

109TH CONGRESS
1ST SESSION

S. 9

To improve American competitiveness in the global economy by improving and strengthening Federal education and training programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 24, 2005

Mr. ENZI (for himself, Mr. FRIST, and Mr. McCONNELL) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To improve American competitiveness in the global economy by improving and strengthening Federal education and training programs, and for other purposes.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Lifetime of Education Opportunities Act of 2005”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1. Table of contents.

Sec. 2. Findings.

Sec. 3. Purpose.

TITLE I—EARLY CHILDHOOD PROGRAMS

Sec. 101. Sense of the Senate regarding Head Start.

TITLE II—ELEMENTARY AND SECONDARY PROGRAMS

Subtitle A—Elementary School Programs

Sec. 211. Sense of the Senate regarding elementary and secondary education.

Subtitle B—Secondary School Programs

Sec. 221. Sense of the Senate regarding career and technical education.

Sec. 222. Sense of the Senate regarding mathematics and science education.

TITLE III—TEACHER PREPARATION

Subtitle A—Teacher Loan Forgiveness

Sec. 311. Sense of the Senate regarding loan forgiveness for teachers.

Subtitle B—Preparing Teachers

Sec. 321. Sense of the Senate regarding teacher preparation.

Sec. 322. Teacher quality enhancement grants for States and partnerships.

Subtitle C—Merit Pay

Sec. 331. Sense of the Senate regarding teacher incentives.

Subtitle D—Classroom Expense Deduction

Sec. 341. Sense of the Senate regarding teacher tax credits.

TITLE IV—HIGHER EDUCATION AND LIFELONG LEARNING OPPORTUNITIES

Subtitle A—Higher Education

Sec. 411. Sense of the Senate regarding higher education and lifelong learning opportunities.

Sec. 412. Sense of the Senate regarding minority serving institutions.

Subtitle B—Workforce Investment Act Amendments of 2005

Sec. 421. Short title.

Sec. 422. References.

CHAPTER 1—AMENDMENTS TO TITLE I OF THE WORKFORCE INVESTMENT ACT OF 1998

SUBCHAPTER A—DEFINITIONS

Sec. 431. Definitions.

SUBCHAPTER B—STATEWIDE AND LOCAL WORKFORCE INVESTMENT SYSTEMS

Sec. 432. Purpose.

Sec. 432A. State workforce investment boards.

Sec. 432B. State plan.

Sec. 432C. Local workforce investment areas.

- Sec. 432D. Local workforce investment boards.
- Sec. 432E. Local plan.
- Sec. 432F. Establishment of one-stop delivery systems.
- Sec. 432G. Eligible providers of training services.
- Sec. 432H. Eligible providers of youth activities.
- Sec. 432I. Youth activities.
- Sec. 432J. Adult and dislocated worker employment and training activities.
- Sec. 432K. Performance accountability system.
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SUBCHAPTER C—JOB CORPS

- Sec. 433. Job Corps.

SUBCHAPTER D—NATIONAL PROGRAMS

- Sec. 434. Native American programs.
- Sec. 434A. Migrant and seasonal farmworker programs.
- Sec. 434B. Veterans' workforce investment programs.
- Sec. 434C. Youth challenge grants.
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- Sec. 434E. Demonstration, pilot, multiservice, research, and multistate projects.
- Sec. 434F. National dislocated worker grants.
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- Sec. 436. Incentive grants.

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- Sec. 437. Conforming amendments.

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- Sec. 441. Short title; purpose.
- Sec. 441A. Definitions.
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SUBCHAPTER H—MISCELLANEOUS

- Sec. 469. Helen Keller National Center Act.

CHAPTER 5—TRANSITION AND EFFECTIVE DATE

- Sec. 471. Transition provisions.
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- Sec. 501. Sense of the Senate regarding making education more affordable.
Sec. 502. Affordable education provisions made permanent.
Sec. 503. Credit for education, tuition, and transportation expenses of students assigned to schools identified for school improvement.

1 SEC. 2. FINDINGS.

2 Congress makes the following findings:

- 3 (1)** Most children enter Head Start at a great
4 disadvantage, with early literacy and mathematics
5 skills substantially below national averages. The typ-
6 ical Head Start child enters at approximately the
7 16th percentile in vocabulary and early writing
8 skills, at approximately the 31st percentile in letter

1 recognition, and at approximately the 21st percentile
2 in early mathematics, when compared to the full
3 spectrum of American children in the same age
4 range.

5 (2) Despite gains in vocabulary and early writ-
6 ing skills, Head Start children still trail in these
7 measures compared to national averages.

8 (3) Community-based organizations, including
9 faith-based organizations, have historically had a
10 long and distinguished record of meeting, address-
11 ing, and responding to the needs of the poor through
12 a variety of health, educational, and social service
13 programs.

14 (4) For many parents in rural and urban areas,
15 public school choice provided for under the amend-
16 ments made by the No Child Left Behind Act of
17 2001 is not a meaningful option due to physical
18 proximity and capacity constraints.

19 (5) American 15-year-olds performed below the
20 international average in mathematics literacy and
21 problem-solving, according to the 2003 Program for
22 International Student Assessment (PISA).

23 (6) American students scored below the inter-
24 national average in science literacy in 2003.

1 (7) American students' 12th grader perform-
2 ance in reading has declined. The number of 12th
3 graders scoring below basic (12th graders who failed
4 to demonstrate any partial mastery of 12th grade
5 reading skills) increased over time, and now over a
6 quarter of 12th graders cannot read at grade level.
7 Less than 36 percent of 12th graders are even con-
8 sidered proficient readers.

9 (8) Of all students entering 9th grade four
10 years ago, only 68 percent are expected to graduate
11 this year, and for minority students this number
12 hovers around 50 percent.

13 (9) Individuals who did not finish high school
14 comprise the only group of Americans that consist-
15 ently lost jobs over the past decade. High school
16 dropouts have an unemployment rate nearly twice
17 the level of high school graduates.

18 (10) Nothing is more important to a child's
19 success in school than a well prepared teacher who
20 has a strong command of the subject matter the
21 teacher is teaching.

22 (11) Schools across the Nation are experiencing
23 difficulty in recruiting and retaining qualified math-
24 ematics, science, and special education teachers.

1 (12) Attracting qualified mathematics, science,
2 and special education teachers to the teaching pro-
3 fession and retaining the teachers in the profession
4 is vital to America's economic competitiveness and
5 national security, and critical to ensuring that no
6 child is left behind. America's competitiveness is de-
7 pendent on the skills of its workforce.

8 (13) Seventy-three percent of all postsecondary
9 education students are non-traditional, and are
10 mostly working adults.

11 (14) College graduates earn 100 percent more
12 during their lifetime than high school graduates.
13 This rate has doubled in less than 20 years.

14 (15) Jobs requiring a bachelor's degree will
15 grow by 25 percent by the year 2008, while those re-
16 quiring an associate degree will grow by nearly one-
17 third.

18 (16) Eighty-five percent of today's jobs are
19 classified as skilled.

20 (17) Two-thirds of the 7,000,000 worker gap in
21 2010 will be a skilled worker shortage.

22 (18) Our future competitiveness depends on our
23 workforce, and the quality of our workforce depends
24 on education.

1 **SEC. 3. PURPOSE.**

2 It is the purpose of this Act to improve American
3 competitiveness in the global economy by improving and
4 strengthening Federal education and training programs,
5 through—

6 (1) setting high expectations and raising
7 achievement for all students, regardless of their
8 background;

9 (2) improving accountability for results;

10 (3) providing flexibility for States to manage
11 Federal program dollars most effectively; and

12 (4) supporting a lifetime of learning opportuni-
13 ties for students at all stages in life.

14 **TITLE I—EARLY CHILDHOOD**
15 **PROGRAMS**

16 **SEC. 101. SENSE OF THE SENATE REGARDING HEAD START.**

17 It is the sense of the Senate that as the Senate con-
18 sideres the reauthorization of the Head Start Act (42
19 U.S.C. 9831 et seq.), the Senate should explore efforts
20 to—

21 (1) establish new educational standards that en-
22 sure children enrolled in Head Start—

23 (A) develop and demonstrate a variety of
24 early learning skills; and

25 (B) are able to compete effectively with
26 other children entering kindergarten programs;

1 (2) encourage the coordination and alignment
2 of Head Start with other publicly funded early child-
3 hood programs; and

4 (3) support efforts to improve fiscal manage-
5 ment and accountability.

6 **TITLE II—ELEMENTARY AND**
7 **SECONDARY PROGRAMS**
8 **Subtitle A—Elementary School**
9 **Programs**

10 **SEC. 211. SENSE OF THE SENATE REGARDING ELEMEN-**
11 **TARY AND SECONDARY EDUCATION.**

12 It is the sense of the Senate that—

13 (1) in keeping with the spirit of the No Child
14 Left Behind Act of 2001, supplemental services
15 should be made available earlier than required by
16 the No Child Left Behind Act of 2001 to those par-
17 ents who cannot access public school choice;

18 (2) in rural areas where a variety of supple-
19 mental services may not be available, distance edu-
20 cation should be encouraged; and

21 (3) the Federal Government should consider en-
22 couraging school districts to offer supplemental serv-
23 ices after a school has entered its second year of
24 school improvement under title I of the Elementary

1 and Secondary Education Act of 1965 (20 U.S.C.
2 6301 et seq.).

3 **Subtitle B—Secondary School**
4 **Programs**

5 **SEC. 221. SENSE OF THE SENATE REGARDING CAREER AND**
6 **TECHNICAL EDUCATION.**

7 It is the sense of the Senate that as the Senate con-
8 sider the reauthorization of the Carl D. Perkins Voca-
9 tional and Technical Education Act of 1998 (20 U.S.C.
10 2301 et seq.), the Senate should explore efforts to—

11 (1) strengthen the academic focus of career and
12 technical education programs in high school and col-
13 lege;

14 (2) improve coordination between secondary
15 and postsecondary career and technical education
16 programs, including efforts to allow students to at-
17 tend dual-enrollment programs to earn college credit;

18 (3) support partnerships among secondary
19 schools, postsecondary institutions, area career tech-
20 nical centers, business and industry, professional as-
21 sociations, and intermediaries;

22 (4) integrate career and technical education
23 courses with rigorous and challenging academic
24 courses;

1 (5) develop a highly skilled workforce needed to
 2 keep America competitive in the global economy in
 3 conjunction with other Federal education and train-
 4 ing programs, including workforce investment pro-
 5 grams, that provide lifelong learning for the work-
 6 force of today and tomorrow; and

7 (6) support the continued integration of tech-
 8 nology into career and technical education programs.

9 **SEC. 222. SENSE OF THE SENATE REGARDING MATHE-**
 10 **MATICS AND SCIENCE EDUCATION.**

11 It is the sense of the Senate that—

12 (1) better mathematics, science and reading
 13 programs in high school are needed to ensure that
 14 every student graduates with the skills necessary to
 15 succeed in postsecondary education and a globally
 16 competitive workforce; and

17 (2) more emphasis should be provided on ensur-
 18 ing that low-income schools offer Advanced Place-
 19 ment and International Baccalaureate courses.

**TITLE III—TEACHER
PREPARATION
Subtitle A—Teacher Loan
Forgiveness**

**SEC. 311. SENSE OF THE SENATE REGARDING LOAN FOR-
GIVENESS FOR TEACHERS.**

It is the sense of the Senate that Congress should support the recruitment and retention of highly qualified teachers by encouraging the use of recently expanded loan forgiveness for mathematics, science, and special education teachers who agree to teach in a high need area for 5 years, which should help ensure that each child receives a quality education.

Subtitle B—Preparing Teachers

**SEC. 321. SENSE OF THE SENATE REGARDING TEACHER
PREPARATION.**

It is the sense of the Senate that in order to ensure a quality teaching force, institutions of higher education should be held accountable for producing highly qualified teachers for every classroom.

**SEC. 322. TEACHER QUALITY ENHANCEMENT GRANTS FOR
STATES AND PARTNERSHIPS.**

Part A of title II of the Higher Education Act of 1965 (20 U.S.C. 1021 et seq.) is amended to read as follows:

1 **“PART A—TEACHER QUALITY ENHANCEMENT**

2 **GRANTS FOR STATES AND PARTNERSHIPS**

3 **“SEC. 201. PURPOSES; DEFINITIONS.**

4 “(a) PURPOSES.—The purposes of this part are to—

5 “(1) improve student achievement;

6 “(2) improve the quality of the current and fu-
7 ture teaching force by improving the preparation of
8 prospective teachers and enhancing professional de-
9 velopment activities;

10 “(3) hold institutions of higher education ac-
11 countable for preparing highly qualified teachers;
12 and

13 “(4) recruit qualified individuals, including mi-
14 norities and individuals from other occupations, into
15 the teaching force.

16 “(b) DEFINITIONS.—In this part:

17 “(1) ARTS AND SCIENCES.—The term ‘arts and
18 sciences’ means—

19 “(A) when referring to an organizational
20 unit of an institution of higher education, any
21 academic unit that offers 1 or more academic
22 majors in disciplines or content areas cor-
23 responding to the academic subject areas in
24 which teachers provide instruction; and

25 “(B) when referring to a specific academic
26 subject area, the disciplines or content areas in

1 which academic majors are offered by the arts
2 and science organizational unit.

3 “(2) EDUCATIONAL SERVICE AGENCY.—The
4 term ‘educational service agency’ has the meaning
5 given such term in section 9101 of the Elementary
6 and Secondary Education Act of 1965.

7 “(3) EXEMPLARY TEACHER.—The term ‘exem-
8 plary teacher’ has the meaning given such term in
9 section 9101 of the Elementary and Secondary Edu-
10 cation Act of 1965.

11 “(4) HIGHLY QUALIFIED.—The term ‘highly
12 qualified’ has the meaning given such term in sec-
13 tion 9101 of the Elementary and Secondary Edu-
14 cation Act of 1965.

15 “(5) HIGH-NEED LOCAL EDUCATIONAL AGEN-
16 CY.—The term ‘high-need local educational agency’
17 means a local educational agency—

18 “(A)(i) that serves not fewer than 10,000
19 children from families with incomes below the
20 poverty line;

21 “(ii) for which not less than 20 percent of
22 the children served by the agency are from fam-
23 ilies with incomes below the poverty line; or

24 “(iii) with a total of less than 600 students
25 in average daily attendance at the schools that

1 are served by the agency and all of whose
 2 schools are designated with a school locale code
 3 of 7 or 8, as determined by the Secretary; and

4 “(B)(i) for which there is a high percent-
 5 age of teachers not teaching in the academic
 6 subject areas or grade levels in which the teach-
 7 ers were trained to teach; or

8 “(ii) for which there is a high percentage
 9 of teachers with emergency, provisional, or tem-
 10 porary certification or licensing.

11 “(6) POVERTY LINE.—The term ‘poverty line’
 12 means the poverty line (as defined by the Office of
 13 Management and Budget, and revised annually in
 14 accordance with section 673(2) of the Community
 15 Services Block Grant Act (42 U.S.C. 9902(2))) ap-
 16 plicable to a family of the size involved.

17 “(7) PROFESSIONAL DEVELOPMENT.—The
 18 term ‘professional development’ has the meaning
 19 given such term in section 9101 of the Elementary
 20 and Secondary Education Act of 1965.

21 “(8) SCIENTIFICALLY BASED READING RE-
 22 SEARCH.—The term ‘scientifically based reading re-
 23 search’ has the meaning given such term in section
 24 1208 of the Elementary and Secondary Education
 25 Act of 1965.

1 “(9) SCIENTIFICALLY BASED RESEARCH.—The
 2 term ‘scientifically based research’ has the meaning
 3 given such term in section 9101 of the Elementary
 4 and Secondary Education Act of 1965.

5 “(10) TEACHING SKILLS.—The term ‘teaching
 6 skills’ means the ability to—

7 “(A) increase student achievement;

8 “(B) effectively convey and explain aca-
 9 demic subject matter;

10 “(C) employ strategies that—

11 “(i) are based on scientifically based
 12 research;

13 “(ii) are specific to academic subject
 14 matter; and

15 “(iii) focus on identification and tai-
 16 loring of academic instruction to students’
 17 specific learning needs, particularly stu-
 18 dents with disabilities, students with spe-
 19 cial learning needs (including students who
 20 are gifted and talented), and students with
 21 limited-English proficiency;

22 “(D) conduct ongoing assessment of stu-
 23 dent learning; and

24 “(E) effectively manage a classroom.

1 **“SEC. 202. STATE GRANTS.**

2 “(a) IN GENERAL.—From amounts made available
3 under section 209(a)(1) for a fiscal year, the Secretary
4 is authorized to award grants under this section, on a
5 competitive basis, to eligible States to enable the eligible
6 States to carry out the activities described in subsection
7 (d).

8 “(b) ELIGIBLE STATE.—

9 “(1) DEFINITION.—In this part, the term ‘eligi-
10 ble State’ means—

11 “(A) the Governor of a State; or

12 “(B) in the case of a State for which the
13 constitution or law of such State designates an-
14 other individual, entity, or agency in the State
15 to be responsible for teacher certification and
16 preparation activity, such individual, entity, or
17 agency.

18 “(2) CONSULTATION.—The Governor or the in-
19 dividual, entity, or agency designated under para-
20 graph (1)(B) shall consult with the Governor, State
21 board of education, State educational agency, or
22 State agency for higher education, as appropriate,
23 with respect to the activities assisted under this sec-
24 tion.

25 “(3) CONSTRUCTION.—Nothing in this sub-
26 section shall be construed to negate or supersede the

1 legal authority under State law of any State agency,
 2 State entity, or State public official over programs
 3 that are under the jurisdiction of the agency, entity,
 4 or official.

5 “(c) APPLICATION.—To be eligible to receive a grant
 6 under this section, an eligible State shall, at the time of
 7 the initial grant application, submit an application to the
 8 Secretary that—

9 “(1) meets the requirement of this section;

10 “(2) demonstrates that the eligible State is in
 11 full compliance with sections 206(b) and 207 and, if
 12 applicable, sections 207(a) and 208 of this Act as
 13 such sections were in effect on the day before the
 14 date of enactment of the Higher Education Amend-
 15 ments of 2004;

16 “(3) includes a description of how the eligible
 17 State intends to use funds provided under this sec-
 18 tion;

19 “(4) includes measurable objectives for the use
 20 of the funds provided under this section;

21 “(5) describes how funded activities will reduce
 22 shortages, if any, of highly qualified teachers in low-
 23 income urban and rural areas and in high-need aca-
 24 demic subject areas, and how such activities will be
 25 consistent with State, local, and other education re-

1 form activities that promote student academic
2 achievement, including how funded activities will
3 support carrying out requirements of the eligible
4 State under sections 1111(h)(1)(C)(viii) and 1119 of
5 the Elementary and Secondary Education Act of
6 1965;

7 “(6) contains an assurance that the eligible
8 State will carry out each of the intended uses of
9 grant funds described in paragraph (3); and

10 “(7) contains such other information and assur-
11 ances as the Secretary may require.

12 “(d) USES OF FUNDS.—An eligible State that re-
13 ceives a grant under this section shall use the grant funds
14 to reform teacher preparation requirements, to coordinate
15 with State activities under section 2113(c) of the Elemen-
16 tary and Secondary Education Act of 1965, and to ensure
17 that current and future teachers are highly qualified, by
18 carrying out 1 or more of the following activities:

19 “(1) REFORMS.—Ensuring that all teacher
20 preparation programs in the State are preparing
21 teachers to become highly qualified, to understand
22 scientifically based research and its applicability,
23 and to use technology effectively, including use for
24 instructional techniques to improve student academic
25 achievement, by assisting such programs—

1 “(A) in retraining faculty;

2 “(B) in designing (or redesigning) teacher
3 preparation programs so that such programs—

4 “(i) are based on rigorous academic
5 content and scientifically based research
6 (including scientifically based reading re-
7 search), and aligned with challenging State
8 academic content standards; and

9 “(ii) promote strong teaching skills;
10 and

11 “(C) in ensuring collaboration with depart-
12 ments, programs, or units outside of the teach-
13 er preparation program in all academic content
14 areas to ensure a successful combination of
15 training in both teaching and such content.

16 “(2) CERTIFICATION OR LICENSURE REQUIRE-
17 MENTS.—Reforming teacher certification (including
18 recertification) or licensing requirements to ensure
19 that—

20 “(A) teachers have the academic content
21 knowledge and teaching skills in the academic
22 subject areas that the teachers teach that are
23 necessary to help students meet challenging
24 State student academic achievement standards;
25 and

1 “(B) such requirements are aligned with
2 challenging State academic content standards.

3 “(3) ALTERNATIVES TO TRADITIONAL PREPA-
4 RATION FOR TEACHING AND STATE CERTIFI-
5 CATION.—Providing prospective teachers with alter-
6 native routes to State certification and traditional
7 preparation to become highly qualified teachers
8 through—

9 “(A) innovative approaches that reduce un-
10 necessary barriers to State certification while
11 producing highly qualified teachers;

12 “(B) programs that provide support to
13 teachers during their initial years in the profes-
14 sion; and

15 “(C) alternative routes to State certifi-
16 cation of teachers for qualified individuals, in-
17 cluding mid-career professionals from other oc-
18 cupations, former military personnel, and recent
19 college graduates with records of academic dis-
20 tinction.

21 “(4) INNOVATIVE PROGRAMS.—Planning and
22 implementing innovative programs to enhance the
23 ability of institutions of higher education, such as
24 charter colleges of education or university and local

1 educational agency partnership schools, to prepare
 2 highly qualified teachers that—

3 “(A) permit flexibility in meeting State re-
 4 quirements as long as graduates, during their
 5 initial years in the profession, increase student
 6 academic achievement;

7 “(B) provide long-term data gathered from
 8 teachers’ performance over multiple years in the
 9 classroom on their ability to increase student
 10 academic achievement;

11 “(C) ensure high-quality preparation of
 12 teachers from underrepresented groups; and

13 “(D) create performance measures that
 14 can be used to document the effectiveness of in-
 15 novative methods for preparing highly qualified
 16 teachers.

17 “(5) TEACHER RECRUITMENT AND RETEN-
 18 TION.—Undertaking activities that develop and im-
 19 plement effective mechanisms to ensure that local
 20 educational agencies and schools are able effectively
 21 to recruit and retain highly qualified teachers, in-
 22 cluding the following activities:

23 “(A) MERIT PAY.—Developing, or assisting
 24 local educational agencies in developing—

1 “(i) merit-based performance systems
 2 that reward teachers who increase student
 3 academic achievement; and

4 “(ii) strategies that provide differen-
 5 tial and bonus pay in high-need local edu-
 6 cational agencies to recruit and retain—

7 “(I) principals;

8 “(II) highly qualified teachers
 9 who teach in high-need academic sub-
 10 ject areas, such as reading, mathe-
 11 matics, and science;

12 “(III) highly qualified teachers
 13 who teach in schools identified for
 14 school improvement under section
 15 1116(b) of the Elementary and Sec-
 16 ondary Education Act of 1965;

17 “(IV) special education teachers;

18 “(V) teachers specializing in
 19 teaching limited-English proficient
 20 children; and

21 “(VI) highly qualified teachers in
 22 low-income urban and rural schools or
 23 districts.

24 “(B) TEACHER ADVANCEMENT.—Devel-
 25 oping, or assisting local educational agencies in

1 developing, teacher advancement and retention
2 initiatives that promote professional growth and
3 emphasize multiple career paths (such as paths
4 to becoming a highly qualified mentor teacher
5 or exemplary teacher) and pay differentiation.

6 “(6) TEACHER SCHOLARSHIPS AND SUPPORT.—

7 Providing—

8 “(A) scholarships to help students, such as
9 individuals who have been accepted by, or who
10 are enrolled in, a program of undergraduate
11 education at an institution of higher education,
12 pay the costs of tuition, room, board, and other
13 expenses of completing a teacher preparation
14 program, provided that—

15 “(i) the Secretary shall establish such
16 requirements as the Secretary determines
17 necessary to ensure that recipients of
18 scholarships under this section who com-
19 plete teacher preparation programs—

20 “(I) subsequently teach in a
21 high-need local educational agency for
22 a period of time equivalent to 1 year,
23 increased by the period for which the
24 recipient received scholarship assist-
25 ance; or

1 “(II) repay the amount of the
2 scholarship;

3 “(ii) the Secretary shall use any such
4 repayments to carry out additional activi-
5 ties under this paragraph; and

6 “(iii) the eligible State shall provide
7 an assurance that it will recruit minority
8 students to become highly qualified teach-
9 ers;

10 “(B) support services, if needed, to enable
11 scholarship recipients to complete postsecondary
12 education programs, or to move from a career
13 outside of the field of education into a teaching
14 career; and

15 “(C) follow-up services to former scholar-
16 ship recipients during their initial years of
17 teaching.

18 “(7) TEACHER REMOVAL.—Developing and im-
19 plementing effective mechanisms to ensure that local
20 educational agencies and schools are able to remove
21 expeditiously incompetent or unqualified teachers
22 consistent with procedures to ensure due process for
23 the teachers.

24 “(8) TEACHER EFFECTIVENESS.—Developing—

1 “(A) systems to measure the effectiveness
2 of teacher preparation programs and profes-
3 sional development programs; and

4 “(B) strategies to document gains in stu-
5 dent academic achievement or increases in
6 teacher mastery of the academic subject matter
7 the teachers teach as a result of such programs.

8 “(9) PRESCHOOL TEACHERS.—Developing
9 strategies to improve and expand teacher prepara-
10 tion programs for preschool teachers, including
11 training in the science of language acquisition and
12 the development of fundamental early literacy skills.

13 “(10) PROFESSIONAL DEVELOPMENT.—Devel-
14 oping and enhancing high-quality professional devel-
15 opment, instructional, and training materials for
16 kindergarten through grade 12 teachers and expand-
17 ing the access of such information through the use
18 of technology.

19 “(11) TECHNOLOGY.—Assisting teachers to use
20 technology effectively, including use for instructional
21 techniques and the collection, management, and
22 analysis of data to improve teaching, learning, and
23 decisionmaking for the purpose of increasing student
24 academic achievement.

1 “(12) FOREIGN LANGUAGE INSTRUCTION.—Ex-
 2 panding access to programs of instruction in foreign
 3 languages, including less commonly taught lan-
 4 guages, through the use of technology, such as com-
 5 puter-assisted instruction or distance learning, when
 6 appropriate.

7 “(13) TECHNICAL ASSISTANCE.—Providing
 8 technical assistance to low-performing programs of
 9 teacher preparation within institutions of higher
 10 education identified under section 207(a).

11 “(14) EVALUATION SUPPORT.—Performing
 12 data collection, evaluation, and reporting to meet the
 13 requirements of subsection (e).

14 “(e) EVALUATION.—

15 “(1) ANNUAL EVALUATION.—An eligible State
 16 that receives a grant under this section shall evalu-
 17 ate annually the effectiveness of teacher preparation
 18 programs and professional development activities
 19 within the State, carried out using funds provided
 20 under this section. To the extent practicable, such
 21 evaluation shall examine—

22 “(A) gains in student achievement as a re-
 23 sult of the programs and activities;

24 “(B) teachers’ contribution to improving
 25 student academic achievement, as measured by

1 State academic assessments required under sec-
 2 tion 1111(b)(3) of the Elementary and Sec-
 3 ondary Education Act of 1965; and

4 “(C) teacher mastery of the academic sub-
 5 ject matter the teachers teach, as measured by
 6 pre- and post-participation tests of teacher
 7 knowledge, as appropriate.

8 “(2) PUBLIC REPORTING.—The eligible State
 9 shall make the information described in paragraph
 10 (1) widely available through public means, such as
 11 posting on the Internet, distribution to the media,
 12 and distribution through public agencies.

13 “(f) SUPPLEMENT, NOT SUPPLANT.—Funds made
 14 available under this section shall be used to supplement,
 15 and not supplant, other Federal, State, and local funds
 16 that would otherwise be expended to carry out activities
 17 under this section.

18 **“SEC. 203. PARTNERSHIP GRANTS.**

19 “(a) GRANTS.—From amounts made available under
 20 section 209(a)(2) for a fiscal year, the Secretary is author-
 21 ized to award grants under this section, on a competitive
 22 basis, to eligible partnerships to enable the eligible part-
 23 nerships to carry out the activities described in subsections
 24 (e) and (f).

25 “(b) DEFINITIONS.—

1 “(1) ELIGIBLE PARTNERSHIP.—In this part,
 2 the term ‘eligible partnership’ means an entity
 3 that—

4 “(A) includes—

5 “(i) a partner institution;

6 “(ii) a school of arts and sciences;

7 “(iii) a high-need local educational
 8 agency; and

9 “(iv) a public or private educational
 10 organization; and

11 “(B) may include a Governor, State edu-
 12 cational agency, the State board of education,
 13 the State agency for higher education, an insti-
 14 tution of higher education not described in sub-
 15 paragraph (A), a public charter school, a public
 16 or private elementary school or secondary
 17 school, a public or private nonprofit educational
 18 organization, a business, a science-, mathe-
 19 matics-, or technology-oriented entity, a faith-
 20 based or community organization, a prekinder-
 21 garten program, a teacher organization, an edu-
 22 cational service agency, a consortium of local
 23 educational agencies, or a nonprofit tele-
 24 communications entity.

1 “(2) PARTNER INSTITUTION.—In this section,
 2 the term ‘partner institution’ means an institution of
 3 higher education, including a community college, the
 4 teacher preparation program of which demonstrates
 5 that—

6 “(A)(i) its students exhibit strong perform-
 7 ance on State-determined qualifying assess-
 8 ments for new teachers by passing not less than
 9 80 percent of all such assessments; or

10 “(ii) it is ranked among the highest-per-
 11 forming teacher preparation programs in the
 12 State, as determined by the State—

13 “(I) using criteria consistent with the
 14 requirements for the State report card
 15 under section 206(b); and

16 “(II) using the State report card on
 17 teacher preparation required under section
 18 206(b); and

19 “(B) it requires all the students of the pro-
 20 gram to participate in intensive clinical experi-
 21 ence, to meet high academic standards, and—

22 “(i) in the case of secondary school
 23 candidates, to successfully complete—

24 “(I) a major or its equivalent in
 25 coursework in the academic subject

1 area in which the candidate intends to
2 teach; or

3 “(II) a related major in the aca-
4 demic subject area in which the can-
5 didate intends to teach; and

6 “(ii) in the case of elementary school
7 candidates, to successfully complete—

8 “(I) an academic major or its
9 equivalent in coursework in the arts
10 and sciences; or

11 “(II) a major in elementary edu-
12 cation with a significant amount of
13 coursework in the arts and sciences.

14 “(c) APPLICATION.—Each eligible partnership desir-
15 ing a grant under this section shall submit an application
16 to the Secretary at such time, in such manner, and accom-
17 panied by such information as the Secretary may require.
18 Each such application shall—

19 “(1) contain a needs assessment of all the part-
20 ners with respect to teaching and learning and a de-
21 scription of how the eligible partnership will coordi-
22 nate with other teacher preparation or professional
23 development programs, and how the activities of the
24 eligible partnership will be consistent with State,

1 local, and other education reform activities that pro-
 2 mote student achievement;

3 “(2) contain a resource assessment that de-
 4 scribes the resources available to the eligible part-
 5 nership, the intended use of the grant funds, includ-
 6 ing a description of how the grant funds will be fair-
 7 ly distributed, and the commitment of the resources
 8 of the eligible partnership to the activities assisted
 9 under this part, including financial support, faculty
 10 participation, time commitments, and continuation
 11 of the activities when the grant ends;

12 “(3) contain a description of—

13 “(A) how the eligible partnership will meet
 14 the purposes of this part;

15 “(B) how the eligible partnership will carry
 16 out the activities required under subsection (e)
 17 and any permissible activities under subsection
 18 (f);

19 “(C) the eligible partnership’s evaluation
 20 plan pursuant to section 205(b);

21 “(D) how faculty of the teacher prepara-
 22 tion program at the partner institution will
 23 serve, over the term of the grant, with highly
 24 qualified teachers in the classrooms of the high-

1 need local educational agency included in the el-
2 igible partnership;

3 “(E) how the eligible partnership will en-
4 sure that teachers, principals, and superintend-
5 ents in private elementary schools and private
6 secondary schools located in the geographic
7 areas served by an eligible partnership under
8 this section will participate equitably, as re-
9 quired under subsection (i);

10 “(F) how the eligible partnership will en-
11 sure that the partner institution’s clinical pro-
12 gram component includes close supervision of
13 student teachers by faculty of the teacher prep-
14 aration program and mentor teachers;

15 “(G) how the eligible partnership will de-
16 sign and implement an induction program to
17 support all new teachers during their initial
18 years of teaching that includes mentors who are
19 trained and compensated by the eligible part-
20 nership for their work with new teachers; and

21 “(H) how the eligible partnership will col-
22 lect, analyze, and use data on the retention of
23 all teachers in schools located in the geographic
24 areas served by the eligible partnership to

1 evaluate the effectiveness of its teacher support
2 system; and

3 “(4) contain an assurance that the eligible part-
4 nership will carry out each of the intended uses of
5 grant funds described in paragraph (2).

6 “(d) CONSULTATION.—

7 “(1) IN GENERAL.—Members of an eligible
8 partnership that receives a grant under this section
9 shall engage in regular consultation throughout the
10 development and implementation of programs and
11 activities under this section.

12 “(2) REGULAR COMMUNICATION.—To ensure
13 timely and meaningful consultation, regular commu-
14 nication shall occur among all members of the eligi-
15 ble partnership, including the local educational agen-
16 cy. Such communication shall continue throughout
17 implementation of the grant and assessment of pro-
18 grams and activities under this section.

19 “(3) WRITTEN AFFIRMATION.—A written affir-
20 mation signed by all members shall be submitted to
21 the Secretary before the Secretary may approve
22 changes in grant activities.

23 “(e) REQUIRED USES OF FUNDS.—An eligible part-
24 nership that receives a grant under this section shall use
25 the grant funds to carry out the following activities:

1 “(1) REFORMS.—Implementing reforms within
 2 teacher preparation programs to ensure that such
 3 programs are preparing teachers to become highly
 4 qualified, to understand scientifically based research
 5 and its applicability, and to use technology effec-
 6 tively, including use for instructional techniques to
 7 improve student academic achievement, by—

8 “(A) retraining faculty;

9 “(B) designing (or redesigning) teacher
 10 preparation programs so that such programs—

11 “(i) are based on rigorous academic
 12 content and scientifically based research
 13 (including scientifically based reading re-
 14 search), and aligned with challenging State
 15 student academic content standards; and

16 “(ii) promote strong teaching skills;
 17 and

18 “(C) ensuring collaboration with depart-
 19 ments, programs, or units outside of the teach-
 20 er preparation program in all content areas to
 21 ensure a successful combination of training in
 22 both teaching and such content.

23 “(2) CLINICAL EXPERIENCE AND INTER-
 24 ACTION.—Improving sustained and high-quality
 25 preservice clinical experience, including the men-

1 toring of prospective teachers by veteran teachers,
 2 and substantially increasing interaction between fac-
 3 ulty at institutions of higher education and new and
 4 experienced teachers, principals, and other adminis-
 5 trators at elementary schools or secondary schools,
 6 and providing support, including preparation time
 7 and release time, for such interaction.

8 “(3) PROFESSIONAL DEVELOPMENT.—Creating,
 9 or assisting local educational agencies in creating,
 10 opportunities for enhanced and ongoing professional
 11 development that improves the academic content
 12 knowledge of teachers in the academic subject areas
 13 in which the teachers are certified to teach or in
 14 which the teachers are working toward certification
 15 to teach, and that promotes strong teaching skills.

16 “(f) ALLOWABLE USES OF FUNDS.—An eligible part-
 17 nership that receives a grant under this section may use
 18 such funds to carry out the following activities:

19 “(1) ALTERNATIVES TO TRADITIONAL TEACHER
 20 PREPARATION AND STATE CERTIFICATION.—The ac-
 21 tivity described in section 202(d)(3).

22 “(2) DISSEMINATION AND COORDINATION.—
 23 Broadly disseminating information on effective prac-
 24 tices used by the eligible partnership, and coordi-
 25 nating with the activities of the Governor, State

1 board of education, State higher education agency,
2 and State educational agency, as appropriate.

3 “(3) MANAGERIAL AND LEADERSHIP SKILLS.—
4 Developing and implementing proven mechanisms to
5 provide principals and superintendents with effective
6 managerial and leadership skills that result in in-
7 creased student achievement.

8 “(4) TEACHER SCHOLARSHIPS AND SUPPORT.—
9 Providing—

10 “(A) scholarships to help students, such as
11 individuals who have been accepted by, or who
12 are enrolled in, a program of undergraduate
13 education at an institution of higher education,
14 pay the costs of tuition, room, board, and other
15 expenses of completing a teacher preparation
16 program, whereby—

17 “(i) the Secretary shall establish such
18 requirements as the Secretary determines
19 necessary to ensure that recipients of
20 scholarships under this section who com-
21 plete teacher preparation programs—

22 “(I) subsequently teach in a
23 high-need local educational agency for
24 a period of time equivalent to 1 year,
25 increased by the period for which the

1 recipient received scholarship assist-
2 ance; or

3 “(II) repay the amount of the
4 scholarship;

5 “(ii) the Secretary shall use any such
6 repayments to carry out additional activi-
7 ties under this paragraph; and

8 “(iii) the eligible partnership shall
9 provide an assurance that it will recruit
10 minority students to become highly quali-
11 fied teachers;

12 “(B) support services, if needed, to enable
13 scholarship recipients to complete postsecondary
14 education programs, or to transition from a ca-
15 reer outside of the field of education into a
16 teaching career; and

17 “(C) follow-up services to former scholar-
18 ship recipients during their initial years of
19 teaching.

20 “(5) COMMUNITY COLLEGES.—

21 “(A) TEACHER PREPARATION PRO-
22 GRAMS.—Implementing, or coordinating with
23 community colleges to implement, teacher prep-
24 aration programs, including through distance

1 learning, for the purposes of allowing prospec-
 2 tive teachers—

3 “(i) to attain a bachelor’s degree and
 4 State certification or licensure; and

5 “(ii) to become highly qualified teach-
 6 ers.

7 “(B) PROFESSIONAL DEVELOPMENT.—
 8 Providing, or coordinating with community col-
 9 leges to provide, professional development that
 10 improves the academic content knowledge of
 11 teachers in the academic subject areas in which
 12 the teachers are certified to teach or in which
 13 the teachers are working toward certification to
 14 teach, and that promotes strong teaching skills.

15 “(6) TEACHER MENTORING.—Establishing or
 16 implementing a teacher mentoring program that—

17 “(A) includes minimum qualifications for
 18 mentors;

19 “(B) provides training and stipends for
 20 mentors;

21 “(C) provides mentoring programs for
 22 teachers during their initial years of teaching;

23 “(D) provides regular and ongoing oppor-
 24 tunities for mentors and mentees to observe

1 each other’s teaching methods in classroom set-
 2 tings during the school day;

3 “(E) establishes an evaluation and ac-
 4 countability plan for activities conducted under
 5 this paragraph that includes rigorous objectives
 6 to measure the impact of such activities; and

7 “(F) provides for a report to the Secretary
 8 on an annual basis regarding the eligible part-
 9 nership’s progress in meeting the objectives de-
 10 scribed in subparagraph (E).

11 “(7) PROFESSIONAL DEVELOPMENT.—The ac-
 12 tivity described in section 202(d)(10).

13 “(8) TECHNOLOGY.—The activity described in
 14 section 202(d)(11).

15 “(9) FOREIGN LANGUAGE INSTRUCTION.—The
 16 activity described in section 202(d)(12).

17 “(10) GRADUATE PROGRAMS.—Developing, in
 18 collaboration with departments, programs, or units
 19 of both academic content and teacher education,
 20 master’s degree programs that meet the dem-
 21 onstrated needs of teachers in the local educational
 22 agency within the eligible partnership for content ex-
 23 pertise and teaching skills.

24 “(g) CONSTRUCTION.—Nothing in this section shall
 25 be construed to prohibit an eligible partnership from using

1 grant funds to coordinate with the activities of more than
 2 1 Governor, State board of education, State educational
 3 agency, local educational agency, or State agency for high-
 4 er education.

5 “(h) SUPPLEMENT, NOT SUPPLANT.—Funds made
 6 available under this section shall be used to supplement,
 7 and not supplant, other Federal, State, and local funds
 8 that would otherwise be expended to carry out activities
 9 under this section.

10 “(i) APPLICABILITY OF PRIVATE SCHOOL PARTICIPA-
 11 TION PROVISIONS.—Section 9501 of the Elementary and
 12 Secondary Education Act of 1965 shall apply to programs
 13 carried out under this section.

14 **“SEC. 204. ADMINISTRATIVE PROVISIONS.**

15 “(a) DURATION; ONE-TIME AWARDS; PAYMENTS.—

16 “(1) DURATION.—

17 “(A) ELIGIBLE STATES.—Grants awarded
 18 to eligible States under this part shall be
 19 awarded for a period not to exceed 3 years.

20 “(B) ELIGIBLE PARTNERSHIPS.—Grants
 21 awarded to eligible partnerships under this part
 22 shall be awarded for a period of 5 years.

23 “(2) ONE-TIME AWARD.—An eligible partner-
 24 ship may receive a grant under section 203 only
 25 once.

1 “(3) PAYMENTS.—The Secretary shall make
2 annual payments of grant funds awarded under this
3 part.

4 “(b) PEER REVIEW.—

5 “(1) PANEL.—The Secretary shall provide the
6 applications submitted under this part to a peer re-
7 view panel for evaluation. With respect to each ap-
8 plication, the peer review panel shall initially rec-
9 ommend the application for funding or for dis-
10 approval.

11 “(2) PRIORITY.—In recommending applications
12 to the Secretary for funding under this part, the
13 panel shall—

14 “(A) with respect to grants under section
15 202—

16 “(i) give priority to eligible States
17 that have initiatives to reform State teach-
18 er certification requirements so that the re-
19 quirements are based on rigorous academic
20 content and scientifically based research
21 (including scientifically based reading re-
22 search), and aligned with challenging State
23 academic content standards;

24 “(ii) give priority to eligible States
25 that have innovative reforms to hold insti-

tutions of higher education with teacher preparation programs accountable for preparing teachers to become highly qualified and have strong teaching skills;

“(iii) give priority to eligible States that have innovative efforts aimed at reducing the shortage of highly qualified teachers in low-income urban and rural areas, or in high-need academic subject areas; and

“(iv) take into consideration an equitable geographic distribution of the grants throughout the United States; and

“(B) with respect to grants under section 203—

“(i) give priority to applications from broad-based eligible partnerships that involve businesses and community organizations; and

“(ii) take into consideration an equitable geographic distribution of the grants throughout the United States.

“(3) SECRETARIAL SELECTION.—The Secretary shall determine, based on the peer review process, which applications shall receive funding and the

1 amounts of the grants. In determining grant
2 amounts, the Secretary shall take into account the
3 total amount of funds available for all grants under
4 this part and the types of activities proposed to be
5 carried out.

6 “(c) MATCHING REQUIREMENTS.—

7 “(1) STATE GRANTS.—Each eligible State re-
8 ceiving a grant under section 202 shall provide, from
9 non-Federal sources, an amount equal to 50 percent
10 of the amount of the grant (in cash or in kind) to
11 carry out the activities supported by the grant.

12 “(2) PARTNERSHIP GRANTS.—Each eligible
13 partnership receiving a grant under section 203
14 shall provide, from non-Federal sources (in cash or
15 in kind), an amount equal to 25 percent of the grant
16 for the first year of the grant, 35 percent of the
17 grant for the second year of the grant, and 50 per-
18 cent of the grant for each succeeding year of the
19 grant.

20 “(d) LIMITATION ON ADMINISTRATIVE EXPENSES.—

21 An eligible State or eligible partnership that receives a
22 grant under this part may use not more than 2 percent
23 of the grant funds for purposes of administering the grant.

1 **“SEC. 205. ACCOUNTABILITY AND EVALUATION.**

2 “(a) STATE GRANT ACCOUNTABILITY REPORT.—An
3 eligible State that receives a grant under section 202 shall
4 submit an annual accountability report to the Secretary
5 and the authorizing committees. Such report shall include
6 a description of the degree to which the eligible State, in
7 using funds provided under such section, has made
8 progress in meeting the purposes of this part and substan-
9 tial progress in meeting the following goals, as applicable:

10 “(1) PERCENTAGE OF HIGHLY QUALIFIED
11 TEACHERS.—Increasing the percentage of highly
12 qualified teachers in the State as required under sec-
13 tion 1119 of the Elementary and Secondary Edu-
14 cation Act of 1965.

15 “(2) STUDENT ACADEMIC ACHIEVEMENT.—In-
16 creasing student academic achievement for all stu-
17 dents as defined by the eligible State.

18 “(3) RAISING STANDARDS.—Raising the State
19 academic standards required to enter the teaching
20 profession as a highly qualified teacher.

21 “(4) INITIAL CERTIFICATION OR LICENSURE.—
22 Increasing success in the pass rates and scaled
23 scores for initial State teacher certification or licen-
24 sure, or increasing the numbers of qualified individ-
25 uals being certified or licensed as teachers through
26 alternative certification programs.

1 “(5) DECREASING TEACHER SHORTAGES.—De-
 2 creasing shortages of highly qualified teachers in
 3 low-income urban and rural areas and in high-need
 4 academic subject areas.

5 “(6) INCREASING OPPORTUNITIES FOR PROFES-
 6 SIONAL DEVELOPMENT.—Increasing opportunities
 7 for enhanced and ongoing professional development
 8 that improves the academic content knowledge of
 9 teachers in the academic subject areas in which the
 10 teachers are certified or licensed to teach or in which
 11 the teachers are working toward certification or li-
 12 censure to teach, and that promotes strong teaching
 13 skills.

14 “(7) TECHNOLOGY INTEGRATION.—Increasing
 15 the number of teachers prepared to effectively inte-
 16 grate technology into curricula and instruction and
 17 who use technology to collect, manage, and analyze
 18 data to improve teaching, learning, and decision-
 19 making for the purpose of increasing student aca-
 20 demic achievement.

21 “(b) ELIGIBLE PARTNERSHIP EVALUATION.—

22 “(1) IN GENERAL.—Each eligible partnership
 23 receiving a grant under section 203 shall establish
 24 and include in the application submitted under sec-
 25 tion 203(c), an evaluation plan that includes strong

1 performance objectives. The plan shall include objec-
2 tives and measures for—

3 “(A) increased student academic achieve-
4 ment for all students as measured by the eligi-
5 ble partnership;

6 “(B) increased teacher retention in the ini-
7 tial years of a teacher’s career;

8 “(C) increased success in the pass rates
9 and scaled scores for initial State certification
10 or licensure of teachers;

11 “(D) increased percentage of highly quali-
12 fied teachers;

13 “(E) increasing opportunities for enhanced
14 and ongoing professional development that im-
15 proves the academic content knowledge of
16 teachers in the academic subject areas in which
17 the teachers are certified or licensed to teach or
18 in which the teachers are working toward cer-
19 tification or licensure to teach, and that pro-
20 motes strong teaching skills; and

21 “(F) increasing the number of teachers
22 prepared to effectively integrate technology into
23 curricula and instruction and who use tech-
24 nology to collect, manage, and analyze data to
25 improve teaching, learning, and decisionmaking

1 for the purpose of increasing student academic
2 achievement.

3 “(2) REPORT.—Each eligible partnership re-
4 ceiving a grant under section 203 shall report annu-
5 ally on the progress of the eligible partnership to-
6 ward meeting the purposes of this part and the ob-
7 jectives and measures described in paragraph (1).

8 “(c) REVOCATION OF GRANT.—

9 “(1) ELIGIBLE STATES.—If the Secretary de-
10 termines that an eligible State is not making sub-
11 stantial progress in meeting the purposes, goals, ob-
12 jectives, and measures, as appropriate, by the end of
13 the second year of a grant under this part, the grant
14 payment shall not be made for the third year of the
15 grant.

16 “(2) ELIGIBLE PARTNERSHIPS.—If the Sec-
17 retary determines that an eligible partnership is not
18 making substantial progress in meeting the pur-
19 poses, goals, objectives, and measures, as appro-
20 priate, by the end of the third year of a grant under
21 this part, then the grant payments shall not be made
22 for any succeeding year of the grant.

23 “(d) EVALUATION AND DISSEMINATION.—The Sec-
24 retary shall evaluate the activities funded under this part
25 and report the Secretary’s findings regarding the activities

1 to the authorizing committees. The Secretary shall broadly
 2 disseminate successful practices developed by eligible
 3 States and eligible partnerships under this part, and shall
 4 broadly disseminate information regarding such practices
 5 that were found to be ineffective.

6 **“SEC. 206. ACCOUNTABILITY FOR PROGRAMS THAT PRE-**
 7 **PARE TEACHERS.**

8 “(a) INSTITUTIONAL AND PROGRAM REPORT CARDS
 9 ON THE QUALITY OF TEACHER PREPARATION.—

10 “(1) REPORT CARD.—Each institution of higher
 11 education that conducts a traditional teacher prepa-
 12 ration program or an alternative certification pro-
 13 gram and that enrolls students receiving Federal as-
 14 sistance under this Act shall report annually to the
 15 State and the general public, in a uniform and com-
 16 prehensible manner that conforms with the defini-
 17 tions and methods established by the Secretary, both
 18 for traditional certification programs and for alter-
 19 native certification programs, the following informa-
 20 tion:

21 “(A) PASS RATES AND SCALED SCORES.—

22 For the most recent year for which the informa-
 23 tion is available, for each of the assessments
 24 used for teacher certification or licensure by the
 25 State in which the program is located, for those

1 students who are enrolled in the traditional
 2 teacher preparation program or alternative cer-
 3 tification program, or who have completed the
 4 traditional teacher preparation program or al-
 5 ternative certification program during the 2-
 6 year period preceding such year—

7 “(i) the percentage of all such stu-
 8 dents who passed each such assessment;

9 “(ii) a comparison of the program’s
 10 pass rates with the average pass rates for
 11 programs in the State;

12 “(iii) the average scaled score for all
 13 such students who passed each such as-
 14 sessment; and

15 “(iv) a comparison of the program’s
 16 average scaled scores with the average
 17 scaled scores for programs in the State.

18 “(B) PROGRAM INFORMATION.—The cri-
 19 teria for admission into the program, the num-
 20 ber of students in the program (disaggregated
 21 by race and gender), the average number of
 22 hours of supervised practice teaching required
 23 for those in the program, the number of full-
 24 time equivalent faculty and students in super-
 25 vised practice teaching, and the total number of

1 students receiving teacher certification,
2 disaggregated by subject and level.

3 “(C) STATEMENT.—In States that require
4 approval or accreditation of teacher preparation
5 programs, a statement of whether the institu-
6 tion’s program is so approved or accredited,
7 and by whom.

8 “(D) DESIGNATION AS LOW-PER-
9 FORMING.—Whether the program has been des-
10 ignated as low-performing by the State under
11 section 207(a).

12 “(2) REQUIREMENT.—The information de-
13 scribed in paragraph (1) shall be reported through
14 publications such as school catalogs and promotional
15 materials sent, including by electronic means, to po-
16 tential applicants, secondary school guidance coun-
17 selors, and prospective employers of the institution’s
18 program graduates.

19 “(3) FINES.—In addition to the actions author-
20 ized in section 487(c), the Secretary may impose a
21 fine not to exceed \$25,000 on an institution of high-
22 er education for failure to provide the information
23 described in this subsection in a timely or accurate
24 manner.

1 “(4) SPECIAL RULE.—In the case of an institu-
 2 tion of higher education that conducts a traditional
 3 teacher preparation program or an alternative cer-
 4 tification program, with fewer than 10 scores re-
 5 ported on any single initial teacher certification or li-
 6 censure assessment during an academic year, the in-
 7 stitution shall collect and publish information with
 8 respect to an average pass rate and scaled score on
 9 each State certification or licensure assessment
 10 taken over a 3-year period.

11 “(b) STATE REPORT CARD ON THE QUALITY OF
 12 TEACHER PREPARATION.—Each State that receives funds
 13 under this Act shall provide to the Secretary, annually,
 14 in a uniform and comprehensible manner that conforms
 15 with the definitions and methods established by the Sec-
 16 retary, a State report card on the quality of teacher prepa-
 17 ration in the State, both for traditional certification pro-
 18 grams and for alternative certification programs, which
 19 shall include not less than the following:

20 “(1) A description of the teacher certification or
 21 licensure assessments, and any other certification or
 22 licensure requirements, used by the State.

23 “(2) The standards and criteria that prospec-
 24 tive teachers must meet in order to attain initial
 25 teacher certification or licensure and to be certified

1 or licensed to teach in particular academic subject
2 areas or in particular grades within the State.

3 “(3) A description of how the assessments and
4 requirements described in paragraph (1) are aligned
5 with the State’s standards and assessments for stu-
6 dents.

7 “(4) For each of the assessments used by the
8 State for teacher certification or licensure—

9 “(A) the percentage of students at each in-
10 stitution of higher education who are enrolled in
11 a traditional teacher preparation program or al-
12 ternative certification program, or who have
13 completed the traditional teacher preparation
14 program or alternative certification program
15 during the 2-year period preceding the date of
16 the determination, who passed each such as-
17 sessment; and

18 “(B) the average scaled score for students
19 at each institution of higher education who are
20 enrolled in a traditional teacher preparation
21 program or alternative certification program, or
22 who have completed the traditional teacher
23 preparation program or alternative certification
24 program during the 2-year period preceding the
25 date of the determination, who passed each

1 such assessment, ranked by teacher preparation
2 program, which shall be made available widely
3 and publicly.

4 “(5) A description of State-run and other alter-
5 native certification programs outside of institutions
6 of higher education, if any, including, for each of the
7 assessments used by the State for teacher certifi-
8 cation or licensure—

9 “(A) the percentage of individuals partici-
10 pating in such programs, or who have com-
11 pleted such programs during the 2-year period
12 preceding the date of the determination, who
13 passed each such assessment; and

14 “(B) the average scaled score of individ-
15 uals participating in such programs, or who
16 have completed such programs during the 2-
17 year period preceding the date of the deter-
18 mination, who passed each such assessment.

19 “(6) A description of the State’s proposed cri-
20 teria for assessing the performance of teacher prepa-
21 ration programs within institutions of higher edu-
22 cation in the State. Such criteria shall include indi-
23 cators of the academic content knowledge and teach-
24 ing skills of students enrolled in such programs.

1 “(7) For each teacher preparation program in
 2 the State, the criteria for admission into the pro-
 3 gram, the number of students in the program
 4 (disaggregated by race and gender), the average
 5 number of hours of supervised practice teaching re-
 6 quired for those in the program, and the number of
 7 full-time equivalent faculty and students in super-
 8 vised practice teaching.

9 “(c) REPORT OF THE SECRETARY ON THE QUALITY
 10 OF TEACHER PREPARATION.—

11 “(1) REPORT CARD.—The Secretary shall pro-
 12 vide to Congress, and publish and make widely avail-
 13 able, a report card on teacher qualifications and
 14 preparation in the United States, including all the
 15 information reported in paragraphs (1) through (7)
 16 of subsection (b). Such report shall identify States
 17 for which eligible States and eligible partnerships re-
 18 ceived a grant under this part. Such report shall be
 19 so provided, published, and made available annually.

20 “(2) REPORT TO CONGRESS.—The Secretary
 21 shall report to Congress—

22 “(A) a comparison of States’ efforts to im-
 23 prove the quality of the current and future
 24 teaching force;

1 “(B) a comparison of eligible partnerships’
2 efforts to improve the quality of the current
3 and future teaching force pursuant to section
4 203; and

5 “(C) regarding the national mean and me-
6 dian scaled scores and pass rate on any stand-
7 ardized test that is used in more than 1 State
8 for teacher certification or licensure.

9 “(3) SPECIAL RULE.—In the case of teacher
10 preparation programs with fewer than 10 scores re-
11 ported on any single initial teacher certification or li-
12 censure assessment during an academic year, the
13 Secretary shall collect and publish information with
14 respect to an average pass rate and scaled score on
15 each State certification or licensure assessment
16 taken over a 3-year period.

17 “(d) COORDINATION.—The Secretary, to the extent
18 practicable, shall coordinate the information collected and
19 published under this part among States for individuals
20 who took State teacher certification or licensure assess-
21 ments in a State other than the State in which the indi-
22 vidual received the individual’s most recent degree.

23 “(e) DATA QUALITY.—Either of the following entities
24 shall attest annually, in writing, as to the reliability, valid-

1 ity, integrity, and accuracy of the data submitted pursuant
2 to this section:

3 “(1) The Governor of the State.

4 “(2) In the case of a State for which the con-
5 stitution or law of such State designates another in-
6 dividual, entity, or agency in the State to be respon-
7 sible for teacher certification and preparation activ-
8 ity, such individual, entity, or agency.

9 **“SEC. 207. STATE FUNCTIONS.**

10 “(a) STATE ASSESSMENT.—In order to receive funds
11 under this Act, a State shall have in place a procedure
12 to identify and assist, through the provision of technical
13 assistance, low-performing programs of teacher prepara-
14 tion within institutions of higher education. Such State
15 shall provide the Secretary an annual list of such low-per-
16 forming institutions that includes an identification of
17 those institutions at risk of being placed on such list. Such
18 levels of performance shall be determined solely by the
19 State and may include criteria based on information col-
20 lected pursuant to this part. Such assessment shall be de-
21 scribed in the report under section 206(b).

22 “(b) TERMINATION OF ELIGIBILITY.—Any institu-
23 tion of higher education that offers a program of teacher
24 preparation from which the State has withdrawn the
25 State’s approval or terminated the State’s financial sup-

1 port due to the low performance of the institution’s teach-
 2 er preparation program based upon the State assessment
 3 described in subsection (a)—

4 “(1) shall be ineligible for any funding for pro-
 5 fessional development activities awarded by the De-
 6 partment; and

7 “(2) shall not be permitted to accept or enroll
 8 any student that receives aid under title IV in the
 9 institution’s teacher preparation program.

10 **“SEC. 208. GENERAL PROVISIONS.**

11 “(a) METHODS.—In complying with sections 206 and
 12 207, the Secretary shall ensure that States and institu-
 13 tions of higher education use fair and equitable methods
 14 in reporting and that the reporting methods do not allow
 15 identification of individuals.

16 “(b) SPECIAL RULE.—For each State that does not
 17 use content assessments as a means of ensuring that all
 18 teachers teaching in core academic subjects within the
 19 State are highly qualified not later than the end of the
 20 2005–2006 school year, as required under section 1119
 21 of the Elementary and Secondary Education Act of
 22 1965—

23 “(1) the Secretary shall, to the extent prac-
 24 ticable, collect data comparable to the data required
 25 under this part from States, local educational agen-

1 cies, institutions of higher education, or other enti-
2 ties that administer such assessments to teachers or
3 prospective teachers; and

4 “(2) notwithstanding any other provision of this
5 part, the Secretary shall use such data to carry out
6 requirements of this part related to assessments,
7 pass rates, and scaled scores.

8 “(c) LIMITATIONS.—

9 “(1) FEDERAL CONTROL PROHIBITED.—Noth-
10 ing in this part shall be construed to permit, allow,
11 encourage, or authorize any Federal control over any
12 aspect of any private, religious, or home school,
13 whether or not a home school is treated as a private
14 school or home school under State law. This section
15 shall not be construed to prohibit private, religious,
16 or home schools from participation in programs or
17 services under this part.

18 “(2) NO CHANGE IN STATE CONTROL ENCOUR-
19 AGED OR REQUIRED.—Nothing in this part shall be
20 construed to encourage or require any change in a
21 State’s treatment of any private, religious, or home
22 school, whether or not a home school is treated as
23 a private school or home school under State law.

24 “(3) NATIONAL SYSTEM OF TEACHER CERTIFI-
25 CATION PROHIBITED.—Nothing in this part shall be

1 construed to permit, allow, encourage, or authorize
 2 the Secretary to establish or support any national
 3 system of teacher certification.

4 **“SEC. 209. AUTHORIZATION OF APPROPRIATIONS.**

5 “(a) IN GENERAL.—There are authorized to be ap-
 6 propriated to carry out this part such sums as may be
 7 necessary for fiscal year 2006 and each of the 4 suc-
 8 ceeding fiscal years, of which—

9 “(1) 50 percent shall be available for each fiscal
 10 year to award grants under section 202; and

11 “(2) 50 percent shall be available for each fiscal
 12 year to award grants under section 203.

13 “(b) SPECIAL RULE.—If the Secretary determines
 14 that there is an insufficient number of meritorious appli-
 15 cations for grants under section 202 or 203 to justify
 16 awarding the full amount described in paragraph (1) or
 17 (2) of subsection (a), respectively, the Secretary may, after
 18 funding the meritorious applications, use the remaining
 19 funds for grants under the other such section.”.

20 **Subtitle C—Merit Pay**

21 **SEC. 331. SENSE OF THE SENATE REGARDING TEACHER IN-**
 22 **CENTIVES.**

23 It is the sense of the Senate that—

24 (1) teachers should be rewarded for raising stu-
 25 dent achievement and making real progress in clos-

1 ing the achievement gap that exists between stu-
 2 dents of different backgrounds; and

3 (2) incentives should be created for individuals
 4 who choose to teach in low-income schools.

5 **Subtitle D—Classroom Expense** 6 **Deduction**

7 **SEC. 341. SENSE OF THE SENATE REGARDING TEACHER** 8 **TAX CREDITS.**

9 (a) SENSE OF THE SENATE.—It is the sense of the
 10 Senate that many teachers are overburdened with the
 11 costs of managing a classroom, and that expansion of the
 12 deduction for classroom expenses for teachers from \$250
 13 to \$400 would help ease the burden on the teacher dedi-
 14 cated to helping our Nation’s children learn.

15 (b) AMENDMENT.—Section 62(a)(4)(D) of the Inter-
 16 nal Revenue Code of 1986 (relating to certain expenses
 17 of elementary and secondary school teachers) is amend-
 18 ed—

19 (1) by striking “In the case of taxable years be-
 20 ginning during 2002, 2003, 2004, or 2005, the” and
 21 inserting “The”; and

22 (2) by striking “\$250” and inserting “\$400”.

23 (c) EFFECTIVE DATE.—The amendments made by
 24 subsection (b) shall apply to taxable years beginning after
 25 December 31, 2004.

1 **TITLE IV—HIGHER EDUCATION**
 2 **AND LIFELONG LEARNING**
 3 **OPPORTUNITIES**

4 **Subtitle A—Higher Education**

5 **SEC. 411. SENSE OF THE SENATE REGARDING HIGHER EDU-**
 6 **CATION AND LIFELONG LEARNING OPPORTU-**
 7 **NITIES.**

8 It is the sense of the Senate that, as the Senate con-
 9 sider the reauthorization of the Higher Education Act of
 10 1965 (20 U.S.C. 1001 et seq.) and other related legisla-
 11 tion, the Senate should explore efforts to improve and ex-
 12 pand access to higher education and also make higher edu-
 13 cation more accountable, including consideration of how
 14 to—

- 15 (1) address the rising costs of higher education;
- 16 (2) promote student academic preparation for
- 17 postsecondary education;
- 18 (3) encourage efforts to increase the availability
- 19 of financial aid information for those who need the
- 20 financial aid most;
- 21 (4) simplify the student aid application process
- 22 and improve the administration of the student aid
- 23 programs;

1 (5) improve efforts to help parents and students
2 find and utilize information about attending and
3 paying for college;

4 (6) improve the level of accountability in the
5 Federal student aid programs;

6 (7) take steps to ensure the long-term avail-
7 ability of Federal Pell Grant funds by—

8 (A) addressing the current Federal Pell
9 Grant program shortfall;

10 (B) exploring initiatives to reduce the time
11 to graduation; and

12 (C) making efforts to ensure the fair dis-
13 tribution of Federal Pell Grant funds to eligible
14 recipients;

15 (8) promote quality educational opportunities
16 for all students, including nontraditional students,
17 that will equip graduates with the skills the grad-
18 uates need to continue lifelong learning and succeed
19 in the 21st century workforce;

20 (9) support stronger partnerships between busi-
21 nesses and institutions of higher education;

22 (10) strengthen collaboration between higher
23 education programs, and other Federal, State, and
24 local education and training programs; and

1 (11) promote the access to and affordability of
 2 higher education through the use of technology and
 3 distance learning.

4 **SEC. 412. SENSE OF THE SENATE REGARDING MINORITY**
 5 **SERVING INSTITUTIONS.**

6 It is the sense of the Senate that historically Black
 7 colleges and universities (HBCUs), historically Black
 8 graduate institutions (HBGIs), Hispanic-serving institu-
 9 tions (HSIs), and tribally controlled colleges or univer-
 10 sities (TCCUs) are a source of accomplishment and great
 11 pride for their respective communities as well as the entire
 12 Nation, and that such institutions offer all students, re-
 13 gardless of race, an opportunity to develop their skills and
 14 talents by training young people who go on to serve do-
 15 mestically and internationally in the professions as entre-
 16 preneurs, and in the public and private sectors, and there-
 17 fore every effort should be made to increase funding for
 18 such institutions.

19 **Subtitle B—Workforce Investment**
 20 **Act Amendments of 2005**

21 **SEC. 421. SHORT TITLE.**

22 This subtitle may be cited as the “Workforce Invest-
 23 ment Act Amendments of 2005”.

1 **SEC. 422. REFERENCES.**

2 Except as otherwise expressly provided, wherever in
 3 this subtitle an amendment or repeal is expressed in terms
 4 of an amendment to, or repeal of, a section or other provi-
 5 sion, the reference shall be considered to be made to a
 6 section or other provision of the Workforce Investment Act
 7 of 1998 (29 U.S.C. 2801 et seq.).

8 **CHAPTER 1—AMENDMENTS TO TITLE I OF**
 9 **THE WORKFORCE INVESTMENT ACT**
 10 **OF 1998**

11 **Subchapter A—Definitions**

12 **SEC. 431. DEFINITIONS.**

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

14 (1) by redesignating paragraphs (1) through
 15 (4), (5) through (16), (17), (18) through (41), and
 16 (42) through (53) as paragraphs (2) through (5),
 17 (7) through (18), (20), (23) through (46), and (48)
 18 through (59), respectively;

19 (2) by inserting before paragraph (2) (as redes-
 20 ignated by paragraph (1)) the following:

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

25 “(A) goods or other tangible property re-
 26 ceived;

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

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

9 (3) in paragraph (2) (as redesignated by para-
 10 graph (1)), by striking “Except in sections 127 and
 11 132,” and inserting “Except in section 132,”;

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

14 “(5) BASIC SKILLS DEFICIENT.—The term
 15 ‘basic skills deficient’ means, with respect to an indi-
 16 vidual, that the individual—

17 “(A) has English reading, writing, or com-
 18 puting skills at or below the 8th grade level on
 19 a generally accepted standardized test or a com-
 20 parable score on a criterion-referenced test; or

21 “(B) is unable to compute or solve prob-
 22 lems, read, write, or speak English at a level
 23 necessary to function on the job, in the individ-
 24 ual’s family, or in society.”;

(5) by inserting after paragraph (5) (as redesignated by paragraph (1)) the following:

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

(6) in paragraph (9) (as redesignated by paragraph (1)), by inserting “, including a faith-based organization,” after “nonprofit organization”;

(7) in paragraph (10) (as redesignated by paragraph (1))—

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

(B) in subparagraph (C)—

(i) by striking “for not less than 50 percent of the cost of the training.” and inserting “for—

“(i) a significant portion of the cost of training as determined by the local board, taking into account the size of the employer and such other factors as the local board determines to be appropriate; and

“(ii) for customized training (as defined in subparagraphs (A) and (B)) with an employer in multiple local areas in the

1 State, a significant portion of the cost of
 2 the training, as determined by the Gov-
 3 ernor, taking into account the size of the
 4 employer and such other factors as the
 5 Governor 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
 10 121(e)”;

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

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

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

16 “(E)(i) is the spouse of a member of the
 17 Armed Forces on active duty for a period of
 18 more than 30 days (as defined in section
 19 101(d)(2) of title 10, United States Code) who
 20 has experienced a loss of employment as a di-
 21 rect result of relocation to accommodate a per-
 22 manent change in duty station of such member;
 23 or

1 “(ii) is the spouse of a member of the
 2 Armed Forces on active duty who meets the cri-
 3 teria described in paragraph (12)(B).”;

4 (9) in paragraph (12)(A) (as redesignated by
 5 paragraph (1))—

6 (A) by striking “and” after the semicolon
 7 and inserting “or”;

8 (B) by striking “(A)” and inserting
 9 “(A)(i)”; and

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

11 “(ii) is the dependent spouse of a member
 12 of the Armed Forces on active duty for a period
 13 of more than 30 days (as defined in section
 14 101(d)(2) of title 10, United States Code)
 15 whose family income is significantly reduced be-
 16 cause of a deployment (as defined in section
 17 991(b) of title 10, United States Code, or pur-
 18 suant to paragraph (4) of such section), a call
 19 or order to active duty pursuant to a provision
 20 of law referred to in section 101(a)(13)(B) of
 21 title 10, United States Code, a permanent
 22 change of station, or the service-connected (as
 23 defined in section 101(16) of title 38, United
 24 States Code) death or disability of the member;
 25 and”;

1 (10) in paragraph (14)(A) (as redesignated by
2 paragraph (1)), by striking “section 122(e)(3)” and
3 inserting “section 122”;

4 (11) by inserting after paragraph (18) (as re-
5 designated by paragraph (1)) the following:

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

20 (12) by inserting after paragraph (20) (as re-
21 designated by paragraph (1)) the following:

22 “(21) INTEGRATED TRAINING PROGRAM.—The
23 term ‘integrated training program’ means a program
24 that combines occupational skills training with
25 English language acquisition.

1 “(22) INSTITUTION OF HIGHER EDUCATION.—

2 The term ‘institution of higher education’ has the
3 meaning given the term in section 101(a), and sub-
4 paragraphs (A) and (B) of section 102(a)(1), of the
5 Higher Education Act of 1965 (20 U.S.C. 1001(a),
6 1002(a)(1)).”;

7 (13) in paragraph (30) (as redesignated by
8 paragraph (1))—

9 (A) by redesignating subparagraphs (D)
10 through (F) as subparagraphs (E) through (G),
11 respectively; and

12 (B) by inserting after subparagraph (C)
13 the following:

14 “(D) receives or is eligible to receive a free
15 or reduced price lunch under the Richard B.
16 Russell National School Lunch Act (42 U.S.C.
17 1751 et seq.);”;

18 (14) in paragraph (35) (as redesignated by
19 paragraph (1)), by inserting “, subject to section
20 121(b)(1)(C)” after “121(b)(1)”;

21 (15) by striking paragraph (38) (as redesign-
22 ated by paragraph (1)) and inserting the following:

23 “(38) OUT-OF-SCHOOL YOUTH.—The term ‘out-
24 of-school youth’ means an out-of-school youth as de-
25 fined in section 129(a)(1)(B).”;

1 (16) by inserting after paragraph (46) (as re-
 2 designated by paragraph (1)) the following:

3 “(47) SELF-SUFFICIENCY.—The term ‘self-suf-
 4 ficiency’ means self-sufficiency within the meaning
 5 of subsections (a)(3)(A)(x) and (e)(1)(A)(xii) of sec-
 6 tion 134.”;

7 (17) in paragraph (49) (as redesignated by
 8 paragraph (1)), by striking “clause (iii) or (v) of
 9 section 136(b)(3)(A)” and inserting “section
 10 136(b)(3)(A)(iii)”;

11 (18) in paragraph (58) (as redesignated by
 12 paragraph (1)), by striking “(or as described in sec-
 13 tion 129(c)(5))” and inserting “(or as described in
 14 section 129(a)(2))”; and

15 (19) in paragraph (59) (as redesignated by
 16 paragraph (1)), by striking “established under sec-
 17 tion 117(h)” and inserting “that may be established
 18 under section 117(h)(2)”.

19 **Subchapter B—Statewide and Local** 20 **Workforce Investment Systems**

21 **SEC. 432. PURPOSE.**

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

24 **“SEC. 106. PURPOSES.**

25 “The purposes of this subtitle are the following:

1 “(1)(A) Primarily, to provide workforce invest-
2 ment activities, through statewide and local work-
3 force investment systems, that increase the employ-
4 ment, retention, self-sufficiency, and earnings of
5 participants, and increase occupational skill attain-
6 ment by participants.

7 “(B) As a result of the provision of the activi-
8 ties, to improve the quality of the workforce, reduce
9 welfare dependency, increase self-sufficiency, and en-
10 hance the productivity and competitiveness of the
11 Nation.

12 “(2) To enhance the workforce investment sys-
13 tem of the Nation by strengthening one-stop centers,
14 providing for more effective governance arrange-
15 ments, promoting access to a more comprehensive
16 array of employment and training and related serv-
17 ices, establishing a targeted approach to serving
18 youth, improving performance accountability, and
19 promoting State and local flexibility.

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

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

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

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

9 “(7) To recognize and reinforce the vital link
10 between economic development and workforce invest-
11 ment activities.

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

15 “(9) To address the ongoing shortage of essen-
16 tial skills in the United States workforce related to
17 both manufacturing and knowledge-based economies
18 to ensure that the United States remains competi-
19 tive in the global economy.

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

22 “(11) To eliminate training disincentives for
23 hard-to-serve populations and minority workers, in-
24 cluding effectively utilizing community programs,
25 services, and agencies.

1 “(12) To educate limited English proficient in-
 2 dividuals about skills and language so the individ-
 3 uals are employable.

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

6 **SEC. 432A. STATE WORKFORCE INVESTMENT BOARDS.**

7 (a) MEMBERSHIP.—

8 (1) IN GENERAL.—Section 111(b) (29 U.S.C.
 9 2821(b)) is amended—

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

12 “(C) representatives appointed by the Gov-
 13 ernor, who—

14 “(i) are the lead State agency officials
 15 with responsibility for the programs and
 16 activities that are described in section
 17 121(b) and carried out by one-stop part-
 18 ners, except that—

19 “(I) in any case in which no lead
 20 State agency official has responsibility
 21 for such a program or activity, the
 22 representative shall be a representa-
 23 tive in the State with expertise relat-
 24 ing to such program or activity; and

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

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

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

14 “(I) are owners of businesses,
15 chief executive or operating officers of
16 businesses, or other business execu-
17 tives or employers with optimum pol-
18 icymaking or hiring authority;

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

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

1 ness organizations, business trade as-
2 sociations, 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
16 111(c) (29 U.S.C. 2821(c)) is amended by striking
17 “subsection (b)(1)(C)(i)” and inserting “subsection
18 (b)(1)(C)(iii)”.

19 (b) FUNCTIONS.—Section 111(d) (29 U.S.C.
20 2811(d)) is amended—

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

24 (2) in paragraph (2), by striking “section
25 134(c)” and inserting “section 121(e)”;

1 (3) by striking paragraph (3) and inserting the
2 following:

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

13 (4) by redesignating paragraphs (4) through
14 (9) as paragraphs (5) through (10), respectively;

15 (5) by inserting after paragraph (3) the fol-
16 lowing:

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

21 “(A) the development of objective criteria
22 and procedures for use by local boards in as-
23 sessing the effectiveness and continuous im-
24 provement of one-stop centers under section
25 121(g);

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

4 “(C) the development of—

5 “(i) statewide policies relating to the
6 appropriate roles and contributions of one-
7 stop partner programs within the one-stop
8 delivery system, including approaches to
9 facilitating equitable and efficient cost allo-
10 cation in the one-stop delivery system;

11 “(ii) statewide strategies for providing
12 effective outreach to individuals, including
13 hard-to-serve populations, and employers
14 who could benefit from services provided
15 through the one-stop delivery system; and

16 “(iii) strategies for technology im-
17 provements to facilitate access to services
18 provided through the one-stop delivery sys-
19 tem, in remote areas, and for individuals
20 with disabilities, which may be utilized
21 throughout the State;

22 “(D) identification and dissemination of
23 information on best practices for effective oper-
24 ation of one-stop centers, including use of inno-
25 vative business outreach, partnerships, and

1 service delivery strategies, including for hard-to-
 2 serve populations; and

3 “(E) conduct of such other matters as may
 4 promote statewide objectives for, and enhance
 5 the performance of, the one-stop delivery sys-
 6 tems;”;

7 (6) in paragraph (5) (as redesignated by para-
 8 graph (4)), by inserting “and the development of
 9 statewide criteria to be used by chief elected officials
 10 for the appointment of local boards consistent with
 11 section 117” after “section 116”;

12 (7) in paragraph (6) (as redesignated by para-
 13 graph (4)), by striking “sections 128(b)(3)(B) and
 14 133(b)(3)(B)” and inserting “sections 128(b)(3) and
 15 133(b)(3)(B)”;

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

18 (A) by striking “employment statistics sys-
 19 tem” and inserting “workforce and labor mar-
 20 ket information system”; and

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

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

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

1 (B) by striking the period and inserting “;
2 and”; and

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

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

7 (c) ALTERNATIVE ENTITY.—Section 111(e) (29
8 U.S.C. 2811(e)) is amended—

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

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

12 “(3) FAILURE TO MEET PERFORMANCE MEAS-
13 URES.—If a State fails to have performed success-
14 fully, as defined in section 116(a)(2), the Secretary
15 may require the State to establish a State board in
16 accordance with subsections (a), (b), and (c) in lieu
17 of the alternative entity established under paragraph
18 (1).”.

19 (d) SUNSHINE PROVISION.—Section 111(g) (29
20 U.S.C. 2822(g)) is amended—

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

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

1 (e) AUTHORITY TO HIRE STAFF.—Section 111 (29
 2 U.S.C. 2811)) is amended by adding at the end the fol-
 3 lowing:

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

8 **SEC. 432B. STATE PLAN.**

9 (a) PLANNING CYCLE.—Section 112(a) (29 U.S.C.
 10 2822(a)) is amended—

11 (1) by striking “5-year strategy” and inserting
 12 “4-year strategy”; and

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

24 (b) CONTENTS.—Section 112(b) (29 U.S.C. 2822(b))
 25 is amended—

1 (1) in paragraph (8)(A)—

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

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

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

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

21 “(10) a description of how the State will use
22 funds the State received under this subtitle to lever-
23 age other Federal, State, local, and private re-
24 sources, in order to maximize the effectiveness of
25 such resources, expand resources for the provision of

1 education and training services, and expand the par-
 2 ticipation of businesses, employees, and individuals
 3 in the statewide workforce investment system, in-
 4 cluding a description of incentives and technical as-
 5 sistance the State will provide to local areas for such
 6 purposes;”;

7 (3) in paragraph (12)(A), by striking “sections
 8 128(b)(3)(B) and 133(b)(3)(B)” and inserting “sec-
 9 tions 128(b)(3) and 133(b)(3)(B)”;

10 (4) in paragraph (14), by striking “section
 11 134(c)” and inserting “section 121(e)”;

12 (5) in paragraph (15), by striking “section
 13 116(a)(5)” and inserting “section 116(a)(4)”;

14 (6) in paragraph (17)—

15 (A) in subparagraph (A)—

16 (i) in clause (iii)—

17 (I) by inserting “local” before
 18 “customized training”; and

19 (II) by striking “and” at the end;

20 (ii) in clause (iv), by striking “(includ-
 21 ing displaced homemakers),” and all that
 22 follows through “disabilities)” and insert-
 23 ing “, hard-to-serve populations and indi-
 24 viduals training for nontraditional employ-
 25 ment”; and

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

3 “(v) how the State will serve the em-
4 ployment and training needs of individuals
5 with disabilities, consistent with section
6 188 and Executive Order 13217 (42
7 U.S.C. 12131 note; relating to community-
8 based alternatives for individuals with dis-
9 abilities), including the provision of out-
10 reach, intake, the conduct of assessments,
11 service delivery, the development of adjust-
12 ments to performance measures established
13 under section 136, and the training of
14 staff; and”;

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

17 (7) in paragraph (18)(D)—

18 (A) by striking “youth opportunity grants
19 under section 169” and inserting “youth chal-
20 lenge grants authorized under section 169 and
21 other federally funded youth programs”; and

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

24 (8) by adding at the end the following:

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

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

7 “(21) a description of the State strategy and
8 assistance to be provided for ensuring regional co-
9 operation within the State and across State borders
10 as appropriate;

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

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

1 nesses, consistent with the objectives of this
 2 title; and

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

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

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

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

24 “(24) a description of how the State will assist
 25 local areas in assuring physical and programmatic

1 accessibility for individuals with disabilities at one-
2 stop centers;

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

5 “(A) review statewide policies and provide
6 guidance on the coordinated provision of serv-
7 ices through the one-stop delivery system de-
8 scribed in section 121;

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

17 “(C) determine—

18 “(i) one-stop partner program con-
19 tributions for the costs of the infrastruc-
20 ture of one-stop centers under section
21 121(h)(2); and

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

1 “(26) a description of the State strategy for en-
 2 suring that activities carried out under this title are
 3 placing men and women in jobs, education, or train-
 4 ing that lead to comparable pay; and

5 “(27) a description of the technical assistance
 6 available to one-stop operators and providers of
 7 training services for strategies to serve hard-to-serve
 8 populations and promote placement in nontraditional
 9 employment.”.

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

12 (1) by striking “5-year period” and inserting
 13 “4-year period”; and

14 (2) by adding at the end the following: “In ad-
 15 dition, the State shall submit the modifications to
 16 the State plan required under subsection (a), under
 17 circumstances prescribed by the Secretary that are
 18 due to changes in Federal law that significantly af-
 19 fect elements of the State plan.”.

20 **SEC. 432C. LOCAL WORKFORCE INVESTMENT AREAS.**

21 (a) DESIGNATION OF AREAS.—

22 (1) CONSIDERATIONS.—Section 116(a)(1) (29
 23 U.S.C. 2831(a)(1)) is amended—

1 (A) in subparagraph (A), by striking
 2 “paragraphs (2), (3), and (4)” and inserting
 3 “paragraphs (2) and (3)”; and

4 (B) in subparagraph (B), by adding at the
 5 end the following:

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

10 (2) AUTOMATIC DESIGNATION.—Section
 11 116(a)(2) (29 U.S.C. 2831(a)(2)) is amended to
 12 read as follows:

13 “(2) AUTOMATIC DESIGNATION.—

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

20 “(i) is a unit of general local govern-
 21 ment with a population of 500,000 or
 22 more, except that after the initial 2-year
 23 period following such designation pursuant
 24 to this clause that occurs after the date of
 25 enactment of the Workforce Investment

1 Act Amendments of 2005, the Governor
 2 shall only be required to approve a request
 3 for designation from such area if such
 4 area—

5 “(I) performed successfully; and

6 “(II) sustained fiscal integrity;

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

10 “(I) performed successfully; and

11 “(II) sustained fiscal integrity;

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

22 “(I) performed successfully; and

23 “(II) sustained fiscal integrity; or

24 “(iv) was a local area under section
 25 116(a)(2)(C) (as in effect on the day be-

fore the date of enactment of the Work-
 force Investment Act Amendments of
 2005), except that after the initial 2-year
 period following such designation pursuant
 to this clause that occurs after that date of
 enactment, the Governor shall only be re-
 quired to approve a request for designation
 under this clause for such area if such
 area—

“(I) performed successfully; and

“(II) sustained fiscal integrity.

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

“(i) PERFORMED SUCCESSFULLY.—

The term ‘performed successfully’, when
 used with respect to a local area, means
 the local area performed at 80 percent or
 more of the adjusted level of performance
 for core indicators of performance de-
 scribed in section 136(b)(2)(A) for 2 con-
 secutive years.

“(ii) SUSTAINED FISCAL INTEG-

RITY.—The term ‘sustained fiscal integ-
 rity’, used with respect to an area, means
 that the Secretary has not made a formal

determination during the preceding 2-year period that either the grant recipient or the administrative entity of the area misexpended funds provided under this title due to willful disregard of the requirements of the Act involved, gross negligence, or failure to comply with accepted standards of administration.”.

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

(A) by striking paragraph (3);

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

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

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

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

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

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

(ii) by striking the second sentence.

1 (b) SINGLE LOCAL AREA STATES.—Section 116(b)
 2 (29 U.S.C. 2831(b)) is amended to read as follows:

3 “(b) SINGLE LOCAL AREA STATES.—

4 “(1) CONTINUATION OF PREVIOUS DESIGNA-
 5 TION.—Notwithstanding subsection (a)(2), the Gov-
 6 ernor of any State that was a single local area for
 7 purposes of this title as of July 1, 2002, may con-
 8 tinue to designate the State as a single local area for
 9 purposes of this title if the Governor identifies the
 10 State as a local area in the State plan under section
 11 112(b)(5).

12 “(2) REDESIGNATION.—The Governor of a
 13 State not described in paragraph (1) may designate
 14 the State as a single local area if, prior to the sub-
 15 mission of the State plan or modification to such
 16 plan so designating the State, no local area meeting
 17 the requirements for automatic designation under
 18 subsection (a)(2) requests such designation as a sep-
 19 arate local area.

20 “(3) EFFECT ON LOCAL PLAN.—In any case in
 21 which a State is designated as a local area pursuant
 22 to this subsection, the local plan prepared under sec-
 23 tion 118 for the area shall be submitted to the Sec-
 24 retary for approval as part of the State plan under
 25 section 112.”.

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

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

5 “(1) PLANNING.—

6 “(A) IN GENERAL.—As part of the process
7 for developing the State plan, a State may re-
8 quire regional planning by local boards for a
9 designated region in the State. The State may
10 require the local boards for a designated region
11 to participate in a regional planning process
12 that results in the establishment of regional
13 performance measures for workforce investment
14 activities authorized under this subtitle. The
15 State, after consultation with local boards and
16 chief elected officials, may require the local
17 boards for the designated region to prepare,
18 submit, and obtain approval of a single regional
19 plan that incorporates local plans for each of
20 the local areas in the region, as required under
21 section 118. The State may award regional in-
22 centive grants to the designated regions that
23 meet or exceed the regional performance meas-
24 ures pursuant to section 134(a)(2)(B)(iii).

1 “(B) TECHNICAL ASSISTANCE.—If the
 2 State requires regional planning as provided in
 3 subparagraph (A), the State shall provide tech-
 4 nical assistance and labor market information
 5 to such local areas in the designated regions to
 6 assist with such regional planning and subse-
 7 quent service delivery efforts.”;

8 (2) in paragraph (2), by inserting “information
 9 about the skill requirements of existing and emerg-
 10 ing industries and industry clusters,” after “infor-
 11 mation about employment opportunities and
 12 trends,”; and

13 (3) in paragraph (3), by adding at the end the
 14 following: “Such services may be required to be co-
 15 ordinated with regional economic development serv-
 16 ices and strategies.”.

17 **SEC. 432D. LOCAL WORKFORCE INVESTMENT BOARDS.**

18 (a) COMPOSITION.—Section 117(b) (29 U.S.C.
 19 2832(b)) is amended—

20 (1) in paragraph (2)(A)—

21 (A) in clause (i), by striking subclause (II)
 22 and inserting the following:

23 “(II) collectively, represent busi-
 24 nesses with employment opportunities
 25 that reflect the employment opportu-

1 nities of the local area, and include
 2 representatives of businesses that are
 3 in high-growth and emerging indus-
 4 tries, and representatives of busi-
 5 nesses, including small businesses, in
 6 the local area; and”;

7 (B) by striking clause (ii) and inserting the
 8 following:

9 “(ii)(I) a superintendent representing
 10 the local school districts involved or an-
 11 other high-level official from such districts;

12 “(II) the president or highest ranking
 13 official of an institution of higher edu-
 14 cation serving the local area; and

15 “(III) an administrator of local enti-
 16 ties providing adult education and literacy
 17 activities in the local area;”;

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

20 (D) by striking clause (vi) and inserting
 21 the following:

22 “(vi) if the local board does not estab-
 23 lish or continue a youth council, represent-
 24 atives 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
 5 are multiple school districts or institutions of higher
 6 education serving a local area, the representatives
 7 described 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
 20 117(c)(1)(C) (29 U.S.C. 2832(c)(1)(C)) is amended by
 21 striking “section 116(a)(2)(B)” and inserting “section
 22 116(a)(2)(A)(ii)”.

23 (d) FUNCTIONS.—Section 117(d) (29 U.S.C.
 24 2832(d)) is amended—

25 (1) in paragraph (2)—

1 (A) in subparagraph (B)—

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

4 (ii) by inserting “(where appro-
5 priate)” after “youth council”; and

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

7 “(E) CONSUMER CHOICE REQUIRE-
8 MENTS.—Consistent with sections 122 and
9 paragraphs (3) and (4) of 134(d), the local
10 board shall work to ensure there are sufficient
11 providers of intensive services and training serv-
12 ices serving the local area in a manner that
13 maximizes consumer choice, including providers
14 with expertise in assisting individuals with dis-
15 abilities.”;

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

20 (3) in paragraph (6)—

21 (A) by striking “EMPLOYMENT STATISTICS
22 SYSTEM” and inserting “WORKFORCE AND
23 LABOR MARKET INFORMATION SYSTEM”; and

1 (B) by striking “employment statistics sys-
 2 tem” and inserting “workforce and labor mar-
 3 ket information system”;

4 (4) in paragraph (8)—

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

7 (B) by striking the period and inserting “,
 8 taking into account the unique needs of small
 9 businesses.”; and

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

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

16 (e) CONFORMING AMENDMENT.—Section 117(f)(2)
 17 (29 U.S.C. 2832(f)(2)) is amended by striking “described
 18 in section 134(c)”.

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

23 “(h) COUNCILS.—The local board may establish or
 24 continue councils to provide information and advice to as-

1 sist the local board in carrying out activities under this
 2 title. Such councils may include—

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

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

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

11 (g) ALTERNATIVE ENTITY PROVISION.—Section
 12 117(i)(1) (29 U.S.C. 2832(i)(1)) is amended—

13 (1) in the matter preceding subparagraph (A),
 14 by striking “and paragraphs (1) and (2) of sub-
 15 section (h),”;

16 (2) by striking subparagraph (B) and inserting
 17 the following:

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

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

21 (4) by redesignating subparagraph (D) as sub-
 22 paragraph (C).

23 **SEC. 432E. LOCAL PLAN.**

24 (a) PLANNING CYCLE.—Section 118(a) (29 U.S.C.
 25 2833(a)) is amended—

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

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

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

10 (1) in paragraph (2)—

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

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

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

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

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

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

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

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

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

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

1 area, as determined appropriate by the local board,
 2 consistent with the objectives of this title;

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

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

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

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

20 **SEC. 432F. ESTABLISHMENT OF ONE-STOP DELIVERY SYS-**
 21 **TEMS.**

22 (a) ONE-STOP PARTNERS.—

23 (1) REQUIRED PARTNERS.—Section 121(b)(1)
 24 (29 U.S.C. 2841(b)(1)) is amended—

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

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

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

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

21 “(iii) enter into a local memorandum
22 of understanding with the local board re-
23 lating to the operation of the one-stop sys-
24 tem that meets the requirements of sub-
25 section (c);

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

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

11 (B) in subparagraph (B)—

12 (i) by striking clause (v);

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

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

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

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

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

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

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

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

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

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

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

21 (2) ADDITIONAL PARTNERS.—

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

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

8 (B) ADDITIONAL PARTNERS.—Section
9 121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is
10 amended by striking clauses (i) through (iii)
11 and inserting the following:

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

18 “(ii) employment and training pro-
19 grams carried out by the Small Business
20 Administration;

21 “(iii) programs authorized under sec-
22 tion 6(d)(4) of the Food Stamp Act of
23 1977 (7 U.S.C. 2015(d)(4));”.

1 (b) LOCAL MEMORANDUM OF UNDERSTANDING.—
2 Section 121(c)(2)(A) (29 U.S.C. 2841(c)(2)(A)) is amend-
3 ed to read as follows:

4 “(A) provisions describing—

5 “(i) the services to be provided
6 through the one-stop delivery system con-
7 sistent with the requirements of this sec-
8 tion, including the manner in which the
9 services will be coordinated through such
10 system;

11 “(ii) how the costs of such services
12 and the operating costs of such system will
13 be funded to provide a stable and equitable
14 funding stream for ongoing one-stop sys-
15 tem operations, including the funding of
16 the infrastructure costs of one-stop centers
17 in accordance with subsection (h);

18 “(iii) methods of referral of individ-
19 uals between the one-stop operator and the
20 one-stop partners for appropriate services
21 and activities;

22 “(iv) methods to ensure the needs of
23 hard-to-serve populations are addressed in
24 providing access to services through the
25 one-stop system; and

1 “(v) the duration of the memorandum
 2 of understanding and the procedures for
 3 amending the memorandum during the
 4 term of the memorandum, and assurances
 5 that such memorandum shall be reviewed
 6 not less than once every 2-year period to
 7 ensure appropriate funding and delivery of
 8 services; and”.

9 (c) CONFORMING AMENDMENT.—Section 121(d)(2)
 10 (29 U.S.C. 2841(d)(2)) is amended by striking “section
 11 134(c)” and inserting “section 121(e)”.

12 (d) PROVISION OF SERVICES.—

13 (1) ELIMINATION OF PROVISIONS CONCERNING
 14 ESTABLISHED SYSTEMS.—Section 121 (29 U.S.C.
 15 2841) is amended by striking subsection (e).

16 (2) REDESIGNATION.—Subtitle B of title I is
 17 amended—

18 (A) in section 134 (29 U.S.C. 2864), by
 19 redesignating subsection (c) as subsection (e);
 20 and

21 (B) by transferring that subsection (e) so
 22 that the subsection appears after subsection (d)
 23 of section 121.

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

4 (A) in subparagraph (A), by striking “sub-
 5 section (d)(2)” and inserting “section
 6 134(d)(2)”;

7 (B) in subparagraph (B)—

8 (i) by striking “subsection (d)” and
 9 inserting “section 134(d)”;

10 (ii) by striking “individual training
 11 accounts” and inserting “career scholar-
 12 ship accounts”; and

13 (iii) by striking “subsection
 14 (d)(4)(G)” and inserting “section
 15 134(d)(4)(G)”;

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

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

21 (E) in subparagraph (E), by striking “in-
 22 formation described in section 15” and insert-
 23 ing “data, information, and analysis described
 24 in 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
 5 CENTERS.—

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 assess-
 10 ing the effectiveness, physical and programmatic ac-
 11 cessibility, and continuous improvement of one-stop
 12 centers and one-stop delivery systems.

13 “(2) CRITERIA.—The procedures and criteria
 14 developed under this subsection shall include min-
 15 imum standards relating to the scope and degree of
 16 service coordination achieved by the one-stop deliv-
 17 ery system with respect to the programs adminis-
 18 tered by the one-stop partners at the one-stop cen-
 19 ters, consistent with the guidelines and guidance
 20 provided by the Governor and by the State board, in
 21 consultation with the chief elected official and local
 22 boards, for such partners’ participation under sub-
 23 sections (h)(1)(B) and subsection (i), respectively,
 24 and such other factors relating to the quality, acces-
 25 sibility, and effectiveness of the one-stop delivery

1 system as the State board determines to be appro-
 2 priate.

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
 11 FUNDING.—

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

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

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

1 “(ii) FAILURE TO REACH AGREEMENT
 2 ON FUNDING METHODS.—If, as of July 1,
 3 2005, the local board, chief elected offi-
 4 cials, and one-stop partners in a local area
 5 fail to reach agreement on methods of suf-
 6 ficient funding of the infrastructure costs
 7 of one-stop centers, as determined by the
 8 local area, the State infrastructure funding
 9 mechanism described in paragraph (2)
 10 shall be 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
 17 boards, and the State board, and consistent
 18 with the guidelines provided by the State board
 19 under 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),

1 negotiated pursuant to the local memo-
2 randum of understanding under subsection
3 (c); and

4 “(ii) guidance to assist local areas in
5 identifying equitable and stable alternative
6 methods of funding of the costs of the in-
7 frastructure of one-stop centers in local
8 areas.

9 “(2) STATE ONE-STOP INFRASTRUCTURE FUND-
10 ING.—

11 “(A) PARTNER CONTRIBUTIONS.—

12 “(i) IN GENERAL.—Subject to clause
13 (iii), a portion determined under clause (ii)
14 of the Federal funds provided to the State
15 and areas within the State under the Fed-
16 eral laws authorizing the programs de-
17 scribed in subsection (b)(1) and adminis-
18 tered by one-stop partners for a fiscal year
19 shall be provided to the Governor from
20 such programs to assist in paying the costs
21 of infrastructure of one-stop centers in
22 those local areas of the State not funded
23 under the option described in paragraph
24 (1)(A)(i)(I).

1 “(ii) DETERMINATION OF GOV-
2 ERNOR.—

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

1 one-stop centers is funded under the
2 option described in paragraph
3 (1)(A)(i)(I).

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

1 “(III) APPEAL BY ONE-STOP
2 PARTNERS.—The Governor shall es-
3 tablish a procedure for the one-stop
4 partner administering a program de-
5 scribed in subsection (b) to appeal a
6 determination regarding the portion of
7 funds to be contributed under this
8 paragraph on the basis that such de-
9 termination is inconsistent with the
10 criteria described in the State plan or
11 with the requirements of this para-
12 graph. Such procedure shall ensure
13 prompt resolution of the appeal.

14 “(iii) LIMITATIONS.—

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

1 “(II) CAP ON REQUIRED CON-
2 TRIBUTIONS.—

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

17 “(bb) OTHER ONE-STOP
18 PARTNERS.—The portion of
19 funds required to be contributed
20 under clause (i)(II) or (ii) of
21 paragraph (1)(A) by a one-stop
22 partner from a program de-
23 scribed in subsection (b)(1) other
24 than the programs described
25 under item (aa) shall not be in

1 excess of 1½ percent of the
2 amount of Federal funds pro-
3 vided to carry out such program
4 in the State for a fiscal year.

5 “(cc) SPECIAL RULE.—Not-
6 withstanding items (aa) and (bb),
7 an agreement, including a local
8 memorandum of understanding,
9 entered into prior to the date of
10 enactment of the Workforce In-
11 vestment Act Amendments of
12 2005 by an entity regarding con-
13 tributions under this title that
14 permits the percentages described
15 in such items to be exceeded,
16 may continue to be in effect until
17 terminated by the parties.

18 “(dd) VOCATIONAL REHA-
19 BILITATION.—Notwithstanding
20 items (aa) and (bb), an entity ad-
21 ministering a program under title
22 I of the Rehabilitation Act of
23 1973 (29 U.S.C. 720 et seq.)
24 shall not be required to provide,

1 for the purposes of this para-
2 graph, an amount in excess of—

3 “(AA) 0.75 percent of
4 the amount provided for
5 such program in the State
6 for the second program year
7 that begins after the date of
8 enactment of the Workforce
9 Investment Act Amendments
10 of 2005;

11 “(BB) 1.0 percent of
12 the amount provided for
13 such program in the State
14 for the third program year
15 that begins after such date;

16 “(CC) 1.25 percent of
17 the amount provided for
18 such program in the State
19 for the fourth program year
20 that begins after such date;
21 and

22 “(DD) 1.5 percent of
23 the amount provided for
24 such program in the State
25 for the fifth and each suc-

1 ceeding program year that
2 begins after such date.

3 “(III) FEDERAL DIRECT SPEND-
4 ING PROGRAMS.—An entity admin-
5 istering a program funded with direct
6 spending as defined in section
7 250(c)(8) of the Balanced Budget and
8 Emergency Deficit Control Act of
9 1985 (2 U.S.C. 900(c)(8)) shall not
10 be required to provide, for purposes of
11 this paragraph, an amount in excess
12 of the amount determined to be equiv-
13 alent to the cost of the proportionate
14 use of the one-stop centers for such
15 program in the State.

16 “(IV) NATIVE AMERICAN PRO-
17 GRAMS.—Native American programs
18 established under section 166 shall
19 not be subject to the provisions of this
20 subsection or subsection (i). The
21 method for determining the appro-
22 priate portion of funds to be provided
23 by such Native American programs to
24 pay for the costs of infrastructure of
25 a one-stop center shall be determined

1 as part of the development of the
2 memorandum of understanding under
3 subsection (c) for the one-stop center
4 and shall be stated in the memo-
5 randum.

6 “(B) ALLOCATION BY GOVERNOR.—From
7 the funds provided under subparagraph (A), the
8 Governor shall allocate the funds to local areas
9 in accordance with the formula established
10 under subparagraph (C) for the purposes of as-
11 sisting in paying the costs of infrastructure of
12 one-stop centers.

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

1 “(D) COSTS OF INFRASTRUCTURE.—In
2 this subsection, the term ‘costs of infrastruc-
3 ture’, used with respect to a one-stop center,
4 means the nonpersonnel costs that are nec-
5 essary for the general operation of the one-stop
6 center, including the rental costs of the facili-
7 ties, the costs of utilities and maintenance,
8 equipment (including adaptive technology for
9 individuals with disabilities), and technology to
10 facilitate remote access to the one-stop center’s
11 strategic planning activities, and common out-
12 reach activities.

13 “(i) OTHER FUNDS.—

14 “(1) IN GENERAL.—Subject to the memo-
15 randum of understanding described in subsection (c)
16 for the one-stop delivery system involved, in addition
17 to the funds provided to carry out subsection (h), a
18 portion of funds made available under Federal law
19 authorizing the programs described in subsection (b)
20 and administered by one-stop partners, or the
21 noncash resources available under such programs,
22 shall be used to pay the additional costs relating to
23 the operation of the one-stop delivery system that
24 are not paid from the funds provided under sub-
25 section (h), as determined in accordance with para-

graph (2), to the extent not inconsistent with the Federal law involved. Such costs shall include the costs of the provision of core services described in section 134(d)(2) applicable to each program and may include common costs that are not paid from the funds provided under subsection (h).

“(2) DETERMINATION AND GUIDANCE.—The method for determining the appropriate portion of funds and noncash resources to be provided by each program under paragraph (1) for 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. The State board shall provide guidance to facilitate the determination of an appropriate allocation of the funds and noncash resources in local areas.”.

SEC. 432G. ELIGIBLE PROVIDERS OF TRAINING SERVICES.

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

“SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.

“(a) IN GENERAL.—The Governor, after consultation with the State board, shall establish criteria and procedures regarding the eligibility of providers of training serv-

1 ices described in section 134(d)(4) (referred to in this sec-
 2 tion as ‘training services’) to receive funds provided under
 3 section 133(b) for the provision of training services.

4 “(b) CRITERIA.—

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

8 “(A) the performance of providers of train-
 9 ing services with respect to the performance
 10 measures described in section 136 or other ap-
 11 propriate measures of performance outcomes
 12 for those individuals receiving training services
 13 under this subtitle (taking into consideration
 14 the characteristics of the population served and
 15 relevant 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
 21 to Federal and State programs (other than the
 22 program carried out under this subtitle), includ-
 23 ing one-stop partner programs;

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

1 ing status of each provider of training services
 2 if applicable;

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

6 “(F) the ability to provide training services
 7 to hard-to-serve populations, including individ-
 8 uals with disabilities; and

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

11 “(i) the quality of services provided;

12 “(ii) the accountability of the pro-
 13 viders;

14 “(iii) that the one-stop centers in the
 15 State will ensure that such providers meet
 16 the needs of local employers and partici-
 17 pants;

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

20 “(v) that the collection of information
 21 required is not unduly burdensome or cost-
 22 ly to providers.

23 “(2) INFORMATION AND RENEWAL.—The cri-
 24 teria established by the Governor shall require that
 25 a provider of training services submit appropriate,

1 accurate, and timely information to the State for
2 purposes of carrying out subsection (d). The criteria
3 shall also provide for annual review and renewal of
4 eligibility under this section for providers of training
5 services.

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

14 “(c) PROCEDURES.—The procedures established
15 under subsection (a) shall identify the application process
16 for a provider of training services to become eligible to
17 receive funds provided under section 133(b) for the provi-
18 sion of training services, and identify the respective roles
19 of the State and local areas in receiving and reviewing the
20 applications and in making determinations of such eligi-
21 bility based on the criteria established under this section.
22 The procedures shall also establish a process for a pro-
23 vider of training services to appeal a denial or termination
24 of eligibility under this section, that includes an oppor-

1 tunity for a hearing and prescribes appropriate time limits
 2 to ensure prompt resolution of the appeal.

3 “(d) INFORMATION TO ASSIST PARTICIPANTS IN
 4 CHOOSING PROVIDERS.—

5 “(1) IN GENERAL.—In order to facilitate and
 6 assist participants in choosing employment and
 7 training activities under chapter 5 and in choosing
 8 providers of training services, the Governor shall en-
 9 sure that an appropriate list of providers determined
 10 to be eligible under this section in the State, accom-
 11 panied by appropriate information provided by pro-
 12 viders of training services in the State in accordance
 13 with subsection (b) and such other information as
 14 the Governor determines is appropriate, including in-
 15 formation on program costs for participants in appli-
 16 cable programs, is provided to the one-stop delivery
 17 system in the State. The list and the information
 18 shall be made available to such participants and to
 19 members of the public through the one-stop delivery
 20 system in the State.

21 “(2) SPECIAL RULE.—An entity that carries
 22 out programs under the Act of August 16, 1937
 23 (commonly known as the ‘National Apprenticeship
 24 Act’, 50 Stat. 664, chapter 663; 29 U.S.C. 50 et
 25 seq.) shall be included on the list of eligible pro-

1 viders described in paragraph (1) for so long as such
2 entity remains certified by the Department of Labor.

3 “(e) ENFORCEMENT.—

4 “(1) IN GENERAL.—The criteria and proce-
5 dures established under this section shall provide the
6 following:

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

17 “(B) SUBSTANTIAL VIOLATIONS.—Upon a
18 determination, by an individual or entity speci-
19 fied in the criteria or procedures, that a pro-
20 vider of training services substantially violated
21 any requirement under this title, the eligibility
22 of such provider to receive funds under the pro-
23 gram involved may be terminated, or other ap-
24 propriate action may be taken.

1 “(C) REPAYMENT.—A provider of training
2 services whose eligibility is terminated under
3 subparagraph (A) or (B) shall be liable for the
4 repayment of funds received under chapter 5
5 during a period of noncompliance described in
6 such subparagraph.

7 “(2) CONSTRUCTION.—Paragraph (1) shall be
8 construed to provide remedies and penalties that
9 supplement, but do not supplant, other civil and
10 criminal remedies and penalties.

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

15 “(g) OPPORTUNITY TO SUBMIT COMMENTS.—In es-
16 tablishing criteria, procedures, and information required
17 under this section, the Governor shall provide an oppor-
18 tunity for interested members of the public to make rec-
19 ommendations and submit comments regarding such cri-
20 teria, procedures, and information.

21 “(h) TRANSITION PERIOD FOR IMPLEMENTATION.—
22 The requirements of this section shall be implemented not
23 later than December 31, 2005. In order to facilitate early
24 implementation of this section, the Governor may establish
25 transition procedures under which providers eligible to

1 provide training services under chapter 5 as such chapter
 2 was in effect on the day before the date of enactment of
 3 the Workforce Investment Act Amendments of 2005 may
 4 continue to be eligible to provide such services until De-
 5 cember 31, 2005, or until such earlier date as the Gov-
 6 ernor determines to be appropriate.

7 “(i) ON-THE-JOB TRAINING OR CUSTOMIZED TRAIN-
 8 ING EXCEPTION.—

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

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

1 **SEC. 432H. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.**

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

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

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

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

17 **SEC. 432I. YOUTH ACTIVITIES.**

18 (a) STATE ALLOTMENTS.—Section 127 (29 U.S.C.
19 2852) is amended—

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

22 (2) by striking subsection (b) and inserting the
23 following:

24 “(b) ALLOTMENT AMONG STATES.—

25 “(1) YOUTH ACTIVITIES.—

26 “(A) YOUTH CHALLENGE GRANTS.—

1 “(i) IN GENERAL.—For each fiscal
 2 year in which the amount appropriated
 3 under section 137(a) exceeds
 4 \$1,000,000,000, the Secretary shall re-
 5 serve a portion of the amount to provide
 6 youth challenge grants and other activities
 7 under section 169 (relating to youth chal-
 8 lenge grants) and provide youth activities
 9 under section 167 (relating to migrant and
 10 seasonal farmworker programs).

11 “(ii) PORTION.—The portion referred
 12 to in clause (i) shall equal, for a fiscal
 13 year—

14 “(I) except as provided in sub-
 15 clause (II), the difference obtained by
 16 subtracting \$1,000,000,000 from the
 17 amount appropriated under section
 18 137(a) for the fiscal year; or

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

22 “(iii) YOUTH ACTIVITIES FOR FARM-
 23 WORKERS.—The Secretary shall reserve
 24 the greater of \$10,000,000 or 4 percent of
 25 the portion described in clause (i) for a fis-

1 cal year to provide youth activities under
2 section 167.

3 “(iv) NATIVE AMERICANS.—From the
4 remainder of the amount appropriated
5 under section 137(a) for each fiscal year
6 the Secretary shall reserve not more than
7 1½ percent of such amount to provide
8 youth activities under section 166 (relating
9 to Native Americans).

10 “(B) OUTLYING AREAS.—

11 “(i) IN GENERAL.—From the amount
12 made available under subsection (a)(2) for
13 each fiscal year the Secretary shall reserve
14 not more than ¼ of 1 percent of the
15 amount appropriated under section 137(a)
16 for the fiscal year to provide assistance to
17 the outlying areas to carry out youth ac-
18 tivities and statewide workforce investment
19 activities.

20 “(ii) LIMITATION FOR FREELY ASSO-
21 CIATED STATES.—

22 “(I) COMPETITIVE GRANTS.—

23 The Secretary shall use funds de-
24 scribed in clause (i) to award grants
25 to Guam, American Samoa, the Com-

1 monwealth of the Northern Mariana
2 Islands, and the Freely Associated
3 States to carry out youth activities
4 and statewide workforce investment
5 activities.

6 “(II) AWARD BASIS.—The Sec-
7 retary shall award grants pursuant to
8 subclause (I) on a competitive basis
9 and pursuant to the recommendations
10 of experts in the field of employment
11 and training, working through the Pa-
12 cific Region Educational Laboratory
13 in Honolulu, Hawaii.

14 “(III) ASSISTANCE REQUIRE-
15 MENTS.—Any Freely Associated State
16 that desires to receive assistance
17 under this subparagraph shall submit
18 an application to the Secretary and
19 shall include in the application for as-
20 sistance—

21 “(aa) information dem-
22 onstrating that the Freely Asso-
23 ciated State will meet all condi-
24 tions that apply to States under
25 this title;

1 “(bb) an assurance that,
 2 notwithstanding any other provi-
 3 sion of this title, the Freely Asso-
 4 ciated State will use such assist-
 5 ance only for the direct provision
 6 of services; and

7 “(cc) such other information
 8 and assurances as the Secretary
 9 may require.

10 “(IV) ADMINISTRATIVE COSTS.—
 11 The Secretary may provide not more
 12 than 5 percent of the funds made
 13 available for grants under subclause
 14 (I) to pay the administrative costs of
 15 the Pacific Region Educational Lab-
 16 oratory in Honolulu, Hawaii, regard-
 17 ing activities assisted under this
 18 clause.

19 “(iii) ADDITIONAL REQUIREMENT.—
 20 The provisions of Public Law 95–134, per-
 21 mitting the consolidation of grants by the
 22 outlying areas, shall not apply to assist-
 23 ance provided to those areas, including the
 24 Freely Associated States, under this sub-
 25 paragraph.

1 “(C) STATES.—

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

9 “(I) an amount of the remainder
10 that is less than or equal to the total
11 amount that was allotted to States for
12 fiscal year 2003 under section
13 127(b)(1)(C) of this Act (as in effect
14 on the day before the date of enact-
15 ment of the Workforce Investment Act
16 Amendments of 2005), in accordance
17 with the requirements of such section
18 127(b)(1)(C); and

19 “(II) the amount of the remain-
20 der, if any, in excess of the amount
21 referred to in subclause (I), in accord-
22 ance with clause (ii).

23 “(ii) FORMULA.—Subject to clauses
24 (iii) and (iv), of the amount described in
25 clause (i)(II)—

1 “(I) $33\frac{1}{3}$ percent shall be allot-
 2 ted on the basis of the relative num-
 3 ber of individuals in the civilian labor
 4 force who are ages 16 through 21 in
 5 each State, compared to the total
 6 number of individuals in the civilian
 7 labor force who are ages 16 through
 8 21 in all States;

9 “(II) $33\frac{1}{3}$ percent shall be allot-
 10 ted on the basis of the relative num-
 11 ber of unemployed individuals in each
 12 State, compared to the total number
 13 of unemployed individuals in all
 14 States; and

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

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

24 “(I) MINIMUM PERCENTAGE.—

25 The Secretary shall ensure that no

1 State shall receive an allotment per-
2 centage under this subparagraph for a
3 fiscal year that is less than 90 percent
4 of the allotment percentage of the
5 State for the preceding fiscal year.

6 “(II) MAXIMUM PERCENTAGE.—
7 Subject to subclause (I), the Secretary
8 shall ensure that no State shall re-
9 ceive an allotment percentage under
10 this subparagraph for a fiscal year
11 that is more than 130 percent of the
12 allotment percentage of the State for
13 the preceding fiscal year.

14 “(iv) SMALL STATE MINIMUM ALLOT-
15 MENT.—Subject to clause (iii), the Sec-
16 retary shall ensure that no State shall re-
17 ceive an allotment under this subparagraph
18 that is less than the total of—

19 “(I) $\frac{3}{10}$ of 1 percent of
20 \$1,000,000,000 of the remainder de-
21 scribed in clause (i) for the fiscal
22 year; and

23 “(II) if the remainder described
24 in clause (i) for the fiscal year exceeds

1 \$1,000,000,000, $\frac{2}{5}$ of 1 percent of
2 the excess.

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

5 “(A) ALLOTMENT PERCENTAGE.—The
6 term ‘allotment percentage’, used with respect
7 to fiscal year 2006 or a subsequent fiscal year,
8 means a percentage of the remainder described
9 in paragraph (1)(C)(i) that is received by the
10 State involved through an allotment made
11 under this subsection for the fiscal year. The
12 term, used with respect to fiscal year 2005,
13 means the percentage of the amounts allotted
14 to States under this chapter (as in effect on the
15 day before the date of enactment of the Work-
16 force Investment Act Amendments of 2005)
17 that is received by the State involved for fiscal
18 year 2003.

19 “(B) DISADVANTAGED YOUTH.—Subject to
20 paragraph (3), the term ‘disadvantaged youth’
21 means an individual who is age 16 through 21
22 who received an income, or is a member of a
23 family that received a total family income, that,
24 in relation to family size, does not exceed the
25 higher of—

1 “(i) the poverty line; or

2 “(ii) 70 percent of the lower living
3 standard income level.

4 “(C) FREELY ASSOCIATED STATE.—The
5 term ‘Freely Associated State’ means the Re-
6 public of the Marshall Islands, the Federated
7 States of Micronesia, and the Republic of
8 Palau.

9 “(3) SPECIAL RULE.—For purposes of the for-
10 mula specified in paragraph (1)(C), the Secretary
11 shall, as appropriate and to the extent practicable,
12 exclude college students and members of the Armed
13 Forces from the determination of the number of dis-
14 advantaged youth.”.

15 (b) REALLOTMENT.—

16 (1) AMENDMENT.—Section 127(c) (29 U.S.C.
17 2852(c)) is amended—

18 (A) by striking paragraph (2) and insert-
19 ing the following:

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

1 this section during such prior program year (includ-
 2 ing amounts allotted to the State in all prior pro-
 3 gram years that remained available). For purposes
 4 of this paragraph, the unexpended balance is the
 5 amount that is the difference between—

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

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

14 (B) in paragraph (3)—

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

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

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

22 “(4) ELIGIBILITY.—For purposes of this sub-
 23 section, an eligible State means a State that does
 24 not have an amount available for reallocation under

1 paragraph (2) for the program year for which the
 2 determination under paragraph (2) is made.”; and

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

5 (2) EFFECTIVE DATE.—The amendment made
 6 by paragraph (1) shall take effect for the program
 7 year that begins after the date of enactment of this
 8 Act.

9 (c) WITHIN STATE ALLOCATIONS.—

10 (1) RESERVATION FOR STATEWIDE ACTIVITIES.—
 11 Section 128(a) (29 U.S.C. 2853(a)) is
 12 amended to read as follows:

13 “(a) RESERVATIONS FOR STATEWIDE ACTIVITIES.—

14 “(1) IN GENERAL.—The Governor of a State
 15 shall reserve not more than 15 percent of each of
 16 the amounts allotted to the State under section
 17 127(b)(1)(C) and paragraphs (1)(B) and (2)(B) of
 18 section 132(b) for a fiscal year for statewide work-
 19 force investment activities.

20 “(2) USE OF FUNDS.—Regardless of whether
 21 the reserved amounts were allotted under section
 22 127(b)(1)(C), or under paragraph (1)(B) or (2)(B)
 23 of section 132(b), the Governor may use the re-
 24 served amounts to carry out statewide activities
 25 under section 129(b) or statewide employment and

1 training activities, for adults or dislocated workers,
 2 under section 134(a).”.

3 (2) WITHIN STATE ALLOCATION.—Section
 4 128(b) (29 U.S.C. 2853(b)) is amended to read as
 5 follows:

6 “(b) WITHIN STATE ALLOCATIONS.—

7 “(1) IN GENERAL.—Of the amount allotted to
 8 the State under section 127(b)(1)(C) and not re-
 9 served under subsection (a)(1)—

10 “(A) a portion equal to not less than 80
 11 percent of such amount shall be allocated by
 12 the Governor to local areas in accordance with
 13 paragraph (2); and

14 “(B) a portion equal to not more than 20
 15 percent of such amount may be allocated by the
 16 Governor to local areas in accordance with
 17 paragraph (3).

18 “(2) ESTABLISHED FORMULA.—

19 “(A) IN GENERAL.—Of the portion de-
 20 scribed in paragraph (1)(A), the Governor shall
 21 allocate—

22 “(i) $33\frac{1}{3}$ percent on the basis of the
 23 relative number of individuals in the civil-
 24 ian labor force who are ages 16 through 21
 25 in each local area, compared to the total

number of individuals in the civilian labor force who are ages 16 through 21 in all local areas in the State;

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

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

“(B) MINIMUM AND MAXIMUM PERCENTAGES.—

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

“(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the Governor shall ensure

1 that no local area shall receive an alloca-
 2 tion percentage under this paragraph for a
 3 fiscal year that is more than 130 percent
 4 of the allocation percentage of the local
 5 area for the preceding fiscal year.

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

7 “(i) ALLOCATION PERCENTAGE.—The
 8 term ‘allocation percentage’, used with re-
 9 spect to fiscal year 2006 or a subsequent
 10 fiscal year, means a percentage of the por-
 11 tion described in paragraph (1)(A) that is
 12 received by the local area involved through
 13 an allocation made under this paragraph
 14 for the fiscal year. The term, used with re-
 15 spect to fiscal year 2005, means the per-
 16 centage of the amounts allocated to local
 17 areas under this chapter (as in effect on
 18 the day before the date of enactment of the
 19 Workforce Investment Act Amendments of
 20 2005) that is received by the local area in-
 21 volved for fiscal year 2003.

22 “(ii) DISADVANTAGED YOUTH.—The
 23 term ‘disadvantaged youth’ means an indi-
 24 vidual who—

25 “(I) is age 16 through 21;

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

3 “(III) received an income, or is a
4 member of a family that received a
5 total family income, that, in relation
6 to family size, does not exceed the
7 higher of—

8 “(aa) the poverty line; or

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

12 “(3) YOUTH DISCRETIONARY ALLOCATION.—

13 The Governor may allocate the portion described in
14 paragraph (1)(B) to local areas where there are a
15 significant number of eligible youth, after consulta-
16 tion with the State board and local boards.

17 “(4) LOCAL ADMINISTRATIVE COST LIMIT.—

18 “(A) IN GENERAL.—Of the amount allo-
19 cated to a local area under this subsection and
20 section 133(b) for a fiscal year, not more than
21 10 percent of the amount may be used by the
22 local board involved for the administrative costs
23 of carrying out local workforce investment ac-
24 tivities under this chapter or chapter 5.

“(B) USE OF FUNDS.—Funds made available for administrative costs under subparagraph (A) may be used for the administrative costs of any of the local workforce investment activities described in this chapter or chapter 5, regardless of whether the funds were allocated under this subsection or section 133(b).”.

(3) REALLOCATION.—

(A) AMENDMENT.—Section 128(c) (29 U.S.C. 2853(c)) is amended—

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

(ii) by striking paragraph (2) and inserting the following:

“(2) AMOUNT.—The amount available for reallocation for a program year is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the local area under this section during such prior program year (including amounts allocated to the local area in all prior program years that remained available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

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

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

9 (iii) by amending paragraph (3)—

10 (I) by striking “subsection
11 (b)(3)” each place it appears and in-
12 serting “subsection (b)”;

13 (II) by striking “for the prior
14 program year” the first place it ap-
15 pears and inserting “for the program
16 year for which the determination is
17 made”;

18 (III) by striking “such prior pro-
19 gram year” and inserting “such pro-
20 gram year”; and

21 (IV) by striking the last sen-
22 tence; and

23 (iv) by striking paragraph (4) and in-
24 serting the following:

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

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

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

11 (ii) program year 2005.

12 (d) YOUTH PARTICIPANT ELIGIBILITY.—Section
 13 129(a) (29 U.S.C. 2854(a)) is amended to read as follows:

14 “(a) YOUTH PARTICIPANT ELIGIBILITY.—

15 “(1) ELIGIBILITY.—

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

22 “(B) OUT-OF-SCHOOL YOUTH.—In this
 23 title the term ‘out-of-school youth’ means an in-
 24 dividual who is—

1 “(i) not younger than age 16 (subject
2 to paragraph (3)) nor older than age 21;
3 and

4 “(ii) one of the following:

5 “(I) A school dropout.

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

10 “(III) A recipient of a secondary
11 school diploma or its equivalent who
12 is—

13 “(aa) deficient in basic
14 skills, including limited English
15 proficiency;

16 “(bb) a low-income indi-
17 vidual; and

18 “(cc) not attending any
19 school.

20 “(IV) Subject to the juvenile jus-
21 tice system or ordered by a court to
22 an alternative school.

23 “(V) A low-income individual who
24 is pregnant or parenting and not at-
25 tending any school.

1 “(VI) A youth who is not attend-
 2 ing school or a youth attending an al-
 3 ternative school, who is homeless, a
 4 runaway, a foster child, a child eligi-
 5 ble for assistance under section 477 of
 6 the Social Security Act (42 U.S.C.
 7 677), or in an out-of-home placement.

8 “(VII) A low-income individual
 9 who requires additional assistance to
 10 complete an educational program or
 11 to secure or hold employment.

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

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

17 “(ii) a low-income individual; and

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

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

22 “(II) Homeless, a runaway, a
 23 foster child, a child eligible for assist-
 24 ance under section 477 of the Social

1 Security Act (42 U.S.C. 677), or in
2 an out-of-home placement.

3 “(III) Pregnant or parenting.

4 “(IV) An offender (other than an
5 individual described in subparagraph
6 (B)(ii)(IV)).

7 “(V) An individual who requires
8 additional assistance to complete an
9 educational program or to secure or
10 hold employment.

11 “(2) EXCEPTION.—Not more than 5 percent of
12 the individuals assisted under this section in each
13 local area, in the case of individuals for whom low
14 income is a requirement for eligibility under this sec-
15 tion, may be individuals who are not low income.

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

18 “(A) IN GENERAL.—For any program
19 year, not more than 60 percent of the funds
20 available for statewide activities under sub-
21 section (b), and not more than 60 percent of
22 funds available to local areas under subsection
23 (c), may be used to provide activities for in-
24 school youth meeting the requirements of para-
25 graph (1)(B).

“(B) EXCEPTION.—A State that receives a minimum allotment under section 127(b)(1) in accordance with section 127(b)(1)(C)(iv) or under section 132(b)(1) in accordance with section 132(b)(1)(B)(iv)(II) may increase the percentage described in subparagraph (A) for a local area in the State, if—

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

“(ii)(I) the State submits to the Secretary, for the local area, a request including a proposed increased percentage for purposes of subparagraph (A), and the summary of the eligible youth population analysis; and

“(II) the request is approved by the Secretary.

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

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

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

8 “(b) STATEWIDE ACTIVITIES.—

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

16 “(A) conducting—

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

22 “(ii) research; and

23 “(iii) demonstration projects;

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

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

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

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

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

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

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

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

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

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

23 (f) LOCAL ELEMENTS AND REQUIREMENTS.—

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

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

4 (B) in subparagraph (B), by inserting “are
 5 directly linked to 1 or more of the performance
 6 measures relating to this chapter under section
 7 136, and that” after “for each participant
 8 that”; and

9 (C) in subparagraph (C)—

10 (i) by redesignating clauses (i)
 11 through (iv) as clauses (ii) through (v), re-
 12 spectively;

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

15 “(i) activities leading to the attain-
 16 ment of a secondary school diploma or its
 17 equivalent, or another recognized creden-
 18 tial;”;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (ii) by redesignating subparagraph

16 (C) as subparagraph (B); and

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

20 **SEC. 432J. ADULT AND DISLOCATED WORKER EMPLOY-**
21 **MENT AND TRAINING ACTIVITIES.**

22 (a) STATE ALLOTMENTS.—

23 (1) RESERVATIONS.—Section 132(a)(2)(A) (29
24 U.S.C. 2862 (a)(2)(A)) is amended by striking “na-
25 tional emergency grants, other than under sub-

1 section (a)(4), (f), and (g)” and inserting “national
 2 dislocated worker grants, other than under para-
 3 graph (4) or (5) of subsection (a), subsection (e),
 4 and subsection (f)”.

5 (2) ALLOTMENT AMONG STATES.—Section
 6 132(b) (29 U.S.C. 2862(b)) is amended—

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

10 (B) by striking paragraph (1)(B)(ii) and
 11 inserting the following:

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

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

22 “(II) 25 percent shall be allotted
 23 on the basis of the relative number of
 24 individuals in the civilian labor force
 25 in each State, compared to the total

1 number of such individuals in all
2 States; and

3 “(III) 35 percent shall be allotted
4 on the basis of the relative number of
5 disadvantaged adults in each State,
6 compared to the total number of dis-
7 advantaged adults in all States, except
8 as described in clause (iii).”;

9 (C) in paragraph (1)(B)—

10 (i) in clause (iii), by striking “section
11 116(a)(2)(B)” and inserting “section
12 116(a)(2)(A)(iii)”;

13 (ii) in clause (iv)—

14 (I) in subclause (I), by striking
15 “Subject to subclause (IV), the” and
16 inserting “The”;

17 (II) in subclause (II), by striking
18 “subclauses (I), (III), and (IV)” and
19 inserting “subclauses (I) and (III)”;
20 and

21 (III) by striking subclause (IV);
22 and

23 (iii) in clause (v), by striking sub-
24 clause (VI); and

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

4 (3) REALLOTMENT.—Section 132(c) (29 U.S.C.
5 2862(c)) is amended—

6 (A) by striking paragraph (2) and insert-
7 ing the following:

8 “(2) AMOUNT.—The amount available for real-
9 lotment for a program year for programs funded
10 under subsection (b)(1)(B) (relating to adult em-
11 ployment and training) and subsection (b)(2)(B) (re-
12 lating to dislocated worker employment and train-
13 ing), respectively, is equal to the amount by which
14 the unexpended balance at the end of the program
15 year prior to the program year for which the deter-
16 mination is made exceeds 30 percent of the total
17 amount of funds available to the State under sub-
18 section (b)(1)(B) or (b)(2)(B), respectively, during
19 such prior program year (including amounts allotted
20 to the State in all prior program years under such
21 provisions that remained available). For purposes of
22 this paragraph, the unexpended balance is the
23 amount that is the difference between—

24 “(A) the total amount of funds available to
25 the State under subsection (b)(1)(B) or

(b)(2)(B), respectively, during the program year prior to the program year for which the determination is made (including amounts allotted to the State in all prior program years under such provisions that remained available); and

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

(B) in paragraph (3)—

(i) by striking “under this section for such activities for the prior program year” and inserting “under subsection (b)(1)(B) or (b)(2)(B), as appropriate, for the program year for which the determination is made”; and

(ii) by striking “under this subsection for such activities for such prior program year” and inserting “under subsection (b)(1)(B) or (b)(2)(B), as appropriate, for such program year”;

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

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

“(A) with respect to funds allotted under subsection (b)(1)(B), a State that does not have an amount of such funds available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made; and

“(B) with respect to funds allotted under subsection (b)(2)(B), a State that does not have an amount of such funds available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made.”; and

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

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

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

(B) program year 2005.

(b) WITHIN STATE ALLOCATIONS.—

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

(A) in subclause (I), by striking “33 $\frac{1}{3}$ percent” and inserting “40 percent”;

1 (B) in subclause (II), by striking “33 $\frac{1}{3}$ ”
 2 percent” and inserting “25 percent”; and

3 (C) in subclause (III), by striking “33 $\frac{1}{3}$ ”
 4 percent” and inserting “35 percent”.

5 (2) REQUIREMENTS.—Clauses (i) and (ii) of
 6 section 133(b)(5)(B) (29 U.S.C. 2863(b)(5)(B)) are
 7 amended by striking “section 134(c)” and inserting
 8 “section 121(e)”.

9 (3) REALLOCATION.—Section 133(c) (29
 10 U.S.C. 2863(c)) is amended—

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

15 (B) by striking paragraph (2) and insert-
 16 ing the following:

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

cent of the total amount of funds available to the local area under paragraphs (2)(A) and (3) of subsection (b), or subsection (b)(2)(B), respectively, during such prior program year (including amounts allocated to the local area in all prior program years under such provisions that remained available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

“(A) the total amount of funds available to the local area under paragraphs (2)(A) and (3) of subsection (b), or subsection (b)(2)(B), respectively, during the program year prior to the program year for which the determination is made (including amounts allotted to the local area in all prior program years under such provisions that remained available); and

“(B) the accrued expenditures from such total amount of funds available under paragraphs (2)(A) and (3) of subsection (b), or subsection (b)(2)(B), respectively, during such prior program year.”;

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

“(3) REALLOCATION.—In making reallocations to eligible local areas of amounts available pursuant

1 to paragraph (2) for a program year, the Governor
2 shall allocate to each eligible local area within the
3 State—

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

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

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

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

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

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

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

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

21 (B) program year 2005.

22 (c) USE OF FUNDS FOR EMPLOYMENT AND TRAIN-
 23 ING ACTIVITIES.—

24 (1) STATEWIDE EMPLOYMENT AND TRAINING
 25 ACTIVITIES.—

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

4 “(A) STATEWIDE RAPID RESPONSE ACTIVI-
5 TIES.—

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

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

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

1 the chief elected officials for the local
2 areas.

3 “(ii) USE OF UNEXPENDED FUNDS.—
4 Funds reserved under section 133(a)(2) to
5 carry out this subparagraph that remain
6 unexpended after the first program year
7 for which such funds were allotted may be
8 used by the Governor to carry out state-
9 wide activities authorized under subpara-
10 graph (B) and paragraph (3)(A) in addi-
11 tion to activities under this subpara-
12 graph.”.

13 (B) STATEWIDE EMPLOYMENT AND TRAIN-
14 ING ACTIVITIES.—Section 134(a)(2) (29 U.S.C.
15 2864(a)(2)) is amended by striking subpara-
16 graph (B) and inserting the following:

17 “(B) STATEWIDE EMPLOYMENT AND
18 TRAINING ACTIVITIES.—Funds reserved by a
19 Governor for a State under sections 128(a)(1)
20 and 133(a)(1) and not used under paragraph
21 (1)(A) (regardless of whether the funds were al-
22 lotted to the States under section 127(b)(1)(C)
23 or paragraphs (1)(B) or (2)(B) of section
24 132(b)) shall be used for statewide employment
25 and training activities, including—

1 “(i) disseminating—

2 “(I) the State list of eligible pro-
3 viders of training services, including
4 eligible providers of nontraditional
5 training services;

6 “(II) information identifying eli-
7 gible providers of on-the-job training
8 and customized training;

9 “(III) performance information
10 and program cost information, as de-
11 scribed in subsections (d) and (i) of
12 section 122; and

13 “(IV) information on physical
14 and programmatic accessibility for in-
15 dividuals with disabilities;

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

21 “(iii) providing incentive grants to
22 local areas in recognition of exceptional
23 achievement relating to—

24 “(I) regional cooperation among
25 local boards (including local boards in

1 a designated region as described in
2 section 116(c));

3 “(II) expanded local coordination
4 of programs and activities carried out
5 as part of a comprehensive workforce
6 investment system, including—

7 “(aa) employment services
8 under the Wagner-Peyser Act
9 (29 U.S.C. 49 et seq.) and core
10 activities under this title; and

11 “(bb) one-stop partner pro-
12 grams described in section 121;

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

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

20 “(iv) developing strategies for ensur-
21 ing that activities carried out under this
22 section are placing men and women in
23 jobs, education, and training that lead to
24 comparable pay;

“(v) providing technical assistance and capacity building to local areas, one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the development of exemplary program activities, and the provision of technical assistance to local areas that fail to meet local performance measures described in section 136(c), which may include the development and training of staff to provide opportunities for hard-to-serve populations to enter high-wage, high-skilled, and nontraditional occupations;

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

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

(C) ALLOWABLE STATEWIDE EMPLOYMENT

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

1 “(A) IN GENERAL.—Funds reserved by a
2 Governor for a State under sections 128(a)(1)
3 and 133(a)(1) and not used under paragraph
4 (1)(A) or (2)(B) (regardless of whether the
5 funds were allotted to the State under section
6 127(b)(1)(C) or paragraph (1)(B) or (2)(B) of
7 section 132(b)) may be used to carry out addi-
8 tional statewide employment and training activi-
9 ties, which may include—

10 “(i) implementing innovative pro-
11 grams and strategies designed to meet the
12 needs of all businesses in the State, includ-
13 ing small businesses, which may include in-
14 cumbent worker training programs, sec-
15 toral and industry cluster strategies and
16 partnerships, including regional skills alli-
17 ances, career ladder programs, micro-en-
18 terprise and entrepreneurial training and
19 support programs, utilization of effective
20 business intermediaries, activities to im-
21 prove linkages between the one-stop deliv-
22 ery systems in the State and all employers
23 (including small employers) in the State,
24 and other business services and strategies
25 that better engage employers in workforce

1 investment activities and make the work-
2 force investment system more relevant to
3 the needs of State and local businesses,
4 consistent with the objectives of this title;

5 “(ii) developing strategies for effec-
6 tively serving hard-to-serve populations
7 and for coordinating programs and services
8 among one-stop partners;

9 “(iii) implementing innovative pro-
10 grams for displaced homemakers, which for
11 purposes of this clause may include an in-
12 dividual who is receiving public assistance
13 and is within 2 years of exhausting lifetime
14 eligibility under part A of title IV of the
15 Social Security Act (42 U.S.C. 601 et
16 seq.);

17 “(iv) implementing programs to in-
18 crease the number of individuals training
19 for and placed in nontraditional employ-
20 ment;

21 “(v) carrying out activities to facili-
22 tate remote access to services, including
23 training services described in subsection
24 (d)(4), provided through a one-stop deliv-

1 ery system, including facilitating access
2 through the use of technology;

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

6 “(vii) coordinating with the child wel-
7 fare system to facilitate services for chil-
8 dren in foster care and those who are eligi-
9 ble for assistance under section 477 of the
10 Social Security Act (42 U.S.C. 677);

11 “(viii) activities—

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

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

23 “(III) to improve coordination
24 between employment and training as-
25 sistance and cooperative extension

1 programs carried out by the Depart-
2 ment of Agriculture;

3 “(IV) to improve coordination be-
4 tween employment and training assist-
5 ance and programs carried out in the
6 local area for individuals with disabil-
7 ities, including programs carried out
8 by State agencies relating to mental
9 retardation and developmental disabil-
10 ities, Statewide Independent Living
11 Councils established under section
12 705 of the Rehabilitation Act of 1973
13 (29 U.S.C. 796d), and centers for
14 independent living defined in section
15 702 of the Rehabilitation Act of 1973
16 (29 U.S.C. 796a);

17 “(V) to develop and disseminate
18 workforce and labor market informa-
19 tion; and

20 “(VI) to improve coordination
21 with the corrections system to facili-
22 tate provision of training services and
23 employment opportunities that will as-
24 sist ex-offenders in reentering the
25 workforce;

1 “(ix) conducting—

2 “(I) research; and

3 “(II) demonstration projects; and

4 “(x) adopting, calculating, or commis-
 5 sioning a minimum self-sufficiency stand-
 6 ard that specifies the income needs of fam-
 7 ilies, by family size, the number and ages
 8 of children in the family, and sub-State
 9 geographical considerations.”.

10 (2) REQUIRED LOCAL EMPLOYMENT AND
 11 TRAINING ACTIVITIES.—

12 (A) ALLOCATED FUNDS.—Section
 13 134(d)(1)(A) (29 U.S.C. 2864(d)(1)(A)) is
 14 amended—

15 (i) in clause (i), by striking “described
 16 in subsection (c)”;

17 (ii) in clause (iii), by striking “and”
 18 at the end;

19 (iii) in clause (iv), by striking the pe-
 20 riod and inserting a semicolon; and

21 (iv) by adding at the end the fol-
 22 lowing:

23 “(v) to designate a dedicated business
 24 liaison in the local area who may be funded
 25 with funds provided under this title or

from other sources to establish and develop relationships and networks with large and small employers and their intermediaries; and

“(vi) in order to avoid duplication of services and enhance coordination of services, to require the colocation of employment services provided under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) at the comprehensive one-stop centers.”.

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

(i) in the matter preceding subparagraph (A), by striking “paragraph (1)(A)” and inserting “paragraph (1)”; and

(ii) by striking subparagraph (D) and inserting the following:

“(D) labor exchange services, including—

“(i) job search and placement assistance and, in appropriate cases, career counseling, including—

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

“(II) nontraditional employment; and

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

(iii) in subparagraph (E)(iii)—

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

(II) by striking “and” at the end;

(iv) in subparagraph (F)—

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

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

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

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

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

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

“(A) IN GENERAL.—

“(i) ELIGIBILITY.—Except as provided in clause (ii), funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local

1 area for dislocated workers under section
2 133(b)(2)(B), shall be used to provide in-
3 tensive services to adults and dislocated
4 workers, respectively—

5 “(I) who are unemployed and
6 who, after an interview, evaluation, or
7 assessment, have been determined by
8 a one-stop operator or one-stop part-
9 ner to be—

10 “(aa) unlikely or unable to
11 obtain employment, that leads to
12 self-sufficiency or wages com-
13 parable to or higher than pre-
14 vious employment, through core
15 services described in paragraph
16 (2); and

17 “(bb) in need of intensive
18 services to obtain employment
19 that leads to self-sufficiency or
20 wages comparable to or higher
21 than previous employment; or

22 “(II) who are employed, but who,
23 after an interview, evaluation, or as-
24 sessment are determined by a one-
25 stop operator or one-stop partner to

1 be in need of intensive services to ob-
2 tain or retain employment that leads
3 to self-sufficiency.

4 “(ii) SPECIAL RULE.—A new inter-
5 view, evaluation, or assessment of a partic-
6 ipant is not required under clause (i) if the
7 one-stop operator or one-stop partner de-
8 termines that it is appropriate to use a re-
9 cent assessment of the participant con-
10 ducted pursuant to another education or
11 training program.”; and

12 (ii) in subparagraph (C)—

13 (I) in clause (v), by striking “for
14 participants seeking training services
15 under paragraph (4)”; and

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

18 “(vii) Internships and work experi-
19 ence.

20 “(viii) Literacy activities relating to
21 basic work readiness, and financial literacy
22 activities.

23 “(ix) Out-of-area job search assistance
24 and relocation assistance.

1 “(x) English language acquisition and
2 integrated training programs.”.

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

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

7 “(A) IN GENERAL.—

8 “(i) ELIGIBILITY.—Except as pro-
9 vided in clause (ii), funds allocated to a
10 local area for adults under paragraph
11 (2)(A) or (3), as appropriate, of section
12 133(b), and funds allocated to the local
13 area for dislocated workers under section
14 133(b)(2)(B), shall be used to provide
15 training services to adults and dislocated
16 workers, respectively—

17 “(I) who, after an interview, eval-
18 uation, or assessment, and case man-
19 agement, have been determined by a
20 one-stop operator or one-stop partner,
21 as appropriate, to—

22 “(aa) be unlikely or unable
23 to obtain or retain employment,
24 that leads to self-sufficiency or
25 wages comparable to or higher

1 than previous employment,
2 through the intensive services de-
3 scribed in paragraph (3);

4 “(bb) be in need of training
5 services to obtain or retain em-
6 ployment that leads to self-suffi-
7 ciency or wages comparable to or
8 higher than previous employ-
9 ment; and

10 “(cc) have the skills and
11 qualifications to successfully par-
12 ticipate in the selected program
13 of training services;

14 “(II) who select programs of
15 training services that are directly
16 linked to the employment opportuni-
17 ties in the local area or region in-
18 volved or in another area to which the
19 adults or dislocated workers are will-
20 ing to commute or relocate;

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

23 “(IV) who are determined to be
24 eligible in accordance with the priority

1 system in effect under subparagraph
2 (E).

3 “(ii) SPECIAL RULE.—A new inter-
4 view, evaluation, or assessment of a partic-
5 ipant is not required under clause (i) if the
6 one-stop operator or one-stop partner de-
7 termines that it is appropriate to use a re-
8 cent assessment of the participant con-
9 ducted pursuant to another education or
10 training program.”;

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

16 (iii) in subparagraph (D)—

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

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

21 (III) by adding at the end the
22 following:

23 “(x) English language acquisition and
24 integrated training programs.”;

25 (iv) in subparagraph (F)—

1 (I) in clause (ii), by striking “re-
 2 ferred to in subsection (c), shall make
 3 available—” and all that follows and
 4 inserting “shall make available a list
 5 of eligible providers of training serv-
 6 ices, and accompanying information,
 7 in accordance with section 122(d).”;

8 (II) in the heading of clause (iii),
 9 by striking “INDIVIDUAL TRAINING
 10 ACCOUNTS” and inserting “CAREER
 11 SCHOLARSHIP ACCOUNTS”;

12 (III) in clause (iii)—

13 (aa) by striking “identifying
 14 information” and inserting “ac-
 15 companying information”;

16 (bb) by striking “clause
 17 (ii)(I)” and inserting “clause
 18 (ii)”; and

19 (cc) by striking “individual
 20 training account” and inserting
 21 “career scholarship account”;
 22 and

23 (IV) by adding at the end the fol-
 24 lowing:

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

(v) in subparagraph (G)—

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

(II) in clause (i), by striking “individual training accounts” and inserting “career scholarship accounts”;

(III) in clause (ii)—

(aa) by striking “individual training account” and inserting “career scholarship account”;

(bb) in subclause (II), by striking “individual training accounts” and inserting “career scholarship accounts”;

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

1 (dd) in subclause (III), by
 2 striking “special participant pop-
 3 ulations that face multiple bar-
 4 riers to employment” and insert-
 5 ing “hard-to-serve populations”;

6 (ee) in subclause (III), by
 7 striking the period and inserting
 8 “; or”; and

9 (ff) by adding at the end the
 10 following:

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

19 (IV) in clause (iv)—

20 (aa) by redesignating sub-
 21 clause (IV) as subclause (V); and

22 (bb) by inserting after sub-
 23 clause (III) the following:

24 “(IV) Individuals with disabil-
 25 ities.”.

1 (3) PERMISSIBLE ACTIVITIES.—Section 134(e)
 2 (29 U.S.C. 2864(e)) is amended—

3 (A) by striking the matter preceding para-
 4 graph (2) and inserting the following:

5 “(e) PERMISSIBLE LOCAL EMPLOYMENT AND TRAIN-
 6 ING ACTIVITIES.—

7 “(1) IN GENERAL.—

8 “(A) ACTIVITIES.—Funds allocated to a
 9 local area for adults under paragraph (2)(A) or
 10 (3), as appropriate, of section 133(b), and
 11 funds allocated to the local area for dislocated
 12 workers under section 133(b)(2)(B), may be
 13 used to provide, through the one-stop delivery
 14 system involved—

15 “(i) customized screening and referral
 16 of qualified participants in training serv-
 17 ices described in subsection (d)(4) to em-
 18 ployment;

19 “(ii) customized employment-related
 20 services to employers on a fee-for-service
 21 basis;

22 “(iii) customer support to enable
 23 members of hard-to-serve populations, in-
 24 cluding individuals with disabilities, to

1 navigate among multiple services and ac-
2 tivities for such populations;

3 “(iv) technical assistance and capacity
4 building for serving individuals with dis-
5 abilities in local areas, for one-stop opera-
6 tors, one-stop partners, and eligible pro-
7 viders, including the development and
8 training of staff, the provision of outreach,
9 intake, assessments, and service delivery,
10 and the development of performance meas-
11 ures;

12 “(v) employment and training assist-
13 ance provided in coordination with child
14 support enforcement activities of the State
15 and local agencies carrying out part D of
16 title IV of the Social Security Act (42
17 U.S.C. 651 et seq.);

18 “(vi) activities to improve coordination
19 between employment and training assist-
20 ance, child support services, and assistance
21 provided by State and local agencies car-
22 rying out part D of title IV of the Social
23 Security Act (42 U.S.C. 651 et seq.);

24 “(vii) activities to improve coordina-
25 tion between employment and training as-

1 sistance and cooperative extension pro-
2 grams carried out by the Department of
3 Agriculture;

4 “(viii) activities to facilitate remote
5 access to services provided through a one-
6 stop delivery system, including facilitating
7 access through the use of technology;

8 “(ix) activities—

9 “(I) to improve coordination be-
10 tween workforce investment activities
11 carried out within the local area in-
12 volved and economic development ac-
13 tivities; and

14 “(II) to improve services and
15 linkages between the local workforce
16 investment system including the local
17 one-stop delivery system, and all em-
18 ployers, including small employers in
19 the local area, through services de-
20 scribed in this section, including sub-
21 paragraph (B);

22 “(x) training programs for displaced
23 homemakers and for individuals training
24 for nontraditional occupations, in conjunc-

1 tion with programs operated in the local
2 area;

3 “(xi) using a portion of the funds allo-
4 cated under section 133(b), activities to
5 carry out business services and strategies
6 that meet the workforce investment needs
7 of local area employers, as determined by
8 the local board, consistent with the local
9 plan under section 118, which services—

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

18 “(II) may include—

19 “(aa) identifying and dis-
20 seminating to business, edu-
21 cators, and job seekers, informa-
22 tion related to the workforce, eco-
23 nomic and community develop-
24 ment needs, and opportunities of
25 the local economy;

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

13 “(cc) participation in semi-
14 nars and classes offered in part-
15 nership with relevant organiza-
16 tions focusing on the workforce-
17 related needs of area employers
18 and job seekers;

19 “(dd) training consulting,
20 needs analysis, and brokering
21 services for area businesses, in-
22 cluding the organization and ag-
23 gregation of training (which may
24 be paid for with funds other than
25 those provided under this title),

1 for individual employers and coa-
2 litions of employers with similar
3 interests, products, or workforce
4 needs;

5 “(ee) assistance to area em-
6 ployers in the aversion of layoffs
7 and in managing reductions in
8 force in coordination with rapid
9 response activities;

10 “(ff) the marketing of busi-
11 ness services offered under this
12 title, to appropriate area employ-
13 ers, including small and mid-
14 sized employers;

15 “(gg) information referral
16 on concerns affecting local em-
17 ployers; and

18 “(hh) other business services
19 and strategies designed to better
20 engage employers in workforce
21 investment activities and to make
22 the workforce investment system
23 more relevant to the workforce
24 investment needs of area busi-
25 nesses, as determined by the local

1 board to be consistent with the
2 objectives of this title;

3 “(xii) activities to adjust the self-suffi-
4 ciency standards for local factors, or activi-
5 ties to adopt, calculate, or commission a
6 self-sufficiency standard that specifies the
7 income needs of families, by family size,
8 the number and ages of children in the
9 family, and sub-State geographical consid-
10 erations; and

11 “(xiii) improved coordination between
12 employment and training assistance and
13 programs carried out in the local area for
14 individuals with disabilities, including pro-
15 grams carried out by State agencies relat-
16 ing to mental retardation and develop-
17 mental disabilities, Statewide Independent
18 Living Councils established under section
19 705 of the Rehabilitation Act of 1973 (29
20 U.S.C. 796d), and centers for independent
21 living defined in section 702 of the Reha-
22 bilitation Act of 1973 (29 U.S.C. 796a).

23 “(B) WORK SUPPORT ACTIVITIES FOR
24 LOW-WAGE WORKERS.—

1 “(i) IN GENERAL.—Funds allocated to
2 a local area for adults under paragraph
3 (2)(A) or (3), as appropriate, of section
4 133(b), and funds allocated to the local
5 area for dislocated workers under section
6 133(b)(2)(B), may be used to provide,
7 through the one-stop delivery system in-
8 volved, work support activities designed to
9 assist low-wage workers in retaining and
10 enhancing employment. The one-stop part-
11 ners shall coordinate the appropriate pro-
12 grams and resources of the partners with
13 the activities and resources provided under
14 this subparagraph.

15 “(ii) ACTIVITIES.—The activities de-
16 scribed in clause (i) may include the provi-
17 sion of activities described in this section
18 through the one-stop delivery system in a
19 manner that enhances the opportunities of
20 such workers to participate in the activi-
21 ties, such as the provision of activities de-
22 scribed in this section during nontradi-
23 tional hours and the provision of onsite
24 child care while such activities are being
25 provided.”;

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

4 “(2) SUPPORTIVE SERVICES.—Funds allocated
5 to a local area for adults under paragraph (2)(A) or
6 (3), as appropriate, of section 133(b), and funds al-
7 located to the local area for dislocated workers under
8 section 133(b)(2)(B), may be used to provide sup-
9 portive services to adults and dislocated workers, re-
10 spectively—”; and

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

12 “(4) INCUMBENT WORKER TRAINING PRO-
13 GRAMS.—

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

24 “(B) TRAINING ACTIVITIES.—The training
25 program for incumbent workers carried out

1 under this paragraph shall be carried out by the
2 local board in conjunction with the employers or
3 groups of employers of such workers for the
4 purpose of assisting such workers in obtaining
5 the skills necessary to retain employment or
6 avert layoffs.

7 “(C) EMPLOYER SHARE REQUIRED.—

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

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

19 “(II) 25 percent of the costs, for
20 employers with more than 50 employ-
21 ees but fewer than 100 employees;
22 and

23 “(III) 50 percent of the costs, for
24 employers with 100 or more employ-
25 ees.

1 “(ii) CALCULATION OF EMPLOYER
2 SHARE.—The non-Federal share paid by
3 such an employer may include the amount
4 of the wages paid by the employer to a
5 worker while the worker is attending a
6 training program under this paragraph.”.

7 **SEC. 432K. PERFORMANCE ACCOUNTABILITY SYSTEM.**

8 (a) STATE PERFORMANCE MEASURES.—

9 (1) INDICATORS OF PERFORMANCE.—Section
10 136(b)(2)(A) (29 U.S.C. 2871(b)(2)(A)) is amend-
11 ed—

12 (A) in clause (i)—

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

18 (ii) by striking subclause (III) and in-
19 serting the following:

20 “(III) increases in earnings from
21 unsubsidized employment; and”; and

22 (iii) in subclause (IV), by striking “,
23 or by participants” and all that follows
24 through “unsubsidized employment”; and

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

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

“(I) entry into employment, education or advanced training, or military service;

“(II) attainment of secondary school diplomas or their recognized equivalents, and postsecondary certificates; and

“(III) literacy or numeracy gains.”.

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

“(C) ADDITIONAL INDICATORS.—A State may identify in the State plan additional indicators for workforce investment activities under this subtitle, including indicators identified in collaboration with State business and industry associations, with employee representatives where applicable, and with local boards, to

1 measure the performance of the workforce in-
 2 vestment system in serving the workforce needs
 3 of business and industry in the State.”.

4 (3) LEVELS OF PERFORMANCE.—Section
 5 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amend-
 6 ed—

7 (A) in clause (iii)—

8 (i) in the heading, by striking “FOR
 9 FIRST 3 YEARS”;

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

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

25 (B) in clause (iv)—

1 (i) in the matter preceding subclause

2 (I), by striking “or (v)”;

3 (ii) in subclause (II)—

4 (I) by striking “taking into ac-

5 count” and inserting “and shall en-

6 sure that the levels involved are ad-

7 justed, using objective statistical

8 methods, based on”;

9 (II) by inserting “(such as dif-

10 ferences in unemployment rates and

11 job losses or gains in particular indus-

12 tries)” after “economic conditions”;

13 (III) by inserting “(such as indi-

14 cators of poor work history, lack of

15 work experience, lack of educational

16 or occupational skills attainment, dis-

17 location from high-wage and benefit

18 employment, low levels of literacy or

19 English proficiency, disability status,

20 homelessness, and welfare depend-

21 ency)” after “program”; and

22 (IV) by striking “and” at the

23 end;

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

25 period and inserting “; and”; and

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

3 “(IV) the extent to which the lev-
4 els involved will assist the State in
5 meeting the national goals described
6 in clause (v).”;

7 (C) by striking clause (v) and inserting the
8 following:

9 “(v) ESTABLISHMENT OF NATIONAL
10 GOALS.—In order to promote enhanced
11 performance outcomes on the performance
12 measures and to facilitate the process of
13 reaching agreements with the States under
14 clause (iii) and to measure systemwide per-
15 formance for the one-stop delivery systems
16 of the States, the Secretary shall establish
17 long-term national goals for the adjusted
18 levels of performance for that systemwide
19 performance to be achieved by the pro-
20 grams assisted under chapters 4 and 5 on
21 the core indicators of performance de-
22 scribed in subparagraphs (A) and (B) of
23 subsection (b)(2). Such goals shall be es-
24 tablished in accordance with the Govern-
25 ment Performance and Results Act of

1 1993 in consultation with the States and
2 other appropriate parties.”; and

3 (D) in clause (vi)—

4 (i) by striking “or (v)”; and

5 (ii) by striking “with the representa-
6 tives described in subsection (i)” and in-
7 serting “with the States and other inter-
8 ested parties”.

9 (b) LOCAL PERFORMANCE MEASURES.—Section
10 136(c)(3) (29 U.S.C. 2871(c)(3))—

11 (1) by striking “shall take into account” and
12 inserting “shall ensure that the levels involved are
13 adjusted, using objective statistical methods, based
14 on”;

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

18 (3) by inserting “(characteristics such as indi-
19 cators of poor work history, lack of work experience,
20 lack of educational and occupational skills attain-
21 ment, dislocation from high-wage and benefit em-
22 ployment, low levels of literacy or English pro-
23 ficiency, disability status, homelessness, and welfare
24 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 sub-
6 section (a)(3)(A)(i) or (e)(1)(A)(xi), respectively, of
7 section 134, the report also shall include the amount
8 of such funds so expended and the percentage that
9 such funds are of the funds available for activities
10 under section 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 served
2 and the cost per participant; and

3 “(H) the amount of adult and dislocated
4 worker funds spent on—

5 “(i) core, intensive, and training serv-
6 ices, respectively; and

7 “(ii) services provided under sub-
8 section (a)(3)(A)(i) or (e)(1)(A)(xi) of sec-
9 tion 134, if applicable.”; and

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

11 “(4) DATA VALIDATION.—In preparing the re-
12 ports described in this subsection, the States shall
13 establish procedures, consistent with guidelines
14 issued by the Secretary, to ensure that the informa-
15 tion contained in the reports is valid and reliable.”.

16 (d) EVALUATION OF STATE PROGRAMS.—Section
17 136(e)(3) is amended by inserting “, including informa-
18 tion on promoting self-sufficiency and comparable pay be-
19 tween men and women” after “employers”.

20 (e) SANCTIONS FOR STATE.—Section 136(g) is
21 amended—

22 (1) in paragraph (1)(B), by striking “If such
23 failure continues for a second consecutive year” and
24 inserting “If a State performs at less than 80 per-
25 cent of the adjusted level of performance for core in-

1 indicators of performance described in subsection
 2 (b)(2)(A) for 2 consecutive years”; and

3 (2) in paragraph (2), by striking “section 503”
 4 and inserting “subsection (i)(1)”.

5 (f) SANCTIONS FOR LOCAL AREA.—Section
 6 136(h)(2)(A) (29 U.S.C. 2871(h)(2)(A)) is amended—

7 (1) in the matter preceding clause (i), by strik-
 8 ing “If such failure continues for a second consecu-
 9 tive year” and inserting “If a local area performs at
 10 less than 80 percent of the adjusted level of per-
 11 formance for core indicators of performance de-
 12 scribed in subsection (b)(2)(A) for 2 consecutive
 13 years”;

14 (2) in clause (ii), by striking “or” after the
 15 semicolon;

16 (3) by redesignating clause (iii) as clause (iv);
 17 and

18 (4) by inserting after clause (ii) the following:

19 “(iii) redesignate the local area in ac-
 20 cordance with section 116(b)(2); or”.

21 (g) INCENTIVE GRANTS.—Section 136(i) (29 U.S.C.
 22 2871(i)) is amended to read as follows:

23 “(i) INCENTIVE GRANTS FOR LOCAL AREAS.—

24 “(1) IN GENERAL.—From funds reserved under
 25 sections 128(a) and 133(a)(1), the Governor in-

1 volved shall award incentive grants to local areas for
2 performance described in paragraph (2) in carrying
3 out programs under chapters 4 and 5.

4 “(2) BASIS.—The Governor shall award the
5 grants on the basis—

6 “(A) that the local areas met or exceeded
7 the performance measures established under
8 subsection (c)(2) relating to indicators de-
9 scribed in subsection (b)(3)(A)(iii);

10 “(B) of exemplary performance of the local
11 areas in serving hard-to-serve populations; or

12 “(C) that the local areas are effectively—

13 “(i) coordinating multiple systems
14 into a comprehensive workforce investment
15 system, including coordination of employ-
16 ment services under the Wagner-Peyser
17 Act (29 U.S.C. 49 et seq.) and core activi-
18 ties under this title as well as one-stop
19 partner programs described in section 121;

20 “(ii) expanding access to training, in-
21 cluding through increased leveraging of re-
22 sources other than those funded through
23 programs under this title; or

24 “(iii) implementing innovative busi-
25 ness and economic development initiatives.

1 “(3) USE OF FUNDS.—The funds awarded to a
 2 local area under this paragraph may be used to
 3 carry out activities authorized for local areas under
 4 chapters 4 and 5, and such demonstration projects
 5 or innovative programs for hard-to-serve populations
 6 as may be approved by the Governor.”.

7 (h) USE OF CORE MEASURES IN OTHER DEPART-
 8 MENT OF LABOR PROGRAMS.—Section 136 (29 U.S.C.
 9 2871) is amended by adding at the end the following:

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

19 (i) PREVIOUS DEFINITIONS OF CORE INDICATORS.—
 20 Section 502 (29 U.S.C. 9272) is repealed.

21 **SEC. 432L. AUTHORIZATION OF APPROPRIATIONS.**

22 (a) YOUTH ACTIVITIES.—Section 137(a) (29 U.S.C.
 23 2872(a)) is amended by striking “such sums as may be
 24 necessary for each of fiscal years 1999 through 2003” and

1 inserting “such sums as may be necessary for each of fis-
2 cal years 2006 through 2011”.

3 (b) ADULT EMPLOYMENT AND TRAINING ACTIVI-
4 TIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by
5 striking “such sums as may be necessary for each of fiscal
6 years 1999 through 2003” and inserting “such sums as
7 may be necessary for each of fiscal years 2006 through
8 2011”.

9 (c) DISLOCATED WORKER EMPLOYMENT AND
10 TRAINING ACTIVITIES.—Section 137(c) (29 U.S.C.
11 2872(c)) is amended by striking “such sums as may be
12 necessary for each of fiscal years 1999 through 2003” and
13 inserting “such sums as may be necessary for each of fis-
14 cal years 2006 through 2011”.

15 **Subchapter C—Job Corps**

16 **SEC. 433. JOB CORPS.**

17 (a) ELIGIBILITY.—Section 144(3) (29 U.S.C.
18 2884(3)) is amended by adding at the end the following:

19 “(F) A child eligible for assistance under
20 section 477 of the Social Security Act (42
21 U.S.C. 677).”.

22 (b) IMPLEMENTATION OF STANDARDS AND PROCE-
23 DURES.—Section 145(a)(3) (29 U.S.C. 2885(a)(3)) is
24 amended—

1 (1) in subparagraph (B), by striking “and”
2 after the semicolon;

3 (2) in subparagraph (C), by striking the period
4 and inserting “; and”; and

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

6 “(D) child welfare agencies that are re-
7 sponsible for children in foster care and chil-
8 dren eligible for assistance under section 477 of
9 the Social Security Act (42 U.S.C. 677).”.

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

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

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

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

20 “(4) SPECIAL RULE FOR SINGLE LOCAL AREA
21 STATES.—In the case of a single local area State
22 designated under section 116(b), the industry coun-
23 cil shall include a representative of the State
24 Board.”.

1 (d) INDICATORS OF PERFORMANCE.—Section 159
2 (29 U.S.C. 2899) is amended—

3 (1) in subsection (c)—

4 (A) by striking paragraph (1) and insert-
5 ing the following:

6 “(1) PERFORMANCE INDICATORS.—The Sec-
7 retary shall annually establish expected levels of per-
8 formance for Job Corps centers and the Job Corps
9 program relating to each of the core indicators of
10 performance for youth activities identified in section
11 136(b)(2)(A)(ii).”;

12 (B) in paragraph (2), by striking “meas-
13 ures” each place it appears and inserting “indi-
14 cators”; and

15 (C) in paragraph (3)—

16 (i) in the first sentence, by striking
17 “core performance measures, as compared
18 to the expected performance level for each
19 performance measure” and inserting “per-
20 formance indicators described in paragraph
21 (1), as compared to the expected level of
22 performance established under paragraph
23 (1) for each performance measure”; and

1 (ii) in the second sentence, by striking
 2 “measures” each place it appears and in-
 3 serting “indicators”; and

4 (2) in subsection (f)(2), in the first sentence, by
 5 striking “core performance measures” and inserting
 6 “indicators of performance”.

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

10 **Subchapter D—National Programs**

11 **SEC. 434. NATIVE AMERICAN PROGRAMS.**

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

14 “(C) DUTIES.—The Council shall advise
 15 the Secretary on the operation and administra-
 16 tion of the programs assisted under this sec-
 17 tion, including the selection of the individual
 18 appointed as head of the unit established under
 19 paragraph (1).”.

20 (b) ASSISTANCE TO UNIQUE POPULATIONS IN ALAS-
 21 KA AND HAWAII.—Section 166(j) (29 U.S.C. 2911(j)) is
 22 amended to read as follows:

23 “(j) ASSISTANCE TO UNIQUE POPULATIONS IN ALAS-
 24 KA AND HAWAII.—

1 “(1) IN GENERAL.—Notwithstanding any other
 2 provision of law, the Secretary is authorized to pro-
 3 vide assistance to unique populations who reside in
 4 Alaska or Hawaii to improve job training and work-
 5 force investment activities.

6 “(2) AUTHORIZATION OF APPROPRIATIONS.—
 7 There are authorized to be appropriated to carry out
 8 this subsection such sums as may be necessary for
 9 fiscal year 2006.”.

10 (c) PERFORMANCE INDICATORS.—Section 166 (29
 11 U.S.C. 2911) is amended by adding at the end the fol-
 12 lowing’:

13 “(k) PERFORMANCE INDICATORS.—

14 “(1) DEVELOPMENT OF INDICATORS.—The
 15 Secretary, in consultation with the Native American
 16 Employment and Training Council, shall develop a
 17 set of performance indicators and standards which
 18 shall be applicable to programs under this section.

19 “(2) SPECIAL CONSIDERATIONS.—Such per-
 20 formance indicators and standards shall take into
 21 account—

22 “(A) the purposes of the programs under
 23 this section as described in paragraph (a)(1);

24 “(B) the needs of the groups served by this
 25 section, including the differences in needs

1 among such groups in various geographic serv-
2 ice areas; and

3 “(C) the economic circumstances of the
4 communities served, including differences in cir-
5 cumstances among various geographic service
6 areas.”.

7 **SEC. 434A. MIGRANT AND SEASONAL FARMWORKER PRO-**
8 **GRAMS.**

9 Section 167(d) (29 U.S.C. 2912(d)) is amended by
10 inserting “(including permanent housing)” after “hous-
11 ing”.

12 **SEC. 434B. VETERANS’ WORKFORCE INVESTMENT PRO-**
13 **GRAMS.**

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

17 **SEC. 434C. YOUTH CHALLENGE GRANTS.**

18 Section 169 (29 U.S.C. 2914) is amended to read as
19 follows:

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

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

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

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

4 “(b) COMPETITIVE GRANTS TO STATES AND LOCAL
5 AREAS.—

6 “(1) ESTABLISHMENT.—From the funds de-
7 scribed in subsection (a)(1), the Secretary shall
8 award competitive grants to eligible entities to carry
9 out activities authorized under this subsection to as-
10 sist eligible youth in acquiring the skills, credentials,
11 and employment experience necessary to achieve the
12 performance outcomes for youth described in section
13 136

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

16 “(A) a State or consortium of States;

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

19 “(C) a recipient of a grant under section
20 166 (relating to Native American programs); or

21 “(D) a public or private entity (including
22 a consortium of such entities) with expertise in
23 the provision of youth activities, applying in
24 partnership with a local board or consortium of
25 local boards.

1 “(3) 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, including—

6 “(A) a description of the activities the eli-
7 gible entity will provide to eligible youth under
8 this subsection, and how the eligible entity will
9 collaborate with State and local workforce in-
10 vestment systems established under this title in
11 the provision of such activities;

12 “(B) a description of the programs of dem-
13 onstrated effectiveness on which the provision
14 of the activities under subparagraph (A) are
15 based, and a description of how such activities
16 will expand the base of knowledge relating to
17 the provision of activities for youth;

18 “(C) a description of the State, local, and
19 private resources that will be leveraged to pro-
20 vide the activities described under subparagraph
21 (A) in addition to funds provided under this
22 subsection, and a description of the extent of
23 the involvement of employers in the activities;

24 “(D) the levels of performance the eligible
25 entity expects to achieve with respect to the in-

dicators of performance for youth specified in
section 136(b)(2)(A)(ii); and

“(E) an assurance that the State board of
each State in which the proposed activities are
to be carried out had the opportunity to review
the application, and including the comments, if
any, of the affected State boards on the appli-
cation, except that this subparagraph shall not
apply to an eligible entity described in para-
graph (2)(C).

“(4) FACTORS FOR AWARD.—

“(A) IN GENERAL.—In awarding grants
under this subsection the Secretary shall con-
sider—

“(i) the quality of the proposed activi-
ties;

“(ii) the goals to be achieved;

“(iii) the likelihood of successful im-
plementation;

“(iv) the extent to which the proposed
activities are based on proven strategies or
the extent to which the proposed activities
will expand the base of knowledge relating
to the provision of activities for youth;

1 “(v) the extent of collaboration with
2 the State and local workforce investment
3 systems in carrying out the proposed ac-
4 tivities;

5 “(vi) the extent of employer involve-
6 ment in the proposed activities;

7 “(vii) whether there are other Federal
8 and non-Federal funds available for similar
9 activities to the proposed activities, and the
10 additional State, local, and private re-
11 sources that will be provided to carry out
12 the proposed activities; and

13 “(viii) the quality of proposed activi-
14 ties in meeting the needs of the youth to
15 be served.

16 “(B) EQUITABLE GEOGRAPHIC DISTRIBUTION.—In awarding grants under this sub-
17 section the Secretary shall ensure an equitable
18 distribution of such grants across geographi-
19 cally diverse areas.

20 “(5) USE OF FUNDS.—

21 “(A) IN GENERAL.—An eligible entity that
22 receives a grant under this subsection shall use
23 the grant funds to carry out activities that are
24 designed to assist youth in acquiring the skills,
25

1 credentials, and employment experience that are
2 necessary to succeed in the labor market, in-
3 cluding the activities identified in section 129.

4 “(B) ACTIVITIES.—The activities carried
5 out pursuant to subparagraph (A) may include
6 the following:

7 “(i) Training and internships for out-
8 of-school youth in sectors of the economy
9 experiencing, or projected to experience,
10 high growth.

11 “(ii) Dropout prevention activities for
12 in-school youth.

13 “(iii) Activities designed to assist spe-
14 cial youth populations, such as court-in-
15 volved youth and youth with disabilities.

16 “(iv) Activities combining remediation
17 of academic skills, work readiness training,
18 and work experience, and including link-
19 ages to postsecondary education, appren-
20 ticeships, and career-ladder employment.

21 “(v) Activities, including work experi-
22 ence, paid internships, and entrepreneurial
23 training, in areas where there is a migra-
24 tion of youth out of the areas.

1 “(C) PARTICIPANT ELIGIBILITY.—Youth
2 who are 14 years of age through 21 years of
3 age, as of the time the eligibility determination
4 is made, may be eligible to participate in activi-
5 ties carried out under this subsection.

6 “(6) GRANT PERIOD.—The Secretary shall
7 make a grant under this subsection for a period of
8 2 years and may renew the grant, if the eligible enti-
9 ty has performed successfully, for a period of not
10 more than 3 succeeding years.

11 “(7) MATCHING FUNDS REQUIRED.—The Sec-
12 retary shall require that an eligible entity that re-
13 ceives a grant under this subsection provide non-
14 Federal matching funds in an amount to be deter-
15 mined by the Secretary that is not less than 10 per-
16 cent of the cost of activities carried out under the
17 grant. The Secretary may require that such non-
18 Federal matching funds be provided in cash re-
19 sources, noncash resources, or a combination of cash
20 and noncash resources.

21 “(8) EVALUATION.—The Secretary shall reserve
22 not more than 3 percent of the funds described in
23 subsection (a)(1) to provide technical assistance to,
24 and conduct evaluations of (using appropriate tech-

1 niques as described in section 172(c)), the projects
2 funded under this subsection.

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

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

10 “(2) ELIGIBLE ENTITY.—In this subsection, the
11 term ‘eligible entity’ means a public or private entity
12 that the Secretary determines would effectively carry
13 out activities relating to youth under this subsection.

14 “(3) EQUITABLE DISTRIBUTION TO RURAL
15 AREAS.—In awarding grants under this subsection
16 the Secretary shall ensure an equitable distribution
17 of such grants to rural areas.

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

23 “(5) USE OF FUNDS.—

1 “(A) IN GENERAL.—An eligible entity that
2 receives a grant under this subsection shall use
3 the grant funds to carry out—

4 “(i) activities that will assist youth in
5 preparing for, and entering and retaining,
6 employment, including the activities de-
7 scribed in section 129 for out-of-school
8 youth;

9 “(ii) activities designed to assist in-
10 school youth to stay in school and gain
11 work experience;

12 “(iii) activities designed to assist
13 youth in economically distressed areas; and

14 “(iv) such other activities that the
15 Secretary determines are appropriate to
16 ensure that youth entering the workforce
17 have the skills needed by employers.

18 “(B) PARTICIPANT ELIGIBILITY.—Youth
19 who are 14 years of age through 21 years of
20 age, as of the time the eligibility determination
21 is made, may be eligible to participate in activi-
22 ties carried out under this subsection.

23 “(6) MATCHING FUNDS REQUIRED.—The Sec-
24 retary shall require that an eligible entity that re-
25 ceives a grant under this subsection provide non-

1 Federal matching funds in an amount to be deter-
 2 mined by the Secretary that is not less than 10 per-
 3 cent of the cost of activities carried out under the
 4 grant. The Secretary may require that such non-
 5 Federal matching funds be provided in cash re-
 6 sources, noncash resources, or a combination of cash
 7 and noncash resources.

8 “(7) EVALUATIONS.—The Secretary may re-
 9 quire that an eligible entity that receives a grant
 10 under this subsection participate in an evaluation of
 11 activities carried out under this subsection, including
 12 an evaluation using the techniques described in sec-
 13 tion 172(c).”.

14 **SEC. 434D. TECHNICAL ASSISTANCE.**

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

16 (1) in subsection (a)(1), by—

17 (A) inserting “the training of staff pro-
 18 viding rapid response services, the training of
 19 other staff of recipients of funds under this
 20 title, the training of members of State boards
 21 and local boards, peer review activities under
 22 this title,” after “localities,”; and

23 (B) striking “from carrying out activities”
 24 and all that follows through the period and in-
 25 serting “to implement the amendments made by

1 the Workforce Investment Act Amendments of
2 2005.”;

3 (2) in subsection (a)(2), by adding at the end
4 the following: “The Secretary shall also hire staff
5 qualified to provide the assistance described in para-
6 graph (1).”;

7 (3) in subsection (b)(2), by striking the last
8 sentence and inserting “Such projects shall be ad-
9 ministered by the Employment and Training Admin-
10 istration.”; and

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

12 “(c) BEST PRACTICES COORDINATION.—The Sec-
13 retary shall—

14 “(1) establish a system through which States
15 may share information regarding best practices with
16 regard to the operation of workforce investment ac-
17 tivities under this Act;

18 “(2) evaluate and disseminate information re-
19 garding best practices and identify knowledge gaps;
20 and

21 “(3) commission research under section 172 to
22 address knowledge gaps identified under paragraph
23 (2).”.

1 **SEC. 434E. DEMONSTRATION, PILOT, MULTISERVICE, RE-**
2 **SEARCH, AND MULTISTATE PROJECTS.**

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

5 (1) in paragraph (1)—

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

8 (B) by striking subparagraphs (A) through
9 (E) and inserting the following:

10 “(A) projects that assist national employ-
11 ers in connecting with the workforce investment
12 system established under this title in order to
13 facilitate the recruitment and employment of
14 needed workers for career ladder jobs and to
15 provide information to such system on skills
16 and occupations in demand;

17 “(B) projects that promote the develop-
18 ment of systems that will improve the maximum
19 effectiveness of programs carried out under this
20 title;

21 “(C) projects that focus on opportunities
22 for employment in industries and sectors of in-
23 dustries that are experiencing, or are likely to
24 experience, high rates of growth and jobs with
25 wages leading to self-sufficiency;

“(D) computerized, individualized, self-paced training projects targeted to dislocated, disadvantaged, or incumbent workers utilizing equipment and curriculum designed in partnership with industries for employment in the operations, repair, and maintenance of high-tech equipment that is used in integrated systems technology;

“(E) projects carried out by States and local areas to test innovative approaches to delivering employment-related services;”;

(C) in subparagraph (G), by striking “and” after the semicolon; and

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

“(H) projects that provide retention grants, which shall—

“(i) be made to qualified job training programs offering instruction, assessment, or professional coaching, upon placement of a low-income individual trained by the program involved in employment with an employer and retention of the low-income individual in that employment with that employer for a period of 1 year, if that em-

1 employment provides the low-income indi-
2 vidual with an annual salary—

3 “(I) that is at least \$10,000
4 more than the individual’s federally
5 adjusted income for the previous year;
6 and

7 “(II) that is not less than twice
8 the poverty line applicable to the indi-
9 vidual; and

10 “(ii) be made taking into account the
11 economic benefit received by the Federal
12 Government from the employment and re-
13 tention of the individual, including the eco-
14 nomic benefit from tax revenue and de-
15 creased public subsidies;

16 “(I) targeted innovation projects that im-
17 prove access to and delivery of employment and
18 training services, with emphasis given to
19 projects that incorporate advanced technologies
20 to facilitate the connection of individuals to the
21 information and tools they need to upgrade
22 skills;

23 “(J) projects that promote the use of dis-
24 tance learning, enabling students to take
25 courses through the use of media technology

such as videos, teleconferencing computers, and the Internet; and

“(K) 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

1 of programs, services, and activities
2 carried out under this title.

3 “(II) REPORTS.—The Secretary
4 shall prepare and disseminate to the
5 public reports containing the results
6 of the studies conducted under sub-
7 clause (I).

8 “(ii) STUDY ON RESOURCES AVAIL-
9 ABLE TO ASSIST OUT-OF-SCHOOL
10 YOUTH.—The Secretary, in coordination
11 with the Secretary of Education, may con-
12 duct a study examining the resources avail-
13 able at the Federal, State, and local levels
14 to assist out-of-school youth in obtaining
15 the skills, credentials, and work experience
16 necessary to become successfully employed,
17 including the availability of funds provided
18 through average daily attendance and
19 other methodologies used by States and
20 local areas to distribute funds.

21 “(iii) STUDY OF INDUSTRY-BASED
22 CERTIFICATION AND CREDENTIALS.—

23 “(I) IN GENERAL.—The Sec-
24 retary shall conduct a study con-
25 cerning the role and benefits of

1 credentialing and certification to busi-
2 nesses and workers in the economy
3 and the implications of certification to
4 the services provided through the
5 workforce investment system. The
6 study may examine issues such as—

7 “(aa) the characteristics of
8 successful credentialing and cer-
9 tification systems that serve busi-
10 ness and individual needs;

11 “(bb) the relative propor-
12 tions of certificates and creden-
13 tials attained with assistance
14 from the public sector, with pri-
15 vate-sector training of new hires
16 or incumbent workers, and by in-
17 dividuals on their own initiative
18 without other assistance, respec-
19 tively;

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
18 by 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
25 pursuant 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
8 workforce investment system in sup-
9 porting the needs of business and in-
10 dividuals with respect to such certifi-
11 cation and credentials.

12 “(iv) STUDY OF EFFECTIVENESS OF
13 WORKFORCE INVESTMENT SYSTEM IN
14 MEETING 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 Adminis-
19 trator of the Small Business Adminis-
20 tration, the Secretary, in coordination
21 with the Secretary of Commerce and
22 the Administrator of the Small Busi-
23 ness Administration, may conduct a
24 study of the effectiveness of the work-
25 force investment system in meeting

1 the needs of business, with particular
2 attention to the needs of small busi-
3 ness, including in assisting workers to
4 obtain the skills needed to utilize
5 emerging technologies. In conducting
6 the study, the Secretary, in coordina-
7 tion with the Secretary of Commerce
8 and the Administrator of the Small
9 Business Administration, may exam-
10 ine issues such as—

11 “(aa) methods for identi-
12 fying the workforce needs of
13 businesses and how the require-
14 ments of small businesses may
15 differ from larger establishments;

16 “(bb) business satisfaction
17 with the workforce investment
18 system, with particular emphasis
19 on the satisfaction of small busi-
20 nesses;

21 “(cc) the extent to which
22 business is engaged as a collabo-
23 rative partner in the workforce
24 investment system, including the
25 extent of business involvement as

1 members of State boards and
2 local boards, and the extent to
3 which such boards and one-stop
4 centers effectively collaborate
5 with business and industry lead-
6 ers in developing workforce in-
7 vestment strategies, including
8 strategies to identify high growth
9 opportunities;

10 “(dd) ways in which the
11 workforce investment system ad-
12 dresses changing skill needs of
13 business that result from changes
14 in technology and work processes;

15 “(ee) promising practices for
16 serving small businesses;

17 “(ff) the extent and manner
18 in which the workforce invest-
19 ment system uses technology to
20 serve business and individual
21 needs, and how uses of tech-
22 nology could enhance efficiency
23 and effectiveness in providing
24 services; and

1 “(gg) the extent to which
2 various segments of the labor
3 force have access to and utilize
4 technology to locate job openings
5 and apply for jobs, and charac-
6 teristics of individuals utilizing
7 such technology (such as age,
8 gender, race or ethnicity, indus-
9 try sector, and occupational
10 groups).

11 “(II) REPORT TO CONGRESS.—
12 The Secretary shall prepare and sub-
13 mit to Congress a report containing
14 the results of the study described in
15 subclause (I). Such report may in-
16 clude any recommendations the Sec-
17 retary determines are appropriate to
18 include in such report, including ways
19 to enhance the effectiveness of the
20 workforce investment system in meet-
21 ing the needs of business for skilled
22 workers.”.

23 (c) ADMINISTRATION.—Section 171(d) (29 U.S.C.
24 2916(d)) is amended by striking the last sentence and in-

1 setting the following: “Such projects shall be administered
2 by the Employment and Training Administration.”.

3 (d) NEXT GENERATION TECHNOLOGIES.—Section
4 171 (29 U.S.C. 2916) is amended by adding at the end
5 the following:

6 “(e) SKILL CERTIFICATION PILOT PROJECTS.—

7 “(1) PILOT PROJECTS.—In accordance with
8 subsection (b) and from funds appropriated pursu-
9 ant to paragraph (10), the Secretary shall establish
10 and carry out not more than 10 pilot projects to es-
11 tablish a system of industry-validated national cer-
12 tifications of skills, including—

13 “(A) not more than 8 national certifi-
14 cations of skills in high-technology industries,
15 including biotechnology, telecommunications,
16 highly automated manufacturing (including
17 semiconductors), nanotechnology, and energy
18 technology; and

19 “(B) not more than 2 cross-disciplinary
20 national certifications of skills in homeland se-
21 curity technology.

22 “(2) GRANTS TO ELIGIBLE ENTITIES.—In car-
23 rying out the pilot projects, the Secretary shall make
24 grants to eligible entities, for periods of not less
25 than 36 months and not more than 48 months, to

1 carry out the authorized activities described in para-
2 graph (7) with respect to the certifications described
3 in paragraph (1). In awarding grants under this
4 subsection the Secretary shall take into consider-
5 ation awarding grants to eligible entities from di-
6 verse geographic areas, including rural areas.

7 “(3) ELIGIBLE ENTITIES.—

8 “(A) DEFINITION OF ELIGIBLE ENTITY.—

9 In this subsection the term ‘eligible entity’
10 means an entity that shall work in conjunction
11 with a local board and shall include as a prin-
12 cipal participant one or more of the following:

13 “(i) An educational institution, includ-
14 ing a 2- or 4-year college, or a technical or
15 vocational school.

16 “(ii) An advanced technology edu-
17 cation center.

18 “(iii) A local board.

19 “(iv) A representative of a business in
20 a target industry for the certification in-
21 volved.

22 “(v) A representative of an industry
23 association, labor organization, or commu-
24 nity development organization.

1 “(B) HISTORY OF DEMONSTRATED CAPA-
2 BILITY REQUIRED.—To be eligible to receive a
3 grant under this subsection, an eligible entity
4 shall have a history of demonstrated capability
5 for effective collaboration with industry on
6 workforce investment activities that is con-
7 sistent with the objectives of this title.

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.

13 “(5) CRITERIA.—The Secretary shall establish
14 criteria, consistent with paragraph (6), for awarding
15 grants under this subsection.

16 “(6) PRIORITY.—In selecting eligible entities to
17 receive grants under this subsection, the Secretary
18 shall give priority to eligible entities that dem-
19 onstrate the availability of and ability to provide
20 matching funds from industry or nonprofit sources.
21 Such matching funds may be provided in cash or in
22 kind.

23 “(7) AUTHORIZED ACTIVITIES.—

1 “(A) IN GENERAL.—An eligible entity that
2 receives a grant under this subsection shall use
3 the funds made available through the grant—

4 “(i) to facilitate the establishment of
5 certification requirements for a certifi-
6 cation described in paragraph (1) for an
7 industry;

8 “(ii) to develop and initiate a certifi-
9 cation program that includes preparatory
10 courses, course materials, procedures, and
11 examinations, for the certification; and

12 “(iii) to collect and analyze data re-
13 lated to the program at the program’s
14 completion, and to identify best practices
15 (consistent with paragraph (8)) that may
16 be used by local and State workforce in-
17 vestment boards in the future.

18 “(B) BASIS FOR REQUIREMENTS.—The
19 certification requirements established under the
20 grant shall be based on applicable skill stand-
21 ards for the industry involved that have been
22 developed by or linked to national centers of ex-
23 cellence under the National Science Founda-
24 tion’s Advanced Technological Education Pro-
25 gram. The requirements shall require an indi-

vidual to demonstrate an identifiable set of competencies relevant to the industry in order to receive certification. The requirements shall be designed to provide evidence of a transferable skill set that allows flexibility and mobility of workers within a high technology industry.

“(C) RELATIONSHIP TO TRAINING AND EDUCATION PROGRAMS.—The eligible entity shall ensure that—

“(i) a training and education program related to competencies for the industry involved, that is flexible in mode and time-frame for delivery and that meets the needs of those seeking the certification, is offered; and

“(ii) the certification program is offered at the completion of the training and education program.

“(D) RELATIONSHIP TO THE ASSOCIATE DEGREE.—The eligible entity shall ensure that the certification program is consistent with the requirements for a 2-year associate degree.

“(E) AVAILABILITY.—The eligible entity shall ensure that the certification program is

1 open to students pursuing associate degrees,
2 employed workers, and displaced workers.

3 “(8) CONSULTATION.—The Secretary shall con-
4 sult with the Director of the National Science Foun-
5 dation to ensure that the pilot projects build on the
6 expertise and information about best practices
7 gained through the implementation of the National
8 Science Foundation’s Advanced Technological Edu-
9 cation Program.

10 “(9) CORE COMPONENTS; GUIDELINES; RE-
11 PORTS.—After collecting and analyzing the data ob-
12 tained from the pilot programs, the Secretary
13 shall—

14 “(A) establish the core components of a
15 model high-technology certification program;

16 “(B) establish guidelines to assure develop-
17 ment of a uniform set of standards and policies
18 for such programs;

19 “(C) prepare and submit a report on the
20 pilot projects to the Committee on Health, Edu-
21 cation, Labor, and Pensions of the Senate and
22 the Committee on Education and the Workforce
23 of the House of Representatives; and

24 “(D) make available to the public both the
25 data and the report.

1 “(10) AUTHORIZATION OF APPROPRIATIONS.—

2 In addition to amounts authorized to be appro-
3 priated under section 174(b), there is authorized to
4 be appropriated \$30,000,000 for fiscal year 2006 to
5 carry out this subsection.”.

6 (e) INTEGRATED WORKFORCE TRAINING PROGRAMS
7 FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—

8 Section 171 (29 U.S.C. 2916), as amended by subsection
9 (d), is further amended by adding at the end the following:

10 “(f) INTEGRATED WORKFORCE TRAINING PROGRAMS
11 FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—

12 “(1) DEFINITIONS.—In this subsection:

13 “(A) INTEGRATED WORKFORCE TRAIN-
14 ING.—The term ‘integrated workforce training’
15 means training that integrates occupational
16 skills training with language acquisition.

17 “(B) SECRETARY.—The term ‘Secretary’
18 means the Secretary of Labor in consultation
19 with the Secretary of Education.

20 “(2) DEMONSTRATION PROJECT.—In accord-
21 ance with subsection (b) and from funds appro-
22 priated pursuant to paragraph (11), the Secretary
23 shall establish and implement a national demonstra-
24 tion project designed to both analyze and provide
25 data on workforce training programs that integrate

1 English language acquisition and occupational train-
2 ing.

3 “(3) GRANTS.—

4 “(A) IN GENERAL.—In carrying out the
5 demonstration project, the Secretary shall make
6 not less than 10 grants, on a competitive basis,
7 to eligible entities to provide the integrated
8 workforce training programs. In awarding
9 grants under this subsection the Secretary shall
10 take into consideration awarding grants to eligi-
11 ble entities from diverse geographic areas, in-
12 cluding rural areas.

13 “(B) PERIODS.—The Secretary shall make
14 the grants for periods of not less than 24
15 months and not more than 48 months.

16 “(4) ELIGIBLE ENTITIES.—

17 “(A) IN GENERAL.—To be eligible to re-
18 ceive a grant under this subsection, an eligible
19 entity shall work in conjunction with a local
20 board and shall include as a principal partici-
21 pant one or more of the following:

22 “(i) An employer or employer associa-
23 tion.

24 “(ii) A nonprofit provider of English
25 language instruction.

1 “(iii) A provider of occupational or
2 skills training.

3 “(iv) A community-based organiza-
4 tion.

5 “(v) An educational institution, in-
6 cluding a 2- or 4-year college, or a tech-
7 nical or vocational school.

8 “(vi) A labor organization.

9 “(vii) A local board.

10 “(B) EXPERTISE.—To be eligible to re-
11 ceive a grant under this subsection, an eligible
12 entity shall have proven expertise in—

13 “(i) serving individuals with limited
14 English proficiency, including individuals
15 with lower levels of oral and written
16 English; and

17 “(ii) providing workforce programs
18 with training and English language in-
19 struction.

20 “(5) APPLICATIONS.—

21 “(A) IN GENERAL.—To be eligible to re-
22 ceive a grant under this subsection, an eligible
23 entity shall submit an application to the Sec-
24 retary at such time, in such manner, and con-

1 taining such information as the Secretary may
2 require.

3 “(B) CONTENTS.—Each application sub-
4 mitted under subparagraph (A) shall—

5 “(i) contain information, including ca-
6 pability statements, that demonstrates that
7 the eligible entity has the expertise de-
8 scribed in paragraph (4)(B); and

9 “(ii) include an assurance that the
10 program to be assisted shall—

11 “(I) establish a generalized adult
12 bilingual workforce training and edu-
13 cation model that integrates English
14 language acquisition and occupational
15 training, and incorporates the unique
16 linguistic and cultural factors of the
17 participants;

18 “(II) establish a framework by
19 which the employer, employee, and
20 other relevant members of the eligible
21 entity can create a career development
22 and training plan that assists both the
23 employer and the employee to meet
24 their long-term needs;

1 “(III) ensure that the framework
 2 established under subclause (II) takes
 3 into consideration the knowledge,
 4 skills, and abilities of the employee
 5 with respect to both the current and
 6 economic conditions of the employer
 7 and future labor market conditions
 8 relevant to the local area; and

9 “(IV) establish identifiable meas-
 10 ures so that the progress of the em-
 11 ployee and employer and the relative
 12 efficacy of the program can be evalu-
 13 ated and best practices identified.

14 “(6) CRITERIA.—The Secretary shall establish
 15 criteria for awarding grants under this subsection.

16 “(7) INTEGRATED WORKFORCE TRAINING PRO-
 17 GRAMS.—

18 “(A) PROGRAM COMPONENTS.—

19 “(i) REQUIRED COMPONENTS.—Each
 20 program that receives funding under this
 21 subsection shall—

22 “(I) test an individual’s English
 23 language proficiency levels to assess
 24 oral and literacy gains from the begin-

1 ning and throughout program enroll-
2 ment;

3 “(II) combine training specific to
4 a particular occupation or occupa-
5 tional cluster, with—

6 “(aa) English language in-
7 struction, such as instruction
8 through an English as a Second
9 Language program, or an
10 English for Speakers of Other
11 Languages program;

12 “(bb) basic skills instruc-
13 tion; and

14 “(cc) supportive services;

15 “(III) effectively integrate public
16 and private sector entities, including
17 the local workforce investment system
18 and its functions, to achieve the goals
19 of the program; and

20 “(IV) require matching or in-
21 kind resources from private and non-
22 profit entities.

23 “(ii) PERMISSIBLE COMPONENTS.—

24 The program may offer other services, as
25 necessary to promote successful participa-

tion and completion, including work-based learning, substance abuse treatment, and mental health services.

“(B) GOAL.—Each program that receives funding under this subsection shall be designed to prepare limited English proficient adults for, and place such adults in employment in, growing industries with identifiable career ladder paths.

“(C) PROGRAM TYPES.—In selecting programs to receive funding under this subsection, the Secretary shall select programs that meet 1 or more of the following criteria:

“(i) A program that—

“(I) serves unemployed, limited English proficient individuals with significant work experience or substantial education but persistently low wages; and

“(II) aims to prepare such individuals for, and place such individuals in, higher paying employment, defined for purposes of this subparagraph as employment that provides at least 75

1 percent of the median wage in the
2 local area.

3 “(ii) A program that—

4 “(I) serves limited English pro-
5 ficient individuals with lower levels of
6 oral and written fluency, who are
7 working but at persistently low wages;
8 and

9 “(II) aims to prepare such indi-
10 viduals for, and place such individuals
11 in, higher paying employment,
12 through services provided at the work-
13 site, or at a location central to several
14 work sites, during work hours.

15 “(iii) A program that—

16 “(I) serves unemployed, limited
17 English proficient individuals with
18 lower levels of oral and written flu-
19 ency, who have little or no work expe-
20 rience; and

21 “(II) aims to prepare such indi-
22 viduals for, and place such individuals
23 in, employment through services that
24 include subsidized employment, in ad-

1 dition to the components required in
2 subparagraph (A)(i).

3 “(iv) A program that includes funds
4 from private and nonprofit entities.

5 “(D) PROGRAM APPROACHES.—In select-
6 ing programs to receive funding under this sub-
7 section, the Secretary shall select programs
8 with different approaches to integrated work-
9 force training, in different contexts, in order to
10 obtain comparative data on multiple approaches
11 to integrated workforce training and English
12 language instruction, to ensure programs are
13 tailored to characteristics of individuals with
14 varying skill levels and to assess how different
15 curricula work for limited English proficient
16 populations. Such approaches may include—

17 “(i) bilingual programs in which the
18 workplace language component and the
19 training are conducted in a combination of
20 an individual’s native language and
21 English;

22 “(ii) integrated workforce training
23 programs that combine basic skills, lan-
24 guage instruction, and job specific skills
25 training; or

1 “(iii) sequential programs that provide
2 a progression of skills, language, and train-
3 ing to ensure success upon an individual’s
4 completion of the program.

5 “(8) EVALUATION BY ELIGIBLE ENTITY.—Each
6 eligible entity that receives a grant under this sub-
7 section for a program shall carry out a continuous
8 program evaluation and an evaluation specific to the
9 last phase of the program operations.

10 “(9) EVALUATION BY SECRETARY.—

11 “(A) IN GENERAL.—The Secretary shall
12 conduct an evaluation of program impacts of
13 the programs funded under the demonstration
14 project, with a random assignment, experi-
15 mental design impact study done at each work-
16 site at which such a program is carried out.

17 “(B) DATA COLLECTION AND ANALYSIS.—
18 The Secretary shall collect and analyze the data
19 from the demonstration project to determine
20 program effectiveness, including gains in lan-
21 guage proficiency, acquisition of skills, and job
22 advancement for program participants.

23 “(C) REPORT.—The Secretary shall pre-
24 pare and submit to the Committee on Health,
25 Education, Labor, and Pensions of the Senate

1 and the Committee on Education and the
2 Workforce of the House of Representatives, and
3 make available to the public, a report on the
4 demonstration project, including the results of
5 the evaluation.

6 “(10) TECHNICAL ASSISTANCE.—The Secretary
7 shall provide technical assistance to recipients of
8 grants under this subsection throughout the grant
9 periods.

10 “(11) AUTHORIZATION OF APPROPRIATIONS.—
11 In addition to amounts authorized to be appro-
12 priated under section 174(b), there is authorized to
13 be appropriated \$10,000,000 for fiscal year 2006 to
14 carry out this subsection.”.

15 **SEC. 434F. NATIONAL DISLOCATED WORKER GRANTS.**

16 (a) IN GENERAL.—Section 173 (29 U.S.C. 2918) is
17 amended—

18 (1) by striking the heading and inserting the
19 following:

20 **“SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.”;**

21 and

22 (2) in subsection (a)—

23 (A) by striking the matter preceding para-
24 graph (1) and inserting the following:

1 “(a) IN GENERAL.—The Secretary is authorized to
2 award national dislocated worker grants—”;

3 (B) in paragraph (1), by striking “sub-
4 section (c)” and inserting “subsection (b)”;

5 (C) in paragraph (3), by striking “and”
6 after the semicolon; and

7 (D) by striking paragraph (4) and insert-
8 ing the following:

9 “(4) to a State or entity (as defined in sub-
10 section (b)(1)(B)) to carry out subsection (e), in-
11 cluding providing assistance to eligible individuals;

12 “(5) to a State or entity (as defined in sub-
13 section (b)(1)(B)) to carry out subsection (f), includ-
14 ing providing assistance to eligible individuals;

15 “(6) to provide additional assistance to a State
16 board or local board where a higher than average de-
17 mand for employment and training services for dis-
18 located members of the Armed Forces, or spouses,
19 as defined in section 101(9)(E), of members of the
20 Armed Forces as described in subsection
21 (b)(2)(A)(iv), exceeds State and local resources for
22 providing such services, and where such programs
23 are to be carried out in partnership with the Depart-
24 ment of Defense and Department of Veterans Af-
25 fairs transition assistance programs; and

1 “(7) to provide assistance to a State for state-
2 wide or local use in order to—

3 “(A) address cases in which there have
4 been worker dislocations across multiple sectors
5 or across multiple local areas and such workers
6 remain dislocated;

7 “(B) coordinate the State plan described in
8 section 112 with emerging economic develop-
9 ment needs; and

10 “(C) train eligible individuals who are dis-
11 located workers described in subparagraph (A).

12 The Secretary shall issue a final decision on an application
13 for a national dislocated worker grant under this sub-
14 section not later than 60 calendar days after receipt of
15 the application. The Secretary shall issue a notice of obli-
16 gation for such a grant not later than 10 days after the
17 award of the grant.”.

18 (b) ADMINISTRATION AND ADDITIONAL ASSIST-
19 ANCE.—Section 173 (29 U.S.C. 2918) is amended—

20 (1) by striking subsection (b);

21 (2) by redesignating subsections (c) through (g)
22 as subsections (b) through (f), respectively;

23 (3) in paragraph (2) of subsection (b) (as re-
24 designated by paragraph (2))—

1 (A) in subparagraph (A), in the matter
2 preceding clause (i), by striking “national emer-
3 gency grant” and inserting “national dislocated
4 worker grant”; and

5 (B) in subparagraph (C), by striking “na-
6 tional emergency grants” and inserting “na-
7 tional dislocated worker grants”;

8 (4) by striking subsection (d) (as redesignated
9 by 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
 3 year under the formula specified in section
 4 132(b)(1)(B).

5 “(3) AMOUNT OF GRANTS.—Subject to para-
 6 graph (1), the amount of the grant made under
 7 paragraph (1) to a State for a program year shall
 8 be based on 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
 16 year 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 (4)”;

22 (B) in paragraph (2), by striking “sub-
 23 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)(4)”;

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
 10 inserting “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 (5)”;

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)(5)”.

1 **SEC. 434G. 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 There are authorized to be appropriated to carry out sec-
 11 tions 170 through 172, section 136(i), and section 503
 12 such sums as may be necessary for each of fiscal years
 13 2006 through 2011.”.

14 (c) ASSISTANCE FOR ELIGIBLE WORKERS.—Section
 15 174(c) (29 U.S.C. 2919(c)) is amended—

16 (1) in paragraphs (1)(A) and (2)(A), by strik-
 17 ing “subsection (a)(4)(A)” and inserting “subsection
 18 (a)(4)”; and

19 (2) in paragraphs (1)(B) and (2)(B), by strik-
 20 ing “subsection (a)(4)(B)” and inserting “subsection
 21 (a)(5)”.

22 **Subchapter E—Administration**

23 **SEC. 435. REQUIREMENTS AND RESTRICTIONS.**

24 Section 181(e) (29 U.S.C. 2931(e)) is amended by
 25 striking “economic development activities,”.

1 **SEC. 435A. REPORTS.**

2 Section 185(c) (29 U.S.C. 2935(c)) is amended—

3 (1) in paragraph (2), by striking “and” after
4 the semicolon;

5 (2) in paragraph (3), by striking the period and
6 inserting “; and”; and

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

8 “(4) shall have the option to submit or dissemi-
9 nate electronically any reports, records, plans, or any
10 other data that are required to be collected or dis-
11 seminated under this title.”.

12 **SEC. 435B. ADMINISTRATIVE PROVISIONS.**

13 (a) ANNUAL REPORT.—Section 189(d) (29 U.S.C.
14 2939(d)) is amended—

15 (1) in paragraph (3), by striking “and” after
16 the semicolon;

17 (2) by redesignating paragraph (4) as para-
18 graph (5); and

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

21 “(4) the negotiated levels of performance of the
22 States, the States’ requests for adjustments of such
23 levels, and the adjustments of such levels that are
24 made; and”.

25 (b) AVAILABILITY.—Section 189(g)(2) (29 U.S.C.
26 2939(g)(2)) is amended, in the first sentence—

1 (1) by striking “Funds” and inserting “Except
2 as otherwise provided in this paragraph, funds”; and

3 (2) by striking “each State receiving” and in-
4 serting “each recipient of”.

5 (c) GENERAL WAIVERS.—Section 189(i)(4) (29
6 U.S.C. 2939(i)(4)) is amended—

7 (1) in subparagraph (A)(i), by inserting “the
8 funding of infrastructure costs for one-stop centers,”
9 after “local boards,”; and

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

11 “(D) EXPEDITED REQUESTS.—The Sec-
12 retary shall expedite requests for waivers of
13 statutory or regulatory requirements that have
14 been approved for a State pursuant to subpara-
15 graph (B), if the requirements of this para-
16 graph have been satisfied.”.

17 **SEC. 435C. USE OF CERTAIN REAL PROPERTY.**

18 Section 193 (29 U.S.C. 2943) is amended to read as
19 follows:

20 **“SEC. 193. TRANSFER OF FEDERAL EQUITY IN STATE EM-**
21 **PLOYMENT SECURITY AGENCY REAL PROP-**
22 **ERTY TO THE STATES.**

23 “(a) TRANSFER OF FEDERAL EQUITY.—Notwith-
24 standing any other provision of law, any Federal equity
25 acquired in real property through grants to States award-

1 ed under title III of the Social Security Act (42 U.S.C.
 2 501 et seq.) or under the Wagner-Peyser Act (29 U.S.C.
 3 49 et seq.) is transferred to the States that used the
 4 grants for the acquisition of such equity. The portion of
 5 any real property that is attributable to the Federal equity
 6 transferred under this section shall be used to carry out
 7 activities authorized under title III of the Social Security
 8 Act or the Wagner-Peyser Act. Any disposition of such
 9 real property shall be carried out in accordance with the
 10 procedures prescribed by the Secretary and the portion of
 11 the proceeds from the disposition of such real property
 12 that is attributable to the Federal equity transferred
 13 under this section shall be used to carry out activities au-
 14 thorized under title III of the Social Security Act or the
 15 Wagner-Peyser Act.

16 “(b) LIMITATION ON USE.—A State shall not use
 17 funds awarded under title III of the Social Security Act
 18 or the Wagner-Peyser Act to amortize the costs of real
 19 property that is purchased by any State on or after the
 20 effective date of this provision.”.

21 **SEC. 435D. TABLE OF CONTENTS.**

22 Section 1(b) (29 U.S.C. 9201 note) is amended—

23 (1) by striking the item relating to section 106
 24 and inserting the following:

“Sec. 106. Purposes.”;

1 (2) by striking the item relating to section 123
2 and inserting the following:

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

3 (3) by striking the item relating to section 169
4 and inserting the following:

“Sec. 169. Youth challenge grants.”;

5 (4) by striking the item relating to section 173
6 and inserting the following:

“Sec. 173. National dislocated worker grants.”;

7 (5) by striking the item relating to section 193
8 and inserting the following:

“Sec. 193. Transfer of Federal equity in State employment security agency real
property to the States.”;

9 (6) by inserting after the item relating to sec-
10 tion 243 the following:

“Sec. 244. Integrated English literacy and civics education.”; and

11 (7) by striking the item relating to section 502.

12 **Subchapter F—Incentive Grants**

13 **SEC. 436. INCENTIVE GRANTS.**

14 Section 503 (20 U.S.C. 9273) is amended—

15 (1) by striking subsection (a) and inserting the
16 following:

17 “(a) IN GENERAL.—

18 “(1) PRIOR TO JULY 1, 2005.—Prior to July 1,
19 2005, the Secretary shall award a grant to each
20 State in accordance with the provisions of this sec-
21 tion as this section was in effect on July 1, 2003.

1 “(2) BEGINNING ON JULY 1, 2005.—Beginning
2 on July 1, 2005, the Secretary shall award a grant
3 to each State on the basis—

4 “(A) of the State’s exceeding the State ad-
5 justed levels of performance for title I, the ad-
6 justed levels of performance for title II, and the
7 levels of performance for programs under the
8 Carl D. Perkins Vocational and Technical Edu-
9 cation Act of 1998 (20 U.S.C. 2301 et seq.),
10 for the purpose of carrying out an innovative
11 program consistent with the requirements of
12 any one or more of the programs within title I,
13 title II, or such Act, respectively;

14 “(B) of exemplary performance of the
15 States in serving hard-to-serve populations (as
16 defined in section 101) (including performance
17 relating to the levels of service provided and the
18 performance outcomes on such performance
19 measures with respect to the populations);

20 “(C) of States that are effectively—

21 “(i) coordinating multiple systems
22 into a more effective workforce investment
23 system, including coordination of employ-
24 ment services under the Wagner-Peyser
25 Act (29 U.S.C. 49 et seq.) and core activi-

1 ties under title I as well as partner pro-
2 grams described in section 121;

3 “(ii) expanding access to training, in-
4 cluding through increased leveraging of re-
5 sources other than those funded through
6 programs under title I; or

7 “(iii) implementing innovative busi-
8 ness and economic development initiatives;
9 or

10 “(D) of such other factors relating to the
11 performance of the States under title I as the
12 Secretary determines are appropriate.”; and

13 (2) in subsection (b)(2), by adding at the end
14 the following:

15 “(D) USE OF FUNDS.—The funds awarded
16 to a State under this section may be used to
17 carry out any activities authorized for States
18 under chapters 4 and 5 of subtitle B of title I,
19 title II, and the Carl D. Perkins Vocational and
20 Technical Education Act of 1998 (20 U.S.C.
21 2301 et seq.), including demonstration projects
22 and innovative programs for hard-to-serve pop-
23 ulations (as defined in section 101).”.

1 **Subchapter G—Conforming Amendments**

2 **SEC. 437. CONFORMING AMENDMENTS.**

3 (a) OLDER AMERICANS ACT OF 1965.—Section
 4 512(a) of the Older Americans Act of 1965 (42 U.S.C.
 5 3056j(a)) is amended by striking “(B)(vi)” and inserting
 6 “(B)(v)”.

7 (b) ADULT EDUCATION AND FAMILY LITERACY
 8 ACT.—Section 212(b)(3)(A)(vi) of the Adult Education
 9 and Family Literacy Act (20 U.S.C. 9212(b)(3)(A)(vi))
 10 is amended by striking “the representatives described in
 11 section 136(i)(1)” and inserting “representatives of appro-
 12 priate Federal agencies, and representatives of States and
 13 political subdivisions, business and industry, employees, el-
 14 igible providers of employment and training activities (as
 15 defined in section 101), educators, and participants (as
 16 defined in section 101), with expertise regarding workforce
 17 investment policies and workforce investment activities (as
 18 defined in section 101)”.

19 **CHAPTER 2—AMENDMENTS TO THE** 20 **ADULT EDUCATION AND FAMILY LIT-** 21 **ERACY ACT**

22 **SEC. 441. SHORT TITLE; PURPOSE.**

23 (a) SHORT TITLE.—This chapter may be cited as the
 24 “Adult Education and Family Literacy Act Amendments
 25 of 2005”.

1 (b) PURPOSE.—Section 202 of the Adult Education
2 and Family Literacy Act (20 U.S.C. 9201) is amended—

3 (1) in paragraph (2), by striking “and” after
4 the semicolon;

5 (2) in paragraph (3), by striking “education.”
6 and inserting “education and in the transition to
7 postsecondary education; and”; and

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

9 “(4) assist immigrants and other individuals
10 with limited English proficiency in improving their
11 reading, writing, speaking, and mathematics skills
12 and acquiring an understanding of the American
13 free enterprise system, individual freedom, and the
14 responsibilities of citizenship.”.

15 **SEC. 441A. DEFINITIONS.**

16 Section 203 of the Adult Education and Family Lit-
17 eracy Act (20 U.S.C. 9202) is amended—

18 (1) in paragraph (1)—

19 (A) in the matter preceding subparagraph
20 (A), by striking “services or instruction below
21 the postsecondary level” and inserting “aca-
22 demic instruction and education services below
23 the postsecondary level that increase an individ-
24 ual’s ability to read, write, and speak in
25 English and perform mathematics”; and

1 (B) by striking subparagraph (C)(i) and
2 inserting the following:

3 “(i) are basic skills deficient as de-
4 fined in section 101;”;

5 (2) in paragraph (2), by striking “activities de-
6 scribed in section 231(b)” and inserting “programs
7 and services which include reading, writing, speak-
8 ing, or mathematics skills, workplace literacy activi-
9 ties, family literacy activities, English language ac-
10 quisition activities, or other activities necessary for
11 the attainment of a secondary school diploma or its
12 State recognized equivalent”;

13 (3) in paragraph (5)—

14 (A) by inserting “an organization that has
15 demonstrated effectiveness in providing adult
16 education, that may include” after “means”;

17 (B) in subparagraph (B), by striking “of
18 demonstrated effectiveness”;

19 (C) in subparagraph (C), by striking “of
20 demonstrated effectiveness”; and

21 (D) in subparagraph (I), by inserting “or
22 coalition” after “consortium”;

23 (4) in paragraph (6)—

24 (A) by striking “LITERACY PROGRAM” and
25 inserting “LANGUAGE ACQUISITION PROGRAM”;

1 (B) by striking “literacy program” and in-
 2 serting “language acquisition program”; and

3 (C) by inserting “reading, writing, and
 4 speaking” after “competence in”;

5 (5) by redesignating paragraphs (7) through
 6 (18) as paragraphs (8) through (19), respectively;

7 (6) by inserting after paragraph (6) the fol-
 8 lowing:

9 “(7) ESSENTIAL COMPONENTS OF READING IN-
 10 STRUCTION.—The term ‘essential components of
 11 reading instruction’ has the meaning given the term
 12 in section 1208 of the Elementary and Secondary
 13 Education Act of 1965 (20 U.S.C. 6368).”; and

14 (7) by striking paragraph (19), as redesignated
 15 by paragraph (4), and inserting the following:

16 “(19) WORKPLACE LITERACY PROGRAM.—The
 17 term ‘workplace literacy program’ means an edu-
 18 cational program designed to improve the produc-
 19 tivity of the workforce through the improvement of
 20 literacy skills that is offered by an eligible provider
 21 in collaboration with an employer or an employee or-
 22 ganization at a workplace, at an off-site location, or
 23 in a simulated workplace environment.”.

1 **SEC. 441B. AUTHORIZATION OF APPROPRIATIONS.**

2 Section 205 of the Adult Education and Family Lit-
3 eracy Act (20 U.S.C. 9204) is amended—

4 (1) by striking “1999” and inserting “2006”;
5 and

6 (2) by striking “2003” and inserting “2011”.

7 **SEC. 441C. HOME SCHOOLS.**

8 Section 204 of the Adult Education and Family Lit-
9 eracy Act (20 U.S.C. 9203) is amended to read as follows:

10 **“SEC. 204. HOME SCHOOLS.**

11 “Nothing in this title shall be construed to affect
12 home schools, whether a home school is treated as a home
13 school or a private school under State law, or to compel
14 a parent engaged in home schooling to participate in an
15 English literacy program, family literacy services, or adult
16 education.”.

17 **SEC. 441D. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE**
18 **AGENCIES; ALLOTMENTS.**

19 Section 211 of the Adult Education and Family Lit-
20 eracy Act (20 U.S.C. 9211) is amended—

21 (1) by striking subsection (a) and inserting the
22 following:

23 “(a) RESERVATION OF FUNDS.—From the sum ap-
24 propriated under section 205 for a fiscal year, the Sec-
25 retary—

1 “(1) shall reserve 1.5 percent to carry out sec-
 2 tion 242, except that the amount so reserved shall
 3 not exceed \$10,000,000;

4 “(2) shall reserve 1.5 percent to carry out sec-
 5 tion 243 and subsection (f)(4), except that the
 6 amount so reserved shall not exceed \$8,000,000;

7 “(3) shall make available, to the Secretary of
 8 Labor, 1.72 percent for incentive grants under sec-
 9 tion 136(i); and

10 “(4) shall reserve 12 percent of the amount
 11 that remains after reserving funds under paragraphs
 12 (1), (2) and (3) to carry out section 244.”;

13 (2) in subsection (c)(1)(B), by striking
 14 “\$250,000” and inserting “\$350,000”;

15 (3) by striking subsection (d) and inserting the
 16 following:

17 “(d) QUALIFYING ADULT.—For the purpose of sub-
 18 section (c)(2), the term ‘qualifying adult’ means an adult
 19 who—

20 “(1) is not less than 16 years of age;

21 “(2) is beyond the age of compulsory school at-
 22 tendance under the law of the State or outlying
 23 area;

24 “(3) does not have a secondary school diploma
 25 or its recognized equivalent; and

1 “(4) is not enrolled in secondary school.”;

2 (4) in subsection (e)—

3 (A) by striking paragraph (2) and insert-
4 ing the following:

5 “(2) AWARD BASIS.—The Secretary shall award
6 grants pursuant to paragraph (1) on a competitive
7 basis and pursuant to recommendations from the
8 Pacific Region Educational Laboratory in Honolulu,
9 Hawaii.”; and

10 (B) in paragraph (3), by striking “shall”
11 and all that follows through the period and in-
12 serting “shall be eligible to receive a grant
13 under this title until the date when an agree-
14 ment for the extension of the United States
15 education assistance under the Compact of Free
16 Association for each of the Freely Associated
17 States becomes effective.”; and

18 (5) by striking subsection (f) and inserting the
19 following:

20 “(f) HOLD-HARMLESS PROVISIONS.—

21 “(1) IN GENERAL.—Notwithstanding subsection
22 (c) and subject to paragraph (2), for fiscal year
23 2005 and each succeeding fiscal year, no eligible
24 agency shall receive an allotment under this section
25 that is less than 90 percent of the allotment the eli-

1 gible agency received for the preceding fiscal year
2 under this section.

3 “(2) 100 PERCENT ALLOTMENT.—Notwith-
4 standing paragraphs (1) and (2) of subsection (e),
5 an eligible agency that receives only an initial allot-
6 ment under subsection (c)(1) (and no additional al-
7 lotment under subsection (c)(2)) shall receive an al-
8 lotment under this section that is equal to 100 per-
9 cent of the initial allotment under subsection (c)(1).

10 “(3) RATABLE REDUCTION.—If for any fiscal
11 year the amount available for allotment under this
12 subtitle is insufficient to satisfy the provisions of
13 paragraphs (1) and (2), the Secretary shall ratably
14 reduce the payments to all eligible agencies, as nec-
15 essary.

16 “(4) ADDITIONAL ASSISTANCE.—

17 “(A) IN GENERAL.—From amounts re-
18 served under subsection (a)(2), the Secretary
19 shall make grants to eligible agencies described
20 in subparagraph (B) to enable such agencies to
21 provide activities authorized under chapter 2.

22 “(B) ELIGIBILITY.—An eligible agency is
23 eligible to receive a grant under this paragraph
24 for a fiscal year if the amount of the allotment
25 such agency receives under this section for the

1 fiscal year is less than the amount such agency
 2 would have received for the fiscal year if the al-
 3 lotment formula under this section as in effect
 4 on September 30, 2003, were in effect for such
 5 year.

6 “(C) AMOUNT OF GRANT.—The amount of
 7 a grant made to an eligible agency under this
 8 paragraph for a fiscal year shall be the dif-
 9 ference between—

10 “(i) the amount of the allotment such
 11 agency would have received for the fiscal
 12 year if the allotment formula under this
 13 section as in effect on September 30, 2003,
 14 were in effect for such year; and

15 “(ii) the amount of the allotment such
 16 agency receives under this section for the
 17 fiscal year.”.

18 **SEC. 441E. PERFORMANCE ACCOUNTABILITY SYSTEM.**

19 Section 212 of the Adult Education and Family Lit-
 20 eracy Act (20 U.S.C. 9212) is amended—

21 (1) in subsection (b)—

22 (A) in paragraph (1)(A)(ii), by striking
 23 “additional indicators of performance (if any)”
 24 and inserting “employment performance indica-
 25 tors”;

1 (B) in paragraph (2)—

2 (i) in subparagraph (A)—

3 (I) in clause (i), by striking
4 “Demonstrated” and inserting “Meas-
5 urable”;

6 (II) by striking clause (ii) and in-
7 serting the following:

8 “(ii) Placement in, retention in, or
9 completion of, postsecondary education or
10 other training programs.”; and

11 (III) in clause (iii), by inserting
12 “(including recognized alternative
13 standards for individuals with disabil-
14 ities)” after “equivalent”;

15 (ii) by redesignating subparagraph
16 (B) as subparagraph (C);

17 (iii) by inserting after subparagraph
18 (A), the following:

19 “(B) EMPLOYMENT PERFORMANCE INDICATORS.—An eligible agency shall identify in
20 the State plan individual participant employ-
21 ment performance indicators, including entry
22 into unsubsidized employment, retention in un-
23 subsidized employment, and career advance-
24 ment. The State workforce investment board
25

1 shall assist the eligible agency in obtaining and
 2 using quarterly wage records to collect data for
 3 such indicators, consistent with applicable Fed-
 4 eral and State privacy laws.”;

5 (iv) in subparagraph (C), as redesign-
 6 nated by clause (ii), by inserting “rel-
 7 evant” after “additional”; and

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

9 “(D) INDICATORS FOR WORKPLACE LIT-
 10 ERACY PROGRAMS.—Special accountability
 11 measures may be negotiated for workplace lit-
 12 eracy programs.”; and

13 (C) in paragraph (3)—

14 (i) in subparagraph (A)—

15 (I) in clause (i)(II), by striking
 16 “in performance” and inserting “the
 17 agency’s performance outcomes in an
 18 objective, quantifiable, and measur-
 19 able form”;

20 (II) in clause (ii), by striking “3
 21 programs years” and inserting “2
 22 program years”;

23 (III) in clause (iii), by striking
 24 “FIRST 3 YEARS” and inserting
 25 “FIRST 2 YEARS”;

1 (IV) in clause (iii), by striking
2 “first 3 program years” and inserting
3 “first 2 program years”;

4 (V) in clause (v), by striking
5 “4TH AND 5TH” and inserting “3RD
6 AND 4TH”;

7 (VI) in clause (v), by striking “to
8 the fourth” and inserting “to the
9 third”;

10 (VII) in clause (v), by striking
11 “fourth and fifth” and inserting
12 “third and fourth”; and

13 (VIII) in clause (vi), by striking
14 “(II)” and inserting “(I)”;
15 (ii) in subparagraph (B)—

16 (I) by striking the heading and
17 inserting “LEVELS OF EMPLOYMENT
18 PERFORMANCE”;

19 (II) by striking “may” and in-
20 serting “shall”; and

21 (III) by striking “additional” and
22 inserting “employment”; and

23 (iii) by adding at the end the fol-
24 lowing:

1 “(C) ALTERNATIVE ASSESSMENT SYS-
 2 TEMS.—Eligible agencies may approve the use
 3 of assessment systems that are not commer-
 4 cially available standardized systems if such
 5 systems meet the Standards for Educational
 6 and Psychological Testing issued by the Joint
 7 Committee on Standards for Educational and
 8 Psychological Testing of the American Edu-
 9 cational Research Association, the American
 10 Psychological Association, and the National
 11 Council on Measurement in Education.”;

12 (2) in subsection (c)—

13 (A) in paragraph (1)—

14 (i) by inserting “the Governor, the
 15 State legislature, and the State workforce
 16 investment board” after “Secretary”; and

17 (ii) by striking “including” and all
 18 that follows through the period and insert-
 19 ing “including the following:

20 “(A) Information on the levels of perform-
 21 ance achieved by the eligible agency with re-
 22 spect to the core indicators of performance, and
 23 employment performance indicators.

1 “(B) The number and type of each eligible
2 provider that receives funding under such
3 grant.

4 “(C) The number of enrollees 16 to 18
5 years of age who enrolled in adult education not
6 later than 1 year after participating in sec-
7 ondary school education.”;

8 (B) in paragraph (2)(A), by inserting “eli-
9 gible providers and” after “available to”; and

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

11 “(3) DATA ACCESS.—The report made available
12 under paragraph (2) shall indicate which eligible
13 agencies did not have access to State unemployment
14 insurance wage data in measuring employment per-
15 formance indicators.”; and

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

17 “(d) PROGRAM IMPROVEMENT.—

18 “(1) IN GENERAL.—If the Secretary determines
19 that an eligible agency did not meet its adjusted lev-
20 els of performance for the core indicators of per-
21 formance described in subsection (b)(2)(A) for any
22 program year, the eligible agency shall—

23 “(A) work with the Secretary to develop
24 and implement a program improvement plan for
25 the 2 program years succeeding the program

1 year in which the eligible agency did not meet
2 its adjusted levels of performance; and

3 “(B) revise its State plan under section
4 224, if necessary, to reflect the changes agreed
5 to in the program improvement plan.

6 “(2) FURTHER ASSISTANCE.—If, after the pe-
7 riod described in paragraph (1)(A), the Secretary
8 has provided technical assistance to the eligible
9 agency but determines that the eligible agency did
10 not meet its adjusted levels of performance for the
11 core indicators of performance described in sub-
12 section (b)(2)(A), the Secretary may require the eli-
13 gible agency to make further revisions to the pro-
14 gram improvement plan described in paragraph (1).
15 Such further revisions shall be accompanied by fur-
16 ther technical assistance from the Secretary.”.

17 **SEC. 441F. STATE ADMINISTRATION.**

18 Section 221(1) of the Adult Education and Family
19 Literacy Act (20 U.S.C. 9221(1)) is amended by striking
20 “and implementation” and inserting “implementation,
21 and monitoring”.

22 **SEC. 441G. STATE DISTRIBUTION OF FUNDS; MATCHING RE-**
23 **QUIREMENT.**

24 Section 222 of the Adult Education and Family Lit-
25 eracy Act (20 U.S.C. 9222) is amended—

1 (1) in subsection (a)—

2 (A) in paragraph (1)—

3 (i) by striking “82.5” the first place
4 such term appears and inserting “80”; and

5 (ii) by striking “the 82.5 percent”
6 and inserting “such amount”;

7 (B) in paragraph (2), by striking “not
8 more than 12.5 percent” and inserting “not
9 more than 15 percent”; and

10 (C) in paragraph (3), by striking
11 “\$65,000” and inserting “\$75,000”; and

12 (2) in subsection (b)(1), by striking “equal to”
13 and inserting “that is not less than”.

14 **SEC. 441H. STATE LEADERSHIP ACTIVITIES.**

15 Section 223 of the Adult Education and Family Lit-
16 eracy Act (20 U.S.C. 9223) is amended—

17 (1) in subsection (a)—

18 (A) in the matter preceding paragraph (1),
19 by inserting “to develop or enhance the adult
20 education system of the State” after “activi-
21 ties”;

22 (B) in paragraph (1), by striking “instruc-
23 tion incorporating” and all that follows through
24 the period and inserting “instruction incor-
25 porating the essential components of reading in-

1 instruction and instruction provided by volunteers
 2 or by personnel of a State or outlying area.”;

3 (C) in paragraph (2), by inserting “, in-
 4 cluding development and dissemination of in-
 5 structional and programmatic practices based
 6 on the most rigorous research available in read-
 7 ing, writing, speaking, mathematics, English
 8 language acquisition programs, distance learn-
 9 ing and staff training” after “activities”;

10 (D) in paragraph (5), by striking “moni-
 11 toring and”;

12 (E) by striking paragraph (6) and insert-
 13 ing the following:

14 “(6) The development and implementation of
 15 technology applications, translation technology, or
 16 distance learning, including professional development
 17 to support the use of instructional technology.”; and

18 (F) by striking paragraph (7) through
 19 paragraph (11) and inserting the following:

20 “(7) Coordination with—

21 “(A) other partners carrying out activities
 22 authorized under this Act;

23 “(B) existing support services, such as
 24 transportation, child care, mental health serv-
 25 ices, and other assistance designed to increase

1 rates of enrollment in, and successful comple-
2 tion of adult education and literacy activities,
3 for adults enrolled in such activities.

4 “(8) Developing and disseminating curricula,
5 including curricula incorporating the essential com-
6 ponents of reading instruction as they relate to
7 adults.

8 “(9) The provision of assistance to eligible pro-
9 viders in developing, implementing, and reporting
10 measurable progress in achieving the objectives of
11 this subtitle.

12 “(10) The development and implementation of
13 a system to assist in the transition from adult basic
14 education to postsecondary education, including link-
15 ages with postsecondary educational institutions.

16 “(11) Integration of literacy and English lan-
17 guage instruction with occupational skill training,
18 and promoting linkages with employers.

19 “(12) Activities to promote workplace literacy
20 programs.

21 “(13) Activities to promote and complement
22 local outreach initiatives described in section
23 243(b)(3)(F).

1 “(14) In cooperation with efforts funded under
2 sections 242 and 243, the development of curriculum
3 frameworks and rigorous content standards that—

4 “(A) specify what adult learners should
5 know and be able to do in the areas of reading
6 and language arts, mathematics, and English
7 language acquisition; and

8 “(B) take into consideration the following:

9 “(i) State academic standards estab-
10 lished under section 1111(b) of the Ele-
11 mentary and Secondary Education Act of
12 1965.

13 “(ii) The current adult skills and lit-
14 eracy assessments used in the State.

15 “(iii) The core indicators of perform-
16 ance established under section
17 212(b)(2)(A).

18 “(iv) Standards and academic require-
19 ments for enrollment in non-remedial, for-
20 credit, courses in State supported postsec-
21 ondary education institutions.

22 “(v) Where appropriate, the basic and
23 literacy skill content of occupational and
24 industry skill standards widely used by
25 business and industry in the State.

1 “(15) In cooperation with efforts funded under
2 sections 242 and 243, development and piloting of—

3 “(A) new assessment tools and strategies
4 that identify the needs and capture the gains of
5 students at all levels, with particular emphasis
6 on—

7 “(i) students at the lowest achieve-
8 ment level;

9 “(ii) students who have limited
10 English proficiency; and

11 “(iii) adults with learning disabilities;

12 “(B) options for improving teacher quality
13 and retention; and

14 “(C) assistance in converting research into
15 practice.

16 “(16) The development and implementation of
17 programs and services to meet the needs of adult
18 learners with learning disabilities or limited English
19 proficiency.

20 “(17) Other activities of statewide significance
21 that promote the purpose of this title.”; and

22 (2) in subsection (c), by striking “being State-
23 or outlying area-imposed” and inserting “being im-
24 posed by the State or outlying area”.

1 **SEC. 441I. STATE PLAN.**

2 Section 224 of the Adult Education and Family Lit-
3 eracy Act (20 U.S.C. 9224) is amended—

4 (1) in subsection (a)—

5 (A) by striking the heading and inserting
6 “4-YEAR PLANS”; and

7 (B) in paragraph (1), by striking “5” and
8 inserting “4”;

9 (2) in subsection (b)—

10 (A) in paragraph (1), by inserting “and
11 the role of provider and cooperating agencies in
12 preparing the assessment” after “serve”;

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

15 “(2) a description of how the eligible agency
16 will address the adult education and literacy needs
17 identified under paragraph (1) in each workforce de-
18 velopment area of the State, using funds received
19 under this subtitle, as well as other Federal, State,
20 or local funds received in partnership with other
21 agencies for the purpose of adult literacy as applica-
22 ble;”;

23 (C) in paragraph (3)—

24 (i) by inserting “and measure” after
25 “evaluate”;

1 (ii) by inserting “and improvement”
2 after “effectiveness”; and

3 (iii) by striking “212” and inserting
4 “212, including—

5 “(A) how the eligible agency will evaluate
6 and measure annually such effectiveness on a
7 grant-by-grant basis; and

8 “(B) how the eligible agency—

9 “(i) will hold eligible providers ac-
10 countable regarding the progress of such
11 providers in improving the academic
12 achievement of participants in adult edu-
13 cation programs under this subtitle and re-
14 garding the core indicators of performance
15 described in section 212(b)(2)(A); and

16 “(ii) will use technical assistance,
17 sanctions, and rewards (including alloca-
18 tion of grant funds based on performance
19 and termination of grant funds based on
20 performance)”; and

21 (D) in paragraph (4), by striking “will en-
22 sure the improvement of” and inserting “im-
23 proved”;

1 (E) by redesignating paragraphs (5)
2 through (12) as paragraphs (6) through (13),
3 respectively;

4 (F) by inserting after paragraph (4) the
5 following:

6 “(5) a description of how the eligible agency
7 will improve teacher quality, the professional devel-
8 opment of eligible providers, and instruction;”;

9 (G) in paragraph (6) (as redesignated by
10 subparagraph (E)), by striking “who” and all
11 that follows through the semicolon and insert-
12 ing “that—

13 “(A) offers flexible schedules and coordi-
14 nates with necessary Federal, State, and local
15 support services (such as child care, transpor-
16 tation, mental health services, and case man-
17 agement) to enable individuals, including indi-
18 viduals with disabilities or individuals with
19 other special needs, to participate in adult edu-
20 cation and literacy activities; and

21 “(B) attempts to coordinate with support
22 services that are not provided under this sub-
23 title prior to using funds for adult education
24 and literacy activities provided under this sub-
25 title for support services;”;

1 (H) in paragraph (10) (as redesignated by
2 subparagraph (E)), by striking “plan” and in-
3 serting “plan, which process—

4 “(A) shall include the State Workforce In-
5 vestment Board, the Governor, State officials
6 representing public schools, community colleges,
7 welfare agencies, agencies that provide services
8 to individuals with disabilities, other State
9 agencies that promote or operate adult edu-
10 cation and literacy activities, and direct pro-
11 viders of such adult literacy services;

12 “(B) may include consultation with the
13 State agency for higher education, institutions
14 responsible for professional development of
15 adult education and literacy education program
16 instructors, institutions of higher education,
17 representatives of business and industry, ref-
18 ugee assistance programs, and community-
19 based organizations, as defined in section
20 101;”;

21 (I) in paragraph (11) (as redesignated by
22 subparagraph (E))—

23 (i) by inserting “assess potential pop-
24 ulation needs and” after “will”;

1 (ii) in subparagraph (A), by striking
2 “students” and inserting “individuals”;

3 (iii) in subparagraph (C), by striking
4 “and” after the semicolon; and

5 (iv) by adding at the end the fol-
6 lowing:

7 “(E) the unemployed; and

8 “(F) those who are employed, but at levels
9 below self-sufficiency, as defined in section
10 101.”;

11 (J) in paragraph (12) (as redesignated by
12 subparagraph (E))—

13 (i) by inserting “and how the plan
14 submitted under this subtitle is coordi-
15 nated with the plan submitted by the State
16 under title I” after “eligible agency”; and

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

19 (K) in paragraph (13) (as redesignated by
20 subparagraph (E)), by striking “231(c)(1).”
21 and inserting “231(c)(1), including—

22 “(A) how the State will build the capacity
23 of organizations that provide adult education
24 and literacy activities; and

1 “(B) how the State will increase the par-
2 ticipation of business and industry in adult edu-
3 cation and literacy activities;”; and

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

5 “(14) a description of how the eligible agency
6 will consult with any State agency responsible for
7 postsecondary education to develop adult education
8 programs and services (including academic skill de-
9 velopment and support services) that prepare stu-
10 dents to enter postsecondary education upon comple-
11 tion of secondary school programs or their recog-
12 nized equivalent;

13 “(15) a description of how the eligible agency
14 will consult with the State agency responsible for
15 workforce development to develop adult education
16 programs and services that are designed to prepare
17 students to enter the workforce; and

18 “(16) a description of how the eligible agency
19 will improve the professional development of eligible
20 providers of adult education and literacy activities.”;

21 (3) in subsection (c), by adding at the end the
22 following: “At the end of the first 2-year period of
23 the 4-year State plan, the eligible agency shall re-
24 view and, as needed, revise the 4-year State plan.”;
25 and

1 (4) in subsection (d)—

2 (A) in paragraph (1), by inserting “, the
3 chief State school officer, the State officer re-
4 sponsible for administering community and
5 technical colleges, and the State Workforce In-
6 vestment Board” after “Governor”; and

7 (B) in paragraph (2), by striking “com-
8 ments” and all that follows through the period
9 and inserting “comments regarding the State
10 plan by the Governor, the chief State school of-
11 ficer, the State officer responsible for admin-
12 istering community and technical colleges, and
13 the State Workforce Investment Board, and
14 any revision to the State plan, are submitted to
15 the Secretary.”.

16 **SEC. 441J. PROGRAMS FOR CORRECTIONS EDUCATION AND**
17 **OTHER INSTITUTIONALIZED INDIVIDUALS.**

18 Section 225 of the Adult Education and Family Lit-
19 eracy Act (20 U.S.C. 9225) is amended—

20 (1) in subsection (b)—

21 (A) in paragraph (1), by striking “basic
22 education” and inserting “adult education and
23 literacy activities”;

24 (B) in paragraph (2), by inserting “and”
25 after the semicolon;

1 (C) by striking paragraph (3); and

2 (D) by redesignating paragraph (4) as
3 paragraph (3); and

4 (2) in subsection (d), by striking “DEFINITION
5 OF CRIMINAL OFFENDER.—” and inserting “DEFI-
6 NITIONS.—In this section:”.

7 **SEC. 441K. GRANTS AND CONTRACTS FOR ELIGIBLE PRO-**
8 **VIDERS.**

9 Section 231 of the Adult Education and Family Lit-
10 eracy Act (20 U.S.C. 9241) is amended—

11 (1) in subsection (b)—

12 (A) in paragraph (1), by striking “work-
13 place literacy services” and inserting “work-
14 place literacy programs”; and

15 (B) in paragraph (3), by striking “lit-
16 eracy” and inserting “language acquisition”;

17 (2) in subsection (e)—

18 (A) in paragraph (1), by inserting “to be
19 achieved annually on the core indicators of per-
20 formance and employment performance indica-
21 tors described in section 212(b)(2)” after “out-
22 comes”;

23 (B) by striking paragraph (3) and insert-
24 ing the following:

1 “(3) the commitment of the eligible provider to
 2 be responsive to local needs and to serve individuals
 3 in the community who were identified by the assess-
 4 ment as most in need of adult literacy services, in-
 5 cluding individuals who are low-income, have mini-
 6 mal literacy skills, have learning disabilities, or have
 7 limited English proficiency;”;

8 (C) in paragraph (4)(B), by striking “,
 9 such as” and all that follows through the semi-
 10 colon and inserting “that include the essential
 11 components of reading instruction;”;

12 (D) in paragraph (5), by striking “re-
 13 search” and inserting “the most rigorous re-
 14 search available”;

15 (E) in paragraph (7), by inserting “, when
 16 appropriate and based on the most rigorous re-
 17 search available,” after “real life contexts”;

18 (F) in paragraph (9), by inserting “edu-
 19 cation, job-training, and social service” after
 20 “other available”;

21 (G) in paragraph (10)—

22 (i) by inserting “coordination with
 23 Federal, State, and local” after “schedules
 24 and”; and

1 (ii) by striking “and transportation”
2 and inserting “, transportation, mental
3 health services, and case management”;

4 (H) in paragraph (11)—

5 (i) by inserting “measurable” after
6 “report”;

7 (ii) by striking “eligible agency”;

8 (iii) by inserting “established by the
9 eligible agency” after “performance meas-
10 ures”; and

11 (iv) by striking “and” after the semi-
12 colon;

13 (I) in paragraph (12), by striking “literacy
14 programs.” and inserting “language acquisition
15 programs and civics education programs;”; and

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

17 “(13) the capacity of the eligible provider to
18 produce information on performance results, includ-
19 ing enrollments and measurable participant out-
20 comes;

21 “(14) whether reading, writing, speaking, math-
22 ematics, and English language acquisition instruc-
23 tion provided by the eligible provider are based on
24 the best practices derived from the most rigorous re-
25 search available;

1 “(15) whether the eligible provider’s applica-
 2 tions of technology and services to be provided are
 3 sufficient to increase the amount and quality of
 4 learning and lead to measurable learning gains with-
 5 in specified time periods; and

6 “(16) the capacity of the eligible provider to
 7 serve adult learners with learning disabilities.”.

8 **SEC. 441L. LOCAL APPLICATION.**

9 Section 232 of the Adult Education and Family Lit-
 10 eracy Act (20 U.S.C. 9242) is amended—

11 (1) in paragraph (1)—

12 (A) by inserting “consistent with the re-
 13 quirements of this subtitle” after “spent”; and

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

15 (2) in paragraph (2), by striking the period at
 16 the end and inserting “; and”; and

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

18 “(3) information that addresses each of the
 19 considerations required under section 231(e).”.

20 **SEC. 441M. LOCAL ADMINISTRATIVE COST LIMITS.**

21 Section 233 of the Adult Education and Family Lit-
 22 eracy Act (20 U.S.C. 9243) is amended—

23 (1) in subsection (a)(2)—

24 (A) by inserting “and professional” after
 25 “personnel”; and

1 (B) by inserting “development of measur-
 2 able goals in reading, writing, and speaking the
 3 English language, and in mathematical com-
 4 putation,” after “development,”; and
 5 (2) in subsection (b)—

6 (A) by inserting “and professional” after
 7 “personnel”; and

8 (B) by inserting “development of measur-
 9 able goals in reading, writing, and speaking the
 10 English language, and in mathematical com-
 11 putation,” after “development,”.

12 **SEC. 441N. ADMINISTRATIVE PROVISIONS.**

13 Section 241(b) of the Adult Education and Family
 14 Literacy Act (20 U.S.C. 9251(b)) is amended—

15 (1) in paragraph (1)(A)—

16 (A) by striking “adult education and lit-
 17 eracy activities” both places such terms appear
 18 and inserting “activities under this subtitle”;
 19 and

20 (B) by striking “was” and inserting
 21 “were”; and

22 (2) in paragraph (4)—

23 (A) by inserting “not more than” after
 24 “this subsection for”; and

25 (B) by striking “only”.

1 **SEC. 4410. NATIONAL INSTITUTE FOR LITERACY.**

2 Section 242 of the Adult Education and Family Lit-
3 eracy Act (20 U.S.C. 9252) is amended—

4 (1) in subsection (a)—

5 (A) in paragraph (1), by striking “lit-
6 eracy” and inserting “effective literacy pro-
7 grams for children, youth, adults, and families”;

8 (B) in paragraph (2), by inserting “and
9 disseminates information on” after “coordi-
10 nates”; and

11 (C) by striking paragraph (3)(A) and in-
12 serting the following:

13 “(A) coordinating and participating in the
14 Federal effort to identify and disseminate infor-
15 mation on literacy that is derived from scientif-
16 ically based research, or the most rigorous re-
17 search available and effective programs that
18 serve children, youth, adults, and families;
19 and”;

20 (2) by striking subsection (b)(3) and inserting
21 the following:

22 “(3) RECOMMENDATIONS.—The Interagency
23 Group, in consultation with the National Institute
24 for Literacy Advisory Board (in this section referred
25 to as the ‘Board’) established under subsection (e),
26 shall plan the goals of the Institute and the imple-

1 mentation of any programs to achieve the goals. The
 2 Board may also request a meeting of the Inter-
 3 agency Group to discuss any recommendations the
 4 Board may make.”;

5 (3) in subsection (c)—

6 (A) in paragraph (1)—

7 (i) in subparagraph (A)—

8 (I) by striking “to establish” and
 9 inserting “to maintain”;

10 (II) in clause (i), by striking
 11 “phonemic awareness, systematic
 12 phonics, fluency, and reading com-
 13 prehension” and inserting “the essen-
 14 tial components of reading instruc-
 15 tion”;

16 (III) in clause (iii), by striking
 17 “and” after the semicolon;

18 (IV) in clause (iv), by inserting
 19 “and” after the semicolon; and

20 (V) by adding at the end the fol-
 21 lowing:

22 “(v) a list of local adult education and
 23 literacy programs;”;

24 (ii) in subparagraph (C)—

1 (I) by striking “reliable and
2 replicable research” and inserting “re-
3 liable and replicable research as de-
4 fined by the Institute of Education
5 Sciences”; and

6 (II) by striking “especially with
7 the Office of Educational Research
8 and Improvement in the Department
9 of Education,”;

10 (iii) in subparagraph (D), by striking
11 “phonemic awareness, systematic phonics,
12 fluency, and reading comprehension based
13 on” and inserting “the essential compo-
14 nents of reading instruction and”;

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

17 (v) in subparagraph (I), by striking
18 the period at the end and inserting a semi-
19 colon; and

20 (vi) by adding at the end the fol-
21 lowing:

22 “(J) to work cooperatively with the De-
23 partment of Education to assist States that are
24 pursuing the implementation of standards-based
25 educational improvements for adults through

the dissemination of training, technical assistance, and related support and through the development and dissemination of related standards-based assessment instruments; and

“(K) to identify rigorous research on the effectiveness of instructional practices and organizational strategies relating to literacy programs on the acquisition of skills in reading, writing, English acquisition, and mathematics.”; and

(B) by adding at the end the following:

“(3) COORDINATION.—In identifying the reliable 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”;

1 (iii) in clause (iv), by inserting “, in-
 2 cluding adult literacy research” after “re-
 3 search”;

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

6 (v) in clause (vii), by striking the pe-
 7 riod at the end and inserting “; and”; and

8 (vi) by adding at the end the fol-
 9 lowing:

10 “(viii) institutions of higher edu-
 11 cation.”;

12 (B) in paragraph (2)—

13 (i) in subparagraph (B), by striking
 14 “and” after the semicolon;

15 (ii) in subparagraph (C), by striking
 16 the period at the end and inserting “;
 17 and”; and

18 (iii) by adding at the end the fol-
 19 lowing:

20 “(D) review the biennial report submitted
 21 to Congress pursuant to subsection (k).”; and

22 (C) in paragraph (5), by striking the sec-
 23 ond sentence and inserting the following: “A
 24 recommendation of the Board may be passed
 25 only by a majority of the Board’s members

1 present at a meeting for which there is a
2 quorum.”; and

3 (5) in subsection (k)—

4 (A) by striking “Labor and Human Re-
5 sources” and inserting “Health, Education,
6 Labor, and Pensions”; and

7 (B) by striking “The Institute shall submit
8 a report biennially to” and inserting “Not later
9 than 1 year after the date of enactment of the
10 Adult Education and Family Literacy Act
11 Amendments of 2005, and biennially thereafter,
12 the Institute shall submit a report to”.

13 **SEC. 441P. NATIONAL LEADERSHIP ACTIVITIES.**

14 Section 243 of the Adult Education and Family Lit-
15 eracy Act (20 U.S.C. 9253) is amended to read as follows:

16 **“SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.**

17 “(a) IN GENERAL.—The Secretary shall establish
18 and carry out a program of national leadership activities
19 to enhance the quality of adult education and literacy pro-
20 grams nationwide.

21 “(b) PERMISSIVE ACTIVITIES.—The national leader-
22 ship activities described in subsection (a) may include the
23 following:

24 “(1) Technical assistance, including—

1 “(A) assistance provided to eligible pro-
2 viders in developing and using performance
3 measures for the improvement of adult edu-
4 cation and literacy activities, including family
5 literacy services;

6 “(B) assistance related to professional de-
7 velopment activities, and assistance for the pur-
8 poses of developing, improving, identifying, and
9 disseminating the most successful methods and
10 techniques for providing adult education and
11 literacy activities, including family literacy serv-
12 ices, based on scientific evidence where avail-
13 able;

14 “(C) assistance in distance learning and
15 promoting and improving the use of technology
16 in the classroom;

17 “(D) assistance in developing valid, meas-
18 urable, and reliable performance data, including
19 data around employment and employment out-
20 come, and using performance information for
21 the improvement of adult education and literacy
22 programs; and

23 “(E) assistance to help States, particularly
24 low-performing States, meet the requirements
25 of section 212.

1 “(2) A program of grants, contracts, or cooper-
2 ative agreements awarded on a competitive basis to
3 national, regional, or local networks of private non-
4 profit organizations, public libraries, or institutions
5 of higher education to build the capacity of such net-
6 works’ members to meet the performance require-
7 ments of eligible providers under this title and in-
8 volve adult learners in program improvement.

9 “(3) Funding national leadership activities that
10 are not described in paragraph (1), either directly or
11 through grants, contracts, or cooperative agreements
12 awarded on a competitive basis to or with postsec-
13 ondary educational institutions, public or private or-
14 ganizations or agencies, or consortia of such institu-
15 tions, organizations, or agencies, such as—

16 “(A) developing, improving, and identifying
17 the most successful methods and techniques for
18 addressing the education needs of adults, in-
19 cluding instructional practices using the essen-
20 tial components of reading instruction based on
21 the work of the National Institute of Child
22 Health and Human Development;

23 “(B) increasing the effectiveness of, and
24 improving the quality of, adult education and

1 literacy activities, including family literacy serv-
2 ices;

3 “(C) carrying out research on national lit-
4 eracy basic skill acquisition for adult learning,
5 including estimating the number of adults func-
6 tioning at the lowest levels of literacy pro-
7 ficiency;

8 “(D)(i) carrying out demonstration pro-
9 grams;

10 “(ii) disseminating best practices informa-
11 tion, including information regarding promising
12 practices resulting from federally funded dem-
13 onstration programs; and

14 “(iii) developing and replicating best prac-
15 tices and innovative programs, including—

16 “(I) the development of models for
17 basic skill certificates;

18 “(II) the identification of effective
19 strategies for working with adults with
20 learning disabilities and with adults with
21 limited English proficiency;

22 “(III) integrated basic and workplace
23 skills education programs;

24 “(IV) coordinated literacy and em-
25 ployment services; and

1 “(V) postsecondary education transi-
 2 tion programs;

3 “(E) providing for the conduct of an inde-
 4 pendent evaluation and assessment of adult
 5 education and literacy activities through studies
 6 and analyses conducted independently through
 7 grants and contracts awarded on a competitive
 8 basis, which evaluation and assessment shall in-
 9 clude descriptions of—

10 “(i) the effect of performance meas-
 11 ures and other measures of accountability
 12 on the delivery of adult education and lit-
 13 eracy activities, including family literacy
 14 services;

15 “(ii) the extent to which the adult
 16 education and literacy activities, including
 17 family literacy services, increase the lit-
 18 eracy skills of adults (and of children, in
 19 the case of family literacy services), lead
 20 the participants in such activities to in-
 21 volvement in further education and train-
 22 ing, enhance the employment and earnings
 23 of such participants, and, if applicable,
 24 lead to other positive outcomes, such as re-
 25 ductions in recidivism in the case of pris-

1 on-based adult education and literacy ac-
 2 tivities;

3 “(iii) the extent to which the provision
 4 of support services to adults enrolled in
 5 adult education and family literacy pro-
 6 grams increase the rate of enrollment in,
 7 and successful completion of, such pro-
 8 grams; and

9 “(iv) the extent to which different
 10 types of providers measurably improve the
 11 skills of participants in adult education
 12 and literacy programs;

13 “(F) supporting efforts aimed at capacity
 14 building of programs at the State and local lev-
 15 els such as technical assistance in program
 16 planning, assessment, evaluation, and moni-
 17 toring of activities carried out under this sub-
 18 title;

19 “(G) collecting data, such as data regard-
 20 ing the improvement of both local and State
 21 data systems, through technical assistance and
 22 development of model performance data collec-
 23 tion systems;

24 “(H) supporting the development of an en-
 25 tity that would produce and distribute tech-

nology-based programs and materials for adult education and literacy programs using an interconnection system (as defined in section 397 of the Communications Act of 1934 (47 U.S.C. 397)) and expand the effective outreach and use of such programs and materials to adult education eligible providers;

“(I) determining how participation in adult education and literacy activities prepares individuals for entry into postsecondary education and employment and, in the case of prison-based services, has an effect on recidivism; and

“(J) other activities designed to enhance the quality of adult education and literacy activities nationwide.”.

**SEC. 441Q. INTEGRATED ENGLISH LITERACY AND CIVICS
EDUCATION.**

Chapter 4 of subtitle A of title II (29 U.S.C. 9251 et seq.) is amended by adding at the end the following:

**“SEC. 244. INTEGRATED ENGLISH LITERACY AND CIVICS
EDUCATION.**

“(a) IN GENERAL.—From funds made available under section 211(a)(4) for each fiscal year the Secretary shall award grants to States, from allotments under sub-

1 section (b), for integrated English literacy and civics edu-
2 cation.

3 “(b) ALLOTMENT.—

4 “(1) IN GENERAL.—Subject to paragraph (2),
5 from amounts made available under section
6 211(a)(4) for a fiscal year the Secretary shall allo-
7 cate—

8 “(A) 65 percent to the States on the basis
9 of a State’s need for integrated English literacy
10 and civics education as determined by calcu-
11 lating each State’s share of a 10-year average
12 of the Immigration and Naturalization Service
13 data for immigrants admitted for legal perma-
14 nent residence for the 10 most recent years;
15 and

16 “(B) 35 percent to the States on the basis
17 of whether the State experienced growth as
18 measured by the average of the 3 most recent
19 years for which Immigration and Naturalization
20 Service data for immigrants admitted for legal
21 permanent residence are available.

22 “(2) MINIMUM.—No State shall receive an al-
23 lotment under paragraph (1) in an amount that is
24 less than \$60,000.”.

1 **SEC. 441R. TRANSITION.**

2 The Secretary shall take such steps as the Secretary
3 determines to be appropriate to provide for the orderly
4 transition to the authority of the Adult Education and
5 Family Literacy Act (as amended by this chapter) from
6 any authority under provisions of the Adult Education and
7 Family Literacy Act (as such Act was in effect on the day
8 before the date of enactment of the Adult Education and
9 Family Literacy Act Amendments of 2005).

10 **CHAPTER 3—AMENDMENTS TO OTHER**
11 **PROVISIONS OF LAW**

12 **SEC. 451. WAGNER-PEYSER ACT.**

13 (a) CONFORMING AMENDMENT.—Section 2(3) of the
14 Wagner-Peyser Act (29 U.S.C. 49a(3)) is amended by
15 striking “section 134(c)” and inserting “section 121(e)”.

16 (b) COLOCATION.—Section 3 of the Wagner-Peyser
17 Act (29 U.S.C. 49b) is amended by adding at the end the
18 following:

19 “(d) In order to avoid duplication of services and en-
20 hance integration of services, employment services offices
21 in each State shall be colocated with comprehensive one-
22 stop centers established under title I of the Workforce In-
23 vestment Act of 1998 (29 U.S.C. 2801 et seq.).”.

24 (c) COOPERATIVE STATISTICAL PROGRAM.—Section
25 14 of the Wagner-Peyser Act (29 U.S.C. 49l–1) is amend-

1 ed by striking the section heading and all that follows
 2 through “There” and inserting the following:

3 **“SEC. 14. COOPERATIVE STATISTICAL PROGRAM.**

4 “There”.

5 (d) WORKFORCE AND LABOR MARKET INFORMATION
 6 SYSTEM.—Section 15 of the Wagner-Peyser Act (29
 7 U.S.C. 491–2) is amended—

8 (1) by striking the section heading and insert-
 9 ing the following:

10 **“SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION**
 11 **SYSTEM.”;**

12 (2) by striking “employment statistics system”
 13 each place it appears and inserting “workforce and
 14 labor market information system”;

15 (3) in subsection (a)(1), by striking “of employ-
 16 ment statistics”;

17 (4) in subsection (b)(2)(E)—

18 (A) in clause (i), by adding “and” at the
 19 end;

20 (B) in clause (ii), by striking “; and” and
 21 inserting a period; and

22 (C) by striking clause (iii);

23 (5) by striking subsections (c) and (d) and in-
 24 serting the following:

1 “(c) NATIONAL ELECTRONIC TOOLS TO PROVIDE
 2 SERVICES.—The Secretary, in consultation with States, is
 3 authorized to assist in the development of national elec-
 4 tronic tools that may be used to improve access to work-
 5 force information for individuals through—

6 “(1) the one-stop delivery systems established
 7 under section 121(e) of the Workforce Investment
 8 Act of 1998 (29 U.S.C. 2841(e)); and

9 “(2) such other delivery systems as the Sec-
 10 retary determines to be appropriate.

11 “(d) TWO-YEAR PLAN.—The Secretary, working
 12 through the Bureau of Labor Statistics, and in coopera-
 13 tion with the States and with the assistance of the Em-
 14 ployment and Training Administration and other appro-
 15 priate Federal agencies, shall prepare a 2-year plan which
 16 shall be the mechanism for achieving cooperative manage-
 17 ment of the nationwide workforce and labor market infor-
 18 mation system described in subsection (a) and the state-
 19 wide workforce and labor market information systems that
 20 comprise the nationwide system. The plan shall—

21 “(1) describe the steps to be taken in the
 22 following 2 years to carry out the duties described
 23 in subsection (b)(2);

24 “(2) evaluate the performance of the system
 25 and recommend needed improvements, with par-

1 ticular attention to the improvements needed at the
 2 State and local levels; and

3 “(3) describe the involvement of States in the
 4 development of the plan, pursuant to a process es-
 5 tablished by the Secretary in cooperation with the
 6 States in accordance with subsection (i).”;

7 (6) in subsection (e)(2)—

8 (A) in subparagraph (G), by adding “and”
 9 at the end;

10 (B) by striking subparagraph (H); and

11 (C) by redesignating subparagraph (I) as
 12 subparagraph (H);

13 (7) in subsection (g), by striking “1999 through
 14 2004” and inserting “2006 through 2011 to enable
 15 the Secretary to carry out the provisions of this sec-
 16 tion in a timely manner through grants or coopera-
 17 tive agreements with the States”;

18 (8) in subsection (g)—

19 (A) by striking “There are” and inserting
 20 the following:

21 “(1) IN GENERAL.—There are”; and

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

23 “(2) DISTRIBUTION OF FUNDS.—With regard
 24 to distributing funds appropriated under paragraph
 25 (1) (relating to workforce and labor market informa-

1 tion funding) for fiscal years 2006 through 2011,
 2 the Secretary shall continue to distribute the funds
 3 to the States in the manner in which the Secretary
 4 distributed funds to the States under this section for
 5 fiscal years 1999 through 2003.”; and

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

7 “(i) COORDINATION WITH THE STATES.—The Sec-
 8 retary, working through the Bureau of Labor Statistics and
 9 in coordination with the Employment and Training Ad-
 10 ministration, shall consult at least annually with rep-
 11 resentatives of each of the 10 Federal regions of the De-
 12 partment of Labor, elected (pursuant to a process estab-
 13 lished by the Secretary) by and from the State workforce
 14 and labor market information directors affiliated with the
 15 State agencies that perform the duties described in sub-
 16 section (e)(2).”.

17 **CHAPTER 4—REHABILITATION ACT** 18 **AMENDMENTS**

19 **SEC. 461. SHORT TITLE.**

20 This chapter may be cited as the “Rehabilitation Act
 21 Amendments of 2005”.

22 **SEC. 461A. TECHNICAL AMENDMENTS TO TABLE OF CON-** 23 **TENTS.**

24 (a) INCENTIVE GRANTS.—Section 1(b) of the Reha-
 25 bilitation Act of 1973 (29 U.S.C. 701 note) is amended

1 by inserting after the item relating to section 112 the fol-
 2 lowing:

“Sec. 113. Incentive grants.”.

3 (b) INDEPENDENT LIVING SERVICES FOR OLDER IN-
 4 DIVIDUALS WHO ARE BLIND.—Section 1(b) of the Reha-
 5 bilitation Act of 1973 (29 U.S.C. 701 note) is amended
 6 by striking the items relating to sections 752 and 753 and
 7 inserting the following:

“Sec. 752. Training and technical assistance.

“Sec. 753. Program of grants.

“Sec. 754. Authorization of appropriations.”.

8 **SEC. 461B. PURPOSE.**

9 Section 2(b) of the Rehabilitation Act of 1973 (29
 10 U.S.C. 701(b)) is amended—

11 (1) in paragraph (1)(F), by striking “and”
 12 after the semicolon;

13 (2) in paragraph (2), by striking the period at
 14 the end and inserting “; and”; and

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

16 “(3) to provide opportunities for employers and
 17 rehabilitation service providers to provide meaningful
 18 input at all levels of government to ensure successful
 19 employment of individuals with disabilities.”.

20 **SEC. 461C. DEFINITIONS.**

21 Section 7 of the Rehabilitation Act of 1973 (29
 22 U.S.C. 705) is amended—

23 (1) in paragraph (2)(B)—

1 (A) in the matter preceding clause (i), by
 2 inserting “and literacy services” after “sup-
 3 ported employment”; and

4 (B) in clause (iii), by inserting “and lit-
 5 eracy skills” after “educational achievements”;

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

8 “(7) CONSUMER ORGANIZATION.—The term
 9 ‘consumer organization’ means a membership orga-
 10 nization in which a majority of the organization’s
 11 members and a majority of the organization’s offi-
 12 cers are individuals with disabilities.”;

13 (3) in paragraph (17)—

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

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

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

19 “(E) maintaining individuals with signifi-
 20 cant disabilities in, or transitioning individuals
 21 with significant disabilities to, community-based
 22 living.”;

23 (4) by redesignating paragraphs (24) through
 24 (28), (29) through (34), and (35) through (39), as

1 paragraphs (25) through (29), (31) through (36),
 2 and (38) through (42), respectively;

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

5 “(24) LITERACY.—The term ‘literacy’ has the
 6 meaning given the term in section 203 of the Adult
 7 Education and Family Literacy Act (20 U.S.C.
 8 9202).”;

9 (6) by inserting after paragraph (29), as redes-
 10 ignated by paragraph (4), the following:

11 “(30) POST-EMPLOYMENT SERVICE.—The term
 12 ‘post-employment’ service means a service identified
 13 in section 103(a) that is—

14 “(A) provided subsequent to the achieve-
 15 ment of an employment outcome; and

16 “(B) necessary for an individual to main-
 17 tain, regain, or advance in employment, con-
 18 sistent with the individual’s strengths, re-
 19 sources, priorities, concerns, abilities, capabili-
 20 ties, interests, and informed choice.”;

21 (7) by inserting after paragraph (36), as redes-
 22 ignated by paragraph (4), the following:

23 “(37) STUDENT WITH A DISABILITY.—

24 “(A) IN GENERAL.—The term ‘student
 25 with a disability’ means an individual with a

1 disability who attends an elementary school or
 2 secondary school and who—

3 “(i) is not younger than 14 years of
 4 age;

5 “(ii) is not older than 21 years of age;

6 “(iii) has been determined to be eligi-
 7 ble under section 102(a) for assistance
 8 under title I; and

9 “(iv)(I) is eligible for, and receiving,
 10 special education and related services
 11 under part B of the Individuals with Dis-
 12 abilities Education Act; or

13 “(II) is an individual with a disability,
 14 for purposes of section 504.

15 “(B) STUDENTS WITH DISABILITIES.—The
 16 term ‘students with disabilities’ means more
 17 than 1 student with a disability.”; and

18 (8) in paragraph (38)(A)(ii), as redesignated by
 19 paragraph (4), by striking “paragraph (36)(C)” and
 20 inserting “paragraph (39)(C)”.

21 **SEC. 461D. ADMINISTRATION OF THE ACT.**

22 Section 12(a)(1) of the Rehabilitation Act of 1973
 23 (29 U.S.C. 709(a)(1)) is amended—

24 (1) by inserting “(A)” after “(1)”;

1 (2) by striking the semicolon and inserting “;
2 and”; and

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

4 “(B) provide technical assistance to the des-
5 ignated State units on developing successful partner-
6 ships with employers;”.

7 **SEC. 461E. CARRYOVER.**

8 Section 19 of the Rehabilitation Act of 1973 (29
9 U.S.C. 716) is amended—

10 (1) in subsection (a)(1)—

11 (A) by striking “, section 509 (except as
12 provided in section 509(b))”;

13 (B) by striking “or (C)”;

14 (C) by striking “752(b)” and inserting
15 “753(b)”;

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

17 “(c) PROTECTION AND ADVOCACY OF INDIVIDUAL
18 RIGHTS.—

19 “(1) APPROPRIATED AMOUNTS.—Notwith-
20 standing any other provision of law, any funds ap-
21 propriated for a fiscal year to carry out a grant pro-
22 gram under section 509 (except as provided in sec-
23 tion 509(b)), including any funds reallocated under
24 such grant program, that are not obligated and ex-
25 pended by recipients prior to the beginning of the

1 succeeding fiscal year shall remain available for obli-
 2 gation and expenditure by such recipients during
 3 such succeeding fiscal year.

4 “(2) PROGRAM INCOME.—Notwithstanding any
 5 other provision of law, any amounts of program in-
 6 come received by recipients under a grant program
 7 under section 509 in a fiscal year that are not obli-
 8 gated and expended by recipients prior to the begin-
 9 ning of the succeeding fiscal year, shall remain avail-
 10 able until expended.”.

11 **Subchapter A—Vocational Rehabilitation** 12 **Services**

13 **SEC. 462. DECLARATION OF POLICY; AUTHORIZATION OF** 14 **APPROPRIATIONS.**

15 Section 100(b)(1) of the Rehabilitation Act of 1973
 16 (29 U.S.C. 720(b)(1)) is amended by striking “fiscal years
 17 1999 through 2003” and inserting “fiscal years 2006
 18 through 2011”.

19 **SEC. 462A. STATE PLANS.**

20 Section 101(a) of the Rehabilitation Act of 1973 (29
 21 U.S.C. 721(a)) is amended—

22 (1) in paragraph (6)(B), by striking “to employ
 23 and advance in employment” and inserting “to re-
 24 cruit, employ, and advance in employment”;

1 (2) in paragraph (7)(A)(v), by striking sub-
2 clause (I) and inserting the following:

3 “(I) a system for the continuing
4 education of rehabilitation profes-
5 sionals and paraprofessionals within
6 the designated State unit, particularly
7 with respect to rehabilitation tech-
8 nology, including training imple-
9 mented in coordination with State
10 programs carried out under section 4
11 of the Assistive Technology Act of
12 1998 (29 U.S.C. 3003); and”;

13 (3) in paragraph (8)(A), by adding at the end
14 the following:

15 “(iii) SERVICES IDENTIFIED IN INDI-
16 VIDUALIZED WORK PLAN.—For purposes
17 of clause (i), for an individual who receives
18 assistance under the Ticket to Work and
19 Self-Sufficiency Program established under
20 section 1148 of the Social Security Act (42
21 U.S.C. 1320b–19), comparable benefits
22 and services available under such program
23 only include those benefits and services
24 identified in the individual’s individualized

1 work plan developed by an employment
2 network pursuant to such section.”;

3 (4) in paragraph (10)—

4 (A) in subparagraph (B), by striking “an-
5 nual reporting on the eligible individuals receiv-
6 ing the services, on those specific data elements
7 described in section 136(d)(2) of the Workforce
8 Investment Act of 1998” and inserting “annual
9 reporting of information on eligible individuals
10 receiving services that is needed to assess per-
11 formance on the core indicators of performance
12 described in section 136(b)(2)(A)(i) of the
13 Workforce Investment Act of 1998 (29 U.S.C.
14 2871(b)(2)(A)(i))”;

15 (B) in subparagraph (C), by striking
16 clauses (iii) and (iv) and inserting the following:

17 “(iii) the number of applicants and el-
18 igible recipients, including the number of
19 individuals with significant disabilities, who
20 exited the program carried out under this
21 title and the number of such individuals
22 who achieved employment outcomes after
23 receiving vocational rehabilitation services;
24 and

1 “(iv) the number of individuals who
2 received vocational rehabilitation services
3 who entered and retained employment and
4 the increases in earnings of such individ-
5 uals, consistent with State reporting re-
6 sponsibilities pursuant to section
7 136(b)(2)(A)(i) of the Workforce Invest-
8 ment Act of 1998 (29 U.S.C.
9 2871(b)(2)(A)(i)).”; and

10 (C) in subparagraph (E)(ii), by striking
11 “in meeting” and all that follows through the
12 period and inserting “in meeting the standards
13 and indicators established pursuant to section
14 106.”;

15 (5) in paragraph (11)—

16 (A) by striking subparagraph (C) and in-
17 serting the following:

18 “(C) INTERAGENCY COOPERATION WITH
19 OTHER AGENCIES.—The State plan shall in-
20 clude descriptions of interagency cooperation
21 with, and utilization of the services and facili-
22 ties of, Federal, State, and local agencies and
23 programs, including the State programs carried
24 out under section 4 of the Assistive Technology
25 Act of 1998 (29 U.S.C. 3003), programs car-

ried out by the Under Secretary for Rural Development of the Department of Agriculture, and State use contracting programs, to the extent that such agencies and programs are not carrying out activities through the statewide workforce investment system.”;

(B) by striking subparagraph (D)(ii) and inserting the following:

“(ii) transition planning by personnel of the designated State agency and the State educational agency that will facilitate the development and completion of the individualized education programs under section 614(d) of the Individuals with Disabilities Education Act and, as appropriate, the development and completion of the individualized plan for employment, in order to achieve post-school employment outcomes of students with disabilities;”;

(C) by adding at the end the following:

“(G) COORDINATION WITH TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM.—The State plan shall provide that the designated State unit will coordinate activities with any other State agency that administers a Ticket to

1 Work and Self-Sufficiency Program established
 2 under section 1148 of the Social Security Act
 3 (42 U.S.C. 1320b–19).”; and
 4 (6) in paragraph (20)—

5 (A) by redesignating subparagraph (B) as
 6 subparagraph (D);

7 (B) by inserting after subparagraph (A)
 8 the following:

9 “(B) INFORMATION ON ASSISTANCE FOR
 10 BENEFICIARIES OF ASSISTANCE UNDER TITLE
 11 II OR XVI OF THE SOCIAL SECURITY ACT.—The
 12 State plan shall include an assurance that the
 13 designated State agency will make available to
 14 individuals entitled to benefits under title II or
 15 XVI of the Social Security Act (42 U.S.C. 401
 16 et seq., 1381 et seq.) on the basis of a disability
 17 or blindness, information on the availability
 18 of—

19 “(i) medical assistance under the
 20 State medicaid program under title XIX of
 21 the Social Security Act (42 U.S.C. 1396 et
 22 seq.);

23 “(ii) benefits under the medicare pro-
 24 gram under title XVIII of the Social Secu-
 25 rity Act (42 U.S.C. 1395 et seq.);

1 “(iii) assistance through benefits plan-
2 ning and assistance programs under sec-
3 tion 1149 of the Social Security Act (42
4 U.S.C. 1320b–20) and protection and ad-
5 vocacy programs under section 1150 of the
6 Social Security Act (42 U.S.C. 1320b–21);
7 and

8 “(iv) medical assistance under other
9 federally funded programs.

10 “(C) INFORMATION FOR INDIVIDUALS
11 UNDER THE TICKET TO WORK PROGRAM.—The
12 State plan shall include an assurance that the
13 designated State agency will make available to
14 individuals entitled to benefits under title II or
15 XVI of the Social Security Act (42 U.S.C. 401
16 et seq., 1381 et seq.) on the basis of a disability
17 or blindness and eligible for assistance under
18 the Ticket to Work and Self-Sufficiency Pro-
19 gram established under section 1148 of the So-
20 cial Security Act (42 U.S.C. 1320b–19), gen-
21 eral information regarding the Ticket to Work
22 and Self-Sufficiency Program and specific infor-
23 mation on how to contact the program manager
24 of the Ticket to Work and Self-Sufficiency Pro-

gram to obtain information on approved employment networks.”; and

(C) in subparagraph (D)(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”.

SEC. 462B. ELIGIBILITY AND INDIVIDUALIZED PLAN FOR EMPLOYMENT.

Section 102 of the Rehabilitation Act of 1973 (29 U.S.C. 722) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking the semicolon at the end and inserting “, including a listing of all the community resources (including resources from consumer organizations), to the maximum extent possible, to assist in the development of such individual’s individualized plan for employment to enable the individual to make informed and effective choices in de-

veloping the individualized 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 semicolon; and

(III) by adding at the end the following:

“(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, information on the availability of—

“(I) medical assistance under the State medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

“(II) benefits under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.);

“(III) assistance through benefits planning and assistance programs under section 1149 of the Social Security Act (42

1 U.S.C. 1320b–20) and protection and ad-
 2 vocacy programs under section 1150 of the
 3 Social Security Act (42 U.S.C. 1320b–21);
 4 and

5 “(IV) medical assistance under other
 6 federally funded programs; and

7 “(iv) for individuals entitled to benefits
 8 under title II or XVI of the Social Security Act
 9 (42 U.S.C. 401 et seq., 1381 et seq.) on the
 10 basis of a disability or blindness and eligible for
 11 assistance under the Ticket to Work and Self-
 12 Sufficiency Program established under section
 13 1148 of the Social Security Act (42 U.S.C.
 14 1320b–19), information—

15 “(I) on the options under the Ticket
 16 to Work and Self-Sufficiency Program; and

17 “(II) on how to contact the program
 18 manager of the Ticket to Work and Self-
 19 Sufficiency Program who has contact in-
 20 formation on approved employment net-
 21 works, the benefits planning and assistance
 22 programs in the area, and the protection
 23 and advocacy programs in the area.”;

24 (B) in paragraph (2)(E)—

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

3 (ii) in clause (ii), by striking the pe-
4 riod at the end and inserting “; and”; and

5 (iii) by adding at the end the fol-
6 lowing:

7 “(iii) amended, as necessary, to in-
8 clude the post-employment services and
9 service providers that are necessary for the
10 individual to maintain, regain, or advance
11 in employment, consistent with the individ-
12 ual’s strengths, resources, priorities, con-
13 cerns, abilities, capabilities, interests, and
14 informed choice.”; and

15 (C) in paragraph (3)—

16 (i) in subparagraph (B)(i)(I), by strik-
17 ing “and personal assistance services” and
18 inserting “mentoring services, and personal
19 assistance services”;

20 (ii) in subparagraph (F)(ii), by strik-
21 ing “and” after the semicolon;

22 (iii) in subparagraph (G), by striking
23 the period at the end and inserting a semi-
24 colon; and

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

3 “(H) for a student with a disability, the
4 description—

5 “(i) in paragraph (3)(A), may be a
6 description of the student’s projected post-
7 school employment outcome; and

8 “(ii) in paragraph (3)(B), shall in-
9 clude the specific transition services (in-
10 cluding, as appropriate, work experience
11 and mentoring activities) needed to achieve
12 the student’s employment outcome or pro-
13 jected employment outcome; and

14 “(I) for an individual who is receiving as-
15 sistance under the Ticket to Work and Self-Suf-
16 ficiency Program established under section
17 1148 of the Social Security Act (42 U.S.C.
18 1320b–19), a list of services such individual re-
19 ceives from an employment network other than
20 the designated State unit.”; and

21 (2) in subsection (c)(7), by inserting “that take
22 into consideration the informed choice of the indi-
23 vidual,” after “plan development,”.

1 **SEC. 462C. VOCATIONAL REHABILITATION SERVICES.**

2 Section 103(a) of the Rehabilitation Act of 1973 (29
3 U.S.C. 723(a)) is amended—

4 (1) in paragraph (5), by inserting “literacy
5 services,” after “vocational adjustment services,”;

6 (2) in paragraph (17), by striking “and” after
7 the semicolon;

8 (3) in paragraph (18), by striking the period at
9 the end and inserting “; and”; and

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

11 “(19) mentoring services.”.

12 **SEC. 462D. STATE REHABILITATION COUNCIL.**

13 Section 105(b) of the Rehabilitation Act of 1973 (29
14 U.S.C. 725(b)) is amended—

15 (1) in paragraph (1)(A), by striking clause (ix)
16 and inserting the following:

17 “(ix) in a State in which 1 or more
18 projects provide services under section 121,
19 not less than 1 representative of the direc-
20 tors of the projects;”; and

21 (2) by striking paragraph (5) and inserting the
22 following:

23 “(5) CHAIRPERSON.—The Council shall select a
24 chairperson from among the voting membership of
25 the Council.”.

1 **SEC. 462E. EVALUATION STANDARDS AND PERFORMANCE**
2 **INDICATORS.**

3 Section 106(b)(2)(B)(i) of the Rehabilitation Act of
4 1973 (29 U.S.C. 726(b)(2)(B)(i)) is amended by striking
5 “, if necessary” and all that follows through the semicolon
6 and inserting “if the State has not improved its perform-
7 ance to acceptable levels, as determined by the Commis-
8 sioner, direct the State to make further revisions to the
9 plan to improve performance, which may include allocating
10 a higher proportion of the State’s resources for services
11 to individuals with disabilities if the State’s spending on
12 such services is low in comparison to spending on such
13 services in comparable agencies in other States;”.

14 **SEC. 462F. STATE ALLOTMENTS.**

15 Section 110 of the Rehabilitation Act of 1973 (29
16 U.S.C. 730) is amended—

17 (1) by striking subsection (b) and inserting the
18 following:

19 “(b) REALLOTMENT.—

20 “(1) DETERMINATION.—Not later than 45 days
21 prior to the end of the fiscal year, the Commissioner
22 shall determine, after reasonable opportunity for the
23 submission to the Commissioner of comments by the
24 State agency administering or supervising the pro-
25 gram established under this title, that any payment
26 of an allotment to a State under section 111(a) for

1 any fiscal year will not be utilized by such State in
2 carrying out the purposes of this title.

3 “(2) FORMULA.—

4 “(A) IN GENERAL.—As soon as practicable
5 but not later than the end of the fiscal year, the
6 Commissioner shall reallocate the amount available
7 under paragraph (1) to other States, consistent
8 with subparagraphs (B) and (C), for carrying
9 out the purposes of this title to the extent the
10 Commissioner determines such other State will
11 be able to use such additional amount during
12 that fiscal year or the subsequent fiscal year for
13 carrying out such purposes.

14 “(B) FORMULA.—

15 “(i) ELIGIBLE STATES.—The Com-
16 missioner shall reallocate the amount available
17 under paragraph (1) for a fiscal year to
18 each State whose allotment under sub-
19 section (a) for such fiscal year is less than
20 such State’s allotment under subsection (a)
21 for the immediately preceding fiscal year
22 increased by the percentage change in the
23 funds available for subsection (a) from the
24 immediately preceding fiscal year.

25 “(ii) AMOUNT.—

1 “(I) IN GENERAL.—A State that
2 is eligible to receive a reallotment
3 under clause (i) shall receive an
4 amount for a fiscal year from the
5 amount available for reallotment
6 under paragraph (1) that is equal to
7 the difference between—

8 “(aa) the amount such State
9 received for such fiscal year; and

10 “(bb) the amount such State
11 was allotted under subsection (a)
12 for the immediately preceding fis-
13 cal year adjusted by the percent-
14 age change in the funds available
15 for subsection (a) from the im-
16 mediately preceding fiscal year.

17 “(II) INSUFFICIENT FUNDS.—If
18 the amount available for reallotment
19 under paragraph (1) is insufficient to
20 provide each State eligible to receive a
21 reallotment with the amount described
22 in subclause (I), the amount reallotted
23 to each eligible State shall be deter-
24 mined by the Commissioner.

1 “(C) REMAINING FUNDS.—If there are
 2 funds remaining after each State eligible to re-
 3 ceive a reallocation under subparagraph (B)(i)
 4 receives the amount described in subparagraph
 5 (B)(ii), the Commissioner shall reallocate the re-
 6 maining funds among the States requesting a
 7 reallocation.

8 “(3) NON-FEDERAL SHARE.—The Commis-
 9 sioner shall reallocate an amount to a State under this
 10 subsection only if the State will be able to make suf-
 11 ficient payments from non-Federal sources to pay
 12 for the non-Federal share of the cost of vocational
 13 rehabilitation services under the State plan for the
 14 fiscal year for which the amount was appropriated.

15 “(4) INCREASE IN ALLOTMENT.—For the pur-
 16 poses of this part, any amount made available to a
 17 State for any fiscal year pursuant to this subsection
 18 shall be regarded as an increase of such State’s al-
 19 lotment (as determined under the preceding provi-
 20 sions of this section) for such year.”; and

21 (2) by striking subsection (c)(2) and inserting
 22 the following:

23 “(2)(A) In this paragraph:

1 “(i) The term ‘appropriated amount’ means the
2 amount appropriated under section 100(b)(1) for al-
3 lotment under this section.

4 “(ii) The term ‘covered year’ means a fiscal
5 year—

6 “(I) that begins after September 30, 2004;
7 and

8 “(II) for which the appropriated amount
9 exceeds the total of—

10 “(aa) the appropriated amount for the
11 preceding fiscal year; and

12 “(bb) 0.075 percent of the appro-
13 priated amount for the preceding fiscal
14 year.

15 “(B) For each covered year, the sum referred to in
16 paragraph (1) shall be, as determined by the Secretary—

17 “(i) not less than the total of the sum reserved
18 under this subsection for the preceding fiscal year
19 and 0.1 percent of the appropriated amount for the
20 covered year; and

21 “(ii) not more than 1.5 percent of the appro-
22 priated amount for the covered year.”.

23 **SEC. 462G. CLIENT ASSISTANCE PROGRAM.**

24 Section 112 of the Rehabilitation Act of 1973 (29
25 U.S.C. 732) is amended—

1 (1) in subsection (a), by striking “States” and
2 inserting “agencies designated under subsection
3 (c)”;

4 (2) in subsection (e)—

5 (A) in paragraph (1)—

6 (i) in subparagraph (A), by striking
7 “The Secretary” and all that follows
8 through the period and inserting the fol-
9 lowing: “After reserving funds under sub-
10 paragraphs (E) and (F), the Secretary
11 shall allot the remainder of the sums ap-
12 propriated for each fiscal year under this
13 section among the agencies designated
14 under subsection (c) within the States on
15 the basis of relative population of each
16 State, except that no such agency shall re-
17 ceive less than \$50,000.”;

18 (ii) in subparagraph (B), by inserting
19 “the designated agencies located in” after
20 “each to”;

21 (iii) in subparagraph (D)(i)—

22 (I) by inserting “the designated
23 agencies located in” after “\$100,000
24 for”; and

1 (II) by inserting “the designated
2 agencies located in” after “\$45,000
3 for”; and

4 (iv) by adding at the end the fol-
5 lowing:

6 “(E)(i) Beginning on October 1, 2004, for any fiscal
7 year for which the amount appropriated to carry out this
8 section equals or exceeds \$13,000,000, the Secretary shall
9 reserve funds appropriated under this section to make
10 grants to the protection and advocacy system serving the
11 American Indian Consortium to provide client assistance
12 services in accordance with this section. The amount of
13 such grants shall be the same amount as provided to terri-
14 tories under subparagraph (B), as increased under clauses
15 (i) and (ii) of subparagraph (D).

16 “(ii) In this subparagraph:

17 “(I) The term ‘American Indian Consortium’
18 has the meaning given the term in section 102 of the
19 Developmental Disabilities Assistance and Bill of
20 Rights Act of 2000 (42 U.S.C. 15002).

21 “(II) The term ‘protection and advocacy sys-
22 tem’ means a protection and advocacy system estab-
23 lished under subtitle C of title I of the Develop-
24 mental Disabilities Assistance and Bill of Rights Act
25 of 2000 (42 U.S.C. 15041 et seq.).

1 “(F) For any fiscal year for which the amount appro-
 2 priated to carry out this section equals or exceeds
 3 \$14,000,000, the Secretary shall reserve not less than 1.8
 4 percent and not more than 2.2 percent of such amount
 5 to provide training and technical assistance to the pro-
 6 grams established under this section. Such training and
 7 technical assistance shall be coordinated with activities
 8 provided under section 509(c)(1)(A).”;

9 (B) in paragraph (2)—

10 (i) by striking “State” each place
 11 such term appears and inserting “des-
 12 ignated agency”; and

13 (ii) by striking “States” each place
 14 such term appears and inserting “des-
 15 ignated agencies”; and

16 (C) in paragraph (3), by striking “Except
 17 as specifically prohibited by or as otherwise pro-
 18 vided in State law, the Secretary shall pay” and
 19 inserting “The Secretary shall pay directly”;

20 (3) in subsection (f), by striking “State” and
 21 inserting “agency designated under subsection (c)”;
 22 and

23 (4) in subsection (h), by striking “fiscal years
 24 1999 through 2003” and inserting “fiscal years
 25 2006 through 2011”.

1 **SEC. 462H. INCENTIVE GRANTS.**

2 Part B of title I of the Rehabilitation Act of 1973
3 (29 U.S.C. 730 et seq.) is amended by adding at the end
4 the following:

5 **“SEC. 113. INCENTIVE GRANTS.**

6 “(a) **AUTHORITY.**—The Commissioner is authorized
7 to make incentive grants to States that, based on the cri-
8 teria established under subsection (b)(1), demonstrate—

9 “(1) a high level of performance; or

10 “(2) a significantly improved level of perform-
11 ance as compared to the previous reporting period or
12 periods.

13 “(b) **CRITERIA.**—

14 “(1) **ESTABLISHMENT.**—Not later than 180
15 days after the date of enactment of this section, the
16 Commissioner shall establish, and publish in the
17 Federal Register, criteria for making grant awards
18 under subsection (a).

19 “(2) **DEVELOPMENT AND EVALUATION STAND-**
20 **ARDS.**—The criteria under paragraph (1) shall—

21 “(A) be developed with input from State
22 vocational rehabilitation agencies and other vo-
23 cational rehabilitation stakeholders, including
24 vocational rehabilitation consumers and con-
25 sumer organizations; and

1 “(B) be based upon the evaluation stand-
 2 ards and performance indicators established
 3 under section 106 and other performance re-
 4 lated measures that the Commissioner deter-
 5 mines to be appropriate.

6 “(c) USE OF FUNDS.—A State that receives a grant
 7 under subsection (a) shall use the grant funds for any ap-
 8 proved activities in the State’s State plan submitted under
 9 section 101.

10 “(d) NO NON-FEDERAL SHARE REQUIREMENT.—
 11 The provisions of sections 101(a)(3) and 111(a)(2) shall
 12 not apply to this section.

13 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
 14 are authorized to be appropriated to carry out this section
 15 such sums as may be necessary for each of fiscal years
 16 2006 through 2011.”.

17 **SEC. 462I. VOCATIONAL REHABILITATION SERVICES**
 18 **GRANTS.**

19 Section 121 of the Rehabilitation Act of 1973 (29
 20 U.S.C. 741) is amended—

21 (1) in subsection (a), in the first sentence, by
 22 inserting “, consistent with such individuals’
 23 strengths, resources, priorities, concerns, abilities,
 24 capabilities, interests, and informed choice, so that
 25 such individuals may prepare for, and engage in,

1 gainful employment” before the period at the end;
2 and

3 (2) in subsection (b)—

4 (A) in paragraph (1)—

5 (i) in subparagraph (B), by striking
6 “and” after the semicolon;

7 (ii) in subparagraph (C), by striking
8 the period at the end and inserting “;
9 and”; and

10 (iii) by adding at the end the fol-
11 lowing:

12 “(D) contains assurances that—

13 “(i) all decisions affecting eligibility for vo-
14 cational rehabilitation services, the nature and
15 scope of available services, and the provision of
16 such services, will be made by a representative
17 of the tribal vocational rehabilitation program;
18 and

19 “(ii) such decisions will not be delegated to
20 another agency or individual.”;

21 (B) in paragraph (3), by striking the first
22 sentence and inserting the following: “An appli-
23 cation approved under this part that complies
24 with the program requirements set forth in the
25 regulations promulgated to carry out this part

1 shall be effective for 5 years and shall be re-
 2 newed for additional 5-year periods if the Com-
 3 missioner determines that the grantee dem-
 4 onstrated acceptable past performance and the
 5 grantee submits a plan, including a proposed
 6 budget, to the Commissioner that the Commis-
 7 sioner approves that identifies future perform-
 8 ance criteria, goals, and objectives.”; and

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

11 “(4) In allocating funds under this part, the Sec-
 12 retary shall give priority to paying the continuation costs
 13 of existing projects and may provide for increases in fund-
 14 ing for such projects as determined necessary.”.

15 **SEC. 462J. GAO STUDIES.**

16 (a) STUDY ON TITLE I AND TICKET TO WORK.—

17 (1) IN GENERAL.—The Comptroller General of
 18 the United States shall conduct a study on the inter-
 19 action of title I of the Rehabilitation Act of 1973
 20 (29 U.S.C. 720 et seq.) with the Ticket to Work and
 21 Self-Sufficiency Program established under section
 22 1148 of the Social Security Act (42 U.S.C. 1320b–
 23 19), including the impact of the interaction on bene-
 24 ficiaries, community rehabilitation programs, and
 25 State vocational rehabilitation agencies.

1 (2) CONDUCT OF STUDY.—In conducting the
2 study under paragraph (1), the Comptroller General
3 of the United States shall consult with all partici-
4 pants in the Ticket to Work and Self-Sufficiency
5 Program, including the Social Security Administra-
6 tion, the Rehabilitation Services Administration,
7 ticketholders, State agencies, community rehabilita-
8 tion programs (including employment networks and
9 nonemployment networks), protection and advocacy
10 agencies, MAXIMUS, and organizations rep-
11 resenting the interests of ticketholders.

12 (3) REPORT TO CONGRESS.—Not later than 18
13 months after the date of enactment of this Act, the
14 Comptroller General of the United States shall sub-
15 mit the study conducted pursuant to this subsection
16 to the appropriate committees of Congress.

17 (b) STUDY ON THE ALLOTMENT FORMULA.—

18 (1) IN GENERAL.—The Comptroller General of
19 the United States shall conduct a study on the rela-
20 tionship between the State allotment formula under
21 section 110 of the Rehabilitation Act of 1973 (29
22 U.S.C. 730) and the ability of States to provide vo-
23 cational rehabilitation services in accordance with
24 the State's State plan under section 101 of such
25 Act.

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 sub-
8 mit the study conducted pursuant to this subsection
9 to the appropriate committees of Congress.

10 **Subchapter B—Research and Training**

11 **SEC. 463. AUTHORIZATION OF APPROPRIATIONS.**

12 Section 201(a) of the Rehabilitation Act of 1973 (29
13 U.S.C. 761(a)) is amended—

14 (1) in paragraph (1), by striking “fiscal years
15 1999 through 2003” and inserting “fiscal years
16 2006 through 2011”; and

17 (2) in paragraph (2), by striking “fiscal years
18 1999 through 2003” and inserting “fiscal years
19 2006 through 2011”.

20 **SEC. 463A. NATIONAL INSTITUTE ON DISABILITY AND RE-** 21 **HABILITATION RESEARCH.**

22 Section 202(f)(1) of the Rehabilitation Act of 1973
23 (29 U.S.C. 762(f)(1)) is amended by striking “Federal
24 employees” and inserting “Department of Education em-
25 ployees”.

1 **SEC. 464B. RESEARCH AND OTHER COVERED ACTIVITIES.**

2 Section 204(c)(2) of the Rehabilitation Act of 1973
3 (29 U.S.C. 764(c)(2)) is amended by striking “\$500,000”
4 and inserting “\$750,000”.

5 **SEC. 464C. REHABILITATION RESEARCH ADVISORY COUN-**
6 **CIL.**

7 Section 205(c) of the Rehabilitation Act of 1973 (29
8 U.S.C. 765(c)) is amended by adding at the end the fol-
9 lowing: “The Council also shall include a representative
10 from the business community who has experience with the
11 vocational rehabilitation system and hiring individuals
12 with disabilities.”.

13 **Subchapter C—Professional Development**
14 **and Special Projects and Demonstrations**

15 **SEC. 464. TRAINING.**

16 Section 302 of the Rehabilitation Act of 1973 (29
17 U.S.C. 772) is amended—

18 (1) in subsection (b)(1)(B)(i), by striking “or
19 prosthetics and orthotics” and inserting “prosthetics
20 and orthotics, rehabilitation for the blind, or orienta-
21 tion and mobility instruction”; and

22 (2) in subsection (i), by striking “fiscal years
23 1999 through 2003” and inserting “fiscal years
24 2006 through 2011”.

1 **SEC. 464A. DEMONSTRATION AND TRAINING PROGRAMS.**

2 Section 303 of the Rehabilitation Act of 1973 (29
3 U.S.C. 773) is amended—

4 (1) in subsection (b)(5)(A)(i), by striking “spe-
5 cial projects” and inserting “not less than 2 special
6 projects”;

7 (2) by redesignating subsections (c), (d), and
8 (e) as subsections (e), (f), and (h), respectively;

9 (3) by inserting after subsection (b) the fol-
10 lowing:

11 “(c) DEMONSTRATION PROJECTS FOR EMPLOYMENT
12 OF STUDENTS WITH INTELLECTUAL DISABILITIES OR
13 MENTAL ILLNESS.—

14 “(1) PURPOSE.—The purpose of this subsection
15 is to support model demonstration projects to pro-
16 vide supported and competitive employment experi-
17 ences for students with intellectual disabilities or
18 students with mental illness, and training for per-
19 sonnel that work with students described in this
20 paragraph, to enable the students to gain employ-
21 ment skills and experience that will promote effective
22 transitions from school to employment and adult liv-
23 ing.

24 “(2) GRANTS AUTHORIZED.—

25 “(A) COMPETITIVE GRANTS AUTHOR-
26 IZED.—The Secretary may award grants, con-

1 tracts, and cooperative agreements, on a com-
2 petitive basis, to eligible organizations described
3 in paragraph (3), to enable the organizations to
4 carry out demonstration projects described in
5 paragraph (1).

6 “(B) DURATION.—The Secretary shall
7 award grants under this subsection for periods
8 of 3 to 5 years.

9 “(3) ELIGIBLE ORGANIZATIONS.—To be eligible
10 to receive a grant, contract, or cooperative agree-
11 ment under this subsection, an organization shall—

12 “(A) have expertise in providing employ-
13 ment and support services for individuals with
14 intellectual disabilities or individuals with men-
15 tal illness;

16 “(B) have a proven track record in suc-
17 cessfully running supported employment pro-
18 grams;

19 “(C) provide employment services that are
20 exclusively integrated community-based sup-
21 ported employment services;

22 “(D) have expertise in creating natural
23 supports for employment;

1 “(E) have expertise in providing computer
2 training for the targeted population for the
3 project involved; and

4 “(F) have experience operating mentoring
5 programs for the target population in middle
6 and high schools for at least a decade in diverse
7 communities throughout the Nation.

8 “(4) APPLICATIONS.—Each organization desir-
9 ing to receive a grant, contract, or cooperative agree-
10 ment under this subsection shall submit an applica-
11 tion to the Secretary at such time, in such manner,
12 and including such information as the Secretary may
13 require. Each application shall include—

14 “(A) a description of how the organization
15 plans to carry out the activities authorized in
16 this subsection through a demonstration
17 project;

18 “(B) a description of how the organization
19 will evaluate the project;

20 “(C) a description of how the organization
21 will disseminate information about the activities
22 and the impact of the activities on the lives of
23 students served by the project; and

24 “(D) a description of how the organization
25 will coordinate activities with any other relevant

1 service providers in the locality where the orga-
2 nization is based, including federally supported
3 independent living centers.

4 “(5) AUTHORIZED ACTIVITIES.—An organiza-
5 tion that receives a grant under this subsection shall
6 use the funds made available through the grant to
7 carry out 1 or more of the following activities for in-
8 dividuals, ages 14 through 21, who are students with
9 intellectual disabilities or students with mental ill-
10 ness:

11 “(A) PROVIDING SUPPORTED AND COM-
12 PETITIVE EMPLOYMENT EXPERIENCES.—The
13 development of innovative and effective sup-
14 ported and competitive employment experiences
15 after school, on weekends, and in the summer,
16 utilizing natural supports that lead to competi-
17 tive high-paying jobs.

18 “(B) PROVIDING TRAINING TO SCHOOL
19 AND TRANSITION PERSONNEL.—The develop-
20 ment and deployment of experts to work with
21 transition programs (including personnel work-
22 ing with students on transition) so that per-
23 sonnel from the programs develop skills needed
24 to train students with intellectual disabilities or
25 students with mental illness to be successful in

1 competitive employment in a range of settings,
 2 including office settings. The training shall in-
 3 clude training for the personnel in providing in-
 4 struction to students in computer skills, office
 5 skills, interview etiquette, and appropriate so-
 6 cial behavior required for successful long-term
 7 employment in professional environments.

8 “(6) AUTHORIZATION OF APPROPRIATIONS.—

9 There are authorized to be appropriated to carry out
 10 this subsection \$5,000,000 for fiscal year 2006 and
 11 such sums as may be necessary for fiscal years 2007
 12 through 2010.

13 “(d) DEMONSTRATION PROJECT FOR EMPLOYMENT
 14 OF INDIVIDUALS WHO ARE DEAF AND LOW FUNC-
 15 TIONING.—

16 “(1) PURPOSE.—It is the purpose of this sub-
 17 section to support a model demonstration project to
 18 provide training and support services for individuals
 19 who are deaf and low functioning to enable them to
 20 gain employment skills that will allow them to be-
 21 come employed and economically self-sufficient.

22 “(2) DEFINITION.—

23 “(A) IN GENERAL.—In this subsection, the
 24 term ‘individual who is deaf and low func-
 25 tioning’ means an individual who has been deaf

1 from birth or very early childhood, reads at or
2 below the second grade level, has little or no in-
3 telligible speech, and lacks a high school di-
4 ploma or GED.

5 “(B) SECONDARY DISABILITIES.—Such
6 term may include an individual with a sec-
7 ondary disability.

8 “(3) GRANTS AUTHORIZED.—

9 “(A) COMPETITIVE GRANTS AUTHOR-
10 IZED.—The Secretary may award grants to
11 State agencies, other public agencies or organi-
12 zations, or not-for-profit organizations with ex-
13 pertise in providing employment training and
14 support services for individuals who are deaf
15 and low functioning to support model dem-
16 onstration projects.

17 “(B) DURATION.—Grants under this sub-
18 section shall be awarded for a period not to ex-
19 ceed 5 years.

20 “(4) AUTHORIZED ACTIVITIES.—

21 “(A) DEVELOPING A COMPREHENSIVE
22 TRAINING PROGRAM.—Each grant recipient
23 shall develop an innovative, comprehensive pro-
24 gram of instruction for individuals who are deaf
25 and low functioning that can be implemented at

1 multiple training locations through such means
2 as distance learning and use of advanced tech-
3 nology, as appropriate. Such training program
4 shall be developed to maximize the potential for
5 replication of the program by other training
6 providers.

7 “(B) IMPLEMENTATION.—Each grant re-
8 cipient shall implement the comprehensive
9 training program developed in subparagraph
10 (A) as soon as feasible. Such training shall pro-
11 vide instruction on the job and the social skills
12 necessary for successful long-term employment
13 of individuals who are deaf and low functioning.

14 “(C) ESTABLISHING A POST-TRAINING
15 PROGRAM OF EMPLOYMENT AND SUPPORT
16 SERVICES.—Each grant recipient shall imple-
17 ment employment and support services to assist
18 individuals who complete the training program
19 under subparagraph (A) in securing employ-
20 ment and transitioning to the workplace for a
21 period of not less than 90 days subsequent to
22 placement.

23 “(5) APPLICATIONS.—Each entity desiring to
24 receive a grant under this subsection shall submit an
25 application to the Secretary at such time, in such

1 manner, and accompanied by such information as
2 the Secretary may require including—

3 “(A) a description of how the applicant
4 plans to address the activities authorized under
5 this subsection;

6 “(B) a description of the evaluation plan
7 to be used in the project;

8 “(C) a description of how the applicant will
9 disseminate information about the training pro-
10 gram developed and the results of the model
11 demonstration project; and

12 “(D) a description of how the project will
13 coordinate with any other relevant service pro-
14 viders or entities providing employment training
15 and supports for individuals who are deaf and
16 low functioning.

17 “(6) MANDATED EVALUATION AND DISSEMINA-
18 TION ACTIVITIES.—

19 “(A) ANNUAL REPORT.—Not later than 2
20 years after the date on which a grant under
21 this subsection is awarded and annually there-
22 after, each grant recipient shall submit to the
23 Commissioner a report containing—

1 “(i) the number of individuals who are
2 participating in the demonstration project
3 funded under this subsection;

4 “(ii) the employment and other skills
5 being taught in the project;

6 “(iii) the number of individuals par-
7 ticipating in the project that are placed in
8 employment;

9 “(iv) the job sites in which those indi-
10 viduals are placed and the type of jobs
11 they are placed in; and

12 “(v) the number of individuals who
13 have dropped out of the project and the
14 reasons for their terminating participation
15 in the project.

16 “(B) EVALUATION OF THE PROJECT.—
17 Each grant recipient shall implement the eval-
18 uation plan approved in its application for de-
19 termining the results of the project within the
20 timeframe specified in, and following the provi-
21 sions of, its approved application.

22 “(C) PARTICIPANT EVALUATION PROCESS;
23 FINAL EVALUATION.—In the final year of the
24 project, the grant recipient will produce a final

1 evaluation report of the results of the model
2 demonstration project containing—

3 “(i) the number of individuals who
4 participated in the training program;

5 “(ii) a description of the job sites in
6 which those individuals were placed;

7 “(iii) the number of individuals placed
8 in employment and the type of employment
9 in which they were placed;

10 “(iv) the number of individuals who
11 did not complete their training and the
12 reasons those individuals dropped out of
13 the project;

14 “(v) the number of individuals who
15 participated in the training project and
16 who remain employed as of 2 months prior
17 to the date on which the final report is
18 submitted to the Secretary;

19 “(vi) a written analysis of the model
20 project, including both the strengths and
21 weaknesses of the project, to assist other
22 entities in replicating the training program
23 developed through this model demonstra-
24 tion project; and

1 “(vii) such other information as the
2 Secretary determines appropriate.

3 “(D) DISSEMINATION.—Not later than 5
4 years after the date on which an award is
5 granted under this subsection, the evaluations
6 and results of activities funded by such grant
7 shall be disseminated to State vocational reha-
8 bilitation agencies, school systems providing in-
9 struction to students who are deaf, supported
10 employment providers, postsecondary vocational
11 training programs, employers, the Social Secu-
12 rity Administration, and other interested par-
13 ties.

14 “(7) AUTHORIZATION OF APPROPRIATIONS.—
15 There are authorized to be appropriated to carry out
16 this subsection, \$5,000,000 for fiscal year 2006 and
17 such sums as may be necessary for each of fiscal
18 years 2007 through 2010.”;

19 (4) by inserting after subsection (f), as redesign-
20 nated by paragraph (2), the following:

21 “(g) ACCESS TO TELEWORK.—

22 “(1) DEFINITION OF TELEWORK.—In this sub-
23 section, the term ‘telework’ means to work from
24 home and other telework sites with the assistance of
25 a computer and with reasonable accommodations, in-

1 including the necessary equipment to facilitate suc-
2 cessful work from home and other telework sites.

3 “(2) AUTHORIZATION OF PROGRAM.—The Com-
4 missioner is authorized to make grants to States and
5 governing bodies of American Indian tribes located
6 on Federal and State reservations (and consortia of
7 such governing bodies) to pay for the Federal share
8 of the cost of establishing or expanding a telework
9 program.

10 “(3) APPLICATION.—A State that desires to re-
11 ceive a grant under this subsection shall submit an
12 application to the Commissioner at such time, in
13 such manner, and containing such information as
14 the Commissioner may require.

15 “(4) USE OF FUNDS.—A State that receives a
16 grant under this subsection shall establish or expand
17 a telework program that shall provide loans or other
18 alternative financing mechanisms to individuals with
19 disabilities to enable such individuals to purchase
20 computers or other equipment, including adaptive
21 equipment, that facilitates work from home and
22 other telework sites so that such individuals are able
23 to telework.

24 “(5) ANNUAL REPORT.—

1 “(A) IN GENERAL.—A State that receives
2 a grant under this subsection shall submit an
3 annual report to the Commissioner.

4 “(B) CONTENTS.—The report under sub-
5 paragraph (A) shall include the following:

6 “(i) The characteristics of each indi-
7 vidual with a disability that receives a loan
8 or other alternative financing mechanism
9 under the program, including information
10 about the individual such as the following:

11 “(I) Age.

12 “(II) Ethnicity.

13 “(III) Type of disability.

14 “(IV) Employment status at the
15 time of application for a loan or other
16 alternative financing mechanism
17 under this subsection.

18 “(V) Whether the individual at-
19 tempted to secure financial support
20 from other sources to enable the indi-
21 vidual to telework and, if so, a de-
22 scription of such sources.

23 “(VI) Whether the individual is
24 working and, if so, whether the indi-
25 vidual teleworks, the occupation in

1 which the individual is working, the
 2 hourly salary the individual receives,
 3 and the hourly salary of the individual
 4 prior to receiving a loan or other al-
 5 ternative financing mechanism under
 6 the program.

7 “(VII) Whether the individual
 8 has repaid the loan or other alter-
 9 native financing mechanism received
 10 under the program, is in repayment
 11 status, is delinquent on repayments,
 12 or has defaulted on the loan or other
 13 alternative financing mechanism.

14 “(ii) Any other information that the
 15 Commissioner may require.

16 “(6) FEDERAL SHARE.—The Federal share of
 17 the cost of establishing a telework program shall be
 18 10 percent of the cost.”; and

19 (5) in subsection (h), as redesignated by para-
 20 graph (2)—

21 (A) by striking “this section” and inserting
 22 “this section (other than subsections (c) and
 23 (d))”; and

1 (B) by striking “fiscal years 1999 through
 2 2003” and inserting “fiscal years 2006 through
 3 2011”.

4 **SEC. 464B. MIGRANT AND SEASONAL FARMWORKERS.**

5 Section 304(b) of the Rehabilitation Act of 1973 (29
 6 U.S.C. 774(b)) is amended by striking “fiscal years 1999
 7 through 2003” and inserting “fiscal years 2006 through
 8 2011”.

9 **SEC. 464C. RECREATIONAL PROGRAMS.**

10 Section 305 of the Rehabilitation Act of 1973 (29
 11 U.S.C. 775) is amended—

12 (1) in subsection (a)(1)(B), by striking “con-
 13 struction of facilities for aquatic rehabilitation ther-
 14 apy,”; and

15 (2) in subsection (b), by striking “fiscal years
 16 1999 through 2003” and inserting “fiscal years
 17 2006 through 2011”.

18 **Subchapter D—National Council on**
 19 **Disability**

20 **SEC. 465. AUTHORIZATION OF APPROPRIATIONS.**

21 Section 405 of the Rehabilitation Act of 1973 (29
 22 U.S.C. 785) is amended by striking “fiscal years 1999
 23 through 2003” and inserting “fiscal years 2006 through
 24 2011”.

1 **Subchapter E—Rights and Advocacy**

2 **SEC. 466. ARCHITECTURAL AND TRANSPORTATION BAR-**
 3 **RIERS COMPLIANCE BOARD.**

4 Section 502(j) of the Rehabilitation Act of 1973 (29
 5 U.S.C. 792(j)) is amended by striking “fiscal years 1999
 6 through 2003” and inserting “fiscal years 2006 through
 7 2011”.

8 **SEC. 466A. PROTECTION AND ADVOCACY OF INDIVIDUAL**
 9 **RIGHTS.**

10 Section 509 of the Rehabilitation Act of 1973 (29
 11 U.S.C. 794e) is amended—

12 (1) in subsection (g)(2), by striking “was paid”
 13 and inserting “was paid, except that program in-
 14 come generated from the amount paid to an eligible
 15 system shall remain available to such system until
 16 expended”; and

17 (2) in subsection (l), by striking “fiscal years
 18 1999 through 2003” and inserting “fiscal years
 19 2006 through 2011”.

20 **Subchapter F—Employment Opportunities**
 21 **for Individuals With Disabilities**

22 **SEC. 467. PROJECTS WITH INDUSTRY AUTHORIZATION OF**
 23 **APPROPRIATIONS.**

24 Section 612 of the Rehabilitation Act of 1973 (29
 25 U.S.C. 795a) is amended by striking “fiscal years 1999

1 through 2003” and inserting “fiscal years 2006 through
2 2011”.

3 **SEC. 467A. SERVICES FOR INDIVIDUALS WITH SIGNIFICANT**
4 **DISABILITIES AUTHORIZATION OF APPRO-**
5 **PRIATIONS.**

6 Section 628 of the Rehabilitation Act of 1973 (29
7 U.S.C. 795n) is amended by striking “fiscal years 1999
8 through 2003” and inserting “fiscal years 2006 through
9 2011”.

10 **Subchapter G—Independent Living Services**
11 **and Centers for Independent Living**

12 **SEC. 468. STATE PLAN.**

13 Section 704 of the Rehabilitation Act of 1973 (42
14 U.S.C. 795c) is amended by adding at the end the fol-
15 lowing:

16 “(o) PROMOTING FULL ACCESS TO COMMUNITY
17 LIFE.—The plan shall describe how the State will provide
18 independent living services that promote full access to
19 community life for individuals with significant disabilities.
20 The services shall include, as appropriate, facilitating
21 transitions from nursing homes and other institutions, in-
22 cluding institutions serving individuals with cognitive dis-
23 abilities, to community-based residences, assisting individ-
24 uals with significant disabilities at risk of entering institu-
25 tions to remain in the community, and promoting home

1 ownership among individuals with significant disabil-
 2 ities.”.

3 **SEC. 468A. STATEWIDE INDEPENDENT LIVING COUNCIL.**

4 (a) Section 705(b) of the Rehabilitation Act of 1973
 5 (29 U.S.C. 796d(b)) is amended—

6 (1) in paragraph (2), by striking subparagraph
 7 (C) and inserting the following:

8 “(C) in a State in which 1 or more
 9 projects provide services under section 121, not
 10 less than 1 representative of the directors of the
 11 projects.”; and

12 (2) by striking paragraph (5) and inserting the
 13 following:

14 “(5) CHAIRPERSON.—The Council shall select a
 15 chairperson from among the voting membership of
 16 the Council.”.

17 **SEC. 468B. INDEPENDENT LIVING SERVICES AUTHORIZA-**
 18 **TION OF APPROPRIATIONS.**

19 Section 714 of the Rehabilitation Act of 1973 (29
 20 U.S.C. 796e–3) is amended by striking “fiscal years 1999
 21 through 2003” and inserting “fiscal years 2006 through
 22 2011”.

23 **SEC. 468C. PROGRAM AUTHORIZATION.**

24 Section 721 of the Rehabilitation Act of 1973 (42
 25 U.S.C. 796f) is amended—

(1) by striking subsection (c) and inserting the following:

“(c) ALLOTMENTS TO STATES.—

“(1) DEFINITIONS.—In this subsection:

“(A) ADDITIONAL APPROPRIATION.—The term ‘additional appropriation’ means the amount (if any) by which the appropriation for a fiscal year exceeds the total of—

“(i) the amount reserved under subsection (b) for that fiscal year; and

“(ii) the appropriation for fiscal year 2003.

“(B) APPROPRIATION.—The term ‘appropriation’ means the amount appropriated to carry out this part.

“(C) BASE APPROPRIATION.—The term ‘base appropriation’ means the portion of the appropriation for a fiscal year that is equal to the lesser of—

“(i) an amount equal to 100 percent of the appropriation, minus the amount reserved under subsection (b) for that fiscal year; or

“(ii) the appropriation for fiscal year 2003.

1 “(2) ALLOTMENTS TO STATES FROM BASE AP-
 2 PROPRIATION.—After the reservation required by
 3 subsection (b) has been made, the Commissioner
 4 shall allot to each State whose State plan has been
 5 approved under section 706 an amount that bears
 6 the same ratio to the base appropriation as the
 7 amount the State received under this subsection for
 8 fiscal year 2003 bears to the total amount that all
 9 States received under this subsection for fiscal year
 10 2003.

11 “(3) ALLOTMENTS TO STATES OF ADDITIONAL
 12 APPROPRIATION.—From any additional appropria-
 13 tion for each fiscal year, the Commissioner shall
 14 allot to each State whose State plan has been ap-
 15 proved under section 706 an amount equal to the
 16 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
 22 appropriation.”; 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
3 723, that are not obligated and expended by recipi-
4 ents prior to the beginning of the succeeding fiscal
5 year shall remain available for obligation and ex-
6 penditure by such recipients during that succeeding
7 fiscal year and the subsequent fiscal year; and

8 “(2) any amounts of program income received
9 by recipients under a grant program under section
10 722 or 723 in a fiscal year that are not obligated
11 and expended by recipients prior to the beginning of
12 the succeeding fiscal year, shall remain available for
13 obligation and expenditure by such recipients during
14 that succeeding fiscal year and the subsequent fiscal
15 year.”.

16 **SEC. 468D. GRANTS TO CENTERS FOR INDEPENDENT LIV-**
17 **ING IN STATES IN WHICH FEDERAL FUNDING**
18 **EXCEEDS STATE FUNDING.**

19 Section 722(c) of the Rehabilitation Act of 1973 (29
20 U.S.C. 796f–1(c)) is amended by striking “by September
21 30, 1997” and inserting “during the preceding year”.

1 **SEC. 468E. GRANTS TO CENTERS FOR INDEPENDENT LIV-**
2 **ING 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 by striking “by September
6 30, 1997” and inserting “during the preceding year”.

7 **SEC. 468F. STANDARDS AND ASSURANCES FOR CENTERS**
8 **FOR INDEPENDENT LIVING.**

9 Section 725(b) of the Rehabilitation Act of 1973 (29
10 U.S.C. 796f–4(b)) is amended by adding at the end the
11 following:

12 “(8) PROMOTING FULL ACCESS TO COMMUNITY
13 LIFE.—The center shall provide independent living
14 services that promote full access to community life
15 for individuals with significant disabilities. The serv-
16 ices shall include, as appropriate, facilitating transi-
17 tions from nursing homes and other institutions, in-
18 cluding institutions serving individuals with cognitive
19 disabilities, to community-based residences, assisting
20 individuals with significant disabilities at risk of en-
21 tering institutions to remain in the community, and
22 promoting home ownership among individuals with
23 significant disabilities.”.

1 **SEC. 468G. CENTERS FOR INDEPENDENT LIVING AUTHOR-**
 2 **IZATION OF APPROPRIATIONS.**

3 Section 727 of the Rehabilitation Act of 1973 (29
 4 U.S.C. 796f–6) is amended by striking “fiscal years 1999
 5 through 2003” and inserting “fiscal years 2006 through
 6 2011”.

7 **SEC. 468H. INDEPENDENT LIVING SERVICES FOR OLDER**
 8 **INDIVIDUALS WHO ARE BLIND.**

9 Chapter 2 of title VII of the Rehabilitation Act of
 10 1973 (29 U.S.C. 796j et seq.) is amended—

11 (1) by redesignating sections 752 and 753 as
 12 sections 753 and 754, respectively; and

13 (2) by inserting after section 751 the following:

14 **“SEC. 752. TRAINING AND TECHNICAL ASSISTANCE.**

15 “(a) GRANTS; CONTRACTS; OTHER ARRANGE-
 16 MENTS.—For any fiscal year for which the funds appro-
 17 priated to carry out this chapter exceed the funds appro-
 18 priated to carry out this chapter for fiscal year 2003, the
 19 Commissioner shall first reserve from such excess, to pro-
 20 vide training and technical assistance to designated State
 21 agencies for such fiscal year, not less than 1.8 percent,
 22 and not more than 2 percent, of the funds appropriated
 23 to carry out this chapter for the fiscal year involved.

24 “(b) ALLOCATION.—From the funds reserved under
 25 subsection (a), the Commissioner shall make grants to,
 26 and enter into contracts and other arrangements with, en-

1 titles that demonstrate expertise in the provision of serv-
2 ices to older individuals who are blind to provide training
3 and technical assistance with respect to planning, devel-
4 oping, conducting, administering, and evaluating inde-
5 pendent living programs for older individuals who are
6 blind.

7 “(c) FUNDING PRIORITIES.—The Commissioner shall
8 conduct a survey of designated State agencies that receive
9 grants under section 753 regarding training and technical
10 assistance needs in order to determine funding priorities
11 for grants, contracts, and other arrangements under this
12 section.

13 “(d) REVIEW.—To be eligible to receive a grant or
14 enter into a contract or other arrangement under this sec-
15 tion, an eligible entity shall submit an application to the
16 Commissioner at such time, in such manner, containing
17 a proposal to provide such training and technical assist-
18 ance, and containing such additional information as the
19 Commissioner may require.

20 “(e) PROHIBITION ON COMBINED FUNDS.—No funds
21 reserved by the Commissioner under this section may be
22 combined with funds appropriated under any other Act or
23 part of this Act if the purpose of combining funds is to
24 make a single discretionary grant or a single discretionary
25 payment, unless such funds appropriated under this chap-

ter are separately identified in such grant or payment and are used for the purposes of this chapter.”.

SEC. 468I. PROGRAM OF GRANTS.

Section 753 of the Rehabilitation Act of 1973, as redesignated by section 468H, is amended—

(1) in subsection (g), by inserting “, or contracts with,” after “grants to”;

(2) by striking subsection (h);

(3) by redesignating subsections (i) and (j) as subsections (h) and (i), respectively;

(4) in subsection (b), by striking “section 753” and inserting “section 754”;

(5) in subsection (c)—

(A) in paragraph (1), by striking “section 753” and inserting “section 754”; and

(B) in paragraph (2)—

(i) by striking “subsection (i)” and inserting “subsection (h)”; and

(ii) by striking “subsection (j)” and inserting “subsection (i)”;

(6) in subsection (h), as redesignated by paragraph (3)—

(A) in paragraph (1), by striking “subsection (j)(4)” and inserting “subsection (i)(4)”; and

1 (B) in paragraph (2)—

2 (i) in subparagraph (A)(vi), by adding
3 “and” after the semicolon;

4 (ii) in subparagraph (B)(ii)(III), by
5 striking “; and” and inserting a period;
6 and

7 (iii) by striking subparagraph (C);
8 and

9 (7) in subsection (i), as redesignated by para-
10 graph (3)—

11 (A) by striking paragraph (2) and insert-
12 ing the following:

13 “(2) MINIMUM ALLOTMENT.—

14 “(A) STATES.—In the case of the several
15 States, the District of Columbia, and the Com-
16 monwealth of Puerto Rico, the amount referred
17 to in paragraph (1)(A) for a fiscal year is the
18 greater of—

19 “(i) \$350,000;

20 “(ii) an amount equal to the amount
21 the State, the District of Columbia, or the
22 Commonwealth of Puerto Rico received to
23 carry out this chapter for fiscal year 2003;
24 or

1 “(iii) an amount equal to $\frac{1}{3}$ of 1 per-
 2 cent of the amount appropriated under sec-
 3 tion 754, and not reserved under section
 4 752, for the fiscal year and available for
 5 allotments under subsection (a).

6 “(B) CERTAIN TERRITORIES.—In the case
 7 of Guam, American Samoa, the United States
 8 Virgin Islands, and the Commonwealth of the
 9 Northern Mariana Islands, the amount referred
 10 to in paragraph (1)(A) for a fiscal year is
 11 \$60,000.”;

12 (B) in paragraph (3)(A), by striking “sec-
 13 tion 753” and inserting “section 754, and not
 14 reserved under section 752,”; and

15 (C) in paragraph (4)(B)(i), by striking
 16 “subsection (i)” and inserting “subsection (h)”.

17 **SEC. 468J. INDEPENDENT LIVING SERVICES FOR OLDER IN-**
 18 **DIVIDUALS WHO ARE BLIND AUTHORIZATION**
 19 **OF APPROPRIATIONS.**

20 Section 754 of the Rehabilitation Act of 1973, as re-
 21 designated by section 468H, is amended by striking “fiscal
 22 years 1999 through 2003” and inserting “fiscal years
 23 2006 through 2011”.

1 **Subchapter H—Miscellaneous**

2 **SEC. 469. HELEN KELLER NATIONAL CENTER ACT.**

3 (a) GENERAL AUTHORIZATION OF APPROPRIA-
4 TIONS.—The first sentence of section 205(a) of the Helen
5 Keller National Center Act (29 U.S.C. 1904(a)) is amend-
6 ed by striking “1999 through 2003” and inserting “2006
7 through 2011”.

8 (b) HELEN KELLER NATIONAL CENTER FEDERAL
9 ENDOWMENT FUND.—The first sentence of section
10 208(h) of the Helen Keller National Center Act (29
11 U.S.C. 1907(h)) is amended by striking “1999 through
12 2003” and inserting “2006 through 2011”.

13 **CHAPTER 5—TRANSITION AND EFFECTIVE**
14 **DATE**

15 **SEC. 471. TRANSITION PROVISIONS.**

16 The Secretary of Labor shall, at the discretion of the
17 Secretary, take such actions as the Secretary determines
18 to be appropriate to provide for the orderly implementa-
19 tion of chapters 1 and 3 of this subtitle. The Secretary
20 of Education shall, at the discretion of the Secretary, take
21 such actions as the Secretary determines to be appropriate
22 to provide for the orderly implementation of chapters 2
23 and 4 of this subtitle.

1 **SEC. 471A. EFFECTIVE DATE.**

2 Except as otherwise provided in this subtitle, this
3 subtitle and the amendments made by this subtitle shall
4 take effect on the date of enactment of this Act.

5 **TITLE V—MAKING EDUCATION**
6 **MORE AFFORDABLE**

7 **SEC. 501. SENSE OF THE SENATE REGARDING MAKING EDU-**
8 **CATION MORE AFFORDABLE.**

9 It is the sense of the Senate that—

10 (1) parents should be able to trust that the tax
11 code will not change so that they may adequately
12 plan how to pay for their child's education; and

13 (2) therefore the following provisions in title IV
14 of the Economic Growth and Tax Relief Reconcili-
15 ation Act of 2001 should be made permanent:

16 (A) The increase in the Coverdell Edu-
17 cation Savings Account contribution to \$2,000
18 and the modification that permits such money
19 to be used for kindergarten through grade 12
20 expenses.

21 (B) The modification making qualified tui-
22 tion savings programs tax-exempt and allowing
23 private institutions to offer prepaid tuition
24 plans.

1 (C) The increases to the income limits for
 2 the student loan interest deduction and the
 3 elimination of the 60-month rule.

4 (D) The above-the-line deduction for quali-
 5 fied tuition expenses of \$3,000 in 2002 and
 6 2003, and \$4,000 in 2004 and 2005.

7 (E) The liberalization of tax-exempt fi-
 8 nancing rules for public school construction.

9 **SEC. 502. AFFORDABLE EDUCATION PROVISIONS MADE**
 10 **PERMANENT.**

11 Title IX of the Economic Growth and Tax Relief Rec-
 12 onciliation Act of 2001 (relating to sunset of provisions
 13 of such Act) shall not apply to title IV of such Act (relat-
 14 ing to affordable education provisions).

15 **SEC. 503. CREDIT FOR EDUCATION, TUITION, AND TRANS-**
 16 **PORTATION EXPENSES OF STUDENTS AS-**
 17 **SIGNED TO SCHOOLS IDENTIFIED FOR**
 18 **SCHOOL IMPROVEMENT.**

19 (a) SHORT TITLE.—This section may be cited as the
 20 “Give Back to Parents Act of 2005”.

21 (b) SENSE OF THE SENATE.—It is the sense of the
 22 Senate that a refundable tax credit for up to 50 percent
 23 of the first \$5,000 a parent spends to enable a child to
 24 attend another public or private school would help defray
 25 the cost of tuition at and transportation to a better school,

1 and would therefore enable parents of children assigned
 2 to schools identified for school improvement access to bet-
 3 ter education options.

4 (c) AMENDMENT.—Subpart C of part IV of sub-
 5 chapter A of chapter 1 of the Internal Revenue Code of
 6 1986 (relating to refundable credits) is amended by redes-
 7 ignating section 36 as section 37 and by inserting after
 8 section 35 the following new section:

9 **“SEC. 36. EDUCATION EXPENSES OF STUDENTS ASSIGNED**
 10 **TO SCHOOLS IDENTIFIED FOR SCHOOL IM-**
 11 **PROVEMENT.**

12 “(a) GENERAL RULE.—In the case of an individual,
 13 there shall be allowed as a credit against the tax imposed
 14 by this subtitle for the taxable year 50 percent of the
 15 amount of the qualified education expenses paid by the
 16 taxpayer during the taxable year for the education of any
 17 individual—

18 “(1) with respect to whom the taxpayer is al-
 19 lowed a deduction under section 151(c), and

20 “(2) who would have otherwise been assigned to
 21 a public school identified for school improvement
 22 under section 1116 of the Elementary and Sec-
 23 ondary Education Act of 1965 but who incurred
 24 qualified education expenses to enroll in a public or
 25 nonpublic school not identified for school improve-

1 ment under such section for the period to which
2 such expenses relate.

3 “(b) LIMITATION.—The amount of qualified edu-
4 cation expenses which may be taken into account under
5 subsection (a) for any taxable year with respect to any
6 1 individual shall not exceed \$5,000.

7 “(c) DEFINITIONS.—For purposes of this section—

8 “(1) QUALIFIED EDUCATION EXPENSES.—

9 “(A) IN GENERAL.—The term ‘qualified
10 education expenses’ means amounts paid for—

11 “(i) tuition and fees required for the
12 enrollment or attendance of a student at
13 an eligible educational institution,

14 “(ii) transportation to and from an in-
15 dividual’s home and an eligible educational
16 institution, and

17 “(iii) books, supplies, computer equip-
18 ment (including related software and serv-
19 ices), and other equipment required for
20 courses of instruction at an eligible edu-
21 cational institution.

22 “(B) MEALS AND LODGING EXPENSES NOT
23 INCLUDED.—Such term does not include any
24 amount paid, directly or indirectly, for meals,
25 lodging, or similar personal, living, or family ex-

penses. In the event an amount paid for tuition or fees includes an amount for meals, lodging, or similar expenses which is not separately stated, the portion of such amount which is attributable to meals, lodging, or similar expenses shall be determined under regulations prescribed by the Secretary.

“(C) SPECIAL RULE FOR HOME SCHOOLING.—In the case of education furnished in the home (as a substitute for public education) which meets the requirements of State law relating to compulsory school attendance, the term ‘qualified education expenses’ means amounts paid for tutoring, books, supplies, computer equipment (including related software and services), and other equipment directly used in furnishing such education.

“(2) ELIGIBLE EDUCATIONAL INSTITUTION.—

The term ‘eligible educational institution’ means—

“(A) a secondary school,

“(B) an elementary school, or

“(C) any private, parochial, religious, or home school organized for the purpose of providing elementary or secondary education, or both.

1 “(3) ELEMENTARY AND SECONDARY
2 SCHOOLS.—The terms ‘elementary school’ and ‘sec-
3 ondary school’ have the respective meanings given
4 such terms by section 9101 of the Elementary and
5 Secondary Education Act of 1965.

6 “(d) ADJUSTMENT FOR CERTAIN SCHOLARSHIPS.—
7 The amounts otherwise taken into account under sub-
8 section (a) as qualified education expenses of any indi-
9 vidual during any period shall be reduced (before the ap-
10 plication of subsection (b)) by the sum of the amounts
11 received with respect to such individual for the taxable
12 year as a qualified scholarship which under section 117
13 is not includable in gross income.

14 “(e) REGULATIONS.—The Secretary shall prescribe
15 such regulations as may be necessary to carry out the pro-
16 visions of this section.”.

17 (d) TECHNICAL AMENDMENTS.—

18 (1) Paragraph (2) of section 1324(b) of title
19 31, United States Code, is amended by inserting be-
20 fore the period “, or from section 36 of such Code”.

21 (2) The table of sections for subpart C of part
22 IV of subchapter A of chapter 1 of such Code is
23 amended by striking the last item and inserting the
24 following new items:

“Sec. 36. Education expenses of students assigned to schools
identified for school improvement.

“Sec. 37. Overpayments of tax.”.

