

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

*November 14 (legislative day, November 12), 2003.*

*Resolved*, That the bill from the House of Representatives (H.R. 1261) entitled “An Act to enhance the workforce investment system of the Nation by strengthening one-stop career centers, providing for more effective governance arrangements, promoting access to a more comprehensive array of employment, training, and related services, establishing a targeted approach to serving youth, and improving performance accountability, and for other purposes.”, do pass with the following

**AMENDMENT:**

Strike out all after the enacting clause and insert:

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

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

3 *Act Amendments of 2003”.*

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

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

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

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

*Subtitle A—Definitions*

- Sec. 101. Definitions.*

*Subtitle B—Statewide and Local Workforce Investment Systems*

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

*Subtitle C—Job Corps*

- Sec. 131. Job Corps.*

*Subtitle D—National Programs*

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

*Subtitle E—Administration*

- Sec. 151. Requirements and restrictions.*  
*Sec. 152. Reports.*  
*Sec. 153. Administrative provisions.*  
*Sec. 154. Use of certain real property.*  
*Sec. 155. Table of contents.*

*Subtitle F—Incentive Grants*

- Sec. 161. Incentive grants.*

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

- Sec. 201. Short title; purpose.*  
*Sec. 202. Definitions.*  
*Sec. 203. Authorization of appropriations.*  
*Sec. 204. Home schools.*  
*Sec. 205. Reservation of funds; grants to eligible agencies; allotments.*  
*Sec. 206. Performance accountability system.*  
*Sec. 207. State administration.*  
*Sec. 208. State distribution of funds; matching requirement.*  
*Sec. 209. State leadership activities.*  
*Sec. 210. State plan.*  
*Sec. 211. Programs for corrections education and other institutionalized individuals.*  
*Sec. 212. Grants and contracts for eligible providers.*  
*Sec. 213. Local application.*  
*Sec. 214. Local administrative cost limits.*  
*Sec. 215. Administrative provisions.*  
*Sec. 216. National Institute for Literacy.*  
*Sec. 217. National leadership activities.*  
*Sec. 218. Integrated English literacy and civics education.*  
*Sec. 219. Transition.*

*TITLE III—AMENDMENTS TO OTHER PROVISIONS OF LAW*

- Sec. 301. Wagner-Peyser Act.*

*TITLE IV—REHABILITATION ACT AMENDMENTS*

- Sec. 401. Short title.*  
*Sec. 402. Technical amendments to table of contents.*  
*Sec. 403. Purpose.*  
*Sec. 404. Definitions.*  
*Sec. 405. Administration of the Act.*  
*Sec. 406. Carryover.*

*Subtitle A—Vocational Rehabilitation Services*

- Sec. 411. Declaration of policy; authorization of appropriations.*  
*Sec. 412. State plans.*  
*Sec. 413. Eligibility and individualized plan for employment.*  
*Sec. 414. Vocational rehabilitation services.*  
*Sec. 415. State rehabilitation council.*  
*Sec. 416. Evaluation standards and performance indicators.*  
*Sec. 417. State allotments.*  
*Sec. 418. Client assistance program.*  
*Sec. 419. Incentive grants.*  
*Sec. 420. Vocational rehabilitation services grants.*  
*Sec. 421. GAO studies.*

*Subtitle B—Research and Training*

- Sec. 431. Authorization of appropriations.*  
*Sec. 432. National Institute on Disability and Rehabilitation Research.*  
*Sec. 433. Research and other covered activities.*  
*Sec. 434. Rehabilitation research advisory council.*

*Subtitle C—Professional Development and Special Projects and Demonstrations*

- Sec. 441. Training.*  
*Sec. 442. Demonstration and training programs.*  
*Sec. 443. Migrant and seasonal farmworkers.*  
*Sec. 444. Recreational programs.*

*Subtitle D—National Council on Disability*

- Sec. 451. Authorization of appropriations.*

*Subtitle E—Rights and Advocacy*

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

*Subtitle F—Employment Opportunities for Individuals With Disabilities*

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

*Subtitle G—Independent Living Services and Centers for Independent Living*

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

*Subtitle H—Miscellaneous*

- Sec. 495. Helen Keller National Center Act.*

*TITLE V—TRANSITION AND EFFECTIVE DATE*

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

**1 SEC. 3. REFERENCES.**

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

1 *other provision of the Workforce Investment Act of 1998 (29*  
 2 *U.S.C. 2801 et seq.).*

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

7 **SEC. 101. DEFINITIONS.**

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

9 *(1) by redesignating paragraphs (1) through (4),*  
 10 *(5) through (16), (17), (18) through (41), and (42)*  
 11 *through (53) as paragraphs (2) through (5), (7)*  
 12 *through (18), (20), (23) through (46), and (48)*  
 13 *through (59), respectively;*

14 *(2) by inserting before paragraph (2) (as redesign-*  
 15 *ated by paragraph (1)) the following:*

16 *“(1) ACCRUED EXPENDITURES.—The term ‘ac-*  
 17 *crued expenditures’ means charges incurred by recipi-*  
 18 *ents of funds under this title for a given period re-*  
 19 *quiring the provision of funds for—*

20 *“(A) goods or other tangible property re-*  
 21 *ceived;*

22 *“(B) services performed by employees, con-*  
 23 *tractors, subgrantees, subcontractors, and other*  
 24 *payees; and*

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

6           (3) in paragraph (2) (as redesignated by para-  
7           graph (1)), by striking “Except in sections 127 and  
8           132,” and inserting “Except in section 132,”;

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

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

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

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

22          (5) by inserting after paragraph (5) (as redesi-  
23          gnated by paragraph (1)) the following:

24          “(6) *BUSINESS INTERMEDIARY*.—The term ‘busi-  
25          ness intermediary’ means an entity that brings to-

1        *gether various stakeholders with an expertise in an*  
2        *industry or business sector.”;*

3                *(6) in paragraph (9) (as redesignated by para-*  
4        *graph (1)), by inserting “, including a faith-based or-*  
5        *ganization,” after “nonprofit organization”;*

6                *(7) in paragraph (10) (as redesignated by para-*  
7        *graph (1))—*

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

10                      *(B) in subparagraph (C)—*

11                                *(i) by striking “for not less than 50*  
12        *percent of the cost of the training.” and in-*  
13        *serting “for—*

14                                        *“(i) a significant portion of the cost of*  
15        *training as determined by the local board,*  
16        *taking into account the size of the employer*  
17        *and such other factors as the local board de-*  
18        *termines to be appropriate; and*

19                                        *“(ii) for customized training (as de-*  
20        *finied in subparagraphs (A) and (B)) with*  
21        *an employer in multiple local areas in the*  
22        *State, a significant portion of the cost of the*  
23        *training, as determined by the Governor,*  
24        *taking into account the size of the employer*

1                   *and such other factors as the Governor de-*  
2                   *termines to be appropriate.”;*

3                   (8) *in paragraph (11) (as redesignated by para-*  
4                   *graph (1))—*

5                   (A) *in subparagraph (A)(ii)(II), by striking*  
6                   *“section 134(c)” and inserting “section 121(e)”;*

7                   (B) *in subparagraph (C), by striking “or”*  
8                   *after the semicolon;*

9                   (C) *in subparagraph (D), by striking the*  
10                   *period and inserting “; or”;* and

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

12                   “(E)(i) *is the spouse of a member of the*  
13                   *Armed Forces on active duty for a period of*  
14                   *more than 30 days (as defined in section*  
15                   *101(d)(2) of title 10, United States Code) who*  
16                   *has experienced a loss of employment as a direct*  
17                   *result of relocation to accommodate a permanent*  
18                   *change in duty station of such member; or*

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

22                   (9) *in paragraph (12)(A) (as redesignated by*  
23                   *paragraph (1))—*

24                   (A) *by striking “and” after the semicolon*  
25                   *and inserting “or”;*

1           (B) by striking “(A)” and inserting  
2           “(A)(i)”; and

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

4           “(ii) is the dependent spouse of a member of  
5           the 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) whose  
8           family income is significantly reduced because of  
9           a deployment (as defined in section 991(b) of  
10          title 10, United States Code, or pursuant to  
11          paragraph (4) of such section), a call or order to  
12          active duty pursuant to a provision of law re-  
13          ferred to in section 101(a)(13)(B) of title 10,  
14          United States Code, a permanent change of sta-  
15          tion, or the service-connected (as defined in sec-  
16          tion 101(16) of title 38, United States Code)  
17          death or disability of the member; and”;

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

21          (11) by inserting after paragraph (18) (as redesi-  
22          gnated by paragraph (1)) the following:

23          “(19) *HARD-TO-SERVE POPULATIONS*.—The term  
24          ‘hard-to-serve populations’ means populations of indi-  
25          viduals who are hard to serve, including displaced

1 *homemakers, low-income individuals, Native Ameri-*  
2 *cans, individuals with disabilities, older individuals,*  
3 *ex-offenders, homeless individuals, individuals with*  
4 *limited English proficiency, individuals who do not*  
5 *meet the definition of literacy in section 203, individ-*  
6 *uals facing substantial cultural barriers, migrant and*  
7 *seasonal farmworkers, individuals within 2 years of*  
8 *exhausting lifetime eligibility under part A of title IV*  
9 *of the Social Security Act (42 U.S.C. 601 et seq.), and*  
10 *such other groups as the Governor determines to be*  
11 *hard to serve.”;*

12 (12) by inserting after paragraph (20) (as redese-  
13 *ignated by paragraph (1)) the following:*

14 “(21) *INTEGRATED TRAINING PROGRAM.—The*  
15 *term ‘integrated training program’ means a program*  
16 *that combines occupational skills training with*  
17 *English language acquisition.*

18 “(22) *INSTITUTION OF HIGHER EDUCATION.—*  
19 *The term ‘institution of higher education’ has the*  
20 *meaning given the term in section 101(a), and sub-*  
21 *paragraphs (A) and (B) of section 102(a)(1), of the*  
22 *Higher Education Act of 1965 (20 U.S.C. 1001(a),*  
23 *1002(a)(1)).”;*

24 (13) in paragraph (30) (as redesignated by  
25 *paragraph (1))—*

1           (A) by redesignating subparagraphs (D)  
2 through (F) as subparagraphs (E) through (G),  
3 respectively; and

4           (B) by inserting after subparagraph (C) the  
5 following:

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

10          (14) in paragraph (35) (as redesignated by  
11 paragraph (1)), by inserting “, subject to section  
12 121(b)(1)(C)” after “121(b)(1)”;

13          (15) by striking paragraph (38) (as redesignated  
14 by paragraph (1)) and inserting the following:

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

18          (16) in paragraph (46) (as redesignated by  
19 paragraph (1)), by striking “, and the term means  
20 such Secretary for purposes of section 503”;

21          (17) by inserting after paragraph (46) (as redesi-  
22 gnated by paragraph (1)) the following:

23          “(47) *SELF-SUFFICIENCY*.—The term ‘self-suffi-  
24 ciency’ means self-sufficiency within the meaning of

1 subsections (a)(3)(A)(x) and (e)(1)(A)(xii) of section  
2 134.”;

3 (18) in paragraph (49) (as redesignated by  
4 paragraph (1)), by striking “clause (iii) or (v) of sec-  
5 tion 136(b)(3)(A)” and inserting “section  
6 136(b)(3)(A)(iii)”;

7 (19) in paragraph (58) (as redesignated by  
8 paragraph (1)), by striking “(or as described in sec-  
9 tion 129(c)(5))” and inserting “(or as described in  
10 section 129(a)(2))”; and

11 (20) in paragraph (59) (as redesignated by  
12 paragraph (1)), by striking “established under section  
13 117(h)” and inserting “that may be established under  
14 section 117(h)(2)”.

15 ***Subtitle B—Statewide and Local***  
16 ***Workforce Investment Systems***

17 ***SEC. 111. PURPOSE.***

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

20 ***“SEC. 106. PURPOSES.***

21 *“The purposes of this subtitle are the following:*

22 *“(1)(A) Primarily, to provide workforce invest-*  
23 *ment activities, through statewide and local workforce*  
24 *investment systems, that increase the employment, re-*  
25 *tention, self-sufficiency, and earnings of participants,*

1       *and increase occupational skill attainment by partici-*  
2       *pants.*

3               *“(B) As a result of the provision of the activities,*  
4       *to improve the quality of the workforce, reduce welfare*  
5       *dependency, increase self-sufficiency, and enhance the*  
6       *productivity and competitiveness of the Nation.*

7               *“(2) To enhance the workforce investment system*  
8       *of the Nation by strengthening one-stop centers, pro-*  
9       *viding for more effective governance arrangements,*  
10       *promoting access to a more comprehensive array of*  
11       *employment and training and related services, estab-*  
12       *lishing a targeted approach to serving youth, improv-*  
13       *ing performance accountability, and promoting State*  
14       *and local flexibility.*

15               *“(3) To provide workforce investment activities*  
16       *in a manner that promotes the informed choice of*  
17       *participants and actively involves participants in de-*  
18       *isions affecting their participation in such activities.*

19               *“(4) To provide workforce investment systems*  
20       *that are demand-driven and responsive to the needs*  
21       *of all employers, including small employers.*

22               *“(5) To provide workforce investment systems*  
23       *that work in all areas of the Nation, including urban*  
24       *and rural areas.*

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

3           “(7) *To recognize and reinforce the vital link be-*  
4           *tween economic development and workforce invest-*  
5           *ment activities.*

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

9           “(9) *To address the ongoing shortage of essential*  
10          *skills in the United States workforce related to both*  
11          *manufacturing and knowledge-based economies to en-*  
12          *sure that the United States remains competitive in*  
13          *the global economy.*

14          “(10) *To equip workers with higher skills and*  
15          *contribute to lifelong education.*

16          “(11) *To eliminate training disincentives for*  
17          *hard-to-serve populations and minority workers, in-*  
18          *cluding effectively utilizing community programs,*  
19          *services, and agencies.*

20          “(12) *To educate limited English proficient indi-*  
21          *viduals about skills and language so the individuals*  
22          *are employable.*

23          “(13) *To increase the employment, retention and*  
24          *earnings of individuals with disabilities.”.*

1 **SEC. 112. 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) in paragraph (1), by striking subpara-  
6 graph (C) and inserting the following:

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

9 “(i) are the lead State agency officials  
10 with responsibility for the programs and ac-  
11 tivities that are described in section 121(b)  
12 and carried out by one-stop partners, except  
13 that—

14 “(I) in any case in which no lead  
15 State agency official has responsibility  
16 for such a program or activity, the  
17 representative shall be a representative  
18 in the State with expertise relating to  
19 such program or activity; and

20 “(II) in the case of the programs  
21 authorized under title I of the Reha-  
22 bilitation Act of 1973, the representa-  
23 tive shall be the director of the des-  
24 ignated State unit, as defined in sec-  
25 tion 7 of the Rehabilitation Act of  
26 1973 (29 U.S.C. 705);

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

3           “(iii) are representatives of business in  
4           the State, including small businesses, who—

5                   “(I) are owners of businesses, chief  
6                   executive or operating officers of busi-  
7                   nesses, or other business executives or  
8                   employers with optimum policymaking  
9                   or hiring authority;

10                   “(II) represent businesses with  
11                   employment opportunities that reflect  
12                   employment opportunities in the State;  
13                   and

14                   “(III) are appointed from among  
15                   individuals nominated by State busi-  
16                   ness organizations, business trade asso-  
17                   ciations, and local boards;

18           “(iv) are chief elected officials (rep-  
19           resenting cities and counties, where appro-  
20           priate);

21           “(v) are representatives of labor orga-  
22           nizations, who have been nominated by  
23           State labor federations; and

1                   “(vi) are such other State agency offi-  
2                   cials and other representatives as the Gov-  
3                   ernor may designate.”; and

4                   (B) in paragraph (3), by striking “para-  
5                   graph (1)(C)(i)” and inserting “paragraph  
6                   (1)(C)(iii)”.

7                   (2) *CONFORMING AMENDMENT.*—Section 111(c)  
8                   (29 U.S.C. 2821(c)) is amended by striking “sub-  
9                   section (b)(1)(C)(i)” and inserting “subsection  
10                  (b)(1)(C)(iii)”.

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

13                  (1) in paragraph (1), by striking “development”  
14                  and inserting “development, implementation, and re-  
15                  vision”;

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

18                  (3) by striking paragraph (3) and inserting the  
19                  following:

20                  “(3) reviewing and providing comment on the  
21                  State plans of all one-stop partner programs, where  
22                  applicable, in order to provide effective strategic lead-  
23                  ership in the development of a high quality, com-  
24                  prehensive statewide workforce investment system, in-  
25                  cluding commenting at least once annually on the

1 *measures taken pursuant to section 113(b)(3) of the*  
2 *Carl D. Perkins Vocational and Technical Education*  
3 *Act of 1998 (20 U.S.C. 2323(b)(3)) and title II of this*  
4 *Act;*

5 *(4) by redesignating paragraphs (4) through (9)*  
6 *as paragraphs (5) through (10), respectively;*

7 *(5) by inserting after paragraph (3) the fol-*  
8 *lowing:*

9 *“(4) development and review of statewide policies*  
10 *affecting the coordinated provision of services through*  
11 *the one-stop delivery systems described in section*  
12 *121(e) within the State, including—*

13 *“(A) the development of objective criteria*  
14 *and procedures for use by local boards in assess-*  
15 *ing the effectiveness and continuous improvement*  
16 *of one-stop centers under section 121(g);*

17 *“(B) the development of guidance for the al-*  
18 *location of one-stop center infrastructure funds*  
19 *under section 121(h)(1)(B);*

20 *“(C) the development of—*

21 *“(i) statewide policies relating to the*  
22 *appropriate roles and contributions of one-*  
23 *stop partner programs within the one-stop*  
24 *delivery system, including approaches to fa-*

1            *ilitating equitable and efficient cost alloca-*  
2            *tion in the one-stop delivery system;*

3            *“(ii) statewide strategies for providing*  
4            *effective outreach to individuals, including*  
5            *hard-to-serve populations, and employers*  
6            *who could benefit from services provided*  
7            *through the one-stop delivery system; and*

8            *“(iii) strategies for technology improve-*  
9            *ments to facilitate access to services pro-*  
10           *vided through the one-stop delivery system,*  
11           *in remote areas, and for individuals with*  
12           *disabilities, which may be utilized through-*  
13           *out the State;*

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

20           *“(E) conduct of such other matters as may*  
21           *promote statewide objectives for, and enhance the*  
22           *performance of, the one-stop delivery systems;”;*

23           *(6) in paragraph (5) (as redesignated by para-*  
24           *graph (4)), by inserting “and the development of*  
25           *statewide criteria to be used by chief elected officials*

1       for the appointment of local boards consistent with  
2       section 117” after “section 116”;

3             (7) in paragraph (6) (as redesignated by para-  
4       graph (4)), by striking “sections 128(b)(3)(B) and  
5       133(b)(3)(B)” and inserting “sections 128(b)(3) and  
6       133(b)(3)(B)”;

7             (8) in paragraph (9) (as redesignated by para-  
8       graph (4)), by striking “and” after the semicolon;

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

11             (A) by striking “section 503” and inserting  
12       “section 136(i)(1)”;

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

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

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

19             (c) *ALTERNATIVE ENTITY*.—Section 111(e) (29 U.S.C.  
20       2811(e)) is amended—

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

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

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

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

5       *(d) SUNSHINE PROVISION.—Section 111(g) (29 U.S.C.*  
 6       *2822(g)) is amended—*

7             *(1) by inserting “, and modifications to the*  
 8       *State plan,” before “prior”; and*

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

11       *(e) AUTHORITY TO HIRE STAFF.—Section 111 (29*  
 12       *U.S.C. 2811)) is amended by adding at the end the fol-*  
 13       *lowing:*

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

18       **SEC. 113. STATE PLAN.**

19       *(a) PLANNING CYCLE.—Section 112(a) (29 U.S.C.*  
 20       *2822(a)) is amended—*

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

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

1       *the 4-year State plan to reflect labor market and eco-*  
2       *nomie conditions. In addition, the State shall submit*  
3       *a modification to the State plan at the end of the first*  
4       *2-year period of the State plan, which may include*  
5       *redesignation of local areas pursuant to section*  
6       *116(a) and specification of the levels of performance*  
7       *under sections 136 for the third and fourth years of*  
8       *the plan.”.*

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

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

12                   **(A) in clause (ix), by striking “and” after**  
13                   *the semicolon; and*

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

15                           *“(xi) programs authorized under title II of*  
16                           *the Social Security Act (42 U.S.C. 401 et seq.)*  
17                           *(relating to Federal old-age, survivors, and dis-*  
18                           *ability insurance benefits), title XVI of such Act*  
19                           *(42 U.S.C. 1381 et seq.) (relating to supple-*  
20                           *mental security income), title XIX of such Act*  
21                           *(42 U.S.C. 1396 et seq.) (relating to medicaid),*  
22                           *and title XX of such Act (relating to block grants*  
23                           *to States for social services), programs author-*  
24                           *ized under title VII of the Rehabilitation Act of*  
25                           *1973 (29 U.S.C. 796 et seq.), and programs car-*

1           *ried out by State agencies relating to mental re-*  
2           *tardation and developmental disabilities; and”;*

3           *(2) by striking paragraph (10) and inserting the*  
4           *following:*

5           *“(10) a description of how the State will use*  
6           *funds the State received under this subtitle to leverage*  
7           *other Federal, State, local, and private resources, in*  
8           *order to maximize the effectiveness of such resources,*  
9           *expand resources for the provision of education and*  
10          *training services, and expand the participation of*  
11          *businesses, employees, and individuals in the state-*  
12          *wide workforce investment system, including a de-*  
13          *scription of incentives and technical assistance the*  
14          *State will provide to local areas for such purposes;”;*

15          *(3) in paragraph (12)(A), by striking “sections*  
16          *128(b)(3)(B) and 133(b)(3)(B)” and inserting “sec-*  
17          *tions 128(b)(3) and 133(b)(3)(B)”;*

18          *(4) in paragraph (14), by striking “section*  
19          *134(c)” and inserting “section 121(e)”;*

20          *(5) in paragraph (17)—*

21                  *(A) in subparagraph (A)—*

22                          *(i) in clause (iii)—*

23                                  *(I) by inserting “local” before*  
24                                  *“customized training”; and*

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

1           (ii) in clause (iv), by striking “(in-  
2           cluding displaced homemakers),” and all  
3           that follows through “disabilities)” and in-  
4           serting “, hard-to-serve populations and in-  
5           dividuals training for nontraditional em-  
6           ployment”; and

7           (iii) by adding after clause (iv) the fol-  
8           lowing:

9           “(v) how the State will serve the em-  
10          ployment and training needs of individuals  
11          with disabilities, consistent with section 188  
12          and Executive Order 13217 (42 U.S.C.  
13          12131 note; relating to community-based al-  
14          ternatives for individuals with disabilities),  
15          including the provision of outreach, intake,  
16          the conduct of assessments, service delivery,  
17          the development of adjustments to perform-  
18          ance measures established under section  
19          136, and the training of staff; and”;

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

22          (6) in paragraph (18)(D)—

23               (A) by striking “youth opportunity grants”  
24               and inserting “youth challenge grants authorized

1           *under section 169 and other federally funded*  
2           *youth programs”;* and

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

5           *(7) by adding at the end the following:*

6                     *“(19) a description of how the State will utilize*  
7           *technology to facilitate access to services in remote*  
8           *areas, which may be utilized throughout the State;*

9                     *“(20) a description of the State strategy for co-*  
10          *ordinating workforce investment activities and eco-*  
11          *nom ic development activities;*

12                    *“(21) a description of the State strategy and as-*  
13          *sistance to be provided for ensuring regional coopera-*  
14          *tion within the State and across State borders as ap-*  
15          *propriate;*

16                    *“(22) a description of how the State will use*  
17          *funds the State receives under this subtitle to—*

18                    *“(A) implement innovative programs and*  
19          *strategies designed to meet the needs of all busi-*  
20          *nesses in the State, including small businesses,*  
21          *which may include incumbent worker training*  
22          *programs, sectoral and industry cluster strate-*  
23          *gies, regional skills alliances, career ladder pro-*  
24          *grams, utilization of effective business inter-*  
25          *mediaries, and other business services and strate-*

1            *gies that better engage employers in workforce*  
2            *investment activities and make the statewide*  
3            *workforce investment system more relevant to the*  
4            *needs of State and local businesses, consistent*  
5            *with the objectives of this title; and*

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

16           *“(23) a description of the State strategy—*

17                  *“(A) for ensuring cooperation between*  
18           *transportation providers, including public trans-*  
19           *portation providers, and providers of workforce*  
20           *investment activities; and*

21                  *“(B) for ensuring coordination among ap-*  
22           *propriate State agencies and programs to make*  
23           *available skills training, employment services*  
24           *and opportunities, and career advancement ac-*

1            *tivities, that will assist ex-offenders in reentering*  
2            *the workforce;*

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

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

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

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

20           *“(C) determine—*

21           *“(i) one-stop partner program con-*  
22           *tributions for the costs of the infrastructure*  
23           *of one-stop centers under section 121(h)(2);*  
24           *and*

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

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

8                   “(27) a description of the technical assistance  
9                   available to one-stop operators and providers of train-  
10                  ing services for strategies to serve hard-to-serve popu-  
11                  lations and promote placement in nontraditional em-  
12                  ployment.”.

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

15                   (1) by striking “5-year period” and inserting  
16                   “4-year period”; and

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

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

24                  (a) *DESIGNATION OF AREAS.*—

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

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

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

11                     “(2) *AUTOMATIC DESIGNATION.*—

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

18                             “(i) *is a unit of general local govern-*  
19                             *ment with a population of 500,000 or more,*  
20                             *except that after the initial 2-year period*  
21                             *following such designation pursuant to this*  
22                             *clause that occurs after the date of enact-*  
23                             *ment of the Workforce Investment Act*  
24                             *Amendments of 2003, the Governor shall*

1           *only be required to approve a request for*  
2           *designation from such area if such area—*

3                     *“(I) performed successfully; and*

4                     *“(II) sustained fiscal integrity;*

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

8                     *“(I) performed successfully; and*

9                     *“(II) sustained fiscal integrity;*

10                    *“(iii) is served by a rural concentrated*  
11           *employment program grant recipient, ex-*  
12           *cept that after the initial 2-year period fol-*  
13           *lowing any such designation under the ini-*  
14           *tial State plan submitted after the date of*  
15           *enactment of the Workforce Investment Act*  
16           *Amendments of 2003, the Governor shall*  
17           *only be required to approve a request for*  
18           *designation under this clause for such area*  
19           *if such area—*

20                    *“(I) performed successfully; and*

21                    *“(II) sustained fiscal integrity; or*

22                    *“(iv) was a local area under section*  
23           *116(a)(2)(C) (as in effect on the day before*  
24           *the date of enactment of the Workforce In-*  
25           *vestment Act Amendments of 2003), except*

1           that after the initial 2-year period following  
2           such designation pursuant to this clause  
3           that occurs after that date of enactment, the  
4           Governor shall only be required to approve  
5           a request for designation under this clause  
6           for such area if such area—

7                           “(I) performed successfully; and

8                           “(II) sustained fiscal integrity.

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

11                       “(i) *PERFORMED SUCCESSFULLY.*—The  
12                       term ‘performed successfully’, when used  
13                       with respect to a local area, means the local  
14                       area performed at 80 percent or more of the  
15                       adjusted level of performance for core indi-  
16                       cators of performance described in section  
17                       136(b)(2)(A) for 2 consecutive years.

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

1           *regard of the requirements of the Act in-*  
2           *volved, gross negligence, or failure to comply*  
3           *with accepted standards of administra-*  
4           *tion.”.*

5           (3) *CONFORMING AMENDMENTS.—Section 116(a)*  
6           *(29 U.S.C. 2831(a)) is amended—*

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

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

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

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

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

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

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

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

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

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

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

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

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

23           “(c) *REGIONAL PLANNING.—Section 116(c) (29 U.S.C.*  
24           *2831(c)) is amended—*

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

3           “(1) *PLANNING.*—

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

23                   “(B) *TECHNICAL ASSISTANCE.*—If the State  
24 requires regional planning as provided in sub-  
25 paragraph (A), the State shall provide technical

1           *assistance and labor market information to such*  
 2           *local areas in the designated regions to assist*  
 3           *with such regional planning and subsequent*  
 4           *service delivery efforts.”;*

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

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

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

14          (a) *COMPOSITION.—Section 117(b) (29 U.S.C.*  
 15          *2832(b)) is amended—*

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

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

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

1                    *cluding small businesses, in the local*  
 2                    *area; and”;*

3                    *(B) by striking clause (ii) and inserting the*  
 4                    *following:*

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

8                    *“(II) the president or highest ranking*  
 9                    *official of an institution of higher education*  
 10                    *serving the local area; and*

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

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

16                    *(D) by striking clause (vi) and inserting the*  
 17                    *following:*

18                    *“(vi) if the local board does not estab-*  
 19                    *lish or continue a youth council, representa-*  
 20                    *tives with experience serving out-of-school*  
 21                    *youth, particularly out-of-school youth fac-*  
 22                    *ing barriers to employment; and”;* and

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

24                    *“(6) SPECIAL RULE.—In the case that there are*  
 25                    *multiple school districts or institutions of higher edu-*

1        *cation serving a local area, the representatives de-*  
 2        *scribed in subclause (I) or (II) of paragraph*  
 3        *(2)(A)(ii), respectively, shall be appointed from*  
 4        *among individuals nominated by regional or local*  
 5        *educational agencies, institutions, or organizations*  
 6        *representing such agencies or institutions.”.*

7        *(b) AUTHORITY OF BOARD MEMBERS.—Section*  
 8        *117(b)(3) (29 U.S.C. 2832(b)(3)) is amended—*

9                *(1) in the heading, by inserting “AND REP-*  
 10                *RESENTATION” after “AUTHORITY”; and*

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

14        *(c) CONFORMING AMENDMENT.—Section 117(c)(1)(C)*  
 15        *(29 U.S.C. 2832(c)(1)(C)) is amended by striking “section*  
 16        *116(a)(2)(B)” and inserting “section 116(a)(2)(A)(ii)”.*

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

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

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

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

23                                *(ii) by inserting “(where appropriate)”*  
 24                                *after “youth council”; and*

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

1           “(E) *CONSUMER CHOICE REQUIREMENTS.*—  
2           *Consistent with sections 122 and paragraphs (3)*  
3           *and (4) of 134(d), the local board shall work to*  
4           *ensure there are sufficient providers of intensive*  
5           *services and training services serving the local*  
6           *area in a manner that maximizes consumer*  
7           *choice, including providers with expertise in as-*  
8           *isting individuals with disabilities.”;*

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

13          (3) *in paragraph (8)—*

14                 (A) *by inserting “, including small employ-*  
15                 *ers,” after “private sector employers”; and*

16                 (B) *by striking the period and inserting “,*  
17                 *taking into account the unique needs of small*  
18                 *businesses.”; and*

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

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

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

4       (f) *AUTHORITY TO ESTABLISH COUNCILS AND ELIMI-*  
5 *NATION OF REQUIREMENT FOR YOUTH COUNCILS.*—Section  
6 *117(h) (29 U.S.C. 2832(h))* is amended to read as follows:  
7       “(h) *COUNCILS.*—The local board may establish or  
8 *continue councils to provide information and advice to as-*  
9 *sist the local board in carrying out activities under this*  
10 *title. Such councils may include—*

11               “(1) *a council composed of one-stop partners to*  
12 *advise the local board on the operation of the one-stop*  
13 *delivery system involved;*

14               “(2) *a youth council composed of experts and*  
15 *stakeholders in youth programs to advise the local*  
16 *board on youth activities; and*

17               “(3) *such other councils as the local board deter-*  
18 *mines are appropriate.*”.

19       (g) *ALTERNATIVE ENTITY PROVISION.*—Section  
20 *117(i)(1) (29 U.S.C. 2832(i)(1))* is amended—

21               (1) *by striking subparagraph (B) and inserting*  
22 *the following:*

23                       “(B) *was in existence on August 7, 1998,*  
24 *pursuant to State law; and*”;

25               (2) *by striking subparagraph (C); and*

1           (3) by redesignating subparagraph (D) as sub-  
2           paragraph (C).

3 **SEC. 116. LOCAL PLAN.**

4           (a) *PLANNING CYCLE*.—Section 118(a) (29 U.S.C.  
5 2833(a)) is amended—

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

8           (2) by adding at the end the following: “At the  
9           end of the first 2-year period of the 4-year plan, the  
10          local board shall review and, as needed, amend the 4-  
11          year plan to reflect labor market and economic condi-  
12          tions.”.

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

15               (1) in paragraph (2)—

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

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

20                               “(B) a description of how the local board  
21                               will facilitate access to services provided through  
22                               the one-stop delivery system, in remote areas, in-  
23                               cluding facilitating access through the use of  
24                               technology; and”;

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

1           “(C) a description of how the local board  
2           will ensure physical and programmatic accessi-  
3           bility for individuals with disabilities at one-  
4           stop centers;”;

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

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

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

11           “(10) a description of how the local board will  
12           coordinate workforce investment activities carried out  
13           in the local area with economic development activities  
14           carried out in the local area;

15           “(11) a description of the strategies and services  
16           that will be initiated in the local area to more fully  
17           engage all employers, including small employers, in  
18           workforce investment activities, to make the workforce  
19           investment system more relevant to the needs of area  
20           businesses, and to better coordinate workforce invest-  
21           ment and economic development efforts, which may  
22           include the implementation of innovative initiatives  
23           such as incumbent worker training programs, sectoral  
24           and industry cluster strategies, regional skills alliance  
25           initiatives, career ladder programs, utilization of ef-

1 *fective business intermediaries, and other business*  
2 *services and strategies designed to meet the needs of*  
3 *area employers and contribute to the economic well-*  
4 *being of the local area, as determined appropriate by*  
5 *the local board, consistent with the objectives of this*  
6 *title;*

7 “(12) a description of how the local board will  
8 *expand access to education and training services for*  
9 *eligible individuals who are in need of such services*  
10 *through—*

11 “(A) *the utilization of programs funded*  
12 *under this title; and*

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

19 “(13) a description of how the local board will  
20 *coordinate workforce investment activities carried out*  
21 *in the local area with the provision of transportation,*  
22 *including public transportation, in the local area;*  
23 *and”.*

1 **SEC. 117. ESTABLISHMENT OF ONE-STOP DELIVERY SYS-**  
2 **TEMS.**

3 *(a) ONE-STOP PARTNERS.—*

4 *(1) REQUIRED PARTNERS.—Section 121(b)(1)*  
5 *(29 U.S.C. 2841(b)(1)) is amended—*

6 *(A) by striking subparagraph (A) and in-*  
7 *serting the following:*

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

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

20 *“(ii) use a portion of the funds avail-*  
21 *able to the program of the entity to main-*  
22 *tain the one-stop delivery system, including*  
23 *payment of the infrastructure costs of one-*  
24 *stop centers in accordance with subsection*  
25 *(h);*

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

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

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

16 (B) in subparagraph (B)—

17           (i) by striking clause (v);

18           (ii) by redesignating clauses (vi)  
19 through (xii) as clauses (v) through (xi), re-  
20 spectively;

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

23           (iv) in clause (xi) (as redesignated by  
24 clause (ii)), by striking the period and in-  
25 serting “; and”; and

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

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

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

7                   “(C) DETERMINATION BY THE GOVERNOR.—

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

15                  “(ii) NOTIFICATION.—The notification  
16                  referred to in clause (i) is a notification  
17                  that—

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

22                         “(II) is provided to the Secretary  
23                         and the Secretary of Health and  
24                         Human Services.”.

25                   (2) ADDITIONAL PARTNERS.—

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

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

11           (B) *ADDITIONAL PARTNERS.*—Section  
12 121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is  
13 amended by striking clauses (i) through (iii) and  
14 inserting the following:

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

21           “(ii) employment and training pro-  
22 grams carried out by the Small Business  
23 Administration;

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

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

7                   “(A) provisions describing—

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

13                           “(ii) how the costs of such services and  
14                           the operating costs of such system will be  
15                           funded to provide a stable and equitable  
16                           funding stream for ongoing one-stop system  
17                           operations, including the funding of the in-  
18                           frastructure costs of one-stop centers in ac-  
19                           cordance with subsection (h);

20                           “(iii) methods of referral of individuals  
21                           between the one-stop operator and the one-  
22                           stop partners for appropriate services and  
23                           activities;

24                           “(iv) methods to ensure the needs of  
25                           hard-to-serve populations are addressed in

1           *providing access to services through the one-*  
2           *stop system; and*

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

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

14          *(d) PROVISION OF SERVICES.—*

15                 *(1) ELIMINATION OF PROVISIONS CONCERNING*  
16                 *ESTABLISHED SYSTEMS.—Section 121 (29 U.S.C.*  
17                 *2841) is amended by striking subsection (e).*

18                 *(2) REDESIGNATION.—Subtitle B of title I is*  
19                 *amended—*

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

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

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

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

7                   (B) in subparagraph (B)—

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

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

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

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

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

19                   (E) in subparagraph (E), by striking “in-  
 20                   formation described in section 15” and inserting  
 21                   “data, information, and analysis described in  
 22                   section 15(a)”.

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

1       “(g) *CONTINUOUS IMPROVEMENT OF ONE-STOP CEN-*  
2 *TERS.*—

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

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

24              “(3) *LOCAL BOARDS.*—*Consistent with the cri-*  
25 *teria developed by the State, the local board may de-*

1        *velop additional criteria of higher standards to re-*  
 2        *spond to local labor market and demographic condi-*  
 3        *tions and trends.*

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

5                “(1) *IN GENERAL.—*

6                        “(A) *OPTIONS FOR INFRASTRUCTURE FUND-*  
 7                        *ING.—*

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

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

18                                        “(II) *the State infrastructure*  
 19                                        *funding mechanism described in para-*  
 20                                        *graph (2).*

21                                        “(ii) *FAILURE TO REACH AGREEMENT*  
 22                                        *ON FUNDING METHODS.—If, as of July 1,*  
 23                                        *2004, the local board, chief elected officials,*  
 24                                        *and one-stop partners in a local area fail to*  
 25                                        *reach agreement on methods of sufficient*

1           *funding of the infrastructure costs of one-*  
2           *stop centers, as determined by the local*  
3           *area, the State infrastructure funding mech-*  
4           *anism described in paragraph (2) shall be*  
5           *applicable to such local area.*

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

15                “(i) *guidelines for State administered*  
16                *one-stop partner programs in determining*  
17                *such programs’ contributions to and par-*  
18                *ticipation in the one-stop delivery system,*  
19                *including funding for the costs of infra-*  
20                *structure as defined in paragraph (2)(D),*  
21                *negotiated pursuant to the local memo-*  
22                *randum of understanding under subsection*  
23                *(c); and*

24                “(ii) *guidance to assist local areas in*  
25                *identifying equitable and stable alternative*

1                   *methods of funding of the costs of the infra-*  
2                   *structure of one-stop centers in local areas.*

3                   “(2) *STATE ONE-STOP INFRASTRUCTURE FUND-*  
4                   *ING.—*

5                   “(A) *PARTNER CONTRIBUTIONS.—*

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

19                   “(ii) *DETERMINATION OF GOV-*  
20                   *ERNOR.—*

21                   “(I) *IN GENERAL.—Subject to*  
22                   *subclause (II) and clause (iii), the*  
23                   *Governor, after consultation with chief*  
24                   *local elected officials, local boards, and*  
25                   *the State board, shall determine the*

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

21            *“(II) SPECIAL RULE.—In a State*  
22            *in which the State constitution places*  
23            *policymaking authority that is inde-*  
24            *pendent of the authority of the Gov-*  
25            *ernor in an entity or official with re-*

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

18                            *“(III) APPEAL BY ONE-STOP*  
19                            *PARTNERS.—The Governor shall estab-*  
20                            *lish a procedure for the one-stop part-*  
21                            *ner administering a program described*  
22                            *in subsection (b) to appeal a deter-*  
23                            *mination regarding the portion of*  
24                            *funds to be contributed under this*  
25                            *paragraph on the basis that such deter-*

1                    *mination is inconsistent with the cri-*  
2                    *teria described in the State plan or*  
3                    *with the requirements of this para-*  
4                    *graph. Such procedure shall ensure*  
5                    *prompt resolution of the appeal.*

6                    “(iii) *LIMITATIONS.—*

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

18                                       “(II) *CAP ON REQUIRED CON-*  
19                                       *TRIBUTIONS.—*

20                                       “(aa) *WIA FORMULA PRO-*  
21                                       *GRAMS AND EMPLOYMENT SERV-*  
22                                       *ICE.—The portion of funds re-*  
23                                       *quired to be contributed under*  
24                                       *clause (i)(II) or (ii) of paragraph*  
25                                       *(1)(A) by the programs authorized*

1           *under chapters 4 and 5 and under*  
2           *the Wagner-Peyser Act shall not*  
3           *be in excess of 3 percent of the*  
4           *amount of Federal funds provided*  
5           *to carry out each such program in*  
6           *the State for a fiscal year.*

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

19          “(cc)   SPECIAL   RULE.—*Not-*  
20          *withstanding items (aa) and (bb),*  
21          *an agreement, including a local*  
22          *memorandum of understanding,*  
23          *entered into prior to the date of*  
24          *enactment of the Workforce Invest-*  
25          *ment Act Amendments of 2003 by*

1            *an entity regarding contributions*  
2            *under this title that permits the*  
3            *percentages described in such*  
4            *items to be exceeded, may con-*  
5            *tinue to be in effect until termi-*  
6            *nated by the parties.*

7            “(dd) VOCATIONAL REHA-  
8            BILITATION.—Notwithstanding  
9            items (aa) and (bb), an entity ad-  
10           *ministering a program under title*  
11           *I of the Rehabilitation Act of 1973*  
12           *(29 U.S.C. 720 et seq.) shall not*  
13           *be required to provide, for the*  
14           *purposes of this paragraph, an*  
15           *amount in excess of—*

16                    “(AA) 0.75 percent of  
17                    *the amount provided for such*  
18                    *program in the State for the*  
19                    *second program year that be-*  
20                    *gins after the date of enact-*  
21                    *ment of the Workforce Invest-*  
22                    *ment Act Amendments of*  
23                    *2003;*

24                    “(BB) 1.0 percent of the  
25                    *amount provided for such*

1                    *program in the State for the*  
2                    *third program year that be-*  
3                    *gins after such date;*

4                    “(CC) 1.25 percent of  
5                    *the amount provided for such*  
6                    *program in the State for the*  
7                    *fourth program year that be-*  
8                    *gins after such date; and*

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

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

1                    *one-stop centers for such program in*  
2                    *the State.*

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

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

24                   “(C) *ALLOCATION FORMULA.—The State*  
25                   *board shall develop a formula to be used by the*

1           Governor to allocate the funds provided under  
2           subparagraph (A) to local areas not funding in-  
3           frastructure costs under the option described in  
4           paragraph (1)(A)(i)(I). The formula shall be  
5           based on factors including the number of one-  
6           stop centers in a local area, the population  
7           served by such centers, the services provided by  
8           such centers, and other factors relating to the  
9           performance of such centers that the State board  
10          determines are appropriate.

11           “(D) COSTS OF INFRASTRUCTURE.—In this  
12          subsection, the term ‘costs of infrastructure’, used  
13          with respect to a one-stop center, means the non-  
14          personnel costs that are necessary for the general  
15          operation of the one-stop center, including the  
16          rental costs of the facilities, the costs of utilities  
17          and maintenance, equipment (including adapt-  
18          ive technology for individuals with disabilities),  
19          and technology to facilitate remote access to the  
20          one-stop center’s strategic planning activities,  
21          and common outreach activities.

22          “(i) OTHER FUNDS.—

23                 “(1) IN GENERAL.—Subject to the memorandum  
24          of understanding described in subsection (c) for the  
25          one-stop delivery system involved, in addition to the

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

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



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

4           “(C) the information such providers are re-  
5 quired to report to State agencies with respect to  
6 Federal and State programs (other than the pro-  
7 gram carried out under this subtitle), including  
8 one-stop partner programs;

9           “(D) the requirements for State licensing of  
10 providers of training services, and the licensing  
11 status of each provider of training services if ap-  
12 plicable;

13           “(E) to the extent practicable, encouraging  
14 the use of industry-recognized standards and cer-  
15 tification;

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

19           “(G) such other factors as the Governor de-  
20 termines are appropriate to ensure—

21                   “(i) the quality of services provided;

22                   “(ii) the accountability of the pro-  
23 viders;

24                   “(iii) that the one-stop centers in the  
25 State will ensure that such providers meet

1           *the needs of local employers and partici-*  
2           *pants;*

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

5           “(v) *that the collection of information*  
6           *required is not unduly burdensome or costly*  
7           *to providers.*

8           “(2) *INFORMATION AND RENEWAL.—The criteria*  
9           *established by the Governor shall require that a pro-*  
10          *vider of training services submit appropriate, accu-*  
11          *rate, and timely information to the State for purposes*  
12          *of carrying out subsection (d). The criteria shall also*  
13          *provide for annual review and renewal of eligibility*  
14          *under this section for providers of training services.*

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

23          “(c) *PROCEDURES.—The procedures established under*  
24          *subsection (a) shall identify the application process for a*  
25          *provider of training services to become eligible to receive*

1 *funds provided under section 133(b) for the provision of*  
2 *training services, and identify the respective roles of the*  
3 *State and local areas in receiving and reviewing the appli-*  
4 *cations and in making determinations of such eligibility*  
5 *based on the criteria established under this section. The pro-*  
6 *cedures shall also establish a process for a provider of train-*  
7 *ing services to appeal a denial or termination of eligibility*  
8 *under this section, that includes an opportunity for a hear-*  
9 *ing and prescribes appropriate time limits to ensure*  
10 *prompt resolution of the appeal.*

11       “(d) *INFORMATION TO ASSIST PARTICIPANTS IN*  
12 *CHOOSING PROVIDERS.—*

13               “(1) *IN GENERAL.—In order to facilitate and as-*  
14 *ist participants in choosing employment and train-*  
15 *ing activities under chapter 5 and in choosing pro-*  
16 *viders of training services, the Governor shall ensure*  
17 *that an appropriate list of providers determined to be*  
18 *eligible under this section in the State, accompanied*  
19 *by appropriate information provided by providers of*  
20 *training services in the State in accordance with sub-*  
21 *section (b) and such other information as the Gov-*  
22 *ernor determines is appropriate, including informa-*  
23 *tion on program costs for participants in applicable*  
24 *programs, is provided to the one-stop delivery system*  
25 *in the State. The list and the information shall be*

1       *made available to such participants and to members*  
2       *of the public through the one-stop delivery system in*  
3       *the State.*

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

11       “(e) *ENFORCEMENT.*—

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

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

1           “(B) *SUBSTANTIAL VIOLATIONS.*—Upon a  
2           determination, by an individual or entity speci-  
3           fied in the criteria or procedures, that a provider  
4           of training services substantially violated any re-  
5           quirement under this title, the eligibility of such  
6           provider to receive funds under the program in-  
7           volved may be terminated, or other appropriate  
8           action may be taken.

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

15          “(2) *CONSTRUCTION.*—Paragraph (1) shall be  
16          construed to provide remedies and penalties that sup-  
17          plement, but do not supplant, other civil and crimi-  
18          nal remedies and penalties.

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

23          “(g) *OPPORTUNITY TO SUBMIT COMMENTS.*—In estab-  
24          lishing criteria, procedures, and information required  
25          under this section, the Governor shall provide an oppor-

1 *tunity for interested members of the public to make rec-*  
 2 *ommendations and submit comments regarding such cri-*  
 3 *teria, procedures, and information.*

4       “(h) *TRANSITION PERIOD FOR IMPLEMENTATION.*—  
 5 *The requirements of this section shall be implemented not*  
 6 *later than December 31, 2004. In order to facilitate early*  
 7 *implementation of this section, the Governor may establish*  
 8 *transition procedures under which providers eligible to pro-*  
 9 *vide training services under chapter 5 as such chapter was*  
 10 *in effect on the day before the date of enactment of the Work-*  
 11 *force Investment Act Amendments of 2003 may continue to*  
 12 *be eligible to provide such services until December 31, 2004,*  
 13 *or until such earlier date as the Governor determines to be*  
 14 *appropriate.*

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

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

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

1        *may require, and disseminate information identifying*  
2        *providers that meet the criteria as eligible providers,*  
3        *and the performance information, through the one-*  
4        *stop delivery system. Providers determined to meet the*  
5        *criteria shall be considered to be identified as eligible*  
6        *providers of training services.”.*

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

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

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

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

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

23        **SEC. 120. YOUTH ACTIVITIES.**

24        *(a) STATE ALLOTMENTS.—Section 127 (29 U.S.C.*  
25        *2852) is amended—*

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

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

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

6                 “(1) *YOUTH ACTIVITIES.—*

7                         “(A) *YOUTH CHALLENGE GRANTS.—*

8                                 “(i) *IN GENERAL.—For each fiscal*  
9 *year in which the amount appropriated*  
10 *under section 137(a) exceeds*  
11 *\$1,000,000,000, the Secretary shall reserve a*  
12 *portion of the amount to provide youth*  
13 *challenge grants and other activities under*  
14 *section 169 (relating to youth challenge*  
15 *grants) and provide youth activities under*  
16 *section 167 (relating to migrant and sea-*  
17 *sonal farmworker programs).*

18                                 “(ii) *PORTION.—The portion referred*  
19 *to in clause (i) shall equal, for a fiscal*  
20 *year—*

21   “(I) *except as provided in sub-*  
22 *clause (II), the difference obtained by*  
23 *subtracting \$1,000,000,000 from the*  
24 *amount appropriated under section*  
25 *137(a) for the fiscal year; or*

1                   “(II) for any fiscal year in which  
2                   the amount is \$1,250,000,000 or great-  
3                   er, \$250,000,000.

4                   “(iii) *YOUTH ACTIVITIES FOR FARM-*  
5                   *WORKERS.*—The Secretary shall reserve the  
6                   greater of \$10,000,000 or 4 percent of the  
7                   portion described in clause (i) for a fiscal  
8                   year to provide youth activities under sec-  
9                   tion 167.

10                  “(iv) *NATIVE AMERICANS.*—From the  
11                  remainder of the amount appropriated  
12                  under section 137(a) for each fiscal year the  
13                  Secretary shall reserve not more than 1½  
14                  percent of such amount to provide youth ac-  
15                  tivities under section 166 (relating to Na-  
16                  tive Americans).

17                  “(B) *OUTLYING AREAS.*—

18                  “(i) *IN GENERAL.*—From the amount  
19                  made available under subsection (a)(2) for  
20                  each fiscal year the Secretary shall reserve  
21                  not more than ¼ of 1 percent of the amount  
22                  appropriated under section 137(a) for the  
23                  fiscal year to provide assistance to the out-  
24                  lying areas to carry out youth activities

1                   *and statewide workforce investment activi-*  
2                   *ties.*

3                   “(i) *LIMITATION FOR FREELY ASSOCI-*  
4                   *ATED STATES.—*

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

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

21                   “(III) *ASSISTANCE REQUIRE-*  
22                   *MENTS.—Any Freely Associated State*  
23                   *that desires to receive assistance under*  
24                   *this subparagraph shall submit an ap-*  
25                   *plication to the Secretary and shall in-*

1 *clude in the application for*  
2 *assistance—*

3 *“(aa) information dem-*  
4 *onstrating that the Freely Associ-*  
5 *ated State will meet all conditions*  
6 *that apply to States under this*  
7 *title;*

8 *“(bb) an assurance that, not-*  
9 *withstanding any other provision*  
10 *of this title, the Freely Associated*  
11 *State will use such assistance only*  
12 *for the direct provision of services;*  
13 *and*

14 *“(cc) such other information*  
15 *and assurances as the Secretary*  
16 *may require.*

17 *“(IV) ADMINISTRATIVE COSTS.—*  
18 *The Secretary may provide not more*  
19 *than 5 percent of the funds made*  
20 *available for grants under subclause (I)*  
21 *to pay the administrative costs of the*  
22 *Pacific Region Educational Labora-*  
23 *tory in Honolulu, Hawaii, regarding*  
24 *activities assisted under this clause.*

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

8           “(C) *STATES.*—

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

15               “(I) *an amount of the remainder*  
16               *that is less than or equal to the total*  
17               *amount that was allotted to States for*  
18               *fiscal year 2003 under section*  
19               *127(b)(1)(C) of this Act (as in effect on*  
20               *the day before the date of enactment of*  
21               *the Workforce Investment Act Amend-*  
22               *ments of 2003), in accordance with the*  
23               *requirements of such section*  
24               *127(b)(1)(C); and*

1                   “(II) the amount of the remain-  
2                   der, if any, in excess of the amount re-  
3                   ferred to in subclause (I), in accord-  
4                   ance with clause (ii).

5                   “(ii) *FORMULA*.—Subject to clauses  
6                   (iii) and (iv), of the amount described in  
7                   clause (i)(II)—

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

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

22                  “(III)  $33\frac{1}{3}$  percent shall be allot-  
23                  ted on the basis of the relative number  
24                  of disadvantaged youth who are ages  
25                  16 through 21 in each State, compared

1           to the total number of disadvantaged  
2           youth who are ages 16 through 21 in  
3           all States.

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

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

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

21                    “(iv) *SMALL STATE MINIMUM ALLOT-*  
22                    *MENT.—Subject to clause (iii), the Sec-*  
23                    *retary shall ensure that no State shall re-*  
24                    *ceive an allotment under this subparagraph*  
25                    *that is less than the total of—*

1                   “(I)  $\frac{3}{10}$  of 1 percent of  
2                   \$1,000,000,000 of the remainder de-  
3                   scribed in clause (i) for the fiscal year;  
4                   and

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

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

11                   “(A) *ALLOTMENT PERCENTAGE.*—The term  
12                  ‘allotment percentage’, used with respect to fiscal  
13                  year 2004 or a subsequent fiscal year, means a  
14                  percentage of the remainder described in para-  
15                  graph (1)(C)(i) that is received by the State in-  
16                  volved through an allotment made under this  
17                  subsection for the fiscal year. The term, used  
18                  with respect to fiscal year 2003, means the per-  
19                  centage of the amounts allotted to States under  
20                  this chapter (as in effect on the day before the  
21                  date of enactment of the Workforce Investment  
22                  Act Amendments of 2003) that is received by the  
23                  State involved for fiscal year 2003.

24                   “(B) *DISADVANTAGED YOUTH.*—Subject to  
25                  paragraph (3), the term ‘disadvantaged youth’

1           *means an individual who is age 16 through 21*  
2           *who received an income, or is a member of a*  
3           *family that received a total family income, that,*  
4           *in relation to family size, does not exceed the*  
5           *higher of—*

6                     “(i) *the poverty line; or*

7                     “(ii) *70 percent of the lower living*  
8                     *standard income level.*

9                     “(C) *FREELY ASSOCIATED STATE.—The*  
10            *term ‘Freely Associated State’ means the Repub-*  
11            *lic of the Marshall Islands, the Federated States*  
12            *of Micronesia, and the Republic of Palau.*

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

19                     “(b) *REALLOTMENT.—*

20                     “(1) *AMENDMENT.—Section 127(c) (29 U.S.C.*  
21            *2852(c)) is amended—*

22                     “(A) *by striking paragraph (2) and inserting*  
23            *the following:*

24                     “(2) *AMOUNT.—The amount available for real-*  
25            *lotment for a program year is equal to the amount*

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

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

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

18 *(B) in paragraph (3)—*

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

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

24 *(C) by striking paragraph (4) and inserting*  
25 *the following:*

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

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

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

11          (c) *WITHIN STATE ALLOCATIONS.*—

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

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

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

22                   “(2) *USE OF FUNDS.*—Regardless of whether the  
23                   reserved amounts were allotted under section  
24                   127(b)(1)(C), or under paragraph (1)(B) or (2)(B) of  
25                   section 132(b), the Governor may use the reserved

1 *amounts to carry out statewide activities under sec-*  
2 *tion 129(b) or statewide employment and training ac-*  
3 *tivities, for adults or dislocated workers, under section*  
4 *134(a).”.*

5 (2) *WITHIN STATE ALLOCATION.*—Section 128(b)  
6 (29 U.S.C. 2853(b)) is amended to read as follows:

7 “(b) *WITHIN STATE ALLOCATIONS.*—

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

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

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

19 “(2) *ESTABLISHED FORMULA.*—

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

23 “(i)  $33\frac{1}{3}$  percent on the basis of the  
24 relative number of individuals in the civil-  
25 ian labor force who are ages 16 through 21

1           *in each local area, compared to the total*  
2           *number of individuals in the civilian labor*  
3           *force who are ages 16 through 21 in all*  
4           *local areas in the State;*

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

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

16           “(B) *MINIMUM AND MAXIMUM PERCENT-*  
17           *AGES.—*

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

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

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

9           “(i) *ALLOCATION PERCENTAGE.*—The  
10          term ‘allocation percentage’, used with re-  
11          spect to fiscal year 2004 or a subsequent fis-  
12          cal year, means a percentage of the portion  
13          described in paragraph (1)(A) that is re-  
14          ceived by the local area involved through an  
15          allocation made under this paragraph for  
16          the fiscal year. The term, used with respect  
17          to fiscal year 2003, means the percentage of  
18          the amounts allocated to local areas under  
19          this chapter (as in effect on the day before  
20          the date of enactment of the Workforce In-  
21          vestment Act Amendments of 2003) that is  
22          received by the local area involved for fiscal  
23          year 2003.

1                   “(ii) *DISADVANTAGED YOUTH.*—*The*  
 2                   *term ‘disadvantaged youth’ means an indi-*  
 3                   *vidual who—*

4                                 “(I) *is age 16 through 21;*

5                                 “(II) *is not a college student or*  
 6                   *member of the Armed Forces; and*

7                                 “(III) *received an income, or is a*  
 8                   *member of a family that received a*  
 9                   *total family income, that, in relation*  
 10                   *to family size, does not exceed the high-*  
 11                   *er of—*

12   “(aa) *the poverty line; or*

13   “(bb) *70 percent of the lower*  
 14                   *living standard income level.*

15                   “(3) *YOUTH DISCRETIONARY ALLOCATION.*—*The*  
 16                   *Governor may allocate the portion described in para-*  
 17                   *graph (1)(B) to local areas where there are a signifi-*  
 18                   *cant number of eligible youth, after consultation with*  
 19                   *the State board and local boards.*

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

21                                 “(A) *IN GENERAL.*—*Of the amount allo-*  
 22                   *cated to a local area under this subsection and*  
 23                   *section 133(b) for a fiscal year, not more than 10*  
 24                   *percent of the amount may be used by the local*  
 25                   *board involved for the administrative costs of*

1           *carrying out local workforce investment activities*  
2           *under this chapter or chapter 5.*

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

10          (3) *REALLOCATION.*—

11           (A) *AMENDMENT.*—*Section 128(c) (29*  
12           *U.S.C. 2853(c)) is amended—*

13                   (i) *in paragraph (1), by striking*  
14                   *“paragraph (2)(A) or (3) of”;*

15                   (ii) *by striking paragraph (2) and in-*  
16                   *serting the following:*

17           “(2) *AMOUNT.*—*The amount available for re-*  
18           *allocation for a program year is equal to the amount*  
19           *by which the unexpended balance at the end of the*  
20           *program year prior to the program year for which the*  
21           *determination is made exceeds 30 percent of the total*  
22           *amount of funds available to the local area under this*  
23           *section during such prior program year (including*  
24           *amounts allocated to the local area in all prior pro-*  
25           *gram years that remained available). For purposes of*

1        *this paragraph, the unexpended balance is the*  
2        *amount that is the difference between—*

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

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

11                *(iii) by amending paragraph (3)—*

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

15                        *(II) by striking “for the prior*  
16                        *program year” the first place it ap-*  
17                        *pears and inserting “for the program*  
18                        *year for which the determination is*  
19                        *made”;*

20                        *(III) by striking “such prior pro-*  
21                        *gram year” and inserting “such pro-*  
22                        *gram year”;* and

23                        *(IV) by striking the last sentence;*  
24                        *and*

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

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

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

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

13                  (ii) program year 2004.

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

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

17                  “(1) *ELIGIBILITY.*—

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

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

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

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

8                           “(I) *A school dropout.*

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

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

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

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

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

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

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

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

11                  “(VII) *A low-income individual*  
12                  *who requires additional assistance to*  
13                  *complete an educational program or to*  
14                  *secure or hold employment.*

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

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

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

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

22                                 “(I) *Deficient in basic literacy*  
23                                 *skills, including limited English pro-*  
24                                 *ficiency.*

1                   “(II) *Homeless, a runaway, a fos-*  
2                   *ter child, a child eligible for assistance*  
3                   *under section 477 of the Social Secu-*  
4                   *rity Act, or in an out-of-home place-*  
5                   *ment.*

6                   “(III) *Pregnant or parenting.*

7                   “(IV) *An offender (other than an*  
8                   *individual described in subparagraph*  
9                   *(B)(ii)(IV)).*

10                  “(V) *An individual who requires*  
11                  *additional assistance to complete an*  
12                  *educational program or to secure or*  
13                  *hold employment.*

14                  “(2) *EXCEPTION.—Not more than 5 percent of*  
15                  *the individuals assisted under this section in each*  
16                  *local area, in the case of individuals for whom low*  
17                  *income is a requirement for eligibility under this sec-*  
18                  *tion, may be individuals who are not low income.*

19                  “(3) *LIMITATIONS ON ACTIVITIES FOR IN-SCHOOL*  
20                  *YOUTH.—*

21                  “(A) *IN GENERAL.—For any program year,*  
22                  *not more than 60 percent of the funds available*  
23                  *for statewide activities under subsection (b), and*  
24                  *not more than 60 percent of funds available to*  
25                  *local areas under subsection (c), may be used to*

1           *provide activities for in-school youth meeting the*  
2           *requirements of paragraph (1)(B).*

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

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

18           “(ii)(I) *the State submits to the Sec-*  
19           *retary, for the local area, a request includ-*  
20           *ing a proposed increased percentage for*  
21           *purposes of subparagraph (A), and the sum-*  
22           *mary of the eligible youth population anal-*  
23           *ysis; and*

24           “(II) *the request is approved by the*  
25           *Secretary.*

1           “(4) *CONSISTENCY WITH COMPULSORY SCHOOL*  
2 *ATTENDANCE LAWS.—In providing assistance under*  
3 *this section to an individual who is required to attend*  
4 *school under applicable State compulsory school at-*  
5 *tendance laws, the priority in providing such assist-*  
6 *ance shall be for the individual to attend school regu-*  
7 *larly.”.*

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

10           “(b) *STATEWIDE ACTIVITIES.—*

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

18           “(A) *conducting—*

19           “(i) *evaluations under section 136(e) of*  
20 *activities authorized under this chapter and*  
21 *chapter 5 in coordination with evaluations*  
22 *carried out by the Secretary under section*  
23 *172;*

24           “(ii) *research; and*

25           “(iii) *demonstration projects;*

1           “(B) providing incentive grants to local  
2 areas for regional cooperation among local  
3 boards (including local boards in a designated  
4 region as described in section 116(c)), for local  
5 coordination of activities carried out under this  
6 title, and for performance by local areas as de-  
7 scribed in section 136(i)(2);

8           “(C) providing technical assistance and ca-  
9 pacity building activities to local areas, one-stop  
10 operators, one-stop partners, and eligible pro-  
11 viders, including the development and training  
12 of staff, the development of exemplary program  
13 activities, the provision of technical assistance to  
14 local areas that fail to meet local performance  
15 measures described in section 136(c), and the  
16 provision of technology to facilitate remote access  
17 to services provided through one-stop delivery  
18 systems;

19           “(D) operating a fiscal and management  
20 accountability information system under section  
21 136(f);

22           “(E) carrying out monitoring and oversight  
23 of activities carried out under this chapter and  
24 chapter 5, which may include a review com-

1            *paring the services provided to male and female*  
2            *youth;*

3            *“(F) providing additional assistance to*  
4            *local areas that have high concentrations of eligi-*  
5            *ble youth;*

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

13           *“(H) supporting the provision of core serv-*  
14           *ices described in section 134(d)(2) in the one-*  
15           *stop delivery system in the State.*

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

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

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

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

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

6           (B) in subparagraph (B), by inserting “are  
7 directly linked to 1 or more of the performance  
8 measures relating to this chapter under section  
9 136, and that” after “for each participant that”;  
10 and

11           (C) in subparagraph (C)—

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

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

16           “(i) activities leading to the attain-  
17 ment of a secondary school diploma or its  
18 equivalent, or another recognized creden-  
19 tial;”;

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

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

1                   (I) by inserting “instruction  
2                   based on State academic content and  
3                   student academic achievement stand-  
4                   ards established under section 1111 of  
5                   the Elementary and Secondary Edu-  
6                   cation Act of 1965 (20 U.S.C. 6311)”  
7                   after “academic”; and

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

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

14                  “(v) effective connections to all employ-  
15                  ers, including small employers, in sectors of  
16                  the local and regional labor markets that  
17                  are experiencing high growth in employ-  
18                  ment opportunities.”.

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

21                  (A) in subparagraph (A), by striking “sec-  
22                  ondary school, including dropout prevention  
23                  strategies” and inserting “the requirements for a  
24                  secondary school diploma or its recognized equiv-  
25                  alent (including recognized alternative standards

1           *for individuals with disabilities) or for another*  
2           *recognized credential, including dropout preven-*  
3           *tion strategies”;*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15                    (ii) *by redesignating subparagraph (C)*  
 16                    *as subparagraph (B); and*

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

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

22                  (a) *STATE ALLOTMENTS.*—

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

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

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

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

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

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

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

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

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

5                    *(C) in paragraph (1)(B)—*

6                    *(i) in clause (iii), by striking “section*  
 7                    *116(a)(2)(B)” and inserting “section*  
 8                    *116(a)(2)(A)(iii); and*

9                    *(ii) in clause (iv)—*

10                    *(I) in subclause (II), by striking*  
 11                    *“subclauses (I), (III), and (IV)” and*  
 12                    *inserting “subclauses (I) and (III);”*  
 13                    *and*

14                    *(II) by striking subclause (IV);*  
 15                    *and*

16                    *(D) in paragraph (2)(A)(ii), by striking*  
 17                    *“section 127(b)(1)(B)” and all that follows and*  
 18                    *inserting “section 127(b)(1)(B).”.*

19                    *(3) REALLOTMENT.—Section 132(c) (29 U.S.C.*  
 20                    *2862(c)) is amended—*

21                    *(A) by striking paragraph (2) and inserting*  
 22                    *the following:*

23                    *“(2) AMOUNT.—The amount available for real-*  
 24                    *lotment for a program year for programs funded*  
 25                    *under subsection (b)(1)(B) (relating to adult employ-*

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

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

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

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

1           (i) by striking “under this section for  
2           such activities for the prior program year”  
3           and inserting “under subsection (b)(1)(B)  
4           or (b)(2)(B), as appropriate, for the pro-  
5           gram year for which the determination is  
6           made”; and

7           (ii) by striking “under this subsection  
8           for such activities for such prior program  
9           year” and inserting “under subsection  
10          (b)(1)(B) or (b)(2)(B), as appropriate, for  
11          such program year”;

12          (C) by striking paragraph (4) and inserting  
13          the following:

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

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

22                 “(B) with respect to funds allotted under  
23                 subsection (b)(2)(B), a State that does not have  
24                 an amount of such funds available for reallocot-  
25                 ment under paragraph (2) for the program year

1           *for which the determination under paragraph (2)*  
2           *is made.”; and*

3                     *(D) in paragraph (5), by striking “obliga-*  
4                     *tion” and inserting “accrued expenditure”.*

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

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

9                     *(B) program year 2004.*

10          *(b) WITHIN STATE ALLOCATIONS.—*

11                     *(1) ALLOCATION.—Section 133(b)(5)(B)(ii) (29*  
12                     *U.S.C. 2863(b)(5)(B)(ii)) is amended by striking*  
13                     *“section 134(c)” and inserting “section 121(e)”.*

14                     *(2) REALLOCATION.—Section 133(c) (29 U.S.C.*  
15                     *2863(c)) is amended—*

16                             *(A) in paragraph (1), by inserting “, and*  
17                             *under subsection (b)(2)(B) for dislocated worker*  
18                             *employment and training activities,” after “ac-*  
19                             *tivities”;*

20                             *(B) by striking paragraph (2) and inserting*  
21                             *the following:*

22                             *“(2) AMOUNT.—The amount available for re-*  
23                             *allocation for a program year for programs funded*  
24                             *under paragraphs (2)(A) and (3) of subsection (b)*  
25                             *(relating to adult employment and training) and sub-*

1        *section (b)(2)(B) (relating to dislocated worker em-*  
2        *ployment and training), respectively, is equal to the*  
3        *amount by which the unexpended balance at the end*  
4        *of the program year prior to the program year for*  
5        *which the determination is made exceeds 30 percent*  
6        *of the total amount of funds available to the local*  
7        *area under paragraphs (2)(A) and (3) of subsection*  
8        *(b), or subsection (b)(2)(B), respectively, during such*  
9        *prior program year (including amounts allocated to*  
10       *the local area in all prior program years under such*  
11       *provisions that remained available). For purposes of*  
12       *this paragraph, the unexpended balance is the*  
13       *amount that is the difference between—*

14                *“(A) the total amount of funds available to*  
15                *the local area under paragraphs (2)(A) and (3)*  
16                *of subsection (b), or subsection (b)(2)(B), respec-*  
17                *tively, during the program year prior to the pro-*  
18                *gram year for which the determination is made*  
19                *(including amounts allotted to the local area in*  
20                *all prior program years under such provisions*  
21                *that remained available); and*

22                *“(B) the accrued expenditures from such*  
23                *total amount of funds available under para-*  
24                *graphs (2)(A) and (3) of subsection (b), or sub-*

1           *section (b)(2)(B), respectively, during such prior*  
2           *program year.”;*

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

5           “(3) *REALLOCATION.—In making reallocations*  
6           *to eligible local areas of amounts available pursuant*  
7           *to paragraph (2) for a program year, the Governor*  
8           *shall allocate to each eligible local area within the*  
9           *State—*

10           *“(A) with respect to amounts that are avail-*  
11           *able for reallocation under paragraph (2) that*  
12           *were allocated under paragraphs (2)(A) or (3) of*  
13           *subsection (b), an amount based on the relative*  
14           *amount allocated to such local area under para-*  
15           *graphs (2)(A) or (3) of subsection (b), as appro-*  
16           *priate, for the program year for which the deter-*  
17           *mination is made, as compared to the total*  
18           *amount allocated to all eligible local areas under*  
19           *paragraphs (2)(A) or (3) of subsection (b), as ap-*  
20           *propriate, of such program year; and*

21           *“(B) with respect to amounts that are*  
22           *available for reallocation under paragraph (2)*  
23           *that were allocated under subsection (b)(2)(B),*  
24           *an amount based on the relative amount allo-*  
25           *cated to such local area under subsection*

1           **(b)(2)(B)** for the program year for which the de-  
2           termination is made, as compared to the total  
3           amount allocated to all eligible local areas under  
4           subsection **(b)(2)(B)** for such program year.”;  
5           and

6                     **(D)** by striking paragraph **(4)** and insert-  
7           ing the following:

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

10                    “**(A)** with respect to funds allocated under  
11           paragraphs **(2)(A)** or **(3)** of subsection **(b)**, a  
12           local area that does not have an amount of such  
13           funds available for reallocation under paragraph  
14           **(2)** for the program year for which the deter-  
15           mination under paragraph **(2)** is made; and

16                    “**(B)** with respect to funds allocated under  
17           subsection **(b)(2)(B)**, a local area that does not  
18           have an amount of such funds available for re-  
19           allocation under paragraph **(2)** for the program  
20           year for which the determination under para-  
21           graph **(2)** is made.”.

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

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

1                   (B) program year 2004.

2           (c) *USE OF FUNDS FOR EMPLOYMENT AND TRAINING*  
3 *ACTIVITIES.*—

4                   (1) *STATEWIDE EMPLOYMENT AND TRAINING AC-*  
5 *TIVITIES.*—

6                   (A) *STATEWIDE RAPID RESPONSE ACTIVI-*  
7 *TIES.*—Section 134(a)(2)(A) (29 U.S.C.  
8 2864(a)(2)(A)) is amended to read as follows:

9                   “(A) *STATEWIDE RAPID RESPONSE ACTIVI-*  
10 *TIES.*—

11                   “(i) *IN GENERAL.*—A State shall carry  
12 out statewide rapid response activities using  
13 funds reserved by a Governor for a State  
14 under section 133(a)(2). Such activities  
15 shall include—

16                   “(I) provision of rapid response  
17 activities, carried out in local areas by  
18 the State or by an entity designated by  
19 the State, working in conjunction with  
20 the local boards and the chief elected  
21 officials for the local areas; and

22                   “(II) provision of additional as-  
23 sistance to local areas that experience  
24 disasters, mass layoffs, or plant clos-  
25 ings, or other events that precipitate

1                    *substantial increases in the number of*  
2                    *unemployed individuals, carried out in*  
3                    *local areas by the State, working in*  
4                    *conjunction with the local boards and*  
5                    *the chief elected officials for the local*  
6                    *areas.*

7                    “(ii) *USE OF UNEXPENDED FUNDS.—*  
8                    *Funds reserved under section 133(a)(2) to*  
9                    *carry out this subparagraph that remain*  
10                   *unexpended after the first program year for*  
11                   *which such funds were allotted may be used*  
12                   *by the Governor to carry out statewide ac-*  
13                   *tivities authorized under subparagraph (B)*  
14                   *and paragraph (3)(A) in addition to activi-*  
15                   *ties under this subparagraph.”.*

16                   (B) *STATEWIDE EMPLOYMENT AND TRAIN-*  
17                   *ING ACTIVITIES.—Section 134(a)(2) (29 U.S.C.*  
18                   *2864(a)(2)) is amended by striking subpara-*  
19                   *graph (B) and inserting the following:*

20                   “(B) *STATEWIDE EMPLOYMENT AND TRAIN-*  
21                   *ING ACTIVITIES.—Funds reserved by a Governor*  
22                   *for a State under sections 128(a)(1) and*  
23                   *133(a)(1) and not used under paragraph (1)(A)*  
24                   *(regardless of whether the funds were allotted to*  
25                   *the States under section 127(b)(1)(C) or para-*

1           *graphs (1)(B) or (2)(B) of section 132(b)) shall*  
2           *be used for statewide employment and training*  
3           *activities, including—*

4                   “(i) disseminating—

5                           “(I) the State list of eligible pro-  
6                           *viders of training services, including*  
7                           *eligible providers of nontraditional*  
8                           *training services;*

9                           “(II) information identifying eli-  
10                           *gible providers of on-the-job training*  
11                           *and customized training;*

12                           “(III) performance information  
13                           *and program cost information, as de-*  
14                           *scribed in subsections (d) and (i) of*  
15                           *section 122; and*

16                           “(IV) information on physical  
17                           *and programmatic accessibility for in-*  
18                           *dividuals with disabilities;*

19                           “(ii) conducting evaluations under sec-  
20                           *tion 136(e) of activities authorized under*  
21                           *this chapter and chapter 5 in coordination*  
22                           *with evaluations carried out by the Sec-*  
23                           *retary under section 172;*

1           “(iii) providing incentive grants to  
2 local areas in recognition of exceptional  
3 achievement relating to—

4                   “(I) regional cooperation among  
5 local boards (including local boards in  
6 a designated region as described in sec-  
7 tion 116(c));

8                   “(II) expanded local coordination  
9 of programs and activities carried out  
10 as part of a comprehensive workforce  
11 investment system, including—

12                           “(aa) employment services  
13 under the Wagner-Peyser Act and  
14 core activities under this title;  
15 and

16                           “(bb) one-stop partner pro-  
17 grams described in section 121;

18                   “(III) performance by local areas  
19 as described in section 136(i)(2); and

20                   “(IV) providing expanded access  
21 to education and training services, es-  
22 pecially through increased leveraging  
23 of resources other than those provided  
24 through programs under this title;

1           “(iv) *developing strategies for ensuring*  
2           *that activities carried out under this section*  
3           *are placing men and women in jobs, edu-*  
4           *cation, and training that lead to com-*  
5           *parable pay;*

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

19          “(vi) *operating a fiscal and manage-*  
20          *ment accountability system under section*  
21          *136(f); and*

22          “(vii) *carrying out monitoring and*  
23          *oversight of activities carried out under this*  
24          *chapter and chapter 4.”.*

1           (C) *ALLOWABLE STATEWIDE EMPLOYMENT*  
2           AND        *TRAINING        ACTIVITIES.*—Section  
3           134(a)(3)(A) (29 U.S.C. 2864(a)(3)(A) is amend-  
4           ed to read as follows:

5           “(A) *IN GENERAL.*—Funds reserved by a  
6           Governor for a State under sections 128(a)(1)  
7           and 133(a)(1) and not used under paragraph  
8           (1)(A) or (2)(B) (regardless of whether the funds  
9           were allotted to the State under section  
10          127(b)(1)(C) or paragraph (1)(B) or (2)(B) of  
11          section 132(b)) may be used to carry out addi-  
12          tional statewide employment and training ac-  
13          tivities, which may include—

14               “(i) *implementing innovative pro-*  
15               *grams and strategies designed to meet the*  
16               *needs of all businesses in the State, includ-*  
17               *ing small businesses, which may include in-*  
18               *cumbent worker training programs, sectoral*  
19               *and industry cluster strategies and partner-*  
20               *ships, including regional skills alliances, ca-*  
21               *reer ladder programs, micro-enterprise and*  
22               *entrepreneurial training and support pro-*  
23               *grams, utilization of effective business inter-*  
24               *mediaries, activities to improve linkages be-*  
25               *tween the one-stop delivery systems in the*

1           *State and all employers (including small*  
2           *employers) in the State, and other business*  
3           *services and strategies that better engage*  
4           *employers in workforce investment activities*  
5           *and make the workforce investment system*  
6           *more relevant to the needs of State and local*  
7           *businesses, consistent with the objectives of*  
8           *this title;*

9                   “(ii) *developing strategies for effec-*  
10                  *tively serving hard-to-serve populations and*  
11                  *for coordinating programs and services*  
12                  *among one-stop partners;*

13                   “(iii) *implementing innovative pro-*  
14                  *grams for displaced homemakers, which for*  
15                  *purposes of this clause may include an in-*  
16                  *dividual who is receiving public assistance*  
17                  *and is within 2 years of exhausting lifetime*  
18                  *eligibility under part A of title IV of the*  
19                  *Social Security Act (42 U.S.C. 601 et seq.);*

20                   “(iv) *implementing programs to in-*  
21                  *crease the number of individuals training*  
22                  *for and placed in nontraditional employ-*  
23                  *ment;*

24                   “(v) *carrying out activities to facilitate*  
25                  *remote access to services, including training*

1           *services described in subsection (d)(4), pro-*  
2           *vided through a one-stop delivery system,*  
3           *including facilitating access through the use*  
4           *of technology;*

5           *“(vi) supporting the provision of core*  
6           *services described in subsection (d)(2) in the*  
7           *one-stop delivery system in the State;*

8           *“(vii) coordinating with the child wel-*  
9           *fare system to facilitate services for children*  
10           *in foster care and those who are eligible for*  
11           *assistance under section 477 of the Social*  
12           *Security Act;*

13           *“(viii) activities—*

14           *“(I) to improve coordination be-*  
15           *tween workforce investment activities*  
16           *carried out within the State involved*  
17           *and economic development activities;*

18           *“(II) to improve coordination be-*  
19           *tween employment and training assist-*  
20           *ance, child support services, and assist-*  
21           *ance provided by State and local agen-*  
22           *cies carrying out part D of title IV of*  
23           *the Social Security Act (42 U.S.C. 651*  
24           *et seq.);*

1           “(III) to improve coordination be-  
2           tween employment and training assist-  
3           ance and cooperative extension pro-  
4           grams carried out by the Department  
5           of Agriculture;

6           “(IV) to improve coordination be-  
7           tween employment and training assist-  
8           ance and programs carried out in the  
9           local area for individuals with disabili-  
10          ties, including programs carried out  
11          by State agencies relating to mental re-  
12          tardation and developmental disabili-  
13          ties, Statewide Independent Living  
14          Councils established under section 705  
15          of the Rehabilitation Act of 1973 (29  
16          U.S.C. 796d), and centers for inde-  
17          pendent living defined in section 702  
18          of the Rehabilitation Act of 1973 (29  
19          U.S.C. 796a);

20          “(V) to develop and disseminate  
21          workforce and labor market informa-  
22          tion; and

23          “(VI) to improve coordination  
24          with the corrections system to facilitate  
25          provision of training services and em-

1                    *ployment opportunities that will assist*  
 2                    *ex-offenders in reentering the work-*  
 3                    *force;*

4                    “(ix) conducting—

5                                “(I) research; and

6                                “(II) demonstration projects; and

7                                “(x) adopting, calculating, or commis-  
 8                    *sioning a minimum self-sufficiency stand-*  
 9                    *ard that specifies the income needs of fami-*  
 10                    *lies, by family size, the number and ages of*  
 11                    *children in the family, and sub-State geo-*  
 12                    *graphical considerations.”.*

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

15                                (A)            *ALLOCATED            FUNDS.—Section*  
 16                    *134(d)(1)(A) (29 U.S.C. 2864(d)(1)(A)) is*  
 17                    *amended—*

18                                (i) *in clause (i), by striking “described*  
 19                    *in subsection (c)”;*

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

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

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

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

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

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

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

18                 (ii) by striking subparagraph (D) and  
19                 inserting the following:

20                 “(D) labor exchange services, including—

21                         “(i) job search and placement assist-  
22                         ance and, in appropriate cases, career coun-  
23                         seling, including—

24                                 “(I) exposure to high wage, high  
25                                 skill jobs; and

1                   “(II) nontraditional employment;

2                   and

3                   “(ii) appropriate recruitment and  
4                   other business services for all employers, in-  
5                   cluding small employers, in the local area,  
6                   which may include services described in this  
7                   subsection, including information and refer-  
8                   ral to specialized business services not tra-  
9                   ditionally offered through the one-stop deliv-  
10                  ery system;”;

11                  (iii) in subparagraph (E)(iii)—

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

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

15                  (iv) in subparagraph (F)—

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

18                   (II) by striking “described in sec-  
19                  tion 123”;

20                  (v) by striking subparagraph (H) and  
21                  inserting the following:

22                   “(H) provision of accurate information, in  
23                  formats that are usable and understandable to  
24                  all one-stop center customers, relating to the  
25                  availability of supportive services or assistance,

1           including child care, child support, medical or  
2           child health assistance under title XIX or XXI of  
3           the Social Security Act, benefits under the Food  
4           Stamp Act of 1977, the earned income tax credit  
5           under section 32 of the Internal Revenue Code of  
6           1986, and assistance under a State program  
7           funded under part A of title IV of the Social Se-  
8           curity Act and other supportive services and  
9           transportation provided through funds made  
10          available under such part, available in the local  
11          area, and referral to such services or assistance  
12          as appropriate;” and

13                   (vi) in subparagraph (J), by striking  
14                   “for—” and all that follows through “(ii)  
15                   programs” and inserting “for programs”.

16           (C)       INTENSIVE       SERVICES.—Section  
17           134(d)(3) (29 U.S.C. 2864(d)(3)) is amended—

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

20                   “(A) IN GENERAL.—

21                           “(i) ELIGIBILITY.—Except as provided  
22                           in clause (ii), funds allocated to a local  
23                           area for adults under paragraph (2)(A) or  
24                           (3), as appropriate, of section 133(b), and  
25                           funds allocated to the local area for dis-

1           *located workers under section 133(b)(2)(B),*  
2           *shall be used to provide intensive services to*  
3           *adults and dislocated workers,*  
4           *respectively—*

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

10                           *“(aa) unlikely or unable to*  
11                           *obtain employment, that leads to*  
12                           *self-sufficiency or wages com-*  
13                           *parable to or higher than previous*  
14                           *employment, through core services*  
15                           *described in paragraph (2); and*

16                           *“(bb) in need of intensive*  
17                           *services to obtain employment*  
18                           *that leads to self-sufficiency or*  
19                           *wages comparable to or higher*  
20                           *than previous employment; or*

21                           *“(II) who are employed, but who,*  
22                           *after an interview, evaluation, or as-*  
23                           *essment are determined by a one-stop*  
24                           *operator or one-stop partner to be in*  
25                           *need of intensive services to obtain or*

1                    *retain employment that leads to self-*  
2                    *sufficiency.*

3                    “(ii) *SPECIAL RULE.—A new inter-*  
4                    *view, evaluation, or assessment of a partici-*  
5                    *part is not required under clause (i) if the*  
6                    *one-stop operator or one-stop partner deter-*  
7                    *mines that it is appropriate to use a recent*  
8                    *assessment of the participant conducted*  
9                    *pursuant to another education or training*  
10                   *program.”; and*

11                   *(ii) in subparagraph (C)—*

12                   *(I) in clause (v), by striking “for*  
13                   *participants seeking training services*  
14                   *under paragraph (4)”; and*

15                   *(II) by adding at the end the fol-*  
16                   *lowing:*

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

18                   *“(viii) Literacy activities relating to*  
19                   *basic work readiness, and financial literacy*  
20                   *activities.*

21                   *“(ix) Out-of-area job search assistance*  
22                   *and relocation assistance.*

23                   *“(x) English language acquisition and*  
24                   *integrated training programs.”.*

1                   (D)        *TRAINING        SERVICES.—Section*  
2                   134(d)(4) (29 U.S.C. 2864(d)(4)) *is amended—*

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

5                   “(A) *IN GENERAL.—*

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

15                              “(I) *who, after an interview, eval-*  
16                              *uation, or assessment, and case man-*  
17                              *agement, have been determined by a*  
18                              *one-stop operator or one-stop partner,*  
19                              *as appropriate, to—*

20                                      “(aa) *be unlikely or unable*  
21                                      *to obtain or retain employment,*  
22                                      *that leads to self-sufficiency or*  
23                                      *wages comparable to or higher*  
24                                      *than        previous        employment,*

1 through the intensive services de-  
2 scribed in paragraph (3);

3 “(bb) be in need of training  
4 services to obtain or retain em-  
5 ployment that leads to self-suffi-  
6 ciency or wages comparable to or  
7 higher than previous employment;  
8 and

9 “(cc) have the skills and  
10 qualifications to successfully par-  
11 ticipate in the selected program of  
12 training services;

13 “(II) who select programs of  
14 training services that are directly  
15 linked to the employment opportunities  
16 in the local area or region involved or  
17 in another area to which the adults or  
18 dislocated workers are willing to com-  
19 mute or relocate;

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

22 “(IV) who are determined to be el-  
23 igible in accordance with the priority  
24 system in effect under subparagraph  
25 (E).

1           “(i) *SPECIAL RULE.*—A new inter-  
2 view, evaluation, or assessment of a partici-  
3 pant is not required under clause (i) if the  
4 one-stop operator or one-stop partner deter-  
5 mines that it is appropriate to use a recent  
6 assessment of the participant conducted  
7 pursuant to another education or training  
8 program.”;

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

14           (iii) in subparagraph (D)—

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

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

19                 (III) by adding at the end the fol-  
20 lowing:

21                     “(x) *English language acquisition and*  
22 *integrated training programs.*”;

23           (iv) in subparagraph (F)—

24                 (I) in clause (ii), by striking “re-  
25 ferred to in subsection (c), shall make

1           *available—” and all that follows and*  
2           *inserting “shall make available a list*  
3           *of eligible providers of training serv-*  
4           *ices, and accompanying information,*  
5           *in accordance with section 122(d).”;*

6           *(II) in the heading of clause (iii),*  
7           *by striking “INDIVIDUAL TRAINING AC-*  
8           *COUNTS” and inserting “CAREER*  
9           *SCHOLARSHIP ACCOUNTS”;*

10          *(III) in clause (iii)—*

11           *(aa) by striking “identifying*  
12           *information” and inserting “ac-*  
13           *companying information”;*

14           *(bb) by striking “clause*  
15           *(i)(I)” and inserting “clause*  
16           *(i)”;* and

17           *(cc) by striking “individual*  
18           *training account” and inserting*  
19           *“career scholarship account”;* and

20          *(IV) by adding at the end the fol-*  
21          *lowing:*

22           *“(iv) COORDINATION.—Each local*  
23           *board may, through one-stop centers, coordi-*  
24           *nate career scholarship accounts with other*  
25           *Federal, State, local, or private job training*

1 *programs or sources to assist the individual*  
2 *in obtaining training services.”; and*

3 *(v) in subparagraph (G)—*

4 *(I) in the subparagraph heading,*  
5 *by striking “INDIVIDUAL TRAINING AC-*  
6 *COUNTS” and inserting “CAREER*  
7 *SCHOLARSHIP ACCOUNTS”;*

8 *(II) in clause (i), by striking “in-*  
9 *dividual training accounts” and in-*  
10 *serting “career scholarship accounts”;*

11 *(III) in clause (ii)—*

12 *(aa) by striking “individual*  
13 *training account” and inserting*  
14 *“career scholarship account”;*

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

19 *(cc) in subclause (II) by*  
20 *striking “or” after the semicolon;*

21 *(dd) in subclause (III), by*  
22 *striking “special participant pop-*  
23 *ulations that face multiple bar-*  
24 *riers to employment” and insert-*  
25 *ing “hard-to-serve populations”;*

1                    *(ee) in subclause (III), by*  
 2                    *striking the period and inserting*  
 3                    *“; or”; and*

4                    *(ff) by adding at the end the*  
 5                    *following:*

6                    *“(IV) the local board determines*  
 7                    *that it would be most appropriate to*  
 8                    *award a contract to an institution of*  
 9                    *higher education in order to facilitate*  
 10                    *the training of multiple individuals in*  
 11                    *high-demand occupations, if such con-*  
 12                    *tract does not limit customer choice.”;*  
 13                    *and*

14                    *(IV) in clause (iv)—*

15                    *(aa) by redesignating sub-*  
 16                    *clause (IV) as subclause (V); and*

17                    *(bb) by inserting after sub-*  
 18                    *clause (III) the following:*

19                    *“(IV) Individuals with disabil-*  
 20                    *ities.”.*

21                    *(3) PERMISSIBLE ACTIVITIES.—Section 134(e)*  
 22                    *(29 U.S.C. 2864(e)) is amended—*

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

1       “(e) *PERMISSIBLE LOCAL EMPLOYMENT AND TRAIN-*  
2 *ING ACTIVITIES.*—

3               “(1) *IN GENERAL.*—

4                       “(A) *ACTIVITIES.*—*Funds allocated to a*  
5 *local area for adults under paragraph (2)(A) or*  
6 *(3), as appropriate, of section 133(b), and funds*  
7 *allocated to the local area for dislocated workers*  
8 *under section 133(b)(2)(B), may be used to pro-*  
9 *vide, through the one-stop delivery system*  
10 *involved—*

11                               “(i) *customized screening and referral*  
12 *of qualified participants in training serv-*  
13 *ices described in subsection (d)(4) to em-*  
14 *ployment;*

15                               “(ii) *customized employment-related*  
16 *services to employers on a fee-for-service*  
17 *basis;*

18                               “(iii) *customer support to enable mem-*  
19 *bers of hard-to-serve populations, including*  
20 *individuals with disabilities, to navigate*  
21 *among multiple services and activities for*  
22 *such populations;*

23                               “(iv) *technical assistance and capacity*  
24 *building for serving individuals with dis-*  
25 *abilities in local areas, for one-stop opera-*

1            *tors, one-stop partners, and eligible pro-*  
2            *viders, including the development and*  
3            *training of staff, the provision of outreach,*  
4            *intake, assessments, and service delivery,*  
5            *and the development of performance meas-*  
6            *ures;*

7            *“(v) employment and training assist-*  
8            *ance provided in coordination with child*  
9            *support enforcement activities of the State*  
10           *and local agencies carrying out part D of*  
11           *title IV of the Social Security Act (42*  
12           *U.S.C. 601 et seq.);*

13           *“(vi) activities to improve coordination*  
14           *between employment and training assist-*  
15           *ance, child support services, and assistance*  
16           *provided by State and local agencies car-*  
17           *rying out part D of title IV of the Social*  
18           *Security Act (42 U.S.C. 651 et seq.);*

19           *“(vii) activities to improve coordina-*  
20           *tion between employment and training as-*  
21           *stance and cooperative extension programs*  
22           *carried out by the Department of Agri-*  
23           *culture;*

24           *“(viii) activities to facilitate remote*  
25           *access to services provided through a one-*

1 *stop delivery system, including facilitating*  
2 *access through the use of technology;*

3 “(ix) activities—

4 “(I) to improve coordination be-  
5 *tween workforce investment activities*  
6 *carried out within the local area in-*  
7 *volved and economic development ac-*  
8 *tivities; and*

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

17 “(x) training programs for displaced  
18 *homemakers and for individuals training*  
19 *for nontraditional occupations, in conjunc-*  
20 *tion with programs operated in the local*  
21 *area;*

22 “(xi) using a portion of the funds allo-  
23 *cated under section 133(b), activities to*  
24 *carry out business services and strategies*  
25 *that meet the workforce investment needs of*

1           *local area employers, as determined by the*  
2           *local board, consistent with the local plan*  
3           *under section 118, which services—*

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

12                  “(II) *may include—*

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

20                          “(bb) *development and deliv-*  
21                          *ery of innovative workforce invest-*  
22                          *ment services and strategies for*  
23                          *area businesses, which may in-*  
24                          *clude sectoral, industry cluster, re-*  
25                          *gional skills alliances, career lad-*

1 *der, skills upgrading, skill stand-*  
2 *ard development and certification,*  
3 *apprenticeship, and other effective*  
4 *initiatives for meeting the work-*  
5 *force investment needs of area em-*  
6 *ployers and workers;*

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

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

24 *“(ee) assistance to area em-*  
25 *ployers in the aversion of layoffs*

1                   *and in managing reductions in*  
2                   *force in coordination with rapid*  
3                   *response activities;*

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

9                   “*(gg) information referral on*  
10                  *concerns affecting local employers;*  
11                  *and*

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

22                  “*(xii) activities to adjust the self-suffi-*  
23                  *ciency standards for local factors, or activi-*  
24                  *ties to adopt, calculate, or commission a*  
25                  *self-sufficiency standard that specifies the*

1 *income needs of families, by family size, the*  
2 *number and ages of children in the family,*  
3 *and sub-State geographical considerations;*  
4 *and*

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

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

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

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

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

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

21           *“(2) SUPPORTIVE SERVICES.—Funds allocated to*  
22           *a local area for adults under paragraph (2)(A) or (3),*  
23           *as appropriate, of section 133(b), and funds allocated*  
24           *to the local area for dislocated workers under section*  
25           *133(b)(2)(B), may be used to provide supportive serv-*

1        *ices to adults and dislocated workers, respectively—*”;  
2        *and*

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

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

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

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

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

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

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

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

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

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

23 **SEC. 122. PERFORMANCE ACCOUNTABILITY SYSTEM.**

24           (a) *STATE PERFORMANCE MEASURES.*—

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

3           (A) in clause (i)—

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

9           (ii) by striking subclause (III) and in-  
10       serting the following:

11           “(III) increases in earnings from  
12       unsubsidized employment; and”; and

13           (iii) in subclause (IV), by striking “,  
14       or by participants” and all that follows  
15       through “unsubsidized employment”; and

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

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

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

1                   “(II) attainment of secondary  
2                   school diplomas or their recognized  
3                   equivalents, and postsecondary certifi-  
4                   cates; and

5                   “(III) literacy or numeracy  
6                   gains.”.

7                   (2)       *ADDITIONAL INDICATORS.*—Section  
8                   136(b)(2)(C) (29 U.S.C. 2871(b)(2)(C)) is amended to  
9                   read as follows:

10                   “(C) *ADDITIONAL INDICATORS.*—A State  
11                   may identify in the State plan additional indi-  
12                   cators for workforce investment activities under  
13                   this subtitle, including indicators identified in  
14                   collaboration with State business and industry  
15                   associations, with employee representatives where  
16                   applicable, and with local boards, to measure the  
17                   performance of the workforce investment system  
18                   in serving the workforce needs of business and  
19                   industry in the State.”.

20                   (3)       *LEVELS OF PERFORMANCE.*—Section  
21                   136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amended—

22                   (A) in clause (iii)—

23                   (i) in the heading, by striking “FOR  
24                   FIRST 3 YEARS”;

1           (ii) by striking “and the customer sat-  
2           isfaction indicator of performance, for the  
3           first 3” and inserting “described in clauses  
4           (i) and (ii) of paragraph (2)(A) and the  
5           customer satisfaction indicator of perform-  
6           ance, for the first 2”; and

7           (iii) by inserting at the end the fol-  
8           lowing: “Agreements on levels of perform-  
9           ance for each of the core indicators of per-  
10          formance for the third and fourth program  
11          years covered by the State plan shall be  
12          reached prior to the beginning of the third  
13          program year covered by the State plan,  
14          and incorporated as a modification to the  
15          State plan.”;

16        (B) in clause (iv)—

17           (i) in subclause (II)—

18                (I) by striking “taking into ac-  
19                count” and inserting “and shall ensure  
20                that the levels involved are adjusted,  
21                using objective statistical methods,  
22                based on”;

23                (II) by inserting “(such as dif-  
24                ferences in unemployment rates and

1                   *job losses or gains in particular indus-*  
2                   *tries)” after “economic conditions”;*

3                   (III) *by inserting “(such as indi-*  
4                   *cators of poor work history, lack of*  
5                   *work experience, lack of educational or*  
6                   *occupational skills attainment, disloca-*  
7                   *tion from high-wage and benefit em-*  
8                   *ployment, low levels of literacy or*  
9                   *English proficiency, disability status,*  
10                  *homelessness, and welfare dependency)”*  
11                  *after “program”; and*

12                  (IV) *by striking “and” at the end;*

13                  (ii) *in subclause (III), by striking the*  
14                  *period and inserting “; and”; and*

15                  (iii) *by adding at the end the fol-*  
16                  *lowing:*

17                                *“(IV) the extent to which the levels*  
18                                *involved will assist the State in meet-*  
19                                *ing the national goals described in*  
20                                *clause (v).”;*

21                  (C) *by striking clause (v) and inserting the*  
22                  *following:*

23                                *“(v) ESTABLISHMENT OF NATIONAL*  
24                                *GOALS.—In order to promote enhanced per-*  
25                                *formance outcomes on the performance*

1           *measures and to facilitate the process of*  
2           *reaching agreements with the States under*  
3           *clause (iii) and to measure systemwide per-*  
4           *formance for the one-stop delivery systems*  
5           *of the States, the Secretary shall establish*  
6           *long-term national goals for the adjusted*  
7           *levels of performance for that systemwide*  
8           *performance to be achieved by the programs*  
9           *assisted under chapters 4 and 5 on the core*  
10          *indicators of performance described in sub-*  
11          *paragraphs (A) and (B) of subsection*  
12          *(b)(2). Such goals shall be established in ac-*  
13          *cordance with the Government Performance*  
14          *and Results Act of 1993 in consultation*  
15          *with the States and other appropriate par-*  
16          *ties.”; and*

17          *(D) in clause (vi)—*

18                 *(i) by striking “or (v)”;* and

19                 *(ii) by striking “with the representa-*  
20                 *tives described in subsection (i)” and insert-*  
21                 *ing “with the States and other interested*  
22                 *parties”.*

23          **(b) LOCAL PERFORMANCE MEASURES.—***Section*  
24          *136(c)(3) (29 U.S.C. 2871(c)(3))—*

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

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

7           (3) by inserting “(characteristics such as indica-  
8           tors of poor work history, lack of work experience,  
9           lack of educational and occupational skills attain-  
10          ment, dislocation from high-wage and benefit employ-  
11          ment, low levels of literacy or English proficiency,  
12          disability status, homelessness, and welfare depend-  
13          ency)” after “demographic”.

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

16                 (1) in paragraph (1), by adding at the end the  
17                 following: “In the case of a State or local area that  
18                 chooses to expend funds for activities under subsection  
19                 (a)(3)(A)(i) or (e)(1)(A)(xi), respectively, of section  
20                 134, the report also shall include the amount of such  
21                 funds so expended and the percentage that such funds  
22                 are of the funds available for activities under section  
23                 134.”;

24                 (2) in paragraph (2)—

25                         (A) in subparagraph (E)—

1           (i) by striking “(excluding partici-  
2           pants who received only self-service and in-  
3           formational activities)”; and

4           (ii) by striking “and” after the semi-  
5           colon;

6           (B) in subparagraph (F)—

7           (i) by inserting “noncustodial parents  
8           with child support obligations, homeless in-  
9           dividuals,” after “displaced homemakers,”;  
10          and

11          (ii) by striking the period and insert-  
12          ing a semicolon; and

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

14           “(G) the number of participants served and  
15          the cost per participant; and

16           “(H) the amount of adult and dislocated  
17          worker funds spent on—

18           “(i) core, intensive, and training serv-  
19          ices, respectively; and

20           “(ii) services provided under subsection  
21          (a)(3)(A)(i) or (e)(1)(A)(xi) of section 134,  
22          if applicable.”; and

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

24           “(4) DATA VALIDATION.—In preparing the re-  
25          ports described in this subsection, the States shall es-

1 *tablish procedures, consistent with guidelines issued*  
2 *by the Secretary, to ensure that the information con-*  
3 *tained in the reports is valid and reliable.”.*

4 *(d) EVALUATION OF STATE PROGRAMS.—Section*  
5 *136(e)(3) is amended by inserting “, including information*  
6 *on promoting self-sufficiency and comparable pay between*  
7 *men and women” after “employers”.*

8 *(e) SANCTIONS FOR STATE.—Section 136(g) is*  
9 *amended—*

10 *(1) in paragraph (1)(B), by striking “If such*  
11 *failure continues for a second consecutive year” and*  
12 *inserting “If a State performs at less than 80 percent*  
13 *of the adjusted level of performance for core indicators*  
14 *of performance described in subsection (b)(2)(A) for 2*  
15 *consecutive years”; and*

16 *(2) in paragraph (2), by striking “section 503”*  
17 *and inserting “subsection (i)(1)”.*

18 *(f) SANCTIONS FOR LOCAL AREA.—Section*  
19 *136(h)(2)(A) (29 U.S.C. 2871(h)(2)(A)) is amended—*

20 *(1) in the matter preceding clause (i), by strik-*  
21 *ing “If such failure continues for a second consecutive*  
22 *year” and inserting “If a local area performs at less*  
23 *than 80 percent of the adjusted level of performance*  
24 *for core indicators of performance described in sub-*  
25 *section (b)(2)(A) for 2 consecutive years”;*

1           (2) *in clause (ii), by striking “or” after the semi-*  
2 *colon;*

3           (3) *by redesignating clause (iii) as clause (iv);*  
4 *and*

5           (4) *by inserting after clause (ii) the following:*

6                     *“(iii) redesignate the local area in ac-*  
7 *cordance with section 116(b)(2); or”.*

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

10           *“(i) INCENTIVE GRANTS FOR LOCAL AREAS.—*

11                     *“(1) IN GENERAL.—From funds reserved under*  
12 *sections 128(a) and 133(a)(1), the Governor involved*  
13 *shall award incentive grants to local areas for per-*  
14 *formance described in paragraph (2) in carrying out*  
15 *programs under chapters 4 and 5.*

16                     *“(2) BASIS.—The Governor shall award the*  
17 *grants on the basis—*

18                             *“(A) that the local areas met or exceeded the*  
19 *performance measures established under sub-*  
20 *section (c)(2) relating to indicators described in*  
21 *subsection (b)(3)(A)(iii);*

22                             *“(B) of exemplary performance of the local*  
23 *areas in serving hard-to-serve populations; or*

24                             *“(C) that the local areas are effectively—*

1           “(i) coordinating multiple systems into  
2           a comprehensive workforce investment sys-  
3           tem, including coordination of employment  
4           services under the Wagner-Peyser Act and  
5           core activities under this title as well as  
6           one-stop partner programs described in sec-  
7           tion 121;

8           “(ii) expanding access to training, in-  
9           cluding through increased leveraging of re-  
10          sources other than those funded through pro-  
11          grams under this title; or

12          “(iii) implementing innovative busi-  
13          ness and economic development initiatives.

14          “(3) *USE OF FUNDS.*—The funds awarded to a  
15          local area under this paragraph may be used to carry  
16          out activities authorized for local areas under chap-  
17          ters 4 and 5, and such demonstration projects or in-  
18          novative programs for hard-to-serve populations as  
19          may be approved by the Governor.”.

20          “(g) *USE OF CORE MEASURES IN OTHER DEPARTMENT*  
21          *OF LABOR PROGRAMS.*—Section 136 (29 U.S.C. 2871) is  
22          amended by adding at the end the following:

23          “(j) *USE OF CORE INDICATORS FOR OTHER PRO-*  
24          *GRAMS.*—In addition to the programs carried out under  
25          chapters 4 and 5, and consistent with the requirements of

1 *the applicable authorizing laws, the Secretary shall use the*  
2 *indicators of performance described in subparagraphs (A)*  
3 *and (B) of subsection (b)(2) to assess the effectiveness of the*  
4 *programs described in clauses (i), (ii), and (vi) of section*  
5 *121(b)(1)(B) that are carried out by the Secretary.”.*

6 *(h) PREVIOUS DEFINITIONS OF CORE INDICATORS.—*  
7 *Section 502 (29 U.S.C. 9272) is repealed.*

8 **SEC. 123. AUTHORIZATION OF APPROPRIATIONS.**

9 *(a) YOUTH ACTIVITIES.—Section 137(a) (29 U.S.C.*  
10 *2872(a)) is amended by striking “such sums as may be nec-*  
11 *essary for each of fiscal years 1999 through 2003” and in-*  
12 *serting “such sums as may be necessary for each of fiscal*  
13 *years 2004 through 2009”.*

14 *(b) ADULT EMPLOYMENT AND TRAINING ACTIVI-*  
15 *TIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by*  
16 *striking “such sums as may be necessary for each of fiscal*  
17 *years 1999 through 2003” and inserting “such sums as may*  
18 *be necessary for each of fiscal years 2004 through 2009”.*

19 *(c) DISLOCATED WORKER EMPLOYMENT AND TRAIN-*  
20 *ING ACTIVITIES.—Section 137(c) (29 U.S.C. 2872(c)) is*  
21 *amended by striking “such sums as may be necessary for*  
22 *each of fiscal years 1999 through 2003” and inserting “such*  
23 *sums as may be necessary for each of fiscal years 2004*  
24 *through 2009”.*

## **Subtitle C—Job Corps**

### 2 **SEC. 131. JOB CORPS.**

3       (a) *ELIGIBILITY.*—Section 144(3) (29 U.S.C. 2884(3))  
4 *is amended by adding at the end the following:*

5                       “(F) A child eligible for assistance under  
6                       section 477 of the Social Security Act.”.

7       (b) *IMPLEMENTATION OF STANDARDS AND PROCE-*  
8 *DURES.*—Section 145(a)(3) (29 U.S.C. 2885(a)(3)) *is*  
9 *amended—*

10                   (1) *in subparagraph (B), by striking “and” after*  
11 *the semicolon;*

12                   (2) *in subparagraph (C), by striking the period*  
13 *and inserting “; and”; and*

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

15                               “(D) child welfare agencies that are respon-  
16                               sible for children in foster care and children eli-  
17                               gible for assistance under section 477 of the So-  
18                               cial Security Act.”.

19       (c) *INDUSTRY COUNCILS.*—Section 154(b) (29 U.S.C.  
20 *2894(b)) is amended—*

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

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

24                               “(3) *EMPLOYERS OUTSIDE OF LOCAL AREA.*—  
25 *The industry council may include, or otherwise pro-*

1 *vide for consultation with, employers from outside the*  
2 *local area who are likely to hire a significant number*  
3 *of enrollees from the Job Corps center.*

4 “(4) *SPECIAL RULE FOR SINGLE LOCAL AREA*  
5 *STATES.—In the case of a single local area State des-*  
6 *ignated under section 116(b), the industry council*  
7 *shall include a representative of the State Board.”.*

8 (d) *INDICATORS OF PERFORMANCE.—Section 159 (29*  
9 *U.S.C. 2899) is amended—*

10 (1) *in subsection (c)—*

11 (A) *by striking paragraph (1) and inserting*  
12 *the following:*

13 “(1) *PERFORMANCE INDICATORS.—The Secretary*  
14 *shall annually establish expected levels of performance*  
15 *for Job Corps centers and the Job Corps program re-*  
16 *lating to each of the core indicators of performance*  
17 *for youth activities identified in section*  
18 *136(b)(2)(A)(ii).”;*

19 (B) *in paragraph (2), by striking “meas-*  
20 *ures” each place it appears and inserting “indi-*  
21 *cators”;* and

22 (C) *in paragraph (3)—*

23 (i) *in the first sentence, by striking*  
24 *“core performance measures, as compared to*  
25 *the expected performance level for each per-*

1           *formance measure” and inserting “perform-*  
 2           *ance indicators described in paragraph (1),*  
 3           *as compared to the expected level of per-*  
 4           *formance established under paragraph (1)*  
 5           *for each performance measure”;* and

6                     *(ii) in the second sentence, by striking*  
 7           *“measures” each place it appears and in-*  
 8           *serting “indicators”;* and

9           *(2) in subsection (f)(2), in the first sentence, by*  
 10          *striking “core performance measures” and inserting*  
 11          *“indicators of performance”.*

12          *(e) AUTHORIZATION OF APPROPRIATIONS.—Section*  
 13          *161 (29 U.S.C. 2901) is amended by striking “1999 through*  
 14          *2003” and inserting “2004 through 2009”.*

## 15           ***Subtitle D—National Programs***

### 16          ***SEC. 141. NATIVE AMERICAN PROGRAMS.***

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

19                     *“(C) DUTIES.—The Council shall advise the*  
 20           *Secretary on the operation and administration*  
 21           *of the programs assisted under this section, in-*  
 22           *cluding the selection of the individual appointed*  
 23           *as head of the unit established under paragraph*  
 24           *(1).”.*

1       (b) *ASSISTANCE TO UNIQUE POPULATIONS IN ALASKA*  
2 *AND HAWAII.—Section 166(j) (29 U.S.C. 2911(j)) is*  
3 *amended to read as follows:*

4       “(j) *ASSISTANCE TO UNIQUE POPULATIONS IN ALASKA*  
5 *AND HAWAII.—*

6               “(1) *IN GENERAL.—Notwithstanding any other*  
7 *provision of law, the Secretary is authorized to pro-*  
8 *vide assistance to unique populations who reside in*  
9 *Alaska or Hawaii to improve job training and work-*  
10 *force investment activities.*

11              “(2) *AUTHORIZATION OF APPROPRIATIONS.—*  
12 *There are authorized to be appropriated to carry out*  
13 *this subsection such sums as may be necessary for fis-*  
14 *cal year 2004.”.*

15       (c) *PERFORMANCE INDICATORS.—Section 166 (29*  
16 *U.S.C. 2911) is amended by adding at the end the fol-*  
17 *lowing’:*

18       “(k) *PERFORMANCE INDICATORS.—*

19              “(1) *DEVELOPMENT OF INDICATORS.—The Sec-*  
20 *retary, in consultation with the Native American*  
21 *Employment and Training Council, shall develop a*  
22 *set of performance indicators and standards which*  
23 *shall be applicable to programs under this section.*

1           “(2) *SPECIAL CONSIDERATIONS.*—*Such perform-*  
 2           *ance indicators and standards shall take into*  
 3           *account—*

4                     “(A) *the purposes of the programs under*  
 5                     *this section as described in paragraph (a)(1);*

6                     “(B) *the needs of the groups served by this*  
 7                     *section, including the differences in needs among*  
 8                     *such groups in various geographic service areas;*  
 9                     *and*

10                    “(C) *the economic circumstances of the com-*  
 11                    *munities served, including differences in cir-*  
 12                    *cumstances among various geographic service*  
 13                    *areas.”.*

14 **SEC. 142. MIGRANT AND SEASONAL FARMWORKER PRO-**  
 15                    **GRAMS.**

16            *Section 167(d) (29 U.S.C. 2912(d)) is amended by in-*  
 17            *serting “(including permanent housing)” after “housing”.*

18 **SEC. 143. VETERANS’ WORKFORCE INVESTMENT PRO-**  
 19                    **GRAMS.**

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

23 **SEC. 144. YOUTH CHALLENGE GRANTS.**

24            *Section 169 (29 U.S.C. 2914) is amended to read as*  
 25            *follows:*

1 **“SEC. 169. YOUTH CHALLENGE GRANTS.**

2       “(a) *IN GENERAL.*—*Of the amounts reserved by the*  
3 *Secretary under section 127(b)(1)(A) for a fiscal year—*

4               “(1) *the Secretary shall use not less than 80 per-*  
5 *cent to award competitive grants under subsection*  
6 *(b); and*

7               “(2) *the Secretary may use not more than 20*  
8 *percent to award discretionary grants under sub-*  
9 *section (c).*

10       “(b) *COMPETITIVE GRANTS TO STATES AND LOCAL*  
11 *AREAS.*—

12               “(1) *ESTABLISHMENT.*—*From the funds de-*  
13 *scribed in subsection (a)(1), the Secretary shall award*  
14 *competitive grants to eligible entities to carry out ac-*  
15 *tivities authorized under this subsection to assist eli-*  
16 *gible youth in acquiring the skills, credentials, and*  
17 *employment experience necessary to achieve the per-*  
18 *formance outcomes for youth described in section 136*

19               “(2) *ELIGIBLE ENTITY.*—*In this subsection, the*  
20 *term ‘eligible entity’ means—*

21                       “(A) *a State or consortium of States;*

22                       “(B) *a local board or consortium of local*  
23 *boards;*

24                       “(C) *a recipient of a grant under section*  
25 *166 (relating to Native American programs); or*

1           “(D) a public or private entity (including  
2           a consortium of such entities) with expertise in  
3           the provision of youth activities, applying in  
4           partnership with a local board or consortium of  
5           local boards.

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

11           “(A) a description of the activities the eligi-  
12          ble entity will provide to eligible youth under  
13          this subsection, and how the eligible entity will  
14          collaborate with State and local workforce invest-  
15          ment systems established under this title in the  
16          provision of such activities;

17           “(B) a description of the programs of dem-  
18          onstrated effectiveness on which the provision of  
19          the activities under subparagraph (A) are based,  
20          and a description of how such activities will ex-  
21          pand the base of knowledge relating to the provi-  
22          sion of activities for youth;

23           “(C) a description of the State, local, and  
24          private resources that will be leveraged to pro-  
25          vide the activities described under subparagraph

1           (A) *in addition to funds provided under this*  
2           *subsection, and a description of the extent of the*  
3           *involvement of employers in the activities;*

4                   “(D) *the levels of performance the eligible*  
5           *entity expects to achieve with respect to the indi-*  
6           *cators of performance for youth specified in sec-*  
7           *tion 136(b)(2)(A)(ii); and*

8                   “(E) *an assurance that the State board of*  
9           *each State in which the proposed activities are*  
10          *to be carried out had the opportunity to review*  
11          *the application, and including the comments, if*  
12          *any, of the affected State boards on the applica-*  
13          *tion, except that this subparagraph shall not*  
14          *apply to an eligible entity described in para-*  
15          *graph (2)(C).*

16          “(4) *FACTORS FOR AWARD.—*

17                   “(A) *IN GENERAL.—In awarding grants*  
18          *under this subsection the Secretary shall*  
19          *consider—*

20                           “(i) *the quality of the proposed activi-*  
21                           *ties;*

22                           “(ii) *the goals to be achieved;*

23                           “(iii) *the likelihood of successful imple-*  
24                           *mentation;*

1           “(iv) the extent to which the proposed  
2           activities are based on proven strategies or  
3           the extent to which the proposed activities  
4           will expand the base of knowledge relating  
5           to the provision of activities for youth;

6           “(v) the extent of collaboration with the  
7           State and local workforce investment sys-  
8           tems in carrying out the proposed activities;

9           “(vi) the extent of employer involve-  
10          ment in the proposed activities;

11          “(vii) whether there are other Federal  
12          and non-Federal funds available for similar  
13          activities to the proposed activities, and the  
14          additional State, local, and private re-  
15          sources that will be provided to carry out  
16          the proposed activities; and

17          “(viii) the quality of proposed activi-  
18          ties in meeting the needs of the youth to be  
19          served.

20          “(B) *EQUITABLE GEOGRAPHIC DISTRIBUTION.*—In awarding grants under this subsection  
21          the Secretary shall ensure an equitable distribu-  
22          tion of such grants across geographically diverse  
23          areas.  
24

25          “(5) *USE OF FUNDS.*—

1           “(A) *IN GENERAL.*—*An eligible entity that*  
2           *receives a grant under this subsection shall use*  
3           *the grant funds to carry out activities that are*  
4           *designed to assist youth in acquiring the skills,*  
5           *credentials, and employment experience that are*  
6           *necessary to succeed in the labor market, includ-*  
7           *ing the activities identified in section 129.*

8           “(B) *ACTIVITIES.*—*The activities carried*  
9           *out pursuant to subparagraph (A) may include*  
10          *the following:*

11                   “(i) *Training and internships for out-*  
12                   *of-school youth in sectors of the economy ex-*  
13                   *periencing, or projected to experience, high*  
14                   *growth.*

15                   “(ii) *Dropout prevention activities for*  
16                   *in-school youth.*

17                   “(iii) *Activities designed to assist spe-*  
18                   *cial youth populations, such as court-in-*  
19                   *volved youth and youth with disabilities.*

20                   “(iv) *Activities combining remediation*  
21                   *of academic skills, work readiness training,*  
22                   *and work experience, and including link-*  
23                   *ages to postsecondary education, apprentice-*  
24                   *ships, and career-ladder employment.*

1                   “(v) *Activities, including work experi-*  
2                   *ence, paid internships, and entrepreneurial*  
3                   *training, in areas where there is a migra-*  
4                   *tion of youth out of the areas.*

5                   “(C) *PARTICIPANT ELIGIBILITY.—Youth*  
6                   *who are 14 years of age through 21 years of age,*  
7                   *as of the time the eligibility determination is*  
8                   *made, may be eligible to participate in activities*  
9                   *carried out under this subsection.*

10                  “(6) *GRANT PERIOD.—The Secretary shall make*  
11                  *a grant under this subsection for a period of 2 years*  
12                  *and may renew the grant, if the eligible entity has*  
13                  *performed successfully, for a period of not more than*  
14                  *3 succeeding years.*

15                  “(7) *MATCHING FUNDS REQUIRED.—The Sec-*  
16                  *retary shall require that an eligible entity that re-*  
17                  *ceives a grant under this subsection provide non-Fed-*  
18                  *eral matching funds in an amount to be determined*  
19                  *by the Secretary that is not less than 10 percent of*  
20                  *the cost of activities carried out under the grant. The*  
21                  *Secretary may require that such non-Federal match-*  
22                  *ing funds be provided in cash resources, noncash re-*  
23                  *sources, or a combination of cash and noncash re-*  
24                  *sources.*

1           “(8) *EVALUATION.*—*The Secretary shall reserve*  
2           *not more than 3 percent of the funds described in sub-*  
3           *section (a)(1) to provide technical assistance to, and*  
4           *conduct evaluations of (using appropriate techniques*  
5           *as described in section 172(c)), the projects funded*  
6           *under this subsection.*

7           “(c) *DISCRETIONARY GRANTS FOR YOUTH ACTIVI-*  
8           *TIES.*—

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

14           “(2) *ELIGIBLE ENTITY.*—*In this subsection, the*  
15           *term ‘eligible entity’ means a public or private entity*  
16           *that the Secretary determines would effectively carry*  
17           *out activities relating to youth under this subsection.*

18           “(3) *EQUITABLE DISTRIBUTION TO RURAL*  
19           *AREAS.*—*In awarding grants under this subsection*  
20           *the Secretary shall ensure an equitable distribution of*  
21           *such grants to rural areas.*

22           “(4) *APPLICATIONS.*—*To be eligible to receive a*  
23           *grant under this subsection, an eligible entity shall*  
24           *submit an application to the Secretary at such time,*

1 *in such manner, and containing such information as*  
2 *the Secretary may require.*

3 “(5) *USE OF FUNDS.*—

4 “(A) *IN GENERAL.*—*An eligible entity that*  
5 *receives a grant under this subsection shall use*  
6 *the grant funds to carry out—*

7 “(i) *activities that will assist youth in*  
8 *preparing for, and entering and retaining,*  
9 *employment, including the activities de-*  
10 *scribed in section 129 for out-of-school*  
11 *youth;*

12 “(ii) *activities designed to assist in-*  
13 *school youth to stay in school and gain*  
14 *work experience;*

15 “(iii) *activities designed to assist youth*  
16 *in economically distressed areas; and*

17 “(iv) *such other activities that the Sec-*  
18 *retary determines are appropriate to ensure*  
19 *that youth entering the workforce have the*  
20 *skills needed by employers.*

21 “(B) *PARTICIPANT ELIGIBILITY.*—*Youth*  
22 *who are 14 years of age through 21 years of age,*  
23 *as of the time the eligibility determination is*  
24 *made, may be eligible to participate in activities*  
25 *carried out under this subsection.*

1           “(6) *MATCHING FUNDS REQUIRED.*—*The Sec-*  
2           *retary shall require that an eligible entity that re-*  
3           *ceives a grant under this subsection provide non-Fed-*  
4           *eral matching funds in an amount to be determined*  
5           *by the Secretary that is not less than 10 percent of*  
6           *the cost of activities carried out under the grant. The*  
7           *Secretary may require that such non-Federal match-*  
8           *ing funds be provided in cash resources, noncash re-*  
9           *sources, or a combination of cash and noncash re-*  
10           *sources.*

11           “(7) *EVALUATIONS.*—*The Secretary may require*  
12           *that an eligible entity that receives a grant under this*  
13           *subsection participate in an evaluation of activities*  
14           *carried out under this subsection, including an eval-*  
15           *uation using the techniques described in section*  
16           *172(c).”.*

17 **SEC. 145. TECHNICAL ASSISTANCE.**

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

19           (1) *in subsection (a)(1), by—*

20                   (A) *inserting “the training of staff pro-*  
21                   *viding rapid response services, the training of*  
22                   *other staff of recipients of funds under this title,*  
23                   *the training of members of State boards and*  
24                   *local boards, peer review activities under this*  
25                   *title,” after “localities,”; and*

1           (B) striking “from carrying out activities”  
2           and all that follows through the period and in-  
3           serting “to implement the amendments made by  
4           the Workforce Investment Act Amendments of  
5           2003.”;

6           (2) in subsection (a)(2), by adding at the end the  
7           following: “The Secretary shall also hire staff quali-  
8           fied to provide the assistance described in paragraph  
9           (1).”;

10          (3) in subsection (b)(2), by striking the last sen-  
11          tence and inserting “Such projects shall be adminis-  
12          tered by the Employment and Training Administra-  
13          tion.”; and

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

15          “(c) *BEST PRACTICES COORDINATION*.—The Secretary  
16 shall—

17               “(1) establish a system through which States  
18               may share information regarding best practices with  
19               regard to the operation of workforce investment ac-  
20               tivities under this Act;

21               “(2) evaluate and disseminate information re-  
22               garding best practices and identify knowledge gaps;  
23               and

1           “(3) commission research under section 172 to  
2           address knowledge gaps identified under paragraph  
3           (2).”.

4 **SEC. 146. DEMONSTRATION, PILOT, MULTISERVICE, RE-**  
5 **SEARCH, AND MULTISTATE PROJECTS.**

6           (a) *DEMONSTRATION AND PILOT PROJECTS.*—Section  
7 171(b) (29 U.S.C. 2916(b)) is amended—

8           (1) in paragraph (1)—

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

11                   (B) by striking subparagraphs (A) through  
12                   (E) and inserting the following:

13                           “(A) projects that assist national employers  
14                           in connecting with the workforce investment sys-  
15                           tem established under this title in order to facili-  
16                           tate the recruitment and employment of needed  
17                           workers for career ladder jobs and to provide in-  
18                           formation to such system on skills and occupa-  
19                           tions in demand;

20                           “(B) projects that promote the development  
21                           of systems that will improve the maximum effec-  
22                           tiveness of programs carried out under this title;

23                           “(C) projects that focus on opportunities for  
24                           employment in industries and sectors of indus-  
25                           tries that are experiencing, or are likely to expe-

1           *rience, high rates of growth and jobs with wages*  
2           *leading to self-sufficiency;*

3           “(D) *computerized, individualized, self-*  
4           *paced training projects targeted to dislocated,*  
5           *disadvantaged, or incumbent workers utilizing*  
6           *equipment and curriculum designed in partner-*  
7           *ship with industries for employment in the oper-*  
8           *ations, repair, and maintenance of high-tech*  
9           *equipment that is used in integrated systems*  
10          *technology;*

11          “(E) *projects carried out by States and*  
12          *local areas to test innovative approaches to deliv-*  
13          *ering employment-related services;”;*

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

16          “(D) *by striking subparagraph (H) and in-*  
17          *serting the following:*

18          “(H) *projects that provide retention grants,*  
19          *which shall—*

20                 “(i) *be made to qualified job training*  
21                 *programs offering instruction, assessment,*  
22                 *or professional coaching, upon placement of*  
23                 *a low-income individual trained by the pro-*  
24                 *gram involved in employment with an em-*  
25                 *ployer and retention of the low-income indi-*

1            *vidual in that employment with that em-*  
2            *ployer for a period of 1 year, if that em-*  
3            *ployment provides the low-income indi-*  
4            *vidual with an annual salary—*

5                    *“(I) that is at least \$10,000 more*  
6                    *than the individual’s federally adjusted*  
7                    *income for the previous year; and*

8                    *“(II) that is not less than twice*  
9                    *the poverty line applicable to the indi-*  
10                   *vidual; and*

11                   *“(ii) be made taking into account the*  
12                   *economic benefit received by the Federal*  
13                   *Government from the employment and re-*  
14                   *tentation of the individual, including the eco-*  
15                   *nomical benefit from tax revenue and de-*  
16                   *creased public subsidies;*

17                   *“(I) targeted innovation projects that im-*  
18                   *prove access to and delivery of employment and*  
19                   *training services, with emphasis given to projects*  
20                   *that incorporate advanced technologies to facili-*  
21                   *tate the connection of individuals to the informa-*  
22                   *tion and tools they need to upgrade skills;*

23                   *“(J) projects that promote the use of dis-*  
24                   *tance learning, enabling students to take courses*  
25                   *through the use of media technology such as vid-*

1           eos, teleconferencing computers, and the Internet;  
2           and

3           “(K) projects that provide comprehensive  
4           education and training services, and support  
5           services, in coordination with local boards, for  
6           populations in targeted high poverty areas where  
7           the greatest barriers to employment exist, includ-  
8           ing ex-offenders, out-of-school youth, and public  
9           assistance recipient populations.”; and

10          (2) in paragraph (2)—

11                 (A) by striking subparagraph (B); and

12                 (B) by redesignating subparagraph (C) as  
13                 subparagraph (B).

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

16                 “(B) *STUDIES AND REPORTS*.—

17                         “(i) *NET IMPACT STUDIES AND RE-*  
18                         *PORTS*.—

19                                 “(I) *IN GENERAL*.—The Secretary,  
20                                 in coordination with the Secretary of  
21                                 Education, shall conduct studies to de-  
22                                 termine the net impacts of programs,  
23                                 services, and activities carried out  
24                                 under this title.

1                   “(II) *REPORTS.*—*The Secretary*  
2                   *shall prepare and disseminate to the*  
3                   *public reports containing the results of*  
4                   *the studies conducted under subclause*  
5                   *(I).*

6                   “(ii) *STUDY ON RESOURCES AVAILABLE*  
7                   *TO ASSIST OUT-OF-SCHOOL YOUTH.*—*The*  
8                   *Secretary, in coordination with the Sec-*  
9                   *retary of Education, may conduct a study*  
10                   *examining the resources available at the*  
11                   *Federal, State, and local levels to assist out-*  
12                   *of-school youth in obtaining the skills, cre-*  
13                   *dentials, and work experience necessary to*  
14                   *become successfully employed, including the*  
15                   *availability of funds provided through aver-*  
16                   *age daily attendance and other methodolo-*  
17                   *gies used by States and local areas to dis-*  
18                   *tribute funds.*

19                   “(iii) *STUDY OF INDUSTRY-BASED CER-*  
20                   *TIFICATION AND CREDENTIALS.*—

21                   “(I) *IN GENERAL.*—*The Secretary*  
22                   *shall conduct a study concerning the*  
23                   *role and benefits of credentialing and*  
24                   *certification to businesses and workers*  
25                   *in the economy and the implications of*

1 *certification to the services provided*  
2 *through the workforce investment sys-*  
3 *tem. The study may examine issues*  
4 *such as—*

5 *“(aa) the characteristics of*  
6 *successful credentialing and cer-*  
7 *tification systems that serve busi-*  
8 *ness and individual needs;*

9 *“(bb) the relative proportions*  
10 *of certificates and credentials at-*  
11 *tained with assistance from the*  
12 *public sector, with private-sector*  
13 *training of new hires or incum-*  
14 *bent workers, and by individuals*  
15 *on their own initiative without*  
16 *other assistance, respectively;*

17 *“(cc) the return on human*  
18 *capital investments from occupa-*  
19 *tional credentials and industry-*  
20 *based skill certifications, includ-*  
21 *ing the extent to which acquisi-*  
22 *tion of such credentials or certifi-*  
23 *icates enhances outcomes such as*  
24 *entry into employment, retention,*  
25 *earnings (including the number*

1           *and amount of wage increases),*  
2           *career advancement, and layoff*  
3           *aversion;*

4           *“(dd) the implications of the*  
5           *effects of skill certifications and*  
6           *credentials to the types and deliv-*  
7           *ery of services provided through*  
8           *the workforce investment system;*

9           *“(ee) the role that Federal*  
10           *and State governments play in*  
11           *fostering the development of and*  
12           *disseminating credentials and*  
13           *skill standards; and*

14           *“(ff) the use of credentials by*  
15           *businesses to achieve goals for*  
16           *workforce skill upgrading and*  
17           *greater operating efficiency.*

18           *“(II) REPORT TO CONGRESS.—*  
19           *The Secretary shall prepare and sub-*  
20           *mit to Congress a report containing*  
21           *the results of the study conducted pur-*  
22           *suant to subclause (I). Such report*  
23           *may include any recommendations*  
24           *that the Secretary determines are ap-*  
25           *propriate to include in such report re-*

1 *lating to promoting the acquisition of*  
2 *industry-based certification and cre-*  
3 *dentials, and the appropriate role of*  
4 *the Department of Labor and the work-*  
5 *force investment system in supporting*  
6 *the needs of business and individuals*  
7 *with respect to such certification and*  
8 *credentials.*

9 “(iv) *STUDY OF EFFECTIVENESS OF*  
10 *WORKFORCE INVESTMENT SYSTEM IN MEET-*  
11 *ING BUSINESS NEEDS.—*

12 “(I) *IN GENERAL.—Using funds*  
13 *available to carry out this section*  
14 *jointly with funds available to the Sec-*  
15 *retary of Commerce and Administrator*  
16 *of the Small Business Administration,*  
17 *the Secretary, in coordination with the*  
18 *Secretary of Commerce and the Ad-*  
19 *ministrator of the Small Business Ad-*  
20 *ministration, may conduct a study of*  
21 *the effectiveness of the workforce invest-*  
22 *ment system in meeting the needs of*  
23 *business, with particular attention to*  
24 *the needs of small business, including*  
25 *in assisting workers to obtain the skills*

1                   *needed to utilize emerging technologies.*  
2                   *In conducting the study, the Secretary,*  
3                   *in coordination with the Secretary of*  
4                   *Commerce and the Administrator of*  
5                   *the Small Business Administration,*  
6                   *may examine issues such as—*

7                                 *“(aa) methods for identifying*  
8                                 *the workforce needs of businesses*  
9                                 *and how the requirements of small*  
10                                *businesses may differ from larger*  
11                                *establishments;*

12                                *“(bb) business satisfaction*  
13                                *with the workforce investment sys-*  
14                                *tem, with particular emphasis on*  
15                                *the satisfaction of small busi-*  
16                                *nesses;*

17                                *“(cc) the extent to which*  
18                                *business is engaged as a collabo-*  
19                                *rative partner in the workforce*  
20                                *investment system, including the*  
21                                *extent of business involvement as*  
22                                *members of State boards and local*  
23                                *boards, and the extent to which*  
24                                *such boards and one-stop centers*  
25                                *effectively collaborate with busi-*

1 *ness and industry leaders in de-*  
2 *veloping workforce investment*  
3 *strategies, including strategies to*  
4 *identify high growth opportuni-*  
5 *ties;*

6 *“(dd) ways in which the*  
7 *workforce investment system ad-*  
8 *dresses changing skill needs of*  
9 *business that result from changes*  
10 *in technology and work processes;*

11 *“(ee) promising practices for*  
12 *servicing small businesses;*

13 *“(ff) the extent and manner*  
14 *in which the workforce investment*  
15 *system uses technology to serve*  
16 *business and individual needs,*  
17 *and how uses of technology could*  
18 *enhance efficiency and effective-*  
19 *ness in providing services; and*

20 *“(gg) the extent to which var-*  
21 *ious segments of the labor force*  
22 *have access to and utilize tech-*  
23 *nology to locate job openings and*  
24 *apply for jobs, and characteristics*  
25 *of individuals utilizing such tech-*

1                    *nology (such as age, gender, race*  
2                    *or ethnicity, industry sector, and*  
3                    *occupational groups).*

4                    “(II) *REPORT TO CONGRESS.—*  
5                    *The Secretary shall prepare and sub-*  
6                    *mit to Congress a report containing*  
7                    *the results of the study described in*  
8                    *clause (I). Such report may include*  
9                    *any recommendations the Secretary de-*  
10                   *termines are appropriate to include in*  
11                   *such report, including ways to enhance*  
12                   *the effectiveness of the workforce invest-*  
13                   *ment system in meeting the needs of*  
14                   *business for skilled workers.”.*

15                   (c) *NEXT GENERATION TECHNOLOGIES.—Section 171*  
16                   *(29 U.S.C. 2916) is amended by adding at the end the fol-*  
17                   *lowing:*

18                   “(e) *SKILL CERTIFICATION PILOT PROJECTS.—*  
19                                      *“(1) PILOT PROJECTS.—In accordance with sub-*  
20                                      *section (b) and from funds appropriated pursuant to*  
21                                      *paragraph (10), the Secretary shall establish and*  
22                                      *carry out not more than 10 pilot projects to establish*  
23                                      *a system of industry-validated national certifications*  
24                                      *of skills, including—*

1           “(A) *not more than 8 national certifications*  
2           *of skills in high-technology industries, including*  
3           *biotechnology, telecommunications, highly auto-*  
4           *mated manufacturing (including semiconduc-*  
5           *tors), nanotechnology, and energy technology;*  
6           *and*

7           “(B) *not more than 2 cross-disciplinary na-*  
8           *tional certifications of skills in homeland secu-*  
9           *rity technology.*

10          “(2) *GRANTS TO ELIGIBLE ENTITIES.—In car-*  
11          *rying out the pilot projects, the Secretary shall make*  
12          *grants to eligible entities, for periods of not less than*  
13          *36 months and not more than 48 months, to carry out*  
14          *the authorized activities described in paragraph (7)*  
15          *with respect to the certifications described in para-*  
16          *graph (1). In awarding grants under this subsection*  
17          *the Secretary shall take into consideration awarding*  
18          *grants to eligible entities from diverse geographic*  
19          *areas, including rural areas.*

20          “(3) *ELIGIBLE ENTITIES.—*

21                 “(A) *DEFINITION OF ELIGIBLE ENTITY.—In*  
22                 *this subsection the term ‘eligible entity’ means*  
23                 *an entity that shall work in conjunction with a*  
24                 *local board and shall include as a principal par-*  
25                 *ticipant one or more of the following:*

1           “(i) *An educational institution, in-*  
2           *cluding a 2- or 4-year college, or a technical*  
3           *or vocational school.*

4           “(ii) *An advanced technology edu-*  
5           *cation center.*

6           “(iii) *A local board.*

7           “(iv) *A representative of a business in*  
8           *a target industry for the certification in-*  
9           *volved.*

10           “(v) *A representative of an industry*  
11           *association, labor organization, or commu-*  
12           *nity development organization.*

13           “(B) *HISTORY OF DEMONSTRATED CAPA-*  
14           *BILITY REQUIRED.—To be eligible to receive a*  
15           *grant under this subsection, an eligible entity*  
16           *shall have a history of demonstrated capability*  
17           *for effective collaboration with industry on work-*  
18           *force investment activities that is consistent with*  
19           *the objectives of this title.*

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

1           “(5) *CRITERIA.*—*The Secretary shall establish*  
2           *criteria, consistent with paragraph (6), for awarding*  
3           *grants under this subsection.*

4           “(6) *PRIORITY.*—*In selecting eligible entities to*  
5           *receive grants under this subsection, the Secretary*  
6           *shall give priority to eligible entities that demonstrate*  
7           *the availability of and ability to provide matching*  
8           *funds from industry or nonprofit sources. Such*  
9           *matching funds may be provided in cash or in kind.*

10          “(7) *AUTHORIZED ACTIVITIES.*—

11           “(A) *IN GENERAL.*—*An eligible entity that*  
12           *receives a grant under this subsection shall use*  
13           *the funds made available through the grant—*

14                   “(i) *to facilitate the establishment of*  
15                   *certification requirements for a certification*  
16                   *described in paragraph (1) for an industry;*

17                   “(ii) *to develop and initiate a certifi-*  
18                   *cation program that includes preparatory*  
19                   *courses, course materials, procedures, and*  
20                   *examinations, for the certification; and*

21                   “(iii) *to collect and analyze data re-*  
22                   *lated to the program at the program’s com-*  
23                   *pletion, and to identify best practices (con-*  
24                   *sistent with paragraph (8)) that may be*

1           *used by local and State workforce invest-*  
2           *ment boards in the future.*

3           “(B) *BASIS FOR REQUIREMENTS.—The cer-*  
4           *tification requirements established under the*  
5           *grant shall be based on applicable skill standards*  
6           *for the industry involved that have been devel-*  
7           *oped by or linked to national centers of excellence*  
8           *under the National Science Foundation’s Ad-*  
9           *vanced Technological Education Program. The*  
10           *requirements shall require an individual to dem-*  
11           *onstrate an identifiable set of competencies rel-*  
12           *evant to the industry in order to receive certifi-*  
13           *cation. The requirements shall be designed to*  
14           *provide evidence of a transferable skill set that*  
15           *allows flexibility and mobility of workers within*  
16           *a high technology industry.*

17           “(C) *RELATIONSHIP TO TRAINING AND EDU-*  
18           *CATION PROGRAMS.—The eligible entity shall en-*  
19           *sure that—*

20           *“(i) a training and education program*  
21           *related to competencies for the industry in-*  
22           *volved, that is flexible in mode and time-*  
23           *frame for delivery and that meets the needs*  
24           *of those seeking the certification, is offered;*  
25           *and*

1                   “(ii) the certification program is of-  
2                   ferred at the completion of the training and  
3                   education program.

4                   “(D) *RELATIONSHIP TO THE ASSOCIATE*  
5                   *DEGREE.*—The eligible entity shall ensure that  
6                   the certification program is consistent with the  
7                   requirements for a 2-year associate degree.

8                   “(E) *AVAILABILITY.*—The eligible entity  
9                   shall ensure that the certification program is  
10                  open to students pursuing associate degrees, em-  
11                  ployed workers, and displaced workers.

12                  “(8) *CONSULTATION.*—The Secretary shall con-  
13                  sult with the Director of the National Science Foun-  
14                  dation to ensure that the pilot projects build on the  
15                  expertise and information about best practices gained  
16                  through the implementation of the National Science  
17                  Foundation’s Advanced Technological Education Pro-  
18                  gram.

19                  “(9) *CORE COMPONENTS; GUIDELINES; RE-*  
20                  *PORTS.*—After collecting and analyzing the data ob-  
21                  tained from the pilot programs, the Secretary shall—

22                         “(A) establish the core components of a  
23                         model high-technology certification program;

1           “(B) establish guidelines to assure develop-  
2           ment of a uniform set of standards and policies  
3           for such programs;

4           “(C) prepare and submit a report on the  
5           pilot projects to the Committee on Health, Edu-  
6           cation, Labor, and Pensions of the Senate and  
7           the Committee on Education and the Workforce  
8           of the House of Representatives; and

9           “(D) make available to the public both the  
10          data and the report.

11          “(10) AUTHORIZATION OF APPROPRIATIONS.—In  
12          addition to amounts authorized to be appropriated  
13          under section 174(b), there is authorized to be appro-  
14          priated \$30,000,000 for fiscal year 2004 to carry out  
15          this subsection.”.

16          (d) INTEGRATED WORKFORCE TRAINING PROGRAMS  
17          FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—Sec-  
18          tion 171 (29 U.S.C. 2916), as amended by subsection (c),  
19          is further amended by adding at the end the following:

20          “(f) INTEGRATED WORKFORCE TRAINING PROGRAMS  
21          FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—

22                  “(1) DEFINITIONS.—In this subsection:

23                          “(A) INTEGRATED WORKFORCE TRAINING.—  
24                          The term ‘integrated workforce training’ means

1           *training that integrates occupational skills*  
2           *training with language acquisition.*

3           “(B) *SECRETARY.*—*The term ‘Secretary’*  
4           *means the Secretary of Labor in consultation*  
5           *with the Secretary of Education.*

6           “(2) *DEMONSTRATION PROJECT.*—*In accordance*  
7           *with subsection (b) and from funds appropriated pur-*  
8           *suant to paragraph (11), the Secretary shall establish*  
9           *and implement a national demonstration project de-*  
10          *signed to both analyze and provide data on workforce*  
11          *training programs that integrate English language*  
12          *acquisition and occupational training.*

13          “(3) *GRANTS.*—

14               “(A) *IN GENERAL.*—*In carrying out the*  
15               *demonstration project, the Secretary shall make*  
16               *not less than 10 grants, on a competitive basis,*  
17               *to eligible entities to provide the integrated work-*  
18               *force training programs. In awarding grants*  
19               *under this subsection the Secretary shall take*  
20               *into consideration awarding grants to eligible*  
21               *entities from diverse geographic areas, including*  
22               *rural areas.*

23               “(B) *PERIODS.*—*The Secretary shall make*  
24               *the grants for periods of not less than 24 months*  
25               *and not more than 48 months.*

1           “(4) *ELIGIBLE ENTITIES.*—

2                   “(A) *IN GENERAL.*—*To be eligible to receive*  
3 *a grant under this subsection, an eligible entity*  
4 *shall work in conjunction with a local board and*  
5 *shall include as a principal participant one or*  
6 *more of the following:*

7                           “(i) *An employer or employer associa-*  
8 *tion.*

9                           “(ii) *A nonprofit provider of English*  
10 *language instruction.*

11                           “(iii) *A provider of occupational or*  
12 *skills training.*

13                           “(iv) *A community-based organization.*

14                           “(v) *An educational institution, in-*  
15 *cluding a 2- or 4-year college, or a technical*  
16 *or vocational school.*

17                           “(vi) *A labor organization.*

18                           “(vii) *A local board.*

19                   “(B) *EXPERTISE.*—*To be eligible to receive*  
20 *a grant under this subsection, an eligible entity*  
21 *shall have proven expertise in—*

22                           “(i) *servicing individuals with limited*  
23 *English proficiency, including individuals*  
24 *with lower levels of oral and written*  
25 *English; and*

1           “(ii) *providing workforce programs*  
2           *with training and English language in-*  
3           *struction.*

4           “(5) *APPLICATIONS.—*

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

10          “(B) *CONTENTS.—Each application sub-*  
11          *mitted under subparagraph (A) shall—*

12                 “(i) *contain information, including ca-*  
13                 *pability statements, that demonstrates that*  
14                 *the eligible entity has the expertise described*  
15                 *in paragraph (4)(B); and*

16                 “(ii) *include an assurance that the*  
17                 *program to be assisted shall—*

18                         “(I) *establish a generalized adult*  
19                         *bilingual workforce training and edu-*  
20                         *cation model that integrates English*  
21                         *language acquisition and occupational*  
22                         *training, and incorporates the unique*  
23                         *linguistic and cultural factors of the*  
24                         *participants;*

1           “(II) establish a framework by  
2           which the employer, employee, and  
3           other relevant members of the eligible  
4           entity can create a career development  
5           and training plan that assists both the  
6           employer and the employee to meet  
7           their long-term needs;

8           “(III) ensure that the framework  
9           established under subclause (II) takes  
10          into consideration the knowledge, skills,  
11          and abilities of the employee with re-  
12          spect to both the current and economic  
13          conditions of the employer and future  
14          labor market conditions relevant to the  
15          local area; and

16          “(IV) establish identifiable meas-  
17          ures so that the progress of the em-  
18          ployee and employer and the relative  
19          efficacy of the program can be evalu-  
20          ated and best practices identified.

21                 “(6) *CRITERIA.*—The Secretary shall establish  
22                 criteria for awarding grants under this subsection.

23                 “(7) *INTEGRATED WORKFORCE TRAINING PRO-*  
24                 *GRAMS.*—

25                         “(A) *PROGRAM COMPONENTS.*—

1           “(i) *REQUIRED COMPONENTS.—Each*  
2 *program that receives funding under this*  
3 *subsection shall—*

4                   “(I) *test an individual’s English*  
5 *language proficiency levels to assess*  
6 *oral and literacy gains from the begin-*  
7 *ning and throughout program enroll-*  
8 *ment;*

9                   “(II) *combine training specific to*  
10 *a particular occupation or occupa-*  
11 *tional cluster, with—*

12                           “(aa) *English language in-*  
13 *struction, such as instruction*  
14 *through an English as a Second*  
15 *Language program, or an English*  
16 *for Speakers of Other Languages*  
17 *program;*

18                           “(bb) *basic skills instruction;*  
19 *and*

20                           “(cc) *supportive services;*

21                   “(III) *effectively integrate public*  
22 *and private sector entities, including*  
23 *the local workforce investment system*  
24 *and its functions, to achieve the goals*  
25 *of the program; and*

1                   “(IV) *require matching or in-kind*  
2                   *resources from private and nonprofit*  
3                   *entities.*

4                   “(i) *PERMISSIBLE COMPONENTS.—The*  
5                   *program may offer other services, as nec-*  
6                   *essary to promote successful participation*  
7                   *and completion, including work-based*  
8                   *learning, substance abuse treatment, and*  
9                   *mental health services.*

10                  “(B) *GOAL.—Each program that receives*  
11                  *funding under this subsection shall be designed*  
12                  *to prepare limited English proficient adults for,*  
13                  *and place such adults in employment in, grow-*  
14                  *ing industries with identifiable career ladder*  
15                  *paths.*

16                  “(C) *PROGRAM TYPES.—In selecting pro-*  
17                  *grams to receive funding under this subsection,*  
18                  *the Secretary shall select programs that meet 1*  
19                  *or more of the following criteria:*

20                         “(i) *A program that—*

21                                 “(I) *serves unemployed, limited*  
22                                 *English proficient individuals with*  
23                                 *significant work experience or substan-*  
24                                 *tial education but persistently low*  
25                                 *wages; and*

1           “(II) aims to prepare such indi-  
2           viduals for, and place such individuals  
3           in, higher paying employment, defined  
4           for purposes of this subparagraph as  
5           employment that provides at least 75  
6           percent of the median wage in the local  
7           area.

8           “(ii) A program that—

9           “(I) serves limited English pro-  
10          ficient individuals with lower levels of  
11          oral and written fluency, who are  
12          working but at persistently low wages;  
13          and

14          “(II) aims to prepare such indi-  
15          viduals for, and place such individuals  
16          in, higher paying employment, through  
17          services provided at the worksite, or at  
18          a location central to several work sites,  
19          during work hours.

20          “(iii) A program that—

21          “(I) serves unemployed, limited  
22          English proficient individuals with  
23          lower levels of oral and written flu-  
24          ency, who have little or no work expe-  
25          rience; and

1                   “(II) aims to prepare such indi-  
2                   viduals for, and place such individuals  
3                   in, employment through services that  
4                   include subsidized employment, in ad-  
5                   dition to the components required in  
6                   subparagraph (A)(i).

7                   “(iv) A program that includes funds  
8                   from private and nonprofit entities.

9                   “(D) PROGRAM APPROACHES.—In selecting  
10                  programs to receive funding under this sub-  
11                  section, the Secretary shall select programs with  
12                  different approaches to integrated workforce  
13                  training, in different contexts, in order to obtain  
14                  comparative data on multiple approaches to in-  
15                  tegrated workforce training and English lan-  
16                  guage instruction, to ensure programs are tai-  
17                  lored to characteristics of individuals with vary-  
18                  ing skill levels and to assess how different cur-  
19                  ricula work for limited English proficient popu-  
20                  lations. Such approaches may include—

21                  “(i) bilingual programs in which the  
22                  workplace language component and the  
23                  training are conducted in a combination of  
24                  an individual’s native language and  
25                  English;

1           “(ii) *integrated workforce training*  
2           *programs that combine basic skills, lan-*  
3           *guage instruction, and job specific skills*  
4           *training; or*

5           “(iii) *sequential programs that provide*  
6           *a progression of skills, language, and train-*  
7           *ing to ensure success upon an individual’s*  
8           *completion of the program.*

9           “(8) *EVALUATION BY ELIGIBLE ENTITY.—Each*  
10          *eligible entity that receives a grant under this sub-*  
11          *section for a program shall carry out a continuous*  
12          *program evaluation and an evaluation specific to the*  
13          *last phase of the program operations.*

14          “(9) *EVALUATION BY SECRETARY.—*

15               “(A) *IN GENERAL.—The Secretary shall*  
16               *conduct an evaluation of program impacts of the*  
17               *programs funded under the demonstration*  
18               *project, with a random assignment, experimental*  
19               *design impact study done at each worksite at*  
20               *which such a program is carried out.*

21               “(B) *DATA COLLECTION AND ANALYSIS.—*  
22               *The Secretary shall collect and analyze the data*  
23               *from the demonstration project to determine pro-*  
24               *gram effectiveness, including gains in language*

1           *proficiency, acquisition of skills, and job ad-*  
2           *vancement for program participants.*

3           “(C) *REPORT.*—*The Secretary shall prepare*  
4           *and submit to the Committee on Health, Edu-*  
5           *cation, Labor, and Pensions of the Senate and*  
6           *the Committee on Education and the Workforce*  
7           *of the House of Representatives, and make avail-*  
8           *able to the public, a report on the demonstration*  
9           *project, including the results of the evaluation.*

10          “(10) *TECHNICAL ASSISTANCE.*—*The Secretary*  
11          *shall provide technical assistance to recipients of*  
12          *grants under this subsection throughout the grant pe-*  
13          *riods.*

14          “(11) *AUTHORIZATION OF APPROPRIATIONS.*—*In*  
15          *addition to amounts authorized to be appropriated*  
16          *under section 174(b), there is authorized to be appro-*  
17          *priated \$10,000,000 for fiscal year 2004 to carry out*  
18          *this subsection.”.*

19       **SEC. 147. NATIONAL DISLOCATED WORKER GRANTS.**

20          (a) *IN GENERAL.*—*Section 173 (29 U.S.C. 2918) is*  
21          *amended—*

22                  (1) *by striking the heading and inserting the fol-*  
23          *lowing:*

24       **“SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.”;**

25          *and*

1           (2) *in subsection (a)—*

2                   (A) *by striking the matter preceding para-*  
3                   *graph (1) and inserting the following:*

4           “(a) *IN GENERAL.—The Secretary is authorized to*  
5           *award national dislocated worker grants—*”;

6                   (B) *in paragraph (1), by striking “sub-*  
7                   *section (c)” and inserting “subsection (b)”;*

8                   (C) *in paragraph (3), by striking “and”*  
9                   *after the semicolon; and*

10                  (D) *by striking paragraph (4) and insert-*  
11                  *ing the following:*

12                  “(4) *to a State or entity (as defined in sub-*  
13                  *section (b)(1)(B)) to carry out subsection (e), includ-*  
14                  *ing providing assistance to eligible individuals;*

15                  “(5) *to a State or entity (as defined in sub-*  
16                  *section (b)(1)(B)) to carry out subsection (f), includ-*  
17                  *ing providing assistance to eligible individuals;*

18                  “(6) *to provide additional assistance to a State*  
19                  *board or local board where a higher than average de-*  
20                  *mand for employment and training services for dis-*  
21                  *located members of the Armed Forces, or spouses, as*  
22                  *defined in section 101(9)(E), of members of the Armed*  
23                  *Forces as described in subsection (b)(2)(A)(iv), exceeds*  
24                  *State and local resources for providing such services,*  
25                  *and where such programs are to be carried out in*

1 *partnership with the Department of Defense and De-*  
2 *partment of Veterans Affairs transition assistance*  
3 *programs; and*

4 “(7) to provide assistance to a State for state-  
5 *wide or local use in order to—*

6 “(A) *address cases in which there have been*  
7 *worker dislocations across multiple sectors or*  
8 *across multiple local areas and such workers re-*  
9 *main dislocated;*

10 “(B) *coordinate the State plan described in*  
11 *section 112 with emerging economic development*  
12 *needs; and*

13 “(C) *train eligible individuals who are dis-*  
14 *located workers described in subparagraph (A).*

15 *The Secretary shall issue a final decision on an application*  
16 *for a national dislocated worker grant under this subsection*  
17 *not later than 60 calendar days after receipt of the applica-*  
18 *tion. The Secretary shall issue a notice of obligation for*  
19 *such a grant not later than 10 days after the award of the*  
20 *grant.”.*

21 (b) *ADMINISTRATION AND ADDITIONAL ASSISTANCE.—*

22 *Section 173 (29 U.S.C. 2918) is amended—*

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

24 (2) *by redesignating subsections (c) through (g)*  
25 *as subsections (b) through (f), respectively;*

1           (3) *by striking subsection (d) (as redesignated by*  
2 *paragraph (2)) and inserting the following:*

3           “(d) *ADDITIONAL ASSISTANCE.*—

4           “(1) *IN GENERAL.*—*From the amount appro-*  
5 *priated and made available to carry out this section*  
6 *for any program year, the Secretary shall use not*  
7 *more than \$20,000,000 to make grants to States to*  
8 *provide employment and training activities under*  
9 *section 134, in accordance with subtitle B.*

10           “(2) *ELIGIBLE STATES.*—*The Secretary shall*  
11 *make a grant under paragraph (1) to a State for a*  
12 *program year if—*

13           “(A) *the amount of the allotment that was*  
14 *made to the State for the program year 2003*  
15 *under the formula specified in section*  
16 *132(b)(1)(B) as such section was in effect on*  
17 *July 1, 2003, is greater than*

18           “(B) *the amount of the allotment that*  
19 *would be made to the State for the program year*  
20 *under the formula specified in section*  
21 *132(b)(1)(B).*

22           “(3) *AMOUNT OF GRANTS.*—*Subject to paragraph*  
23 *(1), the amount of the grant made under paragraph*  
24 *(1) to a State for a program year shall be based on*  
25 *the difference between—*

1           “(A) the amount of the allotment that was  
2           made to the State for the program year 2003  
3           under the formula specified in section  
4           132(b)(1)(B) as such section was in effect on  
5           July 1, 2003; and

6           “(B) the amount of the allotment that  
7           would be made to the State for the program year  
8           under the formula specified in section  
9           132(b)(1)(B).”;

10          (4) in subsection (e) (as redesignated by para-  
11          graph (2))—

12                 (A) in paragraph (1), by striking “para-  
13                 graph (4)(A)” and inserting “paragraph (4)”;

14                 (B) in paragraph (2), by striking “sub-  
15                 section (g)” and inserting “subsection (f)”;

16                 (C) in paragraph (4), by striking “sub-  
17                 section (g)” and inserting “subsection (f)”;

18                 (D) in paragraph (5), by striking “sub-  
19                 section (g)” and inserting “subsection (f)”;

20                 (E) in paragraph (6)—

21                         (i) by striking “subsection (g)” and in-  
22                         serting “subsection (f)”;

23                         (ii) by striking “subsection (c)(1)(B)”  
24                         and inserting “subsection (b)(1)(B)”;

1           (5) in subsection (f)(1) (as redesignated by para-  
2           graph (2))—

3                   (A) by striking “paragraph (4)(B)” and in-  
4                   serting “paragraph (4)”; and

5                   (B) by striking “subsection (f)(1)(A)” and  
6                   inserting “subsection (e)(1)(A)”.

7   **SEC. 148. AUTHORIZATION OF APPROPRIATIONS FOR NA-**  
8                   **TIONAL ACTIVITIES.**

9           (a) *IN GENERAL.*—Section 174(a)(1) (29 U.S.C.  
10 2919(a)(1)) is amended by striking “1999 through 2003”  
11 and inserting “2004 through 2009”.

12          (b) *RESERVATIONS.*—Section 174(b) (29 U.S.C.  
13 2919(b)) is amended to read as follows:

14           “(b) *TECHNICAL ASSISTANCE; DEMONSTRATION AND*  
15 *PILOT PROJECTS, EVALUATIONS, INCENTIVE GRANTS.*—  
16 *There are authorized to be appropriated to carry out sec-*  
17 *tions 170 through 172 and section 136(i) such sums as may*  
18 *be necessary for each of fiscal years 2004 through 2009.”.*

19                   **Subtitle E—Administration**

20   **SEC. 151. REQUIREMENTS AND RESTRICTIONS.**

21           Section 181(e) (29 U.S.C. 2931(e)) is amended by  
22 striking “economic development activities,”.

23   **SEC. 152. REPORTS.**

24           Section 185(c) (29 U.S.C. 2935(c)) is amended—

1           (1) *in paragraph (2), by striking “and” after the*  
2           *semicolon;*

3           (2) *in paragraph (3), by striking the period and*  
4           *inserting “; and”; and*

5           (3) *by adding at the end the following:*

6           “(4) *shall have the option to submit or dissemi-*  
7           *nate electronically any reports, records, plans, or any*  
8           *other data that are required to be collected or dissemi-*  
9           *nated under this title.”.*

10 **SEC. 153. ADMINISTRATIVE PROVISIONS.**

11           (a) *ANNUAL REPORT.*—*Section 189(d) (29 U.S.C.*  
12 *2939(d)) is amended—*

13           (1) *in paragraph (3), by striking “and” after the*  
14           *semicolon;*

15           (2) *by redesignating paragraph (4) as para-*  
16           *graph (5); and*

17           (3) *by inserting after paragraph (3) the fol-*  
18           *lowing:*

19           “(4) *the negotiated levels of performance of the*  
20           *States, the States’ requests for adjustments of such*  
21           *levels, and the adjustments of such levels that are*  
22           *made; and”.*

23           (b) *AVAILABILITY.*—*Section 189(g)(2) (29 U.S.C.*  
24 *2939(g)(2)) is amended, in the first sentence—*

1           (1) *by striking “Funds” and inserting “Except*  
 2 *as otherwise provided in this paragraph, funds”;* and

3           (2) *by striking “each State receiving” and in-*  
 4 *serting “each recipient of”.*

5           (c) *GENERAL WAIVERS.—Section 189(i)(4) (29 U.S.C.*  
 6 *2939(i)(4)) is amended—*

7           (1) *in subparagraph (A)(i), by inserting “the*  
 8 *funding of infrastructure costs for one-stop centers,”*  
 9 *after “local boards,”; and*

10           (2) *by adding at the end the following:*

11                   “(D) *EXPEDITED REQUESTS.—The Sec-*  
 12 *retary shall expedite requests for waivers of stat-*  
 13 *utory or regulatory requirements that have been*  
 14 *approved for a State pursuant to subparagraph*  
 15 *(B), if the requirements of this paragraph have*  
 16 *been satisfied.”.*

17 **SEC. 154. USE OF CERTAIN REAL PROPERTY.**

18           *Section 193 (29 U.S.C. 2943) is amended to read as*  
 19 *follows:*

20 **“SEC. 193. TRANSFER OF FEDERAL EQUITY IN STATE EM-**  
 21 **PLOYMENT SECURITY AGENCY REAL PROP-**  
 22 **ERTY TO THE STATES.**

23           “(a) *TRANSFER OF FEDERAL EQUITY.—Notwith-*  
 24 *standing any other provision of law, any Federal equity*  
 25 *acquired in real property through grants to States awarded*

1 *under title III of the Social Security Act (42 U.S.C. 501*  
2 *et seq.) or under the Wagner-Peyser Act is transferred to*  
3 *the States that used the grants for the acquisition of such*  
4 *equity. The portion of any real property that is attributable*  
5 *to the Federal equity transferred under this section shall*  
6 *be used to carry out activities authorized under title III*  
7 *of the Social Security Act or the Wagner-Peyser Act. Any*  
8 *disposition of such real property shall be carried out in ac-*  
9 *cordance with the procedures prescribed by the Secretary*  
10 *and the portion of the proceeds from the disposition of such*  
11 *real property that is attributable to the Federal equity*  
12 *transferred under this section shall be used to carry out ac-*  
13 *tivities authorized under title III of the Social Security Act*  
14 *or the Wagner-Peyser Act.*

15       “(b) *LIMITATION ON USE.*—*A State shall not use funds*  
16 *awarded under title III of the Social Security Act or the*  
17 *Wagner-Peyser Act to amortize the costs of real property*  
18 *that is purchased by any State on or after the effective date*  
19 *of this provision.*”.

20 **SEC. 155. TABLE OF CONTENTS.**

21       Section 1(b) (29 U.S.C. 9201 note) is amended—

22               (1) by striking the item relating to section 106  
23       and inserting the following:

“Sec. 106. Purposes.”;

1           (2) *by striking the item relating to section 123*  
2           *and inserting the following:*

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

3           (3) *by striking the item relating to section 169*  
4           *and inserting the following:*

“Sec. 169. Youth challenge grants.”;

5           (4) *by striking the item relating to section 173*  
6           *and inserting the following:*

“Sec. 173. National dislocated worker grants.”;

7           (5) *by striking the item relating to section 193*  
8           *and inserting the following:*

“Sec. 193. Transfer of Federal equity in State employment security agency real  
property to the States.”;

9           *and*

10           (6) *by inserting after the item relating to section*  
11           *243 the following:*

“Sec. 244. Integrated English literacy and civics education.”.

## 12           ***Subtitle F—Incentive Grants***

### 13           ***SEC. 161. INCENTIVE GRANTS.***

14           *Section 503 (20 U.S.C. 9273) is amended—*

15           (1) *by striking subsection (a) and inserting the*  
16           *following:*

17           “(a) *IN GENERAL.—*

18           “(1) *PRIOR TO JULY 1, 2005.—Prior to July 1,*  
19           *2005, the Secretary shall award a grant to each State*  
20           *in accordance with the provisions of this section as*  
21           *this section was in effect on July 1, 2003.*

1           “(2) *BEGINNING ON JULY 1, 2005.—Beginning on*  
2           *July 1, 2005, the Secretary shall award a grant to*  
3           *each State on the basis—*

4                   “(A) *of the State’s exceeding the State ad-*  
5                   *justed levels of performance for title I, the ad-*  
6                   *justed levels of performance for title II, and the*  
7                   *levels of performance for programs under the*  
8                   *Carl D. Perkins Vocational and Technical Edu-*  
9                   *cation Act of 1998 (20 U.S.C. 2301 et seq.), for*  
10                  *the purpose of carrying out an innovative pro-*  
11                  *gram consistent with the requirements of any*  
12                  *one or more of the programs within title I, title*  
13                  *II, or such Act, respectively;*

14                   “(B) *of exemplary performance of the States*  
15                   *in serving hard-to-serve populations (as defined*  
16                   *in section 101) (including performance relating*  
17                   *to the levels of service provided and the perform-*  
18                   *ance outcomes on such performance measures*  
19                   *with respect to the populations);*

20                   “(C) *of States that are effectively—*

21                           “(i) *coordinating multiple systems into*  
22                           *a more effective workforce investment sys-*  
23                           *tem, including coordination of employment*  
24                           *services under the Wagner-Peyser Act and*

1            *core activities under title I as well as part-*  
2            *ner programs described in section 121;*

3            *“(ii) expanding access to training, in-*  
4            *cluding through increased leveraging of re-*  
5            *sources other than those funded through pro-*  
6            *grams under title I; or*

7            *“(iii) implementing innovative busi-*  
8            *ness and economic development initiatives;*  
9            *or*

10           *“(D) of such other factors relating to the*  
11           *performance of the States under title I as the*  
12           *Secretary determines are appropriate.”; and*

13           *(2) in subsection (b)(2), by adding at the end the*  
14           *following:*

15           *“(D) USE OF FUNDS.—The funds awarded*  
16           *to a State under this section may be used to*  
17           *carry out any activities authorized for States*  
18           *under chapters 4 and 5 of subtitle B of title I,*  
19           *title II, and the Carl D. Perkins Vocational and*  
20           *Technical Education Act of 1998, including dem-*  
21           *onstration projects and innovative programs for*  
22           *hard-to-serve populations (as defined in section*  
23           *101).”.*

1 **TITLE II—AMENDMENTS TO THE**  
2 **ADULT EDUCATION AND FAM-**  
3 **ILY LITERACY ACT**

4 **SEC. 201. SHORT TITLE; PURPOSE.**

5 (a) *SHORT TITLE.*—This title may be cited as the  
6 “Adult Education and Family Literacy Act Amendments  
7 of 2003”.

8 (b) *PURPOSE.*—Section 202 of the Adult Education  
9 and Family Literacy Act (20 U.S.C. 9201) is amended—

10 (1) in paragraph (2), by striking “and” after the  
11 semicolon;

12 (2) in paragraph (3), by striking “education.”  
13 and inserting “education and in the transition to  
14 postsecondary education; and”; and

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

16 “(4) assist immigrants and other individuals  
17 with limited English proficiency in improving their  
18 reading, writing, speaking, and mathematics skills  
19 and acquiring an understanding of the American free  
20 enterprise system, individual freedom, and the re-  
21 sponsibilities of citizenship.”.

22 **SEC. 202. DEFINITIONS.**

23 Section 203 of the Adult Education and Family Lit-  
24 eracy Act (20 U.S.C. 9202) is amended—

25 (1) in paragraph (1)—

1           (A) in the matter preceding subparagraph  
2           (A), by striking “services or instruction below  
3           the postsecondary level” and inserting “academic  
4           instruction and education services below the  
5           postsecondary level that increase an individual’s  
6           ability to read, write, and speak in English and  
7           perform mathematics”; and

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

10                   “(i) are basic skills deficient as defined  
11                   in section 101;”;

12           (2) in paragraph (2), by striking “activities de-  
13           scribed in section 231(b)” and inserting “programs  
14           and services which include reading, writing, speaking,  
15           or mathematics skills, workplace literacy activities,  
16           family literacy activities, English language acquisi-  
17           tion activities, or other activities necessary for the at-  
18           tainment of a secondary school diploma or its State  
19           recognized equivalent”;

20           (3) in paragraph (5)—

21                   (A) by inserting “an organization that has  
22                   demonstrated effectiveness in providing adult  
23                   education, that may include” after “means”;

24                   (B) in subparagraph (B), by striking “of  
25                   demonstrated effectiveness”;

1           (C) in subparagraph (C), by striking “of  
2           demonstrated effectiveness”; and

3           (D) in subparagraph (I), by inserting “or  
4           coalition” after “consortium”;

5           (4) in paragraph (6)—

6           (A) by striking “LITERACY PROGRAM” and  
7           inserting “LANGUAGE ACQUISITION PROGRAM”;

8           (B) by striking “literacy program” and in-  
9           serting “language acquisition program”; and

10          (C) by inserting “reading, writing, and  
11          speaking” after “competence in”;

12          (5) by redesignating paragraphs (7) through (18)  
13          as paragraphs (8) through (19), respectively;

14          (6) by inserting after paragraph (6) the fol-  
15          lowing:

16               “(7) *ESSENTIAL COMPONENTS OF READING IN-*  
17               *STRUCTION.—The term ‘essential components of read-*  
18               *ing instruction’ has the meaning given the term in*  
19               *section 1208 of the Elementary and Secondary Edu-*  
20               *cation Act of 1965 (20 U.S.C. 6368).”;* and

21          (7) by striking paragraph (19), as redesignated  
22          by paragraph (4), and inserting the following:

23               “(19) *WORKPLACE LITERACY PROGRAM.—The*  
24               *term ‘workplace literacy program’ means an edu-*  
25               *cational program designed to improve the produc-*

1        *tivity of the workforce through the improvement of lit-*  
2        *eracy skills that is offered by an eligible provider in*  
3        *collaboration with an employer or an employee orga-*  
4        *nization at a workplace, at an off-site location, or in*  
5        *a simulated workplace environment.”.*

6        **SEC. 203. AUTHORIZATION OF APPROPRIATIONS.**

7        *Section 205 of the Adult Education and Family Lit-*  
8        *eracy Act (20 U.S.C. 9204) is amended—*

9                *(1) by striking “1999” and inserting “2004”;*

10        *and*

11                *(2) by striking “2003” and inserting “2009”.*

12        **SEC. 204. HOME SCHOOLS.**

13        *Section 204 of the Adult Education and Family Lit-*  
14        *eracy Act (20 U.S.C. 9203) is amended to read as follows:*

15        **“SEC. 204. HOME SCHOOLS.**

16                *“Nothing in this title shall be construed to affect home*  
17        *schools, whether a home school is treated as a home school*  
18        *or a private school under State law, or to compel a parent*  
19        *engaged in home schooling to participate in an English lit-*  
20        *eracy program, family literacy services, or adult edu-*  
21        *cation.”.*

22        **SEC. 205. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE**  
23                **AGENCIES; ALLOTMENTS.**

24        *Section 211 of the Adult Education and Family Lit-*  
25        *eracy Act (20 U.S.C. 9211) is amended—*

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

3           “(a) *RESERVATION OF FUNDS.—From the sum appro-*  
4           *priated under section 205 for a fiscal year, the Secretary—*

5           *“(1) shall reserve 1.5 percent to carry out section*  
6           *242, except that the amount so reserved shall not ex-*  
7           *ceed \$10,000,000;*

8           *“(2) shall reserve 1.5 percent to carry out section*  
9           *243 and subsection (f)(4), except that the amount so*  
10          *reserved shall not exceed \$8,000,000;*

11          *“(3) shall make available, to the Secretary of*  
12          *Labor, 1.72 percent for incentive grants under section*  
13          *136(i); and*

14          *“(4) shall reserve 12 percent of the amount that*  
15          *remains after reserving funds under paragraphs (1),*  
16          *(2) and (3) to carry out section 244.”;*

17          (2) *in subsection (c)(1)(B), by striking*  
18          *“\$250,000” and inserting “\$350,000”;*

19          (3) *by striking subsection (d) and inserting the*  
20          *following:*

21          “(d) *QUALIFYING ADULT.—For the purpose of sub-*  
22          *section (c)(2), the term ‘qualifying adult’ means an adult*  
23          *who—*

24          *“(1) is not less than 16 years of age;*

1           “(2) is beyond the age of compulsory school at-  
2           tendance under the law of the State or outlying area;

3           “(3) does not have a secondary school diploma or  
4           its recognized equivalent; and

5           “(4) is not enrolled in secondary school.”;

6           (4) in subsection (e)—

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

9                 “(2) AWARD BASIS.—The Secretary shall award  
10                 grants pursuant to paragraph (1) on a competitive  
11                 basis and pursuant to recommendations from the Pa-  
12                 cific Region Educational Laboratory in Honolulu,  
13                 Hawaii.”; and

14                 (B) in paragraph (3), by striking “shall”  
15                 and all that follows through the period and in-  
16                 serting “shall be eligible to receive a grant under  
17                 this title until the date when an agreement for  
18                 the extension of the United States education as-  
19                 sistance under the Compact of Free Association  
20                 for each of the Freely Associated States becomes  
21                 effective.”; and

22           (5) by striking subsection (f) and inserting the  
23           following:

24           “(f) HOLD-HARMLESS PROVISIONS.—

1           “(1) *IN GENERAL.*—*Notwithstanding subsection*  
2           *(c) and subject to paragraph (2), for fiscal year 2004*  
3           *and each succeeding fiscal year, no eligible agency*  
4           *shall receive an allotment under this section that is*  
5           *less than 90 percent of the allotment the eligible agen-*  
6           *cy received for the preceding fiscal year under this*  
7           *section.*

8           “(2) *100 PERCENT ALLOTMENT.*—*Notwith-*  
9           *standing paragraphs (1) and (2) of subsection (e), an*  
10           *eligible agency that receives only an initial allotment*  
11           *under subsection (c)(1) (and no additional allotment*  
12           *under subsection (c)(2)) shall receive an allotment*  
13           *under this section that is equal to 100 percent of the*  
14           *initial allotment under subsection (c)(1).*

15           “(3) *RATABLE REDUCTION.*—*If for any fiscal*  
16           *year the amount available for allotment under this*  
17           *subtitle is insufficient to satisfy the provisions of*  
18           *paragraphs (1) and (2), the Secretary shall ratably*  
19           *reduce the payments to all eligible agencies, as nec-*  
20           *essary.*

21           “(4) *ADDITIONAL ASSISTANCE.*—

22           “(A) *IN GENERAL.*—*From amounts reserved*  
23           *under subsection (a)(2), the Secretary shall make*  
24           *grants to eligible agencies described in subpara-*

1           *graph (B) to enable such agencies to provide ac-*  
2           *tivities authorized under chapter 2.*

3           “(B) *ELIGIBILITY.*—*An eligible agency is*  
4           *eligible to receive a grant under this paragraph*  
5           *for a fiscal year if the amount of the allotment*  
6           *such agency receives under this section for the*  
7           *fiscal year is less than the amount such agency*  
8           *would have received for the fiscal year if the al-*  
9           *lotment formula under this section as in effect on*  
10          *September 30, 2003, were in effect for such year.*

11          “(C) *AMOUNT OF GRANT.*—*The amount of a*  
12          *grant made to an eligible agency under this*  
13          *paragraph for a fiscal year shall be the difference*  
14          *between—*

15                 “(i) *the amount of the allotment such*  
16                 *agency would have received for the fiscal*  
17                 *year if the allotment formula under this sec-*  
18                 *tion as in effect on September 30, 2003,*  
19                 *were in effect for such year; and*

20                 “(ii) *the amount of the allotment such*  
21                 *agency receives under this section for the*  
22                 *fiscal year.”.*

23   **SEC. 206. PERFORMANCE ACCOUNTABILITY SYSTEM.**

24           *Section 212 of the Adult Education and Family Lit-*  
25    *eracy Act (20 U.S.C. 9212) is amended—*

1           (1) *in subsection (b)—*

2                 (A) *in paragraph (1)(A)(ii), by striking*  
3                 *“additional indicators of performance (if any)”*  
4                 *and inserting “employment performance indica-*  
5                 *tors”;*

6                 (B) *in paragraph (2)—*

7                     (i) *in subparagraph (A)—*

8                         (I) *in clause (i), by striking*  
9                         *“Demonstrated” and inserting “Meas-*  
10                         *urable”;*

11                         (II) *by striking clause (ii) and in-*  
12                         *serting the following:*

13                             *“(ii) Placement in, retention in, or*  
14                             *completion of, postsecondary education or*  
15                             *other training programs.”; and*

16                         (III) *in clause (iii), by inserting*  
17                         *“(including recognized alternative*  
18                         *standards for individuals with disabili-*  
19                         *ties)” after “equivalent”;*

20                         (ii) *by redesignating subparagraph (B)*  
21                         *as subparagraph (C);*

22                         (iii) *by inserting after subparagraph*  
23                         *(A), the following:*

24                             *“(B) EMPLOYMENT PERFORMANCE INDICA-*  
25                             *TORS.—An eligible agency shall identify in the*

1           *State plan individual participant employment*  
 2           *performance indicators, including entry into un-*  
 3           *subsidized employment, retention in unsub-*  
 4           *sidized employment, and career advancement.*  
 5           *The State workforce investment board shall assist*  
 6           *the eligible agency in obtaining and using quar-*  
 7           *terly wage records to collect data for such indica-*  
 8           *tors, consistent with applicable Federal and*  
 9           *State privacy laws.”;*

10                   *(iv) in subparagraph (C), as redesign-*  
 11                   *ated by clause (ii), by inserting “relevant”*  
 12                   *after “additional”; and*

13                   *(v) by adding at the end the following:*

14                   “(D) *INDICATORS FOR WORKPLACE LIT-*  
 15                   *ERACY PROGRAMS.—Special accountability*  
 16                   *measures may be negotiated for workplace lit-*  
 17                   *eracy programs.”; and*

18                   *(C) in paragraph (3)—*

19                   *(i) in subparagraph (A)—*

20                   *(I) in clause (i)(II), by striking*  
 21                   *“in performance” and inserting “the*  
 22                   *agency’s performance outcomes in an*  
 23                   *objective, quantifiable, and measurable*  
 24                   *form”;*

1           (ii) in clause (ii), by striking “3  
2           programs years” and inserting “2 pro-  
3           gram years”;

4           (III) in clause (iii), by striking  
5           “FIRST 3 YEARS” and inserting “FIRST  
6           2 YEARS”;

7           (IV) in clause (iii), by striking  
8           “first 3 program years” and inserting  
9           “first 2 program years”;

10          (V) in clause (v), by striking “4TH  
11          AND 5TH” and inserting “3RD AND  
12          4TH”;

13          (VI) in clause (v), by striking “to  
14          the fourth” and inserting “to the  
15          third”;

16          (VII) in clause (v), by striking  
17          “fourth and fifth” and inserting “third  
18          and fourth”; and

19          (VIII) in clause (vi), by striking  
20          “(II)” and inserting “(I)”;

21          (ii) in subparagraph (B)—

22               (I) by striking the heading and  
23               inserting “LEVELS OF EMPLOYMENT  
24               PERFORMANCE”;

1                   (II) by striking “may” and in-  
2                   serting “shall”; and

3                   (III) by striking “additional” and  
4                   inserting “employment”; and

5                   (iii) by adding at the end the fol-  
6                   lowing:

7                   “(C) *ALTERNATIVE ASSESSMENT SYS-*  
8                   *TEMS.—Eligible agencies may approve the use of*  
9                   *assessment systems that are not commercially*  
10                  *available standardized systems if such systems*  
11                  *meet the Standards for Educational and Psycho-*  
12                  *logical Testing issued by the Joint Committee on*  
13                  *Standards for Educational and Psychological*  
14                  *Testing of the American Educational Research*  
15                  *Association, the American Psychological Associa-*  
16                  *tion, and the National Council on Measurement*  
17                  *in Education.”;*

18                  (2) in subsection (c)—

19                   (A) in paragraph (1)—

20                   (i) by inserting “the Governor, the  
21                   State legislature, and the State workforce  
22                   investment board” after “Secretary”; and

23                   (ii) by striking “including” and all  
24                   that follows through the period and insert-  
25                   ing “including the following:

1           “(A) Information on the levels of perform-  
2           ance achieved by the eligible agency with respect  
3           to the core indicators of performance, and em-  
4           ployment performance indicators.

5           “(B) The number and type of each eligible  
6           provider that receives funding under such grant.

7           “(C) The number of enrollees 16 to 18 years  
8           of age who enrolled in adult education not later  
9           than 1 year after participating in secondary  
10          school education.”;

11          (B) in paragraph (2)(A), by inserting “eli-  
12          gible providers and” after “available to”; and

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

14          “(3) DATA ACCESS.—The report made available  
15          under paragraph (2) shall indicate which eligible  
16          agencies did not have access to State unemployment  
17          insurance wage data in measuring employment per-  
18          formance indicators.”; and

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

20          “(d) PROGRAM IMPROVEMENT.—

21                 “(1) IN GENERAL.—If the Secretary determines  
22                 that an eligible agency did not meet its adjusted levels  
23                 of performance for the core indicators of performance  
24                 described in subsection (b)(2)(A) for any program  
25                 year, the eligible agency shall—

1           “(A) *work with the Secretary to develop and*  
2           *implement a program improvement plan for the*  
3           *2 program years succeeding the program year in*  
4           *which the eligible agency did not meet its ad-*  
5           *justed levels of performance; and*

6           “(B) *revise its State plan under section*  
7           *224, if necessary, to reflect the changes agreed to*  
8           *in the program improvement plan.*

9           “(2) *FURTHER ASSISTANCE.—If, after the period*  
10          *described in paragraph (1)(A), the Secretary has pro-*  
11          *vided technical assistance to the eligible agency but*  
12          *determines that the eligible agency did not meet its*  
13          *adjusted levels of performance for the core indicators*  
14          *of performance described in subsection (b)(2)(A), the*  
15          *Secretary may require the eligible agency to make*  
16          *further revisions to the program improvement plan*  
17          *described in paragraph (1). Such further revisions*  
18          *shall be accompanied by further technical assistance*  
19          *from the Secretary.”.*

20   **SEC. 207. STATE ADMINISTRATION.**

21          *Section 221(1) of the Adult Education and Family*  
22          *Literacy Act (20 U.S.C. 9221(1)) is amended by striking*  
23          *“and implementation” and inserting “implementation, and*  
24          *monitoring”.*

1 **SEC. 208. STATE DISTRIBUTION OF FUNDS; MATCHING RE-**  
2 **QUIREMENT.**

3 *Section 222 of the Adult Education and Family Lit-*  
4 *eracy Act (20 U.S.C. 9222) is amended—*

5 *(1) in subsection (a)—*

6 *(A) in paragraph (1)—*

7 *(i) by striking “82.5” the first place*  
8 *such term appears and inserting “80”; and*

9 *(ii) by striking “the 82.5 percent” and*  
10 *inserting “such amount”;*

11 *(B) in paragraph (2), by striking “not more*  
12 *than 12.5 percent” and inserting “not more than*  
13 *15 percent”; and*

14 *(C) in paragraph (3), by striking “\$65,000”*  
15 *and inserting “\$75,000”; and*

16 *(2) in subsection (b)(1), by striking “equal to”*  
17 *and inserting “that is not less than”.*

18 **SEC. 209. STATE LEADERSHIP ACTIVITIES.**

19 *Section 223 of the Adult Education and Family Lit-*  
20 *eracy Act (20 U.S.C. 9223) is amended—*

21 *(1) in subsection (a)—*

22 *(A) in the matter preceding paragraph (1),*  
23 *by inserting “to develop or enhance the adult*  
24 *education system of the State” after “activities”;*

25 *(B) in paragraph (1), by striking “instruc-*  
26 *tion incorporating” and all that follows through*

1           *the period and inserting “instruction incor-*  
2           *porating the essential components of reading in-*  
3           *struction and instruction provided by volunteers*  
4           *or by personnel of a State or outlying area.”;*

5           (C) *in paragraph (2), by inserting “, in-*  
6           *cluding development and dissemination of in-*  
7           *structional and programmatic practices based on*  
8           *the most rigorous research available in reading,*  
9           *writing, speaking, mathematics, English lan-*  
10          *guage acquisition programs, distance learning*  
11          *and staff training” after “activities”;*

12          (D) *in paragraph (5), by striking “moni-*  
13          *toring and”;*

14          (E) *by striking paragraph (6) and inserting*  
15          *the following:*

16          “(6) *The development and implementation of*  
17          *technology applications, translation technology, or*  
18          *distance learning, including professional development*  
19          *to support the use of instructional technology.”; and*

20          (F) *by striking paragraph (7) through*  
21          *paragraph (11) and inserting the following:*

22          “(7) *Coordination with—*

23                 “(A) *other partners carrying out activities*  
24                 *authorized under this Act;*

1           “(B) existing support services, such as  
2           transportation, child care, mental health services,  
3           and other assistance designed to increase rates of  
4           enrollment in, and successful completion of adult  
5           education and literacy activities, for adults en-  
6           rolled in such activities.

7           “(8) Developing and disseminating curricula, in-  
8           cluding curricula incorporating the essential compo-  
9           nents of reading instruction as they relate to adults.

10           “(9) The provision of assistance to eligible pro-  
11           viders in developing, implementing, and reporting  
12           measurable progress in achieving the objectives of this  
13           subtitle.

14           “(10) The development and implementation of a  
15           system to assist in the transition from adult basic  
16           education to postsecondary education, including link-  
17           ages with postsecondary educational institutions.

18           “(11) Integration of literacy and English lan-  
19           guage instruction with occupational skill training,  
20           and promoting linkages with employers.

21           “(12) Activities to promote workplace literacy  
22           programs.

23           “(13) Activities to promote and complement local  
24           outreach initiatives described in section 243(b)(3)(F).

1           “(14) In cooperation with efforts funded under  
2           sections 242 and 243, the development of curriculum  
3           frameworks and rigorous content standards that—

4                   “(A) specify what adult learners should  
5                   know and be able to do in the areas of reading  
6                   and language arts, mathematics, and English  
7                   language acquisition; and

8                   “(B) take into consideration the following:

9                           “(i) State academic standards estab-  
10                           lished under section 1111(b) of the Elemen-  
11                           tary and Secondary Education Act of 1965.

12                           “(ii) The current adult skills and lit-  
13                           eracy assessments used in the State.

14                           “(iii) The core indicators of perform-  
15                           ance established under section 212(b)(2)(A).

16                           “(iv) Standards and academic require-  
17                           ments for enrollment in non-remedial, for-  
18                           credit, courses in State supported postsec-  
19                           ondary education institutions.

20                           “(v) Where appropriate, the basic and  
21                           literacy skill content of occupational and  
22                           industry skill standards widely used by  
23                           business and industry in the State.

24           “(15) In cooperation with efforts funded under  
25           sections 242 and 243, development and piloting of—

1           “(A) *new assessment tools and strategies*  
2           *that identify the needs and capture the gains of*  
3           *students at all levels, with particular emphasis*  
4           *on—*

5                     “(i) *students at the lowest achievement*  
6                     *level;*

7                     “(ii) *students who have limited*  
8                     *English proficiency; and*

9                     “(iii) *adults with learning disabilities;*  
10                    “(B) *options for improving teacher quality*  
11                    *and retention; and*

12                    “(C) *assistance in converting research into*  
13                    *practice.*

14                    “(16) *The development and implementation of*  
15                    *programs and services to meet the needs of adult*  
16                    *learners with learning disabilities or limited English*  
17                    *proficiency.*

18                    “(17) *Other activities of statewide significance*  
19                    *that promote the purpose of this title.”; and*

20                    (2) *in subsection (c), by striking “being State- or*  
21                    *outlying area-imposed” and inserting “being imposed*  
22                    *by the State or outlying area”.*

23 **SEC. 210. STATE PLAN.**

24            *Section 224 of the Adult Education and Family Lit-*  
25            *eracy Act (20 U.S.C. 9224) is amended—*

1           (1) *in subsection (a)—*

2                   (A) *by striking the heading and inserting*  
3           *“4-YEAR PLANS”; and*

4                   (B) *in paragraph (1), by striking “5” and*  
5           *inserting “4”;*

6           (2) *in subsection (b)—*

7                   (A) *in paragraph (1), by inserting “and the*  
8           *role of provider and cooperating agencies in pre-*  
9           *paring the assessment” after “serve”;*

10                   (B) *by striking paragraph (2) and inserting*  
11           *the following:*

12                   “*(2) a description of how the eligible agency will*  
13           *address the adult education and literacy needs identi-*  
14           *fied under paragraph (1) in each workforce develop-*  
15           *ment area of the State, using funds received under*  
16           *this subtitle, as well as other Federal, State, or local*  
17           *funds received in partnership with other agencies for*  
18           *the purpose of adult literacy as applicable;”;*

19                   (C) *in paragraph (3)—*

20                           (i) *by inserting “and measure” after*  
21           *“evaluate”;*

22                           (ii) *by inserting “and improvement”*  
23           *after “effectiveness”; and*

24                           (iii) *by striking “212” and inserting*  
25           *“212, including—*

1           “(A) how the eligible agency will evaluate  
2 and measure annually such effectiveness on a  
3 grant-by-grant basis; and

4           “(B) how the eligible agency—

5                 “(i) will hold eligible providers ac-  
6 countable regarding the progress of such  
7 providers in improving the academic  
8 achievement of participants in adult edu-  
9 cation programs under this subtitle and re-  
10 garding the core indicators of performance  
11 described in section 212(b)(2)(A); and

12                 “(ii) will use technical assistance,  
13 sanctions, and rewards (including alloca-  
14 tion of grant funds based on performance  
15 and termination of grant funds based on  
16 performance)”;

17           (D) in paragraph (4), by striking “will en-  
18 sure the improvement of” and inserting “im-  
19 proved”;

20           (E) by redesignating paragraphs (5)  
21 through (12) as paragraphs (6) through (13), re-  
22 spectively;

23           (F) by inserting after paragraph (4) the fol-  
24 lowing:

1           “(5) a description of how the eligible agency will  
2           improve teacher quality, the professional development  
3           of eligible providers, and instruction;”;

4           (G) in paragraph (6) (as redesignated by  
5           subparagraph (E)), by striking “who” and all  
6           that follows through the semicolon and inserting  
7           “that—

8           “(A) offers flexible schedules and coordinates  
9           with necessary Federal, State, and local support  
10          services (such as child care, transportation, men-  
11          tal health services, and case management) to en-  
12          able individuals, including individuals with dis-  
13          abilities or individuals with other special needs,  
14          to participate in adult education and literacy  
15          activities; and

16          “(B) attempts to coordinate with support  
17          services that are not provided under this subtitle  
18          prior to using funds for adult education and lit-  
19          eracy activities provided under this subtitle for  
20          support services;”;

21          (H) in paragraph (10) (as redesignated by  
22          subparagraph (E)), by striking “plan” and in-  
23          serting “plan, which process—

24          “(A) shall include the State Workforce In-  
25          vestment Board, the Governor, State officials

1           *representing public schools, community colleges,*  
2           *welfare agencies, agencies that provide services to*  
3           *individuals with disabilities, other State agencies*  
4           *that promote or operate adult education and lit-*  
5           *eracy activities, and direct providers of such*  
6           *adult literacy services;*

7           “(B) *may include consultation with the*  
8           *State agency for higher education, institutions*  
9           *responsible for professional development of adult*  
10           *education and literacy education program in-*  
11           *structors, institutions of higher education, rep-*  
12           *resentatives of business and industry, refugee as-*  
13           *sistance programs, and community-based organi-*  
14           *zations, as defined in section 101;”;*

15           (I) *in paragraph (11) (as redesignated by*  
16           *subparagraph (E))—*

17                   (i) *by inserting “assess potential popu-*  
18                   *lation needs and” after “will”;*

19                   (ii) *in subparagraph (A), by striking*  
20                   *“students” and inserting “individuals”;*

21                   (iii) *in subparagraph (C), by striking*  
22                   *“and” after the semicolon; and*

23                   (iv) *by adding at the end the following:*  
24                   *“(E) the unemployed; and*

1           “(F) those who are employed, but at levels  
2 below self-sufficiency, as defined in section 101.”;

3           (J) in paragraph (12) (as redesignated by  
4 subparagraph (E))—

5           (i) by inserting “and how the plan  
6 submitted under this subtitle is coordinated  
7 with the plan submitted by the State under  
8 title I” after “eligible agency”; and

9           (ii) by striking “and” after the semi-  
10 colon;

11           (K) in paragraph (13) (as redesignated by  
12 subparagraph (E)), by striking “231(c)(1).” and  
13 inserting “231(c)(1), including—

14           “(A) how the State will build the capacity  
15 of organizations that provide adult education  
16 and literacy activities; and

17           “(B) how the State will increase the partici-  
18 pation of business and industry in adult edu-  
19 cation and literacy activities;”;

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

21           “(14) a description of how the eligible agency  
22 will consult with any State agency responsible for  
23 postsecondary education to develop adult education  
24 programs and services (including academic skill de-  
25 velopment and support services) that prepare students

1       to enter postsecondary education upon completion of  
2       secondary school programs or their recognized equiva-  
3       lent;

4               “(15) a description of how the eligible agency  
5       will consult with the State agency responsible for  
6       workforce development to develop adult education pro-  
7       grams and services that are designed to prepare stu-  
8       dents to enter the workforce; and

9               “(16) a description of how the eligible agency  
10       will improve the professional development of eligible  
11       providers of adult education and literacy activities.”;

12               (3) in subsection (c), by adding at the end the  
13       following: “At the end of the first 2-year period of the  
14       4-year State plan, the eligible agency shall review  
15       and, as needed, revise the 4-year State plan.”; and

16               (4) in subsection (d)—

17                       (A) in paragraph (1), by inserting “, the  
18       chief State school officer, the State officer respon-  
19       sible for administering community and technical  
20       colleges, and the State Workforce Investment  
21       Board” after “Governor”; and

22                       (B) in paragraph (2), by striking “com-  
23       ments” and all that follows through the period  
24       and inserting “comments regarding the State  
25       plan by the Governor, the chief State school offi-

1           *cer, the State officer responsible for admin-*  
 2           *istering community and technical colleges, and*  
 3           *the State Workforce Investment Board, and any*  
 4           *revision to the State plan, are submitted to the*  
 5           *Secretary.”.*

6 **SEC. 211. PROGRAMS FOR CORRECTIONS EDUCATION AND**  
 7           **OTHER INSTITUTIONALIZED INDIVIDUALS.**

8           *Section 225 of the Adult Education and Family Lit-*  
 9           *eracy Act (20 U.S.C. 9225) is amended—*

10           *(1) in subsection (b)—*

11                   *(A) in paragraph (1), by striking “basic*  
 12                   *education” and inserting “adult education and*  
 13                   *literacy activities”;*

14                   *(B) in paragraph (2), by inserting “and”*  
 15                   *after the semicolon;*

16                   *(C) by striking paragraph (3); and*

17                   *(D) by redesignating paragraph (4) as*  
 18                   *paragraph (3); and*

19           *(2) in subsection (d), by striking “DEFINITION*  
 20           *OF CRIMINAL OFFENDER.—” and inserting “DEFINI-*  
 21           *TIONS.—In this section:”.*

22 **SEC. 212. GRANTS AND CONTRACTS FOR ELIGIBLE PRO-**  
 23           **VIDERS.**

24           *Section 231 of the Adult Education and Family Lit-*  
 25           *eracy Act (20 U.S.C. 9241) is amended—*

1           (1) *in subsection (b)—*

2                   (A) *in paragraph (1), by striking “work-*  
3 *place literacy services” and inserting “workplace*  
4 *literacy programs”; and*

5                   (B) *in paragraph (3), by striking “literacy”*  
6 *and inserting “language acquisition”;*

7           (2) *in subsection (e)—*

8                   (A) *in paragraph (1), by inserting “to be*  
9 *achieved annually on the core indicators of per-*  
10 *formance and employment performance indica-*  
11 *tors described in section 212(b)(2)” after “out-*  
12 *comes”;*

13                   (B) *by striking paragraph (3) and inserting*  
14 *the following:*

15                   “(3) *the commitment of the eligible provider to*  
16 *be responsive to local needs and to serve individuals*  
17 *in the community who were identified by the assess-*  
18 *ment as most in need of adult literacy services, in-*  
19 *cluding individuals who are low-income, have mini-*  
20 *mal literacy skills, have learning disabilities, or have*  
21 *limited English proficiency;”;*

22                   (C) *in paragraph (4)(B), by striking “,*  
23 *such as” and all that follows through the semi-*  
24 *colon and inserting “that include the essential*  
25 *components of reading instruction;”;*

1           (D) in paragraph (5), by striking “re-  
2           search” and inserting “the most rigorous re-  
3           search available”;

4           (E) in paragraph (7), by inserting “, when  
5           appropriate and based on the most rigorous re-  
6           search available,” after “real life contexts”;

7           (F) in paragraph (9), by inserting “edu-  
8           cation, job-training, and social service” after  
9           “other available”;

10          (G) in paragraph (10)—

11           (i) by inserting “coordination with  
12           Federal, State, and local” after “schedules  
13           and”; and

14           (ii) by striking “and transportation”  
15           and inserting “, transportation, mental  
16           health services, and case management”;

17          (H) in paragraph (11)—

18           (i) by inserting “measurable” after  
19           “report”;

20           (ii) by striking “eligible agency”;

21           (iii) by inserting “established by the el-  
22           igible agency” after “performance meas-  
23           ures”; and

24           (iv) by striking “and” after the semi-  
25           colon;

1           (I) in paragraph (12), by striking “literacy  
2           programs.” and inserting “language acquisition  
3           programs and civics education programs;”; and

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

5           “(13) the capacity of the eligible provider to  
6           produce information on performance results, includ-  
7           ing enrollments and measurable participant out-  
8           comes;

9           “(14) whether reading, writing, speaking, mathe-  
10          matics, and English language acquisition instruction  
11          provided by the eligible provider are based on the best  
12          practices derived from the most rigorous research  
13          available;

14          “(15) whether the eligible provider’s applications  
15          of technology and services to be provided are sufficient  
16          to increase the amount and quality of learning and  
17          lead to measurable learning gains within specified  
18          time periods; and

19          “(16) the capacity of the eligible provider to  
20          serve adult learners with learning disabilities.”.

21 **SEC. 213. LOCAL APPLICATION.**

22          Section 232 of the Adult Education and Family Lit-  
23          eracy Act (20 U.S.C. 9242) is amended—

24                 (1) in paragraph (1)—

1           (A) by inserting “consistent with the re-  
2           quirements of this subtitle” after “spent”; and

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

4           (2) in paragraph (2), by striking the period at  
5           the end and inserting “; and”; and

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

7           “(3) information that addresses each of the con-  
8           siderations required under section 231(e).”.

9   **SEC. 214. LOCAL ADMINISTRATIVE COST LIMITS.**

10        Section 233 of the Adult Education and Family Lit-  
11        eracy Act (20 U.S.C. 9243) is amended—

12           (1) in subsection (a)(2)—

13                (A) by inserting “and professional” after  
14                “personnel”; and

15                (B) by inserting “development of measur-  
16                able goals in reading, writing, and speaking the  
17                English language, and in mathematical com-  
18                putation,” after “development,”; and

19           (2) in subsection (b)—

20                (A) by inserting “and professional” after  
21                “personnel”; and

22                (B) by inserting “development of measur-  
23                able goals in reading, writing, and speaking the  
24                English language, and in mathematical com-  
25                putation,” after “development,”.

1 **SEC. 215. ADMINISTRATIVE PROVISIONS.**

2 *Section 241(b) of the Adult Education and Family*  
3 *Literacy Act (20 U.S.C. 9251(b)) is amended—*

4 *(1) in paragraph (1)(A)—*

5 *(A) by striking “adult education and lit-*  
6 *eracy activities” both places such terms appear*  
7 *and inserting “activities under this subtitle”;*  
8 *and*

9 *(B) by striking “was” and inserting*  
10 *“were”; and*

11 *(2) in paragraph (4)—*

12 *(A) by inserting “not more than” after*  
13 *“this subsection for”; and*

14 *(B) by striking “only”.*

15 **SEC. 216. NATIONAL INSTITUTE FOR LITERACY.**

16 *Section 242 of the Adult Education and Family Lit-*  
17 *eracy Act (20 U.S.C. 9252) is amended—*

18 *(1) in subsection (a)—*

19 *(A) in paragraph (1), by striking “literacy”*  
20 *and inserting “effective literacy programs for*  
21 *children, youth, adults, and families”;*

22 *(B) in paragraph (2), by inserting “and*  
23 *disseminates information on” after “coordi-*  
24 *nates”; and*

25 *(C) by striking paragraph (3)(A) and in-*  
26 *serting the following:*

1           “(A) coordinating and participating in the  
2           Federal effort to identify and disseminate infor-  
3           mation on literacy that is derived from scientif-  
4           ically based research, or the most rigorous re-  
5           search available and effective programs that  
6           serve children, youth, adults, and families; and”;  
7           (2) by striking subsection (b)(3) and inserting  
8           the following:

9           “(3) *RECOMMENDATIONS.*—The Interagency  
10          Group, in consultation with the National Institute for  
11          Literacy Advisory Board (in this section referred to  
12          as the ‘Board’) established under subsection (e), shall  
13          plan the goals of the Institute and the implementation  
14          of any programs to achieve the goals. The Board may  
15          also request a meeting of the Interagency Group to  
16          discuss any recommendations the Board may make.”;

17          (3) in subsection (c)—

18                  (A) in paragraph (1)—

19                          (i) in subparagraph (A)—

20                                  (I) by striking “to establish” and  
21                                  inserting “to maintain”;

22                                  (II) in clause (i), by striking  
23                                  “phonemic awareness, systematic  
24                                  phonics, fluency, and reading com-  
25                                  prehension” and inserting “the essen-

1 *tial components of reading instruc-*  
2 *tion”;*

3 *(III) in clause (iii), by striking*  
4 *“and” after the semicolon;*

5 *(IV) in clause (iv), by inserting*  
6 *“and” after the semicolon; and*

7 *(V) by adding at the end the fol-*  
8 *lowing:*

9 *“(v) a list of local adult education and*  
10 *literacy programs;”;*

11 *(ii) in subparagraph (C)—*

12 *(I) by striking “reliable and*  
13 *replicable research” and inserting “re-*  
14 *liable and replicable research as de-*  
15 *finied by the Institute of Education*  
16 *Sciences”; and*

17 *(II) by striking “especially with*  
18 *the Office of Educational Research and*  
19 *Improvement in the Department of*  
20 *Education,”;*

21 *(iii) in subparagraph (D), by striking*  
22 *“phonemic awareness, systematic phonics,*  
23 *fluency, and reading comprehension based*  
24 *on” and inserting “the essential components*  
25 *of reading instruction and”;*

1                   (iv) in subparagraph (H), by striking  
2                   “and” after the semicolon;

3                   (v) in subparagraph (I), by striking  
4                   the period at the end and inserting a semi-  
5                   colon; and

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

7                   “(J) to work cooperatively with the Depart-  
8                   ment of Education to assist States that are pur-  
9                   suing the implementation of standards-based  
10                  educational improvements for adults through the  
11                  dissemination of training, technical assistance,  
12                  and related support and through the development  
13                  and dissemination of related standards-based as-  
14                  sessment instruments; and

15                  “(K) to identify rigorous research on the ef-  
16                  fectiveness of instructional practices and organi-  
17                  zational strategies relating to literacy programs  
18                  on the acquisition of skills in reading, writing,  
19                  English acquisition, and mathematics.”; and

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

21                  “(3) COORDINATION.—In identifying the reliable  
22                  and replicable research the Institute will support, the  
23                  Institute shall use standards for research quality that  
24                  are consistent with those of the Institute of Education  
25                  Sciences.”;

1           (4) *in subsection (e)*—

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

3                   (i) *in clause (i), by striking “literacy*  
4                    *programs” and inserting “language acquisi-*  
5                    *tion programs”;*

6                   (ii) *in clause (ii), by striking “literacy*  
7                    *programs” and inserting “or have partici-*  
8                    *pated in or partnered with workplace lit-*  
9                    *eracy programs”;*

10                  (iii) *in clause (iv), by inserting “, in-*  
11                  *cluding adult literacy research” after “re-*  
12                  *search”;*

13                  (iv) *in clause (vi), by striking “and”*  
14                  *after the semicolon;*

15                  (v) *in clause (vii), by striking the pe-*  
16                  *riod at the end and inserting “; and”;* and

17                  (vi) *by adding at the end the following:*

18                    “(viii) *institutions of higher edu-*  
19                    *cation.”;*

20                (B) *in paragraph (2)*—

21                    (i) *in subparagraph (B), by striking*  
22                    *“and” after the semicolon;*

23                    (ii) *in subparagraph (C), by striking*  
24                    *the period at the end and inserting “; and”;*  
25                    *and*

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

3                   “(D) review the biennial report submitted to  
4                   Congress pursuant to subsection (k).”; and

5                   (C) in paragraph (5), by striking the second  
6                   sentence and inserting the following: “A rec-  
7                   ommendation of the Board may be passed only  
8                   by a majority of the Board’s members present at  
9                   a meeting for which there is a quorum.”; and  
10                  (5) in subsection (k)—

11                  (A) by striking “Labor and Human Re-  
12                  sources” and inserting “Health, Education,  
13                  Labor, and Pensions”; and

14                  (B) by striking “The Institute shall submit  
15                  a report biennially to” and inserting “Not later  
16                  than 1 year after the date of enactment of the  
17                  Adult Education and Family Literacy Act  
18                  Amendments of 2003, and biennially thereafter,  
19                  the Institute shall submit a report to”.

20 **SEC. 217. NATIONAL LEADERSHIP ACTIVITIES.**

21                  Section 243 of the Adult Education and Family Lit-  
22                  eracy Act (20 U.S.C. 9253) is amended to read as follows:

23 **“SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.**

24                  “(a) *IN GENERAL.*—The Secretary shall establish and  
25                  carry out a program of national leadership activities to en-

1 *hance the quality of adult education and literacy programs*  
2 *nationwide.*

3       “(b) *PERMISSIVE ACTIVITIES.*—*The national leader-*  
4 *ship activities described in subsection (a) may include the*  
5 *following:*

6               “(1) *Technical assistance, including—*

7                       “(A) *assistance provided to eligible pro-*  
8 *viders in developing and using performance*  
9 *measures for the improvement of adult education*  
10 *and literacy activities, including family literacy*  
11 *services;*

12                       “(B) *assistance related to professional devel-*  
13 *opment activities, and assistance for the pur-*  
14 *poses of developing, improving, identifying, and*  
15 *disseminating the most successful methods and*  
16 *techniques for providing adult education and lit-*  
17 *eracy activities, including family literacy serv-*  
18 *ices, based on scientific evidence where available;*

19                       “(C) *assistance in distance learning and*  
20 *promoting and improving the use of technology*  
21 *in the classroom;*

22                       “(D) *assistance in developing valid, meas-*  
23 *urable, and reliable performance data, including*  
24 *data around employment and employment out-*  
25 *come, and using performance information for the*

1           *improvement of adult education and literacy*  
2           *programs; and*

3                   “(E) assistance to help States, particularly  
4           *low-performing States, meet the requirements of*  
5           *section 212.*

6                   “(2) A program of grants, contracts, or coopera-  
7           *tive agreements awarded on a competitive basis to na-*  
8           *tional, regional, or local networks of private nonprofit*  
9           *organizations, public libraries, or institutions of high-*  
10          *er education to build the capacity of such networks’*  
11          *members to meet the performance requirements of eli-*  
12          *gible providers under this title and involve adult*  
13          *learners in program improvement.*

14                  “(3) Funding national leadership activities that  
15          *are not described in paragraph (1), either directly or*  
16          *through grants, contracts, or cooperative agreements*  
17          *awarded on a competitive basis to or with postsec-*  
18          *ondary educational institutions, public or private or-*  
19          *ganizations or agencies, or consortia of such institu-*  
20          *tions, organizations, or agencies, such as—*

21                         “(A) developing, improving, and identifying  
22           *the most successful methods and techniques for*  
23           *addressing the education needs of adults, includ-*  
24           *ing instructional practices using the essential*  
25           *components of reading instruction based on the*

1           *work of the National Institute of Child Health*  
2           *and Human Development;*

3           “(B) *increasing the effectiveness of, and im-*  
4           *proving the quality of, adult education and lit-*  
5           *eracy activities, including family literacy serv-*  
6           *ices;*

7           “(C) *carrying out research on national lit-*  
8           *eracy basic skill acquisition for adult learning,*  
9           *including estimating the number of adults func-*  
10          *tioning at the lowest levels of literacy pro-*  
11          *ficiency;*

12          “(D)(i) *carrying out demonstration pro-*  
13          *grams;*

14          “(i) *disseminating best practices informa-*  
15          *tion, including information regarding promising*  
16          *practices resulting from federally funded dem-*  
17          *onstration programs; and*

18          “(iii) *developing and replicating best prac-*  
19          *tices and innovative programs, including—*

20                 “(I) *the development of models for*  
21                 *basic skill certificates;*

22                 “(II) *the identification of effective*  
23                 *strategies for working with adults with*  
24                 *learning disabilities and with adults with*  
25                 *limited English proficiency;*

1                   “(III) *integrated basic and workplace*  
2                   *skills education programs;*

3                   “(IV) *coordinated literacy and employ-*  
4                   *ment services; and*

5                   “(V) *postsecondary education transi-*  
6                   *tion programs;*

7                   “(E) *providing for the conduct of an inde-*  
8                   *pendent evaluation and assessment of adult edu-*  
9                   *cation and literacy activities through studies*  
10                  *and analyses conducted independently through*  
11                  *grants and contracts awarded on a competitive*  
12                  *basis, which evaluation and assessment shall in-*  
13                  *clude descriptions of—*

14                   “(i) *the effect of performance measures*  
15                   *and other measures of accountability on the*  
16                   *delivery of adult education and literacy ac-*  
17                   *tivities, including family literacy services;*

18                   “(ii) *the extent to which the adult edu-*  
19                   *cation and literacy activities, including*  
20                   *family literacy services, increase the lit-*  
21                   *eracy skills of adults (and of children, in*  
22                   *the case of family literacy services), lead the*  
23                   *participants in such activities to involve-*  
24                   *ment in further education and training, en-*  
25                   *hance the employment and earnings of such*

1            *participants, and, if applicable, lead to*  
2            *other positive outcomes, such as reductions*  
3            *in recidivism in the case of prison-based*  
4            *adult education and literacy activities;*

5            *“(iii) the extent to which the provision*  
6            *of support services to adults enrolled in*  
7            *adult education and family literacy pro-*  
8            *grams increase the rate of enrollment in,*  
9            *and successful completion of, such pro-*  
10           *grams; and*

11           *“(iv) the extent to which different types*  
12           *of providers measurably improve the skills*  
13           *of participants in adult education and lit-*  
14           *eracy programs;*

15           *“(F) supporting efforts aimed at capacity*  
16           *building of programs at the State and local levels*  
17           *such as technical assistance in program plan-*  
18           *ning, assessment, evaluation, and monitoring of*  
19           *activities carried out under this subtitle;*

20           *“(G) collecting data, such as data regarding*  
21           *the improvement of both local and State data*  
22           *systems, through technical assistance and devel-*  
23           *opment of model performance data collection sys-*  
24           *tems;*

1           “(H) supporting the development of an enti-  
2           ty that would produce and distribute technology-  
3           based programs and materials for adult edu-  
4           cation and literacy programs using an inter-  
5           connection system (as defined in section 397 of  
6           the Communications Act of 1934 (47 U.S.C.  
7           397)) and expand the effective outreach and use  
8           of such programs and materials to adult edu-  
9           cation eligible providers;

10           “(I) determining how participation in  
11           adult education and literacy activities prepares  
12           individuals for entry into postsecondary edu-  
13           cation and employment and, in the case of pris-  
14           on-based services, has an effect on recidivism;  
15           and

16           “(J) other activities designed to enhance the  
17           quality of adult education and literacy activities  
18           nationwide.”.

19 **SEC. 218. INTEGRATED ENGLISH LITERACY AND CIVICS**  
20 **EDUCATION.**

21           Chapter 4 of subtitle A of title II (29 U.S.C. 9251 et  
22 seq.) is amended by adding at the end the following:

1 **“SEC. 244. INTEGRATED ENGLISH LITERACY AND CIVICS**  
2 **EDUCATION.**

3 “(a) *IN GENERAL.*—*From funds made available under*  
4 *section 211(a)(4) for each fiscal year the Secretary shall*  
5 *award grants to States, from allotments under subsection*  
6 *(b), for integrated English literacy and civics education.*

7 “(b) *ALLOTMENT.*—

8 “(1) *IN GENERAL.*—*Subject to paragraph (2),*  
9 *from amounts made available under section 211(a)(4)*  
10 *for a fiscal year the Secretary shall allocate—*

11 “(A) *65 percent to the States on the basis*  
12 *of a State’s need for integrated English literacy*  
13 *and civics education as determined by calcu-*  
14 *lating each State’s share of a 10-year average of*  
15 *the Immigration and Naturalization Service*  
16 *data for immigrants admitted for legal perma-*  
17 *nent residence for the 10 most recent years; and*

18 “(B) *35 percent to the States on the basis*  
19 *of whether the State experienced growth as meas-*  
20 *ured by the average of the 3 most recent years*  
21 *for which Immigration and Naturalization Serv-*  
22 *ice data for immigrants admitted for legal per-*  
23 *manent residence are available.*

24 “(2) *MINIMUM.*—*No State shall receive an allot-*  
25 *ment under paragraph (1) in an amount that is less*  
26 *than \$60,000.”.*

1 **SEC. 219. TRANSITION.**

2 *The Secretary shall take such steps as the Secretary*  
3 *determines to be appropriate to provide for the orderly tran-*  
4 *sition to the authority of the Adult Education and Family*  
5 *Literacy Act (as amended by this title) from any authority*  
6 *under provisions of the Adult Education and Family Lit-*  
7 *eracy Act (as such Act was in effect on the day before the*  
8 *date of enactment of the Adult Education and Family Lit-*  
9 *eracy Act Amendments of 2003.*

10 **TITLE III—AMENDMENTS TO**  
11 **OTHER PROVISIONS OF LAW**

12 **SEC. 301. WAGNER-PEYSER ACT.**

13 *(a) CONFORMING AMENDMENT.—Section 2(3) of the*  
14 *Wagner-Peyser Act (29 U.S.C. 49a(3)) is amended by strik-*  
15 *ing “section 134(c)” and inserting “section 121(e)”.*

16 *(b) COLOCATION.—Section 3 of the Wagner-Peyser Act*  
17 *(29 U.S.C. 49b) is amended by adding at the end the fol-*  
18 *lowing:*

19 *“(d) In order to avoid duplication of services and en-*  
20 *hance integration of services, employment services offices in*  
21 *each State shall be colocated with comprehensive one-stop*  
22 *centers established under title I of the Workforce Investment*  
23 *Act of 1998.”.*

24 *(c) COOPERATIVE STATISTICAL PROGRAM.—Section*  
25 *14 of the Wagner-Peyser Act (29 U.S.C. 49l–1) is amended*

1 *by striking the section heading and all that follows through*  
2 *“There” and inserting the following:*

3 **“SEC. 14. COOPERATIVE STATISTICAL PROGRAM.**

4 *“There”.*

5 *(d) WORKFORCE AND LABOR MARKET INFORMATION*  
6 *SYSTEM.—Section 15 of the Wagner-Peyser Act (29 U.S.C.*  
7 *49l-2) is amended—*

8 *(1) by striking the section heading and inserting*  
9 *the following:*

10 **“SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION**  
11 **SYSTEM.”;**

12 *(2) by striking “employment statistics system”*  
13 *each place it appears and inserting “workforce and*  
14 *labor market information system”;*

15 *(3) in subsection (a)(1), by striking “of employ-*  
16 *ment statistics”;*

17 *(4) in subsection (b)(2)(E)—*

18 *(A) in clause (i), by adding “and” at the*  
19 *end;*

20 *(B) in clause (ii), by striking “; and” and*  
21 *inserting a period; and*

22 *(C) by striking clause (iii);*

23 *(5) by striking subsections (c) and (d) and in-*  
24 *serting the following:*

1       “(c) *NATIONAL ELECTRONIC TOOLS TO PROVIDE*  
2 *SERVICES.*—*The Secretary, in consultation with States, is*  
3 *authorized to assist in the development of national elec-*  
4 *tronic tools that may be used to improve access to workforce*  
5 *information for individuals through—*

6               “(1) *the one-stop delivery systems established*  
7 *under section 121(e); and*

8               “(2) *such other delivery systems as the Secretary*  
9 *determines to be appropriate.*

10       “(d) *TWO-YEAR PLAN.*—*The Secretary, working*  
11 *through the Bureau of Labor Statistics, and in cooperation*  
12 *with the States and with the assistance of the Employment*  
13 *and Training Administration and other appropriate Fed-*  
14 *eral agencies, shall prepare a 2-year plan which shall be*  
15 *the mechanism for achieving cooperative management of the*  
16 *nationwide workforce and labor market information system*  
17 *described in subsection (a) and the statewide workforce and*  
18 *labor market information systems that comprise the nation-*  
19 *wide system. The plan shall—*

20               “(1) *describe the steps to be taken in the fol-*  
21 *lowing 2 years to carry out the duties described in*  
22 *subsection (b)(2);*

23               “(2) *evaluate the performance of the system and*  
24 *recommend needed improvements, with particular at-*

1        *tention to the improvements needed at the State and*  
2        *local levels; and*

3            *“(3) describe the involvement of States in the de-*  
4        *velopment of the plan, pursuant to a process estab-*  
5        *lished by the Secretary in cooperation with the States*  
6        *in accordance with subsection (i).”;*

7            *(6) in subsection (e)(2)—*

8            *(A) in subparagraph (G), by adding “and”*  
9        *at the end;*

10          *(B) by striking subparagraph (H); and*

11          *(C) by redesignating subparagraph (I) as*  
12        *subparagraph (H);*

13          *(7) in subsection (g), by striking “1999 through*  
14        *2004” and inserting “2004 through 2009 to enable the*  
15        *Secretary to carry out the provisions of this section*  
16        *in a timely manner through grants or cooperative*  
17        *agreements with the States”;*

18          *(8) in subsection (g)—*

19          *(A) by striking “There are” and inserting*  
20        *the following:*

21          *“(1) IN GENERAL.—There are”;* and

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

23          *“(2) DISTRIBUTION OF FUNDS.—With regard to*  
24        *distributing funds appropriated under paragraph (1)*  
25        *(relating to workforce and labor market information*

1       *funding) for fiscal years 2004 through 2009, the Sec-*  
 2       *retary shall continue to distribute the funds to the*  
 3       *States in the manner in which the Secretary distrib-*  
 4       *uted funds to the States under this section for fiscal*  
 5       *years 1999 through 2003.”; and*

6               *(9) by adding at the end the following:*

7       “(i) *COORDINATION WITH THE STATES.—The Sec-*  
 8       *retary, working through the Bureau of Labor Statistics and*  
 9       *in coordination with the Employment and Training Ad-*  
 10       *ministration, shall consult at least annually with represent-*  
 11       *atives of each of the 10 Federal regions of the Department*  
 12       *of Labor, elected (pursuant to a process established by the*  
 13       *Secretary) by and from the State workforce and labor mar-*  
 14       *ket information directors affiliated with the State agencies*  
 15       *that perform the duties described in subsection (e)(2).”.*

16       ***TITLE IV—REHABILITATION ACT***  
 17                       ***AMENDMENTS***

18       ***SEC. 401. SHORT TITLE.***

19       *This title may be cited as the “Rehabilitation Act*  
 20       *Amendments of 2003”.*

21       ***SEC. 402. TECHNICAL AMENDMENTS TO TABLE OF CON-***  
 22                       ***TENTS.***

23       *(a) INCENTIVE GRANTS.—Section 1(b) of the Rehabili-*  
 24       *tation Act of 1973 (29 U.S.C. 701 note) is amended by in-*  
 25       *serting after the item relating to section 112 the following:*

      “Sec. 113. *Incentive grants.*”.

1           (b) *INDEPENDENT LIVING SERVICES FOR OLDER INDI-*  
 2 *VIDUALS WHO ARE BLIND.*—Section 1(b) of the *Rehabilita-*  
 3 *tion Act of 1973* (29 U.S.C. 701 note) is amended by *striking*  
 4 *the items relating to sections 752 and 753 and inserting*  
 5 *the following:*

          “Sec. 752. *Training and technical assistance.*

          “Sec. 753. *Program of grants.*

          “Sec. 754. *Authorization of appropriations.*”.

6 **SEC. 403. PURPOSE.**

7           Section 2(b) of the *Rehabilitation Act of 1973* (29  
 8 *U.S.C. 701(b)*) is amended—

9           (1) *in paragraph (1)(F), by striking “and” after*  
 10 *the semicolon;*

11           (2) *in paragraph (2), by striking the period at*  
 12 *the end and inserting “; and”; and*

13           (3) *by adding at the end the following:*

14           “(3) *to provide opportunities for employers and*  
 15 *rehabilitation service providers to provide meaningful*  
 16 *input at all levels of government to ensure successful*  
 17 *employment of individuals with disabilities.*”.

18 **SEC. 404. DEFINITIONS.**

19           Section 7 of the *Rehabilitation Act of 1973* (29 U.S.C.  
 20 *705)* is amended—

21           (1) *in paragraph (2)(B)—*

22           (A) *in the matter preceding clause (i), by*  
 23 *inserting “and literacy services” after “sup-*  
 24 *ported employment”; and*

1           (B) in clause (iii), by inserting “and lit-  
2           eracy skills” after “educational achievements”;

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

5           “(7) CONSUMER ORGANIZATION.—The term ‘con-  
6           sumer organization’ means a membership organiza-  
7           tion in which a majority of the organization’s mem-  
8           bers and a majority of the organization’s officers are  
9           individuals with disabilities.”;

10          (3) in paragraph (17)—

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

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

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

16                       “(E) maintaining individuals with signifi-  
17                       cant disabilities in, or transitioning individuals  
18                       with significant disabilities to, community-based  
19                       living.”;

20          (4) by redesignating paragraphs (24) through  
21          (28), (29) through (34), and (35) through (39), as  
22          paragraphs (25) through (29), (31) through (36), and  
23          (38) through (42), respectively;

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

1           “(24) *LITERACY*.—The term ‘literacy’ has the  
2           meaning given the term in section 203 of the Adult  
3           Education and Family Literacy Act (20 U.S.C.  
4           9202).”;

5           (6) by inserting after paragraph (29), as redesign-  
6           ated by paragraph (4), the following:

7           “(30) *POST-EMPLOYMENT SERVICE*.—The term  
8           ‘post-employment’ service means a service identified  
9           in section 103(a) that is—

10           “(A) provided subsequent to the achievement  
11           of an employment outcome; and

12           “(B) necessary for an individual to main-  
13           tain, regain, or advance in employment, con-  
14           sistent with the individual’s strengths, resources,  
15           priorities, concerns, abilities, capabilities, inter-  
16           ests, and informed choice.”;

17           (7) by inserting after paragraph (36), as redesign-  
18           ated by paragraph (4), the following:

19           “(37) *STUDENT WITH A DISABILITY*.—

20           “(A) *IN GENERAL*.—The term ‘student with  
21           a disability’ means an individual with a dis-  
22           ability who attends an elementary school or sec-  
23           ondary school and who—

24           “(i) is not younger than 14 years of  
25           age;

1                   “(ii) is not older than 21 years of age;

2                   “(iii) has been determined to be eligible  
3                   under section 102(a) for assistance under  
4                   title I; and

5                   “(iv)(I) is eligible for, and receiving,  
6                   special education and related services under  
7                   part B of the Individuals with Disabilities  
8                   Education Act (20 U.S.C. 1411 et seq.); or

9                   “(II) is an individual with a dis-  
10                  ability, for purposes of section 504.

11                  “(B) STUDENTS WITH DISABILITIES.—The  
12                  term ‘students with disabilities’ means more  
13                  than 1 student with a disability.”; and

14                  (8) in paragraph (38)(A)(ii), as redesignated by  
15                  paragraph (4), by striking “paragraph (36)(C)” and  
16                  inserting “paragraph (39)(C)”.

17 **SEC. 405. ADMINISTRATION OF THE ACT.**

18                  Section 12(a)(1) of the Rehabilitation Act of 1973 (29  
19 U.S.C. 709(a)(1)) is amended—

20                  (1) by inserting “(A)” after “(1)”;

21                  (2) by striking the semicolon and inserting “;  
22                  and”; and

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

1           “(B) provide technical assistance to the des-  
2           ignated State units on developing successful partner-  
3           ships with employers;”.

4 **SEC. 406. CARRYOVER.**

5           Section 19 of the Rehabilitation Act of 1973 (29 U.S.C.  
6 716) is amended—

7           (1) in subsection (a)(1)—

8                   (A) by striking “, section 509 (except as  
9                   provided in section 509(b))”;

10                   (B) by striking “or (C)”; and

11                   (C) by striking “752(b)” and inserting  
12                   “753(b)”; and

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

14           “(c) *PROTECTION AND ADVOCACY OF INDIVIDUAL*  
15 *RIGHTS.*—

16                   “(1) *APPROPRIATED AMOUNTS.*—Notwith-  
17                   standing any other provision of law, any funds ap-  
18                   propriated for a fiscal year to carry out a grant pro-  
19                   gram under section 509 (except as provided in section  
20                   509(b)), including any funds reallocated under such  
21                   grant program, that are not obligated and expended  
22                   by recipients prior to the beginning of the succeeding  
23                   fiscal year shall remain available for obligation and  
24                   expenditure by such recipients during such succeeding  
25                   fiscal year.

1           “(2) *PROGRAM INCOME*.—Notwithstanding any  
 2           other provision of law, any amounts of program in-  
 3           come received by recipients under a grant program  
 4           under section 509 in a fiscal year that are not obli-  
 5           gated and expended by recipients prior to the begin-  
 6           ning of the succeeding fiscal year, shall remain avail-  
 7           able until expended.”.

8                           ***Subtitle A—Vocational***  
 9                           ***Rehabilitation Services***

10 ***SEC. 411. DECLARATION OF POLICY; AUTHORIZATION OF***  
 11 ***APPROPRIATIONS.***

12           Section 100(b)(1) of the Rehabilitation Act of 1973 (29  
 13 U.S.C. 720(b)(1)) is amended by striking “fiscal years 1999  
 14 through 2003” and inserting “fiscal years 2004 through  
 15 2009”.

16 ***SEC. 412. STATE PLANS.***

17           Section 101(a) of the Rehabilitation Act of 1973 (29  
 18 U.S.C. 721(a)) is amended—

19                   (1) in paragraph (6)(B), by striking “to employ  
 20                   and advance in employment” and inserting “to re-  
 21                   cruit, employ, and advance in employment”;

22                   (2) in paragraph (7)(A)(v), by striking subclause  
 23                   (I) and inserting the following:

24   “(I) a system for the continuing  
 25   education of rehabilitation profes-

1                   sionals and paraprofessionals within  
2                   the designated State unit, particularly  
3                   with respect to rehabilitation tech-  
4                   nology, including training imple-  
5                   mented in coordination with State pro-  
6                   grams carried out under section 101 of  
7                   the Assistive Technology Act of 1998  
8                   (29 U.S.C. 3011); and”;

9                   (3) in paragraph (8)(A), by adding at the end  
10                  the following:

11                   “(iii) *SERVICES IDENTIFIED IN INDI-*  
12                   *VIDUALIZED WORK PLAN.—For purposes of*  
13                   *clause (i), for an individual who receives*  
14                   *assistance under the Ticket to Work and*  
15                   *Self-Sufficiency Program established under*  
16                   *section 1148 of the Social Security Act (42*  
17                   *U.S.C. 1320b–19), comparable benefits and*  
18                   *services available under such program only*  
19                   *include those benefits and services identified*  
20                   *in the individual’s individualized work*  
21                   *plan developed by an employment network*  
22                   *pursuant to such section.”;*

23                  (4) in paragraph (10)—

24                   (A) in subparagraph (B), by striking “an-  
25                   nual reporting on the eligible individuals receiv-

1            *ing the services, on those specific data elements*  
2            *described in section 136(d)(2) of the Workforce*  
3            *Investment Act of 1998” and inserting “annual*  
4            *reporting of information on eligible individuals*  
5            *receiving services that is needed to assess per-*  
6            *formance on the core indicators of performance*  
7            *described in section 136(b)(2)(A)(i) of the Work-*  
8            *force Investment Act of 1998”;*

9            *(B) in subparagraph (C), by striking*  
10           *clauses (iii) and (iv) and inserting the following:*

11           *“(iii) the number of applicants and el-*  
12           *igible recipients, including the number of*  
13           *individuals with significant disabilities,*  
14           *who exited the program carried out under*  
15           *this title and the number of such individ-*  
16           *uals who achieved employment outcomes*  
17           *after receiving vocational rehabilitation*  
18           *services; and*

19           *“(iv) the number of individuals who*  
20           *received vocational rehabilitation services*  
21           *who entered and retained employment and*  
22           *the increases in earnings of such individ-*  
23           *uals, consistent with State reporting respon-*  
24           *sibilities pursuant to section 136(b)(2)(A)(i)*

1           *of the Workforce Investment Act of 1998.”;*

2           *and*

3           *(C) in subparagraph (E)(ii), by striking*  
4           *“in meeting” and all that follows through the pe-*  
5           *riod and inserting “in meeting the standards*  
6           *and indicators established pursuant to section*  
7           *106.”;*

8           *(5) in paragraph (11)—*

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

11            “(C) *INTERAGENCY COOPERATION WITH*  
12            *OTHER AGENCIES.—The State plan shall include*  
13            *descriptions of interagency cooperation with, and*  
14            *utilization of the services and facilities of, Fed-*  
15            *eral, State, and local agencies and programs, in-*  
16            *cluding the State programs carried out under*  
17            *section 101 of the Assistive Technology Act of*  
18            *1998 (29 U.S.C. 3011), programs carried out by*  
19            *the Under Secretary for Rural Development of*  
20            *the Department of Agriculture, and State use*  
21            *contracting programs, to the extent that such*  
22            *agencies and programs are not carrying out ac-*  
23            *tivities through the statewide workforce invest-*  
24            *ment system.”;*

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

3           “(ii) transition planning by personnel  
4           of the designated State agency and the State  
5           educational agency that will facilitate the  
6           development and completion of the individ-  
7           ualized education programs under section  
8           614(d) of the Individuals with Disabilities  
9           Education Act (20 U.S.C. 1414(d)) and, as  
10          appropriate, the development and comple-  
11          tion of the individualized plan for employ-  
12          ment, in order to achieve post-school em-  
13          ployment outcomes of students with disabil-  
14          ities;”;

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

16          “(G) COORDINATION WITH TICKET TO WORK  
17          AND SELF-SUFFICIENCY PROGRAM.—The State  
18          plan shall provide that the designated State unit  
19          will coordinate activities with any other State  
20          agency that administers a Ticket to Work and  
21          Self-Sufficiency Program established under sec-  
22          tion 1148 of the Social Security Act (42 U.S.C.  
23          1320b–19).”;

24          (6) in paragraph (20)—

1           (A) by redesignating subparagraph (B) as  
2           subparagraph (D);

3           (B) by inserting after subparagraph (A) the  
4           following:

5           “(B) INFORMATION ON ASSISTANCE FOR  
6           BENEFICIARIES OF ASSISTANCE UNDER TITLE II  
7           OR XVI OF THE SOCIAL SECURITY ACT.—The  
8           State plan shall include an assurance that the  
9           designated State agency will make available to  
10          individuals entitled to benefits under title II or  
11          XVI of the Social Security Act (42 U.S.C. 401  
12          et seq., 1381 et seq.) on the basis of a disability  
13          or blindness, information on the availability  
14          of—

15               “(i) medical assistance under the State  
16               medicaid program under title XIX of the  
17               Social Security Act (42 U.S.C. 1396 et  
18               seq.);

19               “(ii) benefits under the medicare pro-  
20               gram under title XVIII of the Social Secu-  
21               rity Act (42 U.S.C. 1395 et seq.);

22               “(iii) assistance through benefits plan-  
23               ning and assistance programs under section  
24               1149 of the Social Security Act (42 U.S.C.  
25               1320b–20) and protection and advocacy

1                    *programs under section 1150 of the Social*  
2                    *Security Act (42 U.S.C. 1320b–21); and*

3                    *“(iv) medical assistance under other*  
4                    *federally funded programs.*

5                    *“(C) INFORMATION FOR INDIVIDUALS*  
6                    *UNDER THE TICKET TO WORK PROGRAM.—The*  
7                    *State plan shall include an assurance that the*  
8                    *designated State agency will make available to*  
9                    *individuals entitled to benefits under title II or*  
10                   *XVI of the Social Security Act (42 U.S.C. 401*  
11                   *et seq., 1381 et seq.) on the basis of a disability*  
12                   *or blindness and eligible for assistance under the*  
13                   *Ticket to Work and Self-Sufficiency Program es-*  
14                   *tablished under section 1148 of the Social Secu-*  
15                   *rity Act (42 U.S.C. 1320b–19), general informa-*  
16                   *tion regarding the Ticket to Work and Self-Suffi-*  
17                   *ciency Program and specific information on how*  
18                   *to contact the program manager of the Ticket to*  
19                   *Work and Self-Sufficiency Program to obtain in-*  
20                   *formation on approved employment networks.”;*  
21                   *and*

22                   *(C) in subparagraph (D)(ii), as redesign-*  
23                   *ated by subparagraph (A)—*

1                   (i) in subclause (II), by inserting “, to  
2                   the maximum extent possible,” after “point  
3                   of contact”; and

4                   (ii) in subclause (III), by striking “or  
5                   regain” and inserting “regain, or advance  
6                   in”.

7   **SEC. 413. ELIGIBILITY AND INDIVIDUALIZED PLAN FOR EM-**  
8                   **PLOYMENT.**

9                   Section 102 of the Rehabilitation Act of 1973 (29  
10                  U.S.C. 722) is amended—

11                  (1) in subsection (b)—

12                   (A) in paragraph (1)—

13                   (i) in subparagraph (A), by striking  
14                   the semicolon at the end and inserting “,  
15                   including a listing of all the community re-  
16                   sources (including resources from consumer  
17                   organizations), to the maximum extent pos-  
18                   sible, to assist in the development of such  
19                   individual’s individualized plan for em-  
20                   ployment to enable the individual to make  
21                   informed and effective choices in developing  
22                   the individualized plan for employment;”;  
23                   and

24                   (ii) in subparagraph (D)—

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

3                   (II) in clause (ii), by striking the  
4                   period at the end and inserting a semi-  
5                   colon; and

6                   (III) by adding at the end the fol-  
7                   lowing:

8                   “(iii) for individuals entitled to benefits  
9                   under title II or XVI of the Social Security Act  
10                  (42 U.S.C. 401 et seq., 1381 et seq.) on the basis  
11                  of a disability or blindness, information on the  
12                  availability of—

13                  “(I) medical assistance under the State  
14                  medicaid program under title XIX of the  
15                  Social Security Act (42 U.S.C. 1396 et  
16                  seq.);

17                  “(II) benefits under the medicare pro-  
18                  gram under title XVIII of the Social Secu-  
19                  rity Act (42 U.S.C. 1395 et seq.);

20                  “(III) assistance through benefits plan-  
21                  ning and assistance programs under section  
22                  1149 of the Social Security Act (42 U.S.C.  
23                  1320b–20) and protection and advocacy  
24                  programs under section 1150 of the Social  
25                  Security Act (42 U.S.C. 1320b–21); and

1                   “(IV) *medical assistance under other*  
2                   *federally funded programs; and*

3                   “(iv) *for individuals entitled to benefits*  
4                   *under title II or XVI of the Social Security Act*  
5                   *(42 U.S.C. 401 et seq., 1381 et seq.) on the basis*  
6                   *of a disability or blindness and eligible for as-*  
7                   *sistance under the Ticket to Work and Self-Suffi-*  
8                   *ciency Program established under section 1148 of*  
9                   *the Social Security Act (42 U.S.C. 1320b–19),*  
10                  *information—*

11                  “(I) *on the options under the Ticket to*  
12                  *Work and Self-Sufficiency Program; and*

13                  “(II) *on how to contact the program*  
14                  *manager of the Ticket to Work and Self-*  
15                  *Sufficiency Program who has contact infor-*  
16                  *mation on approved employment networks,*  
17                  *the benefits planning and assistance pro-*  
18                  *grams in the area, and the protection and*  
19                  *advocacy programs in the area.”;*

20                  “(B) *in paragraph (2)(E)—*

21                         *(i) in clause (i)(II), by striking “and”*  
22                         *after the semicolon;*

23                         *(ii) in clause (ii), by striking the pe-*  
24                         *riod at the end and inserting “; and”; and*

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

3                   “(iii) amended, as necessary, to in-  
4                   clude the post-employment services and  
5                   service providers that are necessary for the  
6                   individual to maintain, regain, or advance  
7                   in employment, consistent with the individ-  
8                   ual’s strengths, resources, priorities, con-  
9                   cerns, abilities, capabilities, interests, and  
10                  informed choice.”; and

11                  (C) in paragraph (3)—

12                   (i) in subparagraph (B)(i)(I), by strik-  
13                   ing “and personal assistance services” and  
14                   inserting “mentoring services, and personal  
15                   assistance services”;

16                   (ii) in subparagraph (F)(ii), by strik-  
17                   ing “and” after the semicolon;

18                   (iii) in subparagraph (G), by striking  
19                   the period at the end and inserting a semi-  
20                   colon; and

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

22                   “(H) for a student with a disability, the  
23                   description—

1           “(i) in paragraph (3)(A), may be a de-  
2           scription of the student’s projected post-  
3           school employment outcome; and

4           “(ii) in paragraph (3)(B), shall in-  
5           clude the specific transition services (includ-  
6           ing, as appropriate, work experience and  
7           mentoring activities) needed to achieve the  
8           student’s employment outcome or projected  
9           employment outcome; and

10          “(I) for an individual who is receiving as-  
11          sistance under the Ticket to Work and Self-Suffi-  
12          ciency Program established under section 1148 of  
13          the Social Security Act (42 U.S.C. 1320b–19), a  
14          list of services such individual receives from an  
15          employment network other than the designated  
16          State unit.”; and

17          (2) in subsection (c)(7), by inserting “that take  
18          into consideration the informed choice of the indi-  
19          vidual,” after “plan development,”.

20 **SEC. 414. VOCATIONAL REHABILITATION SERVICES.**

21          Section 103(a) of the Rehabilitation Act of 1973 (29  
22          U.S.C. 723(a)) is amended—

23          (1) in paragraph (5), by inserting “literacy serv-  
24          ices,” after “vocational adjustment services,”;

1           (2) in paragraph (17), by striking “and” after  
2           the semicolon;

3           (3) in paragraph (18), by striking the period at  
4           the end and inserting “; and”; and

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

6           “(19) mentoring services.”.

7   **SEC. 415. STATE REHABILITATION COUNCIL.**

8           Section 105(b) of the Rehabilitation Act of 1973 (29  
9   U.S.C. 725(b)) is amended—

10          (1) in paragraph (1)(A), by striking clause (ix)  
11          and inserting the following:

12                   “(ix) in a State in which 1 or more  
13                   projects provide services under section 121,  
14                   not less than 1 representative of the direc-  
15                   tors of the projects;”; and

16          (2) by striking paragraph (5) and inserting the  
17          following:

18                   “(5) CHAIRPERSON.—The Council shall select a  
19                   chairperson from among the voting membership of the  
20                   Council.”.

21   **SEC. 416. EVALUATION STANDARDS AND PERFORMANCE IN-**  
22                   **DICATORS.**

23           Section 106(b)(2)(B)(i) of the Rehabilitation Act of  
24   1973 (29 U.S.C. 726(b)(2)(B)(i)) is amended by striking  
25   “, if necessary” and all that follows through the semicolon

1 *and inserting “if the State has not improved its perform-*  
2 *ance to acceptable levels, as determined by the Commis-*  
3 *sioner, direct the State to make further revisions to the plan*  
4 *to improve performance, which may include allocating a*  
5 *higher proportion of the State’s resources for services to in-*  
6 *dividuals with disabilities if the State’s spending on such*  
7 *services is low in comparison to spending on such services*  
8 *in comparable agencies in other States;”.*

9 **SEC. 417. STATE ALLOTMENTS.**

10 *Section 110 of the Rehabilitation Act of 1973 (29*  
11 *U.S.C. 730) is amended—*

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

14 *“(b) REALLOTMENT.—*

15 *“(1) DETERMINATION.—Not later than 45 days*  
16 *prior to the end of the fiscal year, the Commissioner*  
17 *shall determine, after reasonable opportunity for the*  
18 *submission to the Commissioner of comments by the*  
19 *State agency administering or supervising the pro-*  
20 *gram established under this title, that any payment*  
21 *of an allotment to a State under section 111(a) for*  
22 *any fiscal year will not be utilized by such State in*  
23 *carrying out the purposes of this title.*

24 *“(2) FORMULA.—*

1           “(A) *IN GENERAL.*—As soon as practicable  
2           but not later than the end of the fiscal year, the  
3           Commissioner shall reallocate the amount available  
4           under paragraph (1) to other States, consistent  
5           with subparagraphs (B) and (C), for carrying  
6           out the purposes of this title to the extent the  
7           Commissioner determines such other State will  
8           be able to use such additional amount during  
9           that fiscal year or the subsequent fiscal year for  
10          carrying out such purposes.

11          “(B) *FORMULA.*—

12           “(i) *ELIGIBLE STATES.*—The Commis-  
13           sioner shall reallocate the amount available  
14           under paragraph (1) for a fiscal year to  
15           each State whose allotment under subsection  
16           (a) for such fiscal year is less than such  
17           State’s allotment under subsection (a) for  
18           the immediately preceding fiscal year in-  
19           creased by the percentage change in the  
20           funds available for subsection (a) from the  
21           immediately preceding fiscal year.

22          “(ii) *AMOUNT.*—

23           “(I) *IN GENERAL.*—A State that  
24           is eligible to receive a reallocation  
25           under clause (i) shall receive an

1           *amount for a fiscal year from the*  
2           *amount available for reallocation under*  
3           *paragraph (1) that is equal to the dif-*  
4           *ference between—*

5                     *“(aa) the amount such State*  
6                     *received for such fiscal year; and*

7                     *“(bb) the amount such State*  
8                     *was allotted under subsection (a)*  
9                     *for the immediately preceding fis-*  
10                    *cal year adjusted by the percent-*  
11                    *age change in the funds available*  
12                    *for subsection (a) from the imme-*  
13                    *diately preceding fiscal year.*

14                    *“(II) INSUFFICIENT FUNDS.—If*  
15                    *the amount available for reallocation*  
16                    *under paragraph (1) is insufficient to*  
17                    *provide each State eligible to receive a*  
18                    *reallocation with the amount described*  
19                    *in subclause (I), the amount reallocated*  
20                    *to each eligible State shall be deter-*  
21                    *mined by the Commissioner.*

22                    *“(C) REMAINING FUNDS.—If there are funds*  
23                    *remaining after each State eligible to receive a*  
24                    *reallocation under subparagraph (B)(i) receives*  
25                    *the amount described in subparagraph (B)(ii),*

1           the Commissioner shall reallocate the remaining  
2           funds among the States requesting a reallocation.

3           “(3) *NON-FEDERAL SHARE.*—The Commissioner  
4           shall reallocate an amount to a State under this sub-  
5           section only if the State will be able to make sufficient  
6           payments from non-Federal sources to pay for the  
7           non-Federal share of the cost of vocational rehabilita-  
8           tion services under the State plan for the fiscal year  
9           for which the amount was appropriated.

10           “(4) *INCREASE IN ALLOTMENT.*—For the pur-  
11           poses of this part, any amount made available to a  
12           State for any fiscal year pursuant to this subsection  
13           shall be regarded as an increase of such State’s allot-  
14           ment (as determined under the preceding provisions  
15           of this section) for such year.”; and

16           (2) by striking subsection (c)(2) and inserting  
17           the following:

18           “(2)(A) *In this paragraph:*

19           “(i) The term ‘appropriated amount’ means the  
20           amount appropriated under section 100(b)(1) for al-  
21           lotment under this section.

22           “(ii) The term ‘covered year’ means a fiscal  
23           year—

24           “(I) that begins after September 30, 2003;

25           and

1           “(II) for which the appropriated amount  
2 exceeds the total of—

3                   “(aa) the appropriated amount for the  
4 preceding fiscal year; and

5                   “(bb) 0.075 percent of the appropriated  
6 amount for the preceding fiscal year.

7           “(B) For each covered year, the sum referred to in  
8 paragraph (1) shall be, as determined by the Secretary—

9                   “(i) not less than the total of the sum reserved  
10 under this subsection for the preceding fiscal year and  
11 0.1 percent of the appropriated amount for the cov-  
12 ered year; and

13                   “(ii) not more than 1.5 percent of the appro-  
14 priated amount for the covered year.”.

15 **SEC. 418. CLIENT ASSISTANCE PROGRAM.**

16           Section 112 of the Rehabilitation Act of 1973 (29  
17 U.S.C. 732) is amended—

18                   (1) in subsection (a), by striking “States” and  
19 inserting “agencies designated under subsection (c)”;

20                   (2) in subsection (e)—

21                           (A) in paragraph (1)—

22                                   (i) in subparagraph (A), by striking  
23 “The Secretary” and all that follows  
24 through the period and inserting the fol-  
25 lowing: “After reserving funds under sub-

1            paragraphs (E) and (F), the Secretary shall  
2            allot the remainder of the sums appro-  
3            priated for each fiscal year under this sec-  
4            tion among the agencies designated under  
5            subsection (c) within the States on the basis  
6            of relative population of each State, except  
7            that no such agency shall receive less than  
8            \$50,000.”;

9            (ii) in subparagraph (B), by inserting  
10           “the designated agencies located in” after  
11           “each to”;

12           (iii) in subparagraph (D)(i)—

13           (I) by inserting “the designated  
14           agencies located in” after “\$100,000  
15           for”; and

16           (II) by inserting “the designated  
17           agencies located in” after “\$45,000  
18           for”; and

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

20           “(E)(i) Beginning on October 1, 2004, for any fiscal  
21           year for which the amount appropriated to carry out this  
22           section equals or exceeds \$13,000,000, the Secretary shall  
23           reserve funds appropriated under this section to make  
24           grants to the protection and advocacy system serving the  
25           American Indian Consortium to provide client assistance

1 *services in accordance with this section. The amount of such*  
2 *grants shall be the same amount as provided to territories*  
3 *under subparagraph (B), as increased under clauses (i) and*  
4 *(ii) of subparagraph (D).*

5       “(ii) *In this subparagraph:*

6               “(I) *The term ‘American Indian Consortium’*  
7 *has the meaning given the term in section 102 of the*  
8 *Developmental Disabilities Assistance and Bill of*  
9 *Rights Act of 2000 (42 U.S.C. 15002).*

10              “(II) *The term ‘protection and advocacy system’*  
11 *means a protection and advocacy system established*  
12 *under subtitle C of title I of the Developmental Dis-*  
13 *abilities Assistance and Bill of Rights Act of 2000 (42*  
14 *U.S.C. 15041 et seq.).*

15       “(F) *For any fiscal year for which the amount appro-*  
16 *priated to carry out this section equals or exceeds*  
17 *\$14,000,000, the Secretary shall reserve not less than 1.8*  
18 *percent and not more than 2.2 percent of such amount to*  
19 *provide training and technical assistance to the programs*  
20 *established under this section. Such training and technical*  
21 *assistance shall be coordinated with activities provided*  
22 *under section 509(c)(1)(A).”;*

23                       *(B) in paragraph (2)—*

1           (i) by striking “State” each place such  
2           term appears and inserting “designated  
3           agency”; and

4           (ii) by striking “States” each place  
5           such term appears and inserting “des-  
6           ignated agencies”; and

7           (C) in paragraph (3), by striking “Except  
8           as specifically prohibited by or as otherwise pro-  
9           vided in State law, the Secretary shall pay” and  
10          inserting “The Secretary shall pay directly”;

11          (3) in subsection (f), by striking “State” and in-  
12          serting “agency designated under subsection (c)”; and

13          (4) in subsection (h), by striking “fiscal years  
14          1999 through 2003” and inserting “fiscal years 2004  
15          through 2009”.

16 **SEC. 419. INCENTIVE GRANTS.**

17          Part B of title I of the Rehabilitation Act of 1973 (29  
18          U.S.C. 730 et seq.) is amended by adding at the end the  
19          following:

20 **“SEC. 113. INCENTIVE GRANTS.**

21          “(a) *AUTHORITY.*—The Commissioner is authorized to  
22          make incentive grants to States that, based on the criteria  
23          established under subsection (b)(1), demonstrate—

24                  “(1) a high level of performance; or

1           “(2) a significantly improved level of perform-  
2           ance as compared to the previous reporting period or  
3           periods.

4           “(b) CRITERIA.—

5           “(1) ESTABLISHMENT.—Not later than 180 days  
6           after the date of enactment of this section, the Com-  
7           missioner shall establish, and publish in the Federal  
8           Register, criteria for making grant awards under sub-  
9           section (a).

10           “(2) DEVELOPMENT AND EVALUATION STAND-  
11           ARDS.—The criteria under paragraph (1) shall—

12           “(A) be developed with input from State vo-  
13           cational rehabilitation agencies and other voca-  
14           tional rehabilitation stakeholders, including vo-  
15           cational rehabilitation consumers and consumer  
16           organizations; and

17           “(B) be based upon the evaluation stand-  
18           ards and performance indicators established  
19           under section 106 and other performance related  
20           measures that the Commissioner determines to be  
21           appropriate.

22           “(c) USE OF FUNDS.—A State that receives a grant  
23           under subsection (a) shall use the grant funds for any ap-  
24           proved activities in the State’s State plan submitted under  
25           section 101.



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

3                   “(D) contains assurances that—

4                   “(i) all decisions affecting eligibility for vo-  
5                   cational rehabilitation services, the nature and  
6                   scope of available services, and the provision of  
7                   such services, will be made by a representative of  
8                   the tribal vocational rehabilitation program; and

9                   “(ii) such decisions will not be delegated to  
10                  another agency or individual.”;

11                  (B) in paragraph (3), by striking the first  
12                  sentence and inserting the following: “An appli-  
13                  cation approved under this part that complies  
14                  with the program requirements set forth in the  
15                  regulations promulgated to carry out this part  
16                  shall be effective for 5 years and shall be renewed  
17                  for additional 5-year periods if the Commis-  
18                  sioner determines that the grantee demonstrated  
19                  acceptable past performance and the grantee sub-  
20                  mits a plan, including a proposed budget, to the  
21                  Commissioner that the Commissioner approves  
22                  that identifies future performance criteria, goals,  
23                  and objectives.”; and

24                  (C) by striking paragraph (4) and inserting  
25                  the following:

1       “(4) *In allocating funds under this part, the Secretary*  
2 *shall give priority to paying the continuation costs of exist-*  
3 *ing projects and may provide for increases in funding for*  
4 *such projects as determined necessary.*”

5 **SEC. 421. GAO STUDIES.**

6       (a) *STUDY ON TITLE I AND TICKET TO WORK.—*

7           (1) *IN GENERAL.—The Comptroller General of*  
8 *the United States shall conduct a study on the inter-*  
9 *action of title I of the Rehabilitation Act of 1973 (29*  
10 *U.S.C. 720 et seq.) with the Ticket to Work and Self-*  
11 *Sufficiency Program established under section 1148 of*  
12 *the Social Security Act (42 U.S.C. 1320b–19), includ-*  
13 *ing the impact of the interaction on beneficiaries,*  
14 *community rehabilitation programs, and State voca-*  
15 *tional rehabilitation agencies.*

16           (2) *CONDUCT OF STUDY.—In conducting the*  
17 *study under paragraph (1), the Comptroller General*  
18 *of the United States shall consult with all partici-*  
19 *pants in the Ticket to Work and Self-Sufficiency Pro-*  
20 *gram, including the Social Security Administration,*  
21 *the Rehabilitation Services Administration, ticket-*  
22 *holders, State agencies, community rehabilitation pro-*  
23 *grams (including employment networks and non-*  
24 *employment networks), protection and advocacy agen-*

1        *cies, MAXIMUS, and organizations representing the*  
2        *interests of ticketholders.*

3            (3) *REPORT TO CONGRESS.—Not later than 18*  
4        *months after the date of enactment of this title, the*  
5        *Comptroller General of the United States shall submit*  
6        *the study conducted pursuant to this subsection to the*  
7        *appropriate committees of Congress.*

8        (b) *STUDY ON THE ALLOTMENT FORMULA.—*

9            (1) *IN GENERAL.—The Comptroller General of*  
10        *the United States shall conduct a study on the rela-*  
11        *tionship between the State allotment formula under*  
12        *section 110 of the Rehabilitation Act of 1973 (29*  
13        *U.S.C. 730) and the ability of States to provide voca-*  
14        *tional rehabilitation services in accordance with the*  
15        *State's State plan under section 101 of such Act.*

16            (2) *CONDUCT OF STUDY.—In conducting the*  
17        *study under paragraph (1), the Comptroller General*  
18        *of the United States shall consult with appropriate*  
19        *entities.*

20            (3) *REPORT TO CONGRESS.—Not later than 12*  
21        *months after the date of enactment of this title, the*  
22        *Comptroller General of the United States shall submit*  
23        *the study conducted pursuant to this subsection to the*  
24        *appropriate committees of Congress.*

## 1 **Subtitle B—Research and Training**

### 2 **SEC. 431. AUTHORIZATION OF APPROPRIATIONS.**

3 *Section 201(a) of the Rehabilitation Act of 1973 (29*  
4 *U.S.C. 761(a)) is amended—*

5 *(1) in paragraph (1), by striking “fiscal years*  
6 *1999 through 2003” and inserting “fiscal years 2004*  
7 *through 2009”; and*

8 *(2) in paragraph (2), by striking “fiscal years*  
9 *1999 through 2003” and inserting “fiscal years 2004*  
10 *through 2009”.*

### 11 **SEC. 432. NATIONAL INSTITUTE ON DISABILITY AND REHA-** 12 **BILITATION RESEARCH.**

13 *Section 202(f)(1) of the Rehabilitation Act of 1973 (29*  
14 *U.S.C. 762(f)(1)) is amended by striking “Federal employ-*  
15 *ees” and inserting “Department of Education employees”.*

### 16 **SEC. 433. RESEARCH AND OTHER COVERED ACTIVITIES.**

17 *Section 204(c)(2) of the Rehabilitation Act of 1973 (29*  
18 *U.S.C. 764(c)(2)) is amended by striking “\$500,000” and*  
19 *inserting “\$750,000”.*

### 20 **SEC. 434. REHABILITATION RESEARCH ADVISORY COUNCIL.**

21 *Section 205(c) of the Rehabilitation Act of 1973 (29*  
22 *U.S.C. 765(c)) is amended by adding at the end the fol-*  
23 *lowing: “The Council also shall include a representative*  
24 *from the business community who has experience with the*

1 *vocational rehabilitation system and hiring individuals*  
2 *with disabilities.”.*

3 ***Subtitle C—Professional Develop-***  
4 ***ment and Special Projects and***  
5 ***Demonstrations***

6 **SEC. 441. TRAINING.**

7 *Section 302 of the Rehabilitation Act of 1973 (29*  
8 *U.S.C. 772) is amended—*

9 *(1) in subsection (b)(1)(B)(i), by striking “or*  
10 *prosthetics and orthotics” and inserting “prosthetics*  
11 *and orthotics, rehabilitation for the blind, or orienta-*  
12 *tion and mobility instruction”; and*

13 *(2) in subsection (i), by striking “fiscal years*  
14 *1999 through 2003” and inserting “fiscal years 2004*  
15 *through 2009”.*

16 **SEC. 442. DEMONSTRATION AND TRAINING PROGRAMS.**

17 *Section 303 of the Rehabilitation Act of 1973 (29*  
18 *U.S.C. 773) is amended—*

19 *(1) in subsection (b)(5)(A)(i), by striking “spe-*  
20 *cial projects” and inserting “not less than 2 special*  
21 *projects”;*

22 *(2) by redesignating subsections (c), (d), and (e)*  
23 *as subsections (e), (f), and (h), respectively;*

24 *(3) by inserting after subsection (b) the fol-*  
25 *lowing:*

1       “(c) *DEMONSTRATION PROJECTS FOR EMPLOYMENT*  
2 *OF STUDENTS WITH INTELLECTUAL DISABILITIES OR*  
3 *MENTAL ILLNESS.*—

4               “(1) *PURPOSE.*—*The purpose of this subsection*  
5 *is to support model demonstration projects to provide*  
6 *supported and competitive employment experiences*  
7 *for students with intellectual disabilities or students*  
8 *with mental illness, and training for personnel that*  
9 *work with students described in this paragraph, to*  
10 *enable the students to gain employment skills and ex-*  
11 *perience that will promote effective transitions from*  
12 *school to employment and adult living.*

13               “(2) *GRANTS AUTHORIZED.*—

14                       “(A) *COMPETITIVE GRANTS AUTHORIZED.*—  
15 *The Secretary may award grants, contracts, and*  
16 *cooperative agreements, on a competitive basis,*  
17 *to eligible organizations described in paragraph*  
18 *(3), to enable the organizations to carry out*  
19 *demonstration projects described in paragraph*  
20 *(1).*

21                       “(B) *DURATION.*—*The Secretary shall*  
22 *award grants under this subsection for periods of*  
23 *3 to 5 years.*

1           “(3) *ELIGIBLE ORGANIZATIONS.*—*To be eligible*  
2 *to receive a grant, contract, or cooperative agreement*  
3 *under this subsection, an organization shall—*

4           “(A) *have expertise in providing employ-*  
5 *ment and support services for individuals with*  
6 *intellectual disabilities or individuals with men-*  
7 *tal illness;*

8           “(B) *have a proven track record in success-*  
9 *fully running supported employment programs;*

10          “(C) *provide employment services that are*  
11 *exclusively integrated community-based sup-*  
12 *ported employment services;*

13          “(D) *have expertise in creating natural sup-*  
14 *ports for employment;*

15          “(E) *have expertise in providing computer*  
16 *training for the targeted population for the*  
17 *project involved; and*

18          “(F) *have experience operating mentoring*  
19 *programs for the target population in middle*  
20 *and high schools for at least a decade in diverse*  
21 *communities throughout the Nation.*

22          “(4) *APPLICATIONS.*—*Each organization desir-*  
23 *ing to receive a grant, contract, or cooperative agree-*  
24 *ment under this subsection shall submit an applica-*  
25 *tion to the Secretary at such time, in such manner,*

1 *and including such information as the Secretary may*  
2 *require. Each application shall include—*

3 *“(A) a description of how the organization*  
4 *plans to carry out the activities authorized in*  
5 *this subsection through a demonstration project;*

6 *“(B) a description of how the organization*  
7 *will evaluate the project;*

8 *“(C) a description of how the organization*  
9 *will disseminate information about the activities*  
10 *and the impact of the activities on the lives of*  
11 *students served by the project; and*

12 *“(D) a description of how the organization*  
13 *will coordinate activities with any other relevant*  
14 *service providers in the locality where the orga-*  
15 *nization is based, including federally supported*  
16 *independent living centers.*

17 *“(5) AUTHORIZED ACTIVITIES.—An organization*  
18 *that receives a grant under this subsection shall use*  
19 *the funds made available through the grant to carry*  
20 *out 1 or more of the following activities for individ-*  
21 *uals, ages 14 through 21, who are students with intel-*  
22 *lectual disabilities or students with mental illness:*

23 *“(A) PROVIDING SUPPORTED AND COMPETI-*  
24 *TIVE EMPLOYMENT EXPERIENCES.—The develop-*  
25 *ment of innovative and effective supported and*

1           *competitive employment experiences after school,*  
2           *on weekends, and in the summer, utilizing nat-*  
3           *ural supports that lead to competitive high-pay-*  
4           *ing jobs.*

5           “(B) *PROVIDING TRAINING TO SCHOOL AND*  
6           *TRANSITION PERSONNEL.—The development and*  
7           *deployment of experts to work with transition*  
8           *programs (including personnel working with stu-*  
9            *dents on transition) so that personnel from the*  
10           *programs develop skills needed to train students*  
11           *with intellectual disabilities or students with*  
12           *mental illness to be successful in competitive em-*  
13           *ployment in a range of settings, including office*  
14           *settings. The training shall include training for*  
15           *the personnel in providing instruction to stu-*  
16           *dents in computer skills, office skills, interview*  
17           *etiquette, and appropriate social behavior re-*  
18           *quired for successful long-term employment in*  
19           *professional environments.*

20           “(6) *AUTHORIZATION OF APPROPRIATIONS.—*  
21           *There are authorized to be appropriated to carry out*  
22           *this subsection \$5,000,000 for fiscal year 2004 and*  
23           *such sums as may be necessary for fiscal years 2005*  
24           *through 2008.*

1       “(d) *DEMONSTRATION PROJECT FOR EMPLOYMENT OF*  
2 *INDIVIDUALS WHO ARE DEAF AND LOW FUNCTIONING.*—

3               “(1) *PURPOSE.*—*It is the purpose of this sub-*  
4 *section to support a model demonstration project to*  
5 *provide training and support services for individuals*  
6 *who are deaf and low functioning to enable them to*  
7 *gain employment skills that will allow them to become*  
8 *employed and economically self-sufficient.*

9               “(2) *DEFINITION.*—

10               “(A) *IN GENERAL.*—*In this subsection, the*  
11 *term ‘individual who is deaf and low func-*  
12 *tioning’ means an individual who has been deaf*  
13 *from birth or very early childhood, reads at or*  
14 *below the second grade level, has little or no in-*  
15 *telligible speech, and lacks a high school diploma*  
16 *or GED.*

17               “(B) *SECONDARY DISABILITIES.*—*Such*  
18 *term may include an individual with a sec-*  
19 *ondary disability.*

20               “(3) *GRANTS AUTHORIZED.*—

21               “(A) *COMPETITIVE GRANTS AUTHORIZED.*—  
22 *The Secretary may award grants to State agen-*  
23 *cies, other public agencies or organizations, or*  
24 *not-for-profit organizations with expertise in*  
25 *providing employment training and support*

1           *services for individuals who are deaf and low*  
2           *functioning to support model demonstration*  
3           *projects.*

4           “(B) *DURATION.*—*Grants under this sub-*  
5           *section shall be awarded for a period not to ex-*  
6           *ceed 5 years.*

7           “(4) *AUTHORIZED ACTIVITIES.*—

8           “(A) *DEVELOPING A COMPREHENSIVE*  
9           *TRAINING PROGRAM.*—*Each grant recipient shall*  
10           *develop an innovative, comprehensive program of*  
11           *instruction for individuals who are deaf and low*  
12           *functioning that can be implemented at multiple*  
13           *training locations through such means as dis-*  
14           *tance learning and use of advanced technology,*  
15           *as appropriate. Such training program shall be*  
16           *developed to maximize the potential for replica-*  
17           *tion of the program by other training providers.*

18           “(B) *IMPLEMENTATION.*—*Each grant re-*  
19           *recipient shall implement the comprehensive train-*  
20           *ing program developed in subparagraph (A) as*  
21           *soon as feasible. Such training shall provide in-*  
22           *struction on the job and the social skills nec-*  
23           *essary for successful long-term employment of in-*  
24           *dividuals who are deaf and low functioning.*

1           “(C) *ESTABLISHING A POST-TRAINING PRO-*  
2           *GRAM OF EMPLOYMENT AND SUPPORT SERV-*  
3           *ICES.—Each grant recipient shall implement*  
4           *employment and support services to assist indi-*  
5           *viduals who complete the training program*  
6           *under subparagraph (A) in securing employment*  
7           *and transitioning to the workplace for a period*  
8           *of not less than 90 days subsequent to placement.*

9           “(5) *APPLICATIONS.—Each entity desiring to re-*  
10          *ceive a grant under this subsection shall submit an*  
11          *application to the Secretary at such time, in such*  
12          *manner, and accompanied by such information as the*  
13          *Secretary may require including—*

14               “(A) *a description of how the applicant*  
15               *plans to address the activities authorized under*  
16               *this subsection;*

17               “(B) *a description of the evaluation plan to*  
18               *be used in the project;*

19               “(C) *a description of how the applicant will*  
20               *disseminate information about the training pro-*  
21               *gram developed and the results of the model dem-*  
22               *onstration project; and*

23               “(D) *a description of how the project will*  
24               *coordinate with any other relevant service pro-*  
25               *viders or entities providing employment training*

1           *and supports for individuals who are deaf and*  
2           *low functioning.*

3           “(6) *MANDATED EVALUATION AND DISSEMINA-*  
4           *TION ACTIVITIES.—*

5                   “(A) *ANNUAL REPORT.—Not later than 2*  
6                   *years after the date on which a grant under this*  
7                   *subsection is awarded and annually thereafter,*  
8                   *each grant recipient shall submit to the Commis-*  
9                   *sioner a report containing—*

10                           “(i) *the number of individuals who are*  
11                           *participating in the demonstration project*  
12                           *funded under this subsection;*

13                           “(ii) *the employment and other skills*  
14                           *being taught in the project;*

15                           “(iii) *the number of individuals par-*  
16                           *ticipating in the project that are placed in*  
17                           *employment;*

18                           “(iv) *the job sites in which those indi-*  
19                           *viduals are placed and the type of jobs they*  
20                           *are placed in; and*

21                           “(v) *the number of individuals who*  
22                           *have dropped out of the project and the rea-*  
23                           *sons for their terminating participation in*  
24                           *the project.*

1           “(B) *EVALUATION OF THE PROJECT.*—Each  
2           *grant recipient shall implement the evaluation*  
3           *plan approved in its application for determining*  
4           *the results of the project within the timeframe*  
5           *specified in, and following the provisions of, its*  
6           *approved application.*

7           “(C) *PARTICIPANT EVALUATION PROCESS;*  
8           *FINAL EVALUATION.*—In the final year of the  
9           *project, the grant recipient will produce a final*  
10           *evaluation report of the results of the model dem-*  
11           *onstration project containing—*

12                   “(i) *the number of individuals who*  
13                   *participated in the training program;*

14                   “(ii) *a description of the job sites in*  
15                   *which those individuals were placed;*

16                   “(iii) *the number of individuals placed*  
17                   *in employment and the type of employment*  
18                   *in which they were placed;*

19                   “(iv) *the number of individuals who*  
20                   *did not complete their training and the rea-*  
21                   *sons those individuals dropped out of the*  
22                   *project;*

23                   “(v) *the number of individuals who*  
24                   *participated in the training project and*  
25                   *who remain employed as of 2 months prior*

1           to the date on which the final report is sub-  
2           mitted to the Secretary;

3           “(vi) a written analysis of the model  
4           project, including both the strengths and  
5           weaknesses of the project, to assist other en-  
6           tities in replicating the training program  
7           developed through this model demonstration  
8           project; and

9           “(vii) such other information as the  
10          Secretary determines appropriate.

11          “(D) *DISSEMINATION.*—Not later than 5  
12          years after the date on which an award is grant-  
13          ed under this subsection, the evaluations and re-  
14          sults of activities funded by such grant shall be  
15          disseminated to State vocational rehabilitation  
16          agencies, school systems providing instruction to  
17          students who are deaf, supported employment  
18          providers, postsecondary vocational training pro-  
19          grams, employers, the Social Security Adminis-  
20          tration, and other interested parties.

21          “(7) *AUTHORIZATION OF APPROPRIATIONS.*—  
22          There are authorized to be appropriated to carry out  
23          this subsection, \$5,000,000 for fiscal year 2004 and  
24          such sums as may be necessary for each of fiscal years  
25          2005 through 2008.”;

1           (4) *by inserting after subsection (f), as redesignated by paragraph (2), the following:*

2           “(g) *ACCESS TO TELEWORK.—*

3           “(1) *DEFINITION OF TELEWORK.—In this subsection, the term ‘telework’ means to work from home and other telework sites with the assistance of a computer and with reasonable accommodations, including the necessary equipment to facilitate successful work from home and other telework sites.*

4           “(2) *AUTHORIZATION OF PROGRAM.—The Commissioner is authorized to make grants to States and governing bodies of American Indian tribes located on Federal and State reservations (and consortia of such governing bodies) to pay for the Federal share of the cost of establishing or expanding a telework program.*

5           “(3) *APPLICATION.—A State that desires to receive a grant under this subsection shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require.*

6           “(4) *USE OF FUNDS.—A State that receives a grant under this subsection shall establish or expand a telework program that shall provide loans or other alternative financing mechanisms to individuals with disabilities to enable such individuals to purchase*

1       *computers or other equipment, including adaptive*  
2       *equipment, that facilitates work from home and other*  
3       *telework sites so that such individuals are able to*  
4       *telework.*

5               “(5) ANNUAL REPORT.—

6                       “(A) IN GENERAL.—A State that receives a  
7                       grant under this subsection shall submit an an-  
8                       nual report to the Commissioner.

9                       “(B) CONTENTS.—The report under sub-  
10                      paragraph (A) shall include the following:

11                      “(i) The characteristics of each indi-  
12                      vidual with a disability that receives a loan  
13                      or other alternative financing mechanism  
14                      under the program, including information  
15                      about the individual such as the following:

16                               “(I) Age.

17                               “(II) Ethnicity.

18                               “(III) Type of disability.

19                               “(IV) Employment status at the  
20                      time of application for a loan or other  
21                      alternative financing mechanism under  
22                      this subsection.

23                               “(V) Whether the individual at-  
24                      tempted to secure financial support  
25                      from other sources to enable the indi-

1                    *vidual to telework and, if so, a descrip-*  
2                    *tion of such sources.*

3                    “(VI) *Whether the individual is*  
4                    *working and, if so, whether the indi-*  
5                    *vidual teleworks, the occupation in*  
6                    *which the individual is working, the*  
7                    *hourly salary the individual receives,*  
8                    *and the hourly salary of the individual*  
9                    *prior to receiving a loan or other alter-*  
10                   *native financing mechanism under the*  
11                   *program.*

12                   “(VII) *Whether the individual has*  
13                   *repaid the loan or other alternative fi-*  
14                   *nancing mechanism received under the*  
15                   *program, is in repayment status, is de-*  
16                   *linquent on repayments, or has de-*  
17                   *faulted on the loan or other alternative*  
18                   *financing mechanism.*

19                   “(ii) *Any other information that the*  
20                   *Commissioner may require.*

21                   “(6) *FEDERAL SHARE.—The Federal share of the*  
22                   *cost of establishing a telework program shall be 10*  
23                   *percent of the cost.”; and*

24                   (5) *in subsection (h), as redesignated by para-*  
25                   *graph (2)—*

1           (A) by striking “this section” and inserting  
2           “this section (other than subsections (c) and  
3           (d))”; and

4           (B) by striking “fiscal years 1999 through  
5           2003” and inserting “fiscal years 2004 through  
6           2009”.

7   **SEC. 443. MIGRANT AND SEASONAL FARMWORKERS.**

8           Section 304(b) of the Rehabilitation Act of 1973 (29  
9   U.S.C. 774(b)) is amended by striking “fiscal years 1999  
10 through 2003” and inserting “fiscal years 2004 through  
11 2009”.

12 **SEC. 444. RECREATIONAL PROGRAMS.**

13          Section 305 of the Rehabilitation Act of 1973 (29  
14 U.S.C. 775) is amended—

15           (1) in subsection (a)(1)(B), by striking “con-  
16           struction of facilities for aquatic rehabilitation ther-  
17           apy,”; and

18           (2) in subsection (b), by striking “fiscal years  
19           1999 through 2003” and inserting “fiscal years 2004  
20           through 2009”.

21           **Subtitle D—National Council on**  
22   **Disability**

23 **SEC. 451. AUTHORIZATION OF APPROPRIATIONS.**

24          Section 405 of the Rehabilitation Act of 1973 (29  
25 U.S.C. 785) is amended by striking “fiscal years 1999

1 *through 2003” and inserting “fiscal years 2004 through*  
2 *2009”.*

3 ***Subtitle E—Rights and Advocacy***

4 ***SEC. 461. ARCHITECTURAL AND TRANSPORTATION BAR-***  
5 ***RIERS COMPLIANCE BOARD.***

6 *Section 502(j) of the Rehabilitation Act of 1973 (29*  
7 *U.S.C. 792(j)) is amended by striking “fiscal years 1999*  
8 *through 2003” and inserting “fiscal years 2004 through*  
9 *2009”.*

10 ***SEC. 462. PROTECTION AND ADVOCACY OF INDIVIDUAL***  
11 ***RIGHTS.***

12 *Section 509 of the Rehabilitation Act of 1973 (29*  
13 *U.S.C. 794e) is amended—*

14 *(1) in subsection (g)(2), by striking “was paid”*  
15 *and inserting “was paid, except that program income*  
16 *generated from the amount paid to an eligible system*  
17 *shall remain available to such system until ex-*  
18 *pended”; and*

19 *(2) in subsection (l), by striking “fiscal years*  
20 *1999 through 2003” and inserting “fiscal years 2004*  
21 *through 2009”.*

1 ***Subtitle F—Employment Opportuni-***  
2 ***ties for Individuals With Dis-***  
3 ***abilities***

4 **SEC. 471. PROJECTS WITH INDUSTRY AUTHORIZATION OF**  
5 **APPROPRIATIONS.**

6 *Section 612 of the Rehabilitation Act of 1973 (29*  
7 *U.S.C. 795a) is amended by striking “fiscal years 1999*  
8 *through 2003” and inserting “fiscal years 2004 through*  
9 *2009”.*

10 **SEC. 472. SERVICES FOR INDIVIDUALS WITH SIGNIFICANT**  
11 **DISABILITIES AUTHORIZATION OF APPRO-**  
12 **PRIATIONS.**

13 *Section 628 of the Rehabilitation Act of 1973 (29*  
14 *U.S.C. 795n) is amended by striking “fiscal years 1999*  
15 *through 2003” and inserting “fiscal years 2004 through*  
16 *2009”.*

17 ***Subtitle G—Independent Living***  
18 ***Services and Centers for Inde-***  
19 ***pendent Living***

20 **SEC. 481. STATE PLAN.**

21 *Section 704 of the Rehabilitation Act of 1973 (42*  
22 *U.S.C. 795c) is amended by adding at the end the following:*

23 *“(o) PROMOTING FULL ACCESS TO COMMUNITY*  
24 *LIFE.—The plan shall describe how the State will provide*  
25 *independent living services that promote full access to com-*

1 *munity life for individuals with significant disabilities. The*  
2 *services shall include, as appropriate, facilitating transi-*  
3 *tions from nursing homes and other institutions, including*  
4 *institutions serving individuals with cognitive disabilities,*  
5 *to community-based residences, assisting individuals with*  
6 *significant disabilities at risk of entering institutions to re-*  
7 *main in the community, and promoting home ownership*  
8 *among individuals with significant disabilities.”.*

9 **SEC. 482. STATEWIDE INDEPENDENT LIVING COUNCIL.**

10 (a) Section 705(b) of the Rehabilitation Act of 1973  
11 (29 U.S.C. 796d(b)) is amended—

12 (1) in paragraph (2), by striking subparagraph  
13 (C) and inserting the following:

14 “(C) in a State in which 1 or more projects  
15 provide services under section 121, not less than  
16 1 representative of the directors of the projects.”;  
17 and

18 (2) by striking paragraph (5) and inserting the  
19 following:

20 “(5) CHAIRPERSON.—The Council shall select a  
21 chairperson from among the voting membership of the  
22 Council.”.

1 **SEC. 483. INDEPENDENT LIVING SERVICES AUTHORIZA-**  
 2 **TION OF APPROPRIATIONS.**

3 *Section 714 of the Rehabilitation Act of 1973 (29*  
 4 *U.S.C. 796e-3) is amended by striking “fiscal years 1999*  
 5 *through 2003” and inserting “fiscal years 2004 through*  
 6 *2009”.*

7 **SEC. 484. PROGRAM AUTHORIZATION.**

8 *Section 721 of the Rehabilitation Act of 1973 (42*  
 9 *U.S.C. 796f) is amended—*

10 *(1) by striking subsection (c) and inserting the*  
 11 *following:*

12 *“(c) ALLOTMENTS TO STATES.—*

13 *“(1) DEFINITIONS.—In this subsection:*

14 *“(A) ADDITIONAL APPROPRIATION.—The*  
 15 *term ‘additional appropriation’ means the*  
 16 *amount (if any) by which the appropriation for*  
 17 *a fiscal year exceeds the total of—*

18 *“(i) the amount reserved under sub-*  
 19 *section (b) for that fiscal year; and*

20 *“(ii) the appropriation for fiscal year*  
 21 *2003.*

22 *“(B) APPROPRIATION.—The term ‘appro-*  
 23 *priation’ means the amount appropriated to*  
 24 *carry out this part.*

25 *“(C) BASE APPROPRIATION.—The term*  
 26 *‘base appropriation’ means the portion of the ap-*

1           *appropriation for a fiscal year that is equal to the*  
2           *lesser of—*

3                   “(i) *an amount equal to 100 percent of*  
4                   *the appropriation, minus the amount re-*  
5                   *served under subsection (b) for that fiscal*  
6                   *year; or*

7                   “(ii) *the appropriation for fiscal year*  
8                   *2003.*

9                   “(2) *ALLOTMENTS TO STATES FROM BASE AP-*  
10                  *PROPRIATION.—After the reservation required by sub-*  
11                  *section (b) has been made, the Commissioner shall*  
12                  *allot to each State whose State plan has been ap-*  
13                  *proved under section 706 an amount that bears the*  
14                  *same ratio to the base appropriation as the amount*  
15                  *the State received under this subsection for fiscal year*  
16                  *2003 bears to the total amount that all States received*  
17                  *under this subsection for fiscal year 2003.*

18                  “(3) *ALLOTMENTS TO STATES OF ADDITIONAL*  
19                  *APPROPRIATION.—From any additional appropria-*  
20                  *tion for each fiscal year, the Commissioner shall allot*  
21                  *to each State whose State plan has been approved*  
22                  *under section 706 an amount equal to the sum of—*

23                       “(A) *an amount that bears the same ratio*  
24                       *to 50 percent of the additional appropriation as*

1           *the population of the State bears to the popu-*  
2           *lation of all States; and*

3                   “(B)  $\frac{1}{56}$  of 50 percent of the additional ap-  
4           *propriation.”; and*

5           *(2) by adding at the end the following:*

6           “(e) *CARRYOVER AUTHORITY.—Notwithstanding any*  
7           *other provision of law—*

8                   “(1) *any funds appropriated for a fiscal year to*  
9           *carry out a grant program under section 722 or 723,*  
10           *that are not obligated and expended by recipients*  
11           *prior to the beginning of the succeeding fiscal year*  
12           *shall remain available for obligation and expenditure*  
13           *by such recipients during that succeeding fiscal year*  
14           *and the subsequent fiscal year; and*

15                   “(2) *any amounts of program income received by*  
16           *recipients under a grant program under section 722*  
17           *or 723 in a fiscal year that are not obligated and ex-*  
18           *pended by recipients prior to the beginning of the suc-*  
19           *ceeding fiscal year, shall remain available for obliga-*  
20           *tion and expenditure by such recipients during that*  
21           *succeeding fiscal year and the subsequent fiscal*  
22           *year.”.*

1 **SEC. 485. GRANTS TO CENTERS FOR INDEPENDENT LIVING**  
 2 **IN STATES IN WHICH FEDERAL FUNDING EX-**  
 3 **CEEDS STATE FUNDING.**

4 *Section 722(c) of the Rehabilitation Act of 1973 (29*  
 5 *U.S.C. 796f-1(c)) is amended by striking “by September*  
 6 *30, 1997” and inserting “during the preceding year”.*

7 **SEC. 486. GRANTS TO CENTERS FOR INDEPENDENT LIVING**  
 8 **IN STATES IN WHICH STATE FUNDING**  
 9 **EQUALS OR EXCEEDS FEDERAL FUNDING.**

10 *Section 723(c) of the Rehabilitation Act of 1973 (29*  
 11 *U.S.C. 796f-2(c)) is amended by striking “by September*  
 12 *30, 1997” and inserting “during the preceding year”.*

13 **SEC. 487. STANDARDS AND ASSURANCES FOR CENTERS FOR**  
 14 **INDEPENDENT LIVING.**

15 *Section 725(b) of the Rehabilitation Act of 1973 (29*  
 16 *U.S.C. 796f-4(b)) is amended by adding at the end the fol-*  
 17 *lowing:*

18 *“(8) PROMOTING FULL ACCESS TO COMMUNITY*  
 19 *LIFE.—The center shall provide independent living*  
 20 *services that promote full access to community life for*  
 21 *individuals with significant disabilities. The services*  
 22 *shall include, as appropriate, facilitating transitions*  
 23 *from nursing homes and other institutions, including*  
 24 *institutions serving individuals with cognitive dis-*  
 25 *abilities, to community-based residences, assisting in-*  
 26 *dividuals with significant disabilities at risk of enter-*



1 *than 2 percent, of the funds appropriated to carry out this*  
2 *chapter for the fiscal year involved.*

3       “(b) *ALLOCATION.*—*From the funds reserved under*  
4 *subsection (a), the Commissioner shall make grants to, and*  
5 *enter into contracts and other arrangements with, entities*  
6 *that demonstrate expertise in the provision of services to*  
7 *older individuals who are blind to provide training and*  
8 *technical assistance with respect to planning, developing,*  
9 *conducting, administering, and evaluating independent liv-*  
10 *ing programs for older individuals who are blind.*

11       “(c) *FUNDING PRIORITIES.*—*The Commissioner shall*  
12 *conduct a survey of designated State agencies that receive*  
13 *grants under section 753 regarding training and technical*  
14 *assistance needs in order to determine funding priorities*  
15 *for grants, contracts, and other arrangements under this*  
16 *section.*

17       “(d) *REVIEW.*—*To be eligible to receive a grant or*  
18 *enter into a contract or other arrangement under this sec-*  
19 *tion, an eligible entity shall submit an application to the*  
20 *Commissioner at such time, in such manner, containing a*  
21 *proposal to provide such training and technical assistance,*  
22 *and containing such additional information as the Com-*  
23 *missioner may require.*

24       “(e) *PROHIBITION ON COMBINED FUNDS.*—*No funds*  
25 *reserved by the Commissioner under this section may be*

1 *combined with funds appropriated under any other Act or*  
2 *part of this Act if the purpose of combining funds is to*  
3 *make a single discretionary grant or a single discretionary*  
4 *payment, unless such funds appropriated under this chap-*  
5 *ter are separately identified in such grant or payment and*  
6 *are used for the purposes of this chapter.”.*

7 **SEC. 490. PROGRAM OF GRANTS.**

8 *Section 753 of the Rehabilitation Act of 1973, as redес-*  
9 *ignated by section 489, is amended—*

10 *(1) in subsection (g), by inserting “, or contracts*  
11 *with,” after “grants to”;*

12 *(2) by striking subsection (h);*

13 *(3) by redesignating subsections (i) and (j) as*  
14 *subsections (h) and (i), respectively;*

15 *(4) in subsection (b), by striking “section 753”*  
16 *and inserting “section 754”;*

17 *(5) in subsection (c)—*

18 *(A) in paragraph (1), by striking “section*  
19 *753” and inserting “section 754”; and*

20 *(B) in paragraph (2)—*

21 *(i) by striking “subsection (i)” and in-*  
22 *serting “subsection (h)”;* and

23 *(ii) by striking “subsection (j)” and*  
24 *inserting “subsection (i)”;*

1           (6) in subsection (h), as redesignated by para-  
2 graph (3)—

3           (A) in paragraph (1), by striking “sub-  
4 section (j)(4)” and inserting “subsection (i)(4)”;  
5 and

6           (B) in paragraph (2)—

7           (i) in subparagraph (A)(vi), by adding  
8 “and” after the semicolon;

9           (ii) in subparagraph (B)(ii)(III), by  
10 striking “; and” and inserting a period;  
11 and

12           (iii) by striking subparagraph (C);

13 and

14           (7) in subsection (i), as redesignated by para-  
15 graph (3)—

16           (A) by striking paragraph (2) and inserting  
17 the following:

18           “(2) *MINIMUM ALLOTMENT.*—

19           “(A) *STATES.*—In the case of the several  
20 States, the District of Columbia, and the Com-  
21 monwealth of Puerto Rico, the amount referred  
22 to in paragraph (1)(A) for a fiscal year is the  
23 greater of—

24           “(i) \$350,000;

1           “(ii) an amount equal to the amount  
2           the State, the District of Columbia, or the  
3           Commonwealth of Puerto Rico received to  
4           carry out this chapter for fiscal year 2003;  
5           or

6           “(iii) an amount equal to  $\frac{1}{3}$  of 1 per-  
7           cent of the amount appropriated under sec-  
8           tion 754, and not reserved under section  
9           752, for the fiscal year and available for al-  
10          lotments under subsection (a).

11          “(B) CERTAIN TERRITORIES.—In the case  
12          of Guam, American Samoa, the United States  
13          Virgin Islands, and the Commonwealth of the  
14          Northern Mariana Islands, the amount referred  
15          to in paragraph (1)(A) for a fiscal year is  
16          \$60,000.”;

17          (B) in paragraph (3)(A), by striking “sec-  
18          tion 753” and inserting “section 754, and not  
19          reserved under section 752,”; and

20          (C) in paragraph (4)(B)(i), by striking  
21          “subsection (i)” and inserting “subsection (h)”.



1 *shall, at the discretion of the Secretary, take such actions*  
2 *as the Secretary determines to be appropriate to provide*  
3 *for the orderly implementation of titles II and IV of this*  
4 *Act.*

5 **SEC. 502. EFFECTIVE DATE.**

6 *Except as otherwise provided in this Act, this Act and*  
7 *the amendments made by this Act shall take effect on the*  
8 *date of enactment of this Act.*

Attest:

*Secretary.*

108TH CONGRESS  
1ST SESSION

**H. R. 1261**

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**AMENDMENT**