

110TH CONGRESS
1ST SESSION

H. R. 3747

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

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 4, 2007

Mr. McKEON (for himself, Mr. KELLER of Florida, Mr. BOUSTANY, Mr. KLINE of Minnesota, Mr. DAVID DAVIS of Tennessee, and Mr. SOUDER) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

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

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Workforce Investment
3 Improvement Act of 2007”.

4 **SEC. 2. TABLE OF CONTENTS.**

5 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. References.

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

- Sec. 101. Definitions.
- Sec. 102. Purpose.
- Sec. 103. State workforce investment boards.
- Sec. 104. State plan.
- Sec. 105. Local workforce investment areas.
- Sec. 106. Local workforce investment boards.
- Sec. 107. Local plan.
- Sec. 108. Establishment of One-Stop delivery systems.
- Sec. 109. Eligible providers of training services.
- Sec. 110. Eligible providers of Youth Activities.
- Sec. 111. Youth Activities.
- Sec. 112. Comprehensive programs for adults.
- Sec. 113. Performance accountability system.
- Sec. 114. Authorization of appropriations.
- Sec. 115. Job Corps.
- Sec. 116. Native American programs.
- Sec. 117. Migrant and seasonal farmworker programs.
- Sec. 118. Veterans’ workforce investment programs.
- Sec. 119. Youth challenge grants.
- Sec. 120. Technical assistance.
- Sec. 121. Demonstration, pilot, multiservice, research and multi-state projects.
- Sec. 122. Community-Based job training.
- Sec. 123. Evaluations.
- Sec. 124. National dislocated worker grants.
- Sec. 125. Authorization of appropriations for national activities.
- Sec. 126. Requirements and restrictions.
- Sec. 127. Nondiscrimination.
- Sec. 128. Administrative provisions.
- Sec. 129. State legislative authority.
- Sec. 130. Workforce innovation in regional economic development.
- Sec. 131. General program requirements.

TITLE II—ADULT EDUCATION, BASIC SKILLS, AND FAMILY
LITERACY EDUCATION

- Sec. 201. Table of contents.
- Sec. 202. Amendment.

TITLE III—AMENDMENTS TO THE WAGNER–PEYSER ACT

Sec. 301. Amendments to the Wagner-Peyser Act.

TITLE IV—AMENDMENTS TO THE REHABILITATION ACT OF 1973

Sec. 401. Findings.
 Sec. 402. Rehabilitation Services Administration.
 Sec. 403. Director.
 Sec. 404. Definitions.
 Sec. 405. State plan.
 Sec. 406. Scope of services.
 Sec. 407. Standards and indicators.
 Sec. 408. Reservation for expanded transition services.
 Sec. 409. Client assistance program.
 Sec. 410. Protection and advocacy of individual rights.
 Sec. 411. Chairperson.
 Sec. 412. Authorizations of appropriations.
 Sec. 413. Conforming amendment.
 Sec. 414. Helen Keller National Center Act.

TITLE V—TRANSITION AND EFFECTIVE DATE

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

1 **SEC. 3. REFERENCES.**

2 Except as otherwise expressly provided, wherever in
 3 this Act an amendment or repeal is expressed in terms
 4 of an amendment to, or repeal of, a section or other provi-
 5 sion, the amendment or repeal shall be considered to be
 6 made to a section or other provision of the Workforce In-
 7 vestment Act of 1998 (20 U.S.C. 9201 et seq.).

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

11 **SEC. 101. DEFINITIONS.**

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

13 (1) by striking paragraphs (13) and (24) and
 14 redesignating paragraphs (1) through (12) as para-
 15 graphs (3) through (14), and paragraphs (14)

1 through (23) as paragraphs (15) through (24), re-
2 spectively;

3 (2) by inserting after “In this title:” the fol-
4 lowing new paragraphs:

5 “(1) ACCRUED EXPENDITURES.—The term ‘ac-
6 crued expenditures’ means charges incurred by re-
7 cipients of funds under this title for a given period
8 requiring the provision of funds for goods or other
9 tangible property received; services performed by
10 employees, contractors, subgrantees, subcontractors,
11 and other payees; and other amounts becoming owed
12 under programs assisted under this title for which
13 no current services or performance is required, such
14 as annuities, insurance claims, and other benefit
15 payments.

16 “(2) ADMINISTRATIVE COSTS.—The term ‘ad-
17 ministrative costs’ means expenditures incurred by
18 State and local workforce investment boards, direct
19 recipients (including State grant recipients under
20 subtitle B and recipients of awards under subtitle
21 D), local grant recipients, local fiscal agents or local
22 grant subrecipients, and one-stop operators in the
23 performance of administrative functions and in car-
24 rying out activities under this title which are not re-
25 lated to the direct provision of workforce investment

1 services (including services to participants and em-
2 ployers). Such costs include both personnel and non-
3 personnel and both direct and indirect.”;

4 (3) in paragraph (6) (as so redesignated), by
5 inserting “(or such other level as the Governor may
6 establish)” after “8th grade level”;

7 (4) in paragraph (10)(C) (as so redesignated),
8 by striking “not less than 50 percent of the cost of
9 the training” and inserting “a significant portion of
10 the cost of training, as determined by the local
11 board (or, in the case of an employer in multiple
12 local areas in the State, as determined by the Gov-
13 ernor), taking into account the size of the employer
14 and such other factors as the local board determines
15 to be appropriate”; and

16 (5) in paragraph (11) (as so redesignated)—

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

20 (B) in subparagraph (B)(iii), by striking
21 “intensive services described in section
22 134(d)(3)” and inserting “work ready services
23 described in section 134(e)(3)(M) through (U)”;

24 (C) in subparagraph (C), by striking “or”
25 after the semicolon;

1 (D) in subparagraph (D), by striking the
2 period and inserting “; or”; and

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

4 “(E)(i) is the spouse of a member of the
5 Armed Forces on active duty for a period of
6 more than 30 days (as defined in section
7 101(d)(2) of title 10, United States Code) who
8 has experienced a loss of employment as a di-
9 rect result of relocation to accommodate a per-
10 manent change in duty station of such member;
11 or

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

15 (6) in paragraph (12)(A) (as redesignated)—

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

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

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

21 “(ii) is the dependent spouse of a member
22 of the Armed Forces on active duty for a period
23 of more than 30 days (as defined in section
24 101(d)(2) of title 10, United States Code)
25 whose family income is significantly reduced be-

1 cause of a deployment (as defined in section
2 991(b) of title 10, United States Code, or pur-
3 suant to paragraph (4) of such section), a call
4 or order to active duty pursuant to a provision
5 of law referred to in section 101(a)(13)(B) of
6 title 10, United States Code, a permanent
7 change of station, or the service-connected (as
8 defined in section 101(16) of title 38, United
9 States Code) death or disability of the member;
10 and”;

11 (7) in paragraph (13) (as so redesignated), by
12 inserting “or regional” after “local” each place it
13 appears;

14 (8) in paragraph (14) (as so redesignated)—

15 (A) in subparagraph (A), by striking “sec-
16 tion 122(e)(3)” and inserting “section 122”;
17 and

18 (B) by striking subparagraph (B), and in-
19 serting the following:

20 “(B) work ready services, means a provider
21 who is identified or awarded a contract as de-
22 scribed in section 134(c)(3);”.

23 (9) in paragraph (25)—

24 (A) in subparagraph (B), by striking
25 “higher of—” and all that follows through

1 clause (ii) and inserting “poverty line for an
2 equivalent period;” and

3 (B) by redesignating subparagraphs (D)
4 through (F) as subparagraphs (E) through (G),
5 respectively, and inserting after subparagraph
6 (C) the following:

7 “(D) receives or is eligible to receive free
8 or reduced price lunch under the Richard B.
9 Russell National School Lunch Act (42 U.S.C.
10 1751 et seq.);”;

11 (10) in paragraph (32) by striking “the Repub-
12 lic of the Marshall Islands, the Federated States of
13 Micronesia,”; and

14 (11) by striking paragraph (33) and redesign-
15 ating paragraphs (34) through (53) as paragraphs
16 (33) through (52), respectively.

17 **SEC. 102. PURPOSE.**

18 Section 106 (29 U.S.C. 2811) is amended by insert-
19 ing at the end the following: “It is also the purpose of
20 this subtitle to provide workforce investment activities in
21 a manner that promotes the informed choice of partici-
22 pants and actively involves participants in obtaining train-
23 ing services that will increase their skills and improve their
24 employment outcomes.”.

1 **SEC. 103. STATE WORKFORCE INVESTMENT BOARDS.**

2 (a) MEMBERSHIP.—

3 (1) IN GENERAL.—Section 111(b) (29 U.S.C.
4 2821(b)) is amended—

5 (A) by amending paragraph (1)(C) to read
6 as follows:

7 “(C) representatives appointed by the Gov-
8 ernor, who are—

9 “(i)(I) the lead State agency officials
10 with responsibility for the programs and
11 activities that are described in section
12 121(b) and carried out by one-stop part-
13 ners;

14 “(II) in any case in which no lead
15 State agency official has responsibility for
16 such a program or activity, a representa-
17 tive in the State with expertise relating to
18 such program or activity; and

19 “(III) if not included under subclause
20 (I), the director of the State unit, defined
21 in section 7(8)(B) of the Rehabilitation
22 Act of 1973 (29 U.S.C. 705(8)(B)) except
23 that in a State that has established 2 or
24 more designated State units to administer
25 the vocational rehabilitation program, the
26 board representative shall be the director

1 of the designated State unit that serves the
2 most individuals with disabilities in the
3 State;

4 “(ii) the State agency officials respon-
5 sible for economic development;

6 “(iii) representatives of business in
7 the State who—

8 “(I) are owners of businesses,
9 chief executive or operating officers of
10 businesses, and other business execu-
11 tives or employers with optimum pol-
12 icy making or hiring authority, includ-
13 ing members of local boards described
14 in section 117(b)(2)(A)(i);

15 “(II) represent businesses with
16 employment opportunities that reflect
17 employment opportunities in the
18 State; and

19 “(III) are appointed from among
20 individuals nominated by State busi-
21 ness organizations and business trade
22 associations;

23 “(iv) chief elected officials (rep-
24 resenting both cities and counties, where
25 appropriate);

1 “(v) one or more representatives of
2 labor organizations, who have been nomi-
3 nated by State labor federations or labor
4 organizations within the State; and

5 “(vi) such other representatives and
6 State agency officials as the Governor may
7 designate.”; and

8 (B) in paragraph (3), by striking “para-
9 graph (1)(C)(i)” and inserting “paragraph
10 (1)(C)(iii)”.

11 (2) CONFORMING AMENDMENT.—Section
12 111(c) (29 U.S.C. 2811(c)) is amended by striking
13 “subsection (b)(1)(C)(i)” and inserting “subsection
14 (b)(1)(C)(iii)”.

15 (b) FUNCTIONS.—Section 111(d) (29 U.S.C.
16 2811(d)) is amended—

17 (1) in paragraph (2), by striking “section
18 134(c)” and inserting “section 121(e)”;

19 (2) by amending paragraph (3) to read as fol-
20 lows:

21 “(3) development and review of statewide poli-
22 cies affecting the integrated provision of services
23 through the one-stop delivery system described in
24 section 121 within the State, including—

1 “(A) the development of objective criteria
2 and procedures for, and the issuance of, certifi-
3 cations of one-stop centers;

4 “(B) the criteria for the allocation of one-
5 stop center infrastructure funding under section
6 121(h), and oversight of the use of such funds;

7 “(C) policies relating to the appropriate
8 roles and contributions of one-stop partner pro-
9 grams within the one-stop delivery system, in-
10 cluding approaches to facilitating equitable and
11 efficient cost allocation in the one-stop delivery
12 system, consistent with section 121;

13 “(D) strategies for providing effective out-
14 reach to individuals and employers who could
15 benefit from services provided through the one-
16 stop delivery system; and

17 “(E) strategies for technology improve-
18 ments to facilitate access to services provided
19 through the one-stop delivery system, in remote
20 areas, and for individuals with disabilities,
21 which may be utilized throughout the State;

22 “(F) identification and dissemination of in-
23 formation 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 “(G) carrying out of such other matters as
4 may promote statewide objectives for, and en-
5 hance the performance of, the one-stop delivery
6 system;”;

7 (3) in paragraph (4), by inserting “and the de-
8 velopment of State criteria relating to the appoint-
9 ment and certification of local boards under section
10 117” after “section 116”;

11 (4) in paragraph (5), by striking “128(b)(3)(B)
12 and 133(b)(3)(B)” and inserting “sections 128(b)(3)
13 and 133(b)(3)”;

14 (5) in paragraph (8)—

15 (A) by striking “employment statistics sys-
16 tem” and inserting “workforce and labor mar-
17 ket information system”; and

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

19 (6) in paragraph (9)—

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

22 (B) by striking the period and inserting “;
23 and”;

24 (7) by inserting the following new paragraph
25 after paragraph (9):

1 “(10) reviewing and providing comment on the
2 State plans of all one-stop partner programs, where
3 applicable, in order to provide effective strategic
4 leadership in the development of a high-quality, com-
5 prehensive statewide workforce investment system.”.

6 (c) **ELIMINATION OF ALTERNATIVE ENTITY AND**
7 **PROVISION OF AUTHORITY TO HIRE STAFF.**—Section
8 111(e) (29 U.S.C. 2821(e)) is amended to read as follows:
9 “(e) **AUTHORITY TO HIRE STAFF.**—The State board
10 may hire staff to assist in carrying out the functions de-
11 scribed in subsection (d).”.

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

15 (e) **SUNSHINE PROVISION.**—Section 111(g) (29
16 U.S.C. 2821(g)) is amended—

17 (1) by inserting “, and modifications to the
18 State plan,” after “State plan” ; and

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

21 **SEC. 104. STATE PLAN.**

22 (a) **PLANNING CYCLE.**—Section 112(a) (29 U.S.C.
23 2822(a)) is amended by striking “5-year strategy” and in-
24 serting “2-year strategy”.

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

3 (1) by amending paragraph (7) to read as fol-
4 lows:

5 “(7) a description of the State criteria for de-
6 termining the eligibility of training providers in ac-
7 cordance with section 122, including how the State
8 will take into account the performance of providers
9 and whether the training programs relate to occupa-
10 tions that are in demand;”;

11 (2) in paragraph (8)—

12 (A) in subparagraph (A)—

13 (i) in clause (ix), by striking “and”
14 after the semicolon;

15 (ii) by adding the following new clause
16 after clause (x):

17 “(xi) programs authorized under title
18 II of the Social Security Act (42 U.S.C.
19 401 et seq.) (related to Federal old-age,
20 survivors, and disability insurance bene-
21 fits), title XVI of such Act (42 U.S.C.
22 1381 et seq.) (relating to supplemental se-
23 curity income), title XIX of such Act (42
24 U.S.C. 1396 et seq.) (relating to Med-
25 icaid), and title XX of such Act (42 U.S.C.

1 1397 et seq.) (relating to block grants to
2 States for social services), programs au-
3 thorized under title VII of the Rehabilita-
4 tion Act of 1973 (29 U.S.C. 796 et seq.),
5 and programs carried out by State agen-
6 cies relating to mental retardation and de-
7 velopmental disabilities; and”;

8 (B) by amending subparagraph (B) to read
9 as follows:

10 “(B) a description of common data collec-
11 tion and reporting processes used for the pro-
12 grams and activities described in subparagraph
13 (A) that are one-stop partners, including assur-
14 ances that such processes utilize quarterly wage
15 records for performance measures relating to
16 entry into employment, retention in employ-
17 ment, and average earnings that are applicable
18 to such programs or activities, or, if such
19 records are not being used, an identification of
20 the barriers to such use and a description of
21 how the State will address such barriers within
22 one year of the approval of the plan;”;

23 (3) in paragraph (11), by inserting “, including
24 controls and procedures to ensure that the limita-

1 tions on the costs of administration are not exceed-
2 ed”.

3 (4) in paragraph (12)(A), by striking “sections
4 128(b)(3)(B) and 133(b)(3)(B)” and inserting “sec-
5 tions 128(b)(3) and 133(b)(3)”;

6 (5) in paragraph (14), by striking “section
7 134(c)” and inserting “section 121(e)”;

8 (6) in paragraph (17)(A)—

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

10 (B) by amending clause (iv) to read as fol-
11 lows:

12 “(iv) how the State will serve the em-
13 ployment and training needs of dislocated
14 workers (including displaced homemakers),
15 low income individuals (including recipients
16 of public assistance), individuals with lim-
17 ited English proficiency, homeless individ-
18 uals, individuals training for nontraditional
19 employment, and other individuals with
20 multiple barriers to employment (including
21 older individuals); and”;

22 (C) by inserting after clause (iv) the fol-
23 lowing:

24 “(v) how the State will serve the em-
25 ployment and training needs of individuals

1 with disabilities, consistent with section
2 188 and Executive Order 13217 (42
3 U.S.C. 12131 note; relating to community-
4 based alternatives for individuals with dis-
5 abilities) including the provision of out-
6 reach, intake, assessments, and service de-
7 livery, the development of performance
8 measures established under section 136,
9 the training of staff, and other aspects of
10 accessibility to program services, consistent
11 with sections 504 and 508 of the Rehabili-
12 tation Act of 1973; and”;

13 (7) in paragraph (17)(B), by striking “to the
14 extent practicable” and inserting “in accordance
15 with the requirements of the Jobs for Veterans Act
16 (PL 107–288)”;

17 (8) in paragraph (18)(D), by striking “youth
18 opportunity grants” and inserting “youth challenge
19 grants”; and

20 (9) by adding at the end the following new
21 paragraphs:

22 “(19) a description of the process and method-
23 ology for determining one-stop partner program con-
24 tributions for the cost of the infrastructure of one-
25 stop centers under section 121(h)(1) and of the for-

1 mula for allocating such infrastructure funds to local
2 areas under section 121(h)(3);

3 “(20) a description of the strategies and pro-
4 grams providing outreach to businesses, identifying
5 workforce needs of businesses in the State, and en-
6 suring that such needs will be met (including the
7 needs of small businesses), which may include—

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

22 “(B) providing incentives and technical as-
23 sistance to assist local areas in more fully en-
24 gaging all employers, including small employers,
25 in local workforce investment activities, to make

1 the workforce investment system more relevant
2 to the needs of area businesses, and to better
3 coordinate workforce investment, economic de-
4 velopment, and postsecondary education and
5 training efforts to contribute to the economic
6 well-being of the local area and region, as deter-
7 mined appropriate by the local board;

8 “(21) a description of how the State will utilize
9 technology to facilitate access to services in remote
10 areas which may be utilized throughout the State;

11 “(22) a description of the State strategy and
12 assistance to be provided for encouraging regional
13 cooperation within the State and across State bor-
14 ders as appropriate; and

15 “(23) a description of the actions that will be
16 taken by the State to foster communication and
17 partnerships with non-profit organizations (including
18 community, faith-based, and philanthropic organiza-
19 tions) that provide employment-related, training,
20 and complementary services, in order to enhance the
21 quality and comprehensiveness of services available
22 to participants under this title.”.

23 (c) MODIFICATION TO PLAN.—Section 112(d) (29
24 U.S.C. 2822(d)) is amended by striking “5-year period”
25 and inserting “2-year period”.

1 **SEC. 105. LOCAL WORKFORCE INVESTMENT AREAS.**

2 (a) DESIGNATION OF AREAS.—

3 (1) CONSIDERATIONS.—Section 116(a)(1)(B)
4 (29 U.S.C. 2831(a)(1)(B)) is amended by adding at
5 the end the following clause:

6 “(vi) The extent to which such local
7 areas will promote efficiency in the admin-
8 istration and provision of services.”.

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

12 “(2) AUTOMATIC DESIGNATION.—

13 “(A) IN GENERAL.—Except as provided in
14 subparagraph (B) of this paragraph and sub-
15 section (b), the Governor shall approve a re-
16 quest for designation as a local area from—

17 “(i) any unit of general local govern-
18 ment with a population of 500,000 or
19 more; and

20 “(ii) an area served by a rural con-
21 centrated employment program grant re-
22 cipient that served as a service delivery
23 area or substate area under the Job Train-
24 ing Partnership Act (29 U.S.C. 1501 et
25 seq.),

1 for the 2-year period covered by a State plan
2 under section 112 if such request is made not
3 later than the date of the submission of the
4 State plan.

5 “(B) CONTINUED DESIGNATION BASED ON
6 PERFORMANCE.—The Governor may deny a re-
7 quest for designation submitted pursuant to
8 subparagraph (A) if such unit of government
9 was designated as a local area for the preceding
10 2-year period covered by a State plan and the
11 Governor determines that such local area did
12 not perform successfully during such period.”.

13 (b) SINGLE LOCAL AREA STATES.—Section 116(b)
14 (29 U.S.C. 2831(b)) is amended to read as follows:

15 “(b) SINGLE LOCAL AREA STATES.—

16 “(1) CONTINUATION OF PREVIOUS DESIGNA-
17 TION.—Notwithstanding subsection (a), the Gov-
18 ernor of any State that was a single local area for
19 purposes of this title as of July 1, 2007, may con-
20 tinue to designate the State as a single local area for
21 purposes of this title if the Governor identifies the
22 State as a local area in the State plan under section
23 112(b)(5).

24 “(2) NEW DESIGNATION.—The Governor of a
25 State not described in paragraph (1) may designate

1 the State as a single local area if, prior to the sub-
2 mission of the State plan or modification to such
3 plan so designating the State, no local area meeting
4 the requirements for automatic designation under
5 subsection (a) requests such designation as a sepa-
6 rate local area.

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

12 (c) REGIONAL PLANNING.—Section 116(c)(1) (29
13 U.S.C. 2831(c)(1)) is amended by adding at the end the
14 following: “The State may require the local boards for the
15 designated region to prepare a single regional plan that
16 incorporates the elements of the local plan under section
17 118 and that is submitted and approved in lieu of separate
18 local plans under such section.”.

19 **SEC. 106. LOCAL WORKFORCE INVESTMENT BOARDS.**

20 (a) COMPOSITION.—Section 117(b)(2) (29 U.S.C.
21 2832(b)(2)) is amended—

22 (1) in subparagraph (A)—

23 (A) in clause (i)(II), by inserting “, busi-
24 nesses that are in the leading industries in the

1 local area, and large and small businesses in
2 the local area” after “local area”;

3 (B) by amending clause (ii) to read as fol-
4 lows:

5 “(ii) a superintendent of the local sec-
6 ondary school system and the president or
7 chief executive officer of a postsecondary
8 educational institution serving the local
9 area (including community colleges, where
10 such entities exist);”;

11 (C) in clause (iii)—

12 (i) by striking “representatives” and
13 inserting “one or more representatives”;
14 and

15 (ii) by inserting “or by labor organiza-
16 tions in the local area” after “federations”;

17 (D) in clause (iv)—

18 (i) by striking “representatives” and
19 inserting “one or more representatives”;
20 and

21 (ii) by striking the semicolon and in-
22 sserting “and faith-based organizations;
23 and”;

24 (E) in clause (v) by inserting “one or
25 more” before “representatives”; and

1 (F) by striking clause (vi); and
2 (2) in subparagraph (B), by striking the period
3 and inserting “; and”; and
4 (3) by adding at the end the following subpara-
5 graph:
6 “(C) except for the individuals described in
7 subparagraph(A)(ii), shall not include any indi-
8 vidual who is employed by an entity receiving
9 funds for the provision of services under chap-
10 ters 4 or 5.”.

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

13 (1) in the heading, by inserting “**AND REP-**
14 **RESENTATION**” after “**MEMBERS**”; and
15 (2) by adding at the end the following: “The
16 members of the board shall represent diverse geo-
17 graphic sections within the local area.”.

18 (c) **FUNCTIONS.**—Section 117(d) (29 U.S.C.
19 2832(d)) is amended—

20 (1) in paragraph (2)(B), by striking “by award-
21 ing grants” and all that follows through “youth
22 council”;

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

1 “(D) IDENTIFICATION OF ELIGIBLE PRO-
2 VIDERS OF WORK READY SERVICES.—If the
3 one-stop operator does not provide the work
4 ready services described in section 134(c)(3)(M)
5 through (U) in the local area, the local board
6 shall identify eligible providers of such services
7 in the local area by awarding contracts.”;

8 (3) in paragraph (3)(B) by striking clause (ii)
9 and inserting the following:

10 “(ii) STAFF.—The local board may
11 employ staff to assist in carrying out the
12 functions described in this subsection.”;

13 (4) in paragraph (4) by inserting “, and ensure
14 the appropriate use and management of the funds
15 provided under this title for such programs, activi-
16 ties, and system” after “area”;

17 (5) in paragraph (6)—

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

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

24 (6) by amending paragraph (8) to read as fol-
25 lows:

1 “(8) CONVENING, BROKERING, AND
2 LEVERAGING.—The local board shall support a com-
3 prehensive workforce investment system for the local
4 area and promote the participation by private sector
5 employers, service providers, and other stakeholders
6 in such system. The Board shall ensure the effective
7 provision, through the system, of convening,
8 brokering, and leveraging activities, through inter-
9 mediaries such as the one-stop operator in the local
10 area or through other organizations, to assist such
11 employers in meeting hiring needs. Such activities
12 may include—

13 “(A) convening private sector employers,
14 including small employers, labor, economic de-
15 velopment, and education leaders in the area to
16 align system missions and services, and to iden-
17 tify and meet the employment, education, and
18 skills training needs of the local area in support
19 of regional and local economic growth strate-
20 gies;

21 “(B) providing leadership in the design
22 and implementation of a comprehensive work-
23 force development system that extends beyond
24 those programs authorized under title I of this

1 Act (including programs identified in section
2 121(b)) for the local area;

3 “(C) brokering relationships and service
4 arrangements across system stakeholders and
5 partners; and

6 “(D) leveraging resources other than those
7 provided under title I of this Act, including
8 public and private resources, to significantly ex-
9 pand resources available for employment and
10 training activities identified as necessary in the
11 local area.”;

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

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

18 (d) LIMITATIONS.—Section 117(f) (29 U.S.C.
19 2832(f)) is amended by striking paragraph (2) and insert-
20 ing the following:

21 “(2) WORK READY SERVICES, DESIGNATION, OR
22 CERTIFICATION AS ONE-STOP OPERATORS.—A local
23 board may provide work ready services described in
24 section (c)(d)(2) through a one-stop delivery system
25 described in section 121 or be designated or certified

1 as a one-stop operator only with the agreement of
2 the chief elected official and the Governor.”.

3 (e) CONFLICT OF INTEREST.—Section 117(g)(1) (29
4 U.S.C. 2832(g)(1)) is amended by inserting “or partici-
5 pate in action taken” after “vote”.

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

10 “(h) ESTABLISHMENT OF COUNCILS.—The local
11 board may establish councils to provide information and
12 advice to assist the local board in carrying out activities
13 under this title. Such councils may include a council com-
14 posed of one-stop partners to advise the local board on
15 the operation of the one-stop delivery system, a youth
16 council composed of experts and stakeholders in youth
17 programs to advise the local board on activities for youth,
18 and such other councils as the local board determines are
19 appropriate.”.

20 (g) REPEAL OF ALTERNATIVE ENTITY PROVISION.—
21 Section 117 (29 U.S.C. 2832) is further amended by strik-
22 ing subsection (i).

1 **SEC. 107. LOCAL PLAN.**

2 (a) **PLANNING CYCLE.**—Section 118(a) (29 U.S.C.
3 2833(a)) is amended by striking “5-year” and inserting
4 “2-year”.

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

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

9 “(2) a description of the one-stop delivery sys-
10 tem to be established or designated in the local area,
11 including a description of how the local board will
12 ensure the continuous improvement of eligible pro-
13 viders of services through the system and ensure
14 that such providers meet the employment needs of
15 local employers and participants;”;

16 (2) in paragraph (4)—

17 (A) by striking “and dislocated worker”;

18 and

19 (B) by inserting before the semicolon “, in-
20 cluding a description of how the local area will
21 implement the requirements of section
22 134(c)(4)(G) relating to ensuring that training
23 services are linked to occupations that are in
24 demand”;

1 (3) in paragraph (5), by striking “statewide
2 rapid response activities” and inserting “statewide
3 activities”;

4 (4) in paragraph (9), by striking “; and” and
5 inserting a semicolon; and

6 (5) by redesignating paragraph (10) as para-
7 graph (13) and inserting after paragraph (9) the fol-
8 lowing:

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

1 “(11) a description of how the local board will
2 facilitate access to services provided through the
3 one-stop delivery system involved in remote areas,
4 including facilitating access through the use of tech-
5 nology;

6 “(12) how the local area will serve the employ-
7 ment and training needs of individuals with disabili-
8 ties, consistent with section 188 and Executive
9 Order 13217 (42 U.S.C. 12131 *note*) including the
10 provision of outreach, intake, assessments, and serv-
11 ice delivery, the development of performance meas-
12 ures, the training of staff, and other aspects of ac-
13 cessibility to program services, consistent with sec-
14 tions 504 and 508 of the Rehabilitation Act of 1973;
15 and”.

16 **SEC. 108. ESTABLISHMENT OF ONE-STOP DELIVERY SYS-**
17 **TEMS.**

18 (a) ONE-STOP PARTNERS.—

19 (1) REQUIRED PARTNERS.—Section 121(b)(1)
20 (29 U.S.C. 2841(b)(1)) is amended—

21 (A) by striking subparagraph (A) and in-
22 serting the following:

23 “(A) ROLES AND RESPONSIBILITIES OF
24 ONE-STOP PARTNERS.—Each entity that carries

1 out a program or activities described in sub-
2 paragraph (B) shall—

3 “(i) provide access through the one-
4 stop delivery system to the programs and
5 activities carried out by the entity, includ-
6 ing making the work ready services de-
7 scribed in section 134(d)(2) that are appli-
8 cable to the program of the entity available
9 at the one-stop centers (in addition to any
10 other appropriate locations);

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

17 “(iii) enter into a local memorandum
18 of understanding with the local board re-
19 lating to the operation of the one-stop sys-
20 tem that meets the requirements of sub-
21 section (c);

22 “(iv) participate in the operation of
23 the one-stop system consistent with the
24 terms of the memorandum of under-
25 standing, the requirements of this title,

1 and the requirements of the Federal laws
2 authorizing the programs carried out by
3 the entity; and

4 “(v) provide representation on the
5 State board to the extent provided under
6 section 111.”;

7 (B) in subparagraph (B)—

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

9 (ii) by redesignating clauses (iii) and
10 (iv) as clauses (ii) and (iii), respectively,
11 and by redesignating clauses (vi) through
12 (xii) as clauses (iv) through (x), respec-
13 tively;

14 (iii) in clause (ix) (as so redesign-
15 nated), by striking “and” at the end;

16 (iv) in clause (x) (as so redesignated),
17 by striking the period and inserting “;
18 and”; and

19 (v) by inserting after clause (x)(as so
20 redesignated) the following:

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

1 “(xii) programs authorized under sec-
2 tion 6(d)(4) of the Food Stamp Act of
3 1977 (7 U.S.C. 2015(d)(4)), subject to
4 subparagraph (C).”; and

5 (C) by adding after subparagraph (B) the
6 following:

7 “(C) DETERMINATION BY THE GOV-
8 ERNOR.—The program referred to in clauses
9 (xi) and (xii) of subparagraph (B) shall be in-
10 cluded as a required partner for purposes of
11 this title in a State unless the Governor of the
12 State notifies the Secretary and the Secretary
13 of Health and Human Services (in the case of
14 the program referred to in clause (xi) of sub-
15 paragraph (B)), or the Secretary and the Sec-
16 retary of Agriculture (in the case of the pro-
17 gram referred to in clause (xii) of subparagraph
18 (B)) in writing of a determination by the Gov-
19 ernor not to include such programs as required
20 partners for purposes of this title in the
21 State.”.

22 (2) ADDITIONAL PARTNERS.—Section
23 121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is amended
24 to read as follows:

1 “(B) PROGRAMS.—The programs referred
2 to in subparagraph (A) may include—

3 “(i) employment and training pro-
4 grams administered by the Social Security
5 Administration, including the Ticket to
6 Work program (established by Public Law
7 106–170);

8 “(ii) employment and training pro-
9 grams carried out by the Small Business
10 Administration;

11 “(iii) programs under part D of title
12 IV of the Social Security Act (42 U.S.C.
13 451 et seq.) (relating to child support en-
14 forcement);

15 “(iv) employment, training, and lit-
16 eracy services carried out by public librar-
17 ies;

18 “(v) programs carried out in the local
19 area for individuals with disabilities, in-
20 cluding programs carried out by State
21 agencies relating to mental health, mental
22 retardation, and developmental disabilities,
23 State Medicaid agencies, State Inde-
24 pendent Living Councils, and Independent
25 Living Centers;

1 “(vi) programs authorized under the
2 National and Community Service Act of
3 1990 (42 U.S.C. 1250 et seq.);

4 “(vii) cooperative extension programs
5 carried out by the Department of Agri-
6 culture; and

7 “(viii) other appropriate Federal,
8 State, or local programs, including pro-
9 grams in the private sector.”.

10 (b) LOCAL MEMORANDUM OF UNDERSTANDING.—

11 Section 121(c)(2)(A) (29 U.S.C. 2841(c)(2)(A)) is amend-
12 ed to read as follows:

13 “(A) provisions describing—

14 “(i) the services to be provided
15 through the one-stop delivery system con-
16 sistent with the requirements of this sec-
17 tion, including the manner in which the
18 services will be coordinated through such
19 system;

20 “(ii) how the costs of such services
21 and the operating costs of such system will
22 be funded, through cash and in-kind con-
23 tributions, to provide a stable and equi-
24 table funding stream for ongoing one-stop
25 system operations, including the funding of

1 the infrastructure costs of one-stop centers
2 in accordance with subsection (h);

3 “(iii) methods of referral of individ-
4 uals between the one-stop operator and the
5 one-stop partners for appropriate services
6 and activities; and

7 “(iv) the duration of the memo-
8 randum of understanding and the proce-
9 dures for amending the memorandum dur-
10 ing the term of the memorandum, and as-
11 surances that such memorandum shall be
12 reviewed not less than once every 2-year
13 period to ensure appropriate funding and
14 delivery of services; and”.

15 (c) PROVISION OF SERVICES.—Subtitle B of title I
16 is amended—

17 (1) in section 121(d)(2), by striking “section
18 134(c)” and inserting “subsection (e)”;

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

20 (3) by moving subsection (c) of section 134
21 from section 134, redesignating such subsection as
22 subsection (e), and inserting such subsection (as so
23 redesignated) after subsection (d) of section 121;
24 and

1 (4) by amending subsection (e) of section 121
2 (as moved and redesignated by paragraph (3))—

3 (A) in paragraph (1)(A), by striking “core
4 services described in subsection (d)(2)” and in-
5 serting “work ready services described in sec-
6 tion 134(c)(2)”;

7 (B) in paragraph (1)(B)—

8 (i) by striking “intensive services”;

9 (ii) by striking “paragraphs (3) and
10 (4) of subsection (d)” and inserting “sec-
11 tion 134(c)(4)”;

12 (iii) by striking “individual training
13 accounts” and inserting “career enhance-
14 ment accounts”; and

15 (iv) by striking “subsection (d)(4)(G)”
16 and inserting “section 134(c)(4)(G)”;

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

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

21 (E) by amending paragraph (1)(E) to read
22 as follows:

23 “(E) shall provide access to the informa-
24 tion described in section 15(e) of the Wagner-
25 Peyser Act (29 U.S.C. 49l–2(e)).”; and

1 (F) in paragraph (2)(B)(ii)(II), by striking
2 “core services” and inserting “work ready serv-
3 ices”.

4 (d) CERTIFICATION AND FUNDING OF ONE-STOP
5 CENTERS.—Section 121 (as amended by subsections (b)
6 and (c)) is further amended by adding at the end the fol-
7 lowing new subsections:

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

9 “(1) IN GENERAL.—

10 “(A) IN GENERAL.—The State board shall
11 establish objective procedures and criteria for
12 periodically certifying one-stop centers for the
13 purpose of awarding the one-stop infrastructure
14 funding described in subsection (h).

15 “(B) CRITERIA.—The criteria for certifi-
16 cation under this subsection shall include min-
17 imum standards relating to the scope and de-
18 gree of service integration achieved by the cen-
19 ters involving the programs provided by the
20 one-stop partners, and how the centers ensure
21 that such providers meet the employment needs
22 of local employers and participants.

23 “(C) EFFECT OF CERTIFICATION.—One-
24 stop centers certified under this subsection shall

1 be eligible to receive the infrastructure grants
2 authorized under subsection (h).

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

9 “(1) PARTNER CONTRIBUTIONS.—

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

21 “(B) DETERMINATION OF GOVERNOR.—

22 “(i) IN GENERAL.—Subject to sub-
23 paragraph (C), the Governor, in consulta-
24 tion with the State board, shall determine
25 the portion of funds to be provided under

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

9 “(ii) SPECIAL RULE.—In those States
10 where the State constitution places policy-
11 making authority that is independent of
12 the authority of the Governor in an entity
13 or official with respect to the funds pro-
14 vided for adult education and literacy ac-
15 tivities authorized under title II of this Act
16 and for postsecondary career education ac-
17 tivities authorized under the Carl D. Per-
18 kins Career and Technical Education Act,
19 the determination described in clause (i)
20 with respect to such programs shall be
21 made by the Governor with the appropriate
22 entity or official with such independent
23 policy-making authority.

24 “(iii) APPEAL BY ONE-STOP PART-
25 NERS.—The Governor shall establish a

1 procedure for the one-stop partner admin-
2 istering a program described in subsection
3 (b) to appeal a determination regarding
4 the portion of funds to be contributed
5 under this paragraph on the basis that
6 such determination is inconsistent with the
7 criteria described in the State plan or with
8 the requirements of this paragraph. Such
9 procedure shall ensure prompt resolution
10 of the appeal.

11 “(C) LIMITATIONS.—

12 “(i) PROVISION FROM ADMINISTRA-
13 TIVE FUNDS.—The funds provided under
14 this paragraph by each one-stop partner
15 shall be provided only from funds available
16 for the costs of administration under the
17 program administered by such partner,
18 and shall be subject to the limitations with
19 respect to the portion of funds under such
20 programs that may be used for administra-
21 tion.

22 “(ii) FEDERAL DIRECT SPENDING
23 PROGRAMS.—Programs that are Federal
24 direct spending under section 250(c)(8) of
25 the Balanced Budget and Emergency Def-

1 icit Control Act of 1985 (2 U.S.C.
2 900(e)(8)) shall not, for purposes of this
3 paragraph, be required to provide an
4 amount in excess of the amount deter-
5 mined to be equivalent to the proportionate
6 use of the one-stop centers by such pro-
7 grams in the State.

8 “(iii) NATIVE AMERICAN PRO-
9 GRAMS.—Native American programs estab-
10 lished under section 166 shall not be sub-
11 ject to the provisions of this subsection.
12 The method for determining the appro-
13 priate portion of funds to be provided by
14 such Native American programs to pay for
15 the costs of infrastructure of a one-stop
16 center certified under subsection (g) shall
17 be determined as part of the development
18 of the memorandum of understanding
19 under subsection (e) for the one-stop cen-
20 ter and shall be stated in the memo-
21 randum.

22 “(2) ALLOCATION BY GOVERNOR.—From the
23 funds provided under paragraph (1), the Governor
24 shall allocate funds to local areas in accordance with
25 the formula established under paragraph (3) for the

1 purposes of assisting in paying the costs of the in-
2 frastructure of One-Stop centers certified under sub-
3 section (g).

4 “(3) ALLOCATION FORMULA.—The State board
5 shall develop a formula to be used by the Governor
6 to allocate the funds described in paragraph (1).
7 The formula shall include such factors as the State
8 board determines are appropriate, which may in-
9 clude factors such as the number of centers in the
10 local area that have been certified, the population
11 served by such centers, and the performance of such
12 centers.

13 “(4) COSTS OF INFRASTRUCTURE.—For pur-
14 poses of this subsection, the term ‘costs of infra-
15 structure’ means the nonpersonnel costs that are
16 necessary for the general operation of a one-stop
17 center, including the rental costs of the facilities, the
18 costs of utilities and maintenance, and equipment
19 (including adaptive technology for individuals with
20 disabilities).

21 “(i) OTHER FUNDS.—

22 “(1) IN GENERAL.—In addition to the funds
23 provided to carry out subsection (h), a portion of
24 funds made available under Federal law authorizing
25 the one-stop partner programs described in sub-

1 section (b)(1)(B) and participating partner pro-
2 grams described in subsection (b)(2)(B), or the
3 noncash resources available under such programs
4 shall be used to pay the costs relating to the oper-
5 ation of the one-stop delivery system that are not
6 paid for from the funds provided under subsection
7 (h), to the extent not inconsistent with the Federal
8 law involved including—

9 “(A) infrastructure costs that are in excess
10 of the funds provided under subsection (h);

11 “(B) common costs that are in addition to
12 the costs of infrastructure; and

13 “(C) the costs of the provision of work
14 ready services applicable to each program.

15 “(2) DETERMINATION AND GUIDANCE.—The
16 method for determining the appropriate portion of
17 funds and noncash resources to be provided by each
18 program under paragraph (1) shall be determined as
19 part of the memorandum of understanding under
20 subsection (c). The State board shall provide guid-
21 ance to facilitate the determination of appropriate
22 allocation of the funds and noncash resources in
23 local areas.”.

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

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

4 **“SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF**
5 **TRAINING SERVICES.**

6 “(a) ELIGIBILITY.—

7 “(1) IN GENERAL.—The Governor, after con-
8 sultation with the State board, shall establish cri-
9 teria and procedures regarding the eligibility of pro-
10 viders of training services described in section
11 134(c)(4) to receive funds provided under section
12 133(b) for the provision of such training services.

13 “(2) PROVIDERS.—Subject to the provisions of
14 this section, to be eligible to receive the funds pro-
15 vided under section 133(b) for the provision of train-
16 ing services, the provider shall be—

17 “(A) a postsecondary educational institu-
18 tion that—

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

22 “(ii) provides a program that leads to
23 an associate degree, baccalaureate degree,
24 or industry-recognized certification;

25 “(B) an entity that carries out programs
26 under the Act of August 16, 1937 (commonly

1 known as the ‘National Apprenticeship Act’; 50
2 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.);
3 or

4 “(C) another public or private provider of
5 a program of training services.

6 “(3) INCLUSION IN LIST OF ELIGIBLE PRO-
7 VIDERS.—A provider described in subparagraph (A)
8 or (C) of paragraph (2) shall comply with the cri-
9 teria and procedures established under this section
10 to be included on the list of eligible providers of
11 training services described in subsection (d)(1). A
12 provider described in paragraph (2)(B) shall be in-
13 cluded on the list of eligible providers of training
14 services described in subsection (d)(1) for so long as
15 the provider remains certified by the Department of
16 Labor to carry out the programs described in para-
17 graph (2)(B).

18 “(b) CRITERIA.—

19 “(1) IN GENERAL.—The criteria established
20 pursuant to subsection (a) shall take into account—

21 “(A) the performance of providers of train-
22 ing services with respect to the performance
23 measures described in section 136 and other
24 matters for which information is required under
25 paragraph (2) and other appropriate measures

1 of performance outcomes for those participants
2 receiving training services under this subtitle
3 (taking into consideration the characteristics of
4 the population served and relevant economic
5 conditions);

6 “(B) whether the training programs of
7 such providers relate to occupations that are in
8 demand,

9 “(C) the need to ensure access to training
10 services throughout the State, including any
11 rural areas;

12 “(D) the ability of providers to offer pro-
13 grams that lead to a degree or an industry-rec-
14 ognized certification, certificate, or mastery;

15 “(E) the information such providers are
16 required to report to State agencies with re-
17 spect to other Federal and State programs
18 (other than the program carried out under this
19 subtitle), including one-stop partner programs;
20 and

21 “(F) such other factors as the Governor
22 determines are appropriate to ensure the qual-
23 ity of services provided, the accountability of
24 providers, that the one-stop centers will ensure
25 that such providers meet the needs of local em-

1 employers and participants, and the informed
2 choice of participants under chapter 5.

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

10 “(A) information on degrees and industry-
11 recognized certifications received by such par-
12 ticipants;

13 “(B) information on costs of attendance
14 for such participants;

15 “(C) information on the program comple-
16 tion rate for such participants; and

17 “(D) information on the performance of
18 the provider with respect to the performance
19 measures described in section 136 for such par-
20 ticipants (taking into consideration the charac-
21 teristics of the population served and relevant
22 economic conditions), which may include infor-
23 mation specifying the percentage of such par-
24 ticipants who entered unsubsidized employment
25 in an occupation related to the program.

1 “(3) RENEWAL.—The criteria established by
2 the Governor shall also provide for biennial review
3 and renewal of eligibility under this section for pro-
4 viders of training services.

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

13 “(5) LIMITATION.—In carrying out the require-
14 ments of this subsection, no personally identifiable
15 information regarding a student, including Social
16 Security number, student identification number, or
17 other identifier, may be disclosed without the prior
18 written consent of the parent or eligible student in
19 compliance with section 444 of the General Edu-
20 cation Provisions Act (20 U.S.C. 1232g).

21 “(c) PROCEDURES.—The procedures established
22 under subsection (a) shall identify the application process
23 for a provider of training services to become eligible to
24 receive funds under section 133(b) for the provision of
25 training services, and identify the respective roles of the

1 State and local areas in receiving and reviewing applica-
2 tions and in making determinations of eligibility based on
3 the criteria established under this section. The procedures
4 shall also establish a process for a provider of training
5 services to appeal a denial or termination of eligibility
6 under this section that includes an opportunity for a hear-
7 ing and prescribes appropriate time limits to ensure
8 prompt resolution of the appeal.

9 “(d) INFORMATION TO ASSIST PARTICIPANTS IN
10 CHOOSING PROVIDERS.—In order to facilitate and assist
11 participants under chapter 5 in choosing providers of
12 training services, the Governor shall ensure that an appro-
13 priate list or lists of providers determined eligible under
14 this section in the State, including information regarding
15 the occupations in demand that relate to the training pro-
16 grams of such providers, is provided to the local boards
17 in the State to be made available to such participants and
18 to members of the public through the one-stop delivery
19 system in the State. The accompanying information shall
20 consist of information provided by providers described in
21 subparagraphs (A) and (C) of subsection (a)(2) in accord-
22 ance with subsection (b) (including information on receipt
23 of degrees and industry-recognized certifications, and
24 costs of attendance, for participants receiving training
25 services under this subtitle in applicable programs) and

1 such other information as the Secretary determines is ap-
2 propriate. The list and the accompanying information
3 shall be made available to such participants and to mem-
4 bers of the public through the one-stop delivery system
5 in the State.

6 “(e) ENFORCEMENT.—

7 “(1) IN GENERAL.—The criteria and proce-
8 dures established under this section shall provide the
9 following:

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

20 “(B) SUBSTANTIAL VIOLATIONS.—Upon a
21 determination, by an individual or entity speci-
22 fied in the criteria or procedures, that a pro-
23 vider of training services substantially violated
24 any requirement under this title, the eligibility
25 of such provider to receive funds under the pro-

1 gram involved may be terminated, or other ap-
2 propriate action may be taken.

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

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

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

17 “(g) RECOMMENDATIONS.—In developing the cri-
18 teria, procedures, and information required under this sec-
19 tion, the Governor shall solicit and take into consideration
20 the recommendations of local boards and providers of
21 training services within the State.

22 “(h) OPPORTUNITY TO SUBMIT COMMENTS.—Dur-
23 ing the development of the criteria, procedures, require-
24 ments for information, and the list of eligible providers
25 required under this section, the Governor shall provide an

1 opportunity for interested members of the public, includ-
2 ing representatives of business and labor organizations, to
3 submit comments regarding such criteria, procedures, and
4 information.

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

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

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

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

2 (a) ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.—
3 Section 123 (29 U.S.C. 2843) is amended to read as fol-
4 lows:

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

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

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

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

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

21 **SEC. 111. YOUTH ACTIVITIES.**

22 (a) STATE ALLOTMENTS.—Section 127 (29 U.S.C.
23 2852(a)) is amended—

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

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

3 “(b) ALLOTMENT AMONG STATES.—

4 “(1) YOUTH ACTIVITIES.—

5 “(A) YOUTH CHALLENGE GRANTS.—

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

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

17 “(B) OUTLYING AREAS AND NATIVE AMER-
18 ICANS.—

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

24 “(I) reserve not more than $\frac{1}{4}$ of
25 one percent of such amount to provide

1 assistance to the outlying areas to
2 carry out youth activities and state-
3 wide workforce investment activities;
4 and

5 “(II) reserve not more than 1
6 and ½ percent of such amount to
7 provide youth activities under section
8 166 (relating to Native Americans).

9 “(ii) RESTRICTION.—The Republic of
10 Palau shall cease to be eligible to receive
11 funding under this subparagraph upon en-
12 tering into an agreement for extension of
13 United States educational assistance under
14 the Compact of Free Association (approved
15 by the Compact of Free Association
16 Amendments Act of 2003 (Public Law
17 108–188)) after the date of enactment of
18 the Workforce Investment Improvement
19 Act of 2007.

20 “(C) STATES.—

21 “(i) IN GENERAL.—Of the remainder
22 of the amount appropriated under section
23 137(a) for a fiscal year that is available
24 after determining the amounts to be re-

1 served under subparagraphs (A) and (B),
2 the Secretary shall allot—

3 “(I) the amount of the remainder
4 that is less than or equal to the total
5 amount that was allotted to States for
6 fiscal year 2007 under section
7 127(b)(1)(C) of this Act (as in effect
8 on the day before the date of enact-
9 ment of the Workforce Investment
10 Improvement Act of 2007) in accord-
11 ance with the requirements of such
12 section 127(b)(1)(C); and

13 “(II) the amount of the remain-
14 der, if any, in excess of the amount
15 referred to in subclause (I) in accord-
16 ance with clause (ii).

17 “(ii) FORMULAS FOR EXCESS
18 FUNDS.—Subject to clauses (iii) and (iv),
19 of the amounts described in clause
20 (i)(II)—

21 “(I) $33\frac{1}{3}$ percent shall be allot-
22 ted on the basis of the relative num-
23 ber of individuals in the civilian labor
24 force who are ages 16 through 19 in
25 each State, compared to the total

1 number of individuals in the civilian
2 labor force who are ages 16 through
3 19 in all States;

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

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

17 “(iii) MINIMUM AND MAXIMUM PER-
18 CENTAGES.—The Secretary shall ensure
19 that no State shall receive an allotment for
20 a fiscal year that is less than 90 percent
21 or greater than 130 percent of the allot-
22 ment percentage of that State for the pre-
23 ceding fiscal year.

24 “(iv) SMALL STATE MINIMUM ALLOT-
25 MENT.—Subject to clause (iii), the Sec-

1 retary shall ensure that no State shall re-
2 ceive an allotment under this paragraph
3 that is less than $\frac{3}{10}$ of 1 percent of the
4 amount available under subparagraph (A).

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

7 “(A) ALLOTMENT PERCENTAGE.—The
8 term ‘allotment percentage’, used with respect
9 to fiscal year 2008 or a subsequent fiscal year,
10 means a percentage of the remainder described
11 in paragraph (1)(C)(i) that is received through
12 an allotment made under this subsection for the
13 fiscal year. The term, with respect to fiscal year
14 2007, means the percentage of the amounts al-
15 lotted to States under this chapter (as in effect
16 on the day before the date of enactment of the
17 Workforce Investment Improvement Act of
18 2007) that is received by the State involved for
19 fiscal year 2007.

20 “(B) DISADVANTAGED YOUTH.—The term
21 ‘disadvantaged youth’ means an individual who
22 is age 16 through 21 who received an income,
23 or is a member of a family that received a total
24 family income, that, in relation to family size,
25 does not exceed the poverty line.

1 “(3) SPECIAL RULE.—For purposes of the for-
2 mulas specified in paragraph (1)(C), the Secretary
3 shall, as appropriate and to the extent practicable,
4 exclude college students and members of the Armed
5 Forces from the determination of the number of dis-
6 advantaged youth.”;

7 (3) in subsection (c)—

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

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

21 “(A) the total amount of funds available to
22 the State under this section during the program
23 year prior to the program year for which the
24 determination is made (including amounts allot-

1 ted to the State in all prior program years that
2 remained available); and

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

5 (B) in paragraph (3)—

6 (i) by striking “for the prior program
7 year” and inserting “for the program year
8 in which the determination is made”; and

9 (ii) by striking “such prior program
10 year” and inserting “such program year”;

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

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

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

20 (b) WITHIN STATE ALLOCATIONS.—

21 (1) RESERVATION FOR STATEWIDE ACTIVI-
22 TIES.—Section 128(a) is amended to read as follows:

23 “(a) RESERVATION FOR STATEWIDE ACTIVITIES.—

24 “(1) IN GENERAL.—The Governor of a State
25 shall reserve not more than 10 percent of the

1 amount allotted to the State under section
2 127(a)(1)(C) for a fiscal year for statewide activi-
3 ties.

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

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

14 “(b) WITHIN STATE ALLOCATION.—

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

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

22 “(B) not more than 20 percent of such
23 amounts shall be allocated by the Governor to
24 local areas in accordance with paragraph (3).

25 “(2) ESTABLISHED FORMULA.—

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

4 “(i) $33\frac{1}{3}$ percent shall be allotted on
5 the basis of the relative number of individ-
6 uals in the civilian labor force who are ages
7 16 through 19 in each local area, com-
8 pared to the total number of individuals in
9 the civilian labor force who are ages 16
10 through 19 in all local areas in the State;

11 “(ii) $33\frac{1}{3}$ percent shall be allotted on
12 the basis of the relative number of unem-
13 ployed individuals in each local area, com-
14 pared to the total number of unemployed
15 individuals in all local areas in the State;
16 and

17 “(iii) $33\frac{1}{3}$ percent on the basis of the
18 relative number of disadvantaged youth
19 who are ages 16 through 21 in each local
20 area, compared to the total number of dis-
21 advantaged youth who are ages 16 through
22 21 in all local areas in the State.

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

1 under this paragraph that is less than 90 per-
2 cent or greater than 130 percent of the alloca-
3 tion percentage of the local area for the pre-
4 ceding fiscal year.

5 “(C) DEFINITIONS.—

6 “(i) ALLOCATION PERCENTAGE.—For
7 purposes of this paragraph, the term ‘allo-
8 cation percentage’, used with respect to fis-
9 cal year 2008 or a subsequent fiscal year,
10 means a percentage of the amount de-
11 scribed in paragraph(1)(A) that is received
12 through an allocation made under this
13 paragraph for the fiscal year. The term,
14 with respect to fiscal year 2007, means the
15 percentage of the amounts allocated to
16 local areas under this chapter (as in effect
17 on the day before the date of enactment of
18 the Workforce Investment Improvement
19 Act of 2007) that is received by the local
20 area involved for fiscal year 2007.

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

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

3 “(3) YOUTH DISCRETIONARY ALLOCATION.—

4 The Governor shall allocate to local areas the
5 amounts described in paragraph (1)(B) in accord-
6 ance with such demographic and economic factors as
7 the Governor, after consultation with the State
8 board and local boards, determines are appropriate.

9 “(4) LOCAL ADMINISTRATIVE COST LIMIT.—

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

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

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

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

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

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

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

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

24 (C) in paragraph (3)—

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

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

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

10 (iv) by striking the last sentence; and

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

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

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

21 “(a) YOUTH PARTICIPANT ELIGIBILITY.—

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

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

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

5 “(B) one or more of the following:

6 “(i) school dropouts;

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

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

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

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

21 “(I) Deficient in literacy skills.

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

24 “(III) Pregnant or parents.

25 “(IV) Offenders.

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

5 “(2) PRIORITY FOR SCHOOL DROPOUTS.—A
6 priority in the provision of services under this chap-
7 ter shall be given to individuals who are school drop-
8 outs.

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

11 “(A) PERCENTAGE OF FUNDS.—For any
12 program year, not more than 50 percent of the
13 funds available for statewide activities under
14 subsection (b), and not more than 50 percent of
15 funds available to local areas under subsection
16 (c), may be used to provide activities for in-
17 school youth meeting the requirements of para-
18 graph (1)(B)(v).

19 “(B) EXCEPTION.—A State that receives a
20 minimum allotment under section 127(b)(1) in
21 accordance with section 127(b)(1)(C)(iv) or
22 under section 132(b)(1) in accordance with sec-
23 tion 132(b)(1)(B)(iv)(II) may increase the per-
24 centage described in subparagraph (A) for a
25 local area in the State, if—

1 “(i) after an analysis of the eligible
2 youth population in the local area, the
3 State determines that the local area will be
4 unable to use at least 50 percent of the
5 funds available for activities under sub-
6 section (b) or (c) to serve out-of-school
7 youth due to a low number of out-of-school
8 youth; and

9 “(ii)(I) the State submits to the Sec-
10 retary, for the local area, a request includ-
11 ing a proposed increased percentage for
12 purposes of subparagraph (A), and the
13 summary of the eligible youth population
14 analysis; and

15 “(II) the request is approved by the
16 Secretary.

17 “(C) NON-SCHOOL HOURS REQUIRED.—

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

1 “(ii) EXCEPTION.—The requirements
2 of clause (i) shall not apply to activities
3 carried out for in-school youth meeting the
4 requirements of paragraph (1)(B)(v) dur-
5 ing school hours that are part of a pro-
6 gram that has demonstrated effectiveness
7 in high school youth attaining diplomas.

8 “(4) CONSISTENCY WITH COMPULSORY SCHOOL
9 ATTENDANCE LAWS.—In providing assistance under
10 this section to an individual who is required to at-
11 tend school under applicable State compulsory school
12 attendance laws, the priority in providing such as-
13 sistance shall be for the individual to attend school
14 regularly.”.

15 (d) STATEWIDE YOUTH ACTIVITIES.—Section 129(b)
16 (29 U.S.C. 2854(b)) is amended to read as follows:

17 “(b) STATEWIDE ACTIVITIES.—

18 “(1) IN GENERAL.—Funds reserved by a Gov-
19 ernor for a State as described in sections 128(a) and
20 133(a)(1) may be used for statewide activities in-
21 cluding—

22 “(A) additional assistance to local areas
23 that have high concentrations of eligible youth;

1 “(B) supporting the provision of work
2 ready services described in section 134(e)(2) in
3 the one-stop delivery system;

4 “(C) conducting evaluations under section
5 136(e) of activities authorized under this chap-
6 ter and chapter 5 in coordination with evalua-
7 tions carried out by the Secretary under section
8 172, research, and demonstration projects;

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

16 “(E) providing technical assistance and ca-
17 pacity building to local areas, one-stop opera-
18 tors, one-stop partners, and eligible providers,
19 including the development and training of staff,
20 the development of exemplary program activi-
21 ties, and the provision of technical assistance to
22 local areas that fail to meet local performance
23 measures;

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

1 “(G) carrying out monitoring and over-
2 sight of activities under this chapter and chap-
3 ter 5.

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

8 “(3) PROHIBITION.—No funds described in this
9 subsection or in section 134(a) may be used to de-
10 velop or implement education curricula for school
11 systems in the State.”.

12 (e) LOCAL ELEMENTS AND REQUIREMENTS.—

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

15 (A) in the matter preceding subparagraph
16 (A), by striking “paragraph (2)(A) or (3), as
17 appropriate, of”;

18 (B) in subparagraph (B), by inserting “are
19 directly linked to one or more of the perform-
20 ance measures relating to this chapter under
21 section 136, and that” after “for each partici-
22 pant that”; and

23 (C) in subparagraph (C)—

1 (i) by redesignating clauses (i)
2 through (iv) as clauses (ii) through (v), re-
3 spectively;

4 (ii) by inserting before clause (ii) (as
5 so redesignated) the following:

6 “(i) activities leading to the attain-
7 ment of a secondary school diploma, Gen-
8 eral Educational Development credential
9 (GED), or other State-recognized equiva-
10 lent (including recognized alternative
11 standards for individuals with disabil-
12 ities);”;

13 (iii) in clause (ii) (as so redesignated),
14 by inserting “and advanced training” after
15 “opportunities”;

16 (iv) in clause (iii) (as so redesign-
17 ated), by inserting “that lead to the at-
18 tainment of recognized credentials” after
19 “learning”; and

20 (v) by amending clause (v) (as so re-
21 designating) to read as follows:

22 “(v) effective connections to employ-
23 ers, including small employers, in sectors
24 of the local and regional labor markets ex-

1 periencing high growth in employment op-
2 portunities.”.

3 (2) PROGRAM ELEMENTS.—Section 129(c)(2)
4 (29 U.S.C. 2854(c)(2)) is amended—

5 (A) in subparagraph (A), by striking “sec-
6 ondary school, including dropout prevention
7 strategies” and inserting “secondary school di-
8 ploma, General Educational Development cre-
9 dential (GED), or other State-recognized equiv-
10 alent (including recognized alternative stand-
11 ards for individuals with disabilities), including
12 dropout prevention strategies”;

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

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

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

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

20 “(L) financial literacy skills.”.

21 (3) ADDITIONAL REQUIREMENTS.—Section
22 129(c)(3)(A) (29 U.S.C. 2854(c)(3)(A)) is amended
23 in the matter preceding clause (i) by striking “or ap-
24 plicant who meets the minimum income criteria to
25 be considered an eligible youth”.

1 (4) PRIORITY AND EXCEPTIONS.—Section
2 129(c) (29 U.S.C. 2854(c)) is further amended—

3 (A) by striking paragraphs (4) and (5) and
4 redesignating paragraphs (6) through (8) as
5 paragraphs (4) through (6), respectively; and

6 (B) in paragraph (5) (as so redesignated),
7 by striking “youth councils” and inserting
8 “local boards”.

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

10 (a) TITLE AMENDMENT.—

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

13 **“CHAPTER 5—COMPREHENSIVE EMPLOY-**
14 **MENT AND TRAINING ACTIVITIES FOR**
15 **ADULTS”.**

16 (2) CLERICAL AMENDMENT.—The table of con-
17 tents in section 1(b) is amended by amending the
18 item related to the heading for chapter 5 to read as
19 follows:

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

20 (b) GENERAL AUTHORIZATION.—Section 131 (29
21 U.S.C. 2861) is amended—

22 (1) by striking “paragraphs (1)(B) and (2)(B)
23 of”; and

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

1 (c) STATE ALLOTMENTS.—Section 132 (29 U.S.C.
2 2862) is amended—

3 (1) by amending subsection (a) to read as fol-
4 lows:

5 “(a) IN GENERAL.—The Secretary shall—

6 “(1) reserve 7.5 percent of the amount appro-
7 priated under section 137 for a fiscal year, of
8 which—

9 “(A) not less than 85 percent shall be used
10 for national dislocated worker grants under sec-
11 tion 173;

12 “(B) not more than 10 percent may be
13 used for demonstration projects under section
14 171; and

15 “(C) not more than 5 percent may be used
16 to provide technical assistance under section
17 170; and

18 “(2) make allotments from 92.5 percent of the
19 amount appropriated under section 137 for a fiscal
20 year in accordance with subsection (b).”;

21 (2) by amending subsection (b) to read as fol-
22 lows:

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

25 “(1) RESERVATION FOR OUTLYING AREAS.—

1 “(A) IN GENERAL.—From the amount
2 made available under subsection (a)(2) for a
3 fiscal year, the Secretary shall reserve not more
4 than $\frac{1}{4}$ of 1 percent to provide assistance to
5 outlying areas to carry out employment and
6 training activities for adults and statewide
7 workforce investment activities.

8 “(B) RESTRICTION.—The Republic of
9 Palau shall cease to be eligible to receive fund-
10 ing under this paragraph upon entering into an
11 agreement for extension of United States edu-
12 cational assistance under the Compact of Free
13 Association (approved by the Compact of Free
14 Association Amendments Act of 2003 (Public
15 Law 108–188)) after the date of enactment of
16 the Workforce Investment Improvement Act of
17 2007.

18 “(2) STATES.—Subject to paragraph (5), of the
19 remainder of the amount referred to under sub-
20 section (a)(2) for a fiscal year that is available after
21 determining the amount to be reserved under para-
22 graph (1), the Secretary shall allot to the States for
23 employment and training activities for adults and for
24 statewide workforce investment activities—

1 “(A) 26 percent in accordance with para-
2 graph (3); and

3 “(B) 74 percent in accordance with para-
4 graph (4).

5 “(3) BASE FORMULA.—

6 “(A) FISCAL YEAR 2008.—

7 “(i) IN GENERAL.—Subject to clause
8 (ii), the amount referred to in paragraph
9 (2)(A) shall be allotted for fiscal year 2008
10 on the basis of allotment percentage of
11 each State under section 6 of the Wagner-
12 Peyser Act for fiscal year 2007.

13 “(ii) EXCESS AMOUNTS.—If the
14 amount referred to in paragraph (2)(A) for
15 fiscal year 2008 exceeds the amount that
16 was available for allotment to the States
17 under the Wagner-Peyser Act for fiscal
18 year 2007, such excess amount shall be al-
19 lotted on the basis of the relative number
20 of individuals in the civilian labor force in
21 each State, compared to the total number
22 of individuals in the civilian labor force in
23 all States, adjusted to ensure that no State
24 receives less than $\frac{3}{10}$ of one percent of
25 such excess amount.

1 “(iii) DEFINITION.—For purposes of
2 this subparagraph, the term ‘allotment
3 percentage’ means the percentage of the
4 amounts allotted to States under section 6
5 of the Wagner-Peyser Act that is received
6 by the State involved for fiscal year 2007.

7 “(B) FISCAL YEARS 2009 AND THERE-
8 AFTER.—

9 “(i) IN GENERAL.—Subject to clause
10 (ii), the amount referred to in para-
11 graph(2)(A) shall be allotted for fiscal year
12 2009 and each fiscal year thereafter on the
13 basis of the allotment percentage of each
14 State under this paragraph for the pre-
15 ceding fiscal year.

16 “(ii) EXCESS AMOUNTS.—If the
17 amount referred to in paragraph (2)(A) for
18 fiscal year 2009 or any fiscal year there-
19 after exceeds the amount that was avail-
20 able for allotment under this paragraph for
21 the prior fiscal year, such excess amount
22 shall be allotted on the basis of the relative
23 number of individuals in the civilian labor
24 force in each State, compared to the total
25 number of individuals in the civilian labor

1 force in all States, adjusted to ensure that
2 no State receives less than $\frac{3}{10}$ of one per-
3 cent of such excess amount.

4 “(iii) DEFINITION.—For purposes of
5 this subparagraph, the term ‘allotment
6 percentage’ means the percentage of the
7 amounts allotted to States under this para-
8 graph in a fiscal year that is received by
9 the State involved for such fiscal year.

10 “(4) CONSOLIDATED FORMULA.—

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

14 “(i) 60 percent shall be allotted on the
15 basis of the relative number of unemployed
16 individuals in each State, compared to the
17 total number of unemployed individuals in
18 all States;

19 “(ii) 25 percent shall be allotted on
20 the basis of the relative excess number of
21 unemployed individuals in each State, com-
22 pared to the total excess number of unem-
23 ployed individuals in all States; and

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

1 advantaged adults in each State, compared
2 to the total number of disadvantaged
3 adults in all States.

4 “(B) MINIMUM AND MAXIMUM PERCENT-
5 AGES.—

6 “(i) MINIMUM PERCENTAGE.—The
7 Secretary shall ensure that no State shall
8 receive an allotment under this paragraph
9 for a fiscal year that is less than 90 per-
10 cent of the allotment percentage of the
11 State under this paragraph for the pre-
12 ceding fiscal year.

13 “(ii) MAXIMUM PERCENTAGE.—Sub-
14 ject to clause (i), the Secretary shall en-
15 sure that no State shall receive an allot-
16 ment for a fiscal year under this para-
17 graph that is more than 130 percent of the
18 allotment of the State under this para-
19 graph for the preceding fiscal year.

20 “(C) SMALL STATE MINIMUM ALLOT-
21 MENT.—Subject to subparagraph (B), the Sec-
22 retary shall ensure that no State shall receive
23 an allotment under this paragraph that is less
24 than $\frac{2}{10}$ of 1 percent of the amount available
25 under subparagraph (A).

1 “(D) DEFINITIONS.—For the purposes of
2 this paragraph:

3 “(i) ALLOTMENT PERCENTAGE.—The
4 term ‘allotment percentage’, used with re-
5 spect to fiscal year 2008 or a subsequent
6 fiscal year, means a percentage of the
7 amounts described in paragraph (2)(B)
8 that is received through an allotment made
9 under this paragraph for the fiscal year.
10 The term, with respect to fiscal year 2007,
11 means the percentage of the amounts allot-
12 ted to States under this chapter (as in ef-
13 fect on the day before the date of enact-
14 ment of the Workforce Investment Im-
15 provement Act of 2007) and under reem-
16 ployment service grants received by the
17 State involved for fiscal year 2007.

18 “(ii) DISADVANTAGED ADULT.—The
19 term ‘disadvantaged adult’ means an indi-
20 vidual who is age 22 through 72 who re-
21 ceived an income, or is a member of a fam-
22 ily that received a total family income,
23 that, in relation to family size, does not ex-
24 ceed the poverty line.

1 “(iii) EXCESS NUMBER.—The term
2 ‘excess number’ means, used with respect
3 to the excess number of unemployed indi-
4 viduals within a State, the number that
5 represents the number of unemployed indi-
6 viduals in excess of 4½ percent of the ci-
7 vilian labor force in the State.

8 “(5) ADJUSTMENTS IN ALLOTMENTS BASED ON
9 DIFFERENCES WITH UNCONSOLIDATED FOR-
10 MULAS.—

11 “(A) IN GENERAL.—The Secretary shall
12 ensure that for any fiscal year no State has an
13 allotment difference, as defined in subpara-
14 graph (C), that is less than zero. The Secretary
15 shall adjust the amounts allotted to the States
16 under this subsection in accordance with sub-
17 paragraph (B) if necessary to carry out this
18 subparagraph.

19 “(B) ADJUSTMENTS IN ALLOTMENTS.—

20 “(i) REDISTRIBUTION OF EXCESS
21 AMOUNTS.—

22 “(I) IN GENERAL.—If necessary
23 to carry out subparagraph (A), the
24 Secretary shall reduce the amounts
25 that would be allotted under para-

1 graphs (3) and (4) to States that have
2 an excess allotment difference, as de-
3 fined in subclause (II), by the amount
4 of such excess, and use such amounts
5 to increase the allotments to States
6 that have an allotment difference less
7 than zero.

8 “(II) EXCESS AMOUNTS.—For
9 purposes of subclause (I), the term
10 ‘excess’ allotment difference means an
11 allotment difference for a State that
12 is—

13 “(aa) in excess of 3 percent
14 of the amount described in sub-
15 paragraph (C)(i)(II); or

16 “(bb) in excess of a percent-
17 age established by the Secretary
18 that is greater than 3 percent of
19 the amount described in subpara-
20 graph (C)(i)(II) if the Secretary
21 determines that such greater per-
22 centage is sufficient to carry out
23 subparagraph (A).

24 “(ii) USE OF AMOUNTS AVAILABLE
25 UNDER NATIONAL RESERVE ACCOUNT.—If

1 the funds available under clause (i) are in-
2 sufficient to carry out subparagraph (A),
3 the Secretary shall use funds reserved
4 under section 132(a) in such amounts as
5 are necessary to increase the allotments to
6 States to meet the requirements of sub-
7 paragraph (A). Such funds shall be used in
8 the same manner as the States use the
9 other funds allotted under this subsection.

10 “(C) DEFINITION OF ALLOTMENT DIF-
11 FERENCE.—

12 “(i) IN GENERAL.—For purposes of
13 this paragraph, the term ‘allotment dif-
14 ference’ means the difference between—

15 “(I) the total amount a State
16 would receive of the amounts available
17 for allotment under subsection (b)(2)
18 for a fiscal year pursuant to para-
19 graphs (3) and (4); and

20 “(II) the total amount the State
21 would receive of the amounts available
22 for allotment under subsection (b)(2)
23 for the fiscal year if such amounts
24 were allotted pursuant to the uncon-
25 solidated formulas (applied as de-

1 scribed in clause (iii)) that were used
2 in allotting funds for fiscal year 2007.

3 “(ii) UNCONSOLIDATED FORMULAS.—

4 For purposes of clause (i), the unconsoli-
5 dated formulas are:

6 “(I) The requirements for the al-
7 lotment of funds to the States con-
8 tained in section 132(b)(1)(B) of this
9 Act (as in effect on the day before the
10 date of enactment of the Workforce
11 Investment Improvement Act of 2007)
12 that were applicable to the allotment
13 of funds under such section for fiscal
14 year 2007.

15 “(II) The requirements for the
16 allotment of funds to the States con-
17 tained in section 132(b)(2)(B) of this
18 Act (as in effect on the day before the
19 date of enactment of the Workforce
20 Investment Improvement Act of 2007)
21 that were applicable to the allotment
22 of funds under such section for fiscal
23 year 2007.

24 “(III) The requirements for the
25 allotment of funds to the States that

1 were contained in section 6 of the
2 Wagner-Peyser Act (as in effect on
3 the day before the date of enactment
4 of the Workforce Investment Improve-
5 ment Act of 2007) that were applica-
6 ble to the allotment of funds under
7 such Act for fiscal year 2007.

8 “(IV) The requirements for the
9 allotment of funds to the States that
10 were established by the Secretary for
11 Reemployment Services Grants that
12 were applicable to the allotment of
13 funds for such grants for fiscal year
14 2007.

15 “(iii) PROPORTIONATE APPLICATION
16 OF UNCONSOLIDATED FORMULAS BASED
17 ON FISCAL YEAR 2007.—In calculating the
18 amount under clause (i)(II), each of the
19 unconsolidated formulas identified in
20 clause (ii) shall be applied, respectively,
21 only to the proportionate share of the total
22 amount of funds available for allotment
23 under subsection (b)(2) for a fiscal year
24 that is equal to the proportionate share to
25 which each of the unconsolidated formulas

1 applied with respect to the total amount of
2 funds allotted to the States under all of
3 the unconsolidated formulas in fiscal year
4 2007.

5 “(iv) RULE OF CONSTRUCTION.—The
6 amounts used to adjust the allotments to a
7 State under subparagraph (B) for a fiscal
8 year shall not be included in the calcula-
9 tion of the amounts under clause (i) for a
10 subsequent fiscal year, including the cal-
11 culation of allocation percentages for a
12 preceding fiscal year applicable to para-
13 graphs (3) and (4) and to the unconsoli-
14 dated formulas described in clause (ii).”;
15 and

16 (3) in subsection (c)—

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

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

1 ing amounts allotted to the State in all prior pro-
2 gram years that remained available). For purposes
3 of this paragraph, the expended balance is the
4 amount that is the difference between—

5 “(A) the total amount of funds available to
6 the State under this section during the program
7 year prior to the program year for which the
8 determination is made (including amounts allot-
9 ted to the State in all prior program years that
10 remained available); and

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

13 (B) in paragraph (3)—

14 (i) by striking “for the prior program
15 year” and inserting “for the program year
16 in which the determination is made”; and

17 (ii) by striking “such prior program
18 year” and inserting “such program year”;

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

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

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

3 (d) WITHIN STATE ALLOCATIONS.—Section 133 (29
4 U.S.C. 2863) is amended—

5 (1) by amending subsection (a) to read as fol-
6 lows:

7 “(a) RESERVATION FOR STATEWIDE ACTIVITIES.—
8 The Governor of a State may reserve up to 40 percent
9 of the total amount allotted to the State under section 132
10 for a fiscal year to carry out the statewide activities de-
11 scribed in section 134(a).”;

12 (2) by amending subsection (b) to read as fol-
13 lows:

14 “(b) ALLOCATIONS TO LOCAL AREAS.—

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

18 “(A) 85 percent of such amounts shall be
19 allocated by the Governor to local areas in ac-
20 cordance with paragraph (2); and

21 “(B) 15 percent of such amounts shall be
22 allocated by the Governor to local areas in ac-
23 cordance with paragraph (3).

24 “(2) ESTABLISHED FORMULA.—

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

4 “(i) 60 percent on the basis of the rel-
5 ative number of unemployed individuals in
6 each local area, compared to the total
7 number of unemployed individuals in all
8 local areas in the State;

9 “(ii) 25 percent on the basis of the
10 relative excess number of unemployed indi-
11 viduals in each local area, compared to the
12 total excess number of unemployed individ-
13 uals in all local areas in the State; and

14 “(iii) 15 percent shall be allotted on
15 the basis of the relative number of dis-
16 advantaged adults in each local area, com-
17 pared to the total number of disadvantaged
18 adults in all local areas in the State.

19 “(B) MINIMUM AND MAXIMUM PERCENT-
20 AGES.—The Governor shall ensure that no local
21 area shall receive an allocation for a fiscal year
22 under this paragraph that is less than 90 per-
23 cent or greater than 130 percent of the alloca-
24 tion percentage of the local area for the pre-
25 ceding fiscal year.

1 “(C) DEFINITIONS.—

2 “(i) ALLOCATION PERCENTAGE.—The
3 term ‘allocation percentage’, used with re-
4 spect to fiscal year 2008 or a subsequent
5 fiscal year, means a percentage of the
6 amount described in paragraph (1)(A) that
7 is received through an allocation made
8 under this paragraph for the fiscal year.
9 The term, with respect to fiscal year 2007,
10 means the percentage of the amounts allo-
11 cated to local areas under this chapter (as
12 in effect on the day before the date of en-
13 actment of the Workforce Investment Im-
14 provement Act of 2007) that is received by
15 the local area involved for fiscal year 2007.

16 “(ii) DISADVANTAGED ADULT.—The
17 term ‘disadvantaged adult’ means an indi-
18 vidual who is age 22 through 72 who re-
19 ceived an income, or is a member of a fam-
20 ily that received a total family income,
21 that, in relation to family size, does not ex-
22 ceed the poverty line.

23 “(iii) EXCESS NUMBER.—The term
24 ‘excess number’ means, used with respect
25 to the excess number of unemployed indi-

1 viduals within a local area, the number
2 that represents the number of unemployed
3 individuals in excess of 4.5 percent of the
4 civilian labor force in the local area.

5 “(3) DISCRETIONARY ALLOCATION.—The Gov-
6 ernor shall allocate to local areas the amounts de-
7 scribed in paragraph (1)(B) based on a formula de-
8 veloped in consultation with the State board and
9 local boards. Such formula shall be objective and
10 geographically equitable and may include such demo-
11 graphic and economic factors as the Governor, after
12 consultation with the State board and local boards,
13 determines are appropriate.

14 “(4) LOCAL ADMINISTRATIVE COST LIMIT.—

15 “(A) IN GENERAL.—Of the amounts allo-
16 cated to a local area under this subsection and
17 section 128(b) for a fiscal year, not more than
18 10 percent of the amount may be used by the
19 local boards for the administrative costs of car-
20 rying out local workforce investment activities
21 under this chapter or chapter 4.

22 “(B) USE OF FUNDS.—Funds made avail-
23 able for administrative costs under subpara-
24 graph (A) may be used for the administrative
25 costs of any of the local workforce investment

1 activities described in this chapter or chapter 4,
2 regardless of whether the funds were allocated
3 under this subsection or section 128(b).”;

4 (3) in subsection (c)—

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

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

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

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

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

3 (C) by amending paragraph (3)—

4 (i) by striking “subsection (b)(3)” the
5 first two places it appears and inserting
6 “subsection (b)”;

7 (ii) by striking “the prior program
8 year” and inserting “the program year in
9 which the determination is made”;

10 (iii) by striking “such prior program
11 year” and inserting “such program year”;

12 and

13 (iv) by striking the last sentence; and

14 (D) by amending paragraph (4) to read as
15 follows:

16 “(4) ELIGIBILITY.—For purposes of this sub-
17 section, an eligible local area means a local area
18 which does not have an amount available for re-
19 allocation under paragraph (2) for the program year
20 for which the determination under paragraph (2) is
21 made.”.

22 (e) USE OF FUNDS FOR EMPLOYMENT AND TRAIN-
23 ING ACTIVITIES.—

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

4 “(1) IN GENERAL.—

5 “(A) REQUIRED USE OF FUNDS.—Not less
6 than 60 percent of the funds reserved by a Gov-
7 ernor under section 133(a) shall be used to sup-
8 port One-Stop delivery systems and the provi-
9 sion of work ready services, and, in addition,
10 may be used to support the provision of discre-
11 tionary one-step delivery services, in local areas,
12 consistent with the local plan, through one-stop
13 delivery systems by distributing funds to local
14 areas in accordance with subparagraph (B).
15 Such funds may be used by States to employ
16 State personnel to provide such services in des-
17 ignated local areas in consultation with local
18 boards.

19 “(B) METHOD OF DISTRIBUTING
20 FUNDS.—The method of distributing funds
21 under this paragraph shall be developed in con-
22 sultation with the State board and local boards.
23 Such method of distribution, which may include
24 the formula established under section
25 121(h)(3), shall be objective and geographically

1 equitable, and may include factors such as the
2 number of centers in the local area that have
3 been certified, the population served by such
4 centers, and the performance of such centers.

5 “(C) OTHER USE OF FUNDS.—Funds re-
6 served by a Governor for a State—

7 “(i) under section 133(a) and not
8 used under subparagraph (A), may be used
9 for statewide activities described in para-
10 graph (2); and

11 “(ii) under section 133(a) and not
12 used under subparagraph (A), and under
13 section 128(a) may be used to carry out
14 any of the statewide employment and
15 training activities described in paragraph
16 (3).

17 “(2) STATEWIDE RAPID RESPONSE ACTIVI-
18 TIES.—A State shall carry out statewide rapid re-
19 sponse activities using funds reserved as described in
20 section 133(a). Such activities shall include—

21 “(A) provision of rapid response activities,
22 carried out in local areas by the State or by an
23 entity designated by the State, working in con-
24 junction with the local boards and the chief
25 elected officials in the local areas; and

1 “(B) provision of additional assistance to
2 local areas that experience disasters, mass lay-
3 offs or plant closings, or other events that pre-
4 cipitate substantial increases in the number of
5 unemployed individuals, carried out in local
6 areas by the State, working in conjunction with
7 the local boards and the chief elected officials in
8 the local areas.

9 “(3) STATEWIDE ACTIVITIES.—Funds reserved
10 by a Governor for a State as described in sections
11 133(a) and 128(a) may be used for statewide activi-
12 ties including—

13 “(A) supporting the provision of work
14 ready services described in section 134(c)(2) in
15 the one-stop delivery system;

16 “(B) implementing innovative programs
17 and strategies designed to meet the needs of all
18 businesses in the State, including small busi-
19 nesses, which may include incumbent worker
20 training programs, sectoral and industry cluster
21 strategies and partnerships, including regional
22 skills alliances, sectoral skills partnerships (in
23 which representatives of multiple employers for
24 a specific industry sector or group of related oc-
25 cupations, economic development agencies, pro-

1 viders of training services described in sub-
2 section (d)(4), labor federations, and other enti-
3 ties that can provide needed supportive services
4 tailored to the needs of workers in that sector
5 or group, for a local area or region, identify
6 gaps between the current and expected demand
7 and supply of labor and skills in that sector or
8 group for that area or region and develop a
9 strategic skills gap action plan), career ladder
10 programs, micro-enterprise and entrepreneurial
11 training and support programs, utilization of ef-
12 fective business intermediaries, activities to im-
13 prove linkages between the one-stop delivery
14 system in the State and all employers (includ-
15 ing small employers) in the State, and other
16 business services and strategies that better en-
17 gage employers in workforce investment activi-
18 ties and make the workforce investment system
19 more relevant to the needs of State and local
20 businesses, consistent with the objectives of this
21 title;

22 “(C) conducting evaluations under section
23 136(e) of activities authorized under this chap-
24 ter and chapter 4 in coordination with evalua-

1 tions carried out by the Secretary under section
2 172, research, and demonstration projects;

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

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

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

20 “(G) carrying out monitoring and over-
21 sight of activities carried out under this chapter
22 and chapter 4;

23 “(H) implementing innovative programs,
24 such as incumbent worker training programs,
25 programs and strategies designed to meet the

1 needs of businesses in the State, including small
2 businesses, and engage employers in workforce
3 activities, and programs serving individuals
4 with disabilities consistent with section 188;

5 “(I) developing strategies for effectively
6 serving hard-to-serve populations and for inte-
7 grating programs and services among one-stop
8 partners; and

9 “(J) carrying out activities to facilitate re-
10 mote access to services provided through a one-
11 stop delivery system, including facilitating ac-
12 cess through the use of technology.

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

17 (2) LOCAL EMPLOYMENT AND TRAINING AC-
18 TIVITIES.—Section 134(b) (29 U.S.C. 2864(b)) is
19 amended—

20 (A) by striking “under paragraph (2)(A)”
21 and all that follows through “section
22 133(b)(2)(B)” and inserting “under section
23 133(b)”; and

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

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

4 (4) REQUIRED LOCAL EMPLOYMENT AND
5 TRAINING ACTIVITIES.—

6 (A) ALLOCATED FUNDS.—Section
7 134(c)(1) (29 U.S.C. 2864(c)(1)) (as redesign-
8 nated by paragraph (3)) is amended to read as
9 follows:

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

12 “(A) to establish a one-stop delivery sys-
13 tem as described in section 121(e);

14 “(B) to provide the work ready services de-
15 scribed in paragraph (2) through the one-stop
16 delivery system in accordance with such para-
17 graph;

18 “(C) to provide training services described
19 in paragraph (4) to adults described in such
20 paragraph; and

21 “(D) to designate a dedicated business liai-
22 son in the local area who may be funded with
23 funds provided under this title or from other
24 sources to establish and develop relationships

1 and networks with large and small employers
2 and their intermediaries.”.

3 (B) WORK READY SERVICES.—Section
4 134(c)(2) (29 U.S.C. 2864(c)(2)) (as redesign-
5 nated by paragraph (3)) is amended—

6 (i) in the heading, by striking “CORE
7 SERVICES” and inserting “WORK READY
8 SERVICES”;

9 (ii) by striking “core services” and in-
10 sserting “work ready services”;

11 (iii) by striking “paragraph (1)(A)”
12 and inserting “paragraph (1)(A)(i)”;

13 (iv) by striking “who are adults or
14 dislocated workers”;

15 (v) in subparagraph (A), by inserting
16 “and assistance in obtaining eligibility de-
17 terminations under the other one-stop
18 partner programs through such activities
19 as assisting in the submission of applica-
20 tions, the provision of information on the
21 results of such applications, the provision
22 of intake services and information, and,
23 where appropriate and consistent with the
24 authorizing statute of the one-stop partner

1 program, determinations of eligibility”
2 after “subtitle”;

3 (vi) by amending subparagraph (D) to
4 read as follows:

5 “(D) labor exchange services, including—

6 “(i) job search and placement assist-
7 ance, and where appropriate career coun-
8 seling;

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

16 “(iii) reemployment services provided
17 to unemployment claimants, including
18 claimants identified as in need of such
19 services under the worker profiling system
20 established under section 303(j) of the So-
21 cial Security Act (42 U.S.C. 503(j));”;

22 (vii) in subparagraph (I), by inserting
23 “and the administration of the work test
24 for the unemployment compensation sys-
25 tem” after “compensation”; and

1 (viii) by striking subparagraph (H)
2 and inserting the following:

3 “(H) provision of accurate information, in
4 formats that are usable and understandable to
5 all one-stop center customers, relating to the
6 availability of supportive services or assistance,
7 including child care, child support, medical or
8 child health assistance under title XIX or XXI
9 of the Social Security Act (42 U.S.C. 1396 et
10 seq. and 1397aa et seq.), benefits under the
11 Food Stamp Act of 1977 (7 U.S.C. 2011 et
12 seq.), the earned income tax credit under sec-
13 tion 32 of the Internal Revenue Code of 1986,
14 and assistance under a State program funded
15 under part A of title IV of the Social Security
16 Act (42 U.S.C. 601 et seq.) and other sup-
17 portive services and transportation provided
18 through funds made available under such part,
19 available in the local area, and referral to such
20 services or assistance as appropriate;” and

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

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

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

3 (x) by redesignating subparagraph
4 (K) as subparagraph (M); and

5 (xi) by inserting the following new
6 subparagraphs after subparagraph (J)):

7 “(K) the provision of information from of-
8 ficial publications of the Internal Revenue Serv-
9 ice, regarding federal tax credits available to in-
10 dividuals relating to education, job training and
11 employment, including the Hope Scholarship
12 Credit and the Lifetime Learning Credit (26
13 U.S.C. 25A), and the Earned Income Tax
14 Credit (26 U.S.C. 32);

15 “(L) services relating to the Work Oppor-
16 tunity Tax Credit (26 U.S.C. 51);

17 “(M) comprehensive and specialized assess-
18 ments of the skill levels and service needs of
19 adults and dislocated workers, which may in-
20 clude—

21 “(i) diagnostic testing and use of
22 other assessment tools; and

23 “(ii) in-depth interviewing and evalua-
24 tion to identify employment barriers and
25 appropriate employment goals;

- 1 “(N) development of an individual employ-
2 ment plan, to identify the employment goals,
3 appropriate achievement objectives, and appro-
4 priate combination of services for the participa-
5 tion to achieve the employment goals;
- 6 “(O) group counseling;
- 7 “(P) individual counseling and career plan-
8 ning;
- 9 “(Q) case management;
- 10 “(R) short-term prevocational services, in-
11 cluding development of learning skills, commu-
12 nications skills, interviewing skills, punctuality,
13 personal maintenance skills, and professional
14 conduct, to prepare individuals for unsubsidized
15 employment or training;
- 16 “(S) internships and work experience;
- 17 “(T) literacy activities relating to basic
18 work readiness, information and communication
19 technology literacy activities, and financial lit-
20 eracy activities, if such activities are not avail-
21 able to participants in the local area under pro-
22 grams administered under the Adult Education
23 and Family Literacy Act (20 U.S.C. 2901 et
24 seq.); and

1 “(U) out-of-area job search assistance and
2 relocation assistance.”.

3 (C) DELIVERY OF SERVICES.—Section
4 134(c)(3) (29 U.S.C. 2864(c)(3) (as redesignig-
5 nated by paragraph (3) of this subsection) is
6 amended to read as follows:

7 “(3) DELIVERY OF SERVICES.—The work ready
8 services described in paragraph (M) through (U)
9 shall be provided through the one-stop delivery sys-
10 tem and may be provided through contracts with
11 public, private for-profit, and private nonprofit serv-
12 ice providers, approved by the local board.”.

13 (D) TRAINING SERVICES.—Section
14 134(c)(4) (as redesignated by paragraph (3) of
15 this subsection) is amended—

16 (i) by amending subparagraph (A) to
17 read as follows:

18 “(A) IN GENERAL.—Funds allocated to a
19 local area under section 133(b) shall be used to
20 provide training services to adults who—

21 “(i) after an interview, evaluation, or
22 assessment, and case management, have
23 been determined by a one-stop operator or
24 one-stop partner, as appropriate, to—

1 “(I) be in need of training serv-
2 ices to obtain or retain suitable em-
3 ployment; and

4 “(II) have the skills and quali-
5 fications to successfully participate in
6 the selected program of training serv-
7 ices;

8 “(ii) select programs of training serv-
9 ices that are directly linked to the employ-
10 ment opportunities in the local area in-
11 volved or in another area in which the
12 adults receiving such services are willing to
13 commute or relocate;

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

16 “(iv) who are determined eligible in
17 accordance with the priority system in ef-
18 fect under subparagraph (E).”;

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

24 (iii) by amending subparagraph (D) to
25 read as follows:

1 “(D) TRAINING SERVICES.—Training serv-
2 ices authorized under this paragraph may in-
3 clude—

4 “(i) occupational skills training;

5 “(ii) on-the-job training;

6 “(iii) skill upgrading and retraining;

7 “(iv) entrepreneurial training;

8 “(v) education activities leading to a
9 high school diploma or its equivalent, in-
10 cluding a General Educational Develop-
11 ment credential, in combination with, con-
12 currently or subsequently, occupational
13 skills training;

14 “(vi) adult education and literacy ac-
15 tivities provided in conjunction with other
16 training authorized under this subpara-
17 graph;

18 “(vii) workplace training combined
19 with related instruction; and

20 “(viii) occupational skills training that
21 incorporates English language acquisi-
22 tion.”;

23 (iv) by amending subparagraph (E) to
24 read as follows:

25 “(E) PRIORITY.—

1 “(i) IN GENERAL.—A priority shall be
2 given to unemployed individuals and em-
3 ployed workers who need training services
4 to retain employment or to advance in a
5 career for the provision of intensive and
6 training services under this subsection.

7 “(ii) DETERMINATIONS.—The Gov-
8 ernor and the appropriate local board shall
9 direct the one-stop operators in the local
10 area with regard to making determinations
11 with respect to the priority of service under
12 this subparagraph.”;

13 (v) in subparagraph (F), by striking
14 clause (iii) and inserting the following:

15 “(iii) CAREER ENHANCEMENT AC-
16 COUNTS.—An individual who seeks train-
17 ing services and who is eligible pursuant to
18 subparagraph (A), may, in consultation
19 with a case manager, select an eligible pro-
20 vider of training services from the list or
21 identifying information for providers de-
22 scribed in clause (ii)(I). Upon such selec-
23 tion, the one-stop operator involved shall,
24 to the extent practicable, refer such indi-
25 vidual to the eligible provider of training

1 services, and arrange for payment for such
2 services through a career enhancement ac-
3 count.

4 “(iv) COORDINATION.—Each local
5 board may, through one-stop centers, co-
6 ordinate career enhancement accounts with
7 other Federal, State, local, or private job
8 training programs or sources to assist the
9 individual in obtaining training services.

10 “(v) ENHANCED CAREER ENHANCE-
11 MENT ACCOUNTS.—Each local board may,
12 through one-stop centers, assist individuals
13 receiving career enhancement accounts
14 through the establishment of such accounts
15 that include, in addition to the funds pro-
16 vided under this paragraph, funds from
17 other programs and sources that will assist
18 the individual in obtaining training serv-
19 ices.”; and

20 (vi) in subparagraph (G)—

21 (I) in the subparagraph heading,
22 by striking “INDIVIDUAL TRAINING
23 ACCOUNTS” and inserting “CAREER
24 ENHANCEMENT ACCOUNTS”;

1 (II) in clause (i) by striking “in-
2 dividual training accounts” and in-
3 sserting “career enhancement ac-
4 counts”;

5 (III) in clause (ii)—

6 (aa) by striking “an indi-
7 vidual training account” and in-
8 sserting “a career enhancement
9 account”;

10 (bb) in subclause (II), by
11 striking “individual training ac-
12 counts” and inserting “career en-
13 hancement accounts”;

14 (cc) in subclause (II) by
15 striking “or” after the semicolon;

16 (dd) in subclause (III) by
17 striking the period and inserting
18 “; or”; and

19 (ee) by adding at the end of
20 the following:

21 “(IV) The local board determines
22 that it would be most appropriate to
23 award a contract to an institution of
24 higher education in order to facilitate
25 the training of multiple individuals in

1 high-demand occupations, if such con-
2 tract does not limit customer choice.”.

3 (IV) in clause (iv)—

4 (aa) by redesignating sub-
5 clause (IV) as subclause (V) and
6 inserting after subclause (III) the
7 following:

8 “(IV) Individuals with disabil-
9 ities.”.

10 (5) PERMISSIBLE ACTIVITIES.—Section 134(d)
11 (as redesignated by paragraph (3)) is amended—

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

14 “(1) DISCRETIONARY ONE-STOP DELIVERY AC-
15 TIVITIES.—

16 “(A) IN GENERAL.—Funds allocated to a
17 local area under section 133(b) may be used to
18 provide, through the one-stop delivery system—

19 “(i) customized screening and referral
20 of qualified participants in training serv-
21 ices to employers;

22 “(ii) customized employment-related
23 services to employers on a fee-for-service
24 basis;

1 “(iii) customer support to navigate
2 among multiple services and activities for
3 special participant populations that face
4 multiple barriers to employment, including
5 individuals with disabilities;

6 “(iv) employment and training assist-
7 ance provided in coordination with child
8 support enforcement activities of the State
9 agency carrying out subtitle D of title IV
10 of the Social Security Act (42 U.S.C. 651
11 et seq.);

12 “(v) activities to improve services to
13 local employers, including small employers
14 in the local area, and increase linkages be-
15 tween the local workforce investment sys-
16 tem and employers;

17 “(vi) activities to facilitate remote ac-
18 cess to services provided through a one-
19 stop delivery system, including facilitating
20 access through the use of technology; and

21 “(vii) activities to carry out business
22 services and strategies that meet the work-
23 force investment needs of local area em-
24 ployers, as determined by the local board,

1 consistent with the local plan under section
2 118, which services—

3 “(I) may be provided through ef-
4 fective business intermediaries work-
5 ing in conjunction with the local
6 board, and may also be provided on a
7 fee-for-service basis or through the
8 leveraging of economic development
9 and other resources as determined ap-
10 propriate by the local board; and

11 “(II) may include—

12 “(aa) identifying and dis-
13 seminating to business, edu-
14 cators, and job seekers, informa-
15 tion related to the workforce, eco-
16 nomic and community develop-
17 ment needs, and opportunities of
18 the local economy;

19 “(bb) development and deliv-
20 ery of innovative workforce in-
21 vestment services and strategies
22 for area businesses, which may
23 include sectoral, industry cluster,
24 regional skills alliances, career
25 ladder, skills upgrading, skill

1 standard development and certifi-
2 cation, apprenticeship, and other
3 effective initiatives for meeting
4 the workforce investment needs
5 of area employers and workers;

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

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

23 “(ee) assistance to area em-
24 ployers in the aversion of layoffs
25 and in managing reductions in

1 force in coordination with rapid
2 response activities;

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

8 “(gg) information referral
9 on concerns affecting local em-
10 ployers; and

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

21 “(B) WORK SUPPORT ACTIVITIES FOR
22 LOW-WAGE WORKERS.—

23 “(i) IN GENERAL.—Funds allocated to
24 a local area under 133(b) may be used to
25 provide, through the one-stop delivery sys-

1 tem and in collaboration with the appro-
2 priate programs and resources of the one-
3 stop partners, work support activities de-
4 signed to assist low-wage workers in re-
5 taining and enhancing employment. The
6 one stop partners shall coordinate the ap-
7 propriate programs and resources of the
8 partners with the activities and resources
9 provided under this subparagraph.

10 “(ii) ACTIVITIES.—The activities de-
11 scribed in clause (i) may include assistance
12 in accessing financial supports for which
13 such workers may be eligible and the provi-
14 sion of activities available through the one-
15 stop delivery system in a manner that en-
16 hances the opportunities of such workers
17 to participate, such as the provision of em-
18 ployment and training activities during
19 nontraditional hours and the provision of
20 on-site child care while such activities are
21 being provided.”; and

22 (B) by adding after paragraph (3) the fol-
23 lowing new paragraph:

24 “(4) INCUMBENT WORKER TRAINING PRO-
25 GRAMS.—

1 “(A) IN GENERAL.—The local board may
2 use up to 10 percent of the funds allocated to
3 a local area under section 133(b) to carry out
4 incumbent worker training programs in accord-
5 ance with this paragraph.

6 “(B) TRAINING ACTIVITIES.—The training
7 programs for incumbent workers under this
8 paragraph shall be carried out by the local area
9 in conjunction with the employers of such work-
10 ers for the purpose of assisting such workers in
11 obtaining the skills necessary to retain employ-
12 ment and avert layoffs.

13 “(C) EMPLOYER MATCH REQUIRED.—

14 “(i) IN GENERAL.—Employers partici-
15 pating in programs under this paragraph
16 shall be required to pay a proportion of the
17 costs of providing the training to the in-
18 cumbent workers of the employers. The
19 State board, in consultation with the local
20 board as appropriate, shall establish the
21 required portion of such costs, which may
22 include in-kind contributions. The required
23 portion shall not be less than—

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

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

5 “(III) 50 percent of the costs, for
6 employers with 100 or more employ-
7 ees.

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

13 **SEC. 113. PERFORMANCE ACCOUNTABILITY SYSTEM.**

14 (a) STATE PERFORMANCE MEASURES.—

15 (1) IN GENERAL.—Section 136(b)(1) (29
16 U.S.C. 2871(b)(1)) is amended—

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

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

23 (2) INDICATORS OF PERFORMANCE.—Section
24 136(b)(2) (29 U.S.C. 2871(b)(2)) is amended—

25 (A) in subparagraph (A)(i)—

1 (i) by striking “(except for self-service
2 and information activities) and (for partici-
3 pants who are eligible youth age 19
4 through 21) for youth activities authorized
5 under section 129”;

6 (ii) in subclause (II), by striking “6
7 months after entry into the employment”
8 and inserting “and” after the semicolon;
9 and

10 (iii) by striking subclause (III), and
11 inserting the following:

12 “(III) average earnings from un-
13 subsidized employment.”;

14 (B) by striking subclause (IV) of subpara-
15 graph (A)(i);

16 (C) by amending subparagraph (A)(ii) to
17 read as follows:

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

22 “(I) entry into employment, edu-
23 cation or advanced training, or mili-
24 tary service;

1 “(II) attainment of secondary
2 school diploma, General Educational
3 Development credential (GED), or
4 other State-recognized equivalent or
5 certificate (including recognized alter-
6 native standards for individuals with
7 disabilities); and

8 “(III) literacy or numeracy
9 gains.”;

10 (D) by striking subparagraph (B); and

11 (E) by redesignating subparagraph (C) as
12 subparagraph (B), and by adding at the end of
13 such subparagraph the following new sentence:
14 “Such indicators may include customer satisfac-
15 tion of employers and participants with services
16 received from the workforce investment activi-
17 ties authorized under this subtitle.”.

18 (3) LEVELS OF PERFORMANCE.—Section
19 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amend-
20 ed—

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

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

4 (C) in clause (iii)—

5 (i) in the heading, by striking “**FOR**
6 **FIRST 3 YEARS**”; and

7 (ii) by striking “and the customer sat-
8 isfaction indicator of performance, for the
9 first 3” and inserting “for the 2”;

10 (D) in clause (iv)—

11 (i) by striking subclause (I);

12 (ii) by redesignating subclauses (II)
13 and (III) as subclauses (I) and (II), re-
14 spectively; and

15 (iii) in subclause (I) (as so redesi-
16 gnated)—

17 (I) by striking “taking into ac-
18 count” and inserting “which shall be
19 adjusted based on”;

20 (II) by inserting “, such as un-
21 employment rates and job losses or
22 gains in particular industries” after
23 “economic conditions”; and

24 (III) by inserting “, such as indi-
25 cators of poor work history, lack of

1 work experience, dislocation from
2 high-wage employment, low levels of
3 literacy or English proficiency, dis-
4 ability status, including the number of
5 veterans with disabilities, and welfare
6 dependency” after “program”;

7 (E) by striking clause (v) and redesignig-
8 nating clause (vi) as clause (v).

9 (4) ADDITIONAL INDICATORS.—Section
10 136(b)(3)(B) is amended by striking “paragraph
11 (2)(C)” and inserting “paragraph (2)(B)”.

12 (b) LOCAL PERFORMANCE MEASURES.—Section
13 136(c) (29 U.S.C. 2871(c)) is amended—

14 (1) in paragraph (1)(A)(i), by striking “, and
15 the customer satisfaction indicator of performance
16 described in subsection (b)(2)(B),”;

17 (2) in paragraph (1)(A)(ii), by striking “sub-
18 section (b)(2)(C)” and inserting “subsection
19 (b)(2)(B)”;

20 (3) by amending paragraph (3) to read as fol-
21 lows:

22 “(3) DETERMINATIONS.—In determining such
23 local levels of performance, the local board, the chief
24 elected official, and the Governor shall ensure such
25 levels are adjusted based on the specific economic

1 characteristics (such as unemployment rates and job
2 losses or gains in particular industries), demographic
3 characteristics, or other characteristics of the popu-
4 lation to be served in the local area, such as poor
5 work history, lack of work experience, dislocation
6 from high-wage employment, low levels of literacy or
7 English proficiency, disability status, including the
8 number of veterans with disabilities, and welfare de-
9 pendency.”.

10 (c) REPORT.—Section 136(d) (29 U.S.C. 2871(d)) is
11 amended—

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

15 (2) in paragraph (2)—

16 (A) in subparagraph (E), by striking “(ex-
17 cluding participants who received only self-serv-
18 ice and informational activities); and” and in-
19 serting a semicolon;

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

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

23 “(G) the number of participants who have
24 received services other than followup services,
25 authorized under this title, in the form of work

1 ready services described in section 134(d)(2),
2 and training services described in section
3 134(d)(4), respectively;

4 “(H) the number of participants who have
5 received followup services authorized under this
6 title; and

7 “(I) the cost per participant for services
8 authorized under this title.”; and

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

10 “(4) DATA VALIDATION.—In preparing the re-
11 ports described in this subsection, the States shall
12 establish procedures, consistent with guidelines
13 issued by the Secretary, to ensure the information
14 contained in the report is valid and reliable.”.

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

17 (1) in paragraph (1)(A), by striking “or (B)”;
18 and

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

21 (e) SANCTIONS FOR LOCAL AREAS.—Section 136(h)
22 (29 U.S.C. 2871(h)) is amended—

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

24 (2) by amending paragraph (2)(B) to read as
25 follows:

1 “(B) APPEAL TO GOVERNOR.—A local area
2 that is subject to a reorganization plan under
3 subparagraph (A) may, not later than 30 days
4 after receiving notice of the reorganization plan,
5 appeal to the Governor to rescind or revise such
6 plan. In such case, the Governor shall make a
7 final decision not later than 30 days after the
8 receipt of the appeal.”.

9 (f) INCENTIVE GRANTS.—Section 136(i) (29 U.S.C.
10 2871(i)) is amended to read as follows:

11 “(i) INCENTIVE GRANTS FOR STATES AND LOCAL
12 AREAS.—

13 “(1) INCENTIVE GRANTS FOR STATES.—

14 “(A) IN GENERAL.—From funds appro-
15 priated under section 174, the Secretary may
16 award incentive grants to States for exemplary
17 performance in carrying programs under chap-
18 ters 4 and 5 of this title. Such awards may be
19 based on States meeting or exceeding the per-
20 formance measures established under this sec-
21 tion, on the performance of the State in serving
22 special populations, including the levels of serv-
23 ice provided and the performance outcomes, and
24 such other factors relating to the performance

1 of the State under this title as the Secretary
2 determines is appropriate.

3 “(B) USE OF FUNDS.—The funds awarded
4 to a State under this paragraph may be used to
5 carry out any activities authorized under chap-
6 ters 4 and 5 of this title, including—

7 “(i) activities that provide technical
8 assistance to local areas to replicate best
9 practices for workforce and education pro-
10 grams;

11 “(ii) activities that support the needs
12 of businesses, especially for incumbent
13 workers and enhancing opportunities for
14 retention and advancement;

15 “(iii) activities that support linkages
16 between the workforce and education pro-
17 grams, and secondary, postsecondary, or
18 career and technical education programs,
19 including activities under the Carl D. Per-
20 kins Career and Technical Education Act
21 (20 U.S.C. 2301 et seq.), the Adult Edu-
22 cation and Family Literacy Act (20 U.S.C.
23 9201 et seq.), and the Rehabilitation Act
24 of 1973 (29 U.S.C. 701 et seq.);

1 “(iv) activities that support regional
2 economic development plans that support
3 high-wage, high-skill, or high-demand occu-
4 pations leading to self-sufficiency;

5 “(v) activities that coordinate the
6 workforce and education programs with
7 other Federal and State programs related
8 to the workforce and education programs;

9 “(vi) activities that support the devel-
10 opment of an integrated performance in-
11 formation system that includes common
12 measures for one-stop partner programs
13 described in section 121;

14 “(vii) activities that support activities
15 to improve performance in workforce and
16 education programs and program coordina-
17 tion of workforce and education programs;
18 or

19 “(viii) activities that leverage addi-
20 tional training resources, other than those
21 provided through workforce and education
22 programs, for adults and youth.

23 “(2) INCENTIVE GRANTS FOR LOCAL AREAS.—

24 “(A) IN GENERAL.—From funds reserved
25 under sections 128(a) and 133(a), the Governor

1 may award incentive grants to local areas for
2 exemplary performance with respect to the
3 measures established under this section and
4 with the performance of the local area in serv-
5 ing special populations, including the levels of
6 service and the performance outcomes.

7 “(B) USE OF FUNDS.—The funds awarded
8 to a local area may be used to carry out activi-
9 ties authorized for local areas under chapters 4
10 and 5 of this title, the Adult Education and
11 Family Literacy Act, and the Rehabilitation Act
12 of 1973 (referred to in this subsection as ‘work-
13 force and education programs’), and such inno-
14 vative projects or programs that increase co-
15 ordination and enhance service to participants
16 in such programs, particularly hard-to-serve
17 populations, as may be approved by the Gov-
18 ernor, including—

19 “(i) activities that support the needs
20 of businesses, especially for incumbent
21 workers and enhancing opportunities for
22 retention and advancement;

23 “(ii) activities that support linkages
24 between the workforce and education pro-
25 grams, and secondary, postsecondary, or

1 career and technical education programs,
2 including activities under the Carl D. Per-
3 kins Career and Technical Education Act
4 (20 U.S.C. 2301 et seq.), the Adult Edu-
5 cation and Family Literacy Act (20 U.S.C.
6 9201 et seq.), and the Rehabilitation Act
7 of 1973 (29 U.S.C. 701 et seq.);

8 “(iii) activities that support regional
9 economic development plans that support
10 high-wage, high-skill, or high-demand occu-
11 pations leading to self-sufficiency;

12 “(iv) activities that coordinate the
13 workforce and education programs with
14 other Federal and State programs related
15 to the workforce and education programs;

16 “(v) activities that support the devel-
17 opment of an integrated performance in-
18 formation system that includes common
19 measures for one-stop partner programs
20 described in section 121;

21 “(vi) activities that support activities
22 to improve performance in workforce and
23 education programs and program coordina-
24 tion of workforce and education programs;

25 or

1 “(vii) activities that leverage addi-
2 tional training resources, other than those
3 provided through workforce and education
4 programs, for adults and youth.”.

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

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

16 (h) REPEAL OF DEFINITIONS.—Sections 502 and
17 503 (and the items related to such sections in the table
18 of contents) are repealed.

19 **SEC. 114. AUTHORIZATION OF APPROPRIATIONS.**

20 (a) YOUTH ACTIVITIES.—Section 137(a) (29 U.S.C.
21 2872(a)) is amended by striking “such sums as may be
22 necessary for each of fiscal years 1999 through 2003” and
23 inserting “such sums as may be necessary for each of fis-
24 cal year 2008 through 2012”.

1 (b) ADULT EMPLOYMENT AND TRAINING ACTIVI-
2 TIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by
3 striking “section 132(a)(1), such sums as may be nec-
4 essary for each of fiscal years 1999 through 2003” and
5 inserting “section 132(a), such sums as may be necessary
6 for each of fiscal years 2008 through 2012”.

7 (c) DISLOCATED WORKER EMPLOYMENT AND
8 TRAINING ACTIVITIES.—Section 137 is further amended
9 by striking subsection (c).

10 **SEC. 115. JOB CORPS.**

11 (a) PROGRAM ACTIVITIES.—Section 148(a) is amend-
12 ed by striking paragraph (1) and inserting the following:

13 “(1) IN GENERAL.—Each Job Corps Center
14 shall provide enrollees with an intensive, well orga-
15 nized, and fully supervised program of education, ca-
16 reer training, work experience, recreational activities,
17 physical rehabilitation and development, and coun-
18 seling. Each Job Corps center shall provide enrollees
19 assigned to the center with access to work ready
20 services described in section 134(c)(2).”.

21 (b) INDUSTRY COUNCILS.—Section 154(b) (29
22 U.S.C. 2894(b)) is amended—

23 (1) in paragraph (1)(A), by striking “local and
24 distant”; and

25 (2) by adding after paragraph (2) the following:

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

6 “(4) SPECIAL RULE FOR SINGLE LOCAL AREA
7 STATES.—In the case of a single local area State
8 designated under section 116(b), the industry coun-
9 cil shall include a representative of the State
10 Board.”.

11 (c) INDICATORS OF PERFORMANCE AND ADDITIONAL
12 INFORMATION.—Section 159(c) (29 U.S.C. 2893(c)) is
13 amended—

14 (1) by amending paragraph (1) to read as fol-
15 lows:

16 “(1) CORE INDICATORS.—The Secretary shall
17 annually establish expected levels of performance for
18 Job Corps centers and the Job Corps program relat-
19 ing to each of the following core indicators of per-
20 formance for youth—

21 “(A) entry into education, employment,
22 military service or advanced training;

23 “(B) attainment of a secondary school di-
24 ploma, General Educational Development cre-

1 dential (GED), or other State-recognized equiv-
2 alent; and

3 “(C) literacy or numeracy gains.”; and
4 (2) in paragraph (2), by striking “measures”
5 each place it appears and inserting “indicators”.

6 (d) **AUTHORIZATION OF APPROPRIATIONS.**—Section
7 161 (29 U.S.C. 2901) is amended by striking “1999
8 through 2003” and inserting “2008 through 2012”.

9 (e) **REPEAL OF REQUIREMENT RELATING TO FED-**
10 **ERAL ADMINISTRATION.**—Section 102 of the Departments
11 of Labor, Health and Human Services, and Education,
12 and Related Agencies Appropriations Act, 2006 (Public
13 Law 109–149) is repealed.

14 **SEC. 116. NATIVE AMERICAN PROGRAMS.**

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

17 “(C) **DUTIES.**—The Council shall advise
18 the Secretary on the operation and administra-
19 tion of the programs assisted under this sec-
20 tion.”.

21 (b) **ASSISTANCE TO AMERICAN SAMOANS IN HA-**
22 **WAI.**—Section 166 (29 U.S.C. 2911) is further amended
23 by striking subsection (j).

1 **SEC. 117. MIGRANT AND SEASONAL FARMWORKER PRO-**
2 **GRAMS.**

3 Section 167(d) is amended by inserting “(including
4 permanent housing)” after “housing”.

5 **SEC. 118. VETERANS’ WORKFORCE INVESTMENT PRO-**
6 **GRAMS.**

7 Section 168(a)(3)(C) (29 U.S.C. 2913 (a)(3)(C)) is
8 amended by striking “section 134(c)” and inserting “sec-
9 tion 121(e)”.

10 **SEC. 119. YOUTH CHALLENGE GRANTS.**

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

13 **“SEC. 169. YOUTH CHALLENGE GRANTS.**

14 “(a) IN GENERAL.—Of the amounts reserved by the
15 Secretary under section 127(a)(1)(A) for a fiscal year—

16 “(1) the Secretary shall use not less than 80
17 percent to award competitive grants under sub-
18 section (b); and

19 “(2) the Secretary may use not more than 20
20 percent to award discretionary grants under sub-
21 section (c).

22 “(b) COMPETITIVE GRANTS TO STATES AND LOCAL
23 AREAS.—

24 “(1) ESTABLISHMENT.—From the funds de-
25 scribed in subsection (a)(1), the Secretary shall
26 award competitive grants to eligible entities to carry

1 out activities authorized under this section to assist
2 eligible youth in acquiring the skills, credentials and
3 employment experience necessary to succeed in the
4 labor market.

5 “(2) ELIGIBLE ENTITIES.—Grants under this
6 subsection may be awarded to States, local boards,
7 recipients of grants under section 166 (relating to
8 Native American programs), and public or private
9 entities (including consortia of such entities) apply-
10 ing in conjunction with local boards.

11 “(3) GRANT PERIOD.—The Secretary may
12 make a grant under this section for a period of 1
13 year and may renew the grants for each of the 4
14 succeeding years.

15 “(4) AUTHORITY TO REQUIRE MATCH.—The
16 Secretary may require that grantees under this sub-
17 section provide a non-Federal share of the cost of
18 activities carried out under a grant awarded under
19 this subsection.

20 “(5) PARTICIPANT ELIGIBILITY.—Youth ages
21 14 through 19 as of the time the eligibility deter-
22 mination is made may be eligible to participate in
23 activities provided under this subsection.

24 “(6) USE OF FUNDS.—Funds under this sub-
25 section may be used for activities that are designed

1 to assist youth in acquiring the skills, credentials
2 and employment experience that are necessary to
3 succeed in the labor market, including the activities
4 identified in section 129. The activities may include
5 activities such as—

6 “(A) training and internships for out-of-
7 school youth in sectors of the economy experi-
8 encing or projected to experience high growth;

9 “(B) after-school dropout prevention activi-
10 ties for in-school youth;

11 “(C) activities designed to assist special
12 youth populations, such as court-involved youth
13 and youth with disabilities; and

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

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

24 “(A) a description of the activities the eli-
25 gible entity will provide to eligible youth under

1 this subsection and how the eligible entity will
2 collaborate with State and local workforce in-
3 vestment systems established under this title in
4 the provisions of such activities;

5 “(B) a description of the programs of dem-
6 onstrated effectiveness on which the provision
7 of the activities under subparagraph (A) are
8 based, and a description of how such activities
9 will expand the base of knowledge relating to
10 the provision of activities for youth;

11 “(C) a description of the private and pub-
12 lic, and local and State resources that will be le-
13 veraged to provide the activities described under
14 subparagraph (A) in addition to the funds pro-
15 vided under this subsection and a description of
16 the extent of the involvement of employers in
17 the activities; and

18 “(D) the levels of performance the eligible
19 entity expects to achieve with respect to the in-
20 dicators of performance for youth specified in
21 section 136(b)(2)(A)(ii).

22 “(8) FACTORS FOR AWARD.—

23 “(A) IN GENERAL.—In awarding grants
24 under this subsection the Secretary shall con-
25 sider—

- 1 “(i) the quality of the proposed activi-
2 ties;
3 “(ii) the goals to be achieved;
4 “(iii) the likelihood of successful im-
5 plementation;
6 “(iv) the extent to which the proposed
7 activities are based on proven strategies or
8 the extent to which the proposed activities
9 will expand the base of knowledge relating
10 to the provision of activities for eligible
11 youth;
12 “(v) the extent of collaboration with
13 the State and local workforce investment
14 systems in carrying out the proposed ac-
15 tivities;
16 “(vi) the extent of employer involve-
17 ment in the proposed activities;
18 “(vii) whether there are other Federal
19 and non-Federal funds available for similar
20 activities to the proposed activities, and the
21 additional State, local, and private re-
22 sources that will be provided to carry out
23 the proposed activities;

1 “(viii) the quality of the proposed ac-
2 tivities in meeting the needs of the eligible
3 youth to be served; and

4 “(ix) the extent to which the proposed
5 activities will expand on services provided
6 under section 127.

7 “(B) **EQUITABLE GEOGRAPHIC DISTRIBUTION.**—In awarding grants under this sub-
8 section the Secretary shall ensure an equitable
9 distribution of such grants across geographi-
10 cally diverse areas.

12 “(9) **EVALUATION.**—The Secretary may reserve
13 up to 5 percent of the funds described in sub-
14 section(a)(1) to provide technical assistance to, and
15 conduct evaluations of the projects funded under
16 this subsection (using appropriate techniques as de-
17 scribed in section 172(c)).

18 “(c) **DISCRETIONARY GRANTS FOR YOUTH ACTIVI-**
19 **TIES.**—

20 “(1) **IN GENERAL.**—From the funds described
21 in subsection(a)(2), the Secretary may award grants
22 to eligible entities to provide activities that will as-
23 sist youth in preparing for, and entering and retain-
24 ing, employment.

1 “(2) ELIGIBLE ENTITIES.—Grants under this
2 subsection may be awarded to public or private enti-
3 ties that the Secretary determines would effectively
4 carry out activities relating to youth under this sub-
5 section.

6 “(3) PARTICIPANT ELIGIBILITY.—Youth ages
7 14 through 19 at the time the eligibility determina-
8 tion is made may be eligible to participate in activi-
9 ties under this subsection.

10 “(4) USE OF FUNDS.—Funds provided under
11 this subsection may be used for activities that will
12 assist youth in preparing for, and entering and re-
13 taining, employment, including the activities de-
14 scribed in section 129 for out-of-school youth, activi-
15 ties designed to assist in-school youth to stay in
16 school and gain work experience, and such other ac-
17 tivities that the Secretary determines are appro-
18 priate.

19 “(5) APPLICATIONS.—To be eligible to receive a
20 grant under this subsection, an eligible entity shall
21 submit an application to the Secretary at such time,
22 in such manner, and containing such information as
23 the Secretary may require.

24 “(6) ADDITIONAL REQUIREMENTS.—The Sec-
25 retary may require the provision of a non-Federal

1 share for projects funded under this subsection and
2 may require participation of grantees in evaluations
3 of such projects, including evaluations using the
4 techniques as described in section 172(e).”.

5 (b) CLERICAL AMENDMENT.—The table of contents
6 in section 1(b) is amended by amending the item related
7 to section 169 to read as follows:

“Sec. 169. Youth challenge grants.”.

8 **SEC. 120. TECHNICAL ASSISTANCE.**

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

10 (1) by striking subsection (b);

11 (2) by striking

12 “(a) GENERAL TECHNICAL ASSISTANCE.—”;

13 (3) by redesignating paragraphs (1), (2), and
14 (3) as subsections (a), (b), and (c) respectively, and
15 moving such subsections 2 ems to the left;

16 (4) in subsection (a) (as redesignated by para-
17 graph (3))—

18 (A) by inserting “the training of staff pro-
19 viding rapid response services, the training of
20 other staff of recipients of funds under this
21 title, peer review activities under this title, as-
22 sistance regarding accounting and program op-
23 eration practices (when such assistance would
24 not be duplicative to assistance provided by the
25 State), technical assistance to States that do

1 not meet State performance measures described
2 in section 136,” after “localities,”; and

3 (B) by striking “from carrying out activi-
4 ties” and all that follows up to the period and
5 inserting “to implement the amendments made
6 by the Workforce Investment Improvement Act
7 of 2007”; and

8 (5) by inserting, after subsection (c) (as redes-
9 igned by paragraph (3)), the following:
10 “(d) BEST PRACTICES COORDINATION.—The Sec-
11 retary shall—

12 “(1) establish a system through which States
13 may share information regarding best practices with
14 regard to the operation of workforce investment ac-
15 tivities under this Act;

16 “(2) evaluate and disseminate information re-
17 garding best practices and identify knowledge gaps;
18 and

19 “(3) commission research under section 171(c)
20 to address knowledge gaps identified under para-
21 graph (2).”.

22 **SEC. 121. DEMONSTRATION, PILOT, MULTISERVICE, RE-**
23 **SEARCH AND MULTI-STATE PROJECTS.**

24 (a) DEMONSTRATION AND PILOT PROJECTS.—Sec-
25 tion 171(b) (29 U.S.C. 2916(b)) is amended—

1 (1) in paragraph (1)—

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

4 (B) by amending subparagraphs (A)
5 through (D) to read as follows:

6 “(A) projects that assist national employ-
7 ers in connecting with the workforce investment
8 system established under this title in order to
9 facilitate the recruitment and employment of
10 needed workers and to provide information to
11 such system on skills and occupations in de-
12 mand;

13 “(B) projects that promote the develop-
14 ment of systems that will improve the effective-
15 ness and efficiency of programs carried out
16 under this title;

17 “(C) projects that focus on opportunities
18 for employment in industries and sectors of in-
19 dustries that are experiencing or are likely to
20 experience high rates of growth, including those
21 relating to information technology;

22 “(D) projects carried out by States and
23 local areas to test innovative approaches to de-
24 livering employment-related services;”;

25 (C) by striking subparagraph (E);

1 (D) by redesignating subparagraphs (F)
2 and (G) as subparagraphs (E) and (F), respec-
3 tively;

4 (E) in subparagraph (F) (as so redesign-
5 ated, by striking “; and” and inserting a semi-
6 colon;

7 (F) by inserting after subparagraph (F)
8 (as so redesignated) the following:

9 “(G) projects carried out by States and
10 local areas to assist adults or out of school
11 youth in starting a small business, including
12 training and assistance in business or financial
13 management or in developing other skills nec-
14 essary to operate a business;”; and

15 (G) by amending subparagraph (H) to
16 read as follows:

17 “(H) projects that focus on opportunities
18 for employment in industries and sectors of in-
19 dustries that are being transformed by tech-
20 nology and innovation requiring new knowledge
21 or skill sets for workers, including advanced
22 manufacturing; and”; and

23 (2) in paragraph (2)—

24 (A) by striking subparagraph (B); and

1 (B) by redesignating subparagraph (C) as
2 subparagraph (B).

3 (b) MULTISERVICE PROJECTS.—Section
4 171(c)(2)(B) (29 U.S.C. 2916(c)(2)(B)) is amended to
5 read as follows:

6 “(B) NET IMPACT STUDIES AND RE-
7 PORTS.—The Secretary shall conduct studies to
8 determine the net impacts of programs, serv-
9 ices, and activities carried out under this title.
10 The Secretary shall prepare and disseminate to
11 Congress and the public reports containing the
12 results of such studies.”.

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

14 Section 171(d) is amended to read as follows:

15 “(d) COMMUNITY-BASED JOB TRAINING.—

16 “(1) DEMONSTRATION PROJECT.—In addition
17 to the demonstration projects under subsection (b),
18 the Secretary may establish and implement a na-
19 tional demonstration project designed to develop
20 local solutions to the workforce challenges facing
21 high-growth, high-skill industries with labor short-
22 ages, and increase opportunities for workers to gain
23 access to employment in high-growth, high-demand
24 occupations by promoting the establishment of part-
25 nerships among education entities, the workforce in-

1 vestment system, and businesses in high-growth,
2 high-skill industries.

3 “(2) GRANTS.—In carrying out the demonstra-
4 tion project under this subsection, the Secretary
5 shall award competitive grants, in accordance with
6 generally applicable Federal requirements, to eligible
7 entities to carry out activities authorized under this
8 subsection.

9 “(3) DEFINITIONS.—

10 “(A) ELIGIBLE ENTITY.—In this sub-
11 section, the term ‘eligible entity’ means a com-
12 munity college or consortium of community col-
13 leges that shall work in conjunction with—

14 “(i) the local workforce investment
15 system; and

16 “(ii) business or businesses in a quali-
17 fied industry or an industry association in
18 a qualified industry.

19 “(B) QUALIFIED INDUSTRY.—In this sub-
20 section, the term ‘qualified industry’ means an
21 industry or economic sector that is projected to
22 experience significant growth, such as an indus-
23 try and economic sector that—

24 “(i) is projected to add substantial
25 numbers of new jobs to the economy;

1 “(ii) has significant impact on the
2 economy;

3 “(iii) impacts the growth of other in-
4 dustries and economic sectors;

5 “(iv) is being transformed by tech-
6 nology and innovation requiring new
7 knowledge or skill sets for workers;

8 “(v) is a new or emerging industry or
9 economic sector that is projected to grow;
10 or

11 “(vi) has high-skilled occupations and
12 significant labor shortages in the local
13 area.

14 “(C) COMMUNITY COLLEGE.—As used in
15 this subsection, the term ‘community college’
16 means an institution of higher education, as de-
17 fined in section 101 of the Higher Education
18 Act of 1965 (20 U.S.C. 1001), that provides
19 not less than a 2-year program that is accept-
20 able for full credit toward a bachelor’s degree,
21 or is a tribally controlled college or university.

22 “(4) AUTHORITY TO REQUIRE NON-FEDERAL
23 SHARE.—The Secretary may require that recipients
24 of grants under this subsection provide a non-Fed-
25 eral share, from either cash or noncash resources, of

1 the costs of activities carried out under a grant
2 awarded under this subsection.

3 “(5) USE OF FUNDS.—Grants awarded under
4 this subsection may be used for—

5 “(A) the development, by a community col-
6 lege, in consultation with representatives of
7 qualified industries, of rigorous training and
8 education programs related to employment in a
9 qualified industry identified in the eligible enti-
10 ty’s application;

11 “(B) training of adults and dislocated
12 workers in the skills and competencies needed
13 to obtain or upgrade employment in a qualified
14 industry identified in the eligible entity’s appli-
15 cation;

16 “(C) disseminating to adults and dis-
17 located workers, through the one-stop delivery
18 system, information on high-growth, high-de-
19 mand occupations in qualified industries;

20 “(D) placing, through the one-stop delivery
21 system, trained individuals into employment in
22 qualified industries; and

23 “(E) increasing the integration of commu-
24 nity colleges with activities of businesses and

1 the one-stop delivery system to meet the train-
2 ing needs for qualified industries.

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

8 “(A) a description of the eligible entity
9 that will offer training under the grant;

10 “(B) an economic analysis of the local
11 labor market to identify high-growth, high-de-
12 mand industries, identify the workforce issues
13 faced by those industries, and potential partici-
14 pants in programs funded under this sub-
15 section;

16 “(C) a description of the qualified industry
17 for which training will occur and the availability
18 of competencies on which training will be based
19 and how the grant will help workers acquire the
20 competencies and skills necessary for employ-
21 ment;

22 “(D) an assurance that the application was
23 developed in consultation with the local board
24 or boards and businesses, including small busi-

1 nesses, in the geographic area or areas where
2 the proposed grant will be used;

3 “(E) performance measures for the grant,
4 including expected number of individuals to be
5 trained in a qualified industry, the employment
6 and retention rates for such individuals in a
7 qualified industry, and earnings increases for
8 such individuals;

9 “(F) a description of how the activities
10 funded by the proposed grant will be coordi-
11 nated with activities provided through the one-
12 stop delivery system in the local area or areas;
13 and

14 “(G) a description of any local or private
15 resources that will support the activities carried
16 out under this subsection and allow the entity
17 to carry out and expand such activities after
18 the expiration of the grant.

19 “(7) FACTORS FOR AWARD OF GRANT.—

20 “(A) IN GENERAL.—In awarding grants
21 under this subsection the Secretary shall con-
22 sider—

23 “(i) the extent of public and private
24 collaboration, including existing partner-
25 ships among industries, community col-

1 leges, and the public workforce investment
2 system;

3 “(ii) the extent to which the grant will
4 provide job seekers with employment op-
5 portunities in high-growth, high-demand
6 occupations;

7 “(iii) the extent to which the grant
8 will expand the eligible entity and local
9 one-stop delivery system’s capacity to be
10 demand-driven and responsive to local eco-
11 nomic needs;

12 “(iv) the extent to which local busi-
13 nesses commit to hire or retain individuals
14 who receive training through the grant;
15 and

16 “(v) the extent to which the eligible
17 entity commits to make any newly devel-
18 oped products, such as competencies or
19 training curriculum, available for distribu-
20 tion nationally.

21 “(B) LEVERAGING OF RESOURCES.—In
22 awarding grants under this subsection, the Sec-
23 retary shall also consider—

24 “(i) the extent to which local or pri-
25 vate resources, in addition to the funds

1 provided under this subsection, will be
2 made available to support the activities
3 carried out under this subsection; and

4 “(ii) the ability of an eligible entity to
5 continue to carry out and expand such ac-
6 tivities after the expiration of the grant.

7 “(C) DISTRIBUTION OF GRANTS.—In
8 awarding grants under this subsection the Sec-
9 retary shall ensure an equitable distribution of
10 such grants across geographically diverse areas.

11 “(8) PERFORMANCE ACCOUNTABILITY AND
12 EVALUATION.—

13 “(A) PERFORMANCE ACCOUNTABILITY.—
14 The Secretary shall require an eligible entity
15 that receives a grant under this subsection to
16 report to the Secretary on the employment out-
17 comes obtained by individuals receiving training
18 under this subsection using the indicators of
19 performance identified in the eligible entity’s
20 grant application.

21 “(B) EVALUATION.—The Secretary may
22 require that an eligible entity that receives a
23 grant under this subsection participate in an
24 evaluation of activities carried out under this

1 subsection, including an evaluation using the
2 techniques described in section 172(c).”.

3 **SEC. 123. EVALUATIONS.**

4 (a) **IMPACT ANALYSIS.**—Section 172(a)(4) (29
5 U.S.C. 2917(a)(4)) is amended to read as follows:

6 “(4) the impact of receiving services and not re-
7 ceiving services under such programs and activities
8 on the community, businesses, and individuals;”;

9 (b) **TECHNIQUES.**—Section 172(c) (29 U.S.C.
10 2917(c)) is amended to read as follows:

11 “(c) **TECHNIQUES.**—Evaluations conducted under
12 this section shall utilize appropriate and rigorous method-
13 ology and research designs, including the use of control
14 groups chosen by scientific random assignment methodolo-
15 gies, quasi-experimental methods, impact analysis and the
16 use of administrative data. The Secretary shall conduct
17 an impact analysis, as described in subsection (a)(4), of
18 the formula grant programs under subtitle B not later
19 than 2010, and thereafter shall conduct such an analysis
20 not less than once every four years.”.

21 **SEC. 124. NATIONAL DISLOCATED WORKER GRANTS.**

22 (a) **IN GENERAL.**—Section 173 (29 U.S.C. 2916) is
23 amended—

24 (1) by amending the designation and heading to
25 read as follows:

1 **“SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.”;**

2 and

3 (2) in subsection (a)—

4 (A) by striking “national emergency
5 grants” in the matter preceding paragraph (1)
6 and inserting “national dislocated worker
7 grants”; and

8 (B) in paragraph (1), by striking “sub-
9 section (c)” and inserting “subsection (b)”.

10 (3) by striking subsections (b) and (e) and re-
11 designating subsections (c), (d), (f), and (g) as sub-
12 sections (b) through (e), respectively;

13 (4) in subsection (b)(1)(B) as so redesignated),
14 by striking “, and other entities” and all that follows
15 and inserting a period; and

16 (5) in subsection (b)(2)(A) (as so redesign-
17 ated)—

18 (A) in clause (iii), by striking “; or” and
19 inserting a semicolon;

20 (B) in clause (iv)(IV) by striking the pe-
21 riod and inserting “; or”; and

22 (C) by inserting at the end the following:

23 “(v) is the spouse of a member of the
24 Armed Forces who is on active duty or
25 full-time National Guard duty, or who was
26 recently separated from such duties, and

1 such spouse is in need of employment and
2 training assistance to obtain or retain em-
3 ployment.”.

4 (b) CONFORMING AMENDMENT.—The table of con-
5 tents in section 1(b) is amended by amending the item
6 related to section 173 to read as follows:

“Sec. 173. National dislocated worker grants.”.

7 **SEC. 125. AUTHORIZATION OF APPROPRIATIONS FOR NA-**
8 **TIONAL ACTIVITIES.**

9 (a) IN GENERAL.—Section 174(a)(1) (29 U.S.C.
10 2919(a)(1)) is amended by striking “1999 through 2003”
11 and inserting “2008 through 2012”.

12 (b) RESERVATIONS.—Section 174(b) is amended to
13 read as follows:

14 “(b) TECHNICAL ASSISTANCE; DEMONSTRATION AND
15 PILOT PROJECTS; EVALUATIONS; INCENTIVE GRANTS.—

16 “(1) DEMONSTRATION AND PILOT PROJECTS.—

17 There are authorized to be appropriated to carry out
18 section 171, such sums as may be necessary for fis-
19 cal years 2008 through 2012.

20 “(2) TECHNICAL ASSISTANCE, EVALUATIONS.—

21 There are authorized to be appropriated to carry out
22 section 170, section 172, and section 136 such sums
23 as may be necessary for each of fiscal years 2008
24 through 2012.”.

1 **SEC. 126. REQUIREMENTS AND RESTRICTIONS.**

2 (a) IN GENERAL.—Section 181(c)(2)(A) (29 U.S.C.
3 2931(c)(2)(A)) is amended in the matter preceding clause
4 (i) by striking “shall” and inserting “may”.

5 (b) LIMITATIONS.—Section 181(e) (29 U.S.C.
6 2931(e)) is amended by striking “training for” and insert-
7 ing “the entry into employment, retention in employment,
8 or increases in earnings of”.

9 (c) SALARY CAP.—Section 181 (29 U.S.C. 2931) is
10 further amended by adding at the end the following new
11 subsection:

12 “(g) SALARY AND BONUS LIMITATION.—No funds
13 provided under this title shall be used by a recipient or
14 subrecipient of such funds to pay the salary and bonuses
15 of an individual, either as direct costs or indirect costs,
16 at a rate in excess of Level II of the Federal Executive
17 Pay Schedule (5 U.S.C. 5313). This limitation shall not
18 apply to vendors providing goods and services as defined
19 in OMB Circular A–133. Where States are recipients of
20 such funds, States may establish a lower limit for salaries
21 and bonuses of those receiving salaries and bonuses from
22 subrecipients of such funds, taking into account factors
23 including the relative cost-of-living in the State, the com-
24 pensation levels for comparable State or local government
25 employees, and the size of the organizations that admin-
26 ister the programs.”.

1 (d) REPORTS TO CONGRESS.—Section 185 (29
2 U.S.C. 2935) is amended—

3 (1) in subsection (c)—

4 (A) in paragraph (2), by striking “and”
5 after the semicolon;

6 (B) in paragraph (3), by striking the pe-
7 riod and inserting “; and”; and

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

9 “(4) shall have the option to submit or dissemi-
10 nate electronically any reports, records, plans, or any
11 other data that are required to be collected or dis-
12 seminated under this title.”; and

13 (2) in paragraph (e)(2), by inserting “and the
14 Secretary shall submit to the Committee on Edu-
15 cation and Labor of the House of Representatives
16 and the Committee on Health, Education, Labor,
17 and Pensions of the Senate,” after “Secretary,”.

18 **SEC. 127. NONDISCRIMINATION.**

19 Section 188(a)(2) (29 U.S.C. 2931(a)(2)) is amended
20 to read as follows:

21 “(2) PROHIBITION OF DISCRIMINATION RE-
22 GARDING PARTICIPATION, BENEFITS, AND EMPLOY-
23 MENT.—

24 “(A) IN GENERAL.—Except as provided in
25 subparagraph (B), no individual shall be ex-

1 cluded from participation in, denied the benefits
2 of, subjected to discrimination under, or denied
3 employment in the administration of or in con-
4 nection with, any such program or activity be-
5 cause of race, color, religion, sex (except as oth-
6 erwise permitted under title IX of the Edu-
7 cation Amendments of 1972), national origin,
8 age, disability, or political affiliation or belief.

9 “(B) EXEMPTION FOR RELIGIOUS ORGANI-
10 ZATIONS.—Subparagraph (A) shall not apply to
11 a recipient of financial assistance under this
12 title that is a religious corporation, association,
13 educational institution, or society, with respect
14 to the employment of individuals of a particular
15 religion to perform work connected with the
16 carrying on by such corporation, association,
17 educational institution, or society of its activi-
18 ties. Such recipients shall comply with the other
19 requirements contained in subparagraph (A).”.

20 **SEC. 128. ADMINISTRATIVE PROVISIONS.**

21 (a) PROGRAM YEAR.—Section 189(g)(1) (29 U.S.C.
22 2939(g)(1)) is amended to read as follows:

23 “(1) IN GENERAL.—Appropriations for any fis-
24 cal year for programs and activities carried out
25 under this title shall be available for obligation only

1 on the basis of a program year. The program year
2 shall begin on July 1 in the fiscal year for which the
3 appropriation is made.”.

4 (b) AVAILABILITY.—Section 189(g)(2) (29 U.S.C.
5 2939(g)(2)) is amended by striking “each State” and in-
6 serting “each recipient”.

7 (c) GENERAL WAIVERS.—Section 189(i)(4) (29
8 U.S.C. 2939(i)(4)) is amended—

9 (1) in subparagraph (A)—

10 (A) in the matter preceding clause (i), by
11 inserting “, or in accordance with subparagraph
12 (D)” after “subparagraph (B)”; and

13 (B) by striking clause (ii), the clause (i)
14 designation and the dash preceding such des-
15 ignation, and moving the remaining text flush
16 with the preceding matter; and

17 (2) by adding the following subparagraph:

18 “(D) EXPEDITED PROCESS FOR EXTEND-
19 ING APPROVED WAIVERS TO ADDITIONAL
20 STATES.—In lieu of the requirements of sub-
21 paragraphs (B) and (C), the Secretary may es-
22 tablish an expedited procedure for the purpose
23 of extending to additional States the waiver of
24 statutory or regulatory requirements that have
25 been approved for a State pursuant to a request

1 under subparagraph (B). Such procedure shall
2 ensure that the extension of such waivers to ad-
3 ditional States are accompanied by appropriate
4 conditions relating the implementation of such
5 waivers.”.

6 **SEC. 129. STATE LEGISLATIVE AUTHORITY.**

7 Section 191 is amended—

8 (1) in subsection (a), by striking “consistent
9 with the provisions of this title” and inserting “con-
10 sistent with State law and the provisions of this
11 title”; and

12 (2) in subsection (a), by striking “consistent
13 with the terms and conditions required under this
14 title” and inserting “consistent with State law and
15 the terms and conditions required under this title”.

16 **SEC. 130. WORKFORCE INNOVATION IN REGIONAL ECO-**
17 **NOMIC DEVELOPMENT.**

18 (a) WORKFORCE INNOVATION IN REGIONAL ECO-
19 NOMIC DEVELOPMENT.—Section 192 (29 U.S.C. 2942) is
20 amended to read as follows:

21 **“SEC. 192. WORKFORCE INNOVATION IN REGIONAL ECO-**
22 **NOMIC DEVELOPMENT.**

23 “(a) WORKFORCE INNOVATION IN REGIONAL ECO-
24 NOMIC DEVELOPMENT PLANS.—

1 “(1) IN GENERAL.—The Secretary, in coopera-
2 tion with other federal agency heads responsible for
3 the administration of programs included in plans
4 submitted under this subsection, may approve Work-
5 force Innovation in Regional Economic Development
6 (in this subsection referred to as WIRED) plans
7 submitted by a State pursuant to paragraph (2) to
8 support the development of regional economies in
9 order to foster economic development, expand em-
10 ployment, and advancement opportunities for work-
11 ers and to promote the creation of high-skill and
12 high-wage opportunities.

13 “(2) CONTENTS OF PLAN.—To have a WIRED
14 plan approved under this subsection, a State and the
15 region or regions identified in subparagraph (A)
16 shall jointly submit a plan to the Secretary at such
17 time, in such manner, and containing such informa-
18 tion as the Secretary may require, including—

19 “(A) the identification of the multi-county
20 region or regions that is to be the focus of the
21 activities provided under the plan, including
22 identification of the communities in the region
23 that share common characteristics, and a de-
24 scription of why the selected area comprises a
25 regional economy;

1 “(B) a description of the broad-based re-
2 gional partnership that has been created for the
3 region identified in subparagraph (A) rep-
4 resenting the major assets of the region, con-
5 sistent with the requirements of paragraph (3),
6 and that will assist in developing the economic
7 vision described in subparagraph (D), the strat-
8 egies described in subparagraph (E), and pro-
9 vide a forum for regional economic decision-
10 making, including a description of the partner-
11 ship’s involvement, particularly that of rep-
12 resentatives of affected local boards and chief
13 elected officials, in the development of the plan;

14 “(C) a description of the assets of the re-
15 gion identified in subparagraph (A), based on a
16 regional assessment, and identification of the
17 strengths, weaknesses, opportunities, and risks
18 based on those assets;

19 “(D) a description of an economic vision
20 for the region identified in subparagraph (A),
21 based on the identified strengths and assets de-
22 scribed in subparagraph (C), and evidence of
23 support for that vision from the broad-based re-
24 gional partnership described in subparagraph
25 (B);

1 “(E) a description of the talent develop-
2 ment and related strategies that provide a blue-
3 print for how to achieve the economic vision for
4 the region as described in subparagraph (D),
5 including the activities to be carried out under
6 this subsection, consistent with paragraphs (5)
7 and (6), and the identification of specific goals
8 associated with those strategies;

9 “(F) information on the workforce develop-
10 ment programs to be integrated in the region,
11 in accordance with the requirements of para-
12 graph (4), into an integrated workforce develop-
13 ment program, including—

14 “(i) identification of the programs to
15 be integrated;

16 “(ii) the amount and proportion of the
17 resources available to the region under
18 each of the integrated programs to carry
19 out the strategies described in subpara-
20 graph (E);

21 “(iii) a description of how these re-
22 sources will be used to accomplish the vi-
23 sion identified in subparagraph (D), in-
24 cluding the services to be provided and

1 how such services will be provided, con-
2 sistent with clause (iv) and paragraph (5);

3 “(iv) assurances that in carrying out
4 the wired plan—

5 “(I) the region, through the inte-
6 grated workforce development pro-
7 gram, will maintain a local workforce
8 investment board, or a regional work-
9 force investment board, that is sub-
10 stantially similar to the local work-
11 force investment boards required
12 under section 117 of this Act, that
13 such board will carry out functions
14 that are substantially similar to those
15 described under section 117(d), and,
16 that such region shall submit to the
17 State for approval a local plan for the
18 region that is substantially similar to
19 the local plans required under section
20 118 of this Act;

21 “(II) the region, through the in-
22 tegrated workforce development pro-
23 gram, will maintain a one-stop deliv-
24 ery system that is consistent with the

1 requirements of section 121 of this
2 Act;

3 “(III) the region, through the in-
4 tegrated workforce development pro-
5 gram, will serve populations consistent
6 with the populations served by the
7 programs being integrated, and will
8 provide universal access to work ready
9 services as described in section
10 134(d)(2) of this Act;

11 “(IV) the region, in carrying out
12 the integrated workforce development
13 program, will comply with the vet-
14 erans’ priority of service requirement
15 under section 4215 of title 38, United
16 States Code;

17 “(V) of the funds expended
18 under the integrated workforce devel-
19 opment program each year, not more
20 than 10 percent of such funds will be
21 expended on the costs of administra-
22 tion (as defined by the Secretary);

23 “(VI) the services provided under
24 the integrated workforce development
25 program will be coordinated with em-

1 employment-related programs not in-
2 cluded under the integrated workforce
3 program;

4 “(VII) the region, in carrying out
5 the integrated workforce development
6 program, will comply with require-
7 ments under this title relating to wage
8 and labor standards (including non-
9 displacement provisions), grievance
10 procedures and judicial review, and
11 nondiscrimination;

12 “(G) an assurance that each local work-
13 force board and chief elected official included in
14 the region that will carry out the integrated
15 workforce development plan has approved the
16 plan;

17 “(H) information on the community and
18 economic development programs, if any, that
19 will provide a portion of funds that will be inte-
20 grated to carry out the strategies described in
21 subparagraph (E), in accordance with the re-
22 quirements of paragraph (6), including—

23 “(i) identification of the included com-
24 munity and economic development pro-
25 grams;

1 “(ii) the amount and proportion of the
2 resources available to the State under each
3 such program that will be used in the re-
4 gion to carry out the strategies described
5 in subparagraph (E);

6 “(iii) a description of how these re-
7 sources will be used to assist in accom-
8 plishing the vision identified in subpara-
9 graph (D), including the activities to be
10 carried out;

11 “(I) in addition to the resources described
12 under subparagraphs (F) and (G), identifica-
13 tion of other resources that will be used to sup-
14 port the strategies of the region described in
15 subparagraph (E), from a wide range of
16 sources, including foundations, private invest-
17 ment such as venture capital, and federal, state,
18 and local governments.

19 “(3) BROAD-BASED REGIONAL PARTNERSHIP.—
20 For purposes of this subsection, a broad-based re-
21 gional partnership—

22 “(A) shall include—

23 “(i) representatives from each of the
24 local workforce investment systems in the
25 region identified under paragraph (2)(A),

1 such as the chairpersons or executive direc-
2 tors of affected local workforce investment
3 boards in such region;

4 “(ii) representatives of the education
5 system in the region identified under para-
6 graph (2)(A), including representatives
7 from each of the following:

8 “(I) The K–12 public school sys-
9 tems;

10 “(II) Community colleges; and

11 “(III) Four-year educational in-
12 stitutions;

13 “(iii) representatives of businesses
14 and industry associations in the region
15 identified under paragraph (2)(A);

16 “(iv) the chief elected officials from
17 each of the affected local areas identified
18 under paragraph (2)(A); and

19 “(v) representatives of local and re-
20 gional economic development agencies in
21 the region identified under paragraph
22 (2)(A); and

23 “(B) may include—

24 “(i) representatives of the philan-
25 thropic community;

1 “(ii) representatives of postsecondary
2 education and training providers in addi-
3 tion to those described in subparagraph
4 (A)(ii);

5 “(iii) representatives of private invest-
6 ment entities such as seed and venture
7 capital organizations; investor networks;
8 and entrepreneurs;

9 “(iv) representatives of faith and com-
10 munity-based organizations; and

11 “(v) representatives of such other
12 Federal, state or local entities and organi-
13 zations that may enhance the carrying out
14 of the activities of the partnership.

15 “(4) INTEGRATION OF WORKFORCE DEVELOP-
16 MENT SERVICES AUTHORIZED.—

17 “(A) AUTHORIZATION FOR INTEGRA-
18 TION.—In carrying out this subsection, the Sec-
19 retary of Labor, in cooperation with the federal
20 agency heads responsible for the administration
21 of the workforce development programs de-
22 scribed in subparagraph (D) that are included
23 in the WIRED plan submitted by the State,
24 shall, upon the approval of the plan submitted
25 under paragraph (2), authorize the State to in-

1 tegrate programs as described in subparagraph
2 (B).

3 “(B) INTEGRATION.—The authorization
4 shall give the State the authority to integrate,
5 in accordance with such approved plan, the fed-
6 erally-funded programs described in subpara-
7 graph (D) that are included in the approved
8 plan, in a manner that integrates those pro-
9 grams into a single, coordinated, comprehensive
10 workforce development program to achieve the
11 economic vision identified in such plan for the
12 region.

13 “(C) EFFECT ON PROGRAM REQUIRE-
14 MENTS.—The provisions of the approved grant
15 application and the requirements of this sub-
16 section shall supersede the requirements of the
17 statutes authorizing the programs included for
18 integration in such approved plan, except as
19 otherwise specified in this subsection.

20 “(D) INCLUDED WORKFORCE DEVELOP-
21 MENT PROGRAMS.—

22 “(i) MANDATORY PROGRAMS.—A
23 WIRED plan authorized under this sub-
24 section shall include the workforce invest-

1 ment activities for adults authorized under
2 chapter 5 of subtitle B.

3 “(ii) ADDITIONAL PROGRAMS.—In ad-
4 dition to the integration of the programs
5 described in clause (i) into a single pro-
6 gram, a WIRED plan may include integra-
7 tion of one or more of the following pro-
8 grams as part of such single program—

9 “(I) the program of workforce in-
10 vestment activities for youth author-
11 ized under chapter 4 of subtitle B; or

12 “(II) any of the other required
13 one-stop partner programs and activi-
14 ties described in section 121(b)(1)(B)
15 of this Act.

16 “(5) WORKFORCE DEVELOPMENT ACTIVITIES
17 TO BE CARRIED OUT UNDER WIRED PLAN.—The
18 workforce development activities carried out under a
19 WIRED plan may include—

20 “(A) job training and related activities for
21 workers to assist them in gaining the skills and
22 competencies needed to obtain or upgrade em-
23 ployment in industries or economic sectors pro-
24 jected to experience significant growth in the

1 region identified in paragraph (2)(A), includ-
2 ing—

3 “(i) activities supporting talent devel-
4 opment related to entrepreneurship and
5 small business development; and

6 “(ii) the purchase of equipment to
7 train job seekers and workers for high-
8 growth occupations;

9 “(B) activities to enhance the training and
10 related activities described in subparagraph (A)
11 and to promote workforce development in the
12 region identified in paragraph (2)(A), includ-
13 ing—

14 “(i) the development and implementa-
15 tion of model activities, such as developing
16 appropriate curricula to build core com-
17 petencies and train workers in the region;

18 “(ii) identifying and disseminating ca-
19 reer and skill information relating to the
20 region;

21 “(iii) developing or purchasing re-
22 gional data tools or systems to deepen un-
23 derstanding of the regional economy and
24 labor market; and

1 “(iv) integrated regional planning,
2 such as increasing the integration of com-
3 munity and technical college activities with
4 activities of businesses and the public
5 workforce investment system to meet the
6 training needs of high growth industries in
7 the region.

8 “(C) appropriate employment-related ac-
9 tivities and services authorized under the work-
10 force development programs that are integrated
11 under the plan in accordance with paragraphs
12 (2)(F) and (4) that will assist achieving the
13 economic vision described in paragraph (2)(D)
14 and in implementing the strategies described in
15 paragraph (2)(E).

16 “(6) INTEGRATION OF COMMUNITY AND ECO-
17 NOMIC DEVELOPMENT FUNDS AUTHORIZED.—

18 “(A) AUTHORIZATION FOR INTEGRATION
19 OF FUNDS.—In carrying out this subsection,
20 the Secretary of Labor, in cooperation with the
21 federal agency heads responsible for the admin-
22 istration of the community and economic devel-
23 opment programs described in subparagraph
24 (D) that are included in the WIRED plan sub-
25 mitted by the State, shall, upon the approval of

1 the plan submitted under paragraph (2), au-
2 thorize the State to integrate the portion of the
3 funds from such programs to assist in imple-
4 menting such plans.

5 “(B) INTEGRATION.—The authorization
6 shall give the State the authority to integrate,
7 in accordance with such approved plan, funds
8 provided under programs identified from sub-
9 paragraph (D) to carry out the community and
10 economic development activities described in
11 paragraph (2)(G).

12 “(C) EFFECT ON PROGRAM REQUIRE-
13 MENTS.—The integrated funds may be used,
14 consistent with the description contained in
15 paragraph (2)(G), to carry out any of the ac-
16 tivities authorized under any the programs de-
17 scribed in subparagraph (D) that are included
18 in the plan.

19 “(D) INCLUDED COMMUNITY AND ECO-
20 NOMIC DEVELOPMENT PROGRAMS.—The funds
21 that may be integrated under this paragraph
22 are funds provided under—

23 “(i) Community Development Block
24 Grants authorized under title I of the

1 Housing and Community Development Act
2 of 1974 (42 U.S.C. 5301–5321);

3 “(ii) grants authorized under the
4 Community Services Block Grant Act (42
5 U.S.C. 9901 et seq.);

6 “(iii) Public Works and Economic De-
7 velopment Grants authorized under section
8 201 of the Public Works and Economic
9 Development Act of 1965 (42 U.S.C.
10 3141);

11 “(iv) Rural Business Enterprise
12 Grants authorized under the Consolidated
13 Farm and Rural Development Act (7
14 U.S.C. 1932);

15 “(v) Rural Business Opportunity
16 Grants authorized under section
17 741(a)(11) of the Federal Agriculture Im-
18 provement and Reform Act of 1996 (42
19 U.S.C. 1926(a)(11));

20 “(vi) grants authorized under the
21 Brownfields Economic Development Initia-
22 tive; and

23 “(vii) Rural Housing and Economic
24 Development grants.

1 “(7) SPECIAL RULE.—If a State elects not to
2 submit a WIRED plan described in paragraph (2)
3 for approval or does not have a plan approved under
4 paragraph (2), the Secretary may approve a WIRED
5 plan submitted by a local workforce investment
6 board or a regional workforce investment board that
7 serves a region within such State, if the plan meets
8 all other requirements of this section.

9 “(8) PERFORMANCE MEASURES AND REPORT-
10 ING.—

11 “(A) PERFORMANCE MEASURES.—The
12 Secretary shall establish performance measures
13 that will be used to evaluate the effectiveness of
14 activities carried out under this subsection and
15 shall require such entities to report to the Sec-
16 retary on the employment outcomes obtained by
17 individuals receiving training under this sub-
18 section using those core indicators of perform-
19 ance described in section 136(b)(2).

20 “(B) REPORTING.—Each State with an
21 approved plan under this subsection shall en-
22 sure that records are maintained and reports
23 are submitted, in such form and containing
24 such information, as the Secretary may require

1 regarding the performance of programs and ac-
2 tivities carried out under this subsection.

3 “(9) TECHNICAL ASSISTANCE AND EVALUA-
4 TION.—

5 “(A) TECHNICAL ASSISTANCE.—The Sec-
6 retary shall provide such staff training, tech-
7 nical assistance, and other activities as the Sec-
8 retary deems appropriate to support the imple-
9 mentation of this subsection.

10 “(B) EVALUATION.—The Secretary may
11 require that States with an approved plan
12 under this subsection to participate in an eval-
13 uation of activities carried out under this sub-
14 section, including an evaluation using the tech-
15 niques described in section 172(c).

16 “(10) PLAN REVIEW.—Upon receipt of a
17 WIRED plan from the Governor, the Secretary shall
18 consult with the Federal agency head responsible for
19 the administration of any of the programs included
20 in the plan pursuant to paragraph (4) or (6).

21 “(11) FEDERAL RESPONSIBILITIES.—

22 “(A) INTERAGENCY MEMORANDUM OF UN-
23 DERSTANDING.—Within 90 days following the
24 date of enactment of this subsection, the Sec-
25 retary and the federal agency heads responsible

1 for programs that could be included in a plan
2 approved under this subsection pursuant to
3 paragraph (4) or (6) shall enter into an inter-
4 departmental memorandum of agreement pro-
5 viding for the implementation of WIRED plans
6 with respect to the integration of programs and
7 funds administered by each Secretary.

8 “(B) INTERAGENCY FUNDS TRANSFERS
9 AUTHORIZED.—The Secretary and the federal
10 agency heads responsible for the programs that
11 are included in a plan approved under para-
12 graph (4) or (6) are authorized to take such ac-
13 tion as may be necessary to provide for intra-
14 agency or interagency transfers of funds other-
15 wise available to a State in order to further the
16 purposes of this subsection.

17 “(12) ADMINISTRATION OF FUNDS.—

18 “(A) SEPARATE RECORDS NOT RE-
19 QUIRED.—Nothing in this subsection shall be
20 construed as requiring the region to maintain
21 separate records tracing any services or activi-
22 ties conducted under an approved WIRED plan
23 to the programs under which funds were origi-
24 nally authorized, nor shall the State be required
25 to allocate expenditures among such programs.

1 “(B) SINGLE AUDIT ACT.—Nothing in this
2 section shall be construed to interfere with the
3 ability of the Secretary to fulfill the responsibil-
4 ities for the safeguarding of Federal funds pur-
5 suant to the Single Audit Act of 1984.

6 “(b) AUTHORITY TO CARRY OUT ADDITIONAL
7 WIRED ACTIVITIES UNDER WIA.—

8 “(1) AUTHORIZATION FOR USE OF CERTAIN
9 FUNDS UNDER WIA.—Funds available under sections
10 128(a), 133(a), 171, and 173 of this Act may be
11 used by recipients and subrecipients of those funds
12 for WIRED activities, as defined in paragraph (2),
13 in addition to the other activities for which such
14 funds are authorized to be used.

15 “(2) DEFINITION.—For purposes of this sub-
16 section, WIRED activities include—

17 “(A) WIRED planning activities, includ-
18 ing—

19 “(i) defining the regional economy;

20 “(ii) creating a broad-based regional
21 partnership that assists in developing the
22 economic vision described in clause (iv),
23 the strategies described in clause (v), and
24 that provides a forum for regional eco-
25 nomic decision-making;

1 “(iii) conducting an assessment of the
2 regional economy to map the assets of a
3 region and identify the strengths, weak-
4 nesses, opportunities and risks based on
5 those assets;

6 “(iv) developing an economic vision
7 based on those strengths and assets;

8 “(v) developing strategies and cor-
9 responding implementation plans that
10 identify specific goals and tasks and pro-
11 vides a blueprint for how to achieve the
12 economic vision for the region; and

13 “(vi) identifying resources to support
14 the plan of the region;

15 “(B) job training and related activities for
16 workers to assist them in gaining the skills and
17 competencies needed to obtain or upgrade em-
18 ployment in industries or economic sectors pro-
19 jected to experience significant growth in the
20 region, including—

21 “(i) activities supporting talent devel-
22 opment related to entrepreneurship and
23 small business development in the region;
24 and

1 “(ii) the purchase of equipment to
2 train job seekers and workers for high-
3 growth occupations in the region; and

4 “(C) activities to enhance training and re-
5 lated activities and to promote workforce devel-
6 opment in the region, including—

7 “(i) the development and implementa-
8 tion of model activities, such as developing
9 appropriate curricula to build core com-
10 petencies and train workers in the region;

11 “(ii) identifying and disseminating ca-
12 reer and skill information relating to the
13 region;

14 “(iii) developing or purchasing re-
15 gional data tools or systems to deepen un-
16 derstanding of the regional economy and
17 labor market; and

18 “(iv) integrated regional planning,
19 such as increasing the integration of com-
20 munity and technical college activities with
21 activities of businesses and the public
22 workforce investment system to meet the
23 training needs of businesses in the re-
24 gion.”.

1 **SEC. 131. GENERAL PROGRAM REQUIREMENTS.**

2 Section 195 (29 U.S.C. 2945) is amended—

3 (1) in paragraph (7) by inserting at the end the
4 following:

5 “(D) Funds received by a public or private
6 nonprofit entity that are not described in para-
7 graph (B), such as funds privately raised from
8 philanthropic foundations, businesses, or other
9 private entities, shall not be considered to be in-
10 come under this title and shall not be subject
11 to the requirements of this section.”;

12 (2) by adding at the end the following new
13 paragraphs:

14 “(14) Funds provided under this title shall not
15 be used to establish or operate stand-alone fee-for-
16 service enterprises that compete with private sector
17 employment agencies within the meaning of section
18 701(c) of the Civil Rights Act of 1964 (42 U.S.C.
19 2000e(e)). For purposes of this paragraph, such an
20 enterprise does not include one-stop centers.

21 “(15) Any report required to be submitted to
22 Congress, or to a Committee of Congress, under this
23 title shall be submitted to both the chairmen and
24 ranking minority members of the Committee on
25 Education and Labor of the House of Representa-

1 tives and the Committee on Health, Education,
2 Labor, and Pensions of the Senate.”.

3 **TITLE II—ADULT EDUCATION,**
4 **BASIC SKILLS, AND FAMILY**
5 **LITERACY EDUCATION**

6 **SEC. 201. TABLE OF CONTENTS.**

7 The table of contents in section 1(b) is amended by
8 amending the items relating to title II to read as follows:

“TITLE II—ADULT EDUCATION, BASIC SKILLS, AND FAMILY
LITERACY EDUCATION

- “Sec. 201. Short title.
- “Sec. 202. Purpose.
- “Sec. 203. Definitions.
- “Sec. 204. Home schools.
- “Sec. 205. Authorization of appropriations.

“CHAPTER 1—FEDERAL PROVISIONS

- “Sec. 211. Reservation of funds; grants to eligible agencies; allotments.
- “Sec. 212. Performance accountability system.
- “Sec. 213. Incentive grants for States.

“CHAPTER 2—STATE PROVISIONS

- “Sec. 221. State administration.
- “Sec. 222. State distribution of funds; matching requirement.
- “Sec. 223. State leadership activities.
- “Sec. 224. State plan.
- “Sec. 225. Programs for corrections education and other institutionalized individuals.

“CHAPTER 3—LOCAL PROVISIONS

- “Sec. 231. Grants and contracts for eligible providers.
- “Sec. 232. Local application.
- “Sec. 233. Local administrative cost limits.

“CHAPTER 4—GENERAL PROVISIONS

- “Sec. 241. Administrative provisions.
- “Sec. 242. National Institute for Literacy.
- “Sec. 243. National leadership activities.”.

1 **SEC. 202. AMENDMENT.**

2 Title II (29 U.S.C. 2901 et seq.) is amended to read
3 as follows:

4 **“TITLE II—ADULT EDUCATION,
5 BASIC SKILLS, AND FAMILY
6 LITERACY EDUCATION**

7 **“SEC. 201. SHORT TITLE.**

8 “This title may be cited as the ‘Adult Education,
9 Basic Skills, and Family Literacy Education Act’.

10 **“SEC. 202. PURPOSE.**

11 “It is the purpose of this title to provide instructional
12 opportunities for adults seeking to improve their literacy
13 skills, including their basic reading, writing, speaking, and
14 math skills, and support States and local communities in
15 providing, on a voluntary basis, adult education, basic
16 skills, and family literacy education programs, in order
17 to—

18 “(1) increase the literacy of adults, including
19 the basic reading, writing, speaking, and math skills,
20 to a level of proficiency necessary for adults to ob-
21 tain employment and self-sufficiency and to success-
22 fully advance in the workforce;

23 “(2) assist adults in the completion of a sec-
24 ondary school education (or its equivalent) and the
25 transition to a postsecondary educational institution;

1 “(3) assist adults who are parents to enable
2 them to support the educational development of their
3 children and make informed choices regarding their
4 children’s education including, through instruction in
5 basic reading, writing, speaking, and math skills;
6 and

7 “(4) assist immigrants who are not proficient in
8 English in improving their reading, writing, speak-
9 ing, and math skills and acquiring an understanding
10 of the American free enterprise system, individual
11 freedom, and the responsibilities of citizenship.

12 **“SEC. 203. DEFINITIONS.**

13 “In this title:

14 “(1) ADULT EDUCATION, BASIC SKILLS, AND
15 FAMILY LITERACY EDUCATION PROGRAMS.—The
16 term ‘adult education, basic skills, and family lit-
17 eracy education programs’ means a sequence of aca-
18 demic instruction and educational services below the
19 postsecondary level that increase an individual’s abil-
20 ity to read, write, and speak in English and perform
21 mathematical computations leading to a level of pro-
22 ficiency equivalent to at least a secondary school
23 completion that is provided for individuals—

24 “(A) who are at least 16 years of age;

1 “(B) who are not enrolled or required to be
2 enrolled in secondary school under State law;
3 and

4 “(C) who—

5 “(i) lack sufficient mastery of basic
6 reading, writing, speaking, and math skills
7 to enable the individuals to function effec-
8 tively in society;

9 “(ii) do not have a secondary school
10 diploma, General Educational Development
11 credential (GED), or other State-recog-
12 nized equivalent and have not achieved an
13 equivalent level of education; or

14 “(iii) are unable to read, write, or
15 speak the English language.

16 “(2) ELIGIBLE AGENCY.—The term ‘eligible
17 agency’—

18 “(A) means the primary entity or agency
19 in a State or an outlying area responsible for
20 administering or supervising policy for adult
21 education, basic skills, and family literacy edu-
22 cation programs in the State or outlying area,
23 respectively, consistent with the law of the
24 State or outlying area, respectively; and

1 “(B) may be the State educational agency,
2 the State agency responsible for administering
3 workforce investment activities, or the State
4 agency responsible for administering community
5 or technical colleges.

6 “(3) ELIGIBLE PROVIDER.—The term ‘eligible
7 provider’ means—

8 “(A) a local educational agency;

9 “(B) a community-based or faith-based or-
10 ganization of demonstrated effectiveness;

11 “(C) a volunteer literacy organization of
12 demonstrated effectiveness;

13 “(D) an institution of higher education;

14 “(E) a public or private educational agen-
15 cy;

16 “(F) a library;

17 “(G) a public housing authority;

18 “(H) an institution that is not described in
19 any of subparagraphs (A) through (G) and has
20 the ability to provide adult education, basic
21 skills, and family literacy education programs to
22 adults and families; or

23 “(I) a consortium of the agencies, organi-
24 zations, institutions, libraries, or authorities de-

1 scribed in any of subparagraphs (A) through
2 (H).

3 “(4) ENGLISH LANGUAGE ACQUISITION PRO-
4 GRAM.—The term ‘English language acquisition pro-
5 gram’ means a program of instruction designed to
6 help individuals with limited English proficiency
7 achieve competence in reading, writing, and speaking
8 the English language.

9 “(5) ESSENTIAL COMPONENTS OF READING IN-
10 STRUCTION.—The term ‘essential components of
11 reading instruction’ has the meaning given to that
12 term in section 1208 of the Elementary and Sec-
13 ondary Education Act of 1965.

14 “(6) FAMILY LITERACY EDUCATION PRO-
15 GRAM.—The term ‘family literacy education pro-
16 gram’ means an educational program that—

17 “(A) assists parents and students, on a
18 voluntary basis, in achieving the purposes of
19 this title as described in section 202; and

20 “(B) is of sufficient intensity in terms of
21 hours and of sufficient duration to make sus-
22 tainable changes in a family, is based upon sci-
23 entifically based research, and, for the purpose
24 of substantially increasing the ability of parents

1 and children to read, write, and speak English,
2 integrates—

3 “(i) interactive literacy activities be-
4 tween parents and their children;

5 “(ii) training for parents regarding
6 how to be the primary teacher for their
7 children and full partners in the education
8 of their children;

9 “(iii) parent literacy training that
10 leads to economic self-sufficiency; and

11 “(iv) an age-appropriate education to
12 prepare children for success in school and
13 life experiences.

14 “(7) GOVERNOR.—The term ‘Governor’ means
15 the chief executive officer of a State or outlying
16 area.

17 “(8) INDIVIDUAL WITH A DISABILITY.—

18 “(A) IN GENERAL.—The term ‘individual
19 with a disability’ means an individual with any
20 disability (as defined in section 3 of the Ameri-
21 cans with Disabilities Act of 1990).

22 “(B) INDIVIDUALS WITH DISABILITIES.—
23 The term ‘individuals with disabilities’ means
24 more than one individual with a disability.

1 “(9) INDIVIDUAL WITH LIMITED ENGLISH PRO-
2 FICIENCY.—The term ‘individual with limited
3 English proficiency’ means an adult or out-of-school
4 youth who has limited ability in reading, writing,
5 speaking, or understanding the English language,
6 and—

7 “(A) whose native language is a language
8 other than English; or

9 “(B) who lives in a family or community
10 environment where a language other than
11 English is the dominant language.

12 “(10) INSTITUTION OF HIGHER EDUCATION.—
13 The term ‘institution of higher education’ has the
14 meaning given to that term in section 101 of the
15 Higher Education Act of 1965.

16 “(11) LITERACY.—The term ‘literacy’ means an
17 individual’s ability to read, write, and speak in
18 English, compute, and solve problems at a level of
19 proficiency necessary to obtain employment and to
20 successfully make the transition to postsecondary
21 education.

22 “(12) LOCAL EDUCATIONAL AGENCY.—The
23 term ‘local educational agency’ has the meaning
24 given to that term in section 9101 of the Elemen-
25 tary and Secondary Education Act of 1965.

1 “(13) OUTLYING AREA.—The term ‘outlying
2 area’ has the meaning given to that term in section
3 101 of this Act.

4 “(14) POSTSECONDARY EDUCATIONAL INSTITU-
5 TION.—The term ‘postsecondary educational institu-
6 tion’ means—

7 “(A) an institution of higher education
8 that provides not less than a 2-year program of
9 instruction that is acceptable for credit toward
10 a bachelor’s degree;

11 “(B) a tribally controlled community col-
12 lege; or

13 “(C) a nonprofit educational institution of-
14 fering certificate or apprenticeship programs at
15 the postsecondary level.

16 “(15) READING.—The term ‘reading’ has the
17 meaning given to that term in section 1208 of the
18 Elementary and Secondary Education Act of 1965.

19 “(16) SCIENTIFICALLY BASED RESEARCH.—
20 The term ‘scientifically based research’ has the
21 meaning given to that term in section 9101 of the
22 Elementary and Secondary Education Act of 1965.

23 “(17) SECRETARY.—The term ‘Secretary’
24 means the Secretary of Education.

1 “(18) STATE.—The term ‘State’ means each of
2 the several States of the United States, the District
3 of Columbia, and the Commonwealth of Puerto Rico.

4 “(19) STATE EDUCATIONAL AGENCY.—The
5 term ‘State educational agency’ has the meaning
6 given to that term in section 9101 of the Elemen-
7 tary and Secondary Education Act of 1965.

8 “(20) WORKPLACE LITERACY PROGRAM.—The
9 term ‘workplace literacy program’ means an edu-
10 cational program that is offered in collaboration be-
11 tween eligible providers and employers or employee
12 organizations for the purpose of improving the pro-
13 ductivity of the workforce through the improvement
14 of reading, writing, speaking, and math skills.

15 **“SEC. 204. HOME SCHOOLS.**

16 “Nothing in this title shall be construed to affect
17 home schools, whether or not a home school is treated as
18 a home school or a private school under State law, or to
19 compel a parent engaged in home schooling to participate
20 in an English language acquisition program, a family lit-
21 eracy education program, or an adult education, basic
22 skills, and family literacy education program.

1 **“SEC. 205. AUTHORIZATION OF APPROPRIATIONS.**

2 “There are authorized to be appropriated to carry out
3 this title \$590,127,000 for fiscal year 2008 and such sums
4 as may be necessary for fiscal years 2009 through 2012.

5 **“CHAPTER 1—FEDERAL PROVISIONS**

6 **“SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE**
7 **AGENCIES; ALLOTMENTS.**

8 “(a) RESERVATION OF FUNDS.—From the sums ap-
9 propriated under section 205 for a fiscal year, the Sec-
10 retary—

11 “(1) shall reserve up to 1.72 percent for incen-
12 tive grants under section 213;

13 “(2) shall reserve 1.75 percent to carry out sec-
14 tion 242; and

15 “(3) shall reserve up to 1.55 percent to carry
16 out section 243.

17 “(b) GRANTS TO ELIGIBLE AGENCIES.—

18 “(1) IN GENERAL.—From the sums appro-
19 priated under section 205 and not reserved under
20 subsection (a) for a fiscal year, the Secretary shall
21 award a grant to each eligible agency having a State
22 plan approved under section 224 in an amount equal
23 to the sum of the initial allotment under subsection
24 (c)(1) and the additional allotment under subsection
25 (c)(2) for the eligible agency for the fiscal year, sub-
26 ject to subsections (f) and (g).

1 “(2) PURPOSE OF GRANTS.—The Secretary
2 may award a grant under paragraph (1) only if the
3 eligible agency involved agrees to expend the grant
4 in accordance with the provisions of this title.

5 “(c) ALLOTMENTS.—

6 “(1) INITIAL ALLOTMENTS.—From the sums
7 appropriated under section 205 and not reserved
8 under subsection (a) for a fiscal year, the Secretary
9 shall allot to each eligible agency having a State
10 plan approved under section 224—

11 “(A) \$100,000, in the case of an eligible
12 agency serving an outlying area; and

13 “(B) \$250,000, in the case of any other el-
14 igible agency.

15 “(2) ADDITIONAL ALLOTMENTS.—From the
16 sums appropriated under section 205, not reserved
17 under subsection (a), and not allotted under para-
18 graph (1), for a fiscal year, the Secretary shall allot
19 to each eligible agency that receives an initial allot-
20 ment under paragraph (1) an additional amount
21 that bears the same relationship to such sums as the
22 number of qualifying adults in the State or outlying
23 area served by the eligible agency bears to the num-
24 ber of such adults in all States and outlying areas.

1 “(d) QUALIFYING ADULT.—For the purpose of sub-
2 section (c)(2), the term ‘qualifying adult’ means an adult
3 who—

4 “(1) is at least 16 years of age;

5 “(2) is beyond the age of compulsory school at-
6 tendance under the law of the State or outlying
7 area;

8 “(3) does not have a secondary school diploma,
9 General Educational Development credential (GED),
10 or other State-recognized equivalent; and

11 “(4) is not enrolled in secondary school.

12 “(e) SPECIAL RULE.—

13 “(1) IN GENERAL.—From amounts made avail-
14 able under subsection (c) for the Republic of Palau,
15 the Secretary shall award grants to Guam, American
16 Samoa, the Commonwealth of the Northern Mariana
17 Islands, or the Republic of Palau to carry out activi-
18 ties described in this title in accordance with the
19 provisions of this title as determined by the Sec-
20 retary.

21 “(2) TERMINATION OF ELIGIBILITY.—Notwith-
22 standing any other provision of law, the Republic of
23 Palau shall be eligible to receive a grant under this
24 title until an agreement for the extension of United
25 States education assistance under the Compact of

1 Free Association for the Republic of Palau becomes
2 effective.

3 “(3) ADMINISTRATIVE COSTS.—The Secretary
4 may provide not more than 5 percent of the funds
5 made available for grants under this subsection to
6 pay the administrative costs of the Pacific Region
7 Educational Laboratory regarding activities assisted
8 under this subsection.

9 “(f) HOLD-HARMLESS PROVISIONS.—

10 “(1) IN GENERAL.—Notwithstanding subsection
11 (c), and subject to paragraphs (2) and (3), for fiscal
12 year 2008 and each succeeding fiscal year, no eligi-
13 ble agency shall receive an allotment under this title
14 that is less than 90 percent of the allotment the eli-
15 gible agency received for the preceding fiscal year
16 under this title.

17 “(2) EXCEPTION.—An eligible agency that re-
18 ceives for the preceding fiscal year only an initial al-
19 lotment under subsection (c)(1) (and no additional
20 allotment under subsection (c)(2)) shall receive an
21 allotment equal to 100 percent of the initial allot-
22 ment.

23 “(3) RATABLE REDUCTION.—If for any fiscal
24 year the amount available for allotment under this
25 title is insufficient to satisfy the provisions of para-

1 graph (1), the Secretary shall ratably reduce the
2 payments to all eligible agencies, as necessary.

3 “(g) REALLOTMENT.—The portion of any eligible
4 agency’s allotment under this title for a fiscal year that
5 the Secretary determines will not be required for the pe-
6 riod such allotment is available for carrying out activities
7 under this title, shall be available for reallocation from
8 time to time, on such dates during such period as the Sec-
9 retary shall fix, to other eligible agencies in proportion to
10 the original allotments to such agencies under this title
11 for such year.

12 **“SEC. 212. PERFORMANCE ACCOUNTABILITY SYSTEM.**

13 “(a) PURPOSE.—The purpose of this section is to es-
14 tablish a comprehensive performance accountability sys-
15 tem, composed of the activities described in this section,
16 to assess the effectiveness of eligible agencies in achieving
17 continuous improvement of adult education, basic skills,
18 and family literacy education programs funded under this
19 title, in order to optimize the return on investment of Fed-
20 eral funds in adult education, basic skills, and family lit-
21 eracy education programs.

22 “(b) ELIGIBLE AGENCY PERFORMANCE MEAS-
23 URES.—

1 “(1) IN GENERAL.—For each eligible agency,
2 the eligible agency performance measures shall con-
3 sist of—

4 “(A)(i) the core indicators of performance
5 described in paragraph (2)(A); and

6 “(ii) employment performance indicators
7 identified by the eligible agency under para-
8 graph (2)(B); and

9 “(B) an eligible agency adjusted level of
10 performance for each indicator described in
11 subparagraph (A).

12 “(2) INDICATORS OF PERFORMANCE.—

13 “(A) CORE INDICATORS OF PERFORM-
14 ANCE.—The core indicators of performance
15 shall include the following:

16 “(i) Measurable improvements in lit-
17 eracy, including basic skill levels in read-
18 ing, writing, and speaking the English lan-
19 guage and basic math, leading to pro-
20 ficiency in each skill.

21 “(ii) Receipt of a secondary school di-
22 ploma, General Educational Development
23 credential (GED), or other State-recog-
24 nized equivalent.

1 “(iii) Placement in postsecondary edu-
2 cation or other training programs.

3 “(B) EMPLOYMENT PERFORMANCE INDI-
4 CATORS.—Consistent with applicable Federal
5 and State privacy laws, an eligible agency shall
6 identify in the State plan the following indi-
7 vidual participant employment performance in-
8 dicators:

9 “(i) Entry into employment.

10 “(ii) Retention in employment.

11 “(iii) Increase in earnings.

12 “(3) LEVELS OF PERFORMANCE.—

13 “(A) ELIGIBLE AGENCY ADJUSTED LEVELS
14 OF PERFORMANCE FOR CORE INDICATORS.—

15 “(i) IN GENERAL.—For each eligible
16 agency submitting a State plan, there shall
17 be established, in accordance with this sub-
18 paragraph, levels of performance for each
19 of the core indicators of performance de-
20 scribed in paragraph (2)(A) for adult edu-
21 cation, basic skills, and family literacy edu-
22 cation programs authorized under this
23 title. The levels of performance established
24 under this subparagraph shall, at a min-
25 imum—

1 “(I) be expressed in an objective,
2 quantifiable, and measurable form;
3 and

4 “(II) show the progress of the el-
5 igible agency toward continuously and
6 significantly improving the agency’s
7 performance outcomes in an objective,
8 quantifiable, and measurable form.

9 “(ii) IDENTIFICATION IN STATE
10 PLAN.—Each eligible agency shall identify,
11 in the State plan submitted under section
12 224, expected levels of performance for
13 each of the core indicators of performance
14 for the first 3 program years covered by
15 the State plan.

16 “(iii) AGREEMENT ON ELIGIBLE
17 AGENCY ADJUSTED LEVELS OF PERFORM-
18 ANCE FOR FIRST 3 YEARS.—In order to en-
19 sure an optimal return on the investment
20 of Federal funds in adult education, basic
21 skills, and family literacy education pro-
22 grams authorized under this title, the Sec-
23 retary and each eligible agency shall reach
24 agreement on levels of student perform-
25 ance for each of the core indicators of per-

1 formance, for the first 3 program years
2 covered by the State plan, taking into ac-
3 count the levels identified in the State plan
4 under clause (ii) and the factors described
5 in clause (iv). The levels agreed to under
6 this clause shall be considered to be the eli-
7 gible agency adjusted levels of performance
8 for the eligible agency for such years and
9 shall be incorporated into the State plan
10 prior to the approval of such plan.

11 “(iv) FACTORS.—The agreement de-
12 scribed in clause (iii) or (v) shall take into
13 account—

14 “(I) how the levels involved com-
15 pare with the eligible agency’s ad-
16 justed levels of performance, taking
17 into account factors including the
18 characteristics of participants when
19 the participants entered the program;
20 and

21 “(II) the extent to which such
22 levels promote continuous and signifi-
23 cant improvement in performance on
24 the student proficiency measures used
25 by such eligible agency and ensure op-

1 timal return on the investment of
2 Federal funds.

3 “(v) AGREEMENT ON ELIGIBLE AGEN-
4 CY ADJUSTED LEVELS OF PERFORMANCE
5 FOR SECOND 3 YEARS.—Prior to the fourth
6 program year covered by the State plan,
7 the Secretary and each eligible agency
8 shall reach agreement on levels of student
9 performance for each of the core indicators
10 of performance for the fourth, fifth, and
11 sixth program years covered by the State
12 plan, taking into account the factors de-
13 scribed in clause (iv). The levels agreed to
14 under this clause shall be considered to be
15 the eligible agency adjusted levels of per-
16 formance for the eligible agency for such
17 years and shall be incorporated into the
18 State plan.

19 “(vi) REVISIONS.—If unanticipated
20 circumstances arise in a State resulting in
21 a significant change in the factors de-
22 scribed in clause (iv)(I), the eligible agency
23 may request that the eligible agency ad-
24 justed levels of performance agreed to
25 under clause (iii) or (v) be revised.

1 “(B) LEVELS OF EMPLOYMENT PERFORM-
2 ANCE.—The eligible agency shall identify, in the
3 State plan, eligible agency levels of performance
4 for each of the employment performance indica-
5 tors described in paragraph (2)(B). Such levels
6 shall be considered to be eligible agency ad-
7 justed levels of performance for purposes of this
8 title.

9 “(c) DEFINITIONS FOR INDICATORS OF
10 PERFORMANCE.—In order to ensure comparability of per-
11 formance data across States, the Secretary shall issue
12 definitions for the indicators of performance under para-
13 graph (2).

14 “(d) REPORT.—

15 “(1) IN GENERAL.—Each eligible agency that
16 receives a grant under section 211(b) shall annually
17 prepare and submit to the Secretary, the Governor,
18 the State legislature, and eligible providers a report
19 on the progress of the eligible agency in achieving el-
20 igible agency performance measures, including the
21 following:

22 “(A) Information on the levels of perform-
23 ance achieved by the eligible agency with re-
24 spect to the core indicators of performance and
25 employment performance indicators.

1 “(B) The number and type of each eligible
2 provider that receives funding under such
3 grant.

4 “(2) INFORMATION DISSEMINATION.—The Sec-
5 retary—

6 “(A) shall make the information contained
7 in such reports available to the general public
8 through publication (including on the Internet
9 site of the Department of Education) and other
10 appropriate methods;

11 “(B) shall disseminate State-by-State com-
12 parisons of the information; and

13 “(C) shall provide the appropriate commit-
14 tees of the Congress with copies of such re-
15 ports.

16 **“SEC. 213. INCENTIVE GRANTS FOR STATES.**

17 “(a) IN GENERAL.—From funds appropriated under
18 section 211(a)(1), the Secretary may award grants to
19 States for exemplary performance in carrying out pro-
20 grams under this title. Such awards shall be based on
21 States exceeding the core indicators of performance estab-
22 lished under section 212(b)(2)(A) and may be based on
23 the performance of the State in serving populations, such
24 as those described in section 224(b)(10), including the lev-
25 els of service provided and the performance outcomes, and

1 such other factors relating to the performance of the State
2 under this title as the Secretary determines appropriate.

3 “(b) USE OF FUNDS.—The funds awarded to a State
4 under this paragraph may be used to carry out any activi-
5 ties authorized under this title, including demonstrations
6 and innovative programs for hard-to-serve populations.

7 **“CHAPTER 2—STATE PROVISIONS**

8 **“SEC. 221. STATE ADMINISTRATION.**

9 “Each eligible agency shall be responsible for the fol-
10 lowing activities under this title:

11 “(1) The development, submission, implementa-
12 tion, and monitoring of the State plan.

13 “(2) Consultation with other appropriate agen-
14 cies, groups, and individuals that are involved in, or
15 interested in, the development and implementation
16 of activities assisted under this title.

17 “(3) Coordination and avoidance of duplication
18 with other Federal and State education, training,
19 corrections, public housing, and social service pro-
20 grams.

21 **“SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING RE- 22 QUIREMENT.**

23 “(a) STATE DISTRIBUTION OF FUNDS.—Each eligi-
24 ble agency receiving a grant under this title for a fiscal
25 year—

1 “(1) shall use an amount not less than 82.5
2 percent of the grant funds to award grants and con-
3 tracts under section 231 and to carry out section
4 225, of which not more than 10 percent of such
5 amount shall be available to carry out section 225;

6 “(2) shall use not more than 12.5 percent of
7 the grant funds to carry out State leadership activi-
8 ties under section 223; and

9 “(3) shall use not more than 5 percent of the
10 grant funds, or \$75,000, whichever is greater, for
11 the administrative expenses of the eligible agency.

12 “(b) MATCHING REQUIREMENT.—

13 “(1) IN GENERAL.—In order to receive a grant
14 from the Secretary under section 211(b), each eligi-
15 ble agency shall provide, for the costs to be incurred
16 by the eligible agency in carrying out the adult edu-
17 cation, basic skills, and family literacy education
18 programs for which the grant is awarded, a non-
19 Federal contribution in an amount at least equal
20 to—

21 “(A) in the case of an eligible agency serv-
22 ing an outlying area, 12 percent of the total
23 amount of funds expended for adult education,
24 basic skills, and family literacy education pro-
25 grams in the outlying area, except that the Sec-

1 retary may decrease the amount of funds re-
2 quired under this subparagraph for an eligible
3 agency; and

4 “(B) in the case of an eligible agency serv-
5 ing a State, 25 percent of the total amount of
6 funds expended for adult education, basic skills,
7 and family literacy education programs in the
8 State.

9 “(2) NON-FEDERAL CONTRIBUTION.—An eligi-
10 ble agency’s non-Federal contribution required under
11 paragraph (1) may be provided in cash or in kind,
12 fairly evaluated, and shall include only non-Federal
13 funds that are used for adult education, basic skills,
14 and family literacy education programs in a manner
15 that is consistent with the purpose of this title.

16 **“SEC. 223. STATE LEADERSHIP ACTIVITIES.**

17 “(a) IN GENERAL.—Each eligible agency may use
18 funds made available under section 222(a)(2) for any of
19 the following adult education, basic skills, and family lit-
20 eracy education programs:

21 “(1) The establishment or operation of profes-
22 sional development programs to improve the quality
23 of instruction provided pursuant to local activities
24 required under section 231(b), including instruction
25 incorporating the essential components of reading

1 instruction and instruction provided by volunteers or
2 by personnel of a State or outlying area.

3 “(2) The provision of technical assistance to eli-
4 gible providers of adult education, basic skills, and
5 family literacy education programs, including for the
6 development and dissemination of scientifically based
7 research instructional practices in reading, writing,
8 speaking, math, and English language acquisition
9 programs.

10 “(3) The provision of assistance to eligible pro-
11 viders in developing, implementing, and reporting
12 measurable progress in achieving the objectives of
13 this title.

14 “(4) The provision of technology assistance, in-
15 cluding staff training, to eligible providers of adult
16 education, basic skills, and family literacy education
17 programs, including distance learning activities, to
18 enable the eligible providers to improve the quality
19 of such activities.

20 “(5) The development and implementation of
21 technology applications or distance learning, includ-
22 ing professional development to support the use of
23 instructional technology.

1 “(6) Coordination with other public programs,
2 including welfare-to-work, workforce development,
3 and job training programs.

4 “(7) Coordination with existing support serv-
5 ices, such as transportation, child care, and other
6 assistance designed to increase rates of enrollment
7 in, and successful completion of, adult education,
8 basic skills, and family literacy education programs,
9 for adults enrolled in such activities.

10 “(8) The development and implementation of a
11 system to assist in the transition from adult basic
12 education to postsecondary education.

13 “(9) Activities to promote workplace literacy
14 programs.

15 “(10) Activities to promote and complement
16 local outreach initiatives described in section 243(7).

17 “(11) Other activities of statewide significance,
18 including assisting eligible providers in achieving
19 progress in improving the skill levels of adults who
20 participate in programs under this title.

21 “(12) Integration of literacy, instructional, and
22 occupational skill training and promotion of linkages
23 with employees.

24 “(b) COORDINATION.—In carrying out this section,
25 eligible agencies shall coordinate where possible, and avoid

1 duplicating efforts, in order to maximize the impact of the
2 activities described in subsection (a).

3 “(c) STATE-IMPOSED REQUIREMENTS.—Whenever a
4 State or outlying area implements any rule or policy relat-
5 ing to the administration or operation of a program au-
6 thorized under this title that has the effect of imposing
7 a requirement that is not imposed under Federal law (in-
8 cluding any rule or policy based on a State or outlying
9 area interpretation of a Federal statute, regulation, or
10 guideline), the State or outlying area shall identify, to eli-
11 gible providers, the rule or policy as being imposed by the
12 State or outlying area.

13 **“SEC. 224. STATE PLAN.**

14 “(a) 6-YEAR PLANS.—

15 “(1) IN GENERAL.—Each eligible agency desir-
16 ing a grant under this title for any fiscal year shall
17 submit to, or have on file with, the Secretary a 6-
18 year State plan.

19 “(2) COMPREHENSIVE PLAN OR APPLICA-
20 TION.—The eligible agency may submit the State
21 plan as part of a comprehensive plan or application
22 for Federal education assistance.

23 “(b) PLAN CONTENTS.—The eligible agency shall in-
24 clude in the State plan or any revisions to the State plan—

1 “(1) an objective assessment of the needs of in-
2 dividuals in the State or outlying area for adult edu-
3 cation, basic skills, and family literacy education
4 programs, including individuals most in need or
5 hardest to serve;

6 “(2) a description of the adult education, basic
7 skills, and family literacy education programs that
8 will be carried out with funds received under this
9 title;

10 “(3) a description of how the eligible agency
11 will evaluate and measure annually the effectiveness
12 and improvement of the adult education, basic skills,
13 and family literacy education programs based on the
14 performance measures described in section 212 in-
15 cluding—

16 “(A) how the eligible agency will evaluate
17 and measure annually such effectiveness on a
18 grant-by-grant basis; and

19 “(B) how the eligible agency—

20 “(i) will hold eligible providers ac-
21 countable regarding the progress of such
22 providers in improving the academic
23 achievement of participants in adult edu-
24 cation programs under this title and re-

1 garding the core indicators of performance
2 described in section 212(b)(2)(A); and

3 “(ii) will use technical assistance,
4 sanctions, and rewards (including alloca-
5 tion of grant funds based on performance
6 and termination of grant funds based on
7 nonperformance);

8 “(4) a description of the performance measures
9 described in section 212 and how such performance
10 measures have significantly improved adult edu-
11 cation, basic skills, and family literacy education
12 programs in the State or outlying area;

13 “(5) an assurance that the eligible agency will,
14 in addition to meeting all of the other requirements
15 of this title, award not less than one grant under
16 this title to an eligible provider that—

17 “(A) offers flexible schedules and necessary
18 support services (such as child care and trans-
19 portation) to enable individuals, including indi-
20 viduals with disabilities, or individuals with
21 other special needs, to participate in adult edu-
22 cation, basic skills, and family literacy edu-
23 cation programs; and

24 “(B) attempts to coordinate with support
25 services that are not provided under this title

1 prior to using funds for adult education, basic
2 skills, and family literacy education programs
3 provided under this title for support services;

4 “(6) an assurance that the funds received under
5 this title will not be expended for any purpose other
6 than for activities under this title;

7 “(7) a description of how the eligible agency
8 will fund local activities in accordance with the
9 measurable goals described in section 231(d);

10 “(8) an assurance that the eligible agency will
11 expend the funds under this title only in a manner
12 consistent with fiscal requirements in section 241;

13 “(9) a description of the process that will be
14 used for public participation and comment with re-
15 spect to the State plan, which process—

16 “(A) shall include consultation with the
17 State workforce investment board, the State
18 board responsible for administering community
19 or technical colleges, the Governor, the State
20 educational agency, the State board or agency
21 responsible for administering block grants for
22 temporary assistance to needy families under
23 title IV of the Social Security Act, the State
24 council on disabilities, the State vocational re-
25 habilitation agency, other State agencies that

1 promote the improvement of adult education,
2 basic skills, and family literacy education pro-
3 grams, and direct providers of such programs;
4 and

5 “(B) may include consultation with the
6 State agency on higher education, institutions
7 responsible for professional development of
8 adult education, basic skills, and family literacy
9 education programs instructors, representatives
10 of business and industry, refugee assistance
11 programs, and faith-based organizations;

12 “(10) a description of the eligible agency’s
13 strategies for serving populations that include, at a
14 minimum—

15 “(A) low-income individuals;

16 “(B) individuals with disabilities;

17 “(C) the unemployed;

18 “(D) the underemployed; and

19 “(E) individuals with multiple barriers to
20 educational enhancement, including individuals
21 with limited English proficiency;

22 “(11) a description of how the adult education,
23 basic skills, and family literacy education programs
24 that will be carried out with any funds received
25 under this title will be integrated with other adult

1 education, career development, and employment and
2 training activities in the State or outlying area
3 served by the eligible agency;

4 “(12) a description of the steps the eligible
5 agency will take to ensure direct and equitable ac-
6 cess, as required in section 231(c)(1), including—

7 “(A) how the State will build the capacity
8 of community-based and faith-based organiza-
9 tions to provide adult education, basic skills,
10 and family literacy education programs; and

11 “(B) how the State will increase the par-
12 ticipation of business and industry in adult edu-
13 cation, basic skills, and family literacy edu-
14 cation programs;

15 “(13) an assessment of the adequacy of the sys-
16 tem of the State or outlying area to ensure teacher
17 quality and a description of how the State or out-
18 lying area will use funds received under this subtitle
19 to improve teacher quality, including professional de-
20 velopment on the use of scientifically based research
21 to improve instruction; and

22 “(14) a description of how the eligible agency
23 will consult with any State agency responsible for
24 postsecondary education to develop adult education
25 that prepares students to enter postsecondary edu-

1 cation without the need for remediation upon com-
2 pletion of secondary school equivalency programs.

3 “(c) PLAN REVISIONS.—When changes in conditions
4 or other factors require substantial revisions to an ap-
5 proved State plan, the eligible agency shall submit the re-
6 visions of the State plan to the Secretary.

7 “(d) CONSULTATION.—The eligible agency shall—

8 “(1) submit the State plan, and any revisions to
9 the State plan, to the Governor, the chief State
10 school officer, or the State officer responsible for ad-
11 ministering community or technical colleges, or out-
12 lying area for review and comment; and

13 “(2) ensure that any comments regarding the
14 State plan by the Governor, the chief State school
15 officer, or the State officer responsible for admin-
16 istering community or technical colleges, and any re-
17 vision to the State plan, are submitted to the Sec-
18 retary.

19 “(e) PLAN APPROVAL.—A State plan submitted to
20 the Secretary shall be approved by the Secretary only if
21 the plan is consistent with the specific provisions of this
22 title.

1 **“SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND**
2 **OTHER INSTITUTIONALIZED INDIVIDUALS.**

3 “(a) PROGRAM AUTHORIZED.—From funds made
4 available under section 222(a)(1) for a fiscal year, each
5 eligible agency shall carry out corrections education and
6 education for other institutionalized individuals.

7 “(b) USES OF FUNDS.—The funds described in sub-
8 section (a) shall be used for the cost of educational pro-
9 grams for criminal offenders in correctional institutions
10 and for other institutionalized individuals, including aca-
11 demic programs for—

12 “(1) basic skills education;

13 “(2) special education programs as determined
14 by the eligible agency;

15 “(3) reading, writing, speaking, and math pro-
16 grams; and

17 “(4) secondary school credit or diploma pro-
18 grams or their recognized equivalent.

19 “(c) PRIORITY.—Each eligible agency that is using
20 assistance provided under this section to carry out a pro-
21 gram for criminal offenders within a correctional institu-
22 tion shall give priority to serving individuals who are likely
23 to leave the correctional institution within 5 years of par-
24 ticipation in the program.

25 “(d) DEFINITIONS.—For purposes of this section:

1 “(1) CORRECTIONAL INSTITUTION.—The term
2 ‘correctional institution’ means any—

3 “(A) prison;

4 “(B) jail;

5 “(C) reformatory;

6 “(D) work farm;

7 “(E) detention center; or

8 “(F) halfway house, community-based re-
9 habilitation center, or any other similar institu-
10 tion designed for the confinement or rehabilita-
11 tion of criminal offenders.

12 “(2) CRIMINAL OFFENDER.—The term ‘crimi-
13 nal offender’ means any individual who is charged
14 with, or convicted of, any criminal offense.

15 **“CHAPTER 3—LOCAL PROVISIONS**

16 **“SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PRO-** 17 **VIDERS.**

18 “(a) GRANTS AND CONTRACTS.—From grant funds
19 made available under section 211(b), each eligible agency
20 shall award multiyear grants or contracts, on a competi-
21 tive basis, to eligible providers within the State or outlying
22 area that meet the conditions and requirements of this
23 title to enable the eligible providers to develop, implement,
24 and improve adult education, basic skills, and family lit-
25 eracy education programs within the State.

1 “(b) LOCAL ACTIVITIES.—The eligible agency shall
2 require eligible providers receiving a grant or contract
3 under subsection (a) to establish or operate one or more
4 programs of instruction that provide services or instruc-
5 tion in one or more of the following categories:

6 “(1) Adult education, basic skills, and family
7 literacy education programs (including proficiency in
8 reading, writing, speaking, and math).

9 “(2) Workplace literacy programs.

10 “(3) English language acquisition programs.

11 “(4) Family literacy education programs.

12 “(c) DIRECT AND EQUITABLE ACCESS; SAME PROC-
13 ESS.—Each eligible agency receiving funds under this title
14 shall ensure that—

15 “(1) all eligible providers have direct and equi-
16 table access to apply for grants or contracts under
17 this section; and

18 “(2) the same grant or contract announcement
19 process and application process is used for all eligi-
20 ble providers in the State or outlying area.

21 “(d) MEASURABLE GOALS.—The eligible agency shall
22 require eligible providers receiving a grant or contract
23 under subsection (a) to demonstrate—

24 “(1) the eligible provider’s measurable goals for
25 participant outcomes to be achieved annually on the

1 core indicators of performance and employment per-
2 formance indicators described in section 212(b)(2);

3 “(2) the past effectiveness of the eligible pro-
4 vider in improving the basic academic skills of adults
5 and, for eligible providers receiving grants in the
6 prior year, the success of the eligible provider receiv-
7 ing funding under this title in exceeding its perform-
8 ance goals in the prior year;

9 “(3) the commitment of the eligible provider to
10 serve individuals in the community who are the most
11 in need of basic academic skills instruction services,
12 including individuals who are low-income or have
13 minimal reading, writing, speaking, and math skills,
14 or limited English proficiency;

15 “(4) the program—

16 “(A) is of sufficient intensity and duration
17 for participants to achieve substantial learning
18 gains; and

19 “(B) uses instructional practices that in-
20 clude the essential components of reading in-
21 struction;

22 “(5) educational practices are based on scientif-
23 ically based research;

1 “(6) the activities of the eligible provider effec-
2 tively employ advances in technology, as appropriate,
3 including the use of computers;

4 “(7) the activities provide instruction in real-life
5 contexts, when appropriate, to ensure that an indi-
6 vidual has the skills needed to compete in the work-
7 place and exercise the rights and responsibilities of
8 citizenship;

9 “(8) the activities are staffed by well-trained in-
10 structors, counselors, and administrators;

11 “(9) the activities are coordinated with other
12 available resources in the community, such as
13 through strong links with elementary schools and
14 secondary schools, postsecondary educational institu-
15 tions, one-stop centers, job training programs, com-
16 munity-based and faith-based organizations, and so-
17 cial service agencies;

18 “(10) the activities offer flexible schedules and
19 support services (such as child care and transpor-
20 tation) that are necessary to enable individuals, in-
21 cluding individuals with disabilities or other special
22 needs, to attend and complete programs;

23 “(11) the activities include a high-quality infor-
24 mation management system that has the capacity to
25 report measurable participant outcomes and to mon-

1 itor program performance against the performance
2 measures established by the eligible agency;

3 “(12) the local communities have a dem-
4 onstrated need for additional English language ac-
5 quisition programs;

6 “(13) the capacity of the eligible provider to
7 produce valid information on performance results,
8 including enrollments and measurable participant
9 outcomes;

10 “(14) adult education, basic skills, and family
11 literacy education programs offer rigorous reading,
12 writing, speaking, and math content that are based
13 on scientifically based research; and

14 “(15) applications of technology, and services to
15 be provided by the eligible providers, are of sufficient
16 intensity and duration to increase the amount and
17 quality of learning and lead to measurable learning
18 gains within specified time periods.

19 “(e) SPECIAL RULE.—Eligible providers may use
20 grant funds under this title to serve children participating
21 in family literacy programs assisted under this part, pro-
22 vided that other sources of funds available to provide simi-
23 lar services for such children are used first.

1 **“SEC. 232. LOCAL APPLICATION.**

2 “Each eligible provider desiring a grant or contract
3 under this title shall submit an application to the eligible
4 agency containing such information and assurances as the
5 eligible agency may require, including—

6 “(1) a description of how funds awarded under
7 this title will be spent consistent with the require-
8 ments of this title;

9 “(2) a description of any cooperative arrange-
10 ments the eligible provider has with other agencies,
11 institutions, or organizations for the delivery of
12 adult education, basic skills, and family literacy edu-
13 cation programs; and

14 “(3) each of the demonstrations required by
15 section 231(d).

16 **“SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.**

17 “(a) IN GENERAL.—Subject to subsection (b), of the
18 amount that is made available under this title to an eligi-
19 ble provider—

20 “(1) at least 95 percent shall be expended for
21 carrying out adult education, basic skills, and family
22 literacy education programs; and

23 “(2) the remaining amount shall be used for
24 planning, administration, personnel and professional
25 development, development of measurable goals in

1 reading, writing, speaking, and math, and inter-
2 agency coordination.

3 “(b) SPECIAL RULE.—In cases where the cost limits
4 described in subsection (a) are too restrictive to allow for
5 adequate planning, administration, personnel develop-
6 ment, and interagency coordination, the eligible provider
7 may negotiate with the eligible agency in order to deter-
8 mine an adequate level of funds to be used for noninstruc-
9 tional purposes.

10 **“CHAPTER 4—GENERAL PROVISIONS**

11 **“SEC. 241. ADMINISTRATIVE PROVISIONS.**

12 “(a) SUPPLEMENT NOT SUPPLANT.—Funds made
13 available for adult education, basic skills, and family lit-
14 eracy education programs under this title shall supplement
15 and not supplant other State or local public funds ex-
16 pended for adult education, basic skills, and family literacy
17 education programs.

18 “(b) MAINTENANCE OF EFFORT.—

19 “(1) IN GENERAL.—

20 “(A) DETERMINATION.—An eligible agency
21 may receive funds under this title for any fiscal
22 year if the Secretary finds that the fiscal effort
23 per student or the aggregate expenditures of
24 such eligible agency for activities under this
25 title, in the second preceding fiscal year, were

1 not less than 90 percent of the fiscal effort per
2 student or the aggregate expenditures of such
3 eligible agency for adult education, basic skills,
4 and family literacy education programs, in the
5 third preceding fiscal year.

6 “(B) PROPORTIONATE REDUCTION.—Sub-
7 ject to paragraphs (2), (3), and (4), for any fis-
8 cal year with respect to which the Secretary de-
9 termines under subparagraph (A) that the fiscal
10 effort or the aggregate expenditures of an eligi-
11 ble agency for the preceding program year were
12 less than such effort or expenditures for the
13 second preceding program year, the Secretary—

14 “(i) shall determine the percentage
15 decreases in such effort or in such expendi-
16 tures; and

17 “(ii) shall decrease the payment made
18 under this title for such program year to
19 the agency for adult education, basic skills,
20 and family literacy education programs by
21 the lesser of such percentages.

22 “(2) COMPUTATION.—In computing the fiscal
23 effort and aggregate expenditures under paragraph
24 (1), the Secretary shall exclude capital expenditures
25 and special one-time project costs.

1 “(3) DECREASE IN FEDERAL SUPPORT.—If the
2 amount made available for adult education, basic
3 skills, and family literacy education programs under
4 this title for a fiscal year is less than the amount
5 made available for adult education, basic skills, and
6 family literacy education programs under this title
7 for the preceding fiscal year, then the fiscal effort
8 per student and the aggregate expenditures of an el-
9 igible agency required in order to avoid a reduction
10 under paragraph (1)(B) shall be decreased by the
11 same percentage as the percentage decrease in the
12 amount so made available.

13 “(4) WAIVER.—The Secretary may waive the
14 requirements of this subsection for not more than 1
15 fiscal year, if the Secretary determines that a waiver
16 would be equitable due to exceptional or uncontrol-
17 lable circumstances, such as a natural disaster or an
18 unforeseen and precipitous decline in the financial
19 resources of the State or outlying area of the eligible
20 agency. If the Secretary grants a waiver under the
21 preceding sentence for a fiscal year, the level of ef-
22 fort required under paragraph (1) shall not be re-
23 duced in the subsequent fiscal year because of the
24 waiver.

1 **“SEC. 242. NATIONAL INSTITUTE FOR LITERACY.**

2 “(a) IN GENERAL.—

3 “(1) PURPOSE.—The purpose of the National
4 Institute for Literacy is to promote the improvement
5 of literacy, including skills in reading, writing, and
6 English language acquisition for children, youth, and
7 adults, through practices derived from the findings
8 of scientifically based research.

9 “(2) ESTABLISHMENT.—There is established a
10 National Institute for Literacy (in this section re-
11 ferred to as the ‘Institute’). The Institute shall be
12 administered under the terms of an interagency
13 agreement entered into, reviewed annually, and
14 modified as needed by the Secretary of Education
15 with the Secretary of Health and Human Services
16 and the Secretary of Labor (in this section referred
17 to as the ‘Interagency Group’).

18 “(3) OFFICES.—The Institute shall have offices
19 separate from the offices of the Department of Edu-
20 cation, the Department of Health and Human Serv-
21 ices, and the Department of Labor.

22 “(4) ADMINISTRATIVE SUPPORT.—The Depart-
23 ment of Education shall provide administrative sup-
24 port for the Institute.

1 “(5) DAILY OPERATIONS.—The Director of the
2 Institute shall administer the daily operations of the
3 Institute.

4 “(b) DUTIES.—

5 “(1) IN GENERAL.—To carry out its purpose,
6 the Institute may—

7 “(A) identify and disseminate rigorous sci-
8 entific research on the effectiveness of instruc-
9 tional practices and organizational strategies re-
10 lating to programs on the acquisition of skills
11 in reading, writing, and English language ac-
12 quisition for children, youth, and adults;

13 “(B) create and widely disseminate mate-
14 rials about the acquisition and application of
15 skills in reading, writing, and English language
16 acquisition for children, youth, and adults based
17 on scientifically based research;

18 “(C) ensure a broad understanding of sci-
19 entifically based research on reading, writing,
20 and English language acquisition for children,
21 youth, and adults among Federal agencies with
22 responsibilities for administering programs that
23 provide related services, including State and
24 local educational agencies;

1 “(D) facilitate coordination and informa-
2 tion sharing among national organizations and
3 associations interested in programs that provide
4 services to improve skills in reading, writing,
5 and English language acquisition for children,
6 youth, and adults;

7 “(E) coordinate with the appropriate of-
8 fices in the Department of Education, the De-
9 partment of Health and Human Services, the
10 Department of Labor, and other Federal agen-
11 cies to apply the findings of scientifically based
12 research related to programs on reading, writ-
13 ing, and English language acquisition for chil-
14 dren, youth, and adults;

15 “(F) establish a national electronic data-
16 base and Internet site describing and fostering
17 communication on scientifically based programs
18 in reading, writing, and English language ac-
19 quisition for children, youth, and adults, includ-
20 ing professional development programs; and

21 “(G) provide opportunities for technical as-
22 sistance, meetings, and conferences that will
23 foster increased coordination among Federal,
24 State, and local agencies and entities and im-
25 provement of reading, writing, and English lan-

1 guage acquisition skills for children, youth, and
2 adults.

3 “(2) COORDINATION.—In identifying scientif-
4 ically based research on reading, writing, and
5 English language acquisition for children, youth, and
6 adults, the Institute shall use standards for research
7 quality that are consistent with those established by
8 the Institute of Education Sciences.

9 “(3) GRANTS, CONTRACTS, AND COOPERATIVE
10 AGREEMENTS.—

11 “(A) IN GENERAL.—The Institute may
12 award grants to, or enter into contracts or co-
13 operative agreements with, individuals, public
14 or private institutions, agencies, organizations,
15 or consortia of such individuals, institutions,
16 agencies, or organizations, to carry out the ac-
17 tivities of the Institute.

18 “(B) REGULATIONS.—The Director may
19 adopt the general administrative regulations of
20 the Department of Education, as applicable, for
21 use by the Institute.

22 “(C) RELATION TO OTHER LAWS.—The
23 duties and powers of the Institute under this
24 title are in addition to the duties and powers of
25 the Institute under subparts 1, 2, and 3 of part

1 B of the Elementary and Secondary Education
2 Act of 1965 (commonly referred to as Reading
3 First, Early Reading First, and the William F.
4 Goodling Even Start Family Literacy Program,
5 respectively).

6 “(c) VISITING SCHOLARS.—The Institute may estab-
7 lish a visiting scholars program, with such stipends and
8 allowances as the Director considers necessary, for out-
9 standing researchers, scholars, and individuals who—

10 “(1) have careers in adult education, workforce
11 development, or scientifically based reading, writing,
12 or English language acquisition; and

13 “(2) can assist the Institute in translating re-
14 search into practice and providing analysis that ad-
15 vances instruction in the fields of reading, writing,
16 and English language acquisition for children, youth,
17 and adults.

18 “(d) INTERNS AND VOLUNTEERS.—The Institute, in
19 consultation with the National Institute for Literacy Advi-
20 sory Board, may award paid and unpaid internships to
21 individuals seeking to assist the Institute in carrying out
22 its purpose. Notwithstanding section 1342 of title 31,
23 United States Code, the Institute may accept and use vol-
24 untary and uncompensated services as the Institute deter-
25 mines necessary.

1 “(e) NATIONAL INSTITUTE FOR LITERACY ADVISORY
2 BOARD.—

3 “(1) ESTABLISHMENT.—

4 “(A) IN GENERAL.—There shall be a Na-
5 tional Institute for Literacy Advisory Board (in
6 this section referred to as the ‘Board’), which
7 shall consist of 10 individuals appointed by the
8 President with the advice and consent of the
9 Senate.

10 “(B) QUALIFICATIONS.—The Board shall
11 be composed of individuals who—

12 “(i) are not otherwise officers or em-
13 ployees of the Federal Government; and

14 “(ii) are knowledgeable about current
15 effective scientifically based research find-
16 ings on instruction in reading, writing, and
17 English language acquisition for children,
18 youth, and adults.

19 “(C) COMPOSITION.—The Board may in-
20 clude—

21 “(i) representatives of business, indus-
22 try, labor, literacy organizations, adult
23 education providers, community colleges,
24 students with disabilities, and State agen-

1 cies, including State directors of adult edu-
2 cation; and

3 “(ii) individuals who, and representa-
4 tives of entities that, have been successful
5 in improving skills in reading, writing, and
6 English language acquisition for children,
7 youth, and adults.

8 “(2) DUTIES.—The Board shall—

9 “(A) make recommendations concerning
10 the appointment of the Director of the Insti-
11 tute;

12 “(B) provide independent advice on the op-
13 eration of the Institute;

14 “(C) receive reports from the Interagency
15 Group and the Director; and

16 “(D) review the biennial report to the Con-
17 gress under subsection (k).

18 “(3) FEDERAL ADVISORY COMMITTEE ACT.—

19 Except as otherwise provided, the Board shall be
20 subject to the provisions of the Federal Advisory
21 Committee Act.

22 “(4) APPOINTMENTS.—

23 “(A) IN GENERAL.—Each member of the
24 Board shall be appointed for a term of 3 years,
25 except that the initial terms for members may

1 be 1, 2, or 3 years in order to establish a rota-
2 tion in which one-third of the members are se-
3 lected each year. Any such member may be ap-
4 pointed for not more than 2 consecutive terms.

5 “(B) VACANCIES.—Any member appointed
6 to fill a vacancy occurring before the expiration
7 of the term for which the member’s predecessor
8 was appointed shall be appointed only for the
9 remainder of that term. A member may serve
10 after the expiration of that member’s term until
11 a successor has taken office.

12 “(5) QUORUM.—A majority of the members of
13 the Board shall constitute a quorum, but a lesser
14 number may hold hearings. A recommendation of
15 the Board may be passed only by a majority of the
16 Board’s members present at a meeting for which
17 there is a quorum.

18 “(6) ELECTION OF OFFICERS.—The Chair-
19 person and Vice Chairperson of the Board shall be
20 elected by the members of the Board. The term of
21 office of the Chairperson and Vice Chairperson shall
22 be 2 years.

23 “(7) MEETINGS.—The Board shall meet at the
24 call of the Chairperson or a majority of the members
25 of the Board.

1 “(f) GIFTS, BEQUESTS, AND DEVISES.—

2 “(1) IN GENERAL.—The Institute may accept,
3 administer, and use gifts or donations of services,
4 money, or property, whether real or personal, tan-
5 gible or intangible.

6 “(2) RULES.—The Board shall establish writ-
7 ten rules setting forth the criteria to be used by the
8 Institute in determining whether the acceptance of
9 contributions of services, money, or property whether
10 real or personal, tangible or intangible, would reflect
11 unfavorably upon the ability of the Institute or any
12 employee to carry out the responsibilities of the In-
13 stitute or employee, or official duties, in a fair and
14 objective manner, or would compromise the integrity,
15 or the appearance of the integrity, of the Institute’s
16 programs or any official involved in those programs.

17 “(g) MAILS.—The Board and the Institute may use
18 the United States mails in the same manner and under
19 the same conditions as other departments and agencies of
20 the United States.

21 “(h) DIRECTOR.—The Secretary of Education, after
22 considering recommendations made by the Board and con-
23 sulting with the Interagency Group, shall appoint and fix
24 the pay of the Director of the Institute and, when nec-
25 essary, shall appoint an Interim Director of the Institute.

1 “(i) APPLICABILITY OF CERTAIN CIVIL SERVICE
2 LAWS.—The Director and staff of the Institute may be
3 appointed without regard to the provisions of title 5,
4 United States Code, governing appointments in the com-
5 petitive service, and may be paid without regard to the
6 provisions of chapter 51 and subchapter III of chapter 53
7 of that title relating to classification and General Schedule
8 pay rates, except that an individual so appointed may not
9 receive pay in excess of the annual rate of basic pay pay-
10 able for level IV of the Executive Schedule.

11 “(j) EXPERTS AND CONSULTANTS.—The Institute
12 may procure temporary and intermittent services under
13 section 3109(b) of title 5, United States Code.

14 “(k) BIENNIAL REPORT.—

15 “(1) IN GENERAL.—The Institute shall submit
16 a report biennially to the Committee on Education
17 and Labor of the House of Representatives and the
18 Committee on Health, Education, Labor, and Pen-
19 sions of the Senate. Each report submitted under
20 this subsection shall include—

21 “(A) a comprehensive and detailed descrip-
22 tion of the Institute’s operations, activities, fi-
23 nancial condition, and accomplishments in iden-
24 tifying and describing programs on reading,
25 writing, and English language acquisition for

1 children, youth, and adults for the period cov-
2 ered by the report; and

3 “(B) a description of how plans for the op-
4 eration of the Institute for the succeeding 2 fis-
5 cal years will facilitate achievement of the pur-
6 pose of the Institute.

7 “(2) FIRST REPORT.—The Institute shall sub-
8 mit its first report under this subsection to the Con-
9 gress not later than 1 year after the date of the en-
10 actment of the Workforce Investment Improvement
11 Act of 2007.

12 “(1) ADDITIONAL FUNDING.—In addition to the
13 funds authorized under section 205 and reserved for the
14 Institute under section 211, the Secretary of Education,
15 the Secretary of Health and Human Services, the Sec-
16 retary of Labor, or the head of any other Federal agency
17 or department that participates in the activities of the In-
18 stitute may provide funds to the Institute for activities
19 that the Institute is authorized to perform under this sec-
20 tion.

21 **“SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.**

22 “The Secretary shall establish and carry out a pro-
23 gram of national leadership activities that may include the
24 following:

1 “(1) Technical assistance, on request, including
2 assistance—

3 “(A) on request to volunteer community-
4 and faith-based organizations, including but not
5 limited to, improving their fiscal management,
6 research-based instruction, and reporting re-
7 quirements, and the development of measurable
8 objectives to carry out the requirements of this
9 title;

10 “(B) in developing valid, measurable, and
11 reliable performance data, and using perform-
12 ance information for the improvement of adult
13 education basic skills, English language acquisi-
14 tion, and family literacy education programs;

15 “(C) on adult education professional devel-
16 opment; and

17 “(D) in using distance learning and im-
18 proving the application of technology in the
19 classroom, including instruction in English lan-
20 guage acquisition for individuals who have lim-
21 ited English proficiency.

22 “(2) Providing for the conduct of research on
23 national literacy basic skill acquisition levels among
24 adults, including the number of limited English pro-

1 efficient adults functioning at different levels of read-
2 ing proficiency.

3 “(3) Improving the coordination, efficiency, and
4 effectiveness of adult education and workforce devel-
5 opment services at the national, State, and local lev-
6 els.

7 “(4) Determining how participation in adult
8 education basic skills, English language acquisition,
9 and family literacy education programs prepares in-
10 dividuals for entry into and success in postsecondary
11 education and employment, and in the case of pris-
12 on-based services, the effect on recidivism.

13 “(5) Evaluating how different types of pro-
14 viders, including community and faith-based organi-
15 zations or private for-profit agencies measurably im-
16 prove the skills of participants in adult education
17 basic skills, English language acquisition, and family
18 literacy education programs.

19 “(6) Identifying model integrated basic and
20 workplace skills education programs, including pro-
21 grams for individuals with limited English pro-
22 ficiency coordinated literacy and employment serv-
23 ices, and effective strategies for serving adults with
24 disabilities.

1 “(7) Supporting the development of an entity
2 that would produce and distribute technology-based
3 programs and materials for adult education, basic
4 skills, and family literacy education programs using
5 an intercommunication system, as that term is de-
6 fined in section 397 of the Communications Act of
7 1934, and expand the effective outreach and use of
8 such programs and materials to adult education eli-
9 gible providers.

10 “(8) Initiating other activities designed to im-
11 prove the measurable quality and effectiveness of
12 adult education basic skills, English language acqui-
13 sition, and family literacy education programs na-
14 tionwide.”.

15 **TITLE III—AMENDMENTS TO**
16 **THE WAGNER-PEYSER ACT**

17 **SEC. 301. AMENDMENTS TO THE WAGNER-PEYSER ACT.**

18 The Wagner-Peyser Act (29 U.S.C. 49 et seq.) is
19 amended—

20 (1) by striking sections 1 through 13;

21 (2) in section 14 by inserting “of Labor” after
22 “Secretary”; and

23 (3) by amending section 15 to read as follows:

1 **“SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION**
2 **SYSTEM.**

3 “(a) SYSTEM CONTENT.—

4 “(1) IN GENERAL.—The Secretary of Labor, in
5 accordance with the provisions of this section, shall
6 oversee the development, maintenance, and contin-
7 uous improvement of a nationwide workforce and
8 labor market information system that includes—

9 “(A) statistical data from cooperative sta-
10 tistical survey and projection programs and
11 data from administrative reporting systems
12 that, taken together, enumerate, estimate, and
13 project employment opportunities and condi-
14 tions at national, State, and local levels in a
15 timely manner, including statistics on—

16 “(i) employment and unemployment
17 status of national, State, and local popu-
18 lations, including self-employed, part-time,
19 and seasonal workers;

20 “(ii) industrial distribution of occupa-
21 tions, as well as current and projected em-
22 ployment opportunities, wages, benefits
23 (where data is available), and skill trends
24 by occupation and industry, with particular
25 attention paid to State and local condi-
26 tions;

1 “(iii) the incidence of, industrial and
2 geographical location of, and number of
3 workers displaced by, permanent layoffs
4 and plant closings; and

5 “(iv) employment and earnings infor-
6 mation maintained in a longitudinal man-
7 ner to be used for research and program
8 evaluation;

9 “(B) information on State and local em-
10 ployment opportunities, and other appropriate
11 statistical data related to labor market dynam-
12 ics, which—

13 “(i) shall be current and comprehen-
14 sive;

15 “(ii) shall meet the needs identified
16 through the consultations described in sub-
17 paragraphs (A) and (B) of subsection
18 (e)(2); and

19 “(iii) shall meet the needs for the in-
20 formation identified in section 134(d);

21 “(C) technical standards (which the Sec-
22 retary shall publish annually) for data and in-
23 formation described in subparagraphs (A) and
24 (B) that, at a minimum, meet the criteria of
25 chapter 35 of title 44, United States Code;

1 “(D) procedures to ensure compatibility
2 and additivity of the data and information de-
3 scribed in subparagraphs (A) and (B) from na-
4 tional, State, and local levels;

5 “(E) procedures to support standardization
6 and aggregation of data from administrative re-
7 porting systems described in subparagraph (A)
8 of employment-related programs;

9 “(F) analysis of data and information de-
10 scribed in subparagraphs (A) and (B) for uses
11 such as—

12 “(i) national, State, and local policy-
13 making;

14 “(ii) implementation of Federal poli-
15 cies (including allocation formulas);

16 “(iii) program planning and evalua-
17 tion; and

18 “(iv) researching labor market dynam-
19 ics;

20 “(G) wide dissemination of such data, in-
21 formation, and analysis in a user-friendly man-
22 ner and voluntary technical standards for dis-
23 semination mechanisms; and

24 “(H) programs of—

1 “(i) training for effective data dis-
2 semination;

3 “(ii) research and demonstration; and

4 “(iii) programs and technical assist-
5 ance.

6 “(2) INFORMATION TO BE CONFIDENTIAL.—

7 “(A) IN GENERAL.—No officer or em-
8 ployee of the Federal Government or agent of
9 the Federal Government may—

10 “(i) use any submission that is fur-
11 nished for exclusively statistical purposes
12 under the provisions of this section for any
13 purpose other than the statistical purposes
14 for which the submission is furnished;

15 “(ii) disclose to the public any publi-
16 cation or media transmittal of the data
17 contained in the submission described in
18 clause (i) that permits information con-
19 cerning an individual subject to be reason-
20 ably inferred by either direct or indirect
21 means; or

22 “(iii) permit anyone other than a
23 sworn officer, employee, or agent of any
24 Federal department or agency, or a con-
25 tractor (including an employee of a con-

1 tractor) of such department or agency, to
2 examine an individual submission described
3 in clause (i),
4 without the consent of the individual, agency, or
5 other person who is the subject of the submis-
6 sion or provides that submission.

7 “(B) IMMUNITY FROM LEGAL PROCESS.—
8 Any submission (including any data derived
9 from the submission) that is collected and re-
10 tained by a Federal department or agency, or
11 an officer, employee, agent, or contractor of
12 such a department or agency, for exclusively
13 statistical purposes under this section shall be
14 immune from the legal process and shall not,
15 without the consent of the individual, agency, or
16 other person who is the subject of the submis-
17 sion or provides that submission, be admitted
18 as evidence or used for any purpose in any ac-
19 tion, suit, or other judicial or administrative
20 proceeding.

21 “(C) RULE OF CONSTRUCTION.—Nothing
22 in this section shall be construed to provide im-
23 munity from the legal process for such submis-
24 sion (including any data derived from the sub-
25 mission) if the submission is in the possession

1 of any person, agency, or entity other than the
2 Federal Government or an officer, employee,
3 agent, or contractor of the Federal Government,
4 or if the submission is independently collected,
5 retained, or produced for purposes other than
6 the purposes of this Act.

7 “(b) SYSTEM RESPONSIBILITIES.—

8 “(1) IN GENERAL.—The workforce and labor
9 market information system described in subsection
10 (a) shall be planned, administered, overseen, and
11 evaluated through a cooperative governance struc-
12 ture involving the Federal Government and States.

13 “(2) DUTIES.—The Secretary, with respect to
14 data collection, analysis, and dissemination of work-
15 force and labor market information for the system,
16 shall carry out the following duties:

17 “(A) Assign responsibilities within the De-
18 partment of Labor for elements of the work-
19 force and labor market information system de-
20 scribed in subsection (a) to ensure that all sta-
21 tistical and administrative data collected is con-
22 sistent with appropriate Bureau of Labor Sta-
23 tistics standards and definitions.

24 “(B) Actively seek the cooperation of other
25 Federal agencies to establish and maintain

1 mechanisms for ensuring complementarity and
2 nonduplication in the development and oper-
3 ation of statistical and administrative data col-
4 lection activities.

5 “(C) Eliminate gaps and duplication in
6 statistical undertakings, with the systemization
7 of wage surveys as an early priority.

8 “(D) In collaboration with the Bureau of
9 Labor Statistics and States, develop and main-
10 tain the elements of the workforce and labor
11 market information system described in sub-
12 section (a), including the development of con-
13 sistent procedures and definitions for use by the
14 States in collecting the data and information
15 described in subparagraphs (A) and (B) of sub-
16 section (a)(1).

17 “(E) Establish procedures for the system
18 to ensure that—

19 “(i) such data and information are
20 timely;

21 “(ii) paperwork and reporting for the
22 system are reduced to a minimum; and

23 “(iii) States and localities are fully in-
24 volved in the development and continuous
25 improvement of the system at all levels.

1 “(c) NATIONAL ELECTRONIC TOOLS TO PROVIDE
2 SERVICES.—The Secretary is authorized to assist in the
3 development of national electronic tools that may be used
4 to facilitate the delivery of work ready services described
5 in section 134 and to provide workforce information to in-
6 dividuals through the one-stop delivery systems described
7 in section 121 and through other appropriate delivery sys-
8 tems.

9 “(d) COORDINATION WITH THE STATES.—

10 “(1) IN GENERAL.—The Secretary, working
11 through the Bureau of Labor Statistics and the Em-
12 ployment and Training Administration, shall regu-
13 larly consult with representatives of State agencies
14 carrying out workforce information activities regard-
15 ing strategies for improving the workforce and labor
16 market information system.

17 “(2) FORMAL CONSULTATIONS.—At least twice
18 each year, the Secretary, working through the Bu-
19 reau of Labor Statistics, shall conduct formal con-
20 sultations regarding programs carried out by the
21 Bureau of Labor Statistics with representatives of
22 each of the 6 Federal regions of the Bureau of
23 Labor Statistics, elected (pursuant to a process es-
24 tablished by the Secretary) from the State directors

1 affiliated with State agencies that perform the duties
2 described in subsection (e)(2).

3 “(e) STATE RESPONSIBILITIES.—

4 “(1) IN GENERAL.—In order to receive Federal
5 financial assistance under this section, the Governor
6 of a State shall—

7 “(A) be responsible for the management of
8 the portions of the workforce and labor market
9 information system described in subsection (a)
10 that comprise a statewide workforce and labor
11 market information system and for the State’s
12 participation in the development of the annual
13 plan;

14 “(B) establish a process for the oversight
15 of such system;

16 “(C) consult with State and local employ-
17 ers, participants, and local workforce invest-
18 ment boards about the labor market relevance
19 of the data to be collected and disseminated
20 through the statewide workforce and labor mar-
21 ket information system;

22 “(D) consult with State educational agen-
23 cies and local educational agencies concerning
24 the provision of employment statistics in order
25 to meet the needs of secondary school and post-

1 secondary school students who seek such infor-
2 mation;

3 “(E) collect and disseminate for the sys-
4 tem, on behalf of the State and localities in the
5 State, the information and data described in
6 subparagraphs (A) and (B) of subsection
7 (a)(1);

8 “(F) maintain and continuously improve
9 the statewide workforce and labor market infor-
10 mation system in accordance with this section;

11 “(G) perform contract and grant respon-
12 sibilities for data collection, analysis, and dis-
13 semination for such system;

14 “(H) conduct such other data collection,
15 analysis, and dissemination activities as will en-
16 sure an effective statewide workforce and labor
17 market information system;

18 “(I) actively seek the participation of other
19 State and local agencies in data collection, anal-
20 ysis, and dissemination activities in order to en-
21 sure complementarity, compatibility, and useful-
22 ness of data;

23 “(J) participate in the development of the
24 annual plan described in subsection (c); and

1 “(K) utilize the quarterly records described
2 in section 136(f)(2) of the Workforce Invest-
3 ment Act of 1998 to assist the State and other
4 States in measuring State progress on State
5 performance measures.

6 “(2) RULE OF CONSTRUCTION.—Nothing in
7 this section shall be construed as limiting the ability
8 of a Governor to conduct additional data collection,
9 analysis, and dissemination activities with State
10 funds or with Federal funds from sources other than
11 this section.

12 “(f) NONDUPLICATION REQUIREMENT.—None of the
13 functions and activities carried out pursuant to this sec-
14 tion shall duplicate the functions and activities carried out
15 under the Carl D. Perkins Vocational and Applied Tech-
16 nology Education Act (20 U.S.C. 2301 et seq.).

17 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
18 are authorized to be appropriated to carry out this section
19 such sums as may be necessary for each of the fiscal years
20 2008 through 2012.

21 “(h) DEFINITION.—In this section, the term ‘local
22 area’ means the smallest geographical area for which data
23 can be produced with statistical reliability.”.

1 **TITLE IV—AMENDMENTS TO THE**
2 **REHABILITATION ACT OF 1973**

3 **SEC. 401. FINDINGS.**

4 Section 2(a) of the Rehabilitation Act of 1973 (29
5 U.S.C. 701(a)) is amended—

6 (1) in paragraph (5), by striking “and” at the
7 end;

8 (2) in paragraph (6), by striking the period and
9 inserting “; and”; and

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

11 “(7) there is a substantial need to improve and
12 expand services for students with disabilities under
13 this Act.”.

14 **SEC. 402. REHABILITATION SERVICES ADMINISTRATION.**

15 Section 3(a) of the Rehabilitation Act of 1973 (29
16 U.S.C. 702(a)) is amended—

17 (1) by striking “Office of the Secretary” and
18 inserting “Department of Education”;

19 (2) by striking “President by and with the ad-
20 vice and consent of the Senate” and inserting “Sec-
21 retary, except that the Commissioner appointed
22 under the authority existing on the day prior to the
23 date of enactment of the Workforce Investment Im-
24 provement Act of 2007 may continue to serve in the
25 former capacity”; and

1 (3) by striking “, and the Commissioner shall
2 be the principal officer,”.

3 **SEC. 403. DIRECTOR.**

4 (a) IN GENERAL.—The Rehabilitation Act of 1973
5 (29 U.S.C. 701 et seq.) is amended—

6 (1) by striking “Commissioner” each place it
7 appears, except in sections 3(a) (as amended by sec-
8 tion 402) and 21, and inserting “Director”;

9 (2) in section 100(d)(2)(B), by striking “**COM-**
10 **MISSIONER**” and inserting “**DIRECTOR**”;

11 (3) in section 706, by striking “**COMMIS-**
12 **SIONER**” and inserting “**DIRECTOR**”; and

13 (4) in section 723(a)(3), by striking “**COMMIS-**
14 **SIONER**” and inserting “**DIRECTOR**”.

15 (b) EXCEPTION.—Section 21 of the Rehabilitation
16 Act of 1973 (29 U.S.C. 718) is amended—

17 (1) in subsection (b)(1)—

18 (A) by striking “Commissioner” the first
19 place it appears and inserting “Director of the
20 Rehabilitation Services Administration”; and

21 (B) by striking “(referred to in this sub-
22 section as the ‘Director’)”; and

23 (2) by striking “Commissioner and the Direc-
24 tor” each place it appears and inserting “both such
25 Directors”.

1 **SEC. 404. DEFINITIONS.**

2 Section 7 of the Rehabilitation Act of 1973 (29
3 U.S.C. 705) is amended—

4 (1) by redesignating paragraphs (35) through
5 (39) as paragraphs (36), (37), (38), (40), and (41),
6 respectively;

7 (2) in subparagraph (A)(ii) of paragraph (36)
8 (as redesignated in paragraph (1)), by striking
9 “paragraph (36)(C)” and inserting “paragraph
10 (37)(C)”;

11 (3) by inserting after paragraph (34) the fol-
12 lowing:

13 “(35)(A) The term ‘student with a disability’
14 means an individual with a disability who—

15 “(i) is not younger than 16 and not older
16 than 21;

17 “(ii) has been determined to be eligible
18 under section 102(a) for assistance under this
19 title; and

20 “(iii)(I) is eligible for, and is receiving,
21 special education under part B of the Individ-
22 uals with Disabilities Education Act (20 U.S.C.
23 1411 et seq.); or

24 “(II) is an individual with a disability, for
25 purposes of section 504.

1 “(B) The term ‘students with disabilities’
2 means more than 1 student with a disability.”; and

3 (4) by inserting after paragraph (38) (as reded-
4 igned by paragraph (1)) the following:

5 “(39) The term ‘transition services expansion
6 year’ means—

7 “(A) the first fiscal year for which the
8 amount appropriated under section 100(b) ex-
9 ceeds the amount appropriated under section
10 100(b) for fiscal year 2004 by not less than
11 \$100,000,000; and

12 “(B) each fiscal year subsequent to that
13 first fiscal year.”.

14 **SEC. 405. STATE PLAN.**

15 (a) **COORDINATION WITH EDUCATION OFFICIALS**
16 **AND ASSISTIVE TECHNOLOGY PROGRAMS.**—Section
17 101(a)(11) of the Rehabilitation Act of 1973 (29 U.S.C.
18 721(a)(11)) is amended—

19 (1) in subparagraph (D)(i) by inserting “,
20 which may be provided using alternative means of
21 meeting participation (such as video conferences and
22 conference calls)” before the semicolon; and

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

24 “(G) **COORDINATION WITH ASSISTIVE**
25 **TECHNOLOGY PROGRAMS.**—The State plan shall

1 include an assurance that the designated State
2 unit and the lead agency responsible for car-
3 rying out duties under the Assistive Technology
4 Act of 1998 (29 U.S.C. 3001), as amended,
5 have developed working relationships and co-
6 ordinate their activities.”.

7 (b) ASSESSMENT AND STRATEGIES.—Section
8 101(a)(15) of the Rehabilitation Act of 1973 (29 U.S.C.
9 721(a)(15)) is amended—

10 (1) in subparagraph (A)

11 (A) in clause (i)—

12 (i) in subclause (II), by striking
13 “and” at the end;

14 (ii) in subclause (III), by adding
15 “and” at the end; and

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

18 “(IV) in a transition services ex-
19 pansion year, students with disabil-
20 ities, including their need for transi-
21 tion services;”; and

22 (B) by redesignating clauses (ii) and (iii)
23 as clauses (iii) and (iv), respectively, and insert-
24 ing after clause (i) the following:

1 “(ii) include an assessment of the
2 transition services provided under this Act,
3 and coordinated with transition services
4 under the Individuals with Disabilities
5 Education Act, as to those services meet-
6 ing the needs of individuals with disabil-
7 ities;” and

8 (2) in subparagraph (D)—

9 (A) by redesignating clauses (iii), (iv), and
10 (v) as clauses (iv), (v), and (vi), respectively;
11 and

12 (B) by inserting after clause (ii) the fol-
13 lowing:

14 “(iii) in a transition services expan-
15 sion year, the methods to be used to im-
16 prove and expand vocational rehabilitation
17 services for students with disabilities, in-
18 cluding the coordination of services de-
19 signed to facilitate the transition of such
20 students from the receipt of educational
21 services in school to the receipt of voca-
22 tional rehabilitation services under this
23 title or to postsecondary education or em-
24 ployment;”.

1 (c) SERVICES FOR STUDENTS WITH DISABILITIES.—
2 Section 101(a) of the Rehabilitation Act of 1973 (29
3 U.S.C. 721(a)) is further amended by adding at the end
4 the following:

5 “(25) SERVICES FOR STUDENTS WITH DISABIL-
6 ITIES.—The State plan for a transition services ex-
7 pansion year shall provide an assurance satisfactory
8 to the Secretary that the State—

9 “(A) has developed and implemented strat-
10 egies to address the needs identified in the as-
11 sessment described in paragraph (15), and
12 achieve the goals and priorities identified by the
13 State, to improve and expand vocational reha-
14 bilitation services for students with disabilities
15 on a statewide basis in accordance with para-
16 graph (15); and

17 “(B) from funds reserved under section
18 110A, shall carry out programs or activities de-
19 signed to improve and expand vocational reha-
20 bilitation services for students with disabilities
21 that—

22 “(i) facilitate the transition of the stu-
23 dents with disabilities from the receipt of
24 educational services in school, to the re-
25 ceipt of vocational rehabilitation services

1 under this title, including, at a minimum,
2 those services specified in the interagency
3 agreement required in paragraph (11)(D);

4 “(ii) improve the achievement of post-
5 school goals of students with disabilities,
6 including improving the achievement
7 through participation (as appropriate when
8 vocational goals are discussed) in meetings
9 regarding individualized education pro-
10 grams developed under section 614 of the
11 Individuals with Disabilities Education Act
12 (20 U.S.C. 1414);

13 “(iii) provide vocational guidance, ca-
14 reer exploration services, and job search
15 skills and strategies and technical assist-
16 ance to students with disabilities;

17 “(iv) support the provision of training
18 and technical assistance to State and local
19 educational agency and designated State
20 agency personnel responsible for the plan-
21 ning and provision of services to students
22 with disabilities; and

23 “(v) support outreach activities to stu-
24 dents with disabilities who are eligible for,
25 and need, services under this title.”.

1 **SEC. 406. SCOPE OF SERVICES.**

2 Section 103 of the Rehabilitation Act of 1973 (29
3 U.S.C. 723) is amended—

4 (1) in subsection (a), by striking paragraph
5 (15) and inserting the following:

6 “(15) transition services for students with dis-
7 abilities, that facilitate the achievement of the em-
8 ployment outcome identified in the individualized
9 plan for employment, including, in a transition serv-
10 ices expansion year, services described in clauses (i)
11 through (iii) of section 101(a)(25)(B);”;

12 (2) in subsection (b), by striking paragraph (6)
13 and inserting the following:

14 “(6)(A)(i) Consultation and technical assistance
15 services to assist State and local educational agen-
16 cies in planning for the transition of students with
17 disabilities from school to post-school activities, in-
18 cluding employment.

19 “(ii) In a transition services expansion year,
20 training and technical assistance described in section
21 101(a)(25)(B)(iv).

22 “(B) In a transition services expansion year,
23 services for groups of individuals with disabilities
24 who meet the requirements of clauses (i) and (iii) of
25 section 7(35)(A), including services described in
26 clauses (i), (ii), (iii), and (v) of section

1 101(a)(25)(B), to assist in the transition from
2 school to post-school activities.”; and

3 (3) in subsection (b) by inserting at the end,
4 the following:

5 “(7) The establishment, development, or im-
6 provement of assistive technology demonstration,
7 loan, reutilization, or financing programs in coordi-
8 nation with activities authorized under the Assistive
9 Technology Act of 1998 (29 U.S.C. 3001), as
10 amended, to promote access to assistive technology
11 for individuals with disabilities and employers.”.

12 **SEC. 407. STANDARDS AND INDICATORS.**

13 Section 106(a) of the Rehabilitation Act of 1973 (29
14 U.S.C. 726(a)) is amended by striking paragraph (1)(C)
15 and all that follows through paragraph (2) and inserting
16 the following:

17 “(2) MEASURES.—The standards and indica-
18 tors shall include outcome and related measures of
19 program performance that—

20 “(A) facilitate the accomplishment of the
21 purpose and policy of this title;

22 “(B) to the maximum extent practicable,
23 are consistent with the core indicators of per-
24 formance, and corresponding State adjusted lev-
25 els of performance, established under section

1 136(b) of the Workforce Investment Act of
2 1998 (29 U.S.C. 2871(b)); and

3 “(C) include measures of the program’s
4 performance with respect to the transition to
5 post-school vocational activities, and achieve-
6 ment of the post-school vocational goals, of stu-
7 dents with disabilities served under the pro-
8 gram.”.

9 **SEC. 408. RESERVATION FOR EXPANDED TRANSITION**
10 **SERVICES.**

11 The Rehabilitation Act of 1973 is amended by insert-
12 ing after section 110 (29 U.S.C. 730) the following:

13 **“SEC. 110A. RESERVATION FOR EXPANDED TRANSITION**
14 **SERVICES.**

15 “(a) RESERVATION.—From the State allotment
16 under section 110 in a transition services expansion year,
17 each State shall reserve an amount calculated by the Di-
18 rector under subsection (b) to carry out programs and ac-
19 tivities under sections 101(a)(25)(B) and 103(b)(6).

20 “(b) CALCULATION.—The Director shall calculate the
21 amount to be reserved for such programs and activities
22 for a fiscal year by each State by multiplying \$50,000,000
23 by the percentage determined by dividing—

24 “(1) the amount allotted to that State under
25 section 110 for the prior fiscal year, by

1 “(2) the total amount allotted to all States
2 under section 110 for that prior fiscal year.”.

3 **SEC. 409. CLIENT ASSISTANCE PROGRAM.**

4 Section 112(e)(1) of the Rehabilitation Act of 1973
5 (29 U.S.C. 732(e)(1)) is amended by redesignating sub-
6 paragraph (D) as subparagraph (E) and inserting after
7 subparagraph (C) the following:

8 “(D) The Secretary shall make grants to the protec-
9 tion and advocacy system serving the American Indian
10 Consortium to provide services in accordance with this sec-
11 tion. The amount of such grants shall be the same as pro-
12 vided to territories under this subsection.”.

13 **SEC. 410. PROTECTION AND ADVOCACY OF INDIVIDUAL**
14 **RIGHTS.**

15 Section 509(g)(2) of the Rehabilitation Act of 1973
16 (29 U.S.C. 794e(g)(2)) is amended by striking “was paid”
17 and inserting “was paid, except that program income gen-
18 erated from such amount shall remain available to such
19 system for one additional fiscal year”.

20 **SEC. 411. CHAIRPERSON.**

21 Section 705(b)(5) of the Rehabilitation Act of 1973
22 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

23 “(5) CHAIRPERSON.—The Council shall select a
24 chairperson from among the voting membership of
25 the Council.”.

1 **SEC. 412. AUTHORIZATIONS OF APPROPRIATIONS.**

2 The Rehabilitation Act of 1973 is further amended—

3 (1) in section 100(b)(1) by striking “fiscal
4 years 1999 through 2003” and inserting “fiscal
5 years 2008 through 2012”;

6 (2) in section 100(d)(1)(B) by striking “fiscal
7 year 2003” and inserting “fiscal year 2012”;

8 (3) in section 110(c) by amending paragraph
9 (2) to read as follows:

10 “(2) The sum referred to in paragraph (1) shall
11 be, as determined by the Secretary, not less than 1
12 percent and not more than 1.5 percent of the
13 amount referred to in paragraph (1) for each of fis-
14 cal years 2008 through 2012.”;

15 (4) in section 112(h) by striking “fiscal years
16 1999 through 2003” and inserting “fiscal years
17 2008 through 2012”;

18 (5) in section 201(a) by striking “fiscal years
19 1999 through 2003” each place it appears and in-
20 serting “fiscal years 2008 through 2012”;

21 (6) in section 302(i) by striking “fiscal years
22 1999 through 2003” and inserting “fiscal years
23 2008 through 2012”;

24 (7) in section 303(e) by striking “fiscal years
25 1999 through 2003” and inserting “fiscal years
26 2008 through 2012”;

1 (8) in section 304(b) by striking “fiscal years
2 1999 through 2003” and inserting “fiscal years
3 2008 through 2012”;

4 (9) in section 305(b) by striking “fiscal years
5 1999 through 2003” and inserting “fiscal years
6 2008 through 2012”;

7 (10) in section 405 by striking “fiscal years
8 1999 through 2003” and inserting “fiscal years
9 2008 through 2012”;

10 (11) in section 502(j) by striking “fiscal years
11 1999 through 2003” and inserting “fiscal years
12 2008 through 2012”;

13 (12) in section 509(l) by striking “fiscal years
14 1999 through 2003” and inserting “fiscal years
15 2008 through 2012”;

16 (13) in section 612 by striking “fiscal years
17 1999 through 2003” and inserting “fiscal years
18 2008 through 2012”;

19 (14) in section 628 by striking “fiscal years
20 1999 through 2003” and inserting “fiscal years
21 2008 through 2012”;

22 (15) in section 714 by striking “fiscal years
23 1999 through 2003” and inserting “fiscal years
24 2008 through 2012”;

1 (16) in section 727 by striking “fiscal years
2 1999 through 2003” and inserting “fiscal years
3 2008 through 2012”; and

4 (17) in section 753 by striking “fiscal years
5 1999 through 2003” and inserting “fiscal years
6 2008 through 2012”.

7 **SEC. 413. CONFORMING AMENDMENT.**

8 Section 1(b) of the Rehabilitation Act of 1973 is
9 amended by inserting after the item relating to section
10 110 the following:

 “Sec. 110A. Reservation for expanded transition services.”.

11 **SEC. 414. HELEN KELLER NATIONAL CENTER ACT.**

12 (a) GENERAL AUTHORIZATION OF APPROPRIA-
13 TIONS.—The first sentence of section 205(a) of the Helen
14 Keller National Center Act (29 U.S.C. 1904(a)) is amend-
15 ed by striking “1999 through 2003” and inserting “2008
16 through 2012”.

17 (b) HELEN KELLER NATIONAL CENTER FEDERAL
18 ENDOWMENT FUND.—The first sentence of section
19 208(h) of such Act (29 U.S.C. 1907(h)) is amended by
20 striking “1999 through 2003” and inserting “2008
21 through 2012”.

1 **TITLE V—TRANSITION AND**
2 **EFFECTIVE DATE**

3 **SEC. 501. TRANSITION PROVISIONS.**

4 The Secretary of Labor shall take such actions as the
5 Secretary determines to be appropriate to provide for the
6 orderly implementation of this Act.

7 **SEC. 502. EFFECTIVE DATE.**

8 Except as otherwise provided in this Act, this Act and
9 the amendments made by this Act, shall take effect on
10 the date of enactment of this Act.

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