  is amended—

24                   (1) in paragraph (1), insert after “Governor” the  
 25                   following: “, and shall develop jointly with the head

1       *of the State employment service under the Wagner-*  
 2       *Peyser Act (29 U.S.C. 49 et seq.) appropriate compo-*  
 3       *nents of such plan to maximize coordination, improve*  
 4       *service delivery, and avoid duplication of services”;*

5               *(2) in paragraph (2)—*

6                       *(A) in subparagraph (B)—*

7                               *(i) by inserting “(except as provided in*  
 8                               *section 123(b))” after “basis”; and*

9                               *(ii) by inserting “(where appropriate)”*  
 10                               *after “youth council”; and*

11                       *(B) by adding at the end the following:*

12                               *“(E) CONSUMER CHOICE REQUIREMENTS.—*

13                               *Consistent with sections 122 and paragraphs (3)*  
 14                               *and (4) of 134(d), the local board shall work to*  
 15                               *ensure there are sufficient providers of intensive*  
 16                               *services and training services serving the local*  
 17                               *area in a manner that maximizes consumer*  
 18                               *choice, including providers with expertise in as-*  
 19                               *sisting individuals with disabilities.”;*

20               *(3) in paragraph (3)(B), by striking clause (ii)*  
 21       *and inserting the following:*

22                               *“(ii) STAFF.—*

23                               *“(I) IN GENERAL.—The local*  
 24                               *board may hire staff.*



1 “(II) *LIMITATION ON RATE.*—  
 2 *Funds appropriated under this title*  
 3 *shall not be used to pay staff employed*  
 4 *by the local board, either as a direct*  
 5 *cost or through any proration as an*  
 6 *indirect cost, at a rate in excess of the*  
 7 *maximum rate payable for a position*  
 8 *at GS–15 of the General Schedule, as*  
 9 *in effect on the date of enactment of the*  
 10 *Workforce Investment Act Amendments*  
 11 *of 2005.”;*

12 (4) in paragraph (4), by inserting “, and shall  
 13 ensure the appropriate use and management of the  
 14 funds provided under this subtitle for such programs,  
 15 activities, and system” after “area”;

16 (5) in paragraph (6)—

17 (A) by striking “EMPLOYMENT STATISTICS  
 18 SYSTEM” and inserting “WORKFORCE AND  
 19 LABOR MARKET INFORMATION SYSTEM”; and

20 (B) by striking “employment statistics sys-  
 21 tem” and inserting “workforce and labor market  
 22 information system”;

23 (6) in paragraph (8)—

24 (A) by inserting “, including small employ-  
 25 ers,” after “private sector employers”; and

1                   (B) by striking the period and inserting “,  
2                   taking into account the unique needs of small  
3                   businesses.”; and

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

5                   “(9) *TECHNOLOGY IMPROVEMENTS.*—The local  
6                   board shall develop strategies for technology improve-  
7                   ments to facilitate access to services, in remote areas,  
8                   for services authorized under this subtitle and carried  
9                   out in the local area.”.

10                  (e) *CONFORMING AMENDMENT.*—Section 117(f)(2) (29  
11                  U.S.C. 2832(f)(2)) is amended by striking “described in sec-  
12                  tion 134(c)”.

13                  (f) *CONFLICT OF INTEREST.*—Section 117(g)(1) (29  
14                  U.S.C. 2832(g)(1)) is amended by inserting “or participate  
15                  in action taken” after “vote”.

16                  (g) *AUTHORITY TO ESTABLISH COUNCILS AND ELIMI-*  
17                  *NATION OF REQUIREMENT FOR YOUTH COUNCILS.*—Section  
18                  117(h) (29 U.S.C. 2832(h)) is amended to read as follows:

19                  “(h) *COUNCILS.*—The local board may establish or  
20                  continue councils to provide information and advice to as-  
21                  sist the local board in carrying out activities under this  
22                  title. Such councils may include—

23                         “(1) a council composed of one-stop partners to  
24                         advise the local board on the operation of the one-stop  
25                         delivery system involved;

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

4           “(3) such other councils as the local board deter-  
5           mines are appropriate.”.

6           (h) *ALTERNATIVE ENTITY PROVISION.*—Section  
7   117(i)(1) (29 U.S.C. 2832(i)(1)) is amended—

8           (1) in the matter preceding subparagraph (A),  
9           by striking “and paragraphs (1) and (2) of subsection  
10          (h),”;

11          (2) by striking subparagraph (B) and inserting  
12          the following:

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

15          (3) by striking subparagraph (C); and

16          (4) by redesignating subparagraph (D) as sub-  
17          paragraph (C).

18 **SEC. 116. LOCAL PLAN.**

19          (a) *PLANNING CYCLE.*—Section 118(a) (29 U.S.C.  
20   2833(a)) is amended—

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

23          (2) by adding at the end the following: “At the  
24          end of the first 2-year period of the 4-year plan, the  
25          local board shall review and, as needed, amend the 4-

1        *year plan to reflect labor market and economic condi-*  
 2        *tions.”.*

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

5                (1) *in paragraph (2)—*

6                        (A) *in subparagraph (A), by striking “and”*  
 7                        *after the semicolon;*

8                        (B) *by striking subparagraph (B) and in-*  
 9                        *serting the following:*

10                        “(B) *a description of how the local board*  
 11                        *will facilitate access to services provided through*  
 12                        *the one-stop delivery system involved, in remote*  
 13                        *areas, including facilitating access through the*  
 14                        *use of technology; and”;* and

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

16                        “(C) *a description of how the local board*  
 17                        *will ensure physical and programmatic accessi-*  
 18                        *bility for individuals with disabilities at one-*  
 19                        *stop centers;”;*

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

22                        (3) *by redesignating paragraph (10) as para-*  
 23                        *graph (16); and*

24                        (4) *by inserting after paragraph (9) the fol-*  
 25                        *lowing:*

1           “(10) a description of how the local board will  
2           coordinate workforce investment activities carried out  
3           in the local area with economic development activities  
4           carried out in the local area, and promote entrepre-  
5           neurial skills training and microenterprise services;

6           “(11) a description of the strategies and services  
7           that will be initiated in the local area to more fully  
8           engage all employers, including small employers, in  
9           workforce investment activities, to make the workforce  
10          investment system more relevant to the needs of area  
11          businesses, and to better coordinate workforce invest-  
12          ment and economic development efforts, which may  
13          include the implementation of innovative initiatives  
14          such as incumbent worker training programs, sectoral  
15          and industry cluster strategies, regional skills alliance  
16          initiatives, career ladder programs, utilization of ef-  
17          fective business intermediaries, and other business  
18          services and strategies designed to meet the needs of  
19          area employers and contribute to the economic well-  
20          being of the local area, as determined appropriate by  
21          the local board, consistent with the objectives of this  
22          title;

23          “(12) a description of how the local board will  
24          expand access to education and training services for

1     *eligible individuals who are in need of such services*  
2     *through—*

3             *“(A) the utilization of programs funded*  
4             *under this title; and*

5             *“(B) the increased leveraging of resources*  
6             *other than those provided under this title, in-*  
7             *cluding tax credits, private sector-provided*  
8             *training, and other Federal, State, local, and*  
9             *private funds that are brokered through the one-*  
10            *stop centers for training services;*

11            *“(13) a description of how the local board will*  
12            *coordinate workforce investment activities carried out*  
13            *in the local area with the provision of transportation,*  
14            *including public transportation, in the local area;*

15            *“(14) a description of plans for, assurances con-*  
16            *cerning, and strategies for maximizing coordination*  
17            *of services provided by the State employment service*  
18            *under the Wagner-Peyser Act (29 U.S.C. 49 et seq.)*  
19            *and services provided in the local area through the*  
20            *one-stop delivery system described in section 121(e),*  
21            *to improve service delivery and avoid duplication of*  
22            *services;*

23            *“(15) a description of how the local board will*  
24            *coordinate workforce investment activities carried out*  
25            *in the local area with other Federal, State, and local*

1        *area education, job training, and economic develop-*  
 2        *ment programs and activities; and”.*

3    **SEC. 117. ESTABLISHMENT OF ONE-STOP DELIVERY SYS-**  
 4        **TEMS.**

5        *(a) ONE-STOP PARTNERS.—*

6            *(1) REQUIRED PARTNERS.—Section 121(b)(1)*  
 7        *(29 U.S.C. 2841(b)(1)) is amended—*

8            *(A) by striking subparagraph (A) and in-*  
 9        *serting the following:*

10            *“(A) ROLES AND RESPONSIBILITIES OF*  
 11        *ONE-STOP PARTNERS.—Each entity that carries*  
 12        *out a program or activities described in subpara-*  
 13        *graph (B) shall—*

14            *“(i) provide access through the one-stop*  
 15        *delivery system to the programs and activi-*  
 16        *ties carried out by the entity, including*  
 17        *making the core services described in section*  
 18        *134(d)(2) that are applicable to the pro-*  
 19        *gram of the entity available at the one-stop*  
 20        *centers (in addition to any other appro-*  
 21        *priate locations);*

22            *“(ii) use a portion of the funds avail-*  
 23        *able to the program of the entity to main-*  
 24        *tain the one-stop delivery system, including*  
 25        *payment of the infrastructure costs of one-*

1 *stop centers in accordance with subsection*  
 2 *(h);*

3 *“(iii) enter into a local memorandum*  
 4 *of understanding with the local board relat-*  
 5 *ing to the operation of the one-stop system*  
 6 *that meets the requirements of subsection*  
 7 *(c);*

8 *“(iv) participate in the operation of*  
 9 *the one-stop system consistent with the*  
 10 *terms of the memorandum of under-*  
 11 *standing, the requirements of this title, and*  
 12 *the requirements of the Federal laws author-*  
 13 *izing the programs carried out by the enti-*  
 14 *ty; and*

15 *“(v) provide representation on the*  
 16 *State board to the extent provided under*  
 17 *section 111.”;*

18 *(B) in subparagraph (B)—*

19 *(i) by striking clause (v);*

20 *(ii) by redesignating clauses (vi)*  
 21 *through (xii) as clauses (v) through (xi), re-*  
 22 *spectively;*

23 *(iii) in clause (x) (as redesignated by*  
 24 *clause (ii)), by striking “and” at the end;*



1           (iv) in clause (xi) (as redesignated by  
2           clause (ii)), by striking the period and in-  
3           serting “; and”; and

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

5           “(xii) programs authorized under part  
6           A of title IV of the Social Security Act (42  
7           U.S.C. 601 et seq.), subject to subparagraph  
8           (C).”; and

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

10          “(C) DETERMINATION BY THE GOVERNOR.—

11           “(i) IN GENERAL.—An entity that car-  
12           ries out programs referred to in subpara-  
13           graph (B)(xii) shall be included in the one-  
14           stop partners for the local area, as a re-  
15           quired partner, for purposes of this title un-  
16           less the Governor of the State provides the  
17           notification described in clause (ii).

18           “(ii) NOTIFICATION.—The notification  
19           referred to in clause (i) is a notification  
20           that—

21           “(I) is made in writing of a deter-  
22           mination by the Governor not to in-  
23           clude such entity in the one-stop part-  
24           ners described in clause (i); and

1                   “(II) is provided to the Secretary  
2                   and the Secretary of Health and  
3                   Human Services.”.

4                   (2) *ADDITIONAL PARTNERS.*—

5                   (A) *IN GENERAL.*—Section 121(b)(2)(A) (29  
6                   U.S.C. 2841(b)(2)(A)) is amended to read as fol-  
7                   lows:

8                   “(A) *IN GENERAL.*—With the approval of  
9                   the local board and chief elected official, in addi-  
10                  tion to the entities described in paragraph (1),  
11                  other entities that carry out human resource pro-  
12                  grams described in subparagraph (B) may be  
13                  one-stop partners and carry out the responsibil-  
14                  ities described in paragraph (1)(A).”.

15                  (B) *ADDITIONAL PARTNERS.*—Section  
16                  121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is  
17                  amended by striking clauses (i) through (iii) and  
18                  inserting the following:

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

1           “(ii) employment and training pro-  
 2           grams carried out by the Small Business  
 3           Administration;

4           “(iii) programs authorized under sec-  
 5           tion 6(d)(4) of the Food Stamp Act of 1977  
 6           (7 U.S.C. 2015(d)(4));”.

7           (b) *LOCAL MEMORANDUM OF UNDERSTANDING*.—Sec-  
 8           tion 121(c)(2)(A) (29 U.S.C. 2841(c)(2)(A)) is amended to  
 9           read as follows:

10           “(A) provisions describing—

11           “(i) the services to be provided through  
 12           the one-stop delivery system consistent with  
 13           the requirements of this section, including  
 14           the manner in which the services will be co-  
 15           ordinated through such system;

16           “(ii) how the costs of such services and  
 17           the operating costs of such system will be  
 18           funded, through cash and in-kind contribu-  
 19           tions, to provide a stable and equitable  
 20           funding stream for ongoing one-stop system  
 21           operations, including the funding of the in-  
 22           frastructure costs of one-stop centers in ac-  
 23           cordance with subsection (h);

24           “(iii) methods of referral of individuals  
 25           between the one-stop operator and the one-

1            *stop partners for appropriate services and*  
 2            *activities;*

3            *“(iv) methods to ensure the needs of*  
 4            *hard-to-serve populations are addressed in*  
 5            *providing access to services through the one-*  
 6            *stop system; and*

7            *“(v) the duration of the memorandum*  
 8            *of understanding and the procedures for*  
 9            *amending the memorandum during the*  
 10           *term of the memorandum, and assurances*  
 11           *that such memorandum shall be reviewed*  
 12           *not less than once every 2-year period to en-*  
 13           *sure appropriate funding and delivery of*  
 14           *services; and”.*

15           *(c) CONFORMING AMENDMENT.—Section 121(d)(2) (29*  
 16           *U.S.C. 2841(d)(2)) is amended by striking “section 134(c)”*  
 17           *and inserting “section 121(e)”.*

18           *(d) PROVISION OF SERVICES.—*

19           *(1) ELIMINATION OF PROVISIONS CONCERNING*  
 20           *ESTABLISHED SYSTEMS.—Section 121 (29 U.S.C.*  
 21           *2841) is amended by striking subsection (e).*

22           *(2) REDESIGNATION.—Subtitle B of title I is*  
 23           *amended—*

24           *(A) in section 134 (29 U.S.C. 2864), by re-*  
 25           *designating subsection (c) as subsection (e); and*

1           (B) by transferring that subsection (e) so  
 2           that the subsection appears after subsection (d)  
 3           of section 121.

4           (3) ONE-STOP DELIVERY SYSTEMS.—Paragraph  
 5           (1) of section 121(e) (29 U.S.C. 2841(e)) (as redesign-  
 6           ated by paragraph (2)) is amended—

7           (A) in subparagraph (A), by striking “sub-  
 8           section (d)(2)” and inserting “section  
 9           134(d)(2)”;

10          (B) in subparagraph (B)—

11           (i) by striking “subsection (d)” and in-  
 12           serting “section 134(d)”;

13           (ii) by striking “individual training  
 14           accounts” and inserting “career scholarship  
 15           accounts”; and

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

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

20          (D) in subparagraph (D), by striking “sec-  
 21           tion 121(b)” and inserting “subsection (b)”;

22          (E) in subparagraph (E), by striking “in-  
 23           formation described in section 15” and inserting  
 24           “data, information, and analysis described in  
 25           section 15(a)”.

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

4       “(g) *CONTINUOUS IMPROVEMENT OF ONE-STOP CEN-*  
 5 *TERS.—*

6               “(1) *IN GENERAL.—The State board, in con-*  
 7 *sultation with chief local elected officials and local*  
 8 *boards, shall establish objective criteria and proce-*  
 9 *dures for use by local boards in periodically assessing*  
 10 *the effectiveness, physical and programmatic accessi-*  
 11 *bility, and continuous improvement of one-stop cen-*  
 12 *ters and the one-stop delivery system.*

13              “(2) *CRITERIA.—The procedures and criteria de-*  
 14 *veloped under this subsection shall include minimum*  
 15 *standards relating to the scope and degree of service*  
 16 *coordination achieved by the one-stop delivery system*  
 17 *with respect to the programs administered by the one-*  
 18 *stop partners at the one-stop centers, consistent with*  
 19 *the guidelines and guidance provided by the Governor*  
 20 *and by the State board, in consultation with the chief*  
 21 *elected official and local boards, for such partners’*  
 22 *participation under subsections (h)(1)(B) and sub-*  
 23 *section (i), respectively, and such other factors relat-*  
 24 *ing to the quality, accessibility, and effectiveness of*

1       *the one-stop delivery system as the State board deter-*  
 2       *mines to be appropriate.*

3               “(3) *LOCAL BOARDS.*—*Consistent with the cri-*  
 4       *teria developed by the State, the local board may de-*  
 5       *velop additional criteria of higher standards to re-*  
 6       *spond to local labor market and demographic condi-*  
 7       *tions and trends.*

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

9               “(1) *IN GENERAL.*—

10              “(A) *OPTIONS FOR INFRASTRUCTURE FUND-*  
 11       *ING.*—

12              “(i) *LOCAL OPTIONS.*—*The local board,*  
 13       *chief elected officials, and one-stop partners*  
 14       *in a local area may choose to fund the costs*  
 15       *of the infrastructure of one-stop centers*  
 16       *through—*

17              “(I) *methods described in the local*  
 18       *memorandum of understanding, if, the*  
 19       *local board, chief elected officials, and*  
 20       *one-stop partners agree to such meth-*  
 21       *ods; or*

22              “(II) *the State infrastructure*  
 23       *funding mechanism described in para-*  
 24       *graph (2).*

1                   “(i) *FAILURE TO REACH AGREEMENT*  
2                   *ON FUNDING METHODS.*—If, as of July 1,  
3                   2006, the local board, chief elected officials,  
4                   and one-stop partners in a local area fail to  
5                   reach agreement on methods of sufficient  
6                   funding of the infrastructure costs of one-  
7                   stop centers, as determined by the local  
8                   area, the State infrastructure funding mech-  
9                   anism described in paragraph (2) shall be  
10                  applicable to such local area.

11                  “(B) *GUIDANCE FOR INFRASTRUCTURE*  
12                  *FUNDING.*—In addition to carrying out the re-  
13                  quirements relating to the State mechanism for  
14                  one-stop center infrastructure funding described  
15                  in paragraph (2), the Governor, after consulta-  
16                  tion with chief local elected officials, local boards,  
17                  and the State board, and consistent with the  
18                  guidelines provided by the State board under  
19                  subsection (i), shall provide—

20                       “(i) *guidelines for State administered*  
21                       *one-stop partner programs in determining*  
22                       *such programs’ contributions to and par-*  
23                       *ticipation in the one-stop delivery system,*  
24                       *including funding for the costs of infra-*  
25                       *structure as defined in paragraph (2)(D),*



negotiated pursuant to the local memorandum of understanding under subsection (c); and

“(ii) guidance to assist local areas in identifying equitable and stable alternative methods of funding of the costs of the infrastructure of one-stop centers in local areas.

“(2) STATE ONE-STOP INFRASTRUCTURE FUNDING.—

“(A) PARTNER CONTRIBUTIONS.—

“(i) IN GENERAL.—Subject to clause (iii), a portion determined under clause (ii) of the Federal funds provided to the State and areas within the State under the Federal laws authorizing the programs described in subsection (b)(1) and administered by one-stop partners for a fiscal year shall be provided to the Governor from such programs to assist in paying the costs of infrastructure of one-stop centers in those local areas of the State not funded under the option described in paragraph (1)(A)(i)(I).

“(ii) DETERMINATION OF GOVERNOR.—

1                   “(I) *IN GENERAL.*—Subject to  
2                   subclause (II) and clause (iii), the  
3                   Governor, after consultation with chief  
4                   local elected officials, local boards, and  
5                   the State board, shall determine the  
6                   portion of funds to be provided under  
7                   clause (i) by each one-stop partner  
8                   from each program described in clause  
9                   (i). In making such determination, the  
10                  Governor shall calculate the propor-  
11                  tionate use of the one-stop centers for  
12                  the purpose of determining funding  
13                  contributions pursuant to clause (i)(II)  
14                  or (ii) of paragraph (1)(A) by each  
15                  partner, and the costs of administra-  
16                  tion for purposes not related to one-  
17                  stop centers for each partner. The Gov-  
18                  ernor shall exclude from such deter-  
19                  mination the portion of funds and use  
20                  of one-stop centers attributable to the  
21                  programs of one-stop partners for those  
22                  local areas of the State where the infra-  
23                  structure of one-stop centers is funded  
24                  under the option described in para-  
25                  graph (1)(A)(i)(I).

1                   “(II) *SPECIAL RULE.*—*In a State*  
2                   *in which the State constitution places*  
3                   *policymaking authority that is inde-*  
4                   *pendent of the authority of the Gov-*  
5                   *ernor in an entity or official with re-*  
6                   *spect to the funds provided for adult*  
7                   *education and literacy activities au-*  
8                   *thorized under title II and for postsec-*  
9                   *ondary vocational and technical edu-*  
10                  *cation activities authorized under the*  
11                  *Carl D. Perkins Vocational and Tech-*  
12                  *nical Education Act of 1998 (20*  
13                  *U.S.C. 2301 et seq.), or vocational re-*  
14                  *habilitation services offered under the*  
15                  *Rehabilitation Act of 1973 (29 U.S.C.*  
16                  *701 et seq.), the determination de-*  
17                  *scribed in subclause (I) with respect to*  
18                  *the programs authorized under that*  
19                  *title and those Acts shall be made by*  
20                  *the chief officer of the entity with such*  
21                  *authority in consultation with the*  
22                  *Governor.*

23                  “(III) *APPEAL BY ONE-STOP*  
24                  *PARTNERS.*—*The Governor shall estab-*  
25                  *lish a procedure for the one-stop part-*

1 *ner administering a program described*  
2 *in subsection (b) to appeal a deter-*  
3 *mination regarding the portion of*  
4 *funds to be contributed under this*  
5 *paragraph on the basis that such deter-*  
6 *mination is inconsistent with the cri-*  
7 *teria described in the State plan or*  
8 *with the requirements of this para-*  
9 *graph. Such procedure shall ensure*  
10 *prompt resolution of the appeal.*

11 “(iii) *LIMITATIONS.—*

12 “(I) *PROVISION FROM ADMINIS-*  
13 *TRATIVE FUNDS.—The funds provided*  
14 *under this paragraph by each one-stop*  
15 *partner shall be provided only from*  
16 *funds available for the costs of admin-*  
17 *istration under the program adminis-*  
18 *tered by such partner, and shall be*  
19 *subject to the program limitations with*  
20 *respect to the portion of funds under*  
21 *such program that may be used for ad-*  
22 *ministration.*

23 “(II) *CAP ON REQUIRED CON-*  
24 *TRIBUTIONS.—*

1                   “(aa) *WIA FORMULA PRO-*  
2                   *GRAMS AND EMPLOYMENT SERV-*  
3                   *ICE.—The portion of funds re-*  
4                   *quired to be contributed under*  
5                   *clause (i)(II) or (ii) of paragraph*  
6                   *(1)(A) by the programs authorized*  
7                   *under chapters 4 and 5 and under*  
8                   *the Wagner-Peyser Act (29 U.S.C.*  
9                   *49 et seq.) shall not be in excess of*  
10                  *3 percent of the amount of Fed-*  
11                  *eral funds provided to carry out*  
12                  *each such program in the State*  
13                  *for a fiscal year.*

14                  “(bb)    *OTHER    ONE-STOP*  
15                  *PARTNERS.—The portion of funds*  
16                  *required to be contributed under*  
17                  *clause (i)(II) or (ii) of paragraph*  
18                  *(1)(A) by a one-stop partner from*  
19                  *a program described in subsection*  
20                  *(b)(1) other than the programs de-*  
21                  *scribed under item (aa) shall not*  
22                  *be in excess of 1½ percent of the*  
23                  *amount of Federal funds provided*  
24                  *to carry out such program in the*  
25                  *State for a fiscal year.*

“(cc) *SPECIAL RULE.*—Notwithstanding items (aa) and (bb), an agreement, including a local memorandum of understanding, entered into prior to the date of enactment of the Workforce Investment Act Amendments of 2005 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

1                    *second program year that be-*  
 2                    *gins after the date of enact-*  
 3                    *ment of the Workforce Invest-*  
 4                    *ment Act Amendments of*  
 5                    *2005;*

6                    “(BB) 1.0 percent of the  
 7                    *amount provided for such*  
 8                    *program in the State for the*  
 9                    *third program year that be-*  
 10                   *gins after such date;*

11                   “(CC) 1.25 percent of  
 12                   *the amount provided for such*  
 13                   *program in the State for the*  
 14                   *fourth program year that be-*  
 15                   *gins after such date; and*

16                   “(DD) 1.5 percent of the  
 17                   *amount provided for such*  
 18                   *program in the State for the*  
 19                   *fifth and each succeeding*  
 20                   *program year that begins*  
 21                   *after such date.*

22                   “(III) *FEDERAL DIRECT SPEND-*  
 23                   *ING PROGRAMS.*—*An entity admin-*  
 24                   *istering a program funded with direct*  
 25                   *spending as defined in section*

250(c)(8) of the *Balanced Budget and  
Emergency Deficit Control Act of 1985*  
(2 U.S.C. 900(c)(8)) shall not be re-  
quired to provide, for purposes of this  
paragraph, an amount in excess of the  
amount determined to be equivalent to  
the cost of the proportionate use of the  
one-stop centers for such program in  
the State.

“(IV) *NATIVE AMERICAN PRO-  
GRAMS.*—Native American programs  
established under section 166 shall not  
be subject to the provisions of this sub-  
section or subsection (i). The method  
for determining the appropriate por-  
tion of funds to be provided by such  
Native American programs to pay for  
the costs of infrastructure of a one-stop  
center shall be determined as part of  
the development of the memorandum of  
understanding under subsection (c) for  
the one-stop center and shall be stated  
in the memorandum.

“(B) *ALLOCATION BY GOVERNOR.*—From  
the funds provided under subparagraph (A), the



1        *Governor shall allocate the funds to local areas*  
 2        *in accordance with the formula established under*  
 3        *subparagraph (C) for the purposes of assisting in*  
 4        *paying the costs of infrastructure of one-stop cen-*  
 5        *ters.*

6                *“(C) ALLOCATION FORMULA.—The State*  
 7        *board shall develop a formula to be used by the*  
 8        *Governor to allocate the funds provided under*  
 9        *subparagraph (A) to local areas not funding in-*  
 10       *frastructure costs under the option described in*  
 11       *paragraph (1)(A)(i)(I). The formula shall be*  
 12       *based on factors including the number of one-*  
 13       *stop centers in a local area, the population*  
 14       *served by such centers, the services provided by*  
 15       *such centers, and other factors relating to the*  
 16       *performance of such centers that the State board*  
 17       *determines are appropriate.*

18               *“(D) COSTS OF INFRASTRUCTURE.—In this*  
 19       *subsection, the term ‘costs of infrastructure’, used*  
 20       *with respect to a one-stop center, means the non-*  
 21       *personnel costs that are necessary for the general*  
 22       *operation of the one-stop center, including the*  
 23       *rental costs of the facilities, the costs of utilities*  
 24       *and maintenance, equipment (including assess-*  
 25       *ment-related products and adaptive technology*

1       *for individuals with disabilities), and technology*  
 2       *to facilitate remote access to the one-stop center’s*  
 3       *strategic planning activities, and common out-*  
 4       *reach activities.*

5       “(i) *OTHER FUNDS.—*

6               “(1) *IN GENERAL.—Subject to the memorandum*  
 7       *of understanding described in subsection (c) for the*  
 8       *one-stop delivery system involved, in addition to the*  
 9       *funds provided to carry out subsection (h), a portion*  
 10       *of funds made available under Federal law author-*  
 11       *izing the programs described in subsection (b) and*  
 12       *administered by one-stop partners, or the noncash re-*  
 13       *sources available under such programs, shall be used*  
 14       *to pay the additional costs relating to the operation*  
 15       *of the one-stop delivery system that are not paid from*  
 16       *the funds provided under subsection (h), as deter-*  
 17       *mined in accordance with paragraph (2), to the ex-*  
 18       *tent not inconsistent with the Federal law involved.*  
 19       *Such costs shall include the costs of the provision of*  
 20       *core services described in section 134(d)(2) applicable*  
 21       *to each program and may include common costs that*  
 22       *are not paid from the funds provided under sub-*  
 23       *section (h).*

24               “(2) *DETERMINATION AND GUIDANCE.—The*  
 25       *method for determining the appropriate portion of*

1     *funds and noncash resources to be provided by each*  
 2     *program under paragraph (1) for a one-stop center*  
 3     *shall be determined as part of the development of the*  
 4     *memorandum of understanding under subsection (c)*  
 5     *for the one-stop center and shall be stated in the*  
 6     *memorandum. The State board shall provide guidance*  
 7     *to facilitate the determination of an appropriate allo-*  
 8     *cation of the funds and noncash resources in local*  
 9     *areas.”.*

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

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

13   **“SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF**  
 14         **TRAINING SERVICES.**

15         **“(a) ELIGIBILITY.—**

16                 **“(1) IN GENERAL.—***The Governor, after con-*  
 17     *sultation with the State board, shall establish criteria*  
 18     *and procedures regarding the eligibility of providers*  
 19     *of training services described in section 134(d)(4) (re-*  
 20     *ferred to in this section as ‘training services’) to re-*  
 21     *ceive funds provided under section 133(b) for the pro-*  
 22     *vision of training services.*

23                 **“(2) PROVIDERS.—***Subject to the provisions of*  
 24     *this section, to be eligible to receive the funds provided*

1        *under section 133(b) for the provision of training*  
 2        *services, the provider shall be—*

3                *“(A) a postsecondary educational institu-*  
 4                *tion that—*

5                        *“(i) is eligible to receive Federal funds*  
 6                        *under title IV of the Higher Education Act*  
 7                        *of 1965 (20 U.S.C. 1070 et seq.); and*

8                        *“(ii) provides a program that leads to*  
 9                        *an associate degree, baccalaureate degree, or*  
 10                        *industry-recognized certification;*

11                        *“(B) an entity that carries out programs*  
 12                        *under the Act of August 16, 1937 (commonly*  
 13                        *known as the ‘National Apprenticeship Act’; 50*  
 14                        *Stat. 664, chapter 663; 29 U.S.C. 50 et seq.); or*

15                        *“(C) another public or private provider of*  
 16                        *a program of training services.*

17                *“(3) INCLUSION IN LIST OF ELIGIBLE PRO-*  
 18                *VIDERS.—A provider described in subparagraph (A)*  
 19                *or (C) of paragraph (2) shall comply with the criteria*  
 20                *and procedures established under this section to be in-*  
 21                *cluded on the list of eligible providers of training*  
 22                *services described in subsection (d). A provider de-*  
 23                *scribed in paragraph (2)(B) shall be included on the*  
 24                *list of eligible providers of training services described*  
 25                *in subsection (d) for so long as the provider remains*

1       *certified by the Department of Labor to carry out the*  
 2       *programs described in paragraph (2)(B).*

3       “(b) *CRITERIA.*—

4               “(1) *IN GENERAL.*—*The criteria established by*  
 5       *the Governor pursuant to subsection (a) shall take*  
 6       *into account—*

7                       “(A) *the performance of providers of train-*  
 8                       *ing services with respect to the performance*  
 9                       *measures and other matters for which informa-*  
 10                      *tion is required under paragraph (2) and other*  
 11                      *appropriate measures of performance outcomes*  
 12                      *for those participants receiving training services*  
 13                      *under this subtitle (taking into consideration the*  
 14                      *characteristics of the population served and rel-*  
 15                      *evant economic conditions);*

16                     “(B) *the need to ensure access to training*  
 17                     *services throughout the State, including any*  
 18                     *rural areas;*

19                     “(C) *the information such providers are re-*  
 20                     *quired to report to State agencies with respect to*  
 21                     *Federal and State programs (other than the pro-*  
 22                     *gram carried out under this subtitle), including*  
 23                     *one-stop partner programs;*

24                     “(D) *the requirements for State licensing of*  
 25                     *providers of training services, and the licensing*

1       *status of each provider of training services if ap-*  
 2       *plicable;*

3               “(E) *to the extent practicable, encouraging*  
 4       *the use of industry-recognized standards and cer-*  
 5       *tification;*

6               “(F) *the ability of the providers to offer pro-*  
 7       *grams that lead to a degree or an industry-recog-*  
 8       *nized certification;*

9               “(G) *the ability to provide training services*  
 10       *to hard-to-serve populations, including individ-*  
 11       *uals with disabilities; and*

12               “(H) *such other factors as the Governor de-*  
 13       *termines are appropriate to ensure—*

14                       “(i) *the quality of services provided;*

15                       “(ii) *the accountability of the pro-*  
 16       *viders;*

17                       “(iii) *that the one-stop centers in the*  
 18       *State will ensure that such providers meet*  
 19       *the needs of local employers and partici-*  
 20       *pants;*

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

23                       “(v) *that the collection of information*  
 24       *required is not unduly burdensome or costly*  
 25       *to providers.*

1           “(2) *INFORMATION.*—*The criteria established by*  
 2           *the Governor shall require that a provider of training*  
 3           *services submit appropriate, accurate, and timely in-*  
 4           *formation to the State for purposes of carrying out*  
 5           *subsection (d), with respect to participants receiving*  
 6           *training services under this subtitle in the applicable*  
 7           *program, including—*

8                   “(A) *information on degrees and industry-*  
 9                   *recognized certifications received by such partici-*  
 10                  *pants;*

11                  “(B) *information on costs of attendance for*  
 12                  *such participants;*

13                  “(C) *information on the program comple-*  
 14                  *tion rate for such participants; and*

15                  “(D) *information on the performance of the*  
 16                  *provider with respect to the performance meas-*  
 17                  *ures described in section 136 for such partici-*  
 18                  *pants (taking into consideration the characteris-*  
 19                  *tics of the population served and relevant eco-*  
 20                  *nomie conditions), which may include informa-*  
 21                  *tion specifying the percentage of such partici-*  
 22                  *pants who entered unsubsidized employment in*  
 23                  *an occupation related to the program.*

24           “(3) *RENEWAL.*—*The criteria established by the*  
 25           *Governor shall also provide for biennial review and*

1       *renewal of eligibility under this section for providers*  
 2       *of training services.*

3               “(4) *LOCAL CRITERIA.*—*A local board in the*  
 4       *State may establish criteria in addition to the cri-*  
 5       *teria established by the Governor, or may require*  
 6       *higher levels of performance than required under the*  
 7       *criteria established by the Governor, for purposes of*  
 8       *determining the eligibility of providers of training*  
 9       *services to receive funds described in subsection (a) to*  
 10       *provide the services in the local area involved.*

11              “(5) *INFORMATION TO ESTABLISH INITIAL ELIGI-*  
 12       *BILITY.*—

13                   “(A) *IN GENERAL.*—*In an effort to provide*  
 14       *the highest-quality training services and respon-*  
 15       *siveness to new and emerging industries, pro-*  
 16       *viders may seek initial eligibility under this sec-*  
 17       *tion as providers of training services. The cri-*  
 18       *teria established by the Governor shall require*  
 19       *that a provider who has not previously been an*  
 20       *eligible provider of training services under this*  
 21       *section provide the information described in sub-*  
 22       *paragraph (B).*

23                   “(B) *INFORMATION.*—*The provider shall*  
 24       *provide verifiable program-specific performance*  
 25       *information supporting the provider’s ability to*



1        *serve participants under this subtitle. The infor-*  
 2        *mation provided under this subparagraph may*  
 3        *include information on outcome measures such*  
 4        *as job placement and wage increases for individ-*  
 5        *uals participating in the program, information*  
 6        *on business partnerships and other factors that*  
 7        *indicate high-quality training services, and in-*  
 8        *formation on alignment with industries targeted*  
 9        *for potential employment opportunities.*

10        “(C) *PROVISION.*—The provider shall pro-  
 11        *vide the information described in subparagraph*  
 12        *(B) to the Governor and the local boards in a*  
 13        *manner that will permit the Governor and the*  
 14        *local boards to make a decision on inclusion of*  
 15        *the provider on the list of eligible providers de-*  
 16        *scribed in subsection (d).*

17        “(c) *PROCEDURES.*—The procedures established under  
 18        *subsection (a) shall identify the application process for a*  
 19        *provider of training services to become eligible to receive*  
 20        *funds provided under section 133(b) for the provision of*  
 21        *training services, and identify the respective roles of the*  
 22        *State and local areas in receiving and reviewing the appli-*  
 23        *cations and in making determinations of such eligibility*  
 24        *based on the criteria established under this section. The pro-*  
 25        *cedures shall also establish a process for a provider of train-*

1 *ing services to appeal a denial or termination of eligibility*  
 2 *under this section, that includes an opportunity for a hear-*  
 3 *ing and prescribes appropriate time limits to ensure*  
 4 *prompt resolution of the appeal.*

5       “(d) *INFORMATION TO ASSIST PARTICIPANTS IN*  
 6 *CHOOSING PROVIDERS.—In order to facilitate and assist*  
 7 *participants in choosing employment and training activi-*  
 8 *ties under chapter 5 and in choosing providers of training*  
 9 *services, the Governor shall ensure that an appropriate list*  
 10 *of providers determined to be eligible under this section in*  
 11 *the State, accompanied by appropriate information, is pro-*  
 12 *vided to the one-stop delivery system in the State. The ac-*  
 13 *companying information shall consist of information pro-*  
 14 *vided by providers described in subparagraphs (A) and (C)*  
 15 *of subsection (a)(2) in accordance with subsection (b) (in-*  
 16 *cluding information on receipt of degrees and industry-rec-*  
 17 *ognized certifications, and costs of attendance, for partici-*  
 18 *pants receiving training services under this subtitle in ap-*  
 19 *plicable programs) and such other information as the Sec-*  
 20 *retary determines is appropriate. The list and the accom-*  
 21 *panying information shall be made available to such par-*  
 22 *ticipants and to members of the public through the one-stop*  
 23 *delivery system in the State.*

24       “(e) *ENFORCEMENT.—*

1           “(1) *IN GENERAL.*—*The criteria and procedures*  
 2           *established under this section shall provide the fol-*  
 3           *lowing:*

4                   “(A) *INTENTIONALLY SUPPLYING INAC-*  
 5                   *CURATE INFORMATION.*—*Upon a determination,*  
 6                   *by an individual or entity specified in the cri-*  
 7                   *teria or procedures, that a provider of training*  
 8                   *services, or individual providing information on*  
 9                   *behalf of the provider, intentionally supplied in-*  
 10                   *accurate information under this section, the eli-*  
 11                   *gibility of such provider to receive funds under*  
 12                   *chapter 5 shall be terminated for a period of*  
 13                   *time that is not less than 2 years.*

14                   “(B) *SUBSTANTIAL VIOLATIONS.*—*Upon a*  
 15                   *determination, by an individual or entity speci-*  
 16                   *fied in the criteria or procedures, that a provider*  
 17                   *of training services substantially violated any re-*  
 18                   *quirement under this title, the eligibility of such*  
 19                   *provider to receive funds under the program in-*  
 20                   *volved may be terminated, or other appropriate*  
 21                   *action may be taken.*

22                   “(C) *REPAYMENT.*—*A provider of training*  
 23                   *services whose eligibility is terminated under*  
 24                   *subparagraph (A) or (B) shall be liable for the*  
 25                   *repayment of funds received under chapter 5*

1           *during a period of noncompliance described in*  
 2           *such subparagraph.*

3           “(2) *CONSTRUCTION.—Paragraph (1) shall be*  
 4           *construed to provide remedies and penalties that sup-*  
 5           *plement, but do not supplant, other civil and crimi-*  
 6           *nal remedies and penalties.*

7           “(f) *AGREEMENTS WITH OTHER STATES.—States*  
 8           *may enter into agreements, on a reciprocal basis, to permit*  
 9           *eligible providers of training services to accept career schol-*  
 10          *arship accounts provided in another State.*

11          “(g) *OPPORTUNITY TO SUBMIT COMMENTS.—In estab-*  
 12          *lishing criteria, procedures, requirements for information,*  
 13          *and the list of eligible providers described in subsection (d),*  
 14          *the Governor shall provide an opportunity for interested*  
 15          *members of the public to make recommendations and sub-*  
 16          *mit comments regarding such criteria, procedures, require-*  
 17          *ments for information, and list.*

18          “(h) *TRANSITION PERIOD FOR IMPLEMENTATION.—*  
 19          *The requirements of this section shall be implemented not*  
 20          *later than December 31, 2006. In order to facilitate early*  
 21          *implementation of this section, the Governor may establish*  
 22          *transition procedures under which providers eligible to pro-*  
 23          *vide training services under chapter 5 as such chapter was*  
 24          *in effect on the day before the date of enactment of the Work-*  
 25          *force Investment Act Amendments of 2005 may continue to*

1 *be eligible to provide such services until December 31, 2006,*  
 2 *or until such earlier date as the Governor determines to be*  
 3 *appropriate.*

4 “(i) *ON-THE-JOB TRAINING, CUSTOMIZED TRAINING,*  
 5 *OR INCUMBENT WORKER TRAINING EXCEPTION.—*

6 “(1) *IN GENERAL.—Providers of on-the-job train-*  
 7 *ing, customized training, or incumbent worker train-*  
 8 *ing shall not be subject to the requirements of sub-*  
 9 *sections (a) through (h).*

10 “(2) *COLLECTION AND DISSEMINATION OF INFOR-*  
 11 *MATION.—A one-stop operator in a local area shall*  
 12 *collect such performance information from providers*  
 13 *of on-the-job training, customized training, and in-*  
 14 *cumbent worker training as the Governor may re-*  
 15 *quire, determine whether the providers meet such per-*  
 16 *formance criteria as the Governor may require, and*  
 17 *disseminate information identifying providers that*  
 18 *meet the criteria as eligible providers, and the per-*  
 19 *formance information, through the one-stop delivery*  
 20 *system. Providers determined to meet the criteria*  
 21 *shall be considered to be identified as eligible pro-*  
 22 *viders of training services.”.*

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

24 *Section 123 (29 U.S.C. 2843) is amended to read as*  
 25 *follows:*

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

2 “(a) *IN GENERAL.*—From the funds allocated under  
3 section 128(b) to a local area, the local board for such area  
4 shall award grants or contracts on a competitive basis to  
5 providers of youth activities identified based on the criteria  
6 in the State plan described in section 112 and shall conduct  
7 oversight with respect to such providers.

8 “(b) *EXCEPTIONS.*—A local board may award grants  
9 or contracts on a sole-source basis if such board determines  
10 there is an insufficient number of eligible providers of youth  
11 activities in the local area involved (such as a rural area)  
12 for grants and contracts to be awarded on a competitive  
13 basis under subsection (a).”.

14 **SEC. 120. YOUTH ACTIVITIES.**

15 (a) *STATE ALLOTMENTS.*—Section 127 (29 U.S.C.  
16 2852) is amended—

17 (1) in subsection (a)—

18 (A) in paragraph (1), by striking “oppor-  
19 tunity” and inserting “challenge”; and

20 (B) in paragraph (2), by striking “make al-  
21 lotments” and all that follows and inserting  
22 “make allotments and grants, and enter into  
23 contracts and cooperative agreements, in accord-  
24 ance with subparagraphs (A)(iv), (B), and (C) of  
25 subsection (b)(1).”; and

1           (2) *by striking subsection (b) and inserting the*  
 2     *following:*

3           “(b) *ALLOTMENT AMONG STATES.—*

4                 “(1) *YOUTH ACTIVITIES.—*

5                         “(A) *YOUTH CHALLENGE GRANTS AND*  
 6     *YOUTH ACTIVITIES FOR FARMWORKERS AND NA-*  
 7     *TIVE AMERICANS.—*

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 ac-*  
 13    *tivities under section 167 (relating to mi-*  
 14    *grant and seasonal farmworker programs)*  
 15    *and provide youth challenge grants and*  
 16    *other activities under section 169 (relating*  
 17    *to youth challenge grants).*

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.*—For a fiscal year described in  
 6                   clause (i), the Secretary shall reserve the  
 7                   greater of \$10,000,000 or 4 percent of the  
 8                   portion described in clause (i) for a fiscal  
 9                   year to provide youth activities under sec-  
 10                  tion 167. For a fiscal year not described in  
 11                  clause (i), the Secretary shall reserve  
 12                  \$10,000,000 of the amount appropriated  
 13                  under section 137(a) to provide youth ac-  
 14                  tivities under section 167.

15                  “(iv) *YOUTH ACTIVITIES FOR NATIVE*  
 16                  *AMERICANS.*—From the amount appro-  
 17                  priated under section 137(a) for each fiscal  
 18                  year that is not reserved under clause (i) or  
 19                  (iii), the Secretary shall reserve not more  
 20                  than 1½ percent of such appropriated  
 21                  amount to provide youth activities under  
 22                  section 166 (relating to Native Americans).

23                  “(B) *OUTLYING AREAS.*—

24                  “(i) *IN GENERAL.*—From the amount  
 25                  appropriated under section 137(a) for each



1 *fiscal year that is not reserved under sub-*  
 2 *paragraph (A), the Secretary shall reserve*  
 3 *not more than  $\frac{1}{4}$  of 1 percent of the appro-*  
 4 *propriated amount to provide assistance to the*  
 5 *outlying areas to carry out youth activities*  
 6 *and statewide workforce investment activi-*  
 7 *ties.*

8 “(ii) *LIMITATION FOR FREELY ASSOCI-*  
 9 *ATED STATES.*—

10 “(I) *COMPETITIVE GRANTS.*—*The*  
 11 *Secretary shall use funds described in*  
 12 *clause (i) to award grants to Guam,*  
 13 *American Samoa, the Commonwealth*  
 14 *of the Northern Mariana Islands, and*  
 15 *the Freely Associated States to carry*  
 16 *out youth activities and statewide*  
 17 *workforce investment activities.*

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

1 “(III) ASSISTANCE REQUIRE-  
2 MENTS.—Any Freely Associated State  
3 that desires to receive assistance under  
4 this subparagraph shall submit an ap-  
5 plication to the Secretary and shall in-  
6 clude in the application for  
7 assistance—

8 “(aa) information dem-  
9 onstrating that the Freely Associ-  
10 ated State will meet all conditions  
11 that apply to States under this  
12 title;

13 “(bb) an assurance that, not-  
14 withstanding any other provision  
15 of this title, the Freely Associated  
16 State will use such assistance only  
17 for the direct provision of services;  
18 and

19 “(cc) such other information  
20 and assurances as the Secretary  
21 may require.

22 “(IV) ADMINISTRATIVE COSTS.—  
23 The Secretary may provide not more  
24 than 5 percent of the funds made  
25 available for grants under subclause (I)

1           to pay the administrative costs of the  
 2           Pacific Region Educational Labora-  
 3           tory in Honolulu, Hawaii, regarding  
 4           activities assisted under this clause.

5           “(iii) *ADDITIONAL REQUIREMENT.*—  
 6           The provisions of Public Law 95–134, per-  
 7           mitting the consolidation of grants by the  
 8           outlying areas, shall not apply to assistance  
 9           provided to those areas, including the Free-  
 10          ly Associated States, under this subpara-  
 11          graph.

12          “(C) *STATES.*—

13           “(i) *IN GENERAL.*—From the remain-  
 14          der of the amount appropriated under sec-  
 15          tion 137(a) for a fiscal year that exists after  
 16          the Secretary determines the amounts to be  
 17          reserved under subparagraphs (A) and (B),  
 18          the Secretary shall allot to the States—

19           “(I) an amount of the remainder  
 20          that is less than or equal to the total  
 21          amount that was allotted to States for  
 22          fiscal year 2005 under section  
 23          127(b)(1)(C) of this Act (as in effect on  
 24          the day before the date of enactment of  
 25          the Workforce Investment Act Amend-

ments of 2005), in accordance with the requirements of clause (ii) of such section 127(b)(1)(C); and

“(II) the amount of the remainder, if any, in excess of the amount referred to in subclause (I), in accordance with clause (ii).

“(ii) *FORMULA*.—Of the amount described in clause (i)(II)—

“(I)  $33\frac{1}{3}$  percent shall be allotted on the basis of the relative number of individuals in the civilian labor force who are ages 16 through 21 in each State, compared to the total number of individuals in the civilian labor force who are ages 16 through 21 in all States;

“(II)  $33\frac{1}{3}$  percent shall be allotted on the basis of the relative number of unemployed individuals in each State, compared to the total number of unemployed individuals in all States; and

“(III)  $33\frac{1}{3}$  percent shall be allotted on the basis of the relative number

1           *of disadvantaged youth who are ages*  
 2           *16 through 21 in each State, compared*  
 3           *to the total number of disadvantaged*  
 4           *youth who are ages 16 through 21 in*  
 5           *all States.*

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

8                     “(I) *MINIMUM PERCENTAGE.—The*  
 9           *Secretary shall ensure that no State*  
 10          *shall receive an allotment percentage*  
 11          *under this subparagraph for a fiscal*  
 12          *year that is less than 90 percent of the*  
 13          *allotment percentage of the State for*  
 14          *the preceding fiscal year.*

15                    “(II) *MAXIMUM PERCENTAGE.—*  
 16          *Subject to subclause (I), the Secretary*  
 17          *shall ensure that no State shall receive*  
 18          *an allotment percentage under this*  
 19          *subparagraph for a fiscal year that is*  
 20          *more than 130 percent of the allotment*  
 21          *percentage of the State for the pre-*  
 22          *ceding fiscal year.*

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

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

3                    *“(I)  $\frac{3}{10}$  of 1 percent of*  
 4                    *\$1,000,000,000 of the remainder de-*  
 5                    *scribed in clause (i) for the fiscal year;*  
 6                    *and*

7                    *“(II) if the remainder described*  
 8                    *in clause (i) for the fiscal year exceeds*  
 9                    *\$1,000,000,000,  $\frac{2}{5}$  of 1 percent of the*  
 10                   *excess.*

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

13                    *“(A) ALLOTMENT PERCENTAGE.—The term*  
 14                    *‘allotment percentage’, used with respect to fiscal*  
 15                    *year 2006 or a subsequent fiscal year, means a*  
 16                    *percentage of the remainder described in para-*  
 17                    *graph (1)(C)(i) that is received by the State in-*  
 18                    *volved through an allotment made under this*  
 19                    *subsection for the fiscal year. The term, used*  
 20                    *with respect to fiscal year 2005, means the per-*  
 21                    *centage of the amounts allotted to States under*  
 22                    *this chapter (as in effect on the day before the*  
 23                    *date of enactment of the Workforce Investment*  
 24                    *Act Amendments of 2005) that is received by the*  
 25                    *State involved for fiscal year 2005.*

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

8                     “(i) the poverty line; or

9                     “(ii) 70 percent of the lower living  
 10           standard income level.

11           “(C) *FREELY ASSOCIATED STATE*.—The  
 12           term ‘Freely Associated State’ means the Repub-  
 13           lic of the Marshall Islands, the Federated States  
 14           of Micronesia, and the Republic of 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, ex-  
 18           clude 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(c)) is amended—

24                     (A) by striking paragraph (2) and inserting  
 25           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 the*  
 5           *determination is made exceeds 30 percent of the total*  
 6           *amount of funds available to the State under this sec-*  
 7           *tion during such prior program year (including*  
 8           *amounts allotted to the State in all prior program*  
 9           *years that remained available). For purposes of this*  
 10           *paragraph, the unexpended balance is the amount*  
 11           *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 de-*  
 15                   *termination is made (including amounts allotted*  
 16                   *to the State in all prior program years that re-*  
 17                   *mained 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 inserting  
2                   the following:

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

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

10                  (2) *EFFECTIVE DATE.*—The amendment made by  
11                  paragraph (1) shall take effect for the program year  
12                  that begins after the date of enactment of this Act.

13                  (c) *WITHIN STATE ALLOCATIONS.*—

14                  (1) *RESERVATION FOR STATEWIDE ACTIVITIES.*—  
15                  Section 128(a) (29 U.S.C. 2853(a)) is amended to  
16                  read as follows:

17                  “(a) *RESERVATIONS FOR STATEWIDE ACTIVITIES.*—

18                         “(1) *IN GENERAL.*—The Governor of a State  
19                         shall reserve not more than 15 percent of each of the  
20                         amounts allotted to the State under section  
21                         127(b)(1)(C) and paragraphs (1)(B) and (2)(B) of  
22                         section 132(b) for a fiscal year for statewide workforce  
23                         investment activities.

24                         “(2) *USE OF FUNDS.*—Regardless of whether the  
25                         reserved amounts were allotted under section

1       127(b)(1)(C), or under paragraph (1)(B) or (2)(B) of  
 2       section 132(b), the Governor may use the reserved  
 3       amounts to carry out statewide activities under sec-  
 4       tion 129(b) or statewide employment and training ac-  
 5       tivities, for adults or dislocated workers, under section  
 6       134(a).”.

7               (2) *WITHIN STATE ALLOCATION.*—Section 128(b)  
 8       (29 U.S.C. 2853(b)) is amended to read as follows:

9       “(b) *WITHIN STATE ALLOCATIONS.*—

10               “(1) *IN GENERAL.*—Of the amount allotted to the  
 11       State under section 127(b)(1)(C) and not reserved  
 12       under subsection (a)(1)—

13                       “(A) a portion equal to not less than 80  
 14       percent of such amount shall be allocated by the  
 15       Governor to local areas in accordance with para-  
 16       graph (2); and

17                       “(B) a portion equal to not more than 20  
 18       percent of such amount may be allocated by the  
 19       Governor to local areas in accordance with para-  
 20       graph (3).

21       “(2) *ESTABLISHED FORMULA.*—

22               “(A) *IN GENERAL.*—Of the portion de-  
 23       scribed in paragraph (1)(A), the Governor shall  
 24       allocate—

1           “(i)  $33\frac{1}{3}$  percent on the basis of the  
 2           relative number of individuals in the civil-  
 3           ian labor force who are ages 16 through 21  
 4           in each local area, compared to the total  
 5           number of individuals in the civilian labor  
 6           force who are ages 16 through 21 in all  
 7           local areas in the State;

8           “(ii)  $33\frac{1}{3}$  percent on the basis of the  
 9           relative number of unemployed individuals  
 10          in each local area, compared to the total  
 11          number of unemployed individuals in all  
 12          local areas in the State; and

13          “(iii)  $33\frac{1}{3}$  percent on the basis of the  
 14          relative number of disadvantaged youth who  
 15          are ages 16 through 21 in each local area,  
 16          compared to the total number of disadvan-  
 17          taged youth who are ages 16 through 21 in  
 18          all local areas in the State.

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

21          “(i) MINIMUM PERCENTAGE.—The  
 22          Governor shall ensure that no local area  
 23          shall receive an allocation percentage under  
 24          this paragraph for a fiscal year that is less  
 25          than 90 percent of the allocation percentage

1           *of the local area for the preceding fiscal*  
 2           *year.*

3           “(ii) *MAXIMUM PERCENTAGE.*—*Subject*  
 4           *to clause (i), the Governor shall ensure that*  
 5           *no local area shall receive an allocation per-*  
 6           *centage under this paragraph for a fiscal*  
 7           *year that is more than 130 percent of the*  
 8           *allocation percentage of the local area for*  
 9           *the preceding fiscal year.*

10          “(C) *DEFINITIONS.*—*In this paragraph:*

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

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 2006.

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 nor older*  
 5                   *than age 21; and*

6                   “(ii) *one of the following:*

7                   “(I) *A school dropout.*

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

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

15                  “(aa) *deficient in basic skills,*  
 16                  *including limited English pro-*  
 17                  *ficiency;*

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

20                  “(cc) *not attending any*  
 21                  *school.*

22                  “(IV) *Subject to the juvenile or*  
 23                  *adult justice system or ordered by a*  
 24                  *court to 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 eligible*  
 8                   *for assistance under section 477 of the*  
 9                   *Social Security Act (42 U.S.C. 677), or*  
 10                  *in an out-of-home placement.*

11                  “(VII) *A low-income individual*  
 12                  *who is not attending school and re-*  
 13                  *quires additional assistance to enter or*  
 14                  *complete an educational program or to*  
 15                  *secure or hold employment.*

16                  “(C) *IN-SCHOOL YOUTH.*—*In this section*  
 17                  *the term ‘in-school youth’ means an individual*  
 18                  *who is—*

19                         “(i) *not younger than age 14 nor older*  
 20                         *than age 21;*

21                         “(ii) *a low-income individual; and*

22                         “(iii) *one or more of the following:*

23                                 “(I) *Deficient in basic literacy*  
 24                                 *skills, including limited English pro-*  
 25                                 *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 (42 U.S.C. 677), or in an out-*  
 5                   *of-home placement.*

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*  
 17               *include—*

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 the one-stop delivery  
18 system in the State;

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;*

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; and*

16                *“(I) supporting financial literacy,*  
17       *including—*

18                        *“(i) supporting the ability to create*  
19       *household budgets, initiate savings plans,*  
20       *and make strategic investment decisions for*  
21       *education, retirement, home ownership,*  
22       *wealth building, or other savings goals;*

23                        *“(ii) supporting the ability to manage*  
24       *spending, credit, and debt, including credit*  
25       *card debt, effectively;*

1           “(iii) increasing awareness of the  
2           availability and significance of credit re-  
3           ports and credit scores in obtaining credit,  
4           the importance of their accuracy (and how  
5           to correct inaccuracies), their effect on cred-  
6           it terms, and the effect common financial  
7           decisions may have on credit scores;

8           “(iv) supporting the ability to ascer-  
9           tain fair and favorable credit terms;

10          “(v) supporting the ability to avoid  
11          abusive, predatory, or deceptive credit offers  
12          and financial products;

13          “(vi) supporting the ability to under-  
14          stand, evaluate, and compare financial  
15          products, services, and opportunities;

16          “(vii) supporting the ability to under-  
17          stand resources that are easily accessible  
18          and affordable, and that inform and edu-  
19          cate an investor as to the investor’s rights  
20          and avenues of recourse when the investor  
21          believes the investor’s rights have been vio-  
22          lated by unprofessional conduct of market  
23          intermediaries;

24          “(viii) increasing awareness of the  
25          particular financial needs and financial



1            *transactions (such as the sending of remit-*  
 2            *tances) of consumers who are targeted in*  
 3            *multilingual financial literacy and edu-*  
 4            *cation programs and improving the devel-*  
 5            *opment and distribution of multilingual fi-*  
 6            *nancial literacy and education materials;*

7            *“(ix) promoting bringing individuals*  
 8            *who lack basic banking services into the fi-*  
 9            *nancial mainstream by opening and main-*  
 10           *taining accounts with financial institu-*  
 11           *tions; and*

12           *“(x) improving financial literacy and*  
 13           *education through all other related skills,*  
 14           *including personal finance and related eco-*  
 15           *nomie education, with the primary goal of*  
 16           *programs not simply to improve knowledge,*  
 17           *but rather to improve consumers’ financial*  
 18           *choices and outcomes.*

19           *“(2) LIMITATION.—Not more than 5 percent of*  
 20           *the funds allotted to a State under section*  
 21           *127(b)(1)(C) shall be used by the State for adminis-*  
 22           *trative activities carried out under this subsection or*  
 23           *section 134(a).*

1           “(3) *PROHIBITION.*—No funds described in this  
 2           subsection may be used to develop or implement edu-  
 3           cation curricula for school systems in the State.”.

4           (f) *LOCAL ELEMENTS AND REQUIREMENTS.*—

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

7           (A) in the matter that precedes subpara-  
 8           graph (A), by striking “paragraph (2)(A) or (3),  
 9           as appropriate, of”;

10          (B) in subparagraph (B), by inserting “are  
 11          directly linked to 1 or more of the performance  
 12          measures relating to this chapter under section  
 13          136, and that” after “for each participant that”;  
 14          and

15          (C) in subparagraph (C)—

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

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

20                   “(i) activities leading to the attain-  
 21                   ment of a secondary school diploma or its  
 22                   equivalent, or another recognized creden-  
 23                   tial;”;

(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 student academic achievement standards established under section 1111 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311)” after “academic”; and

(II) by inserting “that lead to the attainment of recognized credentials” after “learning”; and

(v) by striking clause (v) (as redesignated by clause (i)) and inserting the following:

“(v) effective connections to all employers, including small employers, in sectors of the local and regional labor markets that are experiencing high growth in employment opportunities.”.

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

1           (A) in subparagraph (A), by striking “sec-  
 2           ondary school, including dropout prevention  
 3           strategies” and inserting “the requirements for a  
 4           secondary school diploma or its recognized equiv-  
 5           alent (including recognized alternative standards  
 6           for individuals with disabilities) or for another  
 7           recognized credential, including dropout preven-  
 8           tion strategies”;

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

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

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

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

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

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

20               “(L) opportunities to acquire financial lit-  
 21               eracy skills;

22               “(M) entrepreneurial skills training and  
 23               microenterprise services; and

1                   “(N) information about average wages for a  
2                   range of jobs available in the local area, includ-  
3                   ing technology jobs.”.

4                   (3)     *ADDITIONAL     REQUIREMENTS.*—Section  
5                   129(c)(3)(A) (29 U.S.C. 2854(c)(3)(A)) is amended in  
6                   the matter preceding clause (i) by striking “or appli-  
7                   cant who meets the minimum income criteria to be  
8                   considered an eligible youth”.

9                   (4) *PRIORITY AND EXCEPTIONS.*—Section 129(c)  
10                  (29 U.S.C. 2854(c)) is amended by striking para-  
11                  graphs (4) and (5).

12                  (5) *PROHIBITIONS     AND     LINKAGES.*—Section  
13                  129(c) (29 U.S.C. 2854(c)), as amended by paragraph  
14                  (4), is further amended—

15                         (A) by redesignating paragraphs (6), (7),  
16                         and (8) as paragraphs (4), (5), and (6), respec-  
17                         tively;

18                         (B) in paragraph (4) (as redesignated by  
19                         subparagraph (A))—

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

21                                 (ii) by redesignating subparagraph (C)

22                                 as subparagraph (B); and

23                         (C) in paragraph (5) (as redesignated by  
24                         subparagraph (A)), by striking “youth councils”  
25                         and inserting “local boards”.

1 **SEC. 121. ADULT AND DISLOCATED WORKER EMPLOYMENT**  
 2 **AND TRAINING ACTIVITIES.**

3 (a) *STATE ALLOTMENTS.*—

4 (1) *RESERVATIONS.*—Section 132(a)(2)(A) (29  
 5 U.S.C. 2862 (a)(2)(A)) is amended by striking “na-  
 6 tional emergency grants, other than under subsection  
 7 (a)(4), (f), and (g)” and inserting “national dis-  
 8 located worker grants, other than under subparagraph  
 9 (D) or (E) of subsection (a)(1), subsection (e), and  
 10 subsection (f)”.

11 (2) *ALLOTMENT AMONG STATES.*—Section 132(b)  
 12 (29 U.S.C. 2862(b)) is amended—

13 (A) in paragraph (1)(A)(ii), by striking  
 14 “section 127(b)(1)(B),” and all that follows and  
 15 inserting “section 127(b)(1)(B).”;

16 (B) by striking paragraph (1)(B)(ii) and  
 17 inserting the following:

18 “(ii) *FORMULA.*—Subject to clauses  
 19 (iii) and (iv), of the remainder—

20 “(I) 40 percent shall be allotted  
 21 on the basis of the relative number of  
 22 unemployed individuals in areas of  
 23 substantial unemployment in each  
 24 State, compared to the total number of  
 25 unemployed individuals in areas of

1                   *substantial unemployment in all*  
 2                   *States;*

3                   “(II) 25 percent shall be allotted  
 4                   on the basis of the relative number of  
 5                   individuals in the civilian labor force  
 6                   in each State, compared to the total  
 7                   number of such individuals in all  
 8                   States; and

9                   “(III) 35 percent shall be allotted  
 10                  on the basis of the relative number of  
 11                  disadvantaged adults in each State,  
 12                  compared to the total number of dis-  
 13                  advantaged adults in all States, except  
 14                  as described in clause (iii).”;

15               (C) in paragraph (1)(B)—

16                   (i) in clause (iii), by striking “section  
 17                   116(a)(2)(B)” and inserting “section  
 18                   116(a)(2)(A)(iii)”;

19                   (ii) in clause (iv)—

20                       (I) in subclause (I)—

21                           (aa) by striking “Subject to  
 22                           subclause (IV), the” and inserting  
 23                           “The”; and

24                           (bb) by striking “than the  
 25                           greater of” and all that follows

1                   and inserting “than an amount  
2                   based on 90 percent of the allot-  
3                   ment percentage of the State for  
4                   the preceding fiscal year.”;

5                   (II) in subclause (II), by striking  
6                   “subclauses (I), (III), and (IV)” and  
7                   inserting “subclauses (I) and (III)”;  
8                   and

9                   (III) by striking subclause (IV);  
10                  and

11                  (iii) in clause (v), by striking sub-  
12                  clause (VI); and

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

16                  (3) *REALLOTMENT*.—Section 132(c) (29 U.S.C.  
17                  2862(c)) is amended—

18                         (A) by striking paragraph (2) and inserting  
19                         the following:

20                         “(2) *AMOUNT*.—The amount available for real-  
21                         lotment for a program year for programs funded  
22                         under subsection (b)(1)(B) (relating to adult employ-  
23                         ment and training) and subsection (b)(2)(B) (relating  
24                         to dislocated worker employment and training), re-  
25                         spectively, is equal to the amount by which the unex-



1        *pending balance at the end of the program year prior*  
 2        *to the program year for which the determination is*  
 3        *made exceeds 30 percent of the total amount of funds*  
 4        *available to the State under subsection (b)(1)(B) or*  
 5        *(b)(2)(B), respectively, during such prior program*  
 6        *year (including amounts allotted to the State in all*  
 7        *prior program years under such provisions that re-*  
 8        *mained available). For purposes of this paragraph,*  
 9        *the unexpended balance is the amount that is the dif-*  
 10       *ference between—*

11                *“(A) the total amount of funds available to*  
 12                *the State under subsection (b)(1)(B) or (b)(2)(B),*  
 13                *respectively, during the program year prior to*  
 14                *the program year for which the determination is*  
 15                *made (including amounts allotted to the State in*  
 16                *all prior program years under such provisions*  
 17                *that remained available); and*

18                *“(B) the accrued expenditures from such*  
 19                *total amount of funds available under subsection*  
 20                *(b)(1)(B) or (b)(2)(B), respectively, during such*  
 21                *prior program year.”;*

22                *(B) in paragraph (3)—*

23                        *(i) by striking “under this section for*  
 24                        *such activities for the prior program year”*  
 25                        *and inserting “under subsection (b)(1)(B)*

1                   or (b)(2)(B), as appropriate, for the pro-  
 2                   gram year for which the determination is  
 3                   made”; and

4                   (ii) by striking “under this section for  
 5                   such activities for such prior program year”  
 6                   and inserting “under subsection (b)(1)(B)  
 7                   or (b)(2)(B), as appropriate, for such pro-  
 8                   gram year”;

9                   (C) by striking paragraph (4) and inserting  
 10                  the following:

11                  “(4) *ELIGIBILITY.*—For purposes of this sub-  
 12                  section, an eligible State means—

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

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

1                   (D) in paragraph (5), by striking “obligation” and inserting “accrued expenditure”.

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

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

7                   (B) program year 2006.

8                   (b) *WITHIN STATE ALLOCATIONS.*—

9                   (1) *ALLOCATION.*—Section 133(b)(2)(A)(i) (29  
10 U.S.C. 2863(b)(2)(A)(i)) is amended—

11                   (A) in subclause (I), by striking “33<sup>1</sup>/<sub>3</sub> percent” and inserting “40 percent”;

13                   (B) in subclause (II), by striking “33<sup>1</sup>/<sub>3</sub> percent” and inserting “25 percent”; and

15                   (C) in subclause (III), by striking “33<sup>1</sup>/<sub>3</sub> percent” and inserting “35 percent”.

17                   (2) *TRANSFER AUTHORITY.*—Section 133(b)(4)  
18 (29 U.S.C. 2863(b)(4)) is amended by striking “20  
19 percent” each place it appears and inserting “100  
20 percent”.

21                   (3) *REQUIREMENTS.*—Clauses (i) and (ii) of section  
22 133(b)(5)(B) (29 U.S.C. 2863(b)(5)(B)) are  
23 amended by striking “section 134(c)” and inserting  
24 “section 121(e)”.

1           (4) *REALLOCATION*.—Section 133(c) (29 U.S.C.  
2   2863(c)) is amended—

3                   (A) in paragraph (1), by inserting “, and  
4                   under subsection (b)(2)(B) for dislocated worker  
5                   employment and training activities,” after “ac-  
6                   tivities”;

7                   (B) by striking paragraph (2) and inserting  
8                   the following:

9                   “(2) *AMOUNT*.—The amount available for re-  
10                  allocation for a program year for programs funded  
11                  under paragraphs (2)(A) and (3) of subsection (b)  
12                  (relating to adult employment and training) and sub-  
13                  section (b)(2)(B) (relating to dislocated worker em-  
14                  ployment and training), respectively, is equal to the  
15                  amount by which the unexpended balance at the end  
16                  of the program year prior to the program year for  
17                  which the determination is made exceeds 30 percent  
18                  of the total amount of funds available to the local  
19                  area under paragraphs (2)(A) and (3) of subsection  
20                  (b), or subsection (b)(2)(B), respectively, during such  
21                  prior program year (including amounts allocated to  
22                  the local area in all prior program years under such  
23                  provisions that remained available). For purposes of  
24                  this paragraph, the unexpended balance is the  
25                  amount that is the difference between—

1           “(A) the total amount of funds available to  
 2           the local area under paragraphs (2)(A) and (3)  
 3           of subsection (b), or subsection (b)(2)(B), respec-  
 4           tively, during the program year prior to the pro-  
 5           gram year for which the determination is made  
 6           (including amounts allotted to the local area in  
 7           all prior program years under such provisions  
 8           that remained available); and

9           “(B) the accrued expenditures from such  
 10          total amount of funds available under para-  
 11          graphs (2)(A) and (3) of subsection (b), or sub-  
 12          section (b)(2)(B), respectively, during such prior  
 13          program year.”;

14          (C) by striking paragraph (3) and inserting  
 15          the following:

16          “(3) *REALLOCATION.*—In making reallocations  
 17          to eligible local areas of amounts available pursuant  
 18          to paragraph (2) for a program year, the Governor  
 19          shall allocate to each eligible local area within the  
 20          State—

21               “(A) with respect to amounts that are avail-  
 22               able for reallocation under paragraph (2) that  
 23               were allocated under paragraphs (2)(A) or (3) of  
 24               subsection (b), an amount based on the relative  
 25               amount allocated to such local area under para-

graphs (2)(A) or (3) of subsection (b), as appropriate, for the program year for which the determination is made, as compared to the total amount allocated to all eligible local areas under paragraphs (2)(A) or (3) of subsection (b), as appropriate, for such program year; and

“(B) with respect to amounts that are available for reallocation under paragraph (2) that were allocated under subsection (b)(2)(B), an amount based on the relative amount allocated to such local area under subsection (b)(2)(B) for the program year for which the determination is made, as compared to the total amount allocated to all eligible local areas under subsection (b)(2)(B) for such program year.”; and

(D) by striking paragraph (4) and inserting the following:

“(4) *ELIGIBILITY.*—For purposes of this subsection, an eligible local area means—

“(A) with respect to funds allocated under paragraphs (2)(A) or (3) of subsection (b), a local area that does not have an amount of such funds available for reallocation under paragraph

1           (2) *for the program year for which the deter-*  
 2           *mination under paragraph (2) is made; and*

3                   “(B) *with respect to funds allocated under*  
 4           *subsection (b)(2)(B), a local area that does not*  
 5           *have an amount of such funds available for re-*  
 6           *allocation under paragraph (2) for the program*  
 7           *year for which the determination under para-*  
 8           *graph (2) is made.”.*

9           (5) *EFFECTIVE DATE.*—*The amendments made*  
 10          *by paragraph (3) shall take effect for the later of—*

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

13                   (B) *program year 2006.*

14          (c) *USE OF FUNDS FOR EMPLOYMENT AND TRAINING*  
 15          *ACTIVITIES.*—

16                   (1) *STATEWIDE EMPLOYMENT AND TRAINING AC-*  
 17          *TIVITIES.*—

18                           (A) *STATEWIDE RAPID RESPONSE ACTIVI-*  
 19          *TIES.*—*Section 134(a)(2)(A) (29 U.S.C.*  
 20          *2864(a)(2)(A)) is amended to read as follows:*

21                                   “(A) *STATEWIDE RAPID RESPONSE ACTIVI-*  
 22          *TIES.*—

23   “(i) *IN GENERAL.*—*A State shall carry*  
 24           *out statewide rapid response activities using*  
 25           *funds reserved by a Governor for a State*

1           *under section 133(a)(2). Such activities*  
2           *shall include—*

3                     “(I) *provision of rapid response*  
4                     *activities, carried out in local areas by*  
5                     *the State or by an entity designated by*  
6                     *the State, working in conjunction with*  
7                     *the local boards and the chief elected*  
8                     *officials for the local areas; and*

9                     “(II) *provision of additional as-*  
10                    *sistance to local areas that experience*  
11                    *disasters, mass layoffs, or plant clos-*  
12                    *ings, or other events that precipitate*  
13                    *substantial increases in the number of*  
14                    *unemployed individuals, carried out in*  
15                    *local areas by the State, working in*  
16                    *conjunction with the local boards and*  
17                    *the chief elected officials for the local*  
18                    *areas.*

19                    “(ii) *USE OF UNEXPENDED FUNDS.—*  
20                    *Funds reserved under section 133(a)(2) to*  
21                    *carry out this subparagraph that remain*  
22                    *unexpended after the first program year for*  
23                    *which such funds were allotted may be used*  
24                    *by the Governor to carry out statewide ac-*  
25                    *tivities authorized under subparagraph (B)*



1                   *and paragraph (3)(A) in addition to activi-*  
 2                   *ties under this subparagraph.”.*

3                   *(B) STATEWIDE EMPLOYMENT AND TRAIN-*  
 4                   *ING ACTIVITIES.—Section 134(a)(2) (29 U.S.C.*  
 5                   *2864(a)(2)) is amended by striking subpara-*  
 6                   *graph (B) and inserting the following:*

7                   *“(B) STATEWIDE EMPLOYMENT AND TRAIN-*  
 8                   *ING ACTIVITIES.—Funds reserved by a Governor*  
 9                   *for a State under sections 128(a)(1) and*  
 10                   *133(a)(1) and not used under paragraph (1)(A)*  
 11                   *(regardless of whether the funds were allotted to*  
 12                   *the States under section 127(b)(1)(C) or para-*  
 13                   *graphs (1)(B) or (2)(B) of section 132(b)) shall*  
 14                   *be used for statewide employment and training*  
 15                   *activities, including—*

16                   *“(i) disseminating—*

17                   *“(I) the State list of eligible pro-*  
 18                   *viders of training services, including*  
 19                   *eligible providers of nontraditional*  
 20                   *training services and eligible providers*  
 21                   *of apprenticeship programs described*  
 22                   *in section 122(a)(2)(B);*

23                   *“(II) information identifying eli-*  
 24                   *gible providers of on-the-job training,*

1                   *customized training, and incumbent*  
2                   *worker training;*

3                   “(III) *information on effective*  
4                   *business outreach, partnerships, and*  
5                   *services;*

6                   “(IV) *performance information*  
7                   *and information on costs of attend-*  
8                   *ance, as described in subsections (d)*  
9                   *and (i) of section 122; and*

10                  “(V) *information on physical and*  
11                  *programmatic accessibility for individ-*  
12                  *uals with disabilities;*

13                  “(ii) *conducting evaluations under sec-*  
14                  *tion 136(e) of activities authorized under*  
15                  *this chapter and chapter 5 in coordination*  
16                  *with evaluations carried out by the Sec-*  
17                  *retary under section 172;*

18                  “(iii) *providing incentive grants to*  
19                  *local areas, in accordance with section*  
20                  *136(i);*

21                  “(iv) *developing strategies for ensuring*  
22                  *that activities carried out under this section*  
23                  *are placing men and women in jobs, edu-*  
24                  *cation, and training that lead to com-*  
25                  *parable pay;*

1           “(v) *providing technical assistance and*  
 2           *capacity building to local areas, one-stop*  
 3           *operators, one-stop partners, and eligible*  
 4           *providers, including the development and*  
 5           *training of staff, the development of exem-*  
 6           *plary program activities, and the provision*  
 7           *of technical assistance to local areas that*  
 8           *fail to meet local performance measures de-*  
 9           *scribed in section 136(c), which may in-*  
 10          *clude the development and training of staff*  
 11          *to provide opportunities for hard-to-serve*  
 12          *populations to enter high-wage, high-skilled,*  
 13          *and nontraditional occupations;*

14          “(vi) *operating a fiscal and manage-*  
 15          *ment accountability system under section*  
 16          *136(f); and*

17          “(vii) *carrying out monitoring and*  
 18          *oversight of activities carried out under this*  
 19          *chapter and chapter 4.”.*

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

24          “(A) *IN GENERAL.*—Funds reserved by a  
 25          Governor for a State under sections 128(a)(1)

1           *and 133(a)(1) and not used under paragraph*  
2           *(1)(A) or (2)(B) (regardless of whether the funds*  
3           *were allotted to the State under section*  
4           *127(b)(1)(C) or paragraph (1)(B) or (2)(B) of*  
5           *section 132(b)) may be used to carry out addi-*  
6           *tional statewide employment and training ac-*  
7           *tivities, which may include—*

8                   “(i) implementing innovative pro-  
9                   grams and strategies designed to meet the  
10                  needs of all businesses in the State, includ-  
11                  ing small businesses, which may include in-  
12                  cumbent worker training programs, sectoral  
13                  and industry cluster strategies and partner-  
14                  ships, including regional skills alliances,  
15                  sectoral skills partnerships (in which rep-  
16                  resentatives of multiple employers for a spe-  
17                  cific industry sector or group of related oc-  
18                  cupations, economic development agencies,  
19                  providers of training services described in  
20                  subsection (d)(4), labor federations, and  
21                  other entities that can provide needed sup-  
22                  portive services tailored to the needs of  
23                  workers in that sector or group, for a local  
24                  area or region, identify gaps between the  
25                  current and expected demand and supply of

1        *labor and skills in that sector or group for*  
2        *that area or region and develop a strategic*  
3        *skills gap action plan), career ladder pro-*  
4        *grams, micro-enterprise and entrepreneurial*  
5        *training and support programs, utilization*  
6        *of effective business intermediaries, activi-*  
7        *ties to improve linkages between the one-*  
8        *stop delivery system in the State and all*  
9        *employers (including small employers) in*  
10       *the State, and other business services and*  
11       *strategies that better engage employers in*  
12       *workforce investment activities and make*  
13       *the workforce investment system more rel-*  
14       *evant to the needs of State and local busi-*  
15       *nesses, consistent with the objectives of this*  
16       *title;*

17        *“(ii) developing strategies for effec-*  
18        *tively serving hard-to-serve populations and*  
19        *for coordinating programs and services*  
20        *among one-stop partners;*

21        *“(iii) implementing innovative pro-*  
22        *grams for displaced homemakers, which for*  
23        *purposes of this clause may include an in-*  
24        *dividual who is receiving public assistance*  
25        *and is within 2 years of exhausting lifetime*

1 *eligibility under part A of title IV of the*  
2 *Social Security Act (42 U.S.C. 601 et seq.);*

3 “(iv) *implementing programs to in-*  
4 *crease the number of individuals training*  
5 *for and placed in nontraditional employ-*  
6 *ment;*

7 “(v) *carrying out activities to facilitate*  
8 *remote access to services, including training*  
9 *services described in subsection (d)(4), pro-*  
10 *vided through a one-stop delivery system,*  
11 *including facilitating access through the use*  
12 *of technology;*

13 “(vi) *supporting the provision of core*  
14 *services described in subsection (d)(2) in the*  
15 *one-stop delivery system in the State;*

16 “(vii) *coordinating with the child wel-*  
17 *fare system to facilitate services for children*  
18 *in foster care and those who are eligible for*  
19 *assistance under section 477 of the Social*  
20 *Security Act (42 U.S.C. 677);*

21 “(viii) *activities—*

22 “(I) *to improve coordination be-*  
23 *tween workforce investment activities*  
24 *carried out within the State involved*  
25 *and economic development activities,*

1           *and to promote entrepreneurial skills*  
2           *training and microenterprise services;*

3           “(II) to improve coordination be-  
4           *tween employment and training assist-*  
5           *ance, child support services, and assist-*  
6           *ance provided by State and local agen-*  
7           *cies carrying out part D of title IV of*  
8           *the Social Security Act (42 U.S.C. 651*  
9           *et seq.);*

10          “(III) to improve coordination be-  
11          *tween employment and training assist-*  
12          *ance and cooperative extension pro-*  
13          *grams carried out by the Department*  
14          *of Agriculture;*

15          “(IV) to improve coordination be-  
16          *tween employment and training assist-*  
17          *ance and programs carried out in the*  
18          *local area for individuals with disabil-*  
19          *ities, including programs carried out*  
20          *by State agencies relating to mental re-*  
21          *tardation and developmental disabil-*  
22          *ities, Statewide Independent Living*  
23          *Councils established under section 705*  
24          *of the Rehabilitation Act of 1973 (29*  
25          *U.S.C. 796d), and centers for inde-*

1            *pendent living defined in section 702*  
2            *of the Rehabilitation Act of 1973 (29*  
3            *U.S.C. 796a);*

4            *“(V) to develop and disseminate*  
5            *workforce and labor market informa-*  
6            *tion;*

7            *“(VI) to improve coordination*  
8            *with the corrections system to facilitate*  
9            *provision of training services and em-*  
10           *ployment opportunities that will assist*  
11           *ex-offenders in reentering the work-*  
12           *force; and*

13           *“(VII) to promote financial lit-*  
14           *eracy, including carrying out activities*  
15           *described in section 129(b)(1)(I);*

16           *“(ix) conducting—*

17           *“(I) research; and*

18           *“(II) demonstration projects; and*

19           *“(x) adopting, calculating, or commis-*  
20           *sioning a minimum self-sufficiency stand-*  
21           *ard that specifies the income needs of fami-*  
22           *lies, by family size, the number and ages of*  
23           *children in the family, and sub-State geo-*  
24           *graphical considerations.”.*



1           (2) *REQUIRED LOCAL EMPLOYMENT AND TRAIN-*  
 2           *ING ACTIVITIES.*—

3                   (A)       *ALLOCATED FUNDS.*—*Section*  
 4           134(d)(1)(A) (29 U.S.C. 2864(d)(1)(A)) *is*  
 5           *amended—*

6                   (i) *in clause (i), by striking “described*  
 7                   *in subsection (c)”;*

8                   (ii) *in clause (iii), by striking “and”*  
 9                   *at the end;*

10                  (iii) *in clause (iv), by striking the pe-*  
 11                  *riod and inserting a semicolon; and*

12                  (iv) *by adding at the end the following:*

13                   “(v) *to designate a dedicated business*  
 14                   *liaison in the local area who may be funded*  
 15                   *with funds provided under this title or from*  
 16                   *other sources to establish and develop rela-*  
 17                   *tionships and networks with large and*  
 18                   *small employers and their intermediaries;*  
 19                   *and*

20                   “(vi) *in order to improve service deliv-*  
 21                   *ery to avoid duplication of services and en-*  
 22                   *hance coordination of services, to require the*  
 23                   *colocation of employment services provided*  
 24                   *under the Wagner-Peyser Act (29 U.S.C. 49*  
 25                   *et seq.) at the one-stop centers.”.*

1                   (B) *CORE SERVICES*.—Section 134(d)(2)  
 2                   (29 U.S.C. 2864(d)(2)) is amended—

3                   (i) in the matter preceding subpara-  
 4                   graph (A), by striking “paragraph (1)(A)”  
 5                   and inserting “paragraph (1)”;

6                   (ii) in subparagraph (C), by inserting  
 7                   “(including literacy, numeracy, and  
 8                   English language proficiency)” after “skill  
 9                   levels”;

10                  (iii) by striking subparagraph (D) and  
 11                  inserting the following:

12                  “(D) labor exchange services, including—

13                       “(i) job search and placement assist-  
 14                       ance and, in appropriate cases, career coun-  
 15                       seling, including—

16                               “(I) exposure to high wage, high  
 17                               skill jobs; and

18                               “(II) nontraditional employment;  
 19                       and

20                       “(ii) appropriate recruitment and  
 21                       other business services for all employers, in-  
 22                       cluding small employers, in the local area,  
 23                       which may include services described in this  
 24                       subsection, including information and refer-  
 25                       ral to specialized business services not tra-

ditionally offered through the one-stop delivery system;”;

(iv) in subparagraph (E)(iii)—

(I) by inserting “, career ladders,” after “earnings”; and

(II) by striking “and” at the end;

(v) in subparagraph (F)—

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

(II) by striking “described in section 123”;

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

“(H) provision of accurate information, in formats that are usable and understandable to all one-stop center customers, relating to the availability of supportive services or assistance, including child care, child support, medical or child health assistance under title XIX or XXI of the Social Security Act (42 U.S.C. 1396 et seq. and 1397aa et seq.), benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), the earned income tax credit under section 32 of the Internal Revenue Code of 1986, and assistance under a State program funded under part A of

1        *title IV of the Social Security Act (42 U.S.C.*  
 2        *601 et seq.) and other supportive services and*  
 3        *transportation provided through funds made*  
 4        *available under such part, available in the local*  
 5        *area, and referral to such services or assistance*  
 6        *as appropriate;”; and*

7                *(vii) in subparagraph (J), by striking*  
 8                *“for—” and all that follows through “(ii)*  
 9                *programs” and inserting “for programs”.*

10                *(C) INTENSIVE SERVICES.—Section*  
 11        *134(d)(3) (29 U.S.C. 2864(d)(3)) is amended—*

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

14                *“(A) IN GENERAL.—*

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

24                *“(I) who are unemployed and*  
 25                *who, after an interview, evaluation, or*

1           *assessment, have been determined by a*  
2           *one-stop operator or one-stop partner*  
3           *to be—*

4                     *“(aa) unlikely or unable to*  
5                     *obtain employment, that leads to*  
6                     *self-sufficiency or wages com-*  
7                     *parable to or higher than previous*  
8                     *employment, through core services*  
9                     *described in paragraph (2); and*

10                    *“(bb) in need of intensive*  
11                    *services to obtain employment*  
12                    *that leads to self-sufficiency or*  
13                    *wages comparable to or higher*  
14                    *than previous employment; or*

15                    *“(II) who are employed, but who,*  
16                    *after an interview, evaluation, or as-*  
17                    *essment are determined by a one-stop*  
18                    *operator or one-stop partner to be in*  
19                    *need of intensive services to obtain or*  
20                    *retain employment that leads to self-*  
21                    *sufficiency.*

22                    *“(ii) SPECIAL RULE.—A new inter-*  
23                    *view, evaluation, or assessment of a partici-*  
24                    *pant is not required under clause (i) if the*  
25                    *one-stop operator or one-stop partner deter-*

1 *mines that it is appropriate to use a recent*  
 2 *assessment of the participant conducted*  
 3 *pursuant to another education or training*  
 4 *program.”; and*

5 *(ii) in subparagraph (C)—*

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

9 *(II) by adding at the end the fol-*  
 10 *lowing:*

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

12 *“(viii) Literacy activities relating to*  
 13 *basic work readiness.*

14 *“(ix) Financial literacy services, such*  
 15 *as activities described in section*  
 16 *129(b)(1)(I).*

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

19 *“(xi) English language acquisition and*  
 20 *integrated training programs.”.*

21 *(D) TRAINING SERVICES.—Section*  
 22 *134(d)(4) (29 U.S.C. 2864(d)(4)) is amended—*

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

25 *“(A) IN GENERAL.—*

1           “(i) *ELIGIBILITY.*—*Except as provided*  
 2           *in clause (ii), funds allocated to a local*  
 3           *area for adults under paragraph (2)(A) or*  
 4           *(3), as appropriate, of section 133(b), and*  
 5           *funds allocated to the local area for dis-*  
 6           *located workers under section 133(b)(2)(B),*  
 7           *shall be used to provide training services to*  
 8           *adults and dislocated workers,*  
 9           *respectively—*

10           “(I) *who, after an interview, eval-*  
 11           *uation, or assessment, and case man-*  
 12           *agement, have been determined by a*  
 13           *one-stop operator or one-stop partner,*  
 14           *as appropriate, to—*

15           “(aa) *be unlikely or unable*  
 16           *to obtain or retain employment,*  
 17           *that leads to self-sufficiency or*  
 18           *wages comparable to or higher*  
 19           *than previous employment,*  
 20           *through the intensive services de-*  
 21           *scribed in paragraph (3);*

22           “(bb) *be in need of training*  
 23           *services to obtain or retain em-*  
 24           *ployment that leads to self-suffi-*  
 25           *ciency or wages comparable to or*

1 *higher than previous employment;*  
 2 *and*

3 *“(cc) have the skills and*  
 4 *qualifications to successfully par-*  
 5 *ticipate in the selected program of*  
 6 *training services;*

7 *“(II) who select programs of*  
 8 *training services that are directly*  
 9 *linked to the employment opportunities*  
 10 *in the local area or region involved or*  
 11 *in another area to which the adults or*  
 12 *dislocated workers are willing to com-*  
 13 *mute or relocate;*

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

16 *“(IV) who are determined to be el-*  
 17 *igible in accordance with the priority*  
 18 *system in effect under subparagraph*  
 19 *(E).*

20 *“(ii) SPECIAL RULE.—A new inter-*  
 21 *view, evaluation, or assessment of a partici-*  
 22 *pant is not required under clause (i) if the*  
 23 *one-stop operator or one-stop partner deter-*  
 24 *mines that it is appropriate to use a recent*  
 25 *assessment of the participant conducted*



1           *pursuant to another education or training*  
 2           *program.”;*

3           (ii) in subparagraph (B)(i), by strik-  
 4           ing “Except” and inserting “Notwith-  
 5           standing section 479B of the Higher Edu-  
 6           cation Act of 1965 (20 U.S.C. 1087uu) and  
 7           except”;

8           (iii) in subparagraph (D)—

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

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

13          (III) by adding at the end the fol-  
 14          lowing:

15          “(x) English language acquisition and  
 16          integrated training programs.”;

17          (iv) in subparagraph (F)—

18          (I) in clause (ii), by striking “re-  
 19          ferred to in subsection (c), shall make  
 20          available—” and all that follows and  
 21          inserting “shall make available a list  
 22          of eligible providers of training serv-  
 23          ices, and accompanying information,  
 24          in accordance with section 122(d).”;

1                   (II) in the heading of clause (iii),  
 2                   by striking “INDIVIDUAL TRAINING AC-  
 3                   COUNTS” and inserting “CAREER  
 4                   SCHOLARSHIP ACCOUNTS”;

5                   (III) in clause (iii)—

6                   (aa) by striking “identifying  
 7                   information” and inserting “ac-  
 8                   companying information”;

9                   (bb) by striking “clause  
 10                  (ii)(I)” and inserting “clause  
 11                  (ii)”; and

12                  (cc) by striking “an indi-  
 13                  vidual training account” and in-  
 14                  serting “a career scholarship ac-  
 15                  count”; and

16                  (IV) by adding at the end the fol-  
 17                  lowing:

18                  “(iv) COORDINATION.—Each local  
 19                  board may, through one-stop centers, coordi-  
 20                  nate career scholarship accounts with other  
 21                  Federal, State, local, or private job training  
 22                  programs or sources to assist the individual  
 23                  in obtaining training services.”; and

24                  (v) in subparagraph (G)—

1                   (I) in the subparagraph heading,  
 2                   by striking “INDIVIDUAL TRAINING AC-  
 3                   COUNTS” and inserting “CAREER  
 4                   SCHOLARSHIP ACCOUNTS”;

5                   (II) in clause (i), by striking “in-  
 6                   dividual training accounts” and in-  
 7                   serting “career scholarship accounts”;

8                   (III) in clause (ii)—

9                   (aa) by striking “an indi-  
 10                  vidual training account” and in-  
 11                  serting “a career scholarship ac-  
 12                  count”;

13                  (bb) in subclause (II), by  
 14                  striking “individual training ac-  
 15                  counts” and inserting “career  
 16                  scholarship accounts”;

17                  (cc) in subclause (II) by  
 18                  striking “or” after the semicolon;

19                  (dd) in subclause (III), by  
 20                  striking “special participant pop-  
 21                  ulations that face multiple bar-  
 22                  riers to employment” and insert-  
 23                  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) by striking clause (iv).*

15                    *(3) PERMISSIBLE ACTIVITIES.—Section 134(e)*  
 16                    *(29 U.S.C. 2864(e)) is amended—*

17                    *(A) by striking the matter preceding para-*  
 18                    *graph (2) and inserting the following:*

19                    *“(e) PERMISSIBLE LOCAL EMPLOYMENT AND TRAIN-*  
 20                    *ING ACTIVITIES.—*

21                    *“(1) IN GENERAL.—*

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

1        *under section 133(b)(2)(B), may be used to pro-*  
2        *vide, through the one-stop delivery system*  
3        *involved—*

4                *“(i) customized screening and referral*  
5                *of qualified participants in training serv-*  
6                *ices described in subsection (d)(4) to em-*  
7                *ployers;*

8                *“(ii) customized employment-related*  
9                *services to employers on a fee-for-service*  
10               *basis;*

11               *“(iii) customer support to enable mem-*  
12               *bers of hard-to-serve populations, including*  
13               *individuals with disabilities, to navigate*  
14               *among multiple services and activities for*  
15               *such populations;*

16               *“(iv) technical assistance and capacity*  
17               *building for serving individuals with dis-*  
18               *abilities in local areas, for one-stop opera-*  
19               *tors, one-stop partners, and eligible pro-*  
20               *viders, including the development and*  
21               *training of staff, the provision of outreach,*  
22               *intake, assessments, and service delivery,*  
23               *and the development of performance meas-*  
24               *ures;*

1           “(v) *employment and training assist-*  
2           *ance provided in coordination with child*  
3           *support enforcement activities of the State*  
4           *and local agencies carrying out part D of*  
5           *title IV of the Social Security Act (42*  
6           *U.S.C. 651 et seq.);*

7           “(vi) *activities to improve coordination*  
8           *among employment and training assistance,*  
9           *child support services, and assistance pro-*  
10          *vided by State and local agencies carrying*  
11          *out part D of title IV of the Social Security*  
12          *Act (42 U.S.C. 651 et seq.);*

13          “(vii) *activities to improve coordina-*  
14          *tion between employment and training as-*  
15          *istance and cooperative extension programs*  
16          *carried out by the Department of Agri-*  
17          *culture;*

18          “(viii) *activities to facilitate remote*  
19          *access to services provided through a one-*  
20          *stop delivery system, including facilitating*  
21          *access through the use of technology;*

22          “(ix) *activities—*

23                 “(I) *to improve coordination be-*  
24                 *tween workforce investment activities*  
25                 *carried out within the local area in-*

1           *involved and economic development ac-*  
2           *tivities, and to promote entrepre-*  
3           *neurial skills training and microenter-*  
4           *prise services; and*

5                     *“(II) to improve services and*  
6           *linkages between the local workforce in-*  
7           *vestment system including the local*  
8           *one-stop delivery system, and all em-*  
9           *ployers, including small employers in*  
10          *the local area, through services de-*  
11          *scribed in this section, including sub-*  
12          *paragraph (B);*

13                    *“(x) training programs for displaced*  
14          *homemakers and for individuals training*  
15          *for nontraditional occupations, in conjunc-*  
16          *tion with programs operated in the local*  
17          *area;*

18                    *“(xi) using a portion of the funds allo-*  
19          *cated under section 133(b), activities to*  
20          *carry out business services and strategies*  
21          *that meet the workforce investment needs of*  
22          *local area employers, as determined by the*  
23          *local board, consistent with the local plan*  
24          *under section 118, which services—*

1           “(I) may be provided through ef-  
2           fective business intermediaries working  
3           in conjunction with the local board,  
4           and may also be provided on a fee-for-  
5           service basis or through the leveraging  
6           of economic development and other re-  
7           sources as determined appropriate by  
8           the local board; and

9           “(II) may include—

10           “(aa) identifying and dis-  
11           seminating to business, educators,  
12           and job seekers, information re-  
13           lated to the workforce, economic  
14           and community development  
15           needs, and opportunities of the  
16           local economy;

17           “(bb) development and deliv-  
18           ery of innovative workforce invest-  
19           ment services and strategies for  
20           area businesses, which may in-  
21           clude sectoral, industry cluster, re-  
22           gional skills alliances, career lad-  
23           der, skills upgrading, skill stand-  
24           ard development and certification,  
25           apprenticeship, and other effective



1            *initiatives for meeting the work-*  
2            *force investment needs of area em-*  
3            *ployers and workers;*

4            “(cc) participation in semi-  
5            *nars and classes offered in part-*  
6            *nership with relevant organiza-*  
7            *tions focusing on the workforce-re-*  
8            *lated needs of area employers and*  
9            *job seekers;*

10           “(dd) training consulting,  
11           *needs analysis, and brokering*  
12           *services for area businesses, in-*  
13           *cluding the organization and ag-*  
14           *gregation of training (which may*  
15           *be paid for with funds other than*  
16           *those provided under this title),*  
17           *for individual employers and coa-*  
18           *litions of employers with similar*  
19           *interests, products, or workforce*  
20           *needs;*

21           “(ee) assistance to area em-  
22           *ployers in the aversion of layoffs*  
23           *and in managing reductions in*  
24           *force in coordination with rapid*  
25           *response activities;*

1                   “(ff) the marketing of busi-  
2                   ness services offered under this  
3                   title, to appropriate area employ-  
4                   ers, including small and mid-  
5                   sized employers;

6                   “(gg) information referral on  
7                   concerns affecting local employers;  
8                   and

9                   “(hh) other business services  
10                  and strategies designed to better  
11                  engage employers in workforce in-  
12                  vestment activities and to make  
13                  the workforce investment system  
14                  more relevant to the workforce in-  
15                  vestment needs of area businesses,  
16                  as determined by the local board  
17                  to be consistent with the objectives  
18                  of this title;

19                  “(xii) activities to adjust the self-suffi-  
20                  ciency standards for local factors, or activi-  
21                  ties to adopt, calculate, or commission a  
22                  self-sufficiency standard that specifies the  
23                  income needs of families, by family size, the  
24                  number and ages of children in the family,

1 *and sub-State geographical considerations;*  
2 *and*

3 *“(xiii) improved coordination between*  
4 *employment and training assistance and*  
5 *programs carried out in the local area for*  
6 *individuals with disabilities, including pro-*  
7 *grams carried out by State agencies relating*  
8 *to mental retardation and developmental*  
9 *disabilities, Statewide Independent Living*  
10 *Councils established under section 705 of the*  
11 *Rehabilitation Act of 1973 (29 U.S.C.*  
12 *796d), and centers for independent living*  
13 *defined in section 702 of the Rehabilitation*  
14 *Act of 1973 (29 U.S.C. 796a).*

15 *“(B) WORK SUPPORT ACTIVITIES FOR LOW-*  
16 *WAGE WORKERS.—*

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

enhancing employment. The one-stop partners shall coordinate the appropriate programs and resources of the partners with the activities and resources provided under this subparagraph.

“(ii) *ACTIVITIES.*—The activities described in clause (i) may include the provision of activities described in this section through the one-stop delivery system in a manner that enhances the opportunities of such workers to participate in the activities, such as the provision of activities described in this section during nontraditional hours and the provision of onsite child care while such activities are being provided.”; and

(B) by adding at the end the following:

“(4) *INCUMBENT WORKER TRAINING PROGRAMS.*—

“(A) *IN GENERAL.*—The local board may use up to 10 percent of the funds allocated to the local area involved under section 133(b) to pay for the Federal share of the cost of providing training through an incumbent worker training program carried out in accordance with this paragraph. The Governor or State board may

1       *make recommendations to the local board regard-*  
2       *ing incumbent worker training with statewide*  
3       *impact.*

4               “(B) *TRAINING ACTIVITIES.*—*The training*  
5       *program for incumbent workers carried out*  
6       *under this paragraph shall be carried out by the*  
7       *local board in conjunction with the employers or*  
8       *groups of employers of such workers for the pur-*  
9       *pose of assisting such workers in obtaining the*  
10       *skills necessary to retain employment or avert*  
11       *layoffs.*

12              “(C) *EMPLOYER SHARE REQUIRED.*—

13                   “(i) *IN GENERAL.*—*Employers partici-*  
14       *parting in the program carried out under*  
15       *this paragraph shall be required to pay the*  
16       *non-Federal share of the costs of providing*  
17       *the training to incumbent workers of the*  
18       *employers. The local board shall establish*  
19       *the non-Federal share of such costs, which*  
20       *may include in-kind contributions. The*  
21       *non-Federal share shall not be less than—*

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

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

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

6                   “(ii) CALCULATION OF EMPLOYER  
7                   SHARE.—The non-Federal share paid by  
8                   such an employer may include the amount  
9                   of the wages paid by the employer to a  
10                  worker while the worker is attending a  
11                  training program under this paragraph.”.

12 **SEC. 122. PERFORMANCE ACCOUNTABILITY SYSTEM.**

13               (a) STATE PERFORMANCE MEASURES.—

14                   (1) INDICATORS OF PERFORMANCE.—Section  
15                  136(b)(2)(A) (29 U.S.C. 2871(b)(2)(A)) is amended—  
16                  (A) in clause (i)—

17                           (i) in the matter preceding subclause  
18                           (I), by striking “and (for participants who  
19                           are eligible youth age 19 through 21) for  
20                           youth activities authorized under section  
21                           129”;

22                           (ii) by striking subclause (III) and in-  
23                           serting the following:

24                                   “(III) increases in earnings from  
25                                   unsubsidized employment; and”; and

1                   (iii) in subclause (IV), by striking “,  
 2                   or by participants” and all that follows  
 3                   through “unsubsidized employment”; and  
 4                   (B) by striking clause (ii) and inserting the  
 5                   following:

6                   “(ii) *CORE INDICATORS FOR ELIGIBLE*  
 7                   *YOUTH.—The core indicators of performance*  
 8                   *for youth activities authorized under section*  
 9                   *129 shall consist of—*

10                   “(I) *entry into employment, edu-*  
 11                   *cation or advanced training, or mili-*  
 12                   *tary service;*

13                   “(II) *school retention, and attain-*  
 14                   *ment of secondary school diplomas or*  
 15                   *their recognized equivalents and of*  
 16                   *postsecondary certificates; and*

17                   “(III) *literacy or numeracy*  
 18                   *gains.”.*

19                   (2)       *ADDITIONAL INDICATORS.—Section*  
 20                   *136(b)(2)(C) (29 U.S.C. 2871(b)(2)(C)) is amended to*  
 21                   *read as follows:*

22                   “(C) *ADDITIONAL INDICATORS.—A State*  
 23                   *may identify in the State plan additional indi-*  
 24                   *cators for workforce investment activities under*  
 25                   *this subtitle, including indicators identified in*

1       *collaboration with State business and industry*  
 2       *associations, with employee representatives where*  
 3       *applicable, and with local boards, to measure the*  
 4       *performance of the workforce investment system*  
 5       *in serving the workforce needs of business and*  
 6       *industry in the State.”.*

7       (3)   *LEVELS      OF      PERFORMANCE.—Section*  
 8       *136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amended—*  
 9       *(A) in clause (iii)—*

10               *(i) in the heading, by striking “FOR*  
 11               *FIRST 3 YEARS”;*

12               *(ii) by striking “and the customer sat-*  
 13               *isfaction indicator of performance, for the*  
 14               *first 3” and inserting “described in clauses*  
 15               *(i) and (ii) of paragraph (2)(A) and the*  
 16               *customer satisfaction indicator of perform-*  
 17               *ance, for the first 2”;* and

18               *(iii) by inserting at the end the fol-*  
 19               *lowing: “Agreements on levels of perform-*  
 20               *ance for each of the core indicators of per-*  
 21               *formance for the third and fourth program*  
 22               *years covered by the State plan shall be*  
 23               *reached prior to the beginning of the third*  
 24               *program year covered by the State plan,*



1 *and incorporated as a modification to the*  
 2 *State plan.”;*

3 *(B) in clause (iv)—*

4 *(i) in the matter preceding subclause*  
 5 *(I), by striking “or (v)”;*

6 *(ii) in subclause (II)—*

7 *(I) by striking “taking into ac-*  
 8 *count” and inserting “and shall ensure*  
 9 *that the levels involved are adjusted,*  
 10 *using objective statistical methods,*  
 11 *based on”;*

12 *(II) by inserting “(such as dif-*  
 13 *ferences in unemployment rates and*  
 14 *job losses or gains in particular indus-*  
 15 *tries)” after “economic conditions”;*

16 *(III) by inserting “(such as indi-*  
 17 *cators of poor work history, lack of*  
 18 *work experience, lack of educational or*  
 19 *occupational skills attainment, disloca-*  
 20 *tion from high-wage and benefit em-*  
 21 *ployment, low levels of literacy or*  
 22 *English proficiency, disability status,*  
 23 *homelessness, ex-offender status, and*  
 24 *welfare dependency)” after “program”;*  
 25 *and*

1 (IV) by striking “and” at the end;

2 (iii) in subclause (III), by striking the

3 period and inserting “; and”; and

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

5 “(IV) the extent to which the levels

6 involved will assist the State in meet-

7 ing the national goals described in

8 clause (v).”;

9 (C) by striking clause (v) and inserting the

10 following:

11 “(v) ESTABLISHMENT OF NATIONAL

12 GOALS.—In order to promote enhanced per-

13 formance outcomes on the performance

14 measures and to facilitate the process of

15 reaching agreements with the States under

16 clause (iii) and to measure systemwide per-

17 formance for the one-stop delivery systems

18 of the States, the Secretary shall establish

19 long-term national goals for the adjusted

20 levels of performance for that systemwide

21 performance to be achieved by the programs

22 assisted under chapters 4 and 5 on the core

23 indicators of performance described in sub-

24 paragraphs (A) and (B) of subsection

25 (b)(2). Such goals shall be established in ac-

1                   cordance with the Government Performance  
2                   and Results Act of 1993 in consultation  
3                   with the States and other appropriate par-  
4                   ties.”; and

5                   (D) in clause (vi)—

6                   (i) by striking “or (v)”; and

7                   (ii) by striking “with the representa-  
8                   tives described in subsection (i)” and insert-  
9                   ing “with the States and other interested  
10                  parties”.

11           (b) LOCAL PERFORMANCE MEASURES.—Section  
12 136(c)(3) (29 U.S.C. 2871(c)(3)) is amended—

13                   (1) by striking “shall take into account” and in-  
14                   serting “shall ensure that the levels involved are ad-  
15                   justed, using objective statistical methods, based on”;

16                   (2) by inserting “characteristics (such as unem-  
17                   ployment rates and job losses or gains in particular  
18                   industries)” after “economic”; and

19                   (3) by inserting “characteristics (such as indica-  
20                   tors of poor work history, lack of work experience,  
21                   lack of educational and occupational skills attain-  
22                   ment, dislocation from high-wage and benefit employ-  
23                   ment, low levels of literacy or English proficiency,  
24                   disability status, homelessness, ex-offender status, and  
25                   welfare dependency)” after “demographic”.

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

3           (1) in paragraph (1), by adding at the end the  
4 following: “In the case of a State or local area that  
5 chooses to expend funds for activities under subsection  
6 (a)(3)(A)(i) or (e)(1)(A)(xi), respectively, of section  
7 134, the report also shall include the amount of such  
8 funds so expended and the percentage that such funds  
9 are of the funds available for activities under section  
10 134.”;

11          (2) in paragraph (2)—

12           (A) in subparagraph (E)—

13               (i) by striking “(excluding partici-  
14 pants who received only self-service and in-  
15 formational activities)”;

16               (ii) by striking “and” after the semi-  
17 colon;

18           (B) in subparagraph (F)—

19               (i) by inserting “noncustodial parents  
20 with child support obligations, homeless in-  
21 dividuals,” after “displaced homemakers,”;  
22 and

23               (ii) by striking the period and insert-  
24 ing a semicolon; and

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

1           “(G) the number of participants who have  
2           received services, other than followup services,  
3           authorized under this title;

4           “(H) the number of participants who have  
5           received services, other than followup services,  
6           authorized under this title, in the form of core  
7           services described in section 134(d)(2), intensive  
8           services described in section 134(d)(3), and  
9           training services described in section 134(d)(4),  
10          respectively;

11          “(I) the number of participants who have  
12          received followup services authorized under this  
13          title;

14          “(J) the cost per participant for services au-  
15          thorized under this title; and

16          “(K) 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) (29 U.S.C. 2871(e)(3)) is amended by inserting*  
 6        *“, including information on promoting self-sufficiency and*  
 7        *comparable pay between men and women” after “employ-*  
 8        *ers”.*

9        *(e) SANCTIONS FOR STATE.—Section 136(g)(1)(B) (29*  
 10        *U.S.C. 2871(g)(1)(B)) is amended by striking “If such fail-*  
 11        *ure continues for a second consecutive year” and inserting*  
 12        *“If a State performs at less than 80 percent of the adjusted*  
 13        *level of performance for core indicators of performance de-*  
 14        *scribed in subsection (b)(2)(A) for 2 consecutive years”.*

15        *(f) SANCTIONS FOR LOCAL AREA.—Section*  
 16        *136(h)(2)(A) (29 U.S.C. 2871(h)(2)(A)) is amended—*

17                *(1) in the matter preceding clause (i), by strik-*  
 18                *ing “If such failure continues for a second consecutive*  
 19                *year” and inserting “If a local area performs at less*  
 20                *than 80 percent of the adjusted level of performance*  
 21                *for core indicators of performance described in sub-*  
 22                *section (b)(2)(A) for 2 consecutive years”;*

23                *(2) in clause (ii), by striking “or” after the semi-*  
 24                *colon;*

1           (3) by redesignating clause (iii) as clause (iv);

2           and

3           (4) by inserting after clause (ii) the following:

4                       “(iii) redesignate the local area in ac-  
5                       cordance with section 116(b)(2); or”.

6           (g) *INCENTIVE GRANTS*.—Section 136(i) (29 U.S.C.  
7 2871(i)) is amended to read as follows:

8           “(i) *INCENTIVE GRANTS FOR LOCAL AREAS*.—

9                       “(1) *IN GENERAL*.—From funds reserved under  
10                      sections 128(a) and 133(a)(1), the Governor involved  
11                      shall award incentive grants to local areas for per-  
12                      formance described in paragraph (2).

13                     “(2) *BASIS*.—The Governor shall award the  
14                      grants on the basis that the local areas—

15                               “(A) have exceeded the performance meas-  
16                               ures established under subsection (c)(2) relating  
17                               to indicators described in subsection  
18                               (b)(3)(A)(iii); or

19                               “(B) have—

20                                       “(i) met the performance measures es-  
21                                       tablished under subsection (c)(2) relating to  
22                                       indicators described in subsection  
23                                       (b)(3)(A)(iii); and

24                                       “(ii) demonstrated—

1           “(I) *exemplary coordination of*  
2           *one-stop partner programs described in*  
3           *section 121 with statewide economic*  
4           *development or business needs;*

5           “(II) *exemplary performance in*  
6           *the one-stop partner programs in the*  
7           *State in serving hard-to-serve popu-*  
8           *lations; or*

9           “(III) *effective—*

10           “(aa) *coordination of mul-*  
11           *tiiple systems for the one-stop*  
12           *partner programs into a com-*  
13           *prehensive workforce investment*  
14           *system, including coordination of*  
15           *employment services under the*  
16           *Wagner-Peyser Act (29 U.S.C. 49*  
17           *et seq.) and core services under*  
18           *section 134(d)(2);*

19           “(bb) *expansion of access to*  
20           *training through the one-stop*  
21           *partner programs, including ex-*  
22           *pansion of access through in-*  
23           *creased leveraging of resources*  
24           *other than those provided through*  
25           *programs under this title;*



1           “(cc) implementation of co-  
2           ordination activities relating to  
3           the one-stop partner programs,  
4           through agreements with relevant  
5           regional or local agencies and of-  
6           fices, including those responsible  
7           for programs under the Adult  
8           Education and Family Literacy  
9           Act (20 U.S.C. 9201 et seq.) and  
10          the Rehabilitation Act of 1973 (29  
11          U.S.C. 701 et seq.);

12          “(dd) regional coordination  
13          relating to the one-stop partner  
14          programs, with other local boards  
15          or local areas;

16          “(ee) alignment of manage-  
17          ment information systems to inte-  
18          grate participant information  
19          across the one-stop partner pro-  
20          grams; or

21          “(ff) integration of perform-  
22          ance information systems and  
23          common measures for account-  
24          ability across the one-stop partner  
25          programs.

1           “(3) *USE OF FUNDS.*—*The funds awarded to a*  
 2           *local area under this subsection may be used to carry*  
 3           *out activities authorized for local areas in programs*  
 4           *carried out under this title, the Adult Education and*  
 5           *Family Literacy Act, and the Rehabilitation Act of*  
 6           *1973 (referred to in this subsection as ‘workforce and*  
 7           *education programs’), and such innovative projects or*  
 8           *programs that increase coordination and enhance*  
 9           *service to participants in such programs, particularly*  
 10          *hard-to-serve populations, as may be approved by the*  
 11          *Governor, including—*

12                   “(A) *activities that support business needs,*  
 13                   *especially for incumbent workers and enhancing*  
 14                   *opportunities for retention and advancement;*

15                   “(B) *activities that support linkages be-*  
 16                   *tween the workforce and education programs,*  
 17                   *and secondary, postsecondary, or career and*  
 18                   *technical education programs, including activi-*  
 19                   *ties under the Carl D. Perkins Vocational and*  
 20                   *Technical Education Act of 1998 (20 U.S.C.*  
 21                   *2301 et seq.), the Adult Education and Family*  
 22                   *Literacy Act (20 U.S.C. 9201 et seq.), and the*  
 23                   *Rehabilitation Act of 1973 (29 U.S.C. 701 et*  
 24                   *seq.);*

1           “(C) activities that support regional eco-  
2           nomic development plans that support high-  
3           wage, high-skill, or high-demand occupations  
4           leading to self-sufficiency;

5           “(D) activities that coordinate the workforce  
6           and education programs with other Federal and  
7           State programs related to the workforce and edu-  
8           cation programs;

9           “(E) activities that support the development  
10          of an integrated performance information system  
11          that includes common measures for one-stop  
12          partner programs described in section 121;

13          “(F) activities that align management in-  
14          formation systems with integrated performance  
15          information across the one-stop partner pro-  
16          grams;

17          “(G) activities that support activities to im-  
18          prove performance in workforce and education  
19          programs and program coordination of workforce  
20          and education programs; or

21          “(H) activities that leverage additional  
22          training resources, other than those provided  
23          through workforce and education programs, for  
24          adults and youth.

1           “(4) *TECHNICAL ASSISTANCE.*—*The Governor*  
 2           *shall reserve 4 percent of the funds available for*  
 3           *grants under this subsection to provide technical as-*  
 4           *sistance to local areas—*

5                     “(A) *to replicate best practices for workforce*  
 6                     *and education programs;*

7                     “(B) *to develop integrated performance in-*  
 8                     *formation systems for the one-stop partner pro-*  
 9                     *grams;*

10                    “(C) *to strengthen coordination between*  
 11                    *workforce and education programs, and other*  
 12                    *education programs; or*

13                    “(D) *to strengthen regional economic devel-*  
 14                    *opment.”.*

15           (h) *USE OF CORE MEASURES IN OTHER DEPARTMENT*  
 16 *OF LABOR PROGRAMS.*—*Section 136 (29 U.S.C. 2871) is*  
 17 *amended by adding at the end the following:*

18                    “(j) *USE OF CORE INDICATORS FOR OTHER PRO-*  
 19 *GRAMS.*—*In addition to the programs carried out under*  
 20 *chapters 4 and 5, and consistent with the requirements of*  
 21 *the applicable authorizing laws, the Secretary shall use the*  
 22 *indicators of performance described in subparagraphs (A)*  
 23 *and (B) of subsection (b)(2) to assess the effectiveness of the*  
 24 *programs described in clauses (i), (ii), and (vi) of section*  
 25 *121(b)(1)(B) that are carried out by the Secretary.”.*

1       (i) *PREVIOUS DEFINITIONS OF CORE INDICATORS.*—

2       Section 502 (29 U.S.C. 9272) is repealed.

3       **SEC. 123. AUTHORIZATION OF APPROPRIATIONS.**

4       (a) *YOUTH ACTIVITIES.*—Section 137(a) (29 U.S.C.  
5       2872(a)) is amended by striking “such sums as may be nec-  
6       essary for each of fiscal years 1999 through 2003” and in-  
7       serting “such sums as may be necessary for each of fiscal  
8       years 2006 through 2011”.

9       (b) *ADULT EMPLOYMENT AND TRAINING ACTIVI-*  
10       *TIES.*—Section 137(b) (29 U.S.C. 2872(b)) is amended by  
11       striking “such sums as may be necessary for each of fiscal  
12       years 1999 through 2003” and inserting “such sums as may  
13       be necessary for each of fiscal years 2006 through 2011”.

14       (c) *DISLOCATED WORKER EMPLOYMENT AND TRAIN-*  
15       *ING ACTIVITIES.*—Section 137(c) (29 U.S.C. 2872(c)) is  
16       amended by striking “such sums as may be necessary for  
17       each of fiscal years 1999 through 2003” and inserting “such  
18       sums as may be necessary for each of fiscal years 2006  
19       through 2011”.

20                               **Subtitle C—Job Corps**

21       **SEC. 131. JOB CORPS.**

22       (a) *ELIGIBILITY.*—Section 144(3) (29 U.S.C. 2884(3))  
23       is amended by adding at the end the following:

1                   “(F) A child eligible for assistance under  
2                   section 477 of the Social Security Act (42 U.S.C.  
3                   677).”.

4           (b) *IMPLEMENTATION OF STANDARDS AND PROCE-*  
5 *DURES.*—Section 145(a)(3) (29 U.S.C. 2885(a)(3)) is  
6 amended—

7                   (1) in subparagraph (B), by striking “and” after  
8                   the semicolon;

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

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

12                               “(D) child welfare agencies that are respon-  
13                               sible for children in foster care and children eli-  
14                               gible for assistance under section 477 of the So-  
15                               cial Security Act (42 U.S.C. 677).”.

16           (c) *INDUSTRY COUNCILS.*—Section 154(b) (29 U.S.C.  
17 2894(b)) is amended—

18                   (1) in paragraph (1)(A), by striking “local and  
19                   distant”; and

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

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

1           “(4) *SPECIAL RULE FOR SINGLE LOCAL AREA*  
 2           *STATES.—In the case of a single local area State des-*  
 3           *ignated under section 116(b), the industry council*  
 4           *shall include a representative of the State Board.”.*

5           (d) *INDICATORS OF PERFORMANCE.—Section 159 (29*  
 6           *U.S.C. 2899) is amended—*

7                   (1) *in subsection (c)—*

8                           (A) *by striking paragraph (1) and inserting*  
 9                   *the following:*

10                           “(1) *PERFORMANCE INDICATORS.—The Secretary*  
 11                   *shall annually establish expected levels of performance*  
 12                   *for Job Corps centers and the Job Corps program re-*  
 13                   *lating to each of the core indicators of performance*  
 14                   *for youth activities identified in section*  
 15                   *136(b)(2)(A)(ii).”;*

16                           (B) *in paragraph (2), by striking “meas-*  
 17                   *ures” each place it appears and inserting “indi-*  
 18                   *cators”;* *and*

19                           (C) *in paragraph (3)—*

20                                   (i) *in the first sentence, by striking*  
 21                   *“core performance measures, as compared to*  
 22                   *the expected performance level for each per-*  
 23                   *formance measure” and inserting “perform-*  
 24                   *ance indicators described in paragraph (1),*  
 25                   *as compared to the expected level of per-*

1                    *formance established under paragraph (1)*  
 2                    *for each performance measure”; and*

3                    *(ii) in the second sentence, by striking*  
 4                    *“measures” each place it appears and in-*  
 5                    *serting “indicators”; and*

6                    *(2) in subsection (f)(2), in the first sentence, by*  
 7                    *striking “core performance measures” and inserting*  
 8                    *“indicators of performance”.*

9                    *(e) AUTHORIZATION OF APPROPRIATIONS.—Section*  
 10                    *161 (29 U.S.C. 2901) is amended by striking “1999 through*  
 11                    *2003” and inserting “2006 through 2011”.*

## 12                    ***Subtitle D—National Programs***

### 13                    ***SEC. 141. NATIVE AMERICAN PROGRAMS.***

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

16                    *“(C) DUTIES.—The Council shall advise the*  
 17                    *Secretary on the operation and administration*  
 18                    *of the programs assisted under this section, in-*  
 19                    *cluding the selection of the individual appointed*  
 20                    *as head of the unit established under paragraph*  
 21                    *(1).”.*

22                    *(b) ASSISTANCE TO UNIQUE POPULATIONS IN ALASKA*  
 23                    *AND HAWAII.—Section 166(j) (29 U.S.C. 2911(j)) is*  
 24                    *amended to read as follows:*



1       “(j) *ASSISTANCE TO UNIQUE POPULATIONS IN ALASKA*  
2 *AND HAWAII.*—

3               “(1) *IN GENERAL.*—*Notwithstanding any other*  
4 *provision of law, the Secretary is authorized to pro-*  
5 *vide assistance to the Cook Inlet Tribal Council, In-*  
6 *corporated, and the University of Hawaii at Maui,*  
7 *for the unique populations who reside in Alaska or*  
8 *Hawaii, to improve job training and workforce in-*  
9 *vestment activities.*

10              “(2) *AUTHORIZATION OF APPROPRIATIONS.*—  
11 *There are authorized to be appropriated to carry out*  
12 *this subsection such sums as may be necessary for*  
13 *each of fiscal years 2006 through 2011.”.*

14       “(c) *PERFORMANCE INDICATORS.*—*Section 166 (29*  
15 *U.S.C. 2911) is amended by adding at the end the following:*

16              “(k) *PERFORMANCE INDICATORS.*—

17               “(1) *DEVELOPMENT OF INDICATORS.*—*The Sec-*  
18 *retary, in consultation with the Native American*  
19 *Employment and Training Council, shall develop a*  
20 *set of performance indicators and standards which*  
21 *shall be applicable to programs under this section.*

22               “(2) *SPECIAL CONSIDERATIONS.*—*Such perform-*  
23 *ance indicators and standards shall take into*  
24 *account—*

1           “(A) the purpose of this section as described  
2           in subsection (a)(1);

3           “(B) the needs of the groups served by this  
4           section, including the differences in needs among  
5           such groups in various geographic service areas;  
6           and

7           “(C) the economic circumstances of the com-  
8           munities served, including differences in cir-  
9           cumstances among various geographic service  
10          areas.”.

11 **SEC. 142. MIGRANT AND SEASONAL FARMWORKER PRO-**  
12 **GRAMS.**

13       Section 167 (29 U.S.C. 2912) is amended—

14           (1) in subsection (a), by striking “2” and insert-  
15       ing “2 to 4”;

16           (2) in subsection (b), by inserting “and deliver”  
17       after “administer”;

18           (3) in subsection (c)—

19                (A) in paragraph (1), by striking “2-year”  
20       and inserting “4-year”;

21                (B) in paragraph (2)—

22                   (i) in subparagraph (A)—

23                        (I) by inserting “describe the pop-  
24                   ulation to be served and” before “iden-  
25                   tify”; and

1                   (II) by inserting “, including up-  
2                   graded employment in agriculture” be-  
3                   fore the semicolon;

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

6                   (iii) in subparagraph (C), by striking  
7                   the period and inserting a semicolon; and

8                   (iv) by adding at the end the following:

9                   “(D) describe the availability and accessi-  
10                  bility of local resources such as supportive serv-  
11                  ices, services provided through one-stop delivery  
12                  systems, and education and training services,  
13                  and how the resources can be made available to  
14                  the population to be served; and

15                  “(E) describe the plan for providing services  
16                  under this section, including strategies and sys-  
17                  tems for outreach, case management, assessment,  
18                  and delivery through one-stop delivery systems.”;  
19                  and

20                  (C) by striking paragraph (4) and inserting  
21                  the following:

22                  “(4) COMPETITION.—The competition for grants  
23                  made and contracts entered into under this section  
24                  shall be conducted every 2 to 4 years.”;

1           (4) in subsection (d), by striking “include” and  
2           all that follows and inserting “include outreach, em-  
3           ployment, training, educational assistance, literary  
4           assistance, English language and literacy instruction,  
5           pesticide and worker safety training, housing (includ-  
6           ing permanent housing), supportive services, school  
7           dropout prevention activities, followup services for  
8           those individuals placed in employment, self-employ-  
9           ment and related business or micro-enterprise devel-  
10          opment or education as needed by eligible individuals  
11          and as identified pursuant to the plan required by  
12          subsection (c), customized career and technical edu-  
13          cation in occupations that will lead to higher wages,  
14          enhanced benefits, and long-term employment in agri-  
15          culture or another area, and technical assistance to  
16          improve coordination of services and implement best  
17          practices relating to service delivery through one-stop  
18          delivery systems.”;

19          (5) in subsection (f), by striking “take into ac-  
20          count the economic circumstances and demographics  
21          of eligible migrant and seasonal farmworkers.” and  
22          inserting “are adjusted based on the economic and de-  
23          mographic barriers to employment of eligible migrant  
24          and seasonal farmworkers.”;

1           (6) in subsection (g), by striking “(enacted by  
2       the Single Audit Act of 1984)”;

3           (7) in subsection (h)—

4                 (A) by striking paragraph (1) and inserting  
5       the following:

6           “(1) *DEPENDENT*.—The term ‘dependent’, used  
7       with respect to an eligible migrant or seasonal farm-  
8       worker, means an individual who—

9                 “(A) was claimed as a dependent on the  
10       farmworker’s Federal income tax return for the  
11       previous year;

12                “(B) is the spouse of the farmworker; or

13                “(C) is able to establish—

14                   “(i) a relationship as the  
15       farmworker’s—

16                         “(I) biological or legally adopted  
17       child, grandchild, or great-grandchild;

18                         “(II) foster child;

19                         “(III) stepchild;

20                         “(IV) brother, sister, half-brother,  
21       half-sister, stepbrother, or stepsister;

22                         “(V) parent, grandparent, or  
23       other direct ancestor (but not foster  
24       parent);

25                         “(VI) stepfather or stepmother;

1 “(VII) uncle or aunt;

2 “(VIII) niece or nephew; or

3 “(IX) father-in-law, mother-in-  
4 law, son-in-law, daughter-in-law,  
5 brother-in-law, or sister-in-law; and

6 “(ii) the receipt of over half of the in-  
7 dividual’s total support from the farm-  
8 worker’s family during the eligibility deter-  
9 mination period for the farmworker.”; and  
10 (B) in paragraph (4)(A)—

11 (i) by striking “disadvantaged person”  
12 and inserting “low-income individual”; and

13 (ii) by inserting “and who faces mul-  
14 tiple barriers to self-sufficiency” before the  
15 semicolon;

16 (8) by redesignating subsection (h) as subsection  
17 (i); and

18 (9) by inserting before subsection (i) the fol-  
19 lowing:

20 “(h) *FUNDING ALLOCATION.*—From the funds appro-  
21 priated and made available to carry out this section, the  
22 Secretary shall reserve not more than 1 percent for discre-  
23 tionary purposes, such as providing technical assistance to  
24 eligible entities.”

1 **SEC. 143. VETERANS' WORKFORCE INVESTMENT PRO-**  
 2 **GRAMS.**

3 *Section 168(a)(3) (29 U.S.C. 2913(a)(3)) is*  
 4 *amended—*

5 *(1) in subparagraph (A), by inserting “, includ-*  
 6 *ing services provided by one-stop operators and one-*  
 7 *stop partners” before the semicolon; and*

8 *(2) in subparagraph (C), by striking “section*  
 9 *134(c)” and inserting “section 121(e)”.*

10 **SEC. 144. YOUTH CHALLENGE GRANTS.**

11 *Section 169 (29 U.S.C. 2914) is amended to read as*  
 12 *follows:*

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

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

16 *“(1) the Secretary shall use not less than 80 per-*  
 17 *cent to award competitive grants under subsection*  
 18 *(b); and*

19 *“(2) the Secretary may use not more than 20*  
 20 *percent to award competitive grants under subsection*  
 21 *(c).*

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

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

1 *tivities authorized under this subsection to assist eli-*  
 2 *gible youth in acquiring the skills, credentials, and*  
 3 *employment experience necessary to achieve the per-*  
 4 *formance outcomes for youth described in section 136.*

5 “(2) *ELIGIBLE ENTITY.*—*In this subsection, the*  
 6 *term ‘eligible entity’ means—*

7 “(A) *a State or consortium of States;*

8 “(B) *a local board or consortium of local*  
 9 *boards;*

10 “(C) *a recipient of a grant under section*  
 11 *166 (relating to Native American programs); or*

12 “(D) *a public or private entity (including*  
 13 *a consortium of such entities) with expertise in*  
 14 *the provision of youth activities, applying in*  
 15 *partnership with a local board or consortium of*  
 16 *local boards.*

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

22 “(A) *a description of the activities the eligi-*  
 23 *ble entity will provide to eligible youth under*  
 24 *this subsection, and how the eligible entity will*  
 25 *collaborate with State and local workforce invest-*



1        *ment systems established under this title in the*  
2        *provision of such activities;*

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

9                *“(C) a description of the State, local, and*  
10        *private resources that will be leveraged to pro-*  
11        *vide the activities described under subparagraph*  
12        *(A) in addition to funds provided under this*  
13        *subsection, and a description of the extent of the*  
14        *involvement of employers in the activities;*

15                *“(D) the levels of performance the eligible*  
16        *entity expects to achieve with respect to the indi-*  
17        *cators of performance for youth specified in sec-*  
18        *tion 136(b)(2)(A)(ii); and*

19                *“(E) except in the case of an application*  
20        *submitted by an eligible entity described in*  
21        *paragraph (2)(C)—*

22                        *“(i) an assurance that the State board*  
23                        *of each State in which the proposed activi-*  
24                        *ties are to be carried out had the oppor-*  
25                        *tunity to review the application; and*

1                   “(ii) the comments, if any, of the af-  
2                   fected State boards on the application.

3                   “(4) *FACTORS FOR AWARD.*—

4                   “(A) *IN GENERAL.*—In awarding grants  
5                   under this subsection the Secretary shall  
6                   consider—

7                   “(i) the quality of the proposed activi-  
8                   ties;

9                   “(ii) the goals to be achieved;

10                  “(iii) the likelihood of successful imple-  
11                  mentation;

12                  “(iv) the extent to which the proposed  
13                  activities are based on proven strategies or  
14                  the extent to which the proposed activities  
15                  will expand the base of knowledge relating  
16                  to the provision of activities for eligible  
17                  youth;

18                  “(v) the extent of collaboration with the  
19                  State and local workforce investment sys-  
20                  tems in carrying out the proposed activities;

21                  “(vi) the extent of employer involve-  
22                  ment in the proposed activities;

23                  “(vii) whether there are other Federal  
24                  and non-Federal funds available for similar  
25                  activities to the proposed activities, and the

1           *additional State, local, and private re-*  
 2           *sources that will be provided to carry out*  
 3           *the proposed activities;*

4           “(viii) *the quality of the proposed ac-*  
 5           *tivities in meeting the needs of the eligible*  
 6           *youth to be served; and*

7           “(ix) *the extent to which the proposed*  
 8           *activities will expand on services provided*  
 9           *under section 129.*

10          “(B) *EQUITABLE GEOGRAPHIC DISTRIBUTION.*—*In awarding grants under this subsection*  
 11          *the Secretary shall ensure an equitable distribu-*  
 12          *tion of such grants across geographically diverse*  
 13          *areas.*

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 activities that are*  
 18          *designed to assist eligible youth in acquiring the*  
 19          *skills, credentials, and employment experience*  
 20          *that are necessary to succeed in the labor market,*  
 21          *including the activities identified in section 129.*

22          “(B) *ACTIVITIES.*—*The activities carried*  
 23          *out pursuant to subparagraph (A) may include*  
 24          *the following:*  
 25

1                   “(i) *Training and internships for out-*  
 2                   *of-school youth in sectors of the economy ex-*  
 3                   *periencing, or projected to experience, high*  
 4                   *growth.*

5                   “(ii) *Dropout prevention activities for*  
 6                   *in-school youth.*

7                   “(iii) *Activities designed to assist spe-*  
 8                   *cial youth populations, such as court-in-*  
 9                   *volved youth and youth with disabilities.*

10                  “(iv) *Activities combining remediation*  
 11                  *of academic skills, work readiness training,*  
 12                  *and work experience, and including link-*  
 13                  *ages to postsecondary education, apprentice-*  
 14                  *ships, and career-ladder employment.*

15                  “(v) *Activities, including work experi-*  
 16                  *ence, paid internships, and entrepreneurial*  
 17                  *training, in areas where there is a migra-*  
 18                  *tion of youth out of the areas.*

19                  “(C) *PARTICIPANT ELIGIBILITY.—Youth*  
 20                  *who are 14 years of age through 21 years of age,*  
 21                  *as of the time the eligibility determination is*  
 22                  *made, may be eligible to participate in activities*  
 23                  *carried out under this subsection.*

24                  “(6) *GRANT PERIOD.—The Secretary shall make*  
 25                  *a grant under this subsection for a period of 2 years*

1        *and may renew the grant, if the eligible entity has*  
 2        *performed successfully, for a period of not more than*  
 3        *3 succeeding years.*

4            “(7) *MATCHING FUNDS REQUIRED.*—*The Sec-*  
 5        *retary shall require that an eligible entity that re-*  
 6        *ceives a grant under this subsection provide non-Fed-*  
 7        *eral matching funds in an amount to be determined*  
 8        *by the Secretary that is not less than 10 percent of*  
 9        *the cost of activities carried out under the grant. The*  
 10       *Secretary may require that such non-Federal match-*  
 11       *ing funds be provided in cash resources, noncash re-*  
 12       *sources, or a combination of cash and noncash re-*  
 13       *sources.*

14           “(8) *EVALUATION.*—*The Secretary shall reserve*  
 15        *not more than 3 percent of the funds described in sub-*  
 16        *section (a)(1) to provide technical assistance to, and*  
 17        *conduct evaluations of (using appropriate techniques*  
 18        *as described in section 172(c)), the projects funded*  
 19        *under this subsection.*

20           “(c) *COMPETITIVE FIRST JOBS FOR YOUTH.*—

21           “(1) *ELIGIBLE ENTITY.*—*In this subsection, the*  
 22        *term ‘eligible entity’ means a consortium that—*

23                   “(A) *shall include—*

24                            “(i)(I) *a State board; or*

25                            “(II) *a local board; and*

1                   “(ii) a consortium of businesses, in-  
2                   cluding small businesses;

3                   “(B) may include 1 or more—

4                   “(i) local educational agencies;

5                   “(ii) institutions of higher education;

6                   “(iii) business intermediaries;

7                   “(iv) community-based organizations;

8                   or

9                   “(v) entities carrying out programs  
10                  under the Act of August 16, 1937 (com-  
11                  monly known as the ‘National Apprentice-  
12                  ship Act’; 50 Stat. 664, chapter 663; 29  
13                  U.S.C. 50 et seq.); and

14                  “(C) submits an application under para-  
15                  graph (3).

16                  “(2) *AUTHORIZATION.*—From the funds de-  
17                  scribed in subsection (a)(2), the Secretary may award  
18                  grants to eligible entities to provide activities that  
19                  will assist youth in preparing for, entering, and re-  
20                  taining employment.

21                  “(3) *APPLICATIONS.*—To be eligible to receive a  
22                  grant under this subsection, an entity shall submit an  
23                  application to the Secretary at such time, in such  
24                  manner, and containing such information as the Sec-  
25                  retary may require, including—

1           “(A) a description of the area to be served,  
2           including information demonstrating that the  
3           area has—

4                   “(i) high unemployment among indi-  
5                   viduals ages 16 through 21;

6                   “(ii) high unemployment among youth  
7                   who are individuals with disabilities; or

8                   “(iii) high job loss;

9           “(B) a description of the proposed program,  
10           including activities, compensation, and expected  
11           outcomes;

12           “(C) an assurance that the participating  
13           employers in the proposed program are located  
14           in the area to be served, and a demonstration of  
15           the commitment of the participating employers  
16           to hire individuals who—

17                   “(i) have successfully completed the  
18                   program; or

19                   “(ii) continue to work in the program;

20           “(D) demographic information about the  
21           targeted populations to be served by the proposed  
22           program, including information on gender, age,  
23           and race;

1           “(E) a description of how the proposed pro-  
 2           gram will address the barriers to employment of  
 3           the targeted populations;

4           “(F) a description of the manner in which  
 5           the eligible entity will evaluate the program; and

6           “(G) a description of the ability of the eligi-  
 7           ble entity to carry out and expand the program  
 8           after the expiration of the grant period.

9           “(4) *EQUITABLE DISTRIBUTION TO RURAL*  
 10          *AREAS.*—In awarding grants under this subsection,  
 11          the Secretary shall ensure an equitable distribution of  
 12          such grants to rural areas.

13          “(5) *USE OF FUNDS.*—

14               “(A) *IN GENERAL.*—An eligible entity that  
 15               receives a grant under this subsection shall use  
 16               the grant funds to carry out—

17                       “(i) activities that will assist youth in  
 18                       preparing for, entering, and retaining em-  
 19                       ployment, including the activities described  
 20                       in section 129 for out-of-school youth (as de-  
 21                       fined in section 129(a));

22                       “(ii) activities designed to strengthen  
 23                       academic skills that would assist—

24                               “(I) in-school youth (as so de-  
 25                               fined) to be successful in secondary



1           *school and continue such participants’*  
2           *education; and*

3                     *“(II) out-of-school youth (as so de-*  
4           *finied) to earn a high school diploma or*  
5           *its recognized equivalent, or prepare*  
6           *for postsecondary programs;*

7                     *“(iii) activities designed to assist youth*  
8           *in economically distressed areas;*

9                     *“(iv) subsidized employment for not*  
10          *more than 9 months that provides direct ex-*  
11          *perience in a sector that has opportunities*  
12          *for full-time employment;*

13                    *“(v) career and academic advisement,*  
14          *activities to promote financial literacy and*  
15          *the attainment of entrepreneurial skills, and*  
16          *provision of labor market information on*  
17          *high-skill, high-wage, and nontraditional*  
18          *occupations; and*

19                    *“(vi) such other activities as the Sec-*  
20          *retary determines are appropriate to ensure*  
21          *that youth entering the workforce have the*  
22          *skills needed by employers.*

23                    *“(B) PARTICIPANT ELIGIBILITY.—An indi-*  
24          *vidual who is not younger than 16 years of age*  
25          *and not older than 21 years of age, as of the*

1           *time the eligibility determination is made, who*  
 2           *faces barriers to employment, including an indi-*  
 3           *vidual who is an individual with a disability,*  
 4           *may be eligible to participate in activities under*  
 5           *this subsection.*

6           “(6) *SPECIAL RULE.*—*An eligible entity that re-*  
 7           *ceives a grant under this subsection shall coordinate*  
 8           *activities with the designated State agency (as defined*  
 9           *in section 7 of the Rehabilitation Act of 1973 (29*  
 10           *U.S.C. 705)) and other appropriate State agencies in*  
 11           *the State to be served.*

12           “(7) *MATCHING FUNDS REQUIRED.*—*The Sec-*  
 13           *retary shall require that an eligible entity that re-*  
 14           *ceives a grant under this subsection provide non-Fed-*  
 15           *eral matching funds in an amount to be determined*  
 16           *by the Secretary that is not less than 10 percent of*  
 17           *the cost of activities carried out with assistance pro-*  
 18           *vided under the grant. The Secretary may require*  
 19           *that such non-Federal matching funds be provided in*  
 20           *cash resources, noncash resources, or a combination of*  
 21           *cash and noncash resources.*

22           “(8) *EVALUATIONS.*—*The Secretary may require*  
 23           *that an eligible entity that receives a grant under this*  
 24           *subsection participate in an evaluation of activities*  
 25           *carried out under this subsection, including an eval-*

1       uation using the techniques described in section  
2       172(c).”.

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 title,  
9                   the training of members of State boards and  
10                  local boards, peer review activities under this  
11                  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                  2005.”;

17           (2) in subsection (a)(2), by adding at the end the  
18           following: “The Secretary shall also hire staff quali-  
19           fied to provide the assistance described in paragraph  
20           (1).”;

21           (3) in subsection (b)(2), by striking the last sen-  
22           tence and inserting “Such projects shall be adminis-  
23           tered by the Employment and Training Administra-  
24           tion.”; and

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

1       “(c) *BEST PRACTICES COORDINATION.*—*The Secretary*  
2 *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 171(c) 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.*—*Section*  
16 *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 redesignating subparagraphs (F)*  
21 *through (H) as subparagraphs (H) through (J),*  
22 *respectively;*

23                       (C) *by striking subparagraphs (A) through*  
24 *(E) and inserting the following:*

1           “(A) projects that assist national employers  
2           in connecting with the workforce investment sys-  
3           tem established under this title in order to facili-  
4           tate the recruitment and employment of needed  
5           workers for career ladder jobs and to provide in-  
6           formation to such system on skills and occupa-  
7           tions in demand;

8           “(B) projects that promote the development  
9           of systems that will improve the maximum effec-  
10          tiveness of programs carried out under this title;

11          “(C) projects that focus on opportunities for  
12          employment in industries and sectors of indus-  
13          tries that are experiencing, or are likely to expe-  
14          rience, high rates of growth and jobs with wages  
15          leading to self-sufficiency;

16          “(D) projects that focus on collaborations  
17          among local boards, institutions of higher edu-  
18          cation, medical facilities, and other community  
19          stakeholders, to promote opportunities for dis-  
20          located workers to receive training and related  
21          services for employment in the high-demand  
22          health care sector;

23          “(E) projects that focus on career ladder ad-  
24          vancement for nursing care providers, including

1       *faculty education and distance learning pro-*  
 2       *grams;*

3               “(F) 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               “(G) projects carried out by States and  
 12       *local areas to test innovative approaches to deliv-*  
 13       *ering employment-related services;”;*

14               (D) in subparagraph (I) (as redesignated by  
 15       *subparagraph (B)), by striking “and” after the*  
 16       *semicolon; and*

17               (E) by striking subparagraph (J) (as reded-  
 18       *ignated by subparagraph (B)), and inserting the*  
 19       *following:*

20               “(J) projects that provide retention grants,  
 21       *which shall—*

22                       “(i) be made to qualified job training  
 23       *programs offering instruction, assessment,*  
 24       *or professional coaching, upon placement of*  
 25       *a low-income individual trained by the pro-*

1            *gram involved in employment with an em-*  
2            *ployer and retention of the low-income indi-*  
3            *vidual in that employment with that em-*  
4            *ployer for a period of 1 year, if that em-*  
5            *ployment provides the low-income indi-*  
6            *vidual with an annual salary—*

7                    *“(I) that is at least \$10,000 more*  
8                    *than the individual’s federally adjusted*  
9                    *income for the previous year; and*

10                   *“(II) that is not less than twice*  
11                   *the poverty line applicable to the indi-*  
12                   *vidual; and*

13                   *“(ii) be made taking into account the*  
14                   *economic benefit received by the Federal*  
15                   *Government from the employment and re-*  
16                   *tention of the individual, including the eco-*  
17                   *nomie benefit from tax revenue and de-*  
18                   *creased public subsidies;*

19                   *“(K) targeted innovation projects that im-*  
20                   *prove access to and delivery of employment and*  
21                   *training services, with emphasis given to projects*  
22                   *that incorporate advanced technologies to facili-*  
23                   *tate the connection of individuals to the informa-*  
24                   *tion and tools the individuals need to upgrade*  
25                   *skills;*

“(L) projects that promote the use of distance learning, enabling students to take courses through the use of media technology such as videos, teleconferencing computers, and the Internet; and

“(M) projects that provide comprehensive education and training services, and support services, in coordination with local boards, for populations in targeted high poverty areas where the greatest barriers to employment exist, including ex-offenders, out-of-school youth, and public assistance recipient populations.”; 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 REPORTS*.—

“(I) *IN GENERAL*.—The Secretary, in coordination with the Secretary of Education, shall conduct studies to determine the net impacts of, including



1                   *best practices of, programs, services,*  
 2                   *and activities carried out under this*  
 3                   *title.*

4                   “(II) *REPORTS.—The Secretary*  
 5                   *shall prepare and disseminate to the*  
 6                   *public reports containing the results of*  
 7                   *the studies conducted under subclause*  
 8                   *(I).*

9                   “(ii) *STUDY ON RESOURCES AVAILABLE*  
 10                  *TO ASSIST OUT-OF-SCHOOL YOUTH.—The*  
 11                  *Secretary, in coordination with the Sec-*  
 12                  *retary of Education, may conduct a study*  
 13                  *examining the resources available at the*  
 14                  *Federal, State, and local levels to assist out-*  
 15                  *of-school youth in obtaining the skills, cre-*  
 16                  *dentials, and work experience necessary to*  
 17                  *become successfully employed, including the*  
 18                  *availability of funds provided through aver-*  
 19                  *age daily attendance and other methodolo-*  
 20                  *gies used by States and local areas to dis-*  
 21                  *tribute funds.*

22                  “(iii) *STUDY OF INDUSTRY-BASED CER-*  
 23                  *TIFICATION AND CREDENTIALS.—*

24                  “(I) *IN GENERAL.—The Secretary*  
 25                  *shall conduct a study concerning the*

1           *role and benefits of credentialing and*  
2           *certification to businesses and workers*  
3           *in the economy and the implications of*  
4           *certification to the services provided*  
5           *through the workforce investment sys-*  
6           *tem. The study may examine issues*  
7           *such as—*

8                     *“(aa) the characteristics of*  
9                     *successful credentialing and cer-*  
10                    *tification systems that serve busi-*  
11                    *ness and individual needs;*

12                    *“(bb) the relative proportions*  
13                    *of certificates and credentials at-*  
14                    *tained with assistance from the*  
15                    *public sector, with private-sector*  
16                    *training of new hires or incum-*  
17                    *bent workers, and by individuals*  
18                    *on their own initiative without*  
19                    *other assistance, respectively;*

20                    *“(cc) the return on human*  
21                    *capital investments from occupa-*  
22                    *tional credentials and industry-*  
23                    *based skill certifications, includ-*  
24                    *ing the extent to which acquisi-*  
25                    *tion of such credentials or certifi-*

1           *cates enhances outcomes such as*  
2           *entry into employment, retention,*  
3           *earnings (including the number*  
4           *and amount of wage increases),*  
5           *career advancement, and layoff*  
6           *aversion;*

7                     *“(dd) the implications of the*  
8                     *effects of skill certifications and*  
9                     *credentials to the types and deliv-*  
10                    *ery of services provided through*  
11                    *the workforce investment system;*

12                    *“(ee) the role that Federal*  
13                    *and State governments play in*  
14                    *fostering the development of and*  
15                    *disseminating credentials and*  
16                    *skill standards; and*

17                    *“(ff) the use of credentials by*  
18                    *businesses to achieve goals for*  
19                    *workforce skill upgrading and*  
20                    *greater operating efficiency.*

21                    *“(II) REPORT TO CONGRESS.—*  
22                    *The Secretary shall prepare and sub-*  
23                    *mit to Congress a report containing*  
24                    *the results of the study conducted pur-*  
25                    *suant to subclause (I). Such report*

1           *may include any recommendations*  
2           *that the Secretary determines are ap-*  
3           *propriate to include in such report re-*  
4           *lating to promoting the acquisition of*  
5           *industry-based certification and cre-*  
6           *dentials, and the appropriate role of*  
7           *the Department of Labor and the work-*  
8           *force investment system in supporting*  
9           *the needs of business and individuals*  
10          *with respect to such certification and*  
11          *credentials.*

12           “(iv) *STUDY OF EFFECTIVENESS OF*  
13          *WORKFORCE INVESTMENT SYSTEM IN MEET-*  
14          *ING BUSINESS NEEDS.—*

15           “(I) *IN GENERAL.—Using funds*  
16          *available to carry out this section*  
17          *jointly with funds available to the Sec-*  
18          *retary of Commerce and Administrator*  
19          *of the Small Business Administration,*  
20          *the Secretary, in coordination with the*  
21          *Secretary of Commerce and the Ad-*  
22          *ministrator of the Small Business Ad-*  
23          *ministration, may conduct a study of*  
24          *the effectiveness of the workforce invest-*  
25          *ment system in meeting the needs of*

1           *business, with particular attention to*  
2           *the needs of small business, including*  
3           *in assisting workers to obtain the skills*  
4           *needed to utilize emerging technologies.*  
5           *In conducting the study, the Secretary,*  
6           *in coordination with the Secretary of*  
7           *Commerce and the Administrator of*  
8           *the Small Business Administration,*  
9           *may examine issues such as—*

10                     *“(aa) methods for identifying*  
11                     *the workforce needs of businesses*  
12                     *and how the requirements of small*  
13                     *businesses may differ from larger*  
14                     *establishments;*

15                     *“(bb) business satisfaction*  
16                     *with the workforce investment sys-*  
17                     *tem, with particular emphasis on*  
18                     *the satisfaction of small busi-*  
19                     *nesses;*

20                     *“(cc) the extent to which*  
21                     *business is engaged as a collabo-*  
22                     *rative partner in the workforce*  
23                     *investment system, including the*  
24                     *extent of business involvement as*  
25                     *members of State boards and local*

boards, and the extent to which such boards and one-stop centers effectively collaborate with business and industry leaders in developing workforce investment strategies, including strategies to identify high growth opportunities;

“(dd) ways in which the workforce investment system addresses changing skill needs of business that result from changes in technology and work processes;

“(ee) promising practices for serving small businesses;

“(ff) the extent and manner in which the workforce investment system uses technology to serve business and individual needs, and how uses of technology could enhance efficiency and effectiveness in providing services; and

“(gg) the extent to which various segments of the labor force have access to and utilize tech-

1                    *nology to locate job openings and*  
 2                    *apply for jobs, and characteristics*  
 3                    *of individuals utilizing such tech-*  
 4                    *nology (such as age, gender, race*  
 5                    *or ethnicity, industry sector, and*  
 6                    *occupational groups).*

7                    “(II) *REPORT TO CONGRESS.*—  
 8                    *The Secretary shall prepare and sub-*  
 9                    *mit to Congress a report containing*  
 10                    *the results of the study described in*  
 11                    *subclause (I). Such report may include*  
 12                    *any recommendations the Secretary de-*  
 13                    *termines are appropriate to include in*  
 14                    *such report, including ways to enhance*  
 15                    *the effectiveness of the workforce invest-*  
 16                    *ment system in meeting the needs of*  
 17                    *business for skilled workers.”.*

18                    (c) *ADMINISTRATION.*—Section 171(d) (29 U.S.C.  
 19                    2916(d)) *is amended by striking the last sentence and in-*  
 20                    *serting the following: “Such projects shall be administered*  
 21                    *by the Employment and Training Administration.”.*

22                    (d) *NEXT GENERATION TECHNOLOGIES.*—Section 171  
 23                    (29 U.S.C. 2916) *is amended by adding at the end the fol-*  
 24                    *lowing:*

25                    “(e) *SKILL CERTIFICATION PILOT PROJECTS.*—

1           “(1) *PILOT PROJECTS.*—*In accordance with sub-*  
2           *section (b) and from funds appropriated pursuant to*  
3           *paragraph (10), the Secretary shall establish and*  
4           *carry out not more than 10 pilot projects to establish*  
5           *a system of industry-validated national certifications*  
6           *of skills, including—*

7                     “(A) *not more than 8 national certifications*  
8                     *of skills in high-technology and high-growth in-*  
9                     *dustries, including biotechnology, telecommuni-*  
10                    *cations, highly automated manufacturing (in-*  
11                    *cluding semiconductors), nanotechnology, energy*  
12                    *technology, and nursing; and*

13                   “(B) *not more than 2 cross-disciplinary na-*  
14                    *tional certifications of skills in homeland secu-*  
15                    *rity technology.*

16           “(2) *GRANTS TO ELIGIBLE ENTITIES.*—*In car-*  
17           *rying out the pilot projects, the Secretary shall make*  
18           *grants to eligible entities, for periods of not less than*  
19           *36 months and not more than 48 months, to carry out*  
20           *the authorized activities described in paragraph (7)*  
21           *with respect to the certifications described in para-*  
22           *graph (1). In awarding grants under this subsection*  
23           *the Secretary shall take into consideration awarding*  
24           *grants to eligible entities from diverse geographic*  
25           *areas, including rural areas.*



1 “(3) *ELIGIBLE ENTITIES*.—

2 “(A) *DEFINITION OF ELIGIBLE ENTITY*.—*In*  
 3 *this subsection the term ‘eligible entity’ means*  
 4 *an entity that shall work in conjunction with a*  
 5 *local board and shall include as a principal par-*  
 6 *ticipant 1 or more of the following:*

7 “(i) *An educational institution, in-*  
 8 *cluding a 2- or 4-year college, or a technical*  
 9 *or vocational school.*

10 “(ii) *An advanced technology edu-*  
 11 *cation center.*

12 “(iii) *A local board.*

13 “(iv) *A representative of a business in*  
 14 *a target industry for the certification in-*  
 15 *volved.*

16 “(v) *A representative of an industry*  
 17 *association, labor organization, or commu-*  
 18 *nity development organization.*

19 “(B) *HISTORY OF DEMONSTRATED CAPA-*  
 20 *BILITY REQUIRED*.—*To be eligible to receive a*  
 21 *grant under this subsection, an eligible entity*  
 22 *shall have a history of demonstrated capability*  
 23 *for effective collaboration with industry on work-*  
 24 *force investment activities that is consistent with*  
 25 *the objectives of this title.*

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

6           “(5) *CRITERIA.*—*The Secretary shall establish*  
7           *criteria, consistent with paragraph (6), for awarding*  
8           *grants under this subsection.*

9           “(6) *PRIORITY.*—*In selecting eligible entities to*  
10          *receive grants under this subsection, the Secretary*  
11          *shall give priority to eligible entities that demonstrate*  
12          *the availability of and ability to provide matching*  
13          *funds from industry or nonprofit sources. Such*  
14          *matching funds may be provided in cash or in kind.*

15          “(7) *AUTHORIZED ACTIVITIES.*—

16               “(A) *IN GENERAL.*—*An eligible entity that*  
17               *receives a grant under this subsection shall use*  
18               *the funds made available through the grant—*

19                       “(i) *to facilitate the establishment of*  
20                       *certification requirements for a certification*  
21                       *described in paragraph (1) for an industry;*

22                       “(ii) *to develop and initiate a certifi-*  
23                       *cation program that includes preparatory*  
24                       *courses, course materials, procedures, and*  
25                       *examinations, for the certification; and*

1                   “(iii) to collect and analyze data re-  
2                   lated to the program at the program’s com-  
3                   pletion, and to identify best practices (con-  
4                   sistent with paragraph (8)) that may be  
5                   used by State and local workforce invest-  
6                   ment boards in the future.

7                   “(B) BASIS FOR REQUIREMENTS.—The cer-  
8                   tification requirements established under the  
9                   grant shall be based on applicable skill standards  
10                  for the industry involved that have been devel-  
11                  oped by or linked to national centers of excellence  
12                  under the National Science Foundation’s Ad-  
13                  vanced Technological Education Program. The  
14                  requirements shall require an individual to dem-  
15                  onstrate an identifiable set of competencies rel-  
16                  evant to the industry in order to receive certifi-  
17                  cation. The requirements shall be designed to  
18                  provide evidence of a transferable skill set that  
19                  allows flexibility and mobility of workers within  
20                  a high technology industry.

21                  “(C) RELATIONSHIP TO TRAINING AND EDU-  
22                  CATION PROGRAMS.—The eligible entity shall en-  
23                  sure that—

24                         “(i) a training and education program  
25                         related to competencies for the industry in-

1                    *volved, that is flexible in mode and time-*  
 2                    *frame for delivery and that meets the needs*  
 3                    *of those seeking the certification, is offered;*  
 4                    *and*

5                    *“(ii) the certification program is of-*  
 6                    *fered at the completion of the training and*  
 7                    *education program.*

8                    *“(D) RELATIONSHIP TO THE ASSOCIATE*  
 9                    *DEGREE.—The eligible entity shall ensure that*  
 10                    *the certification program is consistent with the*  
 11                    *requirements for a 2-year associate degree.*

12                    *“(E) AVAILABILITY.—The eligible entity*  
 13                    *shall ensure that the certification program is*  
 14                    *open to students pursuing associate degrees, em-*  
 15                    *ployed workers, and displaced workers.*

16                    *“(8) CONSULTATION.—The Secretary shall con-*  
 17                    *sult with the Director of the National Science Foun-*  
 18                    *dation to ensure that the pilot projects build on the*  
 19                    *expertise and information about best practices gained*  
 20                    *through the implementation of the National Science*  
 21                    *Foundation’s Advanced Technological Education Pro-*  
 22                    *gram.*

23                    *“(9) CORE COMPONENTS; GUIDELINES; RE-*  
 24                    *PORTS.—After collecting and analyzing the data ob-*  
 25                    *tained from the pilot programs, the Secretary shall—*

1           “(A) establish the core components of a  
2           model high-technology certification program;

3           “(B) establish guidelines to assure develop-  
4           ment of a uniform set of standards and policies  
5           for such programs;

6           “(C) prepare and submit a report on the  
7           pilot projects to the Committee on Health, Edu-  
8           cation, Labor, and Pensions of the Senate and  
9           the Committee on Education and the Workforce  
10          of the House of Representatives; and

11          “(D) make available to the public both the  
12          data and the report.

13          “(10) AUTHORIZATION OF APPROPRIATIONS.—In  
14          addition to amounts authorized to be appropriated  
15          under section 174(b), there is authorized to be appro-  
16          priated \$30,000,000 for fiscal year 2006 to carry out  
17          this subsection.”.

18          (e) INTEGRATED WORKFORCE TRAINING PROGRAMS  
19          FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—Sec-  
20          tion 171 (29 U.S.C. 2916), as amended by subsection (d),  
21          is further amended by adding at the end the following:

22          “(f) INTEGRATED WORKFORCE TRAINING PROGRAMS  
23          FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—

24          “(1) DEFINITIONS.—In this subsection:

1                   “(A) *INTEGRATED WORKFORCE TRAINING.*—

2                   *The term ‘integrated workforce training’ means*  
 3                   *training that integrates occupational skills*  
 4                   *training with language acquisition.*

5                   “(B) *SECRETARY.*—*The term ‘Secretary’*  
 6                   *means the Secretary of Labor in consultation*  
 7                   *with the Secretary of Education.*

8                   “(2) *DEMONSTRATION PROJECT.*—*In accordance*  
 9                   *with subsection (b) and from funds appropriated pur-*  
 10                   *suant to paragraph (11), the Secretary shall establish*  
 11                   *and implement a national demonstration project de-*  
 12                   *signed to both analyze and provide data on workforce*  
 13                   *training programs that integrate English language*  
 14                   *acquisition and occupational training.*

15                   “(3) *GRANTS.*—

16                   “(A) *IN GENERAL.*—*In carrying out the*  
 17                   *demonstration project, the Secretary shall make*  
 18                   *not less than 10 grants, on a competitive basis,*  
 19                   *to eligible entities to provide the integrated work-*  
 20                   *force training programs. In awarding grants*  
 21                   *under this subsection the Secretary shall take*  
 22                   *into consideration awarding grants to eligible*  
 23                   *entities from diverse geographic areas, including*  
 24                   *rural areas.*

1           “(B) *PERIODS.*—*The Secretary shall make*  
 2           *the grants for periods of not less than 24 months*  
 3           *and not more than 48 months.*

4           “(4) *ELIGIBLE ENTITIES.*—

5           “(A) *IN GENERAL.*—*To be eligible to receive*  
 6           *a grant under this subsection, an eligible entity*  
 7           *shall work in conjunction with a local board and*  
 8           *shall include as a principal participant 1 or*  
 9           *more of the following:*

10           “(i) *An employer or employer associa-*  
 11           *tion.*

12           “(ii) *A nonprofit provider of English*  
 13           *language instruction.*

14           “(iii) *A provider of occupational or*  
 15           *skills training.*

16           “(iv) *A community-based organization.*

17           “(v) *An educational institution, in-*  
 18           *cluding a 2- or 4-year college, or a technical*  
 19           *or vocational school.*

20           “(vi) *A labor organization.*

21           “(vii) *A local board.*

22           “(B) *EXPERTISE.*—*To be eligible to receive*  
 23           *a grant under this subsection, an eligible entity*  
 24           *shall have proven expertise in—*

1                   “(i) *serving individuals with limited*  
 2                   *English proficiency, including individuals*  
 3                   *with lower levels of oral and written*  
 4                   *English; and*

5                   “(ii) *providing workforce programs*  
 6                   *with training and English language in-*  
 7                   *struction.*

8                   “(5) *APPLICATIONS.—*

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

14                  “(B) *CONTENTS.—Each application sub-*  
 15                  *mitted under subparagraph (A) shall—*

16                  “(i) *contain information, including ca-*  
 17                  *pability statements, that demonstrates that*  
 18                  *the eligible entity has the expertise described*  
 19                  *in paragraph (4)(B); and*

20                  “(ii) *include an assurance that the*  
 21                  *program to be assisted shall—*

22                  “(I) *establish a generalized adult*  
 23                  *bilingual workforce training and edu-*  
 24                  *cation model that integrates English*  
 25                  *language acquisition and occupational*



1           *training, and incorporates the unique*  
2           *linguistic and cultural factors of the*  
3           *participants;*

4           “(II) establish a framework by  
5           *which the employer, employee, and*  
6           *other relevant members of the eligible*  
7           *entity can create a career development*  
8           *and training plan that assists both the*  
9           *employer and the employee to meet*  
10          *their long-term needs;*

11          “(III) ensure that the framework  
12          *established under subclause (II) takes*  
13          *into consideration the knowledge, skills,*  
14          *and abilities of the employee with re-*  
15          *spect to both the current and economic*  
16          *conditions of the employer and future*  
17          *labor market conditions relevant to the*  
18          *local area; and*

19          “(IV) establish identifiable meas-  
20          *ures so that the progress of the em-*  
21          *ployee and employer and the relative*  
22          *efficacy of the program can be evalu-*  
23          *ated and best practices identified.*

24          “(6) *CRITERIA.—The Secretary shall establish*  
25          *criteria for awarding grants under this subsection.*

1           “(7) *INTEGRATED WORKFORCE TRAINING PRO-*  
2       *GRAMS.*—

3           “(A) *PROGRAM COMPONENTS.*—

4           “(i) *REQUIRED COMPONENTS.*—*Each*  
5       *program that receives funding under this*  
6       *subsection shall—*

7           “(I) *test an individual’s English*  
8       *language proficiency levels to assess*  
9       *oral and literacy gains from the begin-*  
10      *ning and throughout program enroll-*  
11      *ment;*

12          “(II) *combine training specific to*  
13      *a particular occupation or occupa-*  
14      *tional cluster, with—*

15          “(aa) *English language in-*  
16      *struction, such as instruction*  
17      *through an English as a Second*  
18      *Language program, or an English*  
19      *for Speakers of Other Languages*  
20      *program;*

21          “(bb) *basic skills instruction;*  
22      *and*

23          “(cc) *supportive services;*

24          “(III) *effectively integrate public*  
25      *and private sector entities, including*

1           *the local workforce investment system*  
2           *and its functions, to achieve the goals*  
3           *of the program; and*

4                     “(IV) *require matching or in-kind*  
5           *resources from private and nonprofit*  
6           *entities.*

7                     “(ii) *PERMISSIBLE COMPONENTS.—The*  
8           *program may offer other services, as nec-*  
9           *essary to promote successful participation*  
10          *and completion, including work-based*  
11          *learning, substance abuse treatment, and*  
12          *mental health services.*

13                    “(B) *GOAL.—Each program that receives*  
14          *funding under this subsection shall be designed*  
15          *to prepare limited English proficient adults for,*  
16          *and place such adults in employment in, grow-*  
17          *ing industries with identifiable career ladder*  
18          *paths.*

19                    “(C) *PROGRAM TYPES.—In selecting pro-*  
20          *grams to receive funding under this subsection,*  
21          *the Secretary shall select programs that meet 1*  
22          *or more of the following criteria:*

23                             “(i) *A program—*  
24                             “(I) *that serves unemployed, lim-*  
25                             *ited English proficient individuals*

1 *with significant work experience or*  
2 *substantial education but persistently*  
3 *low wages;*

4 *“(II) that aims to prepare such*  
5 *individuals for, and place such indi-*  
6 *viduals in, higher paying employment,*  
7 *defined for purposes of this subpara-*  
8 *graph as employment that provides at*  
9 *least 75 percent of the median wage in*  
10 *the local area; and*

11 *“(III) with funding that includes*  
12 *funds from private and nonprofit enti-*  
13 *ties.*

14 *“(ii) A program—*

15 *“(I) that serves limited English*  
16 *proficient individuals with lower levels*  
17 *of oral and written fluency, who are*  
18 *working but at persistently low wages;*

19 *“(II) that aims to prepare such*  
20 *individuals for, and place such indi-*  
21 *viduals in, higher paying employment,*  
22 *through services provided at the work-*  
23 *site, or at a location central to several*  
24 *work sites, during work hours; and*

1                   “(III) with funding that includes  
2                   funds from private and nonprofit enti-  
3                   ties.

4                   “(iii) A program—

5                   “(I) that serves unemployed, lim-  
6                   ited English proficient individuals  
7                   with lower levels of oral and written  
8                   fluency, who have little or no work ex-  
9                   perience;

10                  “(II) that aims to prepare such  
11                  individuals for, and place such indi-  
12                  viduals in, employment through serv-  
13                  ices that include subsidized employ-  
14                  ment, in addition to the components  
15                  required in subparagraph (A)(i); and

16                  “(III) with funding that includes  
17                  funds from private and nonprofit enti-  
18                  ties.

19                  “(D) PROGRAM APPROACHES.—In selecting  
20                  programs to receive funding under this sub-  
21                  section, the Secretary shall select programs with  
22                  different approaches to integrated workforce  
23                  training, in different contexts, in order to obtain  
24                  comparative data on multiple approaches to in-  
25                  tegrated workforce training and English lan-

guage instruction, to ensure programs are tailored to characteristics of individuals with varying skill levels, and to assess how different curricula work for limited English proficient populations. Such approaches may include—

“(i) bilingual programs in which the workplace language component and the training are conducted in a combination of an individual’s native language and English;

“(ii) integrated workforce training programs that combine basic skills, language instruction, and job specific skills training; or

“(iii) sequential programs that provide a progression of skills, language, and training 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 subsection 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.*—

1           “(A) *IN GENERAL.*—*The Secretary shall*  
2           *conduct an evaluation of program impacts of the*  
3           *programs funded under the demonstration*  
4           *project, using an impact study with a random*  
5           *assignment experimental design at each worksite*  
6           *at which such a program is carried out.*

7           “(B) *DATA COLLECTION AND ANALYSIS.*—  
8           *The Secretary shall collect and analyze the data*  
9           *from the demonstration project to determine pro-*  
10          *gram effectiveness, including gains in language*  
11          *proficiency, acquisition of skills, and job ad-*  
12          *vancement for program participants.*

13          “(C) *REPORT.*—*The Secretary shall prepare*  
14          *and submit to the Committee on Health, Edu-*  
15          *cation, Labor, and Pensions of the Senate and*  
16          *the Committee on Education and the Workforce*  
17          *of the House of Representatives, and make avail-*  
18          *able to the public, a report on the demonstration*  
19          *project, including the results of the evaluation.*

20          “(10) *TECHNICAL ASSISTANCE.*—*The Secretary*  
21          *shall provide technical assistance to recipients of*  
22          *grants under this subsection throughout the grant pe-*  
23          *riods.*

24          “(11) *AUTHORIZATION OF APPROPRIATIONS.*—*In*  
25          *addition to amounts authorized to be appropriated*

1        *under section 174(b), there is authorized to be appro-*  
 2        *priated \$10,000,000 for fiscal year 2006 to carry out*  
 3        *this subsection.”.*

4        *(f) COMMUNITY-BASED JOB TRAINING.—Section 171*  
 5        *(29 U.S.C. 2916), as amended by subsection (e), is further*  
 6        *amended by adding at the end the following:*

7        *“(g) COMMUNITY-BASED JOB TRAINING.—*

8                *“(1) DEFINITIONS.—In this subsection:*

9                        *“(A) COMMUNITY COLLEGE.—The term*  
 10                      *‘community college’ means—*

11                                *“(i) an institution of higher education,*  
 12                                *as defined in section 101 of the Higher*  
 13                                *Education Act of 1965 (20 U.S.C. 1001),*  
 14                                *that provides a 2-year degree that is accept-*  
 15                                *able for full credit toward a bachelor’s de-*  
 16                                *gree; or*

17                                *“(ii) a tribally controlled college or*  
 18                                *university, as defined in section 2 of the*  
 19                                *Tribally Controlled College or University*  
 20                                *Assistance Act of 1978 (25 U.S.C. 1801).*

21                                *“(B) ELIGIBLE ENTITY.—The term ‘eligible*  
 22                                *entity’ means a community college, a consortium*  
 23                                *of community colleges, or a consortium composed*  
 24                                *of a community college and 1 or more institu-*  
 25                                *tions of higher education, that shall work with—*



1 “(i) a local board;

2 “(ii) a business in the qualified indus-  
3 try or an industry association in the quali-  
4 fied industry, as identified in the applica-  
5 tion of the entity; and

6 “(iii) an economic development entity.

7 “(C) INSTITUTION OF HIGHER EDU-  
8 CATION.—Except as otherwise provided in sub-  
9 paragraph (A)(i), the term ‘institution of higher  
10 education’ has the meaning given the term in  
11 section 101 of the Higher Education Act of 1965  
12 (20 U.S.C. 1001) and the meaning given the  
13 term ‘postsecondary vocational institution’ in  
14 section 102(a)(1)(B) of such Act (20 U.S.C.  
15 1002(a)(1)(B)).

16 “(D) QUALIFIED INDUSTRY.—The term  
17 ‘qualified industry’ means an industry or eco-  
18 nomic sector that is projected to experience sig-  
19 nificant growth, such as an industry or economic  
20 sector that—

21 “(i) is projected to add substantial  
22 numbers of new jobs to the regional econ-  
23 omy;

24 “(ii) has or is projected to have signifi-  
25 cant impact on the regional economy;

1                   “(iii) impacts or is projected to impact  
2                   the growth of other industries or economic  
3                   sectors in the regional economy;

4                   “(iv) is being transformed by tech-  
5                   nology and innovation requiring new  
6                   knowledge or skill sets for workers;

7                   “(v) is a new or emerging industry or  
8                   economic sector that is projected to grow; or

9                   “(vi) requires high skills and has sig-  
10                  nificant labor shortages in the regional  
11                  economy.

12               “(2) DEMONSTRATION PROJECT.—In addition to  
13               the demonstration projects authorized under sub-  
14               section (b), the Secretary may establish and imple-  
15               ment a national demonstration project designed—

16               “(A) to develop local innovative solutions to  
17               the workforce challenges facing high-growth,  
18               high-skill industries with labor shortages; and

19               “(B) to increase employment opportunities  
20               for workers in high-growth, high-demand occupa-  
21               tions by establishing partnerships among edu-  
22               cation entities, the State workforce investment  
23               systems, and businesses in high-growth, high-skill  
24               industries or sectors.

1           “(3) *GRANTS.*—*In carrying out the national*  
 2           *demonstration project authorized under this sub-*  
 3           *section, the Secretary shall award grants, on a com-*  
 4           *petitive basis, for 2, 3, or 4 years, in accordance with*  
 5           *generally applicable Federal requirements, to eligible*  
 6           *entities to enable the eligible entities to carry out ac-*  
 7           *tivities authorized under this subsection.*

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

13               “(A) *a description of the eligible entity that*  
 14               *will offer training under the grant;*

15               “(B) *a justification of the need for discre-*  
 16               *tionary funding under the grant, including the*  
 17               *need for external funds to create a program to*  
 18               *carry out the activities described in paragraph*  
 19               *(6);*

20               “(C) *an economic analysis of the local labor*  
 21               *market to identify—*

22                       “(i) *high-growth, high-demand indus-*  
 23                       *tries;*

24                       “(ii) *the workforce issues faced by such*  
 25                       *industries; and*

1                   “(iii) potential participants in pro-  
2                   grams funded under this subsection;

3                   “(D) a description of the qualified industry  
4                   for which the training will occur, the avail-  
5                   ability of competencies on which the training  
6                   will be based, and how the grant will help work-  
7                   ers acquire the competencies and skills necessary  
8                   for employment;

9                   “(E) a description of the involvement of the  
10                  local board and businesses, including small busi-  
11                  nesses, in the geographic area where the proposed  
12                  grant will be implemented;

13                  “(F) performance measures for the grant,  
14                  including performance measures for the expected  
15                  number of individuals to be trained in a quali-  
16                  fied industry, the employment and retention  
17                  rates for such individuals in a qualified indus-  
18                  try, and initial earnings and earnings increases  
19                  for such individuals;

20                  “(G) a description of how the activities  
21                  funded by the grant will be coordinated with ac-  
22                  tivities provided through the one-stop center in  
23                  the local area; and

24                  “(H) a description of the local or private  
25                  resources that will—

1                   “(i) support the activities carried out  
2                   under this subsection; and

3                   “(ii) enable the entity to carry out and  
4                   expand such activities after the expiration  
5                   of the grant.

6                   “(5) *FACTORS FOR AWARD OF GRANT.*—

7                   “(A) *IN GENERAL.*—In awarding grants  
8                   under this subsection, the Secretary shall  
9                   consider—

10                   “(i) the extent of public and private  
11                   collaboration, including existing partner-  
12                   ships among qualified industries, the eligi-  
13                   ble entity, and the public workforce invest-  
14                   ment system;

15                   “(ii) the extent to which the grant will  
16                   provide job seekers with high-quality train-  
17                   ing for employment in high-growth, high-de-  
18                   mand occupations;

19                   “(iii) the extent to which the grant will  
20                   expand the eligible entity and local one-stop  
21                   center’s capacity to be demand-driven and  
22                   responsive to local economic needs;

23                   “(iv) the extent to which local busi-  
24                   nesses commit to hire, retain, or advance

1           *individuals who receive training through*  
2           *the grant; and*

3           “(v) *the extent to which the eligible en-*  
4           *tity commits to make any newly developed*  
5           *products, such as skill standards, assess-*  
6           *ments, or industry-recognized training cur-*  
7           *ricula, available for dissemination nation-*  
8           *ally.*

9           “(B) *LEVERAGING OF RESOURCES.—In*  
10          *awarding grants under this subsection, the Sec-*  
11          *retary shall also consider—*

12           “(i) *the extent to which local or private*  
13           *resources will be made available to support*  
14           *the activities carried out under this sub-*  
15           *section, taking into account the resources of*  
16           *the eligible entity and the entity’s partners;*  
17           *and*

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

21           “(C) *DISTRIBUTION OF GRANTS.—In*  
22          *awarding grants under this subsection, the Sec-*  
23          *retary shall ensure an equitable distribution of*  
24          *such grants across diverse industries and geo-*  
25          *graphic areas.*

1           “(6) *USE OF FUNDS.*—*An eligible entity that re-*  
2           *ceives a grant under this subsection—*

3                   “(A) *shall use the grant funds for—*

4                           “(i) *the development by the community*  
5                           *college that is a part of the eligible entity*  
6                           *in collaboration with other partners identi-*  
7                           *fied in the application, and, if applicable,*  
8                           *other representatives of qualified industries,*  
9                           *of rigorous training and education pro-*  
10                           *grams leading to an industry-recognized*  
11                           *credential or degree and employment in the*  
12                           *qualified industry; and*

13                           “(ii) *training of adults, incumbent*  
14                           *workers, dislocated workers, or out-of-school*  
15                           *youth in the skills and competencies needed*  
16                           *to obtain or upgrade employment in a*  
17                           *qualified industry identified in the eligible*  
18                           *entity’s application; and*

19                   “(B) *may use the grant funds for—*

20                           “(i) *disseminating information on*  
21                           *training available for high-growth, high-de-*  
22                           *mand occupations in qualified industries*  
23                           *through the one-stop delivery system to pro-*  
24                           *spective participants, businesses, business*  
25                           *intermediaries, and community-based orga-*

1           nizations in the region, including training  
2           available through the grant;

3           “(ii) referring individuals trained  
4           under the grant for employment in qualified  
5           industries;

6           “(iii) enhancing integration of commu-  
7           nity colleges, training and education with  
8           businesses, and the one-stop system to meet  
9           the training needs of qualified industries for  
10          new and incumbent workers;

11          “(iv) providing training and relevant  
12          job skills to small business owners or opera-  
13          tors to facilitate small business development  
14          in high-growth, high-skill industries; or

15          “(v) expanding or creating programs  
16          for distance, evening, weekend, modular, or  
17          compressed learning opportunities that pro-  
18          vide training and relevant job skills for  
19          high-growth, high-demand occupations.

20          “(7) *AUTHORITY TO REQUIRE NON-FEDERAL*  
21          *SHARE.*—The Secretary may require that recipients of  
22          grants under this subsection provide a non-Federal  
23          share, from either cash or noncash resources, of the  
24          costs of activities carried out under a grant awarded  
25          under this subsection.



1           “(8) *PERFORMANCE ACCOUNTABILITY AND EVAL-*  
2           *UATION.*—

3                   “(A) *PERFORMANCE ACCOUNTABILITY.*—*The*  
4                   *Secretary shall require an eligible entity that re-*  
5                   *ceives a grant under this subsection to submit an*  
6                   *interim and final report to the Secretary on the*  
7                   *impact on business partners and employment*  
8                   *outcomes obtained by individuals receiving*  
9                   *training under this subsection using the perform-*  
10                   *ance measures identified in the eligible entity’s*  
11                   *grant application.*

12                   “(B) *EVALUATION.*—*The Secretary shall re-*  
13                   *quire that an eligible entity that receives a grant*  
14                   *under this subsection participate in an evalua-*  
15                   *tion of activities carried out under this sub-*  
16                   *section, including an evaluation using the tech-*  
17                   *niques described in section 172(c).’’.*

18 **SEC. 147. NATIONAL DISLOCATED WORKER GRANTS.**

19           (a) *IN GENERAL.*—*Section 173 (29 U.S.C. 2918) is*  
20           *amended—*

21                   (1) *by striking the heading and inserting the fol-*  
22                   *lowing:*

23 **“SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.”;**

24           *and*

25                   (2) *in subsection (a)—*

1           (A) by redesignating paragraphs (1)  
 2           through (3) as subparagraphs (A) through (C),  
 3           respectively, and aligning the margins of the  
 4           subparagraphs with the margins of subpara-  
 5           graph (A) of paragraph (4);

6           (B) by striking paragraph (4);

7           (C) by striking the matter preceding para-  
 8           graph (1) and inserting the following:

9           “(a) *IN GENERAL.*—

10           “(1) *GRANTS.*—*The Secretary is authorized to*  
 11           *award national dislocated worker grants—*”;

12           (D) in paragraph (1)(A), by striking “sub-  
 13           section (c)” and inserting “subsection (b)”;

14           (E) in paragraph (1)(C), by striking “and”  
 15           after the semicolon; and

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

17           “(D) to a State or entity (as defined in sub-  
 18           section (b)(1)(B)) to carry out subsection (e), in-  
 19           cluding providing assistance to eligible individ-  
 20           uals;

21           “(E) to a State or entity (as defined in sub-  
 22           section (b)(1)(B)) to carry out subsection (f), in-  
 23           cluding providing assistance to eligible individ-  
 24           uals;

1           “(F) to provide additional assistance to a  
2           State board or local board where a higher than  
3           average demand for employment and training  
4           activities for dislocated members of the Armed  
5           Forces, or spouses, as described in section  
6           101(11)(E), of members of the Armed Forces, de-  
7           scribed in subsection (b)(2)(A)(iv), exceeds State  
8           and local resources for providing such services,  
9           and where such programs are to be carried out  
10          in partnership with the Department of Defense  
11          and Department of Veterans Affairs transition  
12          assistance programs; and

13          “(G) to provide assistance to a State for  
14          statewide or local use in order to—

15               “(i) address cases in which there have  
16               been worker dislocations across multiple sec-  
17               tors, across multiple businesses within a sec-  
18               tor, or across multiple local areas, and such  
19               workers remain dislocated;

20               “(ii) meet emerging economic develop-  
21               ment needs; and

22               “(iii) train eligible individuals who  
23               are dislocated workers described in clause  
24               (i).

1           “(2) *DECISIONS AND OBLIGATIONS.*—*The Sec-*  
 2           *retary shall issue a final decision on an application*  
 3           *for a national dislocated worker grant under this sub-*  
 4           *section not later than 45 calendar days after receipt*  
 5           *of the application. The Secretary shall issue a notice*  
 6           *of obligation for such a grant not later than 10 days*  
 7           *after the award of the grant.*”.

8           (b) *ADMINISTRATION AND ADDITIONAL ASSISTANCE.*—  
 9           *Section 173 (29 U.S.C. 2918) is amended—*

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

11           (2) *by redesignating subsections (c) through (g)*  
 12           *as subsections (b) through (f), respectively;*

13           (3) *in subsection (b) (as redesignated by para-*  
 14           *graph (2))—*

15           (A) *in paragraph (1)(A), by striking “sub-*  
 16           *section (a)(1)” and inserting “subsection*  
 17           *(a)(1)(A)”;* and

18           (B) *in paragraph (2)—*

19           (i) *in subparagraph (A), in the matter*  
 20           *preceding clause (i), by striking “national*  
 21           *emergency grant awarded pursuant to sub-*  
 22           *section (a)(1)” and inserting “national dis-*  
 23           *located worker grant awarded pursuant to*  
 24           *subsection (a)(1)(A)”;* and

1                   (ii) in subparagraph (C), by striking  
 2                   “national emergency grants” and inserting  
 3                   “national dislocated worker grants”;

4                   (4) in paragraphs (1), (2), and (3) of subsection  
 5                   (c) (as redesignated by paragraph (3)), by striking  
 6                   “subsection (a)(2)” and inserting “subsection  
 7                   (a)(1)(B)”;

8                   (5) by striking subsection (d) (as redesignated by  
 9                   paragraph (2)) and inserting the following:  
 10                  “(d) *ADDITIONAL ASSISTANCE.*—

11                   “(1) *IN GENERAL.*—From the amount appro-  
 12                   priated and made available to carry out this section  
 13                   for any program year, the Secretary shall use not  
 14                   more than \$20,000,000 to make grants to States to  
 15                   provide employment and training activities under  
 16                   section 134, in accordance with subtitle B.

17                   “(2) *ELIGIBLE STATES.*—The Secretary shall  
 18                   make a grant under paragraph (1) to a State for a  
 19                   program year if—

20                   “(A) the amount of the allotment that was  
 21                   made to the State for the program year 2003  
 22                   under the formula specified in section  
 23                   132(b)(1)(B) as such section was in effect on  
 24                   July 1, 2003, is greater than

1           “(B) the amount of the allotment that  
 2           would be made to the State for the program year  
 3           under the formula specified in section  
 4           132(b)(1)(B).

5           “(3) AMOUNT OF GRANTS.—Subject to paragraph  
 6           (1), the amount of the grant made under paragraph  
 7           (1) to a State for a program year shall be based on  
 8           the difference between—

9           “(A) the amount of the allotment that was  
 10          made to the State for the program year 2003  
 11          under the formula specified in section  
 12          132(b)(1)(B) as such section was in effect on  
 13          July 1, 2003; and

14          “(B) the amount of the allotment that  
 15          would be made to the State for the program year  
 16          under the formula specified in section  
 17          132(b)(1)(B).”;

18          (5) in subsection (e) (as redesignated by para-  
 19          graph (2))—

20               (A) in paragraph (1), by striking “para-  
 21               graph (4)(A)” and inserting “paragraph  
 22               (1)(D)”;

23               (B) in paragraph (2), by striking “sub-  
 24               section (g)” and inserting “subsection (f)”;

1                   (C) in paragraph (3)(B), by striking “sub-  
 2                   section (a)(4)(A)” and inserting “subsection  
 3                   (a)(1)(D)”;

4                   (D) in paragraph (4), by striking “sub-  
 5                   section (g)” and inserting “subsection (f)”;

6                   (E) in paragraph (5), by striking “sub-  
 7                   section (g)” and inserting “subsection (f)”;

8                   (F) in paragraph (6)—

9                   (i) by striking “subsection (g)” and in-  
 10                  serting “subsection (f)”;

11                  (ii) by striking “subsection (c)(1)(B)”  
 12                  and inserting “subsection (b)(1)(B)”;

13                  (6) in subsection (f) (as redesignated by para-  
 14                  graph (2))—

15                  (A) in paragraph (1)—

16                  (i) by striking “paragraph (4)(B)”  
 17                  and inserting “paragraph (1)(E)”;

18                  (ii) by striking “subsection (f)(1)(A)”  
 19                  and inserting “subsection (e)(1)(A)”;

20                  (B) in paragraph (4)(B), by striking “sub-  
 21                  section (a)(4)(B)” and inserting “subsection  
 22                  (a)(1)(E)”.

1 **SEC. 148. AUTHORIZATION OF APPROPRIATIONS FOR NA-**  
 2 **TIONAL ACTIVITIES.**

3 (a) *IN GENERAL.*—Section 174(a)(1) (29 U.S.C.  
 4 2919(a)(1)) is amended by striking “1999 through 2003”  
 5 and inserting “2006 through 2011”.

6 (b) *RESERVATIONS.*—Section 174(b) (29 U.S.C.  
 7 2919(b)) is amended to read as follows:

8 “(b) *TECHNICAL ASSISTANCE; DEMONSTRATION AND*  
 9 *PILOT PROJECTS, EVALUATIONS, INCENTIVE GRANTS.*—

10 “(1) *IN GENERAL.*—Subject to paragraph (2),  
 11 there are authorized to be appropriated to carry out  
 12 sections 170 through 172 and section 503 such sums  
 13 as may be necessary for each of fiscal years 2006  
 14 through 2011.

15 “(2) *RESERVATION.*—Of the amount appro-  
 16 priated pursuant to the authorization of appropria-  
 17 tions under paragraph (1) for a fiscal year, the Sec-  
 18 retary shall, for each of the fiscal years 2006 through  
 19 2011, reserve not less than 25 percent for carrying out  
 20 section 503.”.

21 (c) *ASSISTANCE FOR ELIGIBLE WORKERS.*—Section  
 22 174(c) (29 U.S.C. 2919(c)) is amended—

23 (1) in paragraphs (1)(A) and (2)(A), by striking  
 24 “subsection (a)(4)(A)” and inserting “subsection  
 25 (a)(1)(D)”; and



1           (2) in paragraphs (1)(B) and (2)(B), by striking  
 2           “subsection (a)(4)(B)” and inserting “subsection  
 3           (a)(1)(E)”.

## 4           ***Subtitle E—Administration***

### 5   ***SEC. 151. REQUIREMENTS AND RESTRICTIONS.***

6           Section 181(e) (29 U.S.C. 2931(e)) is amended by  
 7           striking “economic development activities,”.

### 8   ***SEC. 152. REPORTS.***

9           Section 185(c) (29 U.S.C. 2935(c)) is amended—

10           (1) in paragraph (2), by striking “and” after the  
 11           semicolon;

12           (2) in paragraph (3), by striking the period and  
 13           inserting “; and”; and

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

15           “(4) shall have the option to submit or dissemi-  
 16           nate electronically any reports, records, plans, or any  
 17           other data that are required to be collected or dissemi-  
 18           nated under this title.”.

### 19   ***SEC. 153. ADMINISTRATIVE PROVISIONS.***

20           (a) *ANNUAL REPORT*.—Section 189(d) (29 U.S.C.  
 21           2939(d)) is amended—

22           (1) in paragraph (3), by striking “and” after the  
 23           semicolon;

24           (2) by redesignating paragraph (4) as para-  
 25           graph (5); and

1           (3) *by inserting after paragraph (3) the fol-*  
 2           *lowing:*

3           “(4) *the negotiated levels of performance of the*  
 4           *States, the States’ requests for adjustments of such*  
 5           *levels, and the adjustments of such levels that are*  
 6           *made; and”.*

7           (b) *AVAILABILITY.—Section 189(g)(2) (29 U.S.C.*  
 8           *2939(g)(2)) is amended, in the first sentence—*

9           (1) *by striking “Funds” and inserting “Except*  
 10           *as otherwise provided in this paragraph, funds”; and*

11           (2) *by striking “each State receiving” and in-*  
 12           *serting “each recipient of”.*

13           (c) *GENERAL WAIVERS.—Section 189(i)(4) (29 U.S.C.*  
 14           *2939(i)(4)) is amended—*

15           (1) *in subparagraph (A)(i), by inserting “the*  
 16           *funding of infrastructure costs for one-stop centers,”*  
 17           *after “local boards,”;*

18           (2) *in subparagraph (C), by striking “90” and*  
 19           *inserting “60”; and*

20           (3) *by adding at the end the following:*

21           “(D) *EXPEDITED REQUESTS.—The Sec-*  
 22           *retary shall expedite requests for waivers of stat-*  
 23           *utory or regulatory requirements that have been*  
 24           *approved for a State pursuant to subparagraph*

1           (B), if the requirements of this paragraph have  
2           been satisfied.

3                   “(E) *SPECIAL RULE.*—With respect to any  
4           State that has a waiver under this paragraph re-  
5           lating to the transfer authority under section  
6           133(b)(4), and has the waiver in effect on the  
7           date of enactment of the Workforce Investment  
8           Act Amendments of 2005 or subsequently receives  
9           such a waiver, the waiver shall continue to  
10          apply for so long as the State meets or exceeds  
11          State performance measures relating to the indi-  
12          cators described in section 136(b)(2)(A)(i).”.

13   **SEC. 154. USE OF CERTAIN REAL PROPERTY.**

14          Section 193 (29 U.S.C. 2943) is amended to read as  
15   follows:

16   **“SEC. 193. TRANSFER OF FEDERAL EQUITY IN STATE EM-**  
17                   **PLOYMENT SECURITY AGENCY REAL PROP-**  
18                   **ERTY TO THE STATES.**

19          “(a) *TRANSFER OF FEDERAL EQUITY.*—Notwith-  
20   standing any other provision of law, any Federal equity  
21   acquired in real property through grants to States awarded  
22   under title III of the Social Security Act (42 U.S.C. 501  
23   et seq.) or under the Wagner-Peyser Act (29 U.S.C. 49 et  
24   seq.) is transferred to the States that used the grants for  
25   the acquisition of such equity. The portion of any real prop-

erty that is attributable to the Federal equity transferred under this section shall be used to carry out activities authorized under title III of the Social Security Act or the Wagner-Peyser Act. Any disposition of such real property shall be carried out in accordance with the procedures prescribed by the Secretary and the portion of the proceeds from the disposition of such real property that is attributable to the Federal equity transferred under this section shall be used to carry out activities authorized under title III of the Social Security Act or the Wagner-Peyser Act.

“(b) *LIMITATION ON USE.*—A State shall not use funds awarded under title III of the Social Security Act or the Wagner-Peyser Act to amortize the costs of real property that is purchased by any State on or after the effective date of this provision.”.

**SEC. 155. GENERAL PROGRAM REQUIREMENTS.**

Section 195 (29 U.S.C. 2945) is amended by adding at the end the following:

“(14) Funds provided under this title shall not be used to establish or operate stand-alone fee-for-service enterprises that compete with private sector employment agencies (as defined in section 701(c) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(c))). For purposes of this paragraph, such an enterprise does

1        *not include a one-stop service delivery system de-*  
 2        *scribed in section 121(e).”.*

### 3        ***Subtitle F—Incentive Grants***

#### 4        ***SEC. 161. INCENTIVE GRANTS.***

5        *Section 503 (20 U.S.C. 9273) is amended—*

6                *(1) by striking subsection (a) and inserting the*  
 7        *following:*

8                *“(a) IN GENERAL.—*

9                        *“(1) TIMELINE.—*

10                                *“(A) PRIOR TO JULY 1, 2006.—Prior to July*  
 11                                *1, 2006, the Secretary shall award a grant to*  
 12                                *each State in accordance with the provisions of*  
 13                                *this section as this section was in effect on July*  
 14                                *1, 2003.*

15                                *“(B) BEGINNING JULY 1, 2006.—Beginning*  
 16                                *on July 1, 2006, the Secretary shall award in-*  
 17                                *centive grants to States for performance de-*  
 18                                *scribed in paragraph (2), to implement or en-*  
 19                                *hance innovative and coordinated programs as*  
 20                                *described in paragraph (3), consistent with the*  
 21                                *statewide economic, workforce, and educational*  
 22                                *interests of the State.*

23                                *“(2) BASIS.—The Secretary shall award the*  
 24        *grants on the basis that the States—*

1           “(A) have exceeded the State performance  
2           measures established under section 136(b), the  
3           performance measures established under section  
4           212(b) of the Adult Education and Family Lit-  
5           eracy Act (20 U.S.C. 9212(b)), and the State  
6           performance measures established under section  
7           113(b) of the Carl D. Perkins Vocational and  
8           Technical Education Act of 1998 (20 U.S.C.  
9           2323(b)); or

10          “(B) have—

11               “(i) met the State performance meas-  
12               ures established under section 136(b), the  
13               performance measures established under sec-  
14               tion 212(b) of the Adult Education and  
15               Family Literacy Act, and the State per-  
16               formance measures established under section  
17               113(b) of the Carl D. Perkins Vocational  
18               and Technical Education Act of 1998; and

19               “(ii) demonstrated—

20                       “(I) exemplary coordination of  
21                       one-stop partner programs described in  
22                       section 121 with statewide economic  
23                       development or business needs;

24                       “(II) exemplary performance in  
25                       the one-stop partner programs in the

1           *State in serving hard-to-serve popu-*  
2           *lations; or*

3           “(III) effective—

4                   “(aa) coordination of mul-  
5                   *ti-ple systems for the one-stop*  
6                   *partner programs into a com-*  
7                   *prehensive workforce investment*  
8                   *system, including coordination of*  
9                   *employment activities under the*  
10                  *Wagner-Peyser Act (29 U.S.C. 49*  
11                  *et seq.) and core services under*  
12                  *section 134(d)(2);*

13                  “(bb) expansion of access to  
14                  *training through the one-stop*  
15                  *partner programs, including ex-*  
16                  *pansion of access through in-*  
17                  *creased leveraging of resources*  
18                  *other than those provided through*  
19                  *programs under title I;*

20                  “(cc) implementation of  
21                  *statewide coordination activities*  
22                  *relating to the one-stop partner*  
23                  *programs, through agreements*  
24                  *with relevant State agencies and*  
25                  *offices, including those responsible*

1           *for programs under the Adult*  
2           *Education and Family Literacy*  
3           *Act (20 U.S.C. 9201 et seq.) and*  
4           *the Rehabilitation Act of 1973 (29*  
5           *U.S.C. 701 et seq.);*

6                     *“(dd) statewide coordination*  
7                     *relating to the one-stop partner*  
8                     *programs, through arrangements*  
9                     *with local boards or local areas;*

10                    *“(ee) alignment of manage-*  
11                    *ment information systems to inte-*  
12                    *grate participant information*  
13                    *across the one-stop partner pro-*  
14                    *grams; or*

15                    *“(ff) integration of perform-*  
16                    *ance information systems and*  
17                    *common measures for account-*  
18                    *ability across the one-stop partner*  
19                    *programs.*

20                    *“(3) USE OF FUNDS.—The funds awarded to a*  
21                    *State under this section may be used to carry out ac-*  
22                    *tivities authorized for States in programs carried out*  
23                    *under title I, the Adult Education and Family Lit-*  
24                    *eracy Act, and the Carl D. Perkins Vocational and*  
25                    *Technical Education Act of 1998 (20 U.S.C. 2301 et*



1        *seq.) (referred to in this subsection as ‘workforce and*  
 2        *education programs’), including demonstration*  
 3        *projects, and innovative projects or programs that in-*  
 4        *crease coordination and enhance service to partici-*  
 5        *pants in such programs, particularly hard-to-serve*  
 6        *populations, including—*

7                *“(A) activities that support business needs,*  
 8                *especially for incumbent workers and enhancing*  
 9                *opportunities for retention and advancement;*

10               *“(B) activities that support linkages be-*  
 11               *tween the workforce and education programs,*  
 12               *and secondary, postsecondary, or career and*  
 13               *technical education programs, including activi-*  
 14               *ties under the Carl D. Perkins Vocational and*  
 15               *Technical Education Act of 1998 (20 U.S.C.*  
 16               *2301 et seq.), the Adult Education and Family*  
 17               *Literacy Act (20 U.S.C. 9201 et seq.), and the*  
 18               *Rehabilitation Act of 1973 (29 U.S.C. 701 et*  
 19               *seq.);*

20               *“(C) activities that support statewide eco-*  
 21               *nomic development plans that support high-*  
 22               *wage, high-skill, or high-demand occupations*  
 23               *leading to self-sufficiency;*

24               *“(D) activities that coordinate the workforce*  
 25               *and education programs with other Federal and*

1       *State programs related to the workforce and edu-*  
2       *cation programs;*

3               “(E) activities that support the development  
4       *of a statewide integrated performance informa-*  
5       *tion system that includes common measures for*  
6       *one-stop partner programs described in section*  
7       *121;*

8               “(F) activities that align management in-  
9       *formation systems with integrated performance*  
10       *information across the one-stop partner pro-*  
11       *grams; or*

12               “(G) activities that support local workforce  
13       *investment boards or areas in improving per-*  
14       *formance in workforce and education programs*  
15       *and program coordination of workforce and edu-*  
16       *cation programs.*

17               “(4) WAIVER.—*For States that have developed*  
18       *and implemented a statewide integrated performance*  
19       *information system with common measures, as de-*  
20       *scribed in paragraph (3)(E), for the one-stop partner*  
21       *programs, the Secretary may waive for the State such*  
22       *reporting requirements for the one-stop partner pro-*  
23       *grams as the Secretary has authority or agreement to*  
24       *waive.*

1           “(5) *TECHNICAL ASSISTANCE.*—*The Secretary*  
 2           *shall reserve 4 percent of the funds available for*  
 3           *grants under this section to provide technical assist-*  
 4           *ance to States—*

5                     “(A) *to replicate best practices for workforce*  
 6                     *and education programs;*

7                     “(B) *to develop integrated performance in-*  
 8                     *formation systems for the one-stop partner pro-*  
 9                     *grams;*

10                    “(C) *to strengthen coordination between*  
 11                    *workforce and education programs and other*  
 12                    *education programs; or*

13                    “(D) *to strengthen economic development.*

14           “(6) *DEFINITION.*—*As used in this subsection,*  
 15           *the term ‘hard-to-serve populations’ has the meaning*  
 16           *given the term in section 101.”;*

17                    (2) *in subsection (b)(2)—*

18                             (A) *in the matter preceding subparagraph*  
 19                             (A), *by striking “only” and all that follows*  
 20                             *through “assurances:” and inserting “to ensure*  
 21                             *that the application contains, and to determine*  
 22                             *the accuracy of, the following assurances:”;* and

23                             (B) *by striking subparagraph (C) and in-*  
 24                             *serting the following:*

**7 SEC. 171. TABLE OF CONTENTS.**

“Sec. 106. Purposes.”;

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

*“Sec. 169. Youth challenge grants.”;*

*"Sec. 173. National dislocated worker grants."*;

*“Sec. 193. Transfer of Federal equity in State employment security agency real property to the States.”;*

*“Sec. 244. Integrated English literacy and civics education.”;*

1                   *and*

2                   *(7) by striking the item relating to section 502.*

3   **SEC. 172. CONFORMING AMENDMENTS.**

4           (a) *TRADE ACT OF 1974.*—Section 235 of the Trade  
5   *Act of 1974 (19 U.S.C. 2295) is amended by striking “sec-*  
6   *tion 134(c) of the Workforce Investment Act of 1998 (29*  
7   *U.S.C. 2864(c))” and inserting “section 121(e) of the Work-*  
8   *force Investment Act of 1998 (29 U.S.C. 2841(e))”.*

9           (b) *ADULT EDUCATION AND FAMILY LITERACY ACT.*—  
10   *Section 212(b)(3)(A)(vi) of the Adult Education and Fam-*  
11   *ily Literacy Act (20 U.S.C. 9212(b)(3)(A)(vi)) is amended*  
12   *by striking “the representatives described in section*  
13   *136(i)(1)” and inserting “representatives of appropriate*  
14   *Federal agencies, and representatives of States and political*  
15   *subdivisions, business and industry, employees, eligible pro-*  
16   *viders of employment and training activities (as defined in*  
17   *section 101), educators, and participants (as defined in sec-*  
18   *tion 101), with expertise regarding workforce investment*  
19   *policies and workforce investment activities (as defined in*  
20   *section 101)”.*

21           (c) *OLDER AMERICANS ACT OF 1965.*—

22                   (1) *Subparagraphs (H) and (O) of section*  
23                   *502(b)(1) of the Older Americans Act of 1965 (42*  
24                   *U.S.C. 3056(b)(1)) are amended by striking “section*  
25                   *134(c) of the Workforce Investment Act of 1998 (29*

1       *U.S.C. 2864(c))” and inserting “section 121(e) of the*  
 2       *Workforce Investment Act of 1998 (29 U.S.C.*  
 3       *2841(e))”.*

4               *(2) Section 505(c)(1) of the Older Americans Act*  
 5       *of 1965 (42 U.S.C. 3056c(c)(1)) is amended by strik-*  
 6       *ing “section 134(c) of such Act (29 U.S.C. 2864(c))”*  
 7       *and inserting “section 121(e) of such Act (29 U.S.C.*  
 8       *2841(e))”.*

9               *(3) Section 512(a) of the Older Americans Act of*  
 10       *1965 (42 U.S.C. 3056j(a)) is amended—*

11                       *(A) by striking “(B)(vi)” and inserting*  
 12                       *“(B)(v)”;* *and*

13                       *(B) by striking “section 134(c) of such Act*  
 14                       *(29 U.S.C. 2864(c))” and inserting “section*  
 15                       *121(e) of such Act (29 U.S.C. 2841(e))”.*

16       ***TITLE II—AMENDMENTS TO THE***  
 17       ***ADULT EDUCATION AND FAM-***  
 18       ***ILY LITERACY ACT***

19       ***SEC. 201. SHORT TITLE; PURPOSE.***

20               *(a) SHORT TITLE.—This title may be cited as the*  
 21       *“Adult Education and Family Literacy Act Amendments*  
 22       *of 2005”.*

23               *(b) PURPOSE.—Section 202 of the Adult Education*  
 24       *and Family Literacy Act (20 U.S.C. 9201) is amended—*

1           (1) in paragraph (2), by striking “and” after the  
2           semicolon;

3           (2) in paragraph (3), by striking “education.”  
4           and inserting “education and in the transition to  
5           postsecondary education; and”; and

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

7           “(4) assist immigrants and other individuals  
8           with limited English proficiency in improving their  
9           reading, writing, speaking, and mathematics skills  
10          and acquiring an understanding of the American free  
11          enterprise system, individual freedom, and the re-  
12          sponsibilities of citizenship.”.

13 **SEC. 202. DEFINITIONS.**

14          Section 203 of the Adult Education and Family Lit-  
15          eracy Act (20 U.S.C. 9202) is amended—

16               (1) in paragraph (1)—

17                       (A) in the matter preceding subparagraph  
18                       (A), by striking “services or instruction below  
19                       the postsecondary level” and inserting “academic  
20                       instruction and education services below the  
21                       postsecondary level that increase an individual’s  
22                       ability to read, write, and speak in English and  
23                       perform mathematics”; and

24                       (B) by striking subparagraph (C)(i) and in-  
25                       serting the following:

1                   “(i) are basic skills deficient as defined  
2                   in section 101;”;

3                   (2) in paragraph (2), by striking “activities de-  
4                   scribed in section 231(b)” and inserting “programs  
5                   and services which include reading, writing, speaking,  
6                   or mathematics skills, workplace literacy activities,  
7                   family literacy activities, English language acquisi-  
8                   tion activities, or other activities necessary for the at-  
9                   tainment of a secondary school diploma or its State  
10                  recognized equivalent”;

11                  (3) in paragraph (5)—

12                   (A) by inserting “an organization that has  
13                   demonstrated effectiveness in providing adult  
14                   education, that may include” after “means”;

15                   (B) in subparagraph (B), by striking “of  
16                   demonstrated effectiveness”;

17                   (C) in subparagraph (C), by striking “of  
18                   demonstrated effectiveness”; and

19                   (D) in subparagraph (I), by inserting “or  
20                   coalition” after “consortium”;

21                  (4) in paragraph (6)—

22                   (A) by striking “LITERACY PROGRAM” and  
23                   inserting “LANGUAGE ACQUISITION PROGRAM”;

24                   (B) by striking “literacy program” and in-  
25                   serting “language acquisition program”; and



1                   (C) by inserting “reading, writing, and  
2                   speaking” after “competence in”;

3                   (5) by striking paragraph (10);

4                   (6) by redesignating paragraphs (7) through (9)  
5                   and (12) through (18) as paragraphs (8) through (10)  
6                   and (13) through (19), respectively;

7                   (7) by inserting after paragraph (6) the fol-  
8                   lowing:

9                   “(7) *ESSENTIAL COMPONENTS OF READING IN-*  
10                  *STRUCTION.—The term ‘essential components of read-*  
11                  *ing instruction’ has the meaning given the term in*  
12                  *section 1208 of the Elementary and Secondary Edu-*  
13                  *cation Act of 1965 (20 U.S.C. 6368).”;*

14                  (8) by inserting after paragraph (11) the fol-  
15                  lowing:

16                  “(12) *LIMITED ENGLISH PROFICIENCY.—The*  
17                  *term ‘limited English proficiency’, when used with re-*  
18                  *spect to an individual, means an adult or out-of-*  
19                  *school youth who has limited ability in speaking,*  
20                  *reading, writing, or understanding the English lan-*  
21                  *guage, and—*

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

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

4           (9) by striking paragraph (15), as redesignated  
5           by paragraph (6), and inserting the following:

6           “(15) *OUTLYING AREA*.—The term ‘outlying  
7           area’ means the United States Virgin Islands, Guam,  
8           American Samoa, and the Commonwealth of the  
9           Northern Mariana Islands.”; and

10          (10) by striking paragraph (19), as redesignated  
11          by paragraph (6), and inserting the following:

12          “(19) *WORKPLACE LITERACY PROGRAM*.—The  
13          term ‘workplace literacy program’ means an edu-  
14          cational program designed to improve the produc-  
15          tivity of the workforce through the improvement of lit-  
16          eracy skills that is offered by an eligible provider in  
17          collaboration with an employer or an employee orga-  
18          nization at a workplace, at an off-site location, or in  
19          a simulated workplace environment.”.

20   **SEC. 203. HOME SCHOOLS.**

21          Section 204 of the Adult Education and Family Lit-  
22          eracy Act (20 U.S.C. 9203) is amended to read as follows:

23   **“SEC. 204. HOME SCHOOLS.**

24          “Nothing in this title shall be construed to affect home  
25          schools, whether a home school is treated as a home school

1 *or a private school under State law, or to compel a parent*  
 2 *engaged in home schooling to participate in an English lan-*  
 3 *guage acquisition program, family literacy services, or*  
 4 *adult education.”.*

5 **SEC. 204. AUTHORIZATION OF APPROPRIATIONS.**

6 *Section 205 of the Adult Education and Family Lit-*  
 7 *eracy Act (20 U.S.C. 9204) is amended—*

8 *(1) by striking “1999” and inserting “2006”;*  
 9 *and*

10 *(2) by striking “2003” and inserting “2011”.*

11 **SEC. 205. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE**  
 12 **AGENCIES; ALLOTMENTS.**

13 *Section 211 of the Adult Education and Family Lit-*  
 14 *eracy Act (20 U.S.C. 9211) is amended—*

15 *(1) by striking subsection (a) and inserting the*  
 16 *following:*

17 *“(a) RESERVATION OF FUNDS.—From the sum appro-*  
 18 *priated under section 205 for a fiscal year, the Secretary—*

19 *“(1) shall reserve 1.5 percent to carry out section*  
 20 *242, except that the amount so reserved shall not ex-*  
 21 *ceed \$10,000,000;*

22 *“(2) shall reserve 1.5 percent to carry out section*  
 23 *243 and subsection (f)(4), except that the amount so*  
 24 *reserved shall not exceed \$8,000,000;*

1           “(3) shall make available, to the Secretary of  
2       Labor, 1.72 percent for incentive grants under section  
3       503; and

4           “(4) shall reserve 12 percent of the amount that  
5       remains after reserving funds under paragraphs (1),  
6       (2) and (3) to carry out section 244.”;

7           (2) in subsection (c)(2)—

8               (A) by inserting “and the sole agency re-  
9       sponsible for administering or supervising policy  
10      for adult education and literacy in the Republic  
11      of Palau” after “an initial allotment under  
12      paragraph (1)”;

13            (B) by inserting “or served by the agency  
14      for the Republic of Palau” after “by the eligible  
15      agency”; and

16            (C) by striking “States and outlying areas”  
17      and inserting “States, outlying areas, and the  
18      Republic of Palau”;

19           (3) in subsection (e)—

20               (A) in paragraph (1)—

21                   (i) by striking “the Republic of the  
22      Marshall Islands, the Federated States of  
23      Micronesia, and”; and

1                   (ii) by striking “the Republic of the  
2                   Marshall Islands, the Federated States of  
3                   Micronesia, or” and inserting “or”; and  
4                   (B) in paragraph (3)—

5                   (i) by striking “the Republic of the  
6                   Marshall Islands, the Federated States of  
7                   Micronesia, and”; and

8                   (ii) by striking “2001” and inserting  
9                   “2007”;

10                  (4) by striking subsection (f) and inserting the  
11                  following:

12                  “(f) *HOLD-HARMLESS PROVISIONS.*—

13                         “(1) *IN GENERAL.*—Notwithstanding subsection  
14                         (c) and subject to paragraph (2), for fiscal year 2005  
15                         and each succeeding fiscal year, no eligible agency  
16                         shall receive an allotment under this section that is  
17                         less than 90 percent of the allotment the eligible agen-  
18                         cy received for the preceding fiscal year under this  
19                         section.

20                         “(2) *100 PERCENT ALLOTMENT.*—Notwith-  
21                         standing paragraphs (1) and (2) of subsection (e), an  
22                         eligible agency that receives only an initial allotment  
23                         under subsection (c)(1) (and no additional allotment  
24                         under subsection (c)(2)) shall receive an allotment

1       *under this section that is equal to 100 percent of the*  
2       *initial allotment under subsection (c)(1).*

3               “(3) *RATABLE REDUCTION.*—*If for any fiscal*  
4       *year the amount available for allotment under this*  
5       *subtitle is insufficient to satisfy the provisions of*  
6       *paragraphs (1) and (2), the Secretary shall ratably*  
7       *reduce the payments to all eligible agencies, as nec-*  
8       *essary.*

9               “(4) *ADDITIONAL ASSISTANCE.*—

10              “(A) *IN GENERAL.*—*From amounts reserved*  
11       *under subsection (a)(2), the Secretary shall make*  
12       *grants to eligible agencies described in subpara-*  
13       *graph (B) to enable such agencies to provide ac-*  
14       *tivities authorized under chapter 2.*

15              “(B) *ELIGIBILITY.*—*An eligible agency is*  
16       *eligible to receive a grant under this paragraph*  
17       *for a fiscal year if the amount of the allotment*  
18       *such agency receives under this section for the*  
19       *fiscal year is less than the amount such agency*  
20       *would have received for the fiscal year if the al-*  
21       *lotment formula under this section as in effect on*  
22       *September 30, 2003, were in effect for such year.*

23              “(C) *AMOUNT OF GRANT.*—*The amount of a*  
24       *grant made to an eligible agency under this*

1           *paragraph for a fiscal year shall be the difference*  
 2           *between—*

3                   “(i) *the amount of the allotment such*  
 4                   *agency would have received for the fiscal*  
 5                   *year if the allotment formula under this sec-*  
 6                   *tion as in effect on September 30, 2003,*  
 7                   *were in effect for such year; and*

8                   “(ii) *the amount of the allotment such*  
 9                   *agency receives under this section for the*  
 10                  *fiscal year.”; and*

11           (5) *by adding at the end the following:*

12           “(h) *STUDY AND REPORT.—*

13                   “(1) *STUDY.—The Comptroller General of the*  
 14                   *United States shall conduct a study concerning the*  
 15                   *formula described in this section and, in conducting*  
 16                   *the study, shall at a minimum—*

17                           “(A) *examine whether the formula results in*  
 18                           *a distribution of funds that sufficiently serves the*  
 19                           *entire population of individuals eligible for adult*  
 20                           *education and literacy activities under this sub-*  
 21                           *title;*

22                           “(B) *examine whether the data used to*  
 23                           *count qualified adults, for purposes of the for-*  
 24                           *mula, accurately measure the population of indi-*  
 25                           *viduals eligible for the activities; and*

1           “(C) develop recommendations for improv-  
 2           ing the formula so that the formula results in a  
 3           distribution of funds that better serves that popu-  
 4           lation and the data used to count qualified  
 5           adults accurately measure that population.

6           “(2) *REPORT*.—Not later than 3 years after the  
 7           date of enactment of the Workforce Investment Act  
 8           Amendments of 2005, the Comptroller General shall  
 9           submit to Congress a report containing the results of  
 10          the study described in paragraph (1).”.

11 **SEC. 206. PERFORMANCE ACCOUNTABILITY SYSTEM.**

12          Section 212 of the Adult Education and Family Lit-  
 13          eracy Act (20 U.S.C. 9212) is amended—

14               (1) in subsection (b)—

15                       (A) in paragraph (1)(A)(ii), by striking  
 16                       “additional indicators of performance (if any)”  
 17                       and inserting “the employment performance in-  
 18                       dicators”;

19                       (B) by striking paragraph (2) and inserting  
 20                       the following:

21                       “(2) *INDICATORS OF PERFORMANCE*.—

22                               “(A) *CORE INDICATORS OF PERFORM-*  
 23                               *ANCE*.—An eligible agency shall identify in the  
 24                               State plan individual academic performance in-



dicators that include, at a minimum, the following:

“(i) *Measurable improvements in literacy skill levels in reading, writing, and speaking the English language, numeracy, problem solving, English language acquisition, and other literacy skills.*

“(ii) *Placement in, retention in, or completion of, postsecondary education or other training programs.*

“(iii) *Completion of a secondary school diploma, its recognized equivalent, or a recognized alternative standard for individuals with disabilities.*

“(B) *EMPLOYMENT PERFORMANCE INDICATORS.—*

“(i) *IN GENERAL.—An eligible agency shall identify in the State plan individual participant employment performance indicators that include, at a minimum, the following:*

“(I) *Entry into unsubsidized employment.*

1                   “(II) *Retention in unsubsidized*  
 2                   *employment 6 months after entry into*  
 3                   *the employment.*

4                   “(III) *Increases in earnings from*  
 5                   *unsubsidized employment.*

6                   “(ii) *DATA COLLECTION.—The State*  
 7                   *workforce investment board shall assist the*  
 8                   *eligible agency in obtaining and using*  
 9                   *quarterly wage records to collect data for*  
 10                   *each of the indicators described in clause*  
 11                   *(i), consistent with applicable Federal and*  
 12                   *State privacy laws.*

13                   “(C) *INDICATORS FOR WORKPLACE LIT-*  
 14                   *ERACY PROGRAMS.—Special accountability*  
 15                   *measures may be negotiated for workplace lit-*  
 16                   *eracy programs.”; and*

17                   *(C) in paragraph (3)—*

18                   *(i) in subparagraph (A)—*

19                   *(I) in clause (i)(II), by striking*  
 20                   *“in performance” and inserting “the*  
 21                   *agency’s performance outcomes in an*  
 22                   *objective, quantifiable, and measurable*  
 23                   *form”;*

1                   (II) in clause (ii), by striking “3  
2                   program 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 performance”;  
 5 and

6 (iii) by adding at the end the fol-  
 7 lowing:

8 “(C) *ALTERNATIVE ASSESSMENT SYS-*  
 9 *TEMS.—Eligible agencies may approve the use of*  
 10 *assessment systems that are not commercially*  
 11 *available standardized systems if such systems*  
 12 *meet the Standards for Educational and Psycho-*  
 13 *logical Testing issued by the Joint Committee on*  
 14 *Standards for Educational and Psychological*  
 15 *Testing of the American Educational Research*  
 16 *Association, the American Psychological Associa-*  
 17 *tion, and the National Council on Measurement*  
 18 *in Education.”;*

19 (2) in subsection (c)—

20 (A) in paragraph (1)—

21 (i) by inserting “, the Governor, the  
 22 State legislature, and the State workforce  
 23 investment board” after “Secretary”; and

1                   (ii) by striking “including” and all  
 2                   that follows through the period and insert-  
 3                   ing “including the following:

4                   “(A) Information on the levels of perform-  
 5                   ance achieved by the eligible agency with respect  
 6                   to the core indicators of performance, and em-  
 7                   ployment performance indicators.

8                   “(B) Information on the number or percent-  
 9                   age of qualifying adults (as defined in section  
 10                  211(d)) who are participants in adult education  
 11                  programs under this subtitle and making satis-  
 12                  factory progress toward 1 or more of each of the  
 13                  following:

14                   “(i) Core indicators of performance.

15                   “(ii) Employment performance indica-  
 16                  tors.

17                   “(iii) Other long-term objectives.

18                   “(C) The number and type of each eligible  
 19                  provider that receives funding under such grant.

20                   “(D) The number of enrollees 16 to 18 years  
 21                  of age who enrolled in adult education not later  
 22                  than 1 year after participating in secondary  
 23                  school education.”;

24                   (B) in paragraph (2)(A), by inserting “eli-  
 25                  gible providers and” after “available to”; and

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

2                   “(3) *DATA ACCESS.*—The report made available  
3                   under paragraph (2) shall indicate which eligible  
4                   agencies did not have access to State unemployment  
5                   insurance wage data in measuring employment per-  
6                   formance indicators.”; and

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

8                   “(d) *PROGRAM IMPROVEMENT.*—

9                   “(1) *IN GENERAL.*—If the Secretary determines  
10                  that an eligible agency did not meet its adjusted levels  
11                  of performance for the core indicators of performance  
12                  described in subsection (b)(2)(A) for any program  
13                  year, the eligible agency shall—

14                  “(A) work with the Secretary to develop and  
15                  implement a program improvement plan for the  
16                  2 program years succeeding the program year in  
17                  which the eligible agency did not meet its ad-  
18                  justed levels of performance; and

19                  “(B) revise its State plan under section  
20                  224, if necessary, to reflect the changes agreed to  
21                  in the program improvement plan.

22                  “(2) *FURTHER ASSISTANCE.*—If, after the period  
23                  described in paragraph (1)(A), the Secretary has pro-  
24                  vided technical assistance to the eligible agency but  
25                  determines that the eligible agency did not meet its

1        *adjusted levels of performance for the core indicators*  
 2        *of performance described in subsection (b)(2)(A), the*  
 3        *Secretary may require the eligible agency to make*  
 4        *further revisions to the program improvement plan*  
 5        *described in paragraph (1). Such further revisions*  
 6        *shall be accompanied by further technical assistance*  
 7        *from the Secretary.”.*

8        **SEC. 207. STATE ADMINISTRATION.**

9        *Section 221(1) of the Adult Education and Family*  
 10       *Literacy Act (20 U.S.C. 9221(1)) is amended by striking*  
 11       *“and implementation” and inserting “implementation, and*  
 12       *monitoring”.*

13       **SEC. 208. STATE DISTRIBUTION OF FUNDS; MATCHING RE-**  
 14       **QUIREMENT.**

15       *Section 222 of the Adult Education and Family Lit-*  
 16       *eracy Act (20 U.S.C. 9222) is amended—*

17                *(1) in subsection (a)—*

18                        *(A) in paragraph (1)—*

19                                *(i) by striking “82.5” the first place*  
 20                                *such term appears and inserting “80”; and*

21                                *(ii) by striking “the 82.5 percent” and*  
 22                                *inserting “such amount”;*

23                        *(B) in paragraph (2), by striking “not more*  
 24                        *than 12.5 percent” and inserting “not more than*  
 25                        *15 percent”; and*

1                   (C) in paragraph (3), by striking “\$65,000”  
 2                   and inserting “\$75,000”; and  
 3                   (2) in subsection (b)(1), by striking “equal to”  
 4                   and inserting “that is not less than”.

5 **SEC. 209. STATE LEADERSHIP ACTIVITIES.**

6           Section 223 of the Adult Education and Family Lit-  
 7           eracy Act (20 U.S.C. 9223) is amended—

8                   (1) in subsection (a)—

9                           (A) in the matter preceding paragraph (1),  
 10                           by inserting “to develop or enhance the adult  
 11                           education system of the State or outlying area”  
 12                           after “activities”;

13                           (B) in paragraph (1), by striking “instruc-  
 14                           tion incorporating” and all that follows through  
 15                           the period and inserting “instruction incor-  
 16                           porating the essential components of reading in-  
 17                           struction and instruction provided by volunteers  
 18                           or by personnel of a State or outlying area.”;

19                           (C) in paragraph (2), by inserting “, in-  
 20                           cluding development and dissemination of in-  
 21                           structional and programmatic practices based on  
 22                           the most rigorous research available and appro-  
 23                           priate, including scientifically based research  
 24                           that is available and appropriate, in reading,  
 25                           writing, speaking, mathematics, English lan-



1            *guage acquisition programs, distance learning,*  
2            *and staff training” after “activities”;*

3            *(D) in paragraph (5), by striking “moni-*  
4            *toring and”;*

5            *(E) by striking paragraph (6) and inserting*  
6            *the following:*

7            *“(6) The development and implementation of*  
8            *technology applications, translation technology, or*  
9            *distance learning, including professional development*  
10           *to support the use of instructional technology.”; and*

11           *(F) by striking paragraph (7) through*  
12           *paragraph (11) and inserting the following:*

13           *“(7) Coordination with—*

14           *“(A) other partners carrying out activities*  
15           *authorized under this Act; and*

16           *“(B) existing support services, such as*  
17           *transportation, child care, mental health services,*  
18           *and other assistance designed to increase rates of*  
19           *enrollment in, and successful completion of,*  
20           *adult education and literacy activities, for adults*  
21           *enrolled in such activities.*

22           *“(8) Developing and disseminating curricula, in-*  
23           *cluding curricula incorporating the essential compo-*  
24           *nents of reading instruction as such components re-*  
25           *late to adults.*

1           “(9) *The provision of assistance to eligible pro-*  
 2           *viders in developing, implementing, and reporting*  
 3           *measurable progress in achieving the objectives of this*  
 4           *subtitle.*

5           “(10) *The development and implementation of a*  
 6           *system to assist in the transition from adult basic*  
 7           *education to postsecondary education, including link-*  
 8           *ages with postsecondary educational institutions.*

9           “(11) *Integration of literacy and English lan-*  
 10          *guage instruction with occupational skill training,*  
 11          *and promoting linkages with employers.*

12          “(12) *Activities to promote workplace literacy*  
 13          *programs.*

14          “(13) *Activities to promote and complement local*  
 15          *outreach initiatives described in section 243(b)(3)(F).*

16          “(14) *In cooperation with efforts funded under*  
 17          *sections 242 and 243, the development of curriculum*  
 18          *frameworks and rigorous content standards that—*

19                 “(A) *specify what adult learners should*  
 20                 *know and be able to do in the areas of reading*  
 21                 *and language arts, mathematics, and English*  
 22                 *language acquisition; and*

23                 “(B) *take into consideration the following:*

1                   “(i) *State academic standards estab-*  
2                   *lished under section 1111(b) of the Elemen-*  
3                   *tary and Secondary Education Act of 1965.*

4                   “(ii) *The current adult skills and lit-*  
5                   *eracy assessments used in the State or out-*  
6                   *lying area.*

7                   “(iii) *The core indicators of perform-*  
8                   *ance established under section 212(b)(2)(A).*

9                   “(iv) *Standards and academic require-*  
10                  *ments for enrollment in non-remedial, for-*  
11                  *credit, courses in postsecondary education*  
12                  *institutions supported by the State or out-*  
13                  *lying area.*

14                  “(v) *Where appropriate, the basic and*  
15                  *literacy skill content of occupational and*  
16                  *industry skill standards widely used by*  
17                  *business and industry in the State or out-*  
18                  *lying area.*

19                  “(15) *In cooperation with efforts funded under*  
20                  *sections 242 and 243, development and piloting of—*

21                  “(A) *new assessment tools and strategies*  
22                  *that—*

23                  “(i) *are based on scientifically based*  
24                  *research, where available and appropriate;*  
25                  *and*

1                   “(ii) identify the needs and capture the  
2                   gains of students at all levels, with par-  
3                   ticular emphasis on—

4                   “(I) students at the lowest  
5                   achievement level;

6                   “(II) students who have limited  
7                   English proficiency; and

8                   “(III) adults with learning dis-  
9                   abilities;

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) by redesignating paragraphs (5)  
18           through (12) as paragraphs (6) through (13), re-  
19           spectively;

20           (E) by inserting after paragraph (4) the fol-  
21           lowing:

22                 “(5) a description of how the eligible agency will  
23                 improve teacher quality, the professional development  
24                 of eligible providers, and instruction;’’;

1           (F) in paragraph (6) (as redesignated by  
2           subparagraph (D)), by striking “who” and all  
3           that follows through the semicolon and inserting  
4           “that—

5           “(A) offers flexible schedules and coordinates  
6           with necessary Federal, State, and local support  
7           services (such as child care, transportation, men-  
8           tal health services, and case management) to en-  
9           able individuals, including individuals with dis-  
10          abilities or individuals with other special needs,  
11          to participate in adult education and literacy  
12          activities; and

13          “(B) attempts to coordinate with support  
14          services that are not provided under this subtitle  
15          prior to using funds for adult education and lit-  
16          eracy activities provided under this subtitle for  
17          support services;”;

18          (G) in paragraph (10) (as redesignated by  
19          subparagraph (D)), by striking “plan;” and in-  
20          serting “plan, which process—

21          “(A) shall include the State workforce in-  
22          vestment board, the Governor, State officials rep-  
23          resenting public schools, community colleges, wel-  
24          fare agencies, agencies that provide services to  
25          individuals with disabilities, other State agencies

1        *that promote or operate adult education and lit-*  
 2        *eracy activities, and direct providers of such*  
 3        *adult literacy services; and*

4                *“(B) may include consultation with the*  
 5        *State agency for higher education, institutions*  
 6        *responsible for professional development of adult*  
 7        *education and literacy education program in-*  
 8        *structors, institutions of higher education, rep-*  
 9        *resentatives of business and industry, refugee as-*  
 10       *sistance programs, and community-based organi-*  
 11       *zations (as such term is defined in section*  
 12       *101);”;*

13                *(H) in paragraph (11) (as redesignated by*  
 14        *subparagraph (D))—*

15                        *(i) by inserting “assess potential popu-*  
 16                        *lation needs and” after “will”;*

17                        *(ii) in subparagraph (A), by striking*  
 18                        *“students” and inserting “individuals”;*

19                        *(iii) in subparagraph (C), by striking*  
 20                        *“and” after the semicolon; and*

21                        *(iv) by adding at the end the following:*

22                        *“(E) the unemployed; and*

23                        *“(F) those individuals who are employed,*  
 24        *but at levels below self-sufficiency, as defined in*  
 25        *section 101;”;*



1           (I) in paragraph (12) (as redesignated by  
2           subparagraph (D))—

3           (i) by inserting “and how the plan  
4           submitted under this subtitle is coordinated  
5           with the plan submitted by the State under  
6           title I” after “eligible agency”; and

7           (ii) by striking “and” after the semi-  
8           colon;

9           (J) in paragraph (13) (as redesignated by  
10          subparagraph (D)), by striking “231(c)(1).” and  
11          inserting “231(c)(1), including—

12          “(A) how the State will build the capacity  
13          of organizations that provide adult education  
14          and literacy activities; and

15          “(B) how the State will increase the partici-  
16          pation of business and industry in adult edu-  
17          cation and literacy activities;”; and

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

19          “(14) a description of how the eligible agency  
20          will consult with any State agency responsible for  
21          postsecondary education to develop adult education  
22          programs and services (including academic skill de-  
23          velopment and support services) that prepare students  
24          to enter postsecondary education upon the attainment

1       *of a secondary school diploma or its recognized equiv-*  
 2       *alent;*

3               “(15) a description of how the eligible agency  
 4       *will consult with the State agency responsible for*  
 5       *workforce development to develop adult education pro-*  
 6       *grams and services that are designed to prepare stu-*  
 7       *dents to enter the workforce; and*

8               “(16) a description of how the eligible agency  
 9       *will improve the professional development of eligible*  
 10       *providers of adult education and literacy activities.”;*

11              (3) in subsection (c), by adding at the end the  
 12       *following: “At the end of the first 2-year period of the*  
 13       *4-year State plan, the eligible agency shall review*  
 14       *and, as needed, revise the 4-year State plan.”; and*

15              (4) in subsection (d)—

16                      (A) in paragraph (1), by inserting “, the  
 17       *chief State school officer, the State officer respon-*  
 18       *sible for administering community and technical*  
 19       *colleges, and the State workforce investment*  
 20       *board” after “Governor”; and*

21                      (B) in paragraph (2), by striking “com-  
 22       *ments” and all that follows through the period*  
 23       *and inserting “comments regarding the State*  
 24       *plan by the Governor, the chief State school offi-*  
 25       *cer, the State officer responsible for admin-*

1            *istering community and technical colleges, and*  
 2            *the State workforce investment board, and any*  
 3            *revision to the State plan, are submitted to the*  
 4            *Secretary.”.*

5    **SEC. 211. PROGRAMS FOR CORRECTIONS EDUCATION AND**  
 6            **OTHER INSTITUTIONALIZED INDIVIDUALS.**

7            *Section 225 of the Adult Education and Family Lit-*  
 8            *eracy Act (20 U.S.C. 9225) is amended—*

9            *(1) in subsection (b)—*

10                    *(A) in paragraph (1), by striking “basic*  
 11                    *education” and inserting “adult education and*  
 12                    *literacy activities”;*

13                    *(B) in paragraph (2), by inserting “and”*  
 14                    *after the semicolon;*

15                    *(C) by striking paragraph (3); and*

16                    *(D) by redesignating paragraph (4) as*  
 17                    *paragraph (3); and*

18                    *(2) in subsection (d), by striking “DEFINITION*  
 19                    *OF CRIMINAL OFFENDER.—” and inserting “DEFINI-*  
 20                    *TIONS.—In this section:”.*

21    **SEC. 212. GRANTS AND CONTRACTS FOR ELIGIBLE PRO-**  
 22            **VIDERS.**

23            *Section 231 of the Adult Education and Family Lit-*  
 24            *eracy Act (20 U.S.C. 9241) is amended—*

25            *(1) in subsection (b)—*

1           (A) in paragraph (1), by striking “work-  
 2           place literacy services” and inserting “workplace  
 3           literacy programs”; and

4           (B) in paragraph (3), by striking “literacy”  
 5           and inserting “language acquisition”; and  
 6           (2) in subsection (e)—

7           (A) in paragraph (1), by inserting “to be  
 8           achieved annually on the core indicators of per-  
 9           formance and employment performance indica-  
 10          tors described in section 212(b)(2)” after “out-  
 11          comes”;

12          (B) by striking paragraph (3) and inserting  
 13          the following:

14          “(3) the commitment of the eligible provider to  
 15          be responsive to local needs and to serve individuals  
 16          in the community who were identified by the assess-  
 17          ment as most in need of adult literacy services, in-  
 18          cluding individuals who are low-income, have mini-  
 19          mal literacy skills, have learning disabilities, or have  
 20          limited English proficiency;”;

21          (C) in paragraph (4)(B), by striking “,  
 22          such as” and all that follows through the semi-  
 23          colon and inserting “that include the essential  
 24          components of reading instruction;”;

1           (D) in paragraph (5), by striking “re-  
 2           search” and inserting “the most rigorous re-  
 3           search available, including scientifically based  
 4           research,”;

5           (E) in paragraph (9), by inserting “edu-  
 6           cation, job training, and social service” after  
 7           “other available”;

8           (F) in paragraph (10)—

9                 (i) by inserting “coordination with  
 10                Federal, State, and local” after “schedules  
 11                and”; and

12               (ii) by striking “and transportation”  
 13                and inserting “, transportation, mental  
 14                health services, and case management”;

15           (G) in paragraph (11)—

16                 (i) by inserting “measurable” after  
 17                “report”;

18                 (ii) by striking “eligible agency”;

19                 (iii) by inserting “established by the el-  
 20                igible agency” after “performance meas-  
 21                ures”; and

22                 (iv) by striking “and” after the semi-  
 23                colon;

24           (H) in paragraph (12), by striking “lit-  
 25           eracy programs.” and inserting “language acqui-

1           sition programs and civics education pro-  
2           grams;” and

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

4           “(13) the capacity of the eligible provider to  
5           produce information on performance results, includ-  
6           ing enrollments and measurable participant out-  
7           comes;

8           “(14) whether reading, writing, speaking, mathe-  
9           matics, and English language acquisition instruction  
10          provided by the eligible provider are based on the best  
11          practices derived from the most rigorous research  
12          available and appropriate, including scientifically  
13          based research that is available and appropriate;

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” each place the term appears*  
 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 scientifically based research  
16                  where available and appropriate, or the most  
17                  rigorous research available and appropriate, on  
18                  the effectiveness of instructional practices and or-  
19                  ganizational strategies relating to literacy pro-  
20                  grams on the acquisition of skills in reading,  
21                  writing, English acquisition, and mathematics.”;  
22                  and

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

24                  “(3) COORDINATION.—In identifying the reliable  
25                  and replicable research the Institute will support, the

*Institute shall use standards for research quality that are consistent with those of the Institute of Education Sciences.”;*

*(4) in subsection (e)—*

*(A) in paragraph (1)(B)—*

*(i) in clause (i), by striking “literacy programs” and inserting “language acquisition programs”;*

*(ii) in clause (ii), by striking “literacy programs” and inserting “or have participated in or partnered with workplace literacy programs”;*

*(iii) in clause (iv), by inserting “, including adult literacy research” after “research”;*

*(iv) in clause (vi), by striking “and” after the semicolon;*

*(v) in clause (vii), by striking the period at the end and inserting “; and”;* and

*(vi) by adding at the end the following:*

*“(viii) institutions of higher education.”;*

*(B) in paragraph (2)—*

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

1                   (ii) in subparagraph (C), by striking  
2                   the period at the end and inserting “; and”;  
3                   and

4                   (iii) by adding at the end the fol-  
5                   lowing:

6                   “(D) review the biennial report submitted to  
7                   Congress pursuant to subsection (k).”; and

8                   (C) in paragraph (5), by striking the second  
9                   sentence and inserting the following: “A rec-  
10                  ommendation of the Board may be passed only  
11                  by a majority of the Board’s members present at  
12                  a meeting for which there is a quorum.”; and  
13                  (5) in subsection (k)—

14                 (A) by striking “Labor and Human Re-  
15                 sources” and inserting “Health, Education,  
16                 Labor, and Pensions”; and

17                 (B) by striking “The Institute shall submit  
18                 a report biennially to” and inserting “Not later  
19                 than 1 year after the date of enactment of the  
20                 Adult Education and Family Literacy Act  
21                 Amendments of 2005, and biennially thereafter,  
22                 the Institute shall submit a report to”.

23 **SEC. 217. NATIONAL LEADERSHIP ACTIVITIES.**

24                 Section 243 of the Adult Education and Family Lit-  
25                 eracy Act (20 U.S.C. 9253) is amended to read as follows:

1 **“SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.**

2       “(a) *IN GENERAL.*—*The Secretary shall establish and*  
 3 *carry out a program of national leadership activities to en-*  
 4 *hance the quality of adult education and literacy programs*  
 5 *nationwide.*

6       “(b) *PERMISSIVE ACTIVITIES.*—*The national leader-*  
 7 *ship activities described in subsection (a) may include the*  
 8 *following:*

9               “(1) *Technical assistance, including—*

10                   “(A) *assistance provided to eligible pro-*  
 11 *viders in developing and using performance*  
 12 *measures for the improvement of adult education*  
 13 *and literacy activities, including family literacy*  
 14 *services;*

15                   “(B) *assistance related to professional devel-*  
 16 *opment activities, and assistance for the pur-*  
 17 *poses of developing, improving, identifying, and*  
 18 *disseminating the most successful methods and*  
 19 *techniques for providing adult education and lit-*  
 20 *eracy activities, including family literacy serv-*  
 21 *ices, based on scientific evidence where available;*

22                   “(C) *assistance in distance learning and*  
 23 *promoting and improving the use of technology*  
 24 *in the classroom;*

25                   “(D) *assistance in developing valid, meas-*  
 26 *urable, and reliable performance data, including*

1        *data about employment and employment out-*  
 2        *come, and using performance information for the*  
 3        *improvement of adult education and literacy*  
 4        *programs; and*

5                *“(E) assistance to help States, particularly*  
 6        *low-performing States, meet the requirements of*  
 7        *section 212.*

8                *“(2) A program of grants, contracts, or coopera-*  
 9        *tive agreements awarded on a competitive basis to na-*  
 10       *tional, regional, or local networks of private nonprofit*  
 11       *organizations, public libraries, or institutions of high-*  
 12       *er education to build the capacity of such networks’*  
 13       *members to meet the performance requirements of eli-*  
 14       *gible providers under this title and involve adult*  
 15       *learners in program improvement.*

16               *“(3) Funding national leadership activities that*  
 17       *are not described in paragraph (1), either directly or*  
 18       *through grants, contracts, or cooperative agreements*  
 19       *awarded on a competitive basis to or with postsec-*  
 20       *ondary educational institutions, public or private or-*  
 21       *ganizations or agencies, or consortia of such institu-*  
 22       *tions, organizations, or agencies, such as—*

23                *“(A) developing, improving, and identifying*  
 24        *the most successful methods and techniques for*  
 25        *addressing the education needs of adults, includ-*

1        *ing instructional practices using the essential*  
2        *components of reading instruction based on the*  
3        *work of the National Institute of Child Health*  
4        *and Human Development;*

5                *“(B) increasing the effectiveness of, and im-*  
6        *proving the quality of, adult education and lit-*  
7        *eracy activities, including family literacy serv-*  
8        *ices;*

9                *“(C) carrying out rigorous research, includ-*  
10        *ing scientifically based research where appro-*  
11        *priate, on national literacy basic skill acquisi-*  
12        *tion for adult learning, including estimating the*  
13        *number of adults functioning at the lowest levels*  
14        *of literacy proficiency;*

15                *“(D)(i) carrying out demonstration pro-*  
16        *grams;*

17                *“(ii) disseminating best practices informa-*  
18        *tion, including information regarding promising*  
19        *practices resulting from federally funded dem-*  
20        *onstration programs; and*

21                *“(iii) developing and replicating best prac-*  
22        *tices and innovative programs, including—*

23                        *“(I) the development of models for*  
24        *basic skill certificates;*



1                   “(II) the identification of effective  
2                   strategies for working with adults with  
3                   learning disabilities and with adults with  
4                   limited English proficiency;

5                   “(III) integrated basic and workplace  
6                   skills education programs;

7                   “(IV) coordinated literacy and employ-  
8                   ment services; and

9                   “(V) postsecondary education transi-  
10                  tion programs;

11                  “(E) providing for the conduct of an inde-  
12                  pendent evaluation and assessment of adult edu-  
13                  cation and literacy activities through studies  
14                  and analyses conducted independently through  
15                  grants and contracts awarded on a competitive  
16                  basis, which evaluation and assessment shall in-  
17                  clude descriptions of—

18                       “(i) the effect of performance measures  
19                       and other measures of accountability on the  
20                       delivery of adult education and literacy ac-  
21                       tivities, including family literacy services;

22                       “(ii) the extent to which the adult edu-  
23                       cation and literacy activities, including  
24                       family literacy services, increase the lit-  
25                       eracy skills of adults (and of children, in

1           *the case of family literacy services), lead the*  
 2           *participants in such activities to involve-*  
 3           *ment in further education and training, en-*  
 4           *hance the employment and earnings of such*  
 5           *participants, and, if applicable, lead to*  
 6           *other positive outcomes, such as reductions*  
 7           *in recidivism in the case of prison-based*  
 8           *adult education and literacy activities;*

9           “(iii) *the extent to which the provision*  
 10          *of support services to adults enrolled in*  
 11          *adult education and family literacy pro-*  
 12          *grams increase the rate of enrollment in,*  
 13          *and successful completion of, such pro-*  
 14          *grams; and*

15          “(iv) *the extent to which different types*  
 16          *of providers measurably improve the skills*  
 17          *of participants in adult education and lit-*  
 18          *eracy programs;*

19          “(F) *supporting efforts aimed at capacity*  
 20          *building of programs at the State and local levels*  
 21          *such as technical assistance in program plan-*  
 22          *ning, assessment, evaluation, and monitoring of*  
 23          *activities carried out under this subtitle;*

24          “(G) *collecting data, such as data regarding*  
 25          *the improvement of both local and State data*

1        *systems, through technical assistance and devel-*  
 2        *opment of model performance data collection sys-*  
 3        *tems;*

4                *“(H) supporting the development of an enti-*  
 5        *ty that would produce and distribute technology-*  
 6        *based programs and materials for adult edu-*  
 7        *cation and literacy programs using an inter-*  
 8        *connection system (as defined in section 397 of*  
 9        *the Communications Act of 1934 (47 U.S.C.*  
 10       *397)) and expand the effective outreach and use*  
 11       *of such programs and materials to adult edu-*  
 12       *cation eligible providers;*

13               *“(I) determining how participation in*  
 14       *adult education and literacy activities prepares*  
 15       *individuals for entry into postsecondary edu-*  
 16       *cation and employment and, in the case of pris-*  
 17       *on-based services, has an effect on recidivism;*  
 18       *and*

19               *“(J) other activities designed to enhance the*  
 20       *quality of adult education and literacy activities*  
 21       *nationwide.”.*

22    **SEC. 218. INTEGRATED ENGLISH LITERACY AND CIVICS**  
 23        **EDUCATION.**

24        *Chapter 4 of subtitle A of title II (29 U.S.C. 9251 et*  
 25       *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 data of the Office of Immigration Statistics  
 16 of the Department of Homeland Security for im-  
 17 migrants admitted for legal permanent residence  
 18 for the 10 most recent years; and

19 “(B) 35 percent to the States on the basis  
 20 of whether the State experienced growth, as  
 21 measured by the average of the 3 most recent  
 22 years for which the data of the Office of Immi-  
 23 gration Statistics of the Department of Home-  
 24 land Security for immigrants admitted for legal  
 25 permanent residence are available.

1           “(2) *MINIMUM.*—No State shall receive an allot-  
 2           ment under paragraph (1) in an amount that is less  
 3           than \$60,000.”.

4   **SEC. 219. TRANSITION.**

5           *The Secretary shall take such steps as the Secretary*  
 6           *determines to be appropriate to provide for the orderly tran-*  
 7           *sition to the authority of the Adult Education and Family*  
 8           *Literacy Act (as amended by this title) from any authority*  
 9           *under provisions of the Adult Education and Family Lit-*  
 10          *eracy Act (as such Act was in effect on the day before the*  
 11          *date of enactment of the Adult Education and Family Lit-*  
 12          *eracy Act Amendments of 2005).*

13           **TITLE III—AMENDMENTS TO**  
 14           **OTHER PROVISIONS OF LAW**

15   **SEC. 301. WAGNER-PEYSER ACT.**

16          (a) *CONFORMING AMENDMENT.*—Section 2(3) of the  
 17          Wagner-Peyser Act (29 U.S.C. 49a(3)) is amended by strik-  
 18          ing “section 134(c)” and inserting “section 121(e)”.

19          (b) *COLOCATION.*—Section 3 of the Wagner-Peyser Act  
 20          (29 U.S.C. 49b) is amended by adding at the end the fol-  
 21          lowing:

22           “(d) *In order to avoid duplication of services and en-*  
 23          *hance integration of services, employment services offices in*  
 24          *each State shall be colocated with one-stop centers estab-*

lished under title I of the Workforce Investment Act of 1998  
(29 U.S.C. 2801 *et seq.*).

“(e) The Secretary, in consultation with States, is authorized to assist in the development of national electronic tools that may be used to improve access to workforce information for individuals through—

“(1) the one-stop delivery systems established under section 121(e) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(e)); and

“(2) such other delivery systems as the Secretary determines to be appropriate.”.

(c) **WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.**—Section 15 of the Wagner-Peyser Act (29 U.S.C. 49l–2) is amended—

(1) by striking the section heading and inserting the following:

**“SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.”;**

(2) by striking “employment statistics system” each place it appears and inserting “workforce and labor market information system”;

(3) in subsection (a)(1), by striking “of employment statistics”;

(4) in subsection (b)—

(A) in paragraph (1)—

1                   (i) by striking “The” and inserting the  
2                   following:

3                   “(A) *STRUCTURE.—The*”; and

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

5                   “(B) *GRANTS OR COOPERATIVE AGREE-*  
6                   *MENTS.—*

7                   “(i) *IN GENERAL.—The Secretary shall*  
8                   *carry out the provisions of this section in a*  
9                   *timely manner through grants or coopera-*  
10                  *tive agreements with States.*

11                  “(ii) *DISTRIBUTION OF FUNDS.—With*  
12                  *regard to distributing funds appropriated*  
13                  *under subsection (g) (relating to workforce*  
14                  *and labor market information funding) for*  
15                  *fiscal years 2006 through 2011, the Sec-*  
16                  *retary shall continue to distribute the funds*  
17                  *to States in the manner in which the Sec-*  
18                  *retary distributed funds to the States under*  
19                  *this section for fiscal years 1999 through*  
20                  *2003.”; and*

21                  (B) in paragraph (2)(E)—

22                   (i) in clause (i), by adding “and” at  
23                   the end;

24                   (ii) in clause (ii), by striking “; and”  
25                   and inserting a period; and

1                                   *(iii) by striking clause (iii);*

2                                   *(5) by striking subsections (c) and (d) and in-*  
3                                   *serting the following:*

4                   “(c) *TWO-YEAR PLAN.*—*The Secretary, working*  
5                   *through the Commissioner of Labor Statistics, and in co-*  
6                   *operation with the States and with the assistance of the As-*  
7                   *sistant Secretary for Employment and Training and heads*  
8                   *of other appropriate Federal agencies, shall prepare a 2-*  
9                   *year plan which shall be the mechanism for achieving coop-*  
10                  *erative management of the nationwide workforce and labor*  
11                  *market information system described in subsection (a) and*  
12                  *the statewide workforce and labor market information sys-*  
13                  *tems that comprise the nationwide system. The plan shall—*

14                               “(1) *describe the steps to be taken in the fol-*  
15                               *lowing 2 years to carry out the duties described in*  
16                               *subsection (b)(2);*

17                               “(2) *evaluate the performance of the system and*  
18                               *recommend needed improvements, with particular at-*  
19                               *tention to the improvements needed at the State and*  
20                               *local levels; and*

21                               “(3) *describe the involvement of States in the de-*  
22                               *velopment of the plan, through consultation between*  
23                               *the Secretary and representatives from State agencies*  
24                               *in accordance with subsection (d).*



1       “(d) *COORDINATION WITH THE STATES.*—*The Sec-*  
 2 *retary, working through the Commissioner of Labor Statis-*  
 3 *tics and in coordination with the Assistant Secretary for*  
 4 *Employment and Training, shall formally consult at least*  
 5 *twice annually with representatives of each of the Federal*  
 6 *regions of the Department of Labor, elected (pursuant to*  
 7 *a process established by the Secretary) by and from the*  
 8 *State workforce and labor market information directors af-*  
 9 *filiated with the State agencies that perform the duties de-*  
 10 *scribed in subsection (e)(2).”;*

11               (6) *in subsection (e)—*

12                       (A) *in paragraph (1)(A), by striking “an-*  
 13 *ual plan” and inserting “plan described in sub-*  
 14 *section (c)”;* and

15                       (B) *in paragraph (2)—*

16                               (i) *in subparagraph (G), by adding*  
 17 *“and” at the end;*

18                               (ii) *by striking subparagraph (H); and*

19                               (iii) *by redesignating subparagraph (I)*  
 20 *as subparagraph (H); and*

21               (7) *in subsection (g), by striking “1999 through*  
 22 *2004” and inserting “2006 through 2011”.*

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 2005”.*

6 ***SEC. 402. TECHNICAL AMENDMENTS TO TABLE OF CON-***  
 7 ***TENTS.***

8 *(a) EXPANDED TRANSITION SERVICES.—Section 1(b)*  
 9 *of the Rehabilitation Act of 1973 is amended by inserting*  
 10 *after the item relating to section 110 the following:*

*“Sec. 110A. Reservation for expanded transition services.”.*

11 *(b) INCENTIVE GRANTS.—Section 1(b) of the Rehabili-*  
 12 *tation Act of 1973 is amended by inserting after the item*  
 13 *relating to section 112 the following:*

*“Sec. 113. Incentive grants.”.*

14 *(c) INDEPENDENT LIVING SERVICES FOR OLDER INDIV-*  
 15 *IDUALS WHO ARE BLIND.—Section 1(b) of the Rehabilita-*  
 16 *tion Act of 1973 is amended by striking the items relating*  
 17 *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.”.*

18 ***SEC. 403. PURPOSE.***

19 *Section 2 of the Rehabilitation Act of 1973 (29 U.S.C.*  
 20 *701) is amended—*

21 *(1) in subsection (a)—*

1           (A) in paragraph (5), by striking “and”  
2           after the semicolon;

3           (B) in paragraph (6), by striking the period  
4           at the end and inserting “; and”; and

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

6           “(7)(A) a high proportion of youth who are indi-  
7           viduals with disabilities is leaving special education  
8           without being employed or being enrolled in con-  
9           tinuing education; and

10          “(B) there is a substantial need to support those  
11          youth as the youth transition from school to postsec-  
12          ondary life.”; and

13          (2) in subsection (b)—

14               (A) in paragraph (1)(F), by striking “and”  
15               after the semicolon;

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

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

19               “(3) to provide opportunities for employers and  
20               vocational rehabilitation service providers to provide  
21               meaningful input at all levels of government to ensure  
22               successful employment of individuals with disabil-  
23               ities.”.

1 **SEC. 404. REHABILITATION SERVICES ADMINISTRATION.**

2 *Section 3 of the Rehabilitation Act of 1973 (29 U.S.C.*  
3 *702) is amended—*

4 *(1) by redesignating subsection (b) as subsection*  
5 *(c); and*

6 *(2) by inserting after subsection (a) the fol-*  
7 *lowing:*

8 *“(b) The Secretary shall ensure that—*

9 *“(1) the Rehabilitation Services Administration*  
10 *has sufficient staff to provide oversight of, conduct au-*  
11 *ditng of, and provide technical assistance to, the des-*  
12 *ignated State agencies funded under this Act; and*

13 *“(2) such staff include individuals who have*  
14 *training in and experience with the provision of voca-*  
15 *tional rehabilitation services.”.*

16 **SEC. 405. DEFINITIONS.**

17 *Section 7 of the Rehabilitation Act of 1973 (29 U.S.C.*  
18 *705) is amended—*

19 *(1) in paragraph (2)(B)—*

20 *(A) in the matter preceding clause (i), by*  
21 *inserting “and literacy services” after “sup-*  
22 *ported employment”; and*

23 *(B) in clause (iii), by inserting “and lit-*  
24 *eracy skills” after “educational achievements”;*

25 *(2) by striking paragraphs (3) and (4) and in-*  
26 *serting the following:*

1 “(3) *ASSISTIVE TECHNOLOGY DEFINITIONS.*—

2 “(A) *ASSISTIVE TECHNOLOGY.*—*The term*  
 3 *‘assistive technology’ has the meaning given such*  
 4 *term in section 3 of the Assistive Technology Act*  
 5 *of 1998 (29 U.S.C. 3002).*

6 “(B) *ASSISTIVE TECHNOLOGY DEVICE.*—*The*  
 7 *term ‘assistive technology device’ has the mean-*  
 8 *ing given such term in section 3 of the Assistive*  
 9 *Technology Act of 1998, except that the reference*  
 10 *in such section to the term ‘individuals with dis-*  
 11 *abilities’ shall be deemed to mean more than one*  
 12 *individual with a disability as defined in para-*  
 13 *graph (20)(A).*

14 “(C) *ASSISTIVE TECHNOLOGY SERVICE.*—  
 15 *The term ‘assistive technology service’ has the*  
 16 *meaning given such term in section 3 of the As-*  
 17 *sistive Technology Act of 1998, except that the*  
 18 *reference in such section—*

19 “(i) *to the term ‘individual with a dis-*  
 20 *ability’ shall be deemed to mean an indi-*  
 21 *vidual with a disability, as defined in*  
 22 *paragraph (20)(A); and*

23 “(ii) *to the term ‘individuals with dis-*  
 24 *abilities’ shall be deemed to mean more than*  
 25 *one such individual.’;*

1           (3) *by inserting after paragraph (6) the fol-*  
 2           *lowing:*

3           “(7) *CONSUMER ORGANIZATION.*—*The term ‘con-*  
 4           *sumer organization’ means a membership organiza-*  
 5           *tion, or disability advocacy group, for which a major-*  
 6           *ity of the members of the board of directors of the or-*  
 7           *ganization or group are individuals with disabilities*  
 8           *or family members of individuals with disabilities.’;*

9           (4) *in paragraph (17)—*

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

12           (B) *in subparagraph (D), by striking the*  
 13           *period at the end and inserting “; and”; and*

14           (C) *by adding at the end the following:*

15           “(E)(i) *facilitating transitions of—*

16                   “(I) *youth who are individuals with*  
 17                   *significant disabilities and have completed*  
 18                   *individualized education programs under*  
 19                   *section 614(d) of the Individuals with Dis-*  
 20                   *abilities Education Act (20 U.S.C. 1414(d))*  
 21                   *to postsecondary life, including employ-*  
 22                   *ment; and*

23                   “(II) *individuals with significant dis-*  
 24                   *abilities from nursing homes and other in-*  
 25                   *stitutions, including institutions serving in-*

1                    *dividuals with cognitive disabilities, to com-*  
 2                    *munity-based residences; and*

3                    *“(ii) assisting individuals with significant*  
 4                    *disabilities at risk of entering institutions to re-*  
 5                    *main in the community.”;*

6                    *(5) by redesignating paragraphs (24) through*  
 7                    *(28), (29) through (34), (35) through (37), and (38)*  
 8                    *through (39), as paragraphs (25) through (29), (31)*  
 9                    *through (36), (38) through (40), and (42) through*  
 10                   *(43), respectively;*

11                   *(6) by inserting after paragraph (23) the fol-*  
 12                   *lowing:*

13                   *“(24) LITERACY.—The term ‘literacy’ has the*  
 14                   *meaning given the term in section 203 of the Adult*  
 15                   *Education and Family Literacy Act (20 U.S.C.*  
 16                   *9202).”;*

17                   *(7) by inserting after paragraph (29), as redesign-*  
 18                   *ated by paragraph (5), the following:*

19                   *“(30) POST-EMPLOYMENT SERVICE.—The term*  
 20                   *‘post-employment’ service means a service identified*  
 21                   *in section 103(a) that is—*

22                   *“(A) provided subsequent to the achievement*  
 23                   *of an employment outcome; and*

24                   *“(B) necessary for an individual to main-*  
 25                   *tain, regain, or advance in employment, con-*

1        *sistent with the individual’s strengths, resources,*  
 2        *priorities, concerns, abilities, capabilities, inter-*  
 3        *ests, and informed choice.”;*

4        *(8) by inserting after paragraph (36), as redesign-*  
 5        *ated by paragraph (5), the following:*

6        *“(37) STUDENT WITH A DISABILITY.—*

7                *“(A) IN GENERAL.—The term ‘student with*  
 8        *a disability’ means an individual with a dis-*  
 9        *ability who attends an elementary school or sec-*  
 10        *ondary school and who—*

11                *“(i) is not younger than 16 years of*  
 12        *age;*

13                *“(ii) is not older than 22 years of age;*

14                *“(iii) has been determined to be eligible*  
 15        *under section 102(a) for assistance under*  
 16        *title I; and*

17                *“(iv)(I) is eligible for, and receiving,*  
 18        *special education or related services under*  
 19        *part B of the Individuals with Disabilities*  
 20        *Education Act (20 U.S.C. 1411 et seq.); or*

21                *“(II) is an individual with a dis-*  
 22        *ability, for purposes of section 504.*

23                *“(B) STUDENTS WITH DISABILITIES.—The*  
 24        *term ‘students with disabilities’ means more*  
 25        *than 1 student with a disability.”;*



(9) in paragraph (38)(A)(ii), as redesignated by paragraph (5), by striking “paragraph (36)(C)” and inserting “paragraph (39)(C)”; and

(10) by inserting after paragraph (40), as redesignated by paragraph (5), the following:

“(41) *TRANSITION SERVICES EXPANSION YEAR.*—  
The term ‘transition services expansion year’ means—

“(A) the first fiscal year for which the amount appropriated under section 100(b) exceeds the amount appropriated under section 100(b) for fiscal year 2006 by not less than \$100,000,000; and

“(B) each fiscal year subsequent to that first fiscal year.”.

**SEC. 406. 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)”; and

(2) by adding at the end the following:

“(B) provide technical assistance to the designated State units on developing successful partnerships with local and multi-State businesses in an effort to employ individuals with disabilities; and

1           “(C) provide technical assistance on developing  
2           self-employment opportunities and outcomes for indi-  
3           viduals with disabilities;”.

4   **SEC. 407. REPORTS.**

5           Section 13 of the Rehabilitation Act of 1973 (29 U.S.C.  
6   710) is amended by adding at the end the following:

7           “(d)(1)(A) The Commissioner shall ensure that the re-  
8   ports, information, and data described in subparagraph (B)  
9   will be posted in a timely manner on the website of the  
10   Department of Education, in order to inform the public  
11   about the administration and performance of programs in  
12   each State under this Act.

13          “(B) The reports, information, and data referred to in  
14   subparagraph (A) shall consist of—

15               “(i) reports submitted by a designated State unit  
16   under this Act;

17               “(ii) accountability information (including State  
18   performance information relating to evaluation  
19   standards and performance indicators under section  
20   106 and State performance information relating to  
21   State performance measures under section 136 of the  
22   Workforce Investment Act of 1998 (29 U.S.C. 2871))  
23   submitted by a designated State unit under this Act  
24   or submitted by a State to the Secretary of Labor  
25   under subsection (d) of such section 136;

1           “(iii) data collected from each designated State  
2           unit under this Act with the approval of the Office of  
3           Management and Budget; and

4           “(iv) monitoring reports conducted under this  
5           Act.

6           “(C) The Commissioner shall maintain, and post on  
7           the website, a listing of the reports, information, and data  
8           required to be submitted by designated State units under  
9           this Act.

10          “(D) The Commissioner shall post on the website, or  
11          establish links on the website to, evaluations, studies, and  
12          audits, including evaluations, studies, and audits conducted  
13          by agencies of the Federal Government, concerning pro-  
14          grams carried out under this Act.

15          “(E) The Commissioner shall maintain on the website  
16          a list of the designated State units and shall establish links  
17          on the website to websites maintained by those units.

18          “(2) The Commissioner shall maintain public use  
19          read-only access to the State and aggregated reports and  
20          analyzed data filed and maintained on the Rehabilitation  
21          Services Administration management information system  
22          or a similar system maintained by the Department of Edu-  
23          cation.”.

1 **SEC. 408. CARRYOVER.**

2 *Section 19 of the Rehabilitation Act of 1973 (29 U.S.C.*  
3 *716) is amended—*

4 *(1) in subsection (a)(1)—*

5 *(A) by inserting “(except for the client as-*  
6 *sistance program funded under section 112)”*  
7 *after “any grant program under part B of title*  
8 *I”;*

9 *(B) by striking “, section 509 (except as*  
10 *provided in section 509(b))”;*

11 *(C) by striking “or C”; and*

12 *(D) by striking “752(b)” and inserting*  
13 *“753(b)”;* and

14 *(2) by adding at the end the following:*

15 *“(c) CLIENT ASSISTANCE PROGRAM; PROTECTION AND*  
16 *ADVOCACY OF INDIVIDUAL RIGHTS.—*

17 *“(1) APPROPRIATED AMOUNTS.—Notwith-*  
18 *standing any other provision of law, any funds ap-*  
19 *propriated for a fiscal year to carry out a grant pro-*  
20 *gram under section 112 or 509 (except as provided in*  
21 *section 509(b)), including any funds reallocated under*  
22 *such grant program, that are not obligated and ex-*  
23 *pended by recipients prior to the beginning of the suc-*  
24 *ceeding fiscal year shall remain available for obliga-*  
25 *tion and expenditure by such recipients during such*  
26 *succeeding 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 112 or 509 in a fiscal year that are not  
 5           obligated and expended by recipients prior to the be-  
 6           ginning of the succeeding fiscal year, shall remain  
 7           available 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 2006 through  
 15 2011”.

### 16 ***SEC. 412. STATE PLANS.***

17           (a) *IN GENERAL*.—Section 101(a) of the Rehabilita-  
 18 tion Act of 1973 (29 U.S.C. 721(a)) is amended—

19                   (1) in paragraph (2), by adding at the end the  
 20 following:

21                           “(D) *STATE AGENCY FOR REIMBURSEMENT*  
 22 *PURPOSES*.—A governing body of an Indian  
 23 tribe that receives a grant under section 121  
 24 shall be considered, for purposes of the cost reim-  
 25 bursement provisions—

1                   “(i) in section 222(d)(1) of the Social  
2                   Security Act (42 U.S.C. 422(d)(1)), to be a  
3                   State; and

4                   “(ii) in subsections (d) and (e) of sec-  
5                   tion 1615 of the Social Security Act (42  
6                   U.S.C. 1382d), to be a State agency de-  
7                   scribed in subsection (d) of that section.”;

8                   (2) in paragraph (6)(B), by striking “to employ  
9                   and advance in employment” and inserting “to re-  
10                  cruit, employ, and advance in employment”;

11                  (3) in paragraph (7)(A)(v), by striking subclause  
12                  (I) and inserting the following:

13                         “(I) a system for the continuing  
14                         education of rehabilitation profes-  
15                         sionals and paraprofessionals within  
16                         the designated State unit, particularly  
17                         with respect to rehabilitation tech-  
18                         nology, including training imple-  
19                         mented in coordination with State pro-  
20                         grams carried out under section 4 of  
21                         the Assistive Technology Act of 1998  
22                         (29 U.S.C. 3003); and”;

23                  (4) in paragraph (10)—

24                         (A) in subparagraph (B), by striking “an-  
25                         nual reporting on the eligible individuals receiv-

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 the 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 (29 U.S.C.*  
 9        *2871(b)(2)(A)(i))”;*

10        *(B) in subparagraph (C), by striking*  
 11        *clauses (iii) and (iv) and inserting the following:*

12                *“(iii) the number of applicants and el-*  
 13                *igible recipients, including the number of*  
 14                *individuals with significant disabilities,*  
 15                *who exited the program carried out under*  
 16                *this title and the number of such individ-*  
 17                *uals who achieved employment outcomes*  
 18                *after receiving vocational rehabilitation*  
 19                *services; and*

20                *“(iv) the number of individuals who*  
 21                *received vocational rehabilitation services*  
 22                *who entered and retained employment and*  
 23                *the earnings of such individuals, as such*  
 24                *entry, retention, and earnings are defined*  
 25                *for purposes of the core indicators of per-*

1                    *formance described in section*  
2                    *136(b)(2)(A)(i) of the Workforce Investment*  
3                    *Act of 1998 (29 U.S.C. 2871(b)(2)(A)(i)).”;*  
4                    *and*  
5                    *(C) in subparagraph (E)(ii), by striking*  
6                    *“in meeting” and all that follows through the pe-*  
7                    *riod and inserting “in meeting the standards*  
8                    *and indicators established pursuant to section*  
9                    *106.”;*  
10                  *(5) in paragraph (11)—*  
11                  *(A) by striking subparagraph (C) and in-*  
12                  *serting the following:*  
13                  *“(C) INTERAGENCY COOPERATION WITH*  
14                  *OTHER AGENCIES.—The State plan shall include*  
15                  *descriptions of interagency cooperation with, and*  
16                  *utilization of the services and facilities of, Fed-*  
17                  *eral, State, and local agencies and programs, in-*  
18                  *cluding the State programs carried out under*  
19                  *section 4 of the Assistive Technology Act of 1998*  
20                  *(29 U.S.C. 3003), programs carried out by the*  
21                  *Under Secretary for Rural Development of the*  
22                  *Department of Agriculture, and State use con-*  
23                  *tracting programs, to the extent that such agen-*  
24                  *cies and programs are not carrying out activities*



1       *through the statewide workforce investment sys-*  
2       *tem.”;*

3               *(B) by striking subparagraph (D)(ii) and*  
4       *inserting the following:*

5               *“(ii) transition planning by personnel*  
6               *of the designated State agency and the State*  
7               *educational agency that will facilitate the*  
8               *development and completion of the individ-*  
9               *ualized education programs under section*  
10              *614(d) of the Individuals with Disabilities*  
11              *Education Act (20 U.S.C. 1414(d)) and, as*  
12              *appropriate, the development and comple-*  
13              *tion of the individualized plan for employ-*  
14              *ment, in order to achieve post-school em-*  
15              *ployment outcomes of students with disabil-*  
16              *ities;”;* and

17              *(C) by adding at the end the following:*

18              *“(G) COORDINATION WITH ASSISTIVE TECH-*  
19              *NOLOGY PROGRAMS.—The State plan shall in-*  
20              *clude an assurance that the designated State*  
21              *unit, and the lead agency and implementing*  
22              *agency (if any) designated by the Governor of*  
23              *the State under section 4 of the Assistive Tech-*  
24              *nology Act of 1998 (29 U.S.C. 3003), have devel-*  
25              *oped working relationships and will enter into*

1        *agreements for the coordination of their activi-*  
 2        *ties, including the referral of individuals with*  
 3        *disabilities to programs and activities described*  
 4        *in that section.*

5                “(H) COORDINATION WITH TICKET TO  
 6        WORK AND SELF-SUFFICIENCY PROGRAM.—*The*  
 7        *State plan shall include an assurance that the*  
 8        *designated State unit will coordinate activities*  
 9        *with any other State agency that is functioning*  
 10        *as an employment network under the Ticket to*  
 11        *Work and Self-Sufficiency Program established*  
 12        *under section 1148 of the Social Security Act (42*  
 13        *U.S.C. 1320b–19).’;*

14        *(6) in paragraph (15)—*

15                *(A) in subparagraph (A)—*

16                        *(i) in clause (i)—*

17                                *(I) in subclause (II), by striking*

18                                *“and” after the semicolon;*

19                                *(II) in subclause (III), by insert-*

20                                *ing “and” after the semicolon; and*

21                                *(III) by adding at the end the fol-*

22                                *lowing:*

23                                *“(IV) for purposes of addressing*

24                                *needs in a transition services expan-*

25                                *sion year, students with disabilities,*

1                   *including their need for transition*  
2                   *services;”;*

3                   *(ii) by redesignating clauses (ii) and*  
4                   *(iii) as clauses (iii) and (iv), respectively;*  
5                   *and*

6                   *(iii) by inserting after clause (i) the*  
7                   *following:*

8                   *“(ii) include an assessment of the needs*  
9                   *of individuals with disabilities for transi-*  
10                  *tion services provided under this Act, and*  
11                  *coordinated with transition services pro-*  
12                  *vided under the Individuals with Disabil-*  
13                  *ities Education Act (20 U.S.C. 1400 et*  
14                  *seq.), and an assessment as to whether the*  
15                  *transition services provided under those*  
16                  *Acts meet the needs of individuals with dis-*  
17                  *abilities;”;* *and*

18                  *(B) in subparagraph (D)—*

19                   *(i) by redesignating clauses (iii), (iv),*  
20                   *and (v) as clauses (iv), (v), and (vi), respec-*  
21                   *tively; and*

22                   *(ii) by inserting after clause (ii) the*  
23                   *following:*

24                   *“(iii) for use in a transition services*  
25                   *expansion year, the methods to be used to*

1           *improve and expand vocational rehabilita-*  
 2           *tion services for students with disabilities,*  
 3           *including the coordination of services de-*  
 4           *signed to facilitate the transition of such*  
 5           *students from the receipt of educational*  
 6           *services in school to postsecondary life, in-*  
 7           *cluding the receipt of vocational rehabilita-*  
 8           *tion services under this title, postsecondary*  
 9           *education, or employment;”;*

10       *(7) in paragraph (20)—*

11           *(A) by redesignating subparagraph (B) as*  
 12       *subparagraph (C);*

13           *(B) by inserting after subparagraph (A) the*  
 14       *following:*

15           *“(B) INFORMATION ON ASSISTANCE FOR*  
 16       *BENEFICIARIES OF ASSISTANCE UNDER TITLE II*  
 17       *OR XVI OF THE SOCIAL SECURITY ACT.—The*  
 18       *State plan shall include an assurance that the*  
 19       *designated State agency will make available to*  
 20       *individuals entitled to benefits under title II or*  
 21       *XVI of the Social Security Act (42 U.S.C. 401*  
 22       *et seq., 1381 et seq.) on the basis of a disability*  
 23       *or blindness—*

24           *“(i) information on the availability of*  
 25       *benefits and medical assistance authorized*

1           *under the State medicaid program under*  
2           *title XIX of the Social Security Act (42*  
3           *U.S.C. 1396 et seq.) or under the medicare*  
4           *program under title XVIII of the Social Se-*  
5           *curity Act (42 U.S.C. 1395 et seq.), and*  
6           *medical assistance authorized under other*  
7           *federally funded programs;*

8           “(ii) *information on the availability of*  
9           *assistance through benefits planning and*  
10          *assistance programs authorized under sec-*  
11          *tion 1149 of the Social Security Act (42*  
12          *U.S.C. 1320b–20) and services provided by*  
13          *the State protection and advocacy system*  
14          *and authorized under section 1150 of the*  
15          *Social Security Act (42 U.S.C. 1320b–21);*  
16          *and*

17          “(iii) *in the case of individuals who*  
18          *are also eligible for a ticket under the Ticket*  
19          *to Work and Self-Sufficiency Program es-*  
20          *tablished under section 1148 of the Social*  
21          *Security Act (42 U.S.C. 1320b–19), general*  
22          *information regarding the options for using*  
23          *the ticket and information on how to con-*  
24          *tact a program manager of the Ticket to*  
25          *Work and Self-Sufficiency Program to ob-*

tain information on approved employment networks, on providers for the benefits planning and assistance programs described in subparagraph (B) in the State, and on the services provided by the State protection and advocacy system and described in subparagraph (B).”; and

(C) in subparagraph (C)(ii), as redesignated 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”; and

(8) by adding at the end the following:

“(25) *SERVICES FOR STUDENTS WITH DISABILITIES.*—The State plan for a transition services expansion year shall provide an assurance satisfactory to the Commissioner that the State—

“(A) has developed and shall implement, in each transition services expansion year, strategies to address the needs identified in the assessment described in paragraph (15), and achieve the goals and priorities identified by the State,

1       *to improve and expand vocational rehabilitation*  
2       *services for students with disabilities on a state-*  
3       *wide basis in accordance with paragraph (15);*  
4       *and*

5               *“(B) in each transition services expansion*  
6       *year—*

7                       *“(i) shall not use more than 5 percent*  
8                       *of the funds reserved under section 110A*  
9                       *and available for this subparagraph, to pay*  
10                      *for administrative costs; and*

11                      *“(ii) shall use the remaining funds to*  
12                      *carry out programs or activities designed to*  
13                      *improve and expand vocational rehabilita-*  
14                      *tion services for students with disabilities,*  
15                      *through partnerships described in subpara-*  
16                      *graph (C), that—*

17                               *“(I) facilitate the transition of the*  
18                               *students with disabilities from the re-*  
19                               *ceipt of educational services in school,*  
20                               *to the receipt of vocational rehabilita-*  
21                               *tion services under this title, including,*  
22                               *at a minimum, those services specified*  
23                               *in the interagency agreement required*  
24                               *in paragraph (11)(D);*

1           “(II) improve the achievement of  
2           post-school goals of students with dis-  
3           abilities through the provision of tran-  
4           sition services, including improving  
5           the achievement through participation  
6           (as appropriate when vocational goals  
7           are discussed) in meetings regarding  
8           individualized education programs de-  
9           veloped under section 614 of the Indi-  
10          viduals with Disabilities Education  
11          Act (20 U.S.C. 1414);

12          “(III) provide vocational guid-  
13          ance, career exploration services, and  
14          job search skills and strategies and  
15          technical assistance to students with  
16          disabilities;

17          “(IV) support the provision of  
18          training and technical assistance to  
19          local educational agency personnel re-  
20          sponsible for the planning and provi-  
21          sion of services to students with dis-  
22          abilities; and

23          “(V) support outreach activities to  
24          students with disabilities who are eligi-



1                    *ble for, and need, services under this*  
 2                    *title; and*

3                    *“(C) in each transition services expansion*  
 4                    *year, shall ensure that the funds described in*  
 5                    *subparagraph (B)(ii) are awarded only to part-*  
 6                    *nerships that—*

7                    *“(i) shall include local vocational reha-*  
 8                    *bilitation services providers and local edu-*  
 9                    *cational agencies; and*

10                   *“(ii) may include (or may have link-*  
 11                   *ages with)—*

12                   *“(I) other agencies such as em-*  
 13                   *ployment, social service, and health or-*  
 14                   *ganizations, that contribute funds for*  
 15                   *the provision of vocational rehabilita-*  
 16                   *tion services described in subparagraph*  
 17                   *(B)(ii) for eligible students with dis-*  
 18                   *abilities; and*

19                   *“(II) businesses and business-led*  
 20                   *intermediaries.”.*

21                   *(b) CONSTRUCTION.—Section 101 of the Rehabilitation*  
 22                   *Act of 1973 (29 U.S.C. 721) is amended by adding at the*  
 23                   *end the following:*

24                   *“(c) CONSTRUCTION.—*

1           “(1) *DEFINITIONS.*—*In this subsection, the terms*  
 2           *‘child with a disability’, ‘free appropriate public edu-*  
 3           *cation’, ‘related services’, and ‘special education’ have*  
 4           *the meanings given the terms in section 602 of the In-*  
 5           *dividuals with Disabilities Education Act (20 U.S.C.*  
 6           *1401).*”

7           “(2) *OBLIGATION TO PROVIDE OR PAY FOR TRAN-*  
 8           *SITION SERVICES.*—*Nothing in this part shall be con-*  
 9           *strued to reduce the obligation of a local educational*  
 10          *agency or any other agency to provide or pay for any*  
 11          *transition services that are also considered special*  
 12          *education or related services and that are necessary*  
 13          *for ensuring a free appropriate public education to*  
 14          *children with disabilities within the State involved.*”.

15   **SEC. 413. ELIGIBILITY AND INDIVIDUALIZED PLAN FOR EM-**  
 16                                   **PLOYMENT.**

17          *Section 102 of the Rehabilitation Act of 1973 (29*  
 18          *U.S.C. 722) is amended—*

19                   *(1) in subsection (b)—*

20                                   *(A) in paragraph (1)—*

21   *(i) in subparagraph (A), by striking*  
 22   *the semicolon at the end and inserting “,*  
 23   *including a listing of all the community re-*  
 24   *sources (including resources from consumer*  
 25   *organizations (including advocacy organi-*

zations)), to the maximum extent possible,  
to assist in the development of such individ-  
ual’s individualized plan for employment to  
enable the individual to make informed and  
effective choices in developing the individ-  
ualized plan for employment;” and

(ii) in subparagraph (D)—

(I) in clause (i), by striking  
“and” after the semicolon;

(II) in clause (ii), by striking the  
period at the end and inserting a semi-  
colon; and

(III) by adding at the end the fol-  
lowing:

“(iii) for 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—

“(I) information on the availability of  
benefits and medical assistance authorized  
under the State medicaid program under  
title XIX of the Social Security Act (42  
U.S.C. 1396 et seq.) or under the medicare  
program under title XVIII of the Social Se-  
curity Act (42 U.S.C. 1395 et seq.), and

1           *medical assistance authorized under other*  
2           *federally funded programs;*

3           “(II) *information on the availability of*  
4           *assistance through benefits planning and*  
5           *assistance programs authorized under sec-*  
6           *tion 1149 of the Social Security Act (42*  
7           *U.S.C. 1320b–20) and services provided by*  
8           *the State protection and advocacy system*  
9           *and authorized under section 1150 of the*  
10          *Social Security Act (42 U.S.C. 1320b–21);*  
11          *and*

12          “(III) *in the case of individuals who*  
13          *are also eligible for a ticket under the Ticket*  
14          *to Work and Self-Sufficiency Program es-*  
15          *tablished under section 1148 of the Social*  
16          *Security Act (42 U.S.C. 1320b–19), general*  
17          *information regarding the options for using*  
18          *the ticket and information on how to con-*  
19          *tact a program manager of the Ticket to*  
20          *Work and Self-Sufficiency Program to ob-*  
21          *tain information on approved employment*  
22          *networks, on providers for the benefits plan-*  
23          *ning and assistance programs described in*  
24          *subparagraph (B) in the State, and on the*  
25          *services provided by the State protection*

1           *and advocacy system and described in sub-*  
2           *paragraph (B).”;*

3           *(B) in paragraph (2)(E)—*

4                 *(i) in clause (i)(II), by striking “and”*  
5                 *after the semicolon;*

6                 *(ii) in clause (ii), by striking the pe-*  
7                 *riod at the end and inserting “; and”; and*

8                 *(iii) by adding at the end the fol-*  
9                 *lowing:*

10                 *“(iii) amended, as necessary, to in-*  
11                 *clude the post-employment services and*  
12                 *service providers that are necessary for the*  
13                 *individual to maintain, regain, or advance*  
14                 *in employment, consistent with the individ-*  
15                 *ual’s strengths, resources, priorities, con-*  
16                 *cerns, abilities, capabilities, interests, and*  
17                 *informed choice.”; and*

18           *(C) in paragraph (3)—*

19                 *(i) in subparagraph (B)(i)(I), by strik-*  
20                 *ing “and personal assistance services” and*  
21                 *all that follows and inserting “mentoring*  
22                 *services, and personal assistance services,*  
23                 *including training in the management of*  
24                 *such services, and referrals described in sec-*  
25                 *tion 103(a)(3) to the device reutilization*

1 *programs and device demonstrations de-*  
 2 *scribed in subparagraphs (B) and (D) of*  
 3 *section 4(e)(2) of the Assistive Technology*  
 4 *Act of 1998 (42 U.S.C. 3003(e)(2)) through*  
 5 *agreements developed under section*  
 6 *101(a)(11)(G); and”;*

7 *(ii) in subparagraph (F)(ii), by strik-*  
 8 *ing “and” after the semicolon;*

9 *(iii) in subparagraph (G), by striking*  
 10 *the period at the end and inserting a semi-*  
 11 *colon; and*

12 *(iv) by adding at the end the following:*

13 *“(H) for a student with a disability, the de-*  
 14 *scription specified—*

15 *“(i) in subparagraph (A), which may*  
 16 *be a description of the student’s projected*  
 17 *post-school employment outcome; and*

18 *“(ii) in subparagraph (B)(i), which*  
 19 *shall include the specific transition services*  
 20 *(including, as appropriate, work experience*  
 21 *and mentoring activities) needed to achieve*  
 22 *the student’s employment outcome or pro-*  
 23 *jected employment outcome; and*

24 *“(I) for an individual who is receiving as-*  
 25 *sistance from an employment network under the*

1       *Ticket to Work and Self-Sufficiency Program es-*  
 2       *tablished under section 1148 of the Social Secu-*  
 3       *rity Act (42 U.S.C. 1320b–19), a list of the serv-*  
 4       *ices that are listed in the individual work plan*  
 5       *that the individual developed with the employ-*  
 6       *ment network under subsection (g) of that sec-*  
 7       *tion.”; and*

8       *(2) in subsection (c)(7), by inserting “that take*  
 9       *into consideration the informed choice of the indi-*  
 10       *vidual” after “plan development”.*

11   **SEC. 414. VOCATIONAL REHABILITATION SERVICES.**

12       *Section 103 of the Rehabilitation Act of 1973 (29*  
 13       *U.S.C. 723) is amended—*

14       *(1) in subsection (a)—*

15               *(A) in paragraph (5), by inserting “literacy*  
 16               *services,” after “vocational adjustment services,”;*

17               *(B) by striking paragraph (15) and insert-*  
 18               *ing the following:*

19               *“(15) transition services for students with dis-*  
 20               *abilities, that facilitate the transition from school to*  
 21               *postsecondary life (including employment through the*  
 22               *achievement of the employment outcome identified in*  
 23               *the individualized plan for employment), including,*  
 24               *in a transition services expansion year, services de-*

1       scribed in subclauses (I) through (III) of section  
2       101(a)(25)(B)(ii);”;

3               (C) in paragraph (17), by striking “and”  
4       after the semicolon;

5               (D) in paragraph (18), by striking the pe-  
6       riod at the end and inserting “; and”; and

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

8       “(19) mentoring services.”; and

9       (2) in subsection (b), by striking paragraph (6)  
10      and inserting the following:

11              “(6)(A)(i) Consultation and technical assistance  
12      services to assist State and local educational agencies  
13      in planning for the transition of students with dis-  
14      abilities from school to postsecondary life, including  
15      employment.

16              “(ii) In a transition services expansion year,  
17      training and technical assistance described in section  
18      101(a)(25)(B)(ii)(IV).

19              “(B) In a transition services expansion year,  
20      services for groups of individuals with disabilities  
21      who meet the requirements of clauses (i), (ii), and (iv)  
22      of section 7(37)(A), including services described in  
23      subclauses (I), (II), (III), and (V) of section  
24      101(a)(25)(B)(ii), to assist in the transition from  
25      school to postsecondary life, including employment.”.



1 **SEC. 415. STATE REHABILITATION COUNCIL.**

2 *Section 105 of the Rehabilitation Act of 1973 (29*  
 3 *U.S.C. 725) is amended—*

4 *(1) in subsection (b)—*

5 *(A) in paragraph (1)(A)—*

6 *(i) by striking clause (ix) and insert-*  
 7 *ing the following:*

8 *“(ix) in a State in which one or more*  
 9 *projects provide services under section 121,*  
 10 *at least one representative of the directors of*  
 11 *the projects;”;*

12 *(ii) in clause (x), by striking the*  
 13 *“and” after the semicolon;*

14 *(iii) in clause (xi), by striking the pe-*  
 15 *riod at the end and inserting “; and”; and*

16 *(iv) by adding at the end the following:*

17 *“(xii) the director of the State’s com-*  
 18 *prehensive statewide program of technology-*  
 19 *related assistance funded under section 4 of*  
 20 *the Assistive Technology Act of 1998 (29*  
 21 *U.S.C. 3003).”; and*

22 *(B) by striking paragraph (5) and inserting*  
 23 *the following:*

24 *“(5) CHAIRPERSON.—The Council shall select a*  
 25 *chairperson from among the voting membership of the*  
 26 *Council.”; and*

1           (2) in subsection (c)(6), by inserting before the  
 2           semicolon the following: “and with the activities of  
 3           entities carrying out programs under the Assistive  
 4           Technology Act of 1998 (29 U.S.C. 3001 et seq.)”.

5   **SEC. 416. EVALUATION STANDARDS AND PERFORMANCE IN-**  
 6                           **DICATORS.**

7           Section 106 of the Rehabilitation Act of 1973 (29  
 8   U.S.C. 726) is amended—

9           (1) in subsection (a), by striking paragraph  
 10          (1)(C) and all that follows through paragraph (2) and  
 11          inserting the following:

12               “(2) **MEASURES.**—The standards and indicators  
 13          shall include outcome and related measures of pro-  
 14          gram performance that include measures of the pro-  
 15          gram’s performance with respect to the transition  
 16          from school to postsecondary life, including employ-  
 17          ment, and achievement of the postsecondary voca-  
 18          tional goals, of students with disabilities served under  
 19          the program.”; and

20          (2) in subsection (b)(2)(B)(i), by striking “, if  
 21          necessary” and all that follows through the semicolon  
 22          and inserting “, if the State has not improved its per-  
 23          formance to acceptable levels, as determined by the  
 24          Commissioner, direct the State to make further revi-  
 25          sions to the plan to improve performance, which may

1        *include revising the plan to allocate a higher propor-*  
 2        *tion of the State’s resources (from allotments made*  
 3        *under section 110) for services to individuals with*  
 4        *disabilities if the State agency’s spending on such*  
 5        *services is low in comparison to spending on such*  
 6        *services by comparable agencies in other States;”.*

7        **SEC. 417. MONITORING AND REVIEW.**

8        *Section 107(b)(1) of the Rehabilitation Act of 1973 (29*  
 9        *U.S.C. 727(b)(1)) is amended by inserting before the semi-*  
 10       *colon the following: “, including—*

11                *“(A) consulting with the Department of*  
 12                *Labor, the Small Business Administration, other*  
 13                *appropriate Federal agencies, and businesses or*  
 14                *business-led intermediaries; and*

15                *“(B) based on information obtained through*  
 16                *the consultations, providing technical assistance*  
 17                *that improves that quality by enabling des-*  
 18                *ignated State units to develop successful partner-*  
 19                *ships with local and multi-State businesses in an*  
 20                *effort to employ individuals with disabilities,*  
 21                *and technical assistance on developing self-em-*  
 22                *ployment opportunities and improving employ-*  
 23                *ment outcomes for individuals with disabilities”.*

1 **SEC. 418. STATE ALLOTMENTS.**

2       *Section 110 of the Rehabilitation Act of 1973 (29*  
 3 *U.S.C. 730) is amended—*

4               *(1) by striking subsection (b) and inserting the*  
 5 *following:*

6       *“(b)(1) Not later than 45 days prior to the end of the*  
 7 *fiscal year, the Commissioner shall determine, after reason-*  
 8 *able opportunity for the submission to the Commissioner*  
 9 *of comments by the State agency administering or super-*  
 10 *vising the program established under this title, that any*  
 11 *amount from the payment of an allotment to a State under*  
 12 *section 111(a) for any fiscal year will not be utilized by*  
 13 *such State in carrying out the purposes of this title.*

14       *“(2)(A) As soon as practicable but not later than the*  
 15 *end of the fiscal year, the Commissioner shall reallocate the*  
 16 *amount available under paragraph (1) to other States, con-*  
 17 *sistent with subparagraphs (B) and (C), for carrying out*  
 18 *the purposes of this title to the extent the Commissioner de-*  
 19 *termines such other State will be able to use such additional*  
 20 *amount during that fiscal year or the subsequent fiscal year*  
 21 *for carrying out such purposes.*

22       *“(B)(i) The Commissioner shall reallocate a portion of the*  
 23 *amount available under paragraph (1) for a fiscal year to*  
 24 *each State whose allotment under subsection (a) for such*  
 25 *fiscal year is less than such State’s allotment under sub-*  
 26 *section (a) for the immediately preceding fiscal year ad-*

1 *justed by the percentage change in the funds available for*  
 2 *subsection (a) from the immediately preceding fiscal year.*

3       “(ii)(I) *A State that is eligible to receive a reallocation*  
 4 *under clause (i) shall receive a portion for a fiscal year*  
 5 *from the amount available for reallocation under paragraph*  
 6 *(1) that is equal to the difference between—*

7               “(aa) *the amount such State was allotted under*  
 8 *subsection (a) for such fiscal year; and*

9               “(bb) *the amount such State was allotted under*  
 10 *subsection (a) for the immediately preceding fiscal*  
 11 *year adjusted by the percentage change in the funds*  
 12 *available for subsection (a) from the immediately pre-*  
 13 *ceding fiscal year.*

14       “(II) *If the amount available for reallocation under*  
 15 *paragraph (1) is insufficient to provide each State eligible*  
 16 *to receive a reallocation with the portion described in sub-*  
 17 *clause (I), the amount reallocated to each eligible State shall*  
 18 *be determined by the Commissioner.*

19       “(C) *If there are funds remaining after each State eli-*  
 20 *gible to receive a reallocation under subparagraph (B)(i) re-*  
 21 *ceives the portion described in subparagraph (B)(ii), the*  
 22 *Commissioner shall reallocate the remaining funds among the*  
 23 *States requesting a reallocation.*

24       “(3) *The Commissioner shall reallocate an amount to a*  
 25 *State under this subsection only if the State will be able*

1 *to make sufficient payments from non-Federal sources to*  
 2 *pay for the non-Federal share of the cost of vocational reha-*  
 3 *bilitation services under the State plan for the fiscal year*  
 4 *for which the amount was appropriated.*

5       “(4) *For the purposes of this part, any amount made*  
 6 *available to a State for any fiscal year pursuant to this*  
 7 *subsection shall be regarded as an increase of such State’s*  
 8 *allotment (as determined under the preceding provisions of*  
 9 *this section) for such year.”; and*

10           (2) *by striking subsection (c)(2) and inserting*  
 11 *the following:*

12       “(2)(A) *In this paragraph:*

13           “(i) *The term ‘appropriated amount’ means the*  
 14 *amount appropriated under section 100(b)(1) for al-*  
 15 *lotment under this section.*

16           “(ii) *The term ‘covered year’ means a fiscal*  
 17 *year—*

18               “(I) *that begins after September 30, 2005;*

19               *and*

20               “(II) *for which the appropriated amount*  
 21 *exceeds the total of—*

22                   “(aa) *the appropriated amount for the*  
 23 *preceding fiscal year; and*

24                   “(bb) *0.075 percent of the appropriated*  
 25 *amount for the preceding fiscal year.*

1       “(B) *For each covered year, the sum referred to in*  
 2 *paragraph (1) shall be, as determined by the Secretary—*

3               “(i) *not more than 1.5 percent of the appro-*  
 4 *priated amount for the covered year; and*

5               “(ii) *not less than the total of the sum reserved*  
 6 *under this subsection for the preceding fiscal year and*  
 7 *0.1 percent of the appropriated amount for the cov-*  
 8 *ered year, subject to clause (i).*

9       “(C) *For each fiscal year that is not a covered year,*  
 10 *the sum referred to in paragraph (1) shall be, as determined*  
 11 *by the Secretary—*

12               “(i) *not more than 1.5 percent of the appro-*  
 13 *priated amount for the fiscal year; and*

14               “(ii) *not less than the sum reserved under this*  
 15 *subsection for the preceding fiscal year, subject to*  
 16 *clause (i).”.*

17 **SEC. 419. RESERVATION FOR EXPANDED TRANSITION SERV-**  
 18 **ICES.**

19       *The Rehabilitation Act of 1973 is amended by insert-*  
 20 *ing after section 110 (29 U.S.C. 730) the following:*

21 **“SEC. 110A. RESERVATION FOR EXPANDED TRANSITION**  
 22 **SERVICES.**

23       “(a) *RESERVATION.—From the State allotment under*  
 24 *section 110 in a transition services expansion year, each*  
 25 *State shall reserve an amount calculated by the Commis-*

1 sioner under subsection (b) to carry out programs and ac-  
 2 tivities under sections 101(a)(25)(B) and 103(b)(6).

3 “(b) *CALCULATION.*—The Commissioner shall calculate  
 4 the amount to be reserved for such programs and activities  
 5 for a fiscal year by each State by multiplying \$50,000,000  
 6 by the percentage determined by dividing—

7 “(1) the amount allotted to that State under sec-  
 8 tion 110 for the prior fiscal year; by

9 “(2) the total amount allotted to all States under  
 10 section 110 for that prior fiscal year.”.

11 **SEC. 420. CLIENT ASSISTANCE PROGRAM.**

12 Section 112 of the Rehabilitation Act of 1973 (29  
 13 U.S.C. 732) is amended—

14 (1) in subsection (a)—

15 (A) in the first sentence, by striking  
 16 “States” and inserting “agencies designated  
 17 under subsection (c)”; and

18 (B) in the second sentence, by striking  
 19 “State” and inserting “State in which the pro-  
 20 gram is located”;

21 (2) in subsection (b), by striking “the State has  
 22 in effect not later than October 1, 1984, a client as-  
 23 sistance program which” and inserting “the State has  
 24 designated under subsection (c) an agency that”;

25 (3) in subsection (e)—



1 (A) in paragraph (1)—

2 (i) in subparagraph (A), by striking  
 3 “The Secretary” and all that follows  
 4 through the period and inserting the fol-  
 5 lowing: “After reserving funds under sub-  
 6 paragraphs (E) and (F), the Secretary shall  
 7 allot the remainder of the sums appro-  
 8 priated for each fiscal year under this sec-  
 9 tion among the agencies designated under  
 10 subsection (c) within the States (referred to  
 11 individually in this subsection as a ‘des-  
 12 ignated agency’) on the basis of relative  
 13 population of each State, except that no  
 14 such agency shall receive less than  
 15 \$50,000.”;

16 (ii) in subparagraph (B), by inserting  
 17 “the designated agencies located in” after  
 18 “each to”;

19 (iii) in subparagraph (D)(i)—

20 (I) by inserting “the designated  
 21 agencies located in” after “\$100,000  
 22 for”; and

23 (II) by inserting “the designated  
 24 agencies located in” after “\$45,000  
 25 for”; and

1 *(iv) by adding at the end the following:*

2 *“(E)(i) For any fiscal year for which the amount ap-*  
 3 *propriated to carry out this section equals or exceeds*  
 4 *\$13,000,000, the Secretary shall reserve funds appropriated*  
 5 *under this section to make a grant to the protection and*  
 6 *advocacy system serving the American Indian Consortium*  
 7 *to provide client assistance services in accordance with this*  
 8 *section. The amount of such a grant shall be the same*  
 9 *amount as is provided to a territory under subparagraph*  
 10 *(B), as increased under clauses (i) and (ii) of subparagraph*  
 11 *(D).*

12 *“(ii) In this subparagraph:*

13 *“(I) The term ‘American Indian Consortium’*  
 14 *has the meaning given the term in section 102 of the*  
 15 *Developmental Disabilities Assistance and Bill of*  
 16 *Rights Act of 2000 (42 U.S.C. 15002).*

17 *“(II) The term ‘protection and advocacy system’*  
 18 *means a protection and advocacy system established*  
 19 *under subtitle C of title I of the Developmental Dis-*  
 20 *abilities Assistance and Bill of Rights Act of 2000 (42*  
 21 *U.S.C. 15041 et seq.).*

22 *“(F) For any fiscal year for which the amount appro-*  
 23 *priated to carry out this section equals or exceeds*  
 24 *\$14,000,000, the Secretary shall reserve not less than 1.8*  
 25 *percent and not more than 2.2 percent of such amount to*

1 *provide a grant for training and technical assistance for*  
 2 *the programs established under this section. Such training*  
 3 *and technical assistance shall be coordinated with activities*  
 4 *provided under section 509(c)(1)(A).”; and*

5 *(B) in paragraph (2)—*

6 *(i) by striking “State” each place such*  
 7 *term appears and inserting “designated*  
 8 *agency”; and*

9 *(ii) by striking “States” each place*  
 10 *such term appears and inserting “des-*  
 11 *ignated agencies”;*

12 *(4) in subsection (f), by striking “State” and in-*  
 13 *serting “agency designated under subsection (c)”;*

14 *(5) in subsection (g)(1), by striking “State” and*  
 15 *inserting “State in which the program is located”;*  
 16 *and*

17 *(6) in subsection (h), by striking “fiscal years*  
 18 *1999 through 2003” and inserting “fiscal years 2006*  
 19 *through 2011”.*

20 **SEC. 421. INCENTIVE GRANTS.**

21 *Part B of title I of the Rehabilitation Act of 1973 (29*  
 22 *U.S.C. 730 et seq.) is amended by adding at the end the*  
 23 *following:*

1 **“SEC. 113. INCENTIVE GRANTS.**

2       “(a) *AUTHORITY.*—*The Commissioner is authorized to*  
 3 *make incentive grants to States that, based on the criteria*  
 4 *established under subsection (b)(1), demonstrate—*

5               “(1) *a high level of performance; or*

6               “(2) *a significantly improved level of perform-*  
 7 *ance in a reporting period as compared to the pre-*  
 8 *vious reporting period or periods.*

9       “(b) *CRITERIA.*—

10               “(1) *ESTABLISHMENT.*—*Not later than 180 days*  
 11 *after the date of enactment of this section, the Com-*  
 12 *missioner shall establish, and publish in the Federal*  
 13 *Register, criteria for making grant awards under sub-*  
 14 *section (a).*

15               “(2) *DEVELOPMENT AND EVALUATION STAND-*  
 16 *ARDS.*—*The criteria established under paragraph (1)*  
 17 *shall—*

18                       “(A) *be developed with input from des-*  
 19 *ignated State agencies and other vocational reha-*  
 20 *bilitation stakeholders, including vocational re-*  
 21 *habilitation consumers and consumer organiza-*  
 22 *tions (including advocacy organizations); and*

23                       “(B) *be based upon the evaluation stand-*  
 24 *ards and performance indicators established*  
 25 *under section 106 and other performance-related*

1           *measures that the Commissioner determines to be*  
 2           *appropriate.*

3           “(c) *USE OF FUNDS.*—*A State that receives a grant*  
 4           *under subsection (a) shall use the grant funds for any ap-*  
 5           *proved activities in the State’s State plan submitted under*  
 6           *section 101.*

7           “(d) *NO NON-FEDERAL SHARE REQUIREMENT.*—*The*  
 8           *provisions of sections 101(a)(3) and 111(a)(2) shall not*  
 9           *apply to this section.*

10          “(e) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*  
 11          *authorized to be appropriated to carry out this section such*  
 12          *sums as may be necessary for each of fiscal years 2006*  
 13          *through 2011.”.*

14       **SEC. 422. VOCATIONAL REHABILITATION SERVICES**  
 15               **GRANTS.**

16          *Section 121 of the Rehabilitation Act of 1973 (29*  
 17       *U.S.C. 741) is amended—*

18               (1) *in subsection (a), in the first sentence, by in-*  
 19               *serting “, consistent with such individuals’ strengths,*  
 20               *resources, priorities, concerns, abilities, capabilities,*  
 21               *interests, and informed choice, so that such individ-*  
 22               *uals may prepare for, and engage in, gainful employ-*  
 23               *ment” before the period at the end; and*

24               (2) *in subsection (b)—*

25                       (A) *in paragraph (1)—*

1                   (i) in subparagraph (B), by striking  
2                   “and” after the semicolon;

3                   (ii) in subparagraph (C), by striking  
4                   the period at the end and inserting “; and”;  
5                   and

6                   (iii) by adding at the end the fol-  
7                   lowing:

8                   “(D) contains assurances that—

9                   “(i) all decisions affecting eligibility for vo-  
10                  cational rehabilitation services, the nature and  
11                  scope of available services, and the provision of  
12                  such services, will be made by a representative of  
13                  the tribal vocational rehabilitation program; and

14                  “(ii) such decisions will not be delegated to  
15                  another agency or individual.”;

16                  (B) in paragraph (3), by striking the first  
17                  sentence and inserting the following: “An appli-  
18                  cation approved under this part that complies  
19                  with the program requirements set forth in the  
20                  regulations promulgated to carry out this part  
21                  shall be effective for 5 years and shall be renewed  
22                  for additional 5-year periods if the Commis-  
23                  sioner determines that the grant recipient dem-  
24                  onstrated acceptable past performance and the  
25                  grant recipient submits a plan, including a pro-

posed budget, to the Commissioner that the Commissioner approves that identifies future performance criteria, goals, and objectives.”; and

(C) by striking paragraph (4) and inserting the following:

“(4) In allocating funds under this part, the Commissioner shall give priority to paying the continuation costs of projects in existence on the date of the allocation and may provide for increases in funding for such projects that the Commissioner determines to be necessary.”.

**SEC. 423. GAO STUDIES.**

(a) *STUDY ON TITLE I AND TICKET TO WORK.*—

(1) *IN GENERAL.*—The Comptroller General of the United States shall conduct a study on the interaction of programs carried out under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.) with the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19), including the impact of the interaction on beneficiaries, community rehabilitation programs (as defined in section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705)), and State vocational rehabilitation agencies.

(2) *CONDUCT OF STUDY.*—In conducting the study under paragraph (1), the Comptroller General

1       *of the United States shall consult with all types of*  
2       *participants in the Ticket to Work and Self-Suffi-*  
3       *ciency Program, including the Social Security Ad-*  
4       *ministration, the Rehabilitation Services Administra-*  
5       *tion, ticketholders, designated State agencies, entities*  
6       *carrying out such community rehabilitation programs*  
7       *(including employment networks and nonemployment*  
8       *networks), protection and advocacy agencies,*  
9       *MAXIMUS, and organizations representing the inter-*  
10      *ests of ticketholders.*

11           (3) *REPORT TO CONGRESS.*—*Not later than 18*  
12      *months after the date of enactment of this Act, the*  
13      *Comptroller General of the United States shall submit*  
14      *the study conducted pursuant to this subsection to the*  
15      *appropriate committees of Congress.*

16      (b) *STUDY ON THE ALLOTMENT FORMULA.*—

17           (1) *IN GENERAL.*—*The Comptroller General of*  
18      *the United States shall conduct a study on the rela-*  
19      *tionship between the State allotment formula under*  
20      *section 110 of the Rehabilitation Act of 1973 (29*  
21      *U.S.C. 730) and the ability of States to provide voca-*  
22      *tional rehabilitation services in accordance with the*  
23      *States' State plans under section 101 of such Act (29*  
24      *U.S.C. 721).*



1           (2) *CONDUCT OF STUDY.*—*In conducting the*  
 2           *study under paragraph (1), the Comptroller General*  
 3           *of the United States shall consult with appropriate*  
 4           *entities.*

5           (3) *REPORT TO CONGRESS.*—*Not later than 12*  
 6           *months after the date of enactment of this Act, the*  
 7           *Comptroller General of the United States shall submit*  
 8           *the study conducted pursuant to this subsection to the*  
 9           *appropriate committees of Congress.*

## 10   ***Subtitle B—Research and Training***

### 11   ***SEC. 431. DECLARATION OF PURPOSE.***

12           *Section 200(3) of the Rehabilitation Act of 1973 (29*  
 13           *U.S.C. 760(3)) is amended by inserting “, in a timely and*  
 14           *efficient manner,” before “through”.*

### 15   ***SEC. 432. AUTHORIZATION OF APPROPRIATIONS.***

16           *Section 201 of the Rehabilitation Act of 1973 (29*  
 17           *U.S.C. 761) is amended—*

18                   (1) *in subsection (a)—*

19                           (A) *in paragraph (1), by striking “fiscal*  
 20                           *years 1999 through 2003” and inserting “fiscal*  
 21                           *years 2006 through 2011”; and*

22                           (B) *in paragraph (2), by striking “fiscal*  
 23                           *years 1999 through 2003” and inserting “fiscal*  
 24                           *years 2006 through 2011”; and*

25                           (2) *by adding at the end the following:*

1       “(c) Of the sums appropriated under subsection (a)(1)  
 2 for a fiscal year, the Secretary may reserve not more than  
 3 \$200,000 for activities related to convening a national as-  
 4 sistive technology summit under section 202(b)(6).”.

5       **SEC. 433. NATIONAL INSTITUTE ON DISABILITY AND REHA-**  
 6               **BILITATION RESEARCH.**

7       Section 202 of the Rehabilitation Act of 1973 (29  
 8 U.S.C. 762) is amended—

9               (1) in subsection (b)—

10                       (A) in paragraph (6), by inserting before  
 11 the semicolon the following: “, including con-  
 12 vening a national assistive technology summit,  
 13 to be held at or in conjunction with a national  
 14 conference relating to assistive technology with  
 15 respect to all categories of disabilities”; and

16                       (B) in paragraph (10), by striking “and  
 17 telecommuting” and inserting “, supported em-  
 18 ployment, and telecommuting”;

19               (2) in subsection (f)(1)—

20                       (A) by striking “Federal employees” and in-  
 21 serting “Department of Education employees”;  
 22 and

23                       (B) by adding at the end the following:  
 24 “The peer review panel shall include a director  
 25 of a designated State unit. Such panel shall in-

1           *clude a member of the covered school community*  
 2           *(for an activity resulting in educational mate-*  
 3           *rials or a product to be used in a covered school),*  
 4           *a member of the business community (for an ac-*  
 5           *tivity resulting in a product to be used in an*  
 6           *employment activity), an assistive technology de-*  
 7           *veloper or manufacturer (for an activity relating*  
 8           *to assistive technology), or an accessible elec-*  
 9           *tronic and information technology vendor or*  
 10          *manufacturer (for an activity relating to acces-*  
 11          *sible electronic and information technology).”;*

12          *(3) by redesignating subsections (i), (j), and (k)*  
 13          *as subsections (j), (k), and (l), respectively;*

14          *(4) by inserting after subsection (h) the fol-*  
 15          *lowing:*

16          *“(i)(1) The Director, with the assistance of the Reha-*  
 17          *ilitation Research Advisory Council established under sec-*  
 18          *tion 205, shall determine if entities that receive financial*  
 19          *assistance under this title are complying with the applica-*  
 20          *ble requirements of this Act and achieving measurable goals,*  
 21          *described in section 204(d)(2), that are consistent with the*  
 22          *requirements of the programs under which the entities re-*  
 23          *ceived the financial assistance.*

24          *“(2) To assist the Director in carrying out the respon-*  
 25          *sibilities described in paragraph (1), the Director shall re-*

1 *quire recipients of financial assistance under this title to*  
 2 *submit relevant information to evaluate program outcomes*  
 3 *with respect to the measurable goals described in section*  
 4 *204(d)(2).”; and*

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

6 *“(m)(1) Not later than December 31 of each year, the*  
 7 *Director shall prepare, and submit to the Secretary, the*  
 8 *Committee on Education and the Workforce of the House*  
 9 *of Representatives, and the Committee on Health, Edu-*  
 10 *cation, Labor, and Pensions of the Senate, a report on the*  
 11 *activities funded under this title.*

12 *“(2) Such report shall include—*

13 *“(A) a compilation and summary of the infor-*  
 14 *mation provided by recipients of financial assistance*  
 15 *for such activities under this title; and*

16 *“(B) a summary of the applications for finan-*  
 17 *cial assistance received under this title and the*  
 18 *progress of the recipients of financial assistance in*  
 19 *achieving the measurable goals described in section*  
 20 *204(d)(2).*

21 *“(n)(1) If the Director determines that an entity that*  
 22 *receives financial assistance under this title fails to comply*  
 23 *with the applicable requirements of this Act, or to make*  
 24 *progress toward achieving the measurable goals described*  
 25 *in section 204(d)(2), with respect to the covered activities*

1 *involved, the Director shall assist the entity through tech-*  
 2 *nical assistance or other means, within 90 days after such*  
 3 *determination, to develop a corrective action plan.*

4       “(2) *If the entity fails to develop and comply with a*  
 5 *corrective action plan described in paragraph (1) during*  
 6 *a fiscal year, the entity shall be subject to 1 of the following*  
 7 *corrective actions selected by the Director:*

8               “(A) *Partial or complete termination of finan-*  
 9 *cial assistance for the covered activities, until the en-*  
 10 *tity develops and complies with such a plan.*

11              “(B) *Ineligibility to receive financial assistance*  
 12 *for such covered activities for the following year.*

13       “(3) *The Secretary shall establish appeals procedures*  
 14 *for entities described in paragraph (1) that the Secretary*  
 15 *determines fail to comply with the applicable requirements*  
 16 *of this Act, or to make progress toward achieving the meas-*  
 17 *urable goals.*

18       “(4) *As part of the annual report required under sub-*  
 19 *section (m), the Director shall describe each action taken*  
 20 *by the Director under paragraph (1) or (2) and the out-*  
 21 *comes of such action.”.*

22 **SEC. 434. INTERAGENCY COMMITTEE.**

23       *Section 203 of the Rehabilitation Act of 1973 (29*  
 24 *U.S.C. 763) is amended—*

1           (1) in subsection (a)(1), by striking “and the Di-  
 2           rector of the National Science Foundation” and in-  
 3           serting “the Director of the National Science Founda-  
 4           tion, the Secretary of Commerce, and the Adminis-  
 5           trator of the Small Business Administration”; and

6           (2) in subsection (b)(2)—

7                   (A) in subparagraph (D), by striking “and”  
 8           after the semicolon;

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

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

12                   “(F) conduct a study, on the assistive technology  
 13          industry, for which the Committee shall—

14                          “(i) determine the number of individuals  
 15                          who use assistive technology and the scope of the  
 16                          technologies they use;

17                          “(ii) separately identify categories of assist-  
 18                          ive technology companies by the disability group  
 19                          served, and the type of product or service pro-  
 20                          vided, categorized by—

21                                  “(I) size (small, medium, and large) of  
 22                                  the companies;

23                                  “(II) capitalization of the companies;

24                                  “(III) region in which the companies  
 25                                  are located; and

1 “(IV) products or services produced by  
2 the companies;

3 “(iii) compile aggregate data on revenues  
4 and unit sales of such companies, including in-  
5 formation on international sales, for a recent re-  
6 porting period, categorized by institution or user  
7 type acquiring the products or services, dis-  
8 ability for which the products or services are  
9 used, and industry segment for the companies;

10 “(iv) identify platform availability and  
11 usage, for those products and services that are  
12 electronic and information technology-related;

13 “(v) identify the types of clients of the com-  
14 panies, such as Government, school, business,  
15 private payor, and charitable clients, and fund-  
16 ing sources for the clients; and

17 “(vi) specify geographic segments for the  
18 companies, to determine whether there are sig-  
19 nificant distinctions in industry opportunities  
20 on the basis of geography, other than distinctions  
21 related to population.”.

22 **SEC. 435. RESEARCH AND OTHER COVERED ACTIVITIES.**

23 Section 204 of the Rehabilitation Act of 1973 (29  
24 U.S.C. 764) is amended—

25 (1) in subsection (a)—

1                   (A) in paragraph (2)(B)—

2                   (i) in clause (vi), by striking “and”  
3                   after the semicolon;

4                   (ii) in clause (vii), by striking the pe-  
5                   riod at the end and inserting “; and”; and

6                   (iii) by adding at the end the fol-  
7                   lowing:

8                   “(viii) studies, analyses, and other activities af-  
9                   fecting employment outcomes, including self-employ-  
10                  ment and telecommuting, of individuals with disabili-  
11                  ties.”; and

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

13                  “(3) In carrying out this section, the Director shall  
14                  emphasize covered activities that are collaborations  
15                  between—

16                  “(A) for-profit companies working in the assist-  
17                  ive technology, rehabilitative engineering, or informa-  
18                  tion technology fields; and

19                  “(B) States or public or private agencies and or-  
20                  ganizations.

21                  “(4) In carrying out this section, the Director shall  
22                  emphasize covered activities that include plans for—

23                  “(A) dissemination of educational materials, re-  
24                  search results, or findings, conclusions, and rec-  
25                  ommendations resulting from covered activities; or



1           “(B) the commercialization of marketable prod-  
 2           ucts resulting from the covered activities.”;

3           (2) in subsection (b)—

4                 (A) in paragraph (1), by striking “(18)”  
 5                 each place it appears and inserting “(19)”;

6                 (B) in paragraph (2)—

7                     (i) in subparagraph (A)(i), by striking  
 8                     “rehabilitation services or” and inserting  
 9                     “rehabilitation services, developers or pro-  
 10                    viders of assistive technology devices, assist-  
 11                    ive technology services, or information tech-  
 12                    nology devices or services, or providers of”;

13                   (ii) in subparagraph (B)—

14                         (I) in clause (i), by inserting “im-  
 15                         prove the evaluation process for deter-  
 16                         mining the assistive technology needs  
 17                         of individuals with disabilities,” after  
 18                         “conditions,”;

19                         (II) in clause (ii), by inserting  
 20                         “and assistive technology services” be-  
 21                         fore the semicolon; and

22                         (III) in clause (iii), by inserting  
 23                         “, assistive technology services per-  
 24                         sonnel,” before “and other”;

25                   (iii) in subparagraph (C)—

1                   (I) in clause (i), by inserting “,  
2                   including research on assistive tech-  
3                   nology devices, assistive technology  
4                   services, and accessible electronic and  
5                   information technology devices” before  
6                   the semicolon; and

7                   (II) in clause (iii), by inserting “,  
8                   including the use of assistive tech-  
9                   nology devices and accessible electronic  
10                  and information technology devices in  
11                  employment” before the semicolon;

12                  (iv) in subparagraph (D), by inserting  
13                  “, including training to provide knowledge  
14                  about assistive technology devices, assistive  
15                  technology services, and accessible electronic  
16                  and information technology devices and  
17                  services,” after “personnel”; and

18                  (v) in subparagraph (G)(i), by insert-  
19                  ing “, assistive technology-related, and ac-  
20                  cessible electronic and information tech-  
21                  nology-related” before “courses”;

22                  (C) in paragraph (3)—

23                         (i) in subparagraph (D)(ii), by adding  
24                         at the end the following: “Each such Center  
25                         conducting an activity relating to assistive

1           *technology or relating to accessible elec-*  
 2           *tronic and information technology shall in-*  
 3           *clude in the committee an assistive tech-*  
 4           *nology developer or manufacturer, or an ac-*  
 5           *cessible electronic and information tech-*  
 6           *nology vendor or manufacturer, respectively.*  
 7           *Each such Center conducting an activity re-*  
 8           *sulting in educational materials or a prod-*  
 9           *uct to be used in a covered school, or result-*  
 10          *ing in a product to be used in an employ-*  
 11          *ment activity, shall include in the com-*  
 12          *mittee a member of the covered school com-*  
 13          *munity, or a member of the business com-*  
 14          *munity, respectively.”; and*

15                 *(ii) in subparagraph (G)(ii) by insert-*  
 16                 *ing “the success of any commercialized*  
 17                 *product researched or developed through the*  
 18                 *Center,” after “disabilities,”;*

19                 *(D) in paragraph (8), by inserting “the De-*  
 20                 *partment of Commerce, the Small Business Ad-*  
 21                 *ministration, the Department of Labor,” before*  
 22                 *“other Federal agencies,”;*

23                 *(E) in paragraph (13), in the matter pre-*  
 24                 *ceding subparagraph (A), by striking “employ-*  
 25                 *ment needs of individuals with disabilities” and*

1        *inserting “employment needs, opportunities, and*  
2        *outcomes, including needs, opportunities, and*  
3        *outcomes relating to self-employment, supported*  
4        *employment, and telecommuting, of individuals*  
5        *with disabilities, including older individuals*  
6        *with disabilities, and students with disabilities*  
7        *who are transitioning from school to postsec-*  
8        *ondary life, including employment”;* and

9                *(F) by adding at the end the following:*

10        *“(19) Research grants may be used to provide for re-*  
11        *search and demonstration projects that—*

12                *“(A) explore methods and practices for pro-*  
13        *moting access to electronic commerce activities for in-*  
14        *dividuals with disabilities; and*

15                *“(B) will—*

16                        *“(i) ensure dissemination of research find-*  
17        *ings;*

18                        *“(ii) provide encouragement and support*  
19        *for initiatives and new approaches by companies*  
20        *engaged in electronic commerce activities; and*

21                        *“(iii) result in the establishment and main-*  
22        *tenance of close working relationships between*  
23        *the disability, research, and business commu-*  
24        *nities.”;*

1           (3) in subsection (c)(2), by striking “\$500,000”  
2           and inserting “\$750,000”; and

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

4           “(d)(1) In awarding grants, contracts, or other finan-  
5           cial assistance under this title, the Director shall award the  
6           financial assistance on a competitive basis.

7           “(2)(A) To be eligible to receive financial assistance  
8           described in paragraph (1) for a covered activity, an entity  
9           shall submit an application to the Director at such time,  
10          in such manner, and containing such information as the  
11          Director may require.

12          “(B) The application shall include information  
13          describing—

14                  “(i) measurable goals, and a timeline and spe-  
15                  cific plan for meeting the goals, that the applicant  
16                  has set for addressing priorities related to—

17                          “(I) commercialization of a marketable  
18                          product (including a marketable curriculum or  
19                          research) resulting from the covered activity;

20                          “(II) in the case of a covered activity relat-  
21                          ing to technology, technology transfer;

22                          “(III) in the case of research, dissemination  
23                          of research results to, as applicable, Government  
24                          entities, individuals with disabilities, covered  
25                          schools, the business community, the assistive

1           *technology community, and the accessible elec-*  
2           *tronic and information technology community;*  
3           *and*

4           “(IV) other matters as required by the Di-  
5           rector; and

6           “(ii) information describing how the applicant  
7           will quantifiably measure the goals to determine  
8           whether the goals have been accomplished.

9           “(3)(A) In the case of an application for financial as-  
10          sistance under this title to carry out a covered activity that  
11          results in the development of a marketable product, the ap-  
12          plication shall also include a commercialization and dis-  
13          semination plan, containing commercialization and mar-  
14          keting strategies for the product involved, and strategies for  
15          disseminating information about the product. The financial  
16          assistance shall not be used to carry out the commercializa-  
17          tion and marketing strategies.

18          “(B) In the case of any other application for financial  
19          assistance to carry out a covered activity under this title,  
20          the application shall also include a dissemination plan,  
21          containing strategies for disseminating educational mate-  
22          rials, research results, or findings, conclusions, and rec-  
23          ommendations, resulting from the covered activity.”.

1 **SEC. 436. REHABILITATION RESEARCH ADVISORY COUNCIL.**

2 *Section 205 of the Rehabilitation Act of 1973 (29*  
 3 *U.S.C. 765) is amended—*

4 *(1) in subsection (a), by inserting “at least” be-*  
 5 *fore “12”; and*

6 *(2) in subsection (c), by inserting after “rehabili-*  
 7 *tation researchers,” the following: “the directors of*  
 8 *community rehabilitation programs, the business*  
 9 *community (and shall include a representative of the*  
 10 *small business community) that has experience with*  
 11 *the system of vocational rehabilitation services carried*  
 12 *out under this Act and with hiring individuals with*  
 13 *disabilities, the community of assistive technology de-*  
 14 *velopers and manufacturers, the community of infor-*  
 15 *mation technology vendors and manufacturers, the*  
 16 *community of entities carrying out programs under*  
 17 *the Assistive Technology Act of 1998 (29 U.S.C. 3001*  
 18 *et seq.), the community of covered school profes-*  
 19 *sionals,”.*

20 **SEC. 437. DEFINITION.**

21 *Title II of the Rehabilitation Act of 1973 (29 U.S.C.*  
 22 *760 et seq.) is amended by adding at the end the following:*

23 **“SEC. 206. DEFINITION.**

24 *“In this title, the term ‘covered school’ means an ele-*  
 25 *mentary school or secondary school (as such terms are de-*  
 26 *finied in section 9101 of the Elementary and Secondary*

1 *Education Act of 1965 (20 U.S.C. 7801)) or an institution*  
 2 *of higher education.”.*

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 (a)—*

10 *(A) in paragraph (1)—*

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

13 *(ii) in subparagraph (G), by striking*  
 14 *the period at the end and inserting “; and”;*  
 15 *and*

16 *(iii) by adding at the end the fol-*  
 17 *lowing:*

18 *“(H) personnel trained in providing assist-*  
 19 *ive technology services.”; and*

20 *(B) in paragraph (4)(B), by striking “sec-*  
 21 *tion 134(c)” and inserting “section 121(e)”;*

22 *(2) in subsection (b)(1)(B)(i), by striking “or*  
 23 *prosthetics and orthotics” and inserting “prosthetics*  
 24 *and orthotics, rehabilitation teaching for the blind, or*  
 25 *orientation and mobility instruction”; and*



1           (3) in subsection (i), by striking “fiscal years  
2           1999 through 2003” and inserting “fiscal years 2006  
3           through 2011”.

4 **SEC. 442. DEMONSTRATION AND TRAINING PROGRAMS.**

5           Section 303 of the Rehabilitation Act of 1973 (29  
6 U.S.C. 773) is amended—

7           (1) in subsection (b)(5)(A)(i), by striking “spe-  
8           cial projects” and inserting “not less than 2 special  
9           projects”;

10          (2) by redesignating subsections (c), (d), and (e)  
11          as subsections (h), (i), and (j), respectively;

12          (3) by inserting after subsection (b) the fol-  
13          lowing:

14          “(c) *DEMONSTRATION PROJECTS FOR EMPLOYMENT*  
15 *OF STUDENTS WITH INTELLECTUAL DISABILITIES OR*  
16 *MENTAL ILLNESS.*—

17               “(1) *PURPOSE.*—The purpose of this subsection  
18               is to support model demonstration projects to provide  
19               supported and competitive employment experiences  
20               for students with intellectual disabilities or students  
21               with mental illness, and training for personnel that  
22               work with students described in this paragraph, to  
23               enable the students to gain employment skills and ex-  
24               perience that will promote effective transitions from  
25               school to postsecondary life, including employment.

1 “(2) *AWARDS AUTHORIZED.*—

2 “(A) *COMPETITIVE AWARDS AUTHORIZED.*—

3 *The Commissioner may award grants, contracts,*  
 4 *and cooperative agreements, on a competitive*  
 5 *basis, to eligible organizations described in para-*  
 6 *graph (3), to enable the organizations to carry*  
 7 *out demonstration projects described in para-*  
 8 *graph (1).*

9 “(B) *DURATION.*—*The Commissioner shall*  
 10 *award grants, contracts, and cooperative agree-*  
 11 *ments under this subsection for periods of 3 to*  
 12 *5 years.*

13 “(3) *ELIGIBLE ORGANIZATIONS.*—*To be eligible*  
 14 *to receive a grant, contract, or cooperative agreement*  
 15 *under this subsection, an organization shall—*

16 “(A) *have expertise in providing employ-*  
 17 *ment and support services for individuals with*  
 18 *intellectual disabilities or individuals with men-*  
 19 *tal illness;*

20 “(B) *have a proven track record in success-*  
 21 *fully running supported employment programs;*

22 “(C) *provide employment services that are*  
 23 *exclusively integrated community-based sup-*  
 24 *ported employment services;*

1           “(D) have expertise in creating natural sup-  
2           ports for employment;

3           “(E) have expertise in providing computer  
4           training for the targeted population for the  
5           project involved; and

6           “(F) have experience operating mentoring  
7           programs for the target population in middle  
8           and high schools for at least a decade in diverse  
9           communities throughout the Nation.

10          “(4) APPLICATIONS.—Each organization desir-  
11          ing to receive a grant, contract, or cooperative agree-  
12          ment under this subsection shall submit an applica-  
13          tion to the Commissioner at such time, in such man-  
14          ner, and including such information as the Commis-  
15          sioner may require. Each application shall include—

16               “(A) a description of how the organization  
17               plans to carry out the activities authorized in  
18               this subsection through a demonstration project;

19               “(B) a description of how the organization  
20               will evaluate the project;

21               “(C) a description of how the organization  
22               will disseminate information about the activities  
23               and the impact of the activities on the lives of  
24               students served by the project; and

1           “(D) a description of how the organization  
 2           will coordinate activities with any other relevant  
 3           service providers in the locality where the orga-  
 4           nization is based, including federally supported  
 5           independent living centers.

6           “(5) *AUTHORIZED ACTIVITIES.*—An organization  
 7           that receives a grant, contract, or cooperative agree-  
 8           ment under this subsection shall use the funds made  
 9           available through the grant, contract, or cooperative  
 10          agreement to carry out 1 or more of the following ac-  
 11          tivities for individuals, ages 14 through 21, who are  
 12          students with intellectual disabilities or students with  
 13          mental illness:

14           “(A) *PROVIDING SUPPORTED AND COMPETI-*  
 15          *TIVE EMPLOYMENT EXPERIENCES.*—The develop-  
 16          ment of innovative and effective supported and  
 17          competitive employment experiences after school,  
 18          on weekends, and in the summer, utilizing nat-  
 19          ural supports that lead to competitive high-pay-  
 20          ing jobs.

21           “(B) *PROVIDING TRAINING TO SCHOOL AND*  
 22          *TRANSITION PERSONNEL.*—The development and  
 23          deployment of experts to work with transition  
 24          programs (including personnel working with stu-  
 25          dents on transition) so that personnel from the

1        *programs develop skills needed to train students*  
2        *with intellectual disabilities or students with*  
3        *mental illness to be successful in competitive em-*  
4        *ployment in a range of settings, including office*  
5        *settings. The training shall include training for*  
6        *the personnel in providing instruction to stu-*  
7        *dents in computer skills, office skills, interview*  
8        *etiquette, and appropriate social behavior re-*  
9        *quired for successful long-term employment in*  
10       *professional environments.*

11       “(6) *AUTHORIZATION OF APPROPRIATIONS.—*  
12       *There are authorized to be appropriated to carry out*  
13       *this subsection \$5,000,000 for fiscal year 2006 and*  
14       *such sums as may be necessary for fiscal years 2007*  
15       *through 2011.*

16       “(d) *DEMONSTRATION PROJECT FOR EMPLOYMENT OF*  
17       *INDIVIDUALS WHO ARE DEAF AND LOW FUNCTIONING.—*

18       “(1) *PURPOSE.—The purpose of this subsection*  
19       *is to support a model demonstration project to pro-*  
20       *vide training and employment and support services*  
21       *for individuals who are deaf and low functioning to*  
22       *enable them to gain employment skills that will allow*  
23       *them to become employed and economically self-suffi-*  
24       *cient.*

25       “(2) *DEFINITION.—*

1           “(A) *IN GENERAL.*—*In this subsection, the*  
 2           *term ‘individual who is deaf and low func-*  
 3           *tioning’ means an individual who has been deaf*  
 4           *from birth or very early childhood, reads at or*  
 5           *below the second grade level, has little or no in-*  
 6           *telligible speech, and lacks a secondary school di-*  
 7           *ploma or its recognized equivalent.*

8           “(B)   *SECONDARY   DISABILITIES.*—*Such*  
 9           *term may include an individual with a sec-*  
 10          *ondary disability.*

11          “(3) *GRANTS AUTHORIZED.*—

12               “(A) *COMPETITIVE GRANTS AUTHORIZED.*—  
 13           *The Commissioner may award grants to State*  
 14           *agencies, other public agencies or organizations,*  
 15           *or not-for-profit organizations with expertise in*  
 16           *providing training and employment and support*  
 17           *services for individuals who are deaf and low*  
 18           *functioning to support model demonstration*  
 19           *projects.*

20               “(B) *DURATION.*—*Grants under this sub-*  
 21           *section shall be awarded for a period not to ex-*  
 22           *ceed 5 years.*

23          “(4) *AUTHORIZED ACTIVITIES.*—

24               “(A)   *DEVELOPING   A   COMPREHENSIVE*  
 25           *TRAINING   PROGRAM.*—*Each grant recipient*

1        *under this subsection shall develop an innova-*  
2        *tive, comprehensive training program for indi-*  
3        *viduals who are deaf and low functioning that*  
4        *can be implemented at multiple training loca-*  
5        *tions through such means as distance learning*  
6        *and use of advanced technology, as appropriate.*  
7        *Such training program shall be developed to*  
8        *maximize the potential for replication of the pro-*  
9        *gram by other training providers.*

10        “(B) *IMPLEMENTATION.—Each grant re-*  
11        *cipient under this subsection shall implement the*  
12        *comprehensive training program developed under*  
13        *subparagraph (A) as soon as feasible. Such*  
14        *training shall provide instruction on the job and*  
15        *the social skills necessary for successful long-term*  
16        *employment of individuals who are deaf and low*  
17        *functioning.*

18        “(C) *ESTABLISHING A POST-TRAINING PRO-*  
19        *GRAM OF EMPLOYMENT AND SUPPORT SERV-*  
20        *ICES.—Each grant recipient under this sub-*  
21        *section shall implement employment and support*  
22        *services to assist individuals who complete the*  
23        *training program under subparagraph (A) in se-*  
24        *curing employment and transitioning to the*

1           workplace, for a period of not less than 90 days  
2           subsequent to placement in the employment.

3           “(5) *APPLICATIONS.*—Each entity desiring to re-  
4           ceive a grant under this subsection for a model dem-  
5           onstration project shall submit an application to the  
6           Commissioner at such time, in such manner, and ac-  
7           companied by such information as the Commissioner  
8           may require including—4       “(A) a description of  
9           how the applicant plans to address the activities au-  
10          thorized under this subsection;

11                   “(B) a description of the evaluation plan to  
12           be used in the model demonstration project;

13                   “(C) a description of how the applicant will  
14           disseminate information about the training pro-  
15           gram developed and the results of the project;  
16           and

17                   “(D) a description of how the entity will co-  
18           ordinate activities with any other relevant serv-  
19           ice providers or entities providing training and  
20           employment and support services for individuals  
21           who are deaf and low functioning.

22           “(6) *MANDATED EVALUATION AND DISSEMINA-*  
23           *TION ACTIVITIES.*—

24                   “(A) *ANNUAL REPORT.*—Not later than 2  
25           years after the date on which a grant under this



1        *subsection is awarded and annually thereafter,*  
 2        *the grant recipient shall submit to the Commis-*  
 3        *sioner a report containing information on—*

4                *“(i) the number of individuals who are*  
 5                *participating in the demonstration project*  
 6                *funded under this subsection;*

7                *“(ii) the employment and other skills*  
 8                *being taught in the project;*

9                *“(iii) the number of individuals par-*  
 10                *ticipating in the project that are placed in*  
 11                *employment;*

12                *“(iv) the job sites in which those indi-*  
 13                *viduals are placed and the type of jobs the*  
 14                *individuals are placed in; and*

15                *“(v) the number of individuals who*  
 16                *have dropped out of the project and the rea-*  
 17                *sons for their terminating participation in*  
 18                *the project.*

19                *“(B) EVALUATION OF THE PROJECT.—Each*  
 20                *grant recipient under this subsection shall imple-*  
 21                *ment the evaluation plan approved in its appli-*  
 22                *cation for determining the results of the project*  
 23                *within the timeframe specified in, and following*  
 24                *the provisions of, the approved application.*

1                   “(C) *PARTICIPANT EVALUATION PROCESS;*  
 2                   *FINAL EVALUATION.*—*In the final year of the*  
 3                   *project, the grant recipient will prepare and sub-*  
 4                   *mit to the Commissioner a final evaluation re-*  
 5                   *port of the results of the model demonstration*  
 6                   *project containing—*

7                   “(i) *information on—*

8                   “(I) *the number of individuals*  
 9                   *who participated in the demonstration*  
 10                  *project;*

11                  “(II) *the number of those individ-*  
 12                  *uals that are placed in employment;*

13                  “(III) *the job sites in which those*  
 14                  *individuals were placed and the type*  
 15                  *of jobs the individuals were placed in;*

16                  “(IV) *the number of those individ-*  
 17                  *uals who have dropped out of the*  
 18                  *project and the reasons for their termi-*  
 19                  *nating participation in the project;*  
 20                  *and*

21                  “(V) *the number of those individ-*  
 22                  *uals who participated in the project*  
 23                  *and who remain employed as of 2*  
 24                  *months prior to the date on which the*

1                   *final report is submitted to the Com-*  
2                   *missioner;*

3                   “(ii) *a written analysis of the project,*  
4                   *including both the strengths and weaknesses*  
5                   *of the project, to assist other entities in rep-*  
6                   *licating the training program developed*  
7                   *through the project; and*

8                   “(iii) *such other information as the*  
9                   *Commissioner determines appropriate.*

10                  “(D) *DISSEMINATION.—Not later than 5*  
11                  *years after the date on which a grant is awarded*  
12                  *under this subsection, the evaluation report con-*  
13                  *taining results of activities funded by such grant*  
14                  *shall be disseminated to designated State agen-*  
15                  *cies, school systems providing instruction to stu-*  
16                  *dents who are individuals who are deaf and low*  
17                  *functioning, supported employment providers,*  
18                  *postsecondary vocational training programs, em-*  
19                  *ployers, the Social Security Administration, and*  
20                  *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 2006 and*  
24                  *such sums as may be necessary for each of fiscal years*  
25                  *2007 through 2011.*

1       “(e) *TRAINING AND TECHNICAL ASSISTANCE CENTER*  
 2 *TO PROMOTE HIGH-QUALITY EMPLOYMENT OUTCOMES*  
 3 *FOR INDIVIDUALS RECEIVING SERVICES FROM DESIGNATED*  
 4 *STATE AGENCIES.*—

5               “(1) *IN GENERAL.*—*The Commissioner shall*  
 6 *award a grant, contract, or cooperative agreement to*  
 7 *an entity to support a training and technical assist-*  
 8 *ance program that—*

9                       “(A) *responds to State-specific information*  
 10 *requests concerning high-quality employment*  
 11 *outcomes, from designated State agencies funded*  
 12 *under title I, including—*

13                               “(i) *requests for information on the ex-*  
 14 *pansion of self-employment, business owner-*  
 15 *ship, and business development opportuni-*  
 16 *ties, and other types of entrepreneurial em-*  
 17 *ployment opportunities for individuals with*  
 18 *disabilities;*

19                               “(ii) *requests for information on the*  
 20 *expansion and improvement of transition*  
 21 *services to facilitate the transition of stu-*  
 22 *dents with disabilities from school to post-*  
 23 *secondary life, including employment;*

24                               “(iii) *requests for examples of policies,*  
 25 *practices, procedures, or regulations, that*

1           *have enhanced or may enhance access to*  
2           *funding for assistive technology devices and*  
3           *assistive technology services for individuals*  
4           *with disabilities;*

5           “(iv) requests for information on effec-  
6           *tive approaches to enhance informed choice*  
7           *and a consumer-directed State vocational*  
8           *rehabilitation system;*

9           “(v) requests for assistance developing  
10          *corrective action plans;*

11          “(vi) requests for assistance in devel-  
12          *oping and implementing effective data col-*  
13          *lection and reporting systems that measure*  
14          *the outcomes of the vocational rehabilitation*  
15          *services, and preparing reports for the Com-*  
16          *missioner as described in section 106(b)(1);*  
17          *and*

18          “(vii) requests for information on effec-  
19          *tive approaches that enhance employment*  
20          *outcomes for individuals with disabilities,*  
21          *including conducting outreach and forming*  
22          *partnerships with business and industry;*  
23          *and*

24          “(B) provides State-specific, regional, and  
25          *national training and technical assistance con-*

cerning vocational rehabilitation services and related information to designated State agencies, including—

“(i) facilitating onsite and electronic information sharing using state-of-the-art Internet technologies such as real-time online discussions, multipoint video conferencing, and web-based audio/video broadcasts, on emerging topics that affect vocational rehabilitation programs authorized under title I;

“(ii) enabling the designated State agencies to coordinate training and data collection efforts with one-stop centers established under section 121(e) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(e));

“(iii) enabling the designated State agencies to provide information on how the vocational rehabilitation programs authorized under title I can provide technical assistance to the one-stop centers on making programs offered through the centers physically and programmatically accessible to individuals with disabilities;

1           “(iv) *sharing evidence-based and prom-*  
2           *ising practices among the vocational reha-*  
3           *bilitation programs;*

4           “(v) *maintaining an accessible website*  
5           *that includes links to—*

6                   “(I) *the vocational rehabilitation*  
7                   *programs;*

8                   “(II) *appropriate Federal depart-*  
9                   *ments and agencies, and private asso-*  
10                  *ciations;*

11                  “(III) *State assistive technology*  
12                  *device and assistive technology service*  
13                  *demonstration programs, device loan*  
14                  *programs, device reutilization pro-*  
15                  *grams, alternative financing systems,*  
16                  *or State financing activities, operated*  
17                  *through, or independently of, com-*  
18                  *prehensive statewide programs of tech-*  
19                  *nology-related assistance carried out*  
20                  *under section 4 of the Assistive Tech-*  
21                  *nology Act of 1998 (29 U.S.C. 3003),*  
22                  *telework programs, and other programs*  
23                  *that provide sources of funding for as-*  
24                  *istive technology devices; and*

1                   “(IV) various programs, including  
2                   programs with tax credits, available to  
3                   employers for hiring or accommodating  
4                   employees who are individuals with  
5                   disabilities;

6                   “(vi) enhancing employment outcomes  
7                   for individuals with mental illness and in-  
8                   dividuals with cognitive disabilities;

9                   “(vii) convening experts from the voca-  
10                  tional rehabilitation programs to discuss  
11                  and make recommendations with regard to  
12                  the employment of individuals with disabili-  
13                  ties and national emerging issues of impor-  
14                  tance to individuals with vocational reha-  
15                  bilitation needs;

16                  “(viii) enabling the designated State  
17                  agencies to provide practical information  
18                  on effective approaches for business and in-  
19                  dustry to use in employing individuals with  
20                  disabilities, including provision of reason-  
21                  able accommodations;

22                  “(ix) providing information on other  
23                  emerging issues concerning the delivery of  
24                  publicly funded employment and training  
25                  services and supports to assist individuals



1           *with disabilities to enter the workforce,*  
2           *achieve improved employment outcomes,*  
3           *and become economically self-sufficient; and*  
4           *“(x) carrying out such other activities*  
5           *as the Commissioner may require.*

6           “(2) *ELIGIBLE ENTITIES.—To be eligible to re-*  
7           *ceive a grant, contract, or cooperative agreement*  
8           *under this subsection, an entity shall have (or agree*  
9           *to award a grant or contract to an entity that has)—*

10           “(A) *experience and expertise in admin-*  
11           *istering vocational rehabilitation services;*

12           “(B) *documented experience with and*  
13           *knowledge about self-employment, business own-*  
14           *ership, business development, and other types of*  
15           *entrepreneurial employment opportunities and*  
16           *outcomes for individuals with disabilities, pro-*  
17           *viding transition services for students with dis-*  
18           *abilities, and assistive technology; and*

19           “(C) *the expertise necessary to identify the*  
20           *additional data elements needed to provide com-*  
21           *prehensive reporting of activities and outcomes*  
22           *of the vocational rehabilitation programs author-*  
23           *ized under title I, and experience in utilizing*  
24           *data to provide annual reports.*

1           “(3) *COLLABORATION.*—*In developing and pro-*  
 2           *viding training and technical assistance under this*  
 3           *subsection, a recipient of a grant, contract, or cooper-*  
 4           *ative agreement under this subsection shall collaborate*  
 5           *with other organizations, in particular—*

6                   “(A) *agencies carrying out vocational reha-*  
 7                   *ilitation programs under title I and national*  
 8                   *organizations representing such programs;*

9                   “(B) *organizations representing individuals*  
 10                  *with disabilities;*

11                  “(C) *organizations representing State offi-*  
 12                  *cials and agencies engaged in the delivery of as-*  
 13                  *sistive technology;*

14                  “(D) *relevant employees from Federal de-*  
 15                  *partments and agencies, other than the Depart-*  
 16                  *ment of Education;*

17                  “(E) *representatives of businesses;*

18                  “(F) *individuals with disabilities who use*  
 19                  *assistive technology and understand the barriers*  
 20                  *to the acquisition of such technology and assist-*  
 21                  *ive technology services; and*

22                  “(G) *family members, guardians, advocates,*  
 23                  *and authorized representatives of such individ-*  
 24                  *uals.*

25           “(f) *ACCESS TO TELEWORK.*—

1           “(1) *DEFINITION OF TELEWORK.*—*In this sub-*  
 2           *section, the term ‘telework’ means work from home*  
 3           *and other telework sites with the assistance of a com-*  
 4           *puter and with reasonable accommodations, including*  
 5           *the necessary equipment to facilitate successful work*  
 6           *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 Indian tribes located on Federal*  
 10          *and State reservations (and consortia of such gov-*  
 11          *erning bodies) to pay for the Federal share of the cost*  
 12          *of establishing or expanding a telework program.*

13          “(3) *APPLICATION.*—*A State or Indian tribe that*  
 14          *desires to receive a grant under this subsection shall*  
 15          *submit an application to the Commissioner at such*  
 16          *time, in such manner, and containing such informa-*  
 17          *tion as the Commissioner may require.*

18          “(4) *USE OF FUNDS.*—

19               “(A) *IN GENERAL.*—*A State or Indian tribe*  
 20               *that receives a grant under this subsection shall*  
 21               *establish or expand a telework program that*  
 22               *shall provide assistance through loans or other*  
 23               *alternative financing mechanisms to individuals*  
 24               *with disabilities. The State or Indian tribe shall*  
 25               *provide the assistance through the program to*

1       *enable such individuals to purchase computers or*  
2       *other equipment, including adaptive equipment,*  
3       *to facilitate access to employment and enhance*  
4       *employment outcomes by providing the indi-*  
5       *vidual with the opportunity—*

6               “(i) *to work from home or other*  
7               *telework sites so that such individuals are*  
8               *able to telework; or*

9               “(ii) *to become self-employed on a full-*  
10              *time or part-time basis from home or other*  
11              *telework sites.*

12              “(B) *DEVELOPMENT OF TELEWORK OPPOR-*  
13              *TUNITIES AND BUSINESS PLANS.—A State or In-*  
14              *dian tribe that receives a grant under this sub-*  
15              *section may use not more than 10 percent of the*  
16              *grant award to develop telework opportunities*  
17              *with employers and assist in the development of*  
18              *business plans for individuals with disabilities*  
19              *interested in self-employment, before such indi-*  
20              *viduals apply for assistance through the telework*  
21              *program.*

22              “(C) *SELF EMPLOYMENT.—A State or In-*  
23              *dian tribe that receives a grant under this sub-*  
24              *section shall enter into cooperative agreements*  
25              *with small business development centers for the*

development of business plans as described in section 103(a)(13) for individuals described in subparagraph (B), and provide assurances that the State or Indian tribe will, through plans to achieve self-support, vocational rehabilitation services, or other means, identify ways for the individuals described in subparagraph (B) to pay for the development of business plans, before such individuals apply for assistance through the telework program.

“(D) DEFINITIONS.—In this paragraph:

“(i) PLAN TO ACHIEVE SELF-SUPPORT.—The term ‘plan to achieve self-support’ means a plan described in sections 416.1180 through 416.1182 of title 20, Code of Federal Regulations (or any corresponding similar regulation or ruling).

“(ii) SMALL BUSINESS DEVELOPMENT CENTER.—The term ‘small business development center’ means a center established under section 21 of the Small Business Act (15 U.S.C. 648).

“(5) FEDERAL SHARE.—The Federal share of the cost of establishing or expanding a telework program under this section shall be 90 percent of the cost.

1           “(6) *EXISTING GRANT RECIPIENTS.*—*An entity*  
 2           *that receives a grant under the Access to Telework*  
 3           *Fund Program under subsection (b) for a fiscal year*  
 4           *may use the funds made available through that grant*  
 5           *for that fiscal year in accordance with this subsection*  
 6           *rather than subsection (b).*

7           “(7) *ANNUAL REPORT.*—

8           “(A) *IN GENERAL.*—*A State or Indian tribe*  
 9           *that receives a grant under this subsection shall*  
 10          *prepare and submit an annual report to the*  
 11          *Commissioner.*

12          “(B) *CONTENTS.*—*The report under sub-*  
 13          *paragraph (A) shall include the following:*

14               “(i) *Information on the characteristics*  
 15               *of each individual with a disability that re-*  
 16               *ceives assistance through a loan or other al-*  
 17               *ternative financing mechanism under the*  
 18               *program, including information about the*  
 19               *individual such as the following:*

20                       “(I) *Age.*

21                       “(II) *Employment status at the*  
 22                       *time of application for assistance*  
 23                       *through a loan or other alternative fi-*  
 24                       *nancing mechanism under this sub-*  
 25                       *section.*

1           “(III) Whether the individual at-  
2           tempted to secure financial support  
3           from other sources to enable the indi-  
4           vidual to telework and, if so, a descrip-  
5           tion of such sources.

6           “(IV) Whether the individual is  
7           working and, if so, whether the indi-  
8           vidual teleworks, the occupation in  
9           which the individual is working, the  
10          hourly salary the individual receives,  
11          and the hourly salary of the individual  
12          prior to receiving assistance through a  
13          loan or other alternative financing  
14          mechanism under the program.

15          “(V) Whether the individual has  
16          repaid assistance from the loan or  
17          other alternative financing mechanism  
18          received under the program, is in re-  
19          payment status, is delinquent on re-  
20          payments, or has defaulted on the as-  
21          sistance from the loan or other alter-  
22          native financing mechanism.

23          “(ii) An analysis of the individuals  
24          with disabilities that have benefited from  
25          the program.

1                   “(iii) *Any other information that the*  
 2                   *Commissioner may require.*

3           “(g) *GRANTS FOR DISABILITY CAREER PATHWAYS*  
 4 *PROGRAM.—*

5           “(1) *DEFINITIONS.—In this subsection:*

6                   “(A) *CENTER FOR INDEPENDENT LIVING.—*  
 7                   *The term ‘center for independent living’ means a*  
 8                   *center for independent living funded under sub-*  
 9                   *title C of title VII.*

10                  “(B) *COVERED INSTITUTION.—The term*  
 11                  *‘covered institution’ means—*

12                          “(i) *a secondary school; and*

13                          “(ii) *in the discretion of the eligible*  
 14                          *consortium involved, an institution of high-*  
 15                          *er education.*

16                  “(C) *ELIGIBLE CONSORTIUM.—The term ‘el-*  
 17                  *igible consortium’ means a consortium described*  
 18                  *in paragraph (3)(A).*

19                  “(D) *SECONDARY SCHOOL.—The term ‘sec-*  
 20                  *ondary school’ has the meaning given the term*  
 21                  *in section 9101 of the Elementary and Sec-*  
 22                  *ondary Education Act of 1965 (20 U.S.C. 7801).*

23                  “(2) *PURPOSE OF PROGRAM.—The Commissioner*  
 24                  *may establish a Disability Career Pathways program,*  
 25                  *through which the Commissioner may make grants,*



1     *for periods of not more than 5 years, to institutions*  
 2     *of higher education that establish eligible consortia, to*  
 3     *enable the consortia to develop and carry out training*  
 4     *and education related to disability studies and leader-*  
 5     *ship development. The consortia shall provide the*  
 6     *training and education for the purpose of providing*  
 7     *career pathways for students at a covered institution,*  
 8     *in fields pertinent to individuals with disabilities,*  
 9     *and particularly pertinent to the employment of indi-*  
 10    *viduals with disabilities.*

11           “(3) *APPLICATION.—To be eligible to receive a*  
 12     *grant under this subsection on behalf of a consortium,*  
 13     *an institution of higher education shall submit an ap-*  
 14     *plication to the Commissioner at such time, in such*  
 15     *manner, and containing such information as the*  
 16     *Commissioner may require, including information*  
 17     *demonstrating—*

18                   “(A) *that the institution of higher education*  
 19     *has established a consortium of members that*  
 20     *represent—*

21                           “(i) *the institution of higher education;*

22                           “(ii) *a community college;*

23                           “(iii) *a secondary school;*

24                           “(iv) *a center for independent living;*

25                           “(v) *a designated State agency;*

1                   “(vi) a one-stop center established  
 2                   under section 121(e) of the Workforce In-  
 3                   vestment Act of 1998 (29 U.S.C. 2841(e));  
 4                   and

5                   “(vii) the local business community;  
 6                   “(B) the collaborative working relationships  
 7                   between the institution of higher education and  
 8                   the other members of the consortium, and de-  
 9                   scribing the activities that each member shall  
 10                  undertake; and

11                  “(C) the capacity and expertise of the insti-  
 12                  tution of higher education—

13                  “(i) to coordinate training and edu-  
 14                  cation related to disability studies and lead-  
 15                  ership development with educational insti-  
 16                  tutions and disability-related organizations;  
 17                  and

18                  “(ii) to conduct such training and edu-  
 19                  cation effectively.

20                  “(4) DISTRIBUTION OF GRANTS.—In making  
 21                  grants under this subsection, the Commissioner shall  
 22                  ensure that the grants shall be distributed for a geo-  
 23                  graphically diverse set of eligible consortia throughout  
 24                  all regions.

1           “(5) *MANDATORY USES OF FUNDS.*—*An institu-*  
2           *tion of higher education that receives a grant under*  
3           *this subsection on behalf of a consortium shall ensure*  
4           *that the consortium shall use the grant funds to—*

5                   “(A) *encourage interest in, enhance aware-*  
6                   *ness and understanding of, and provide edu-*  
7                   *cational opportunities in, disability-related*  
8                   *fields, and encourage leadership development*  
9                   *among students served by a covered institution,*  
10                  *including such students who are individuals*  
11                  *with disabilities;*

12                  “(B) *enable the students at a covered insti-*  
13                  *tution to gain practical skills and identify work*  
14                  *experience opportunities, including opportunities*  
15                  *developed by the consortium in conjunction with*  
16                  *the private sector, that benefit individuals with*  
17                  *disabilities;*

18                  “(C) *develop postsecondary school career*  
19                  *pathways leading to gainful employment, the at-*  
20                  *tainment of an associate or baccalaureate degree,*  
21                  *or the completion of further coursework or a fur-*  
22                  *ther degree, in a disability-related field;*

23                  “(D) *offer credit-bearing, college-level*  
24                  *coursework in a disability-related field to quali-*  
25                  *fied students served by a covered institution; and*

1                   “(E) ensure faculty and staff employed by  
2                   the members of the consortium are available to—

3                   “(i) students at a covered institution  
4                   for educational and career advising; and

5                   “(ii) teachers and staff of a covered in-  
6                   stitution for disability-related training.

7                   “(6) *PERMISSIBLE USES OF FUNDS.*—An institu-  
8                   tion of higher education that receives a grant under  
9                   this subsection on behalf of a consortium may permit  
10                  the consortium to use the grant funds to develop or  
11                  adapt disabilities studies curricula, including cur-  
12                  ricula with distance learning opportunities, for use at  
13                  covered institutions, to encourage students served by  
14                  such covered institutions to enter careers in dis-  
15                  ability-related fields.

16                  “(7) *CONSULTATION.*—The consortium shall con-  
17                  sult with appropriate agencies that serve or assist in-  
18                  dividuals with disabilities, and the parents, family  
19                  members, guardians, advocates, or authorized rep-  
20                  resentatives of the individuals, located in the jurisdic-  
21                  tion served by the consortium, concerning the pro-  
22                  gram of education and training carried out by the  
23                  consortium.

24                  “(8) *REVIEWS.*—

1           “(A) *ADVISORY COMMITTEE.*—*For an insti-*  
 2           *tution of higher education to be eligible to receive*  
 3           *a grant under this subsection on behalf of a con-*  
 4           *sortium, the consortium shall have an advisory*  
 5           *committee that consists of members that rep-*  
 6           *resent the interests of individuals with disabil-*  
 7           *ities, including—*

8                   “(i) *a professional in the field of voca-*  
 9                   *tional rehabilitation;*

10                  “(ii) *an individual with a disability*  
 11                  *or a family member of such an individual;*  
 12                  *and*

13                  “(iii) *a representative of each type of*  
 14                  *entity or community represented on the con-*  
 15                  *sortium.*

16           “(B) *QUARTERLY REVIEWS.*—*The advisory*  
 17           *committee shall meet at least once during each*  
 18           *calendar quarter to conduct a review of the pro-*  
 19           *gram of education and training carried out by*  
 20           *the consortium. The committee shall directly ad-*  
 21           *vise the governing board of the institution of*  
 22           *higher education in the consortium about the*  
 23           *views and recommendations of the advisory com-*  
 24           *mittee resulting from the review.*

1           “(9) *ACCOUNTABILITY*.—Every 2 years, the Com-  
 2       missioner shall—

3                 “(A) using information collected from the  
 4                 reviews required in paragraph (8), assess the ef-  
 5                 fectiveness of the Disability Career Pathways  
 6                 program carried out under this subsection, in-  
 7                 cluding assessing how many individuals were  
 8                 served by each eligible consortium and how  
 9                 many of those individuals received postsecondary  
 10                education, or entered into employment, in a dis-  
 11                ability-related field; and

12               “(B) prepare and submit to Congress a re-  
 13               port containing the results of the assessments de-  
 14               scribed in subparagraph (A).”; and

15           (4) in subsection (j), as redesignated by para-  
 16       graph (2)—

17                 (A) by striking “There” and inserting the  
 18                 following:

19                 “(1) *IN GENERAL*.—There”;

20                 (B) in paragraph (1), as designated by sub-  
 21                 paragraph (A)—

22                         (i) by striking “this section” and in-  
 23                         serting “this section (other than subsections  
 24                         (c) and (d))”; and

1                   (ii) by striking “fiscal years 1999  
2                   through 2003” and inserting “fiscal years  
3                   2006 through 2011”; and

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

5                   “(2) *RESERVATIONS.*—Of the sums appropriated  
6                   under paragraph (1) for a fiscal year, the Secretary  
7                   may reserve—

8                   “(A) not more than \$500,000 to carry out  
9                   subsection (e);

10                  “(B) not more than \$5,000,000 to carry out  
11                  subsection (f); and

12                  “(C) not more than \$5,000,000 to carry out  
13                  subsection (g).”.

14 **SEC. 443. MIGRANT AND SEASONAL FARMWORKERS.**

15                  Section 304(b) of the Rehabilitation Act of 1973 (29  
16 U.S.C. 774(b)) is amended by striking “fiscal years 1999  
17 through 2003” and inserting “fiscal years 2006 through  
18 2011”.

19 **SEC. 444. RECREATIONAL PROGRAMS.**

20                  Section 305 of the Rehabilitation Act of 1973 (29  
21 U.S.C. 775) is amended—

22                  (1) in subsection (a)(1)(B), by striking “con-  
23                  struction of facilities for aquatic rehabilitation ther-  
24                  apy,”; and

1           (2) in subsection (b), by striking “fiscal years  
2           1999 through 2003” and inserting “fiscal years 2006  
3           through 2011”.

4           ***Subtitle D—National Council on***  
5           ***Disability***

6   **SEC. 451. AUTHORIZATION OF APPROPRIATIONS.**

7           Section 405 of the Rehabilitation Act of 1973 (29  
8   U.S.C. 785) is amended by striking “fiscal years 1999  
9   through 2003” and inserting “fiscal years 2006 through  
10 2011”.

11          ***Subtitle E—Rights and Advocacy***

12   **SEC. 461. ARCHITECTURAL AND TRANSPORTATION BAR-**  
13           **RIERS COMPLIANCE BOARD.**

14          Section 502(j) of the Rehabilitation Act of 1973 (29  
15   U.S.C. 792(j)) is amended by striking “fiscal years 1999  
16   through 2003” and inserting “fiscal years 2006 through  
17   2011”.

18   **SEC. 462. PROTECTION AND ADVOCACY OF INDIVIDUAL**  
19           **RIGHTS.**

20          Section 509 of the Rehabilitation Act of 1973 (29  
21   U.S.C. 794e) is amended—

22               (1) in subsection (c)(1)(A), by inserting “a grant  
23               for” after “to provide”;

24               (2) in subsection (g)(2), by striking “was paid”  
25               and inserting “was paid, except that program income



1       *generated from the amount paid to an eligible system*  
 2       *shall remain available to such system until ex-*  
 3       *pendended”;*

4               *(3) in subsection (l), by striking “fiscal years*  
 5       *1999 through 2003” and inserting “fiscal years 2006*  
 6       *through 2011”;*

7               *(4) by redesignating subsections (l) and (m) as*  
 8       *subsections (m) and (n), respectively; and*

9               *(5) by inserting after subsection (k) the fol-*  
 10       *lowing:*

11       *“(l) SYSTEM AUTHORITY.—For purposes of serving*  
 12       *persons eligible for services under this section, an eligible*  
 13       *system shall have the same general authorities, including*  
 14       *access to records, as the system is afforded under subtitle*  
 15       *C of title I of the Developmental Disabilities Assistance and*  
 16       *Bill of Rights Act of 2000 (29 U.S.C. 796c et seq.), as deter-*  
 17       *mined by the Commissioner.”.*

18       ***Subtitle F—Employment Opportuni-***  
 19       ***ties for Individuals With Dis-***  
 20       ***abilities***

21       ***SEC. 471. PROJECTS WITH INDUSTRY.***

22       *Section 611(a) of the Rehabilitation Act of 1973 (29*  
 23       *U.S.C. 795(a)) is amended—*

24               *(1) in paragraph (1), by inserting “, locally and*  
 25       *nationally” before the period at the end; and*

1           (2) *in paragraph (2)—*

2                   *(A) in the matter preceding subparagraph*  
 3           *(A), by inserting “local and national” before*  
 4           *“Projects With Industry”; and*

5                   *(B) in subparagraph (A)—*

6                   *(i) in clause (iii), by striking “and”*  
 7           *after the semicolon;*

8                   *(ii) in clause (iv), by inserting “and”*  
 9           *after the semicolon; and*

10                   *(iii) by adding at the end the fol-*  
 11           *lowing:*

12                   *“(v) coordinate activities with the Job*  
 13           *Corps center industry councils established under*  
 14           *section 154 of the Workforce Investment Act of*  
 15           *1998 (29 U.S.C. 2894);”.*

16 **SEC. 472. 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 2006 through*  
 21           *2011”.*

1 **SEC. 473. SERVICES FOR INDIVIDUALS WITH SIGNIFICANT**  
 2 **DISABILITIES AUTHORIZATION OF APPRO-**  
 3 **PRIATIONS.**

4 *Section 628 of the Rehabilitation Act of 1973 (29*  
 5 *U.S.C. 795n) is amended by striking “fiscal years 1999*  
 6 *through 2003” and inserting “fiscal years 2006 through*  
 7 *2011”.*

8 **Subtitle G—Independent Living**  
 9 **Services and Centers for Inde-**  
 10 **pendent Living**

11 **SEC. 481. STATE PLAN.**

12 *Section 704 of the Rehabilitation Act of 1973 (29*  
 13 *U.S.C. 796c) is amended by adding at the end the following:*

14 *“(o) PROMOTING FULL ACCESS TO COMMUNITY*  
 15 *LIFE.—*

16 *“(1) IN GENERAL.—The plan shall describe how*  
 17 *the State will provide independent living services that*  
 18 *promote full access to community life for individuals*  
 19 *with significant disabilities.*

20 *“(2) SERVICES.—The services shall include, as*  
 21 *appropriate—*

22 *“(A) facilitating transitions of—*

23 *“(i) youth who are individuals with*  
 24 *significant disabilities and have completed*  
 25 *individualized education programs under*  
 26 *section 614(d) of the Individuals with Dis-*

1                   abilities Education Act (20 U.S.C. 1414(d))  
 2                   to postsecondary life, including employ-  
 3                   ment; and

4                   “(ii) individuals with significant dis-  
 5                   abilities from nursing homes and other in-  
 6                   stitutions, including institutions serving in-  
 7                   dividuals with cognitive disabilities, to com-  
 8                   munity-based residences;

9                   “(B) assisting individuals with significant  
 10                  disabilities at risk of entering institutions to re-  
 11                  main in the community; and

12                  “(C) promoting home ownership among in-  
 13                  dividuals with significant disabilities.”.

14 **SEC. 482. STATEWIDE INDEPENDENT LIVING COUNCIL.**

15           (a) *ESTABLISHMENT*.—Section 705(a) of the Rehabili-  
 16           tation Act of 1973 (29 U.S.C. 796d(a)) is amended by strik-  
 17           ing the second sentence and inserting the following: “The  
 18           Council shall not be established as an entity within a State  
 19           agency, and shall not provide independent living services  
 20           directly to individuals with significant disabilities or man-  
 21           age such services.”.

22           (b) *COMPOSITION*.—Section 705(b) of the Rehabilita-  
 23           tion Act of 1973 (29 U.S.C. 796d(b)) is amended—

24                   (1) in paragraph (2), by striking subparagraph  
 25                   (C) and inserting the following:

1           “(C) in a State in which 1 or more projects  
 2           provide services under section 121, not less than  
 3           1 representative of the directors of the projects.”;  
 4           and

5           (2) by striking paragraph (5) and inserting the  
 6           following:

7           “(5) CHAIRPERSON.—The Council shall select a  
 8           chairperson from among the voting membership of the  
 9           Council.”.

10          (c) DUTIES.—Section 705(c) of the Rehabilitation Act  
 11 of 1973 (29 U.S.C. 796d(c)) is amended—

12           (1) by redesignating paragraphs (1) through (5)  
 13           as subparagraphs (A) through (E), respectively, and  
 14           aligning the margins of those subparagraphs with the  
 15           margins of subparagraph (E) of subsection (b)(3);

16           (2) by striking “(c)” and all that follows through  
 17           “shall—” and inserting the following:

18           “(c) FUNCTIONS.—

19           “(1) DUTIES.—The Council shall—”; and

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

21           “(2) AUTHORITIES.—The Council may, con-  
 22           sistent with the State plan described in section 704,  
 23           unless prohibited by State law—

1           “(A) provide advice and assistance to the  
2           designated State unit regarding the performance  
3           of its responsibilities under this title;

4           “(B) facilitate the improvement and coordi-  
5           nation of services provided to individuals with  
6           disabilities by centers for independent living, the  
7           designated State unit, other Government agen-  
8           cies, and community organizations;

9           “(C) conduct resource development activities  
10          to obtain funding from public and private re-  
11          sources to support the activities described in this  
12          subsection or to support the provision of inde-  
13          pendent living services by centers for inde-  
14          pendent living; and

15          “(D) perform such other functions, con-  
16          sistent with the purpose of this chapter and com-  
17          parable to other functions described in this sub-  
18          section, as the Council determines to be appro-  
19          priate.”.

20 **SEC. 483. INDEPENDENT LIVING SERVICES AUTHORIZA-**  
21 **TION OF APPROPRIATIONS.**

22          Section 714 of the Rehabilitation Act of 1973 (29  
23          U.S.C. 796e–3) is amended by striking “fiscal years 1999  
24          through 2003” and inserting “fiscal years 2006 through  
25          2011”.

1 **SEC. 484. PROGRAM AUTHORIZATION.**

2       *Section 721 of the Rehabilitation Act of 1973 (29*  
 3 *U.S.C. 796f) is amended—*

4               *(1) by striking subsection (c) and inserting the*  
 5 *following:*

6       “(c) *ALLOTMENTS TO STATES.—*

7               “(1) *DEFINITIONS.—In this subsection:*

8                       “(A) *ADDITIONAL APPROPRIATION.—The*  
 9 *term ‘additional appropriation’ means the*  
 10 *amount (if any) by which the appropriation for*  
 11 *a fiscal year exceeds the total of—*

12                               “(i) *the amount reserved under sub-*  
 13 *section (b) for that fiscal year; and*

14                               “(ii) *the appropriation for fiscal year*  
 15 *2005.*

16                       “(B) *APPROPRIATION.—The term ‘appro-*  
 17 *priation’ means the amount appropriated to*  
 18 *carry out this part.*

19                       “(C) *BASE APPROPRIATION.—The term*  
 20 *‘base appropriation’ means the portion of the ap-*  
 21 *propriation for a fiscal year that is equal to the*  
 22 *lesser of—*

23                               “(i) *an amount equal to 100 percent of*  
 24 *the appropriation, minus the amount re-*  
 25 *served under subsection (b) for that fiscal*  
 26 *year; or*

1                   “(ii) the appropriation for fiscal year  
2                   2005.

3                   “(2) ALLOTMENTS TO STATES FROM BASE AP-  
4                   PROPRIATION.—After the reservation required by sub-  
5                   section (b) has been made, the Commissioner shall  
6                   allot to each State whose State plan has been ap-  
7                   proved under section 706 an amount that bears the  
8                   same ratio to the base appropriation as the amount  
9                   the State received under this subsection for fiscal year  
10                  2005 bears to the total amount that all States received  
11                  under this subsection for fiscal year 2005.

12                  “(3) ALLOTMENTS TO STATES OF ADDITIONAL  
13                  APPROPRIATION.—From any additional appropri-  
14                  ation for each fiscal year, the Commissioner shall allot  
15                  to each State whose State plan has been approved  
16                  under section 706 an amount equal to the sum of—

17                       “(A) an amount that bears the same ratio  
18                       to 50 percent of the additional appropriation as  
19                       the population of the State bears to the popu-  
20                       lation of all States; and

21                       “(B)  $\frac{1}{56}$  of 50 percent of the additional ap-  
22                       propriation.”; and

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

24                  “(e) CARRYOVER AUTHORITY.—Notwithstanding any  
25                  other provision of law—



1           “(1) any funds appropriated for a fiscal year to  
 2       carry out a grant program under section 722 or 723,  
 3       that are not obligated and expended by recipients  
 4       prior to the beginning of the succeeding fiscal year  
 5       shall remain available for obligation and expenditure  
 6       by such recipients during that succeeding fiscal year  
 7       and the subsequent fiscal year; and

8           “(2) any amounts of program income received by  
 9       recipients under a grant program under section 722  
 10      or 723 in a fiscal year, that are not obligated and ex-  
 11      pended by recipients prior to the beginning of the suc-  
 12      ceeding fiscal year, shall remain available for obliga-  
 13      tion and expenditure by such recipients during that  
 14      succeeding fiscal year and the subsequent fiscal  
 15      year.”.

16 **SEC. 485. GRANTS TO CENTERS FOR INDEPENDENT LIVING**  
 17 **IN STATES IN WHICH FEDERAL FUNDING EX-**  
 18 **CEEDS STATE FUNDING.**

19       Section 722(c) of the Rehabilitation Act of 1973 (29  
 20 U.S.C. 796f-1(c)) is amended—

21           (1) by striking “grants” and inserting “grants  
 22       for a fiscal year”; and

23           (2) by striking “by September 30, 1997” and in-  
 24       serting “for the preceding fiscal 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(c) of the Rehabilitation Act of 1973 (29*  
 5 *U.S.C. 796f-2(c)) is amended—*

6 *(1) by striking “grants” and inserting “grants*  
 7 *for a fiscal year”; and*

8 *(2) by striking “by September 30, 1997” and in-*  
 9 *serting “for the preceding fiscal year”.*

10 **SEC. 487. STANDARDS AND ASSURANCES FOR CENTERS FOR**  
 11 **INDEPENDENT LIVING.**

12 *Section 725(b) of the Rehabilitation Act of 1973 (29*  
 13 *U.S.C. 796f-4(b)) is amended by adding at the end the fol-*  
 14 *lowing:*

15 *“(8) PROMOTING FULL ACCESS TO COMMUNITY*  
 16 *LIFE.—*

17 *“(A) IN GENERAL.—The center shall pro-*  
 18 *vide independent living services that promote full*  
 19 *access to community life for individuals with*  
 20 *significant disabilities.*

21 *“(B) SERVICES.—The services shall include,*  
 22 *as appropriate—*

23 *“(i) facilitating transitions of—*

24 *“(I) youth who are individuals*  
 25 *with significant disabilities and have*  
 26 *completed individualized education*

1                    *programs under section 614(d) of the*  
 2                    *Individuals with Disabilities Edu-*  
 3                    *cation Act (20 U.S.C. 1414(d)) to post-*  
 4                    *secondary life, including employment;*  
 5                    *and*

6                    *“(II) individuals with significant*  
 7                    *disabilities from nursing homes and*  
 8                    *other institutions, including institu-*  
 9                    *tions serving individuals with cog-*  
 10                    *nitive disabilities, to community-based*  
 11                    *residences;*

12                    *“(ii) assisting individuals with signifi-*  
 13                    *cant disabilities at risk of entering institu-*  
 14                    *tions to remain in the community; and*

15                    *“(iii) promoting home ownership*  
 16                    *among individuals with significant disabil-*  
 17                    *ities.”.*

18    **SEC. 488. CENTERS FOR INDEPENDENT LIVING AUTHORIZA-**  
 19                    **TION OF APPROPRIATIONS.**

20                    *Section 727 of the Rehabilitation Act of 1973 (29*  
 21                    *U.S.C. 796f–6) is amended by striking “fiscal years 1999*  
 22                    *through 2003” and inserting “fiscal years 2006 through*  
 23                    *2011”.*

1 **SEC. 489. INDEPENDENT LIVING SERVICES FOR OLDER IN-**  
 2 **DIVIDUALS WHO ARE BLIND.**

3 *Chapter 2 of title VII of the Rehabilitation Act of 1973*  
 4 *(29 U.S.C. 796j et seq.) is amended—*

5 *(1) by redesignating sections 752 and 753 as sec-*  
 6 *tions 753 and 754, respectively; and*

7 *(2) by inserting after section 751 the following:*

8 **“SEC. 752. TRAINING AND TECHNICAL ASSISTANCE.**

9 *“(a) GRANTS; CONTRACTS; OTHER ARRANGEMENTS.—*  
 10 *For any fiscal year for which the funds appropriated to*  
 11 *carry out this chapter exceed the funds appropriated to*  
 12 *carry out this chapter for fiscal year 2005, the Commis-*  
 13 *sioner shall first reserve from such excess, to provide train-*  
 14 *ing and technical assistance to designated State agencies*  
 15 *for such fiscal year, not less than 1.8 percent, and not more*  
 16 *than 2 percent, of the funds appropriated to carry out this*  
 17 *chapter for the fiscal year involved.*

18 *“(b) ALLOCATION.—From the funds reserved under*  
 19 *subsection (a), the Commissioner shall make grants to, and*  
 20 *enter into contracts and other arrangements with, entities*  
 21 *that demonstrate expertise in the provision of services to*  
 22 *older individuals who are blind to provide training and*  
 23 *technical assistance with respect to planning, developing,*  
 24 *conducting, administering, and evaluating independent liv-*  
 25 *ing programs for older individuals who are blind.*

1       “(c) *FUNDING PRIORITIES.*—*The Commissioner shall*  
 2   *conduct a survey of designated State agencies that receive*  
 3   *grants under section 753 regarding training and technical*  
 4   *assistance needs in order to determine funding priorities*  
 5   *for grants, contracts, and other arrangements under this*  
 6   *section.*

7       “(d) *REVIEW.*—*To be eligible to receive a grant or*  
 8   *enter into a contract or other arrangement under this sec-*  
 9   *tion, an entity shall submit an application to the Commis-*  
 10   *sioner at such time, in such manner, containing a proposal*  
 11   *to provide such training and technical assistance, and con-*  
 12   *taining such additional information as the Commissioner*  
 13   *may require.*

14       “(e) *PROHIBITION ON COMBINED FUNDS.*—*No funds*  
 15   *reserved by the Commissioner under this section may be*  
 16   *combined with funds appropriated under any other Act or*  
 17   *part of this Act if the purpose of combining funds is to*  
 18   *make a single discretionary grant or a single discretionary*  
 19   *payment, unless such reserved funds are separately identi-*  
 20   *fied in the agreement for such grant or payment and are*  
 21   *used for the purposes of this chapter.”.*

22   **SEC. 490. PROGRAM OF GRANTS.**

23       *Section 753 of the Rehabilitation Act of 1973, as redes-*  
 24   *ignated by section 489, is amended—*

25               *(1) by striking subsection (h);*

1           (2) *by redesignating subsections (i) and (j) as*  
 2           *subsections (h) and (i), respectively;*

3           (3) *in subsection (b), by striking “section 753”*  
 4           *and inserting “section 754”;*

5           (4) *in subsection (c)—*

6                 (A) *in paragraph (1), by striking “section*  
 7                 *753” and inserting “section 754”; and*

8                 (B) *in paragraph (2)—*

9                     (i) *by striking “subsection (j)” and in-*  
 10                     *serting “subsection (i)”;* *and*

11                     (ii) *by striking “subsection (i)” and*  
 12                     *inserting “subsection (h)”;*

13           (5) *in subsection (g), by inserting “, or contracts*  
 14           *with,” after “grants to”;*

15           (6) *in subsection (h), as redesignated by para-*  
 16           *graph (2)—*

17                 (A) *in paragraph (1), by striking “sub-*  
 18                 *section (j)(4)” and inserting “subsection (i)(4)”;*

19                 *and*

20                 (B) *in paragraph (2)—*

21                     (i) *in subparagraph (A)(vi), by adding*  
 22                     *“and” after the semicolon;*

23                     (ii) *in subparagraph (B)(ii)(III), by*  
 24                     *striking “; and” and inserting a period;*

25                     *and*

1                   (iii) by striking subparagraph (C);

2                   and

3                   (7) in subsection (i), as redesignated by para-  
4 graph (2)—

5                   (A) by striking paragraph (2) and inserting  
6 the following:

7                   “(2) *MINIMUM ALLOTMENT.*—

8                   “(A) *STATES.*—In the case of any of the  
9 several States, the District of Columbia, or the  
10 Commonwealth of Puerto Rico, the amount re-  
11 ferred to in paragraph (1)(A) for a fiscal year  
12 is the greater of—

13                   “(i) \$350,000;

14                   “(ii) an amount equal to the amount  
15 the State, the District of Columbia, or the  
16 Commonwealth of Puerto Rico received to  
17 carry out this chapter for fiscal year 2005;  
18 or

19                   “(iii) an amount equal to  $\frac{1}{3}$  of 1 per-  
20 cent of the amount appropriated under sec-  
21 tion 754, and not reserved under section  
22 752, for the fiscal year and available for al-  
23 lotments under subsection (a).

24                   “(B) *CERTAIN TERRITORIES.*—In the case  
25 of Guam, American Samoa, the United States

1 *Virgin Islands, or the Commonwealth of the*  
 2 *Northern Mariana Islands, the amount referred*  
 3 *to in paragraph (1)(A) for a fiscal year is*  
 4 *\$60,000.”;*

5 *(B) in paragraph (3)(A), by striking “sec-*  
 6 *tion 753” and inserting “section 754, and not*  
 7 *reserved under section 752,”; and*

8 *(C) in paragraph (4)(B)(i), by striking*  
 9 *“subsection (i)” and inserting “subsection (h)”.*

10 **SEC. 491. INDEPENDENT LIVING SERVICES FOR OLDER IN-**  
 11 **DIVIDUALS WHO ARE BLIND AUTHORIZATION**  
 12 **OF APPROPRIATIONS.**

13 *Section 754 of the Rehabilitation Act of 1973, as redes-*  
 14 *ignated by section 489, is amended by striking “fiscal years*  
 15 *1999 through 2003” and inserting “fiscal years 2006*  
 16 *through 2011”.*

17 ***Subtitle H—Miscellaneous***

18 **SEC. 495. HELEN KELLER NATIONAL CENTER ACT.**

19 *(a) GENERAL AUTHORIZATION OF APPROPRIATIONS.—*  
 20 *The first sentence of section 205(a) of the Helen Keller Na-*  
 21 *tional Center Act (29 U.S.C. 1904(a)) is amended by strik-*  
 22 *ing “1999 through 2003” and inserting “2006 through*  
 23 *2011”.*

24 *(b) HELEN KELLER NATIONAL CENTER FEDERAL EN-*  
 25 *DOWMENT FUND.—The first sentence of section 208(h) of*



1 *the Helen Keller National Center Act (29 U.S.C. 1907(h))*  
2 *is amended by striking “1999 through 2003” and inserting*  
3 *“2006 through 2011”.*

4       ***TITLE V—TRANSITION AND***  
5               ***EFFECTIVE DATE***

6       ***SEC. 501. TRANSITION PROVISIONS.***

7           *The Secretary of Labor shall, at the discretion of the*  
8 *Secretary, take such actions as the Secretary determines to*  
9 *be appropriate to provide for the orderly implementation*  
10 *of titles I and III of this Act. The Secretary of Education*  
11 *shall, at the discretion of the Secretary, take such actions*  
12 *as the Secretary determines to be appropriate to provide*  
13 *for the orderly implementation of titles II and IV of this*  
14 *Act.*

15       ***SEC. 502. EFFECTIVE DATE.***

16           *Except as otherwise provided in this Act, this Act and*  
17 *the amendments made by this Act shall take effect on the*  
18 *date of enactment of this Act.*

Attest:

*Secretary.*

109<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 27

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## AMENDMENT