same religious philosophies will have an advantage over those applying for employment that do not subscribe to the same views. Workers can now lose job opportunities through blatant religious discrimination at places our tax dollars are funding. This bill turns WIA into a competitive service provider, rather than an equal opportunity resource for our Nation's unemployed workers.

This is not the way we can help our Nation's workforce, and I urge my colleagues to oppose H.R. 27 as it is written.

The CHAIRMAN. The committee will rise informally.

The Speaker pro tempore (Mr. MCKEON) assumed the Chair.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will remind all persons in the gallery that they are here as guests of the House and that any manifestation of approval or disapproval of proceedings or other audible conversation is in violation of the rules of the House.

MESSAGE FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the House by Ms. Wanda Evans, one of his secretaries.

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The SPEAKER pro tempore (Mr. MCKEON). The Committee will resume its sitting.

JOB TRAINING IMPROVEMENT ACT OF 2005

The Committee resumed its sitting.

Mr. BOEHNER. Mr. Chairman, I yield 3 minutes to the gentleman from Puerto Rico (Mr. Fortuño).

Mr. FORTUÑO. Mr. Chairman, back in 1998, Congress enacted the Workforce Investment Act, which established a system for a one-stop career centers aimed at providing one convenient central location to offer job training and other employment-related services.

While these reforms have largely been a success, the system is still hampered by inefficiency, duplication, and unnecessary bureaucracy. The bill that we are approving today aims to strengthen training services for job seekers accomplishes these goals in several ways: Particularly by streamlining bureaucracy and eliminating duplication; consolidating the three adult WIA training programs, giving States and local communities greater flexibility, and enabling more job seekers to be served with no reduction in services; removing arbitrary barriers that prevent individuals from accessing job training services immediately; strengthening partnerships between local businesses, communities colleges and the local one-stop delivery system; enhancing vocational rehabilitation to help individuals with disabilities; and improving allocation and literacy for adults to ensure they gain the knowledge and skills necessary to find employment, including language proficiency.

I want to thank the chairman on the committee for adopting two amendments I have introduced to enhance further employability of the limited English proficient calculation by providing necessary skills, training and English language instruction. I believe this will help tremendously, especially the Hispanic populations throughout the country.

I believe that the backbone of a strong economy and a strong society is a well-trained and highly-skilled workforce. The bill on the floor today is an excellent source to achieve that goal. This bill includes a number of reforms aimed at strengthening our Nation's job training system and better engaging the business community to improve job training services.

It accomplishes this by requiring State and local workforce investment boards to ensure the job training programs reflect the employment needs in local areas; also allowing training for currently employed workers so employers can upgrade workers' skills and avoid layoffs; encouraging the highest caliber providers, including community colleges, to offer training through the one-stop system; leveraging other public and private resources to increase training opportunities; and increasing connections to economic development programs.

The bill reauthorizes the Rehabilitation Act of 1993, the primary Federal program designed to assist individuals with disabilities to prepare for, obtain and retain employment to live independently; and furthermore, it includes transition services for students with disabilities moving from secondary education into post-secondary activities that can only be determined as a possible alternative to address the needs of those in special needs.

I am convinced that H.R. 27 is a valuable tool to achieve that goal we all have set our minds to. And that is none other than creating a better and strong economy and society that will be prepared to compete in a changing and demanding new world that rises as we speak.

Mr. KILDEE. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York (Mrs. MCCARTHY).

Mrs. MCCARTHY. Mr. Chairman, I rise to join the chairman of the Committee on Education and the Workforce, the gentleman from Ohio (Mr. BOEHNER), in a colloquy on how certain provisions in this legislation might affect the governance of WIA funding in New York State.

This legislation provides governors the authority to take a portion of funds provided through the authorizing statutes of mandatory partner programs to cover the infrastructure costs of one-stop centers. I am concerned that this may create a constitutional conflict between the Governor of New York and the Board of Regents.

I offered an amendment to remedy this conflict in committee. The amendment I offered was language that is identical to language already included in S. 9. I would ask the chairman if he would commit to working with me and my New York colleagues in conference to resolve this issue.

Mr. BOEHNER. Mr. Chairman, will the gentlewoman yield?

Mrs. MCCARTHY. I yield to the gentleman from Ohio.

Mr. BOEHNER. Mr. Chairman, I want to thank the gentlewoman for yielding. I pledge to work with her and other interested members of the New York delegation during conference on this legislation to identify and remedy any governance problems which New York may have under this bill. However, it is not clear that the language that the gentlewoman offered in committee that is included in S. 9 fixes the problem in New York and could have other unintended consequences in New York and other States.

So my goal is to ensure that the mandatory partners contribute to the cost of the one-stop infrastructure without causing constitutional problems for States. And as I suggested, I will continue to work with the gentlewoman to achieve this.

Mrs. MCCARTHY. Mr. Chairman, I want to thank the chairman for agreeing to work with us on this issue of importance to New York.

Mr. BOEHNER. Mr. Chairman, I reserve the balance of my time.

Mr. KILDEE. Mr. Chairman, I yield two minutes to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Mr. Chairman, I rise in opposition to H.R. 27, the Reauthorization of the Workforce Investment Act.

The Workforce Investment Act was one of these pieces of legislation that actually helps people. It was passed back in 1998. Unfortunately, this is a step backward as it comes before us today. The bill now here would create block grants to fund the adult dislocated worker and employment service programs. And as we know, funding through nearly every past block grant program has led to decreases in funding in just about every education or labor program that was block granted.

In addition, the proposal here would reduce and restrict services for in-school youths. It would fund one-stop infrastructure by siphoning off funds used to serve veterans and individuals with disabilities; and importantly, the legislation before us here would allow discrimination in hiring based on individuals's religious beliefs.

Under current religious law, organizations are free to make employment decisions using religious criteria with their own money. Why should we allow organizations to discriminate with taxpayer dollars? It really would roll back

40 years of civil rights laws and decades of job training laws as we have heard here today.

The Workforce Investment Act was intended to be about helping hard working Americans find jobs and help those who have a job receive training to improve their employment prospects. This is, I repeat, the kind of legislation that could actually help people. These one-stop centers have been a success. But this legislation does not provide adequate authorized funding for them and it changes many of the good features that have been part of the Workforce Investment Act.

We could be closing the skills gap, but unfortunately, the bill does not do that. It is a step backward from the legislation that was passed in 1998.

Mr. KILDEE. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN. The gentleman from Michigan (Mr. KILDEE) has 5 minutes.

Mr. KILDEE. Mr. Chairman, I yield myself such time as I may consume.

In summary, I urge a no vote on this bill. In 1998, the gentleman from California (Mr. MCKEON) who is a very good friend of mine, we will always remain friends, we have great respect for one another, we wrote a very good bill in 1998, WIA, and I hope we would do likewise this time; but I find myself unable to support this bill.

The bill, among other things, I do not mean to be harsh, but among other things, encapsulates President Bush's response to the woman in Omaha who told him that she was presently working three jobs to ensure that she could provide for her family. And the President responded, ''Uniquely American, isn't it? I mean, that is fantastic that you're doing that.''

Mr. Chairman, we can do better than that.

Mr. Chairman, I yield back the balance of my time.

Mr. BOEHNER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, what we have before us is the Reauthorization of the Workforce Investment Act. It was first passed in 1998. These one-stop centers that have been created all over the country to help the people gain skills and to increase their skills are a critical part of what we need to do if we are going to have a successful economy over the next 10, 20 and even 50 years.

What we have done in this reauthorization is tried to make these one-stop centers work even better. We believe that by consolidating the three separate funding streams, three different sets of employees, three different sets of books, we can gain more flexibility for the local workforce boards and thereby freeing up more dollars to be used to actually train workers.

We believe strongly that the youth services money here ought to be directed for the most part to out of school youth, a population that is vastly underserved and we do that in this bill. We also believe that faith-based providers, especially in large urban centers, can provide a very necessary outreach to help those who are really needy have an opportunity to get the kind of training and retraining they need to become productive members of our society.

I think what we have here is a very good bill. And while my friends on the other side of the aisle have some disagreement, I think all of us understand that by and large, this is a good program, that the bill before us is worth the support of my colleagues and I would ask them to do that.

Ms. PELOSI. Mr. Chairman, I rise in opposition to H.R. 27, the Workforce Investment Act Reauthorization.

Today, there are nearly 8 million people who are unemployed and seeking work in this country. There are an additional 5 million workers who want a job but have given up their job search out of frustration. And about one in every five unemployed people—1.7 million Americans—has been jobless for more than 26 weeks.

These sad statistics make a clear point—access to job training services is critical for Americans across the country.

Job training should be a bipartisan priority of this Congress, but this is the second Congress in a row that Republicans have brought to the floor a partisan bill that undermines our job training initiatives.

This Republican bill puts the funding for job training services at risk by consolidating them into a block grant. This is at a time Republicans have already cut funding for job training initiatives under WIA by $750 million since 2002.

The Republican bill eliminates targeted job training for workers who need it the most—those who have lost their jobs to outsourcing and the downturn in our economy.

It allows the states to rob from Adult Education, Veterans' Reemployment, and job training programs for individuals with disabilities to fund more bureaucracy. This would severely jeopardize services to our most vulnerable populations.

Most troubling, this bill sends the message that discrimination will be condoned in federal, taxpayer-funded job training programs.

We all recognize and appreciate the work of faith-based organizations in their service to communities in need. But there is absolutely no evidence that the current law protections have hampered the full participation of faith-based organizations in providing job training services.

This bill, however, would allow religious groups to discriminate on the basis of religion when hiring or firing staff for federally-funded job training initiatives.

It would permit those seeking jobs funded by the federal government to be judged solely on the basis of their religious beliefs and practices, not on their qualifications or ability to do the job.

Instead of promoting the good works of religious organizations, this bill unfairly tarnishes them with the specter of discrimination that they have nobly fought so hard against.

The bill's constitutionally dubious provisions will introduce needless uncertainty and controversy. It will subject religious organizations to legally and morally untenable positions.

That is why this bill is opposed by many religious and civil rights organizations.

The Scott Amendment preserves current law, which permits these organizations to provide job training services with federal funds as long as they do not discriminate.

We can support faith-based organizations without breaking faith with our fundamental American commitment to non-discrimination.

And we can do so much more to support job training services for the millions of American workers who are struggling to find work.

I urge my colleagues to support the Scott Amendment and oppose the Republican bill.

Mr. GENE GREEN of Texas. Mr. Chairman, I rise today to voice my opposition to this Job Training Improvement Act because it does nothing to improve job training in our country.

Congress has an opportunity to take the reauthorization of the Workforce Investment Act and address the needs of millions of unemployed Americans. Instead, we are presented with a proposal that reduces the impact of job training programs by cutting funding to traditional job training providers such as the veteran's employment programs and Perkins Vocational Education Programs.

This bill also consolidates the adult, dislocated worker and employment service programs and their funding while repealing the Wagner Peyser Act. Wager Peyser established the Federal performance and accountability standards that ensure our job training programs are quality programs that place able workers in appropriate positions in the workforce.

Furthermore, this bill would allow federally funded job training organizations to question a candidate about their religious beliefs. I've been a Christian all my life. However, I do not feel it is the place of the Federal Government or anyone receiving Federal funds to question a job candidate about their religious beliefs.

At this time, Congress needs to place more resources into workforce training, not reduce job training programs that are successful. The Houston area continues to have an unemployment rate higher than the national average, as does the State of Texas.

This bill will slow down the ability of those who need workforce training from getting it, and right now this economy needs all the help it can get. H.R. 27 is bad public policy and will further slow our efforts to strengthen our economy.

Mrs. BIGGERT. Mr. Chairman, I rise today in support of H.R. 27, the Job Training Improvement Act. Through local and State workforce investment boards, this legislation will strengthen job training programs to meet the needs of local businesses, many of which rely heavily on information technology, IT.

In the span of just two decades, information technology has become a commonplace part of our lives and has also created nearly 10 million jobs in the United States. Information technology is a factor in the productivity and success of many different sectors of our economy. Whether one is an auto mechanic, a dentist, or a farmer, IT skills are essential—and will be increasingly essential—to one's job performance and productivity. Simply put, the IT industry and its workforce are significant contributors to productivity, innovation and global competitiveness.

It is for this reason, Mr. Chairman, that the Committee report encourages States to examine whether providers of training offer the opportunity to obtain an industry-developed and maintained certification or credential. This is

important, in as much as it recognizes that the industries themselves are the most qualified to determine what skills their workforce will need to succeed and excel. This is especially true with respect to the constantly changing and ever-evolving IT industry.

Through certification, individuals receive validation of a level of expertise. This, in turn, can increase an individual's ability to find and retain a good job that utilizes that training. Employers also benefit when certification assures a level of skill that an individual could bring to a job.

The success of WIA in expanding the computer skills of Americans—through training and certification—will improve the productivity of every sector of our economy. This in turn will make America more competitive globally and is an effective step toward creating good jobs right here in the United States.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise in support of the amendment offered by my colleague the Ranking Member of the Judiciary Subcommittee on Crime, Mr. SCOTT along with Ms. WOOLSEY, Mr. VAN HOLLEN, Mr. FRANK, Mr. EDWARDS, and Mr. NADLER, to the base bill, H.R. 27. As I stated with respect to the rule, H. Res. 126, the party-line vote of 220–204 that we saw in the 108th Congress on the debate of the then H.R. 1261 should evidence the need for the most open debate over the deficiencies that lie within the provisions on the floor. The need for debate arises from disagreement. As representatives of the United States Congress, we all have a duty to fully debate the issues on behalf of our constituents. A restricted rule precludes that opportunity.

I support the Scott-Woolsey-VanHollen-Frank-Edwards-Nadler amendment to H.R. 27 to remove the provision allowing religious discrimination in employment from the underlying bill. A base bill purportedly designed to improve the opportunity to achieve adequate employment is no place to encourage discrimination. In fact, there is no place for religious discrimination in American law just as there should be no place in America for that kind of backwards thinking.

H.R. 27, in its current state, erodes fundamental civil rights protections for the unemployed and the underemployed by exempting faith-based organizations from compliance with the current non-discrimination law. Presently, under our country's existing laws, in Title VII of the Civil Rights Act, employing institutions using private funds were exempt from employment discrimination protections. However, WIA programs are federally funded and as such do not fall under the jurisdiction of the Title VII statute. Simply put: Public funds are not allowed to be used to encourage religious discrimination in employment and that should not change.

Each of my colleagues should understand that without this important amendment, we are advocating the notion that one's ability to provide employment to those who are in need is contingent on the religious institution to which the individual belongs. What if anything is accomplished by attempting to create religious hierarchies in the workplace? What benefit does that provide the employer? None. And thus the language allowing religious discrimination should be stricken from the bill. As should all language that does not add to the well being of job-seekers or employment services.

The Founding Fathers of this country found it necessary to say that no one should be unfairly judged or discriminated against on the basis of their religion. This Congress should do no less. We should not create law that does harm. We should not encourage discrimination of any kind, religious or otherwise.

Surely, this country prides itself on its diversity and its willingness to open its doors to people of different religions, races, and ethnic backgrounds. Yet on the floor of the people's House we are faced with an attempt by the Republicans to create a monolithic sub-culture within our employment training programs. Despite the rhetoric on the other side of the aisle, H.R. 27 as it currently reads will not only result in the loss of jobs for applicants who do not identify with their prospective employer's religious beliefs but more importantly it will cause the loss of quality workers.

The Scott-Woolsey-Van Hollen-Frank-Edwards-Nadler amendment will effectively retain civil rights protections for individuals who seek employment or employment training. This amendment simply retains their freedom of religious choice and their freedom not to be discriminated against due to their religion. This amendment adds nothing to the law rather it maintains current law. Without the addition of this proposal, however, the body elected to serve all of the people of this country will have endorsed employment discrimination with federal dollars. We simply cannot allow this to happen. We must do everything we can to preserve the fundamentals of Head Start. I urge my colleagues to vote to ensure that our job programs are not muddied and degraded by the promotion of religious discrimination. Therefore, I stand in full support of this amendment and I urge my colleagues to do the same.

Mr. MORAN of Virginia. Mr. Chairman, I rise in strong opposition to the Job Training Improvement Act, because it will reduce important job training programs such as the veterans employment programs, Perkins Vocational Educational Program and the Vocational Rehabilitation Program.

This measure consolidates the adult, dislocated worker and employment service programs and funding into a block grant, while also repealing the Wagner Peyser Act and removing many of the federal performance and accountability measurements that make the Workforce Investment Act such an important investment in our nation's workforce.

With the unemployment rate at 5.2 percent, it is reprehensible that this legislation will repeal a dedicated funding stream for one-stop centers where job seekers can learn about job opportunities, apply for aid and receive counseling.

We all know what is going to happen if Workforce Investment Act programs are block-granted.

States are not going to spend that money where it is needed the most, which is to aid job seekers in this troubling economy. Instead, these funds may be used to cover infrastructure and administrative costs. This will go against the true intent of the Workforce Investment Act, which is to invest in our workforce.

Even more troubling is the fact that H.R. 27 reduces preventive in-school youth training programs which keep students from dropping out of school. President Bush has pledged to expand the No Child Left Behind law to high schools and require students to take annual tests in reading and mathematics through 11th grade.

So the president wants to ensure that students and teachers are held accountable for learning standards, but he lacks support for programs that strive to keep kids in school?

As we all know, these workforce investment programs are already critically underfunded. They strive to meet the increasing demands placed upon them in an environment of increasingly inadequate resources. To be effective, these programs cannot sustain these devastating cuts.

Finally, the Workforce Reinvestment and Adult Education Act would eliminate the civil rights protections of Americans, by exempting religious organizations from anti-discrimination requirements.

The message that we are sending to the millions of Americans who are unemployed, who are veterans and those who are in need of economic assistance is that we do not care about keeping them from falling further into an economic crisis.

This bill fails as a reinvestment in our workforce and fails to aid the millions of jobless Americans who need it the most.

I urge all my colleagues to vote in favor of the Scott Amendment which will protect current civil rights protections for employees and job applicants of faith-based organizations.

Mr. CASTLE. Mr. Chairman, I rise in support of H.R. 27, the Job Training Improvement Act, which will reauthorize the Workforce Investment Act (WIA)—programs which provide job training for youths, veterans, and seasonal and migrant workers.

For the past six years WIA has offered a ''one-stop delivery system'' through which job-seekers have access to labor market information, job counseling, and job training. In addition, they have access to numerous other federal programs that provide services for job seekers. With facilities in Wilmington, Newark, Dover and Georgetown, the ''one-stop delivery system'' in Delaware has proved to be an efficient tool in training individuals for the workforce.

For example, in Delaware all of our centers are fully equipped with: Internet ready computers, interactive CD–Rom tutorials, fax machine to send resume and cover letters to perspective employers, copy machine, telephone resource center with career manuals including reference books. Delaware also runs an internet site where applicants can post resumes, as well as to search a comprehensive database of job openings. Applicants can also allow Job Scout to search the system for you automatically track wages and trends, training locations and funding available. It also offers bus schedules, links to newspaper classified ads, child care and related information through the family and workplace connection.

The purpose of highlighting the program in Delaware is to provide a real life example of useful it is to have services in one central place. The bill before us today builds on the efficiency of the ''one-stop delivery'' model by streamlining unnecessary bureaucracy, eliminating duplication, strengthening resource allocation, and improving accountability. I am pleased that we are able to make reforms that build upon successes, and that will ultimately enhance the ability of adults to access services that lead to employment.

I would also like to briefly touch upon the services that are provided for youth under this

bill. Under this legislation youth between the ages of 16 and 24 are eligible for a variety of services geared toward graduating high school or gaining the skills necessary for employment. The importance of these services cannot be overstated to these young adults.

With that, I thank the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. MCKEON), and urge my colleagues to support H.R. 27.

Mr. GREEN of Wisconsin. Mr. Chairman, there are towns and neighborhoods across America that have tough problems, social crises, that desperately need to be addressed. Fortunately, there are many organizations in those communities that want to help, and they offer unique and innovative solutions to some of our most challenging needs. We must open doors for them and help them help our neighbors. That begins by removing the barriers that unnecessarily stand in their way.

It is essential that we recognize the importance of government working with faith-based providers to help society. These organizations are a central part of the fabric of communities across America and we need to ensure that we are removing any obstacles that stand in the way of their ability to help.

Faith-based organizations have a federally-protected right to maintain their religious nature and character through those they hire. Organizations willing to serve their communities by participating in federal programs should not be forced to give up that right. We must pass this legislation with a clear message from Congress to our faith-based leaders: we need your service and we want to assist you in delivering for us and for the most vulnerable in our society.

I urge my colleagues to vote against any amendment that would remove the important religious freedom protections these organizations need and deserve.

Mrs. DRAKE. Mr. Chairman, the policies Congress has implemented over the last four years have provided a solid foundation for American workers and businesses to build a strong economy.

With steady job growth over the last 20 months putting over 2.7 million Americans back to work, it is clear that Congress has the right priorities: Working Americans and their families.

American workers need access to job-training in order that they may obtain the skills to perform the jobs of the 21st century.

Americans want more than a job—they want jobs with higher pay and that provide them with meaning and personal satisfaction. They also want a career, a future, and financial independence in retirement.

As our economy shifts from production to service related jobs, and from low-tech to high-tech occupations, Americans need access to education and job training that provides them with the skills they need to perform.

Mr. Chairman, when enacted, this plan will pair workers with the employers who need the skills they offer, and vice versa.

In a dynamic and changing world economy, many Americans are faced with the reality that they might have to change careers multiple times. This plan will strengthen the ties between job training programs, adult education and vocational rehabilitation programs and the people they serve so they can continue to grow in their careers.

Of particular importance to me and my colleagues who support this plan is provision I proposed that is reflected in the bill we're voting on today.

The provision paves the way for added support for disabled veterans who need help finding meaningful work as they transition to the civilian sector after their dedicated service to our nation.

The men and women of our Armed Forces who have given of themselves should not only be honored, but aided as much as possible in starting life again upon their return.

The Job Training Improvement Act is a crucial step in taking the American workforce into the 21st Century, and I encourage my colleagues to support its passage.

Mr. BACA. Mr. Chairman, I rise in opposition to H.R. 27, the Job Training Improvement Act. This bill fails to improve the Workforce Investment Act and falls short of the promises our government made to provide training and career opportunities for the unemployed.

H.R. 27 is fatally flawed and undermines our current national workforce policy.

It eliminates various worker-training programs, rolls back protection against religious discrimination, and potentially damages the stability of important social programs.

We cannot neglect the unemployed, underemployed and dislocated workers of America who need ample and widespread funding for federal job training services.

Despite a suffering economy and high unemployment, this bill undercuts the ability of our government to provide for these vital workers and erodes Congressional authority and accountability over workforce funds.

Under the provisions of H.R. 27, funding will be shifted from WIA partner programs to pay for the WIA infrastructure and core services costs.

This transfer will weaken vital programs such as TANF, adult education, unemployment insurance, child support enforcement, and veterans employment programs.

Why would we threaten these vital social programs by passing a flawed bill that does not even assure more training would result from the transfer of funds?

H.R. 27 also contains explicit discriminatory provisions.

By repealing long-standing civil rights protections that were signed into law by President Reagan, this bill allows job-training providers to discriminate on the basis of religion.

Since 1982, these provisions have been included in the bill and received bipartisan support.

We cannot allow this gross inequity to tear at the fabric of a fundamental American principle—the inalienable right to fair and equal treatment under the law.

This is why I strongly support Congressman Scott's amendment that will restore these basic civil rights and my faith in our legislative process.

We cannot allow ourselves to drastically depart from previous workforce policy by eliminating worker training programs, destabilizing essential social programs, and writing discriminatory provisions into law.

This so-called Workforce Investment Act is not an acceptable or responsible proposal to provide needed services to our nation's unemployed.

I urge my colleagues to join me in voting no on final passage.

Mr. STARK. Mr. Chairman, I rise today in opposition to H.R. 27, the so-called Job Training Improvement Act of 2005.

Today's bill has nothing to do with improving job training for our workforce—far from it. Instead, this bill actually weakens worker protections, opens the door to hiring discrimination, and dismantles the employment service program that helps unemployed workers find jobs.

Apparently the Republicans haven't monitored the weak job market numbers. How else can you explain being so cruel and unfair as to pull the rug out on our nation's unemployed?

Let me remind my Republican colleagues that there are still fewer jobs available in America than when President Bush came to office. Inflation is still growing faster than the average earnings of workers—a fact that is particularly true for low-skilled and low-income workers.

Confronted with such evidence, this Congress should be doing everything we can to bolster workforce investment. Yet, this Republican bill cuts employment and re-employment services at the time they are needed most. It underfunds the Employment Service, Adult, and Dislocated Worker programs by consolidating them into a single block grant. This puts a greater financial burden directly on the states, exacerbating their budget deficits and perversely triggering layoffs among the very state employees who administer these programs. Yet, much worse, it forces unemployed workers and welfare recipients to fight it out for a share of these limited funds.

To add insult to injury, the Republicans give states the right to waive basic worker protections that allow employees to seek redress when they've been treated unfairly. They even allow religious organizations to engage in hiring discrimination in an unholy attempt to turn back a half-century of progress in preventing workplace discrimination.

Current law prohibits employers participating in federal job training programs from discriminating based on race, color, religion, sex, national origin, age disability, or political affiliation or belief. The Republican bill would allow the taxpayer dollars that pay for these job-training programs to go to religious organizations that blatantly discriminate in hiring based on religious beliefs. What next? Will the next Bush initiative include allowing discrimination based on race, sexual orientation or political affiliation?

The vital civil rights provision barring federally-funded religious discrimination has never been controversial and has never been a partisan issue. In fact, the provision was first included in the federal job training legislation that former Senator Dan Quayle sponsored. It passed through a committee chaired by Senator ORRIN HATCH and was signed by President Ronald Reagan.

Throughout its 23-year history, this civil rights provision has not been an obstacle to the participation of religiously affiliated organizations in federal job training programs. Currently, many religious organizations participate in the federal programs and comply with the same civil rights protections that apply to other employers.

But suddenly, under the leadership of the White House, we are being asked to forget the principle of equal opportunity on which our country was founded.

Now is not the time to be rolling back civil rights protections and it certainly isn't the time to be short-changing the unemployed.

Congress ought to be creating solutions to make it easier for folks to find jobs, not more difficult. This Republican bill is clearly not a solution.

I urge my colleagues to vote "no" on H.R. 27.

Mr. BOEHNER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 27

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Job Training Improvement Act of 2005''.

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TITLE V—TRANSITION AND EFFECTIVE DATE
Sec. 501. Transition provisions.
Sec. 502. Effective date.

SEC. 3. REFERENCES.

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Workforce Investment Act of 1998 (20 U.S.C. 9201 et seq.).

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

SEC. 101. DEFINITIONS.

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

(1) by striking paragraphs (13) and (24) and redesignating paragraphs (1) through (12) as paragraphs (3) through (14), and paragraphs (14) through (23) as paragraphs (15) through (24), respectively;

(2) by inserting after ''In this title:'' the following new paragraphs:

''(1) ACCRUED EXPENDITURES.—The term 'accrued expenditures' means charges incurred by recipients of funds under this title for a given period requiring the provision of funds for goods or other tangible property received; services performed by employees, contractors, subgrantees, and other payees; and other amounts becoming owed under programs assisted under this title for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments.

''(2) ADMINISTRATIVE COSTS.—The term 'administrative costs' means expenditures incurred by State and local workforce investment boards, direct recipients (including State grant recipients under subtitle B and recipients of awards under subtitle D), local grant recipients, local fiscal agents or local grant subrecipients, and one-stop operators in the performance of administrative functions and in carrying out activities under this title which are not related to the direct provision of workforce investment services (including services to participants and employers). Such costs include both personnel and nonpersonnel and both direct and indirect.'';

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

(4) in paragraph (10) (as so redesignated)—

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

(B) in subparagraph (C)—

(i) by striking ''not less than 50 percent of the cost of the training'' and inserting ''a significant portion of the cost of training, as determined by the local board''; and

(ii) by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(D) in the case of customized training with an employer in multiple local areas in the State, for which such employer pays a significant portion of the cost of the training, as determined by the Governor.'';

(5) in paragraph (11)(A)(ii)(II) (as so redesignated) by striking ''section 134(c)'' and inserting ''section 121(e)'';

(6) in paragraph (14)(A) (as so redesignated) by striking ''section 122(e)(3)'' and inserting ''section 122'';

(7) in paragraph (25)—

(A) in subparagraph (B), by striking ''higher of—'' and all that follows through clause (ii) and inserting ''poverty line for an equivalent period;''; and

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

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

(8) in paragraph (32) by striking ''the Republic of the Marshall Islands, the Federated States of Micronesia,''; and

(9) by striking paragraph (33) and redesignating paragraphs (34) through (53) as paragraphs (33) through (52), respectively.

SEC. 102. PURPOSE.

Section 106 (29 U.S.C. 2811) is amended by inserting at the end the following: ''It is also the purpose of this subtitle to provide workforce investment activities in a manner that promotes the informed choice of participants and actively involves participants in decisions affecting their participation in such activities.''.

SEC. 103. STATE WORKFORCE INVESTMENT BOARDS.

(a) MEMBERSHIP.—

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

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

''(C) representatives appointed by the Governor, who are—

''(i)(I) the lead State agency officials with responsibility for the programs and activities that are described in section 121(b) and carried out by one-stop partners;

''(II) in any case in which no lead State agency official has responsibility for such a program or activity, a representative in the State with expertise relating to such program or activity; and

''(III) if not included under subclause (I), the director of the State unit, defined in section 7(8)(B) of the Rehabilitation Act of 1973 (29 U.S.C. 705(8)(B)) except that in a State that has established 2 or more designated State units to administer the vocational rehabilitation program, the board representative shall be the director of the designated State unit that serves the most individuals with disabilities in the State;

''(ii) the State agency officials responsible for economic development;

''(iii) representatives of business in the State who—

''(I) are owners of businesses, chief executive or operating officers of businesses, and other business executives or employers with optimum policy making or hiring authority, including members of local boards described in section 117(b)(2)(A)(i);

''(II) represent businesses with employment opportunities that reflect employment opportunities in the State; and

''(III) are appointed from among individuals nominated by State business organizations and business trade associations;

''(iv) chief elected officials (representing both cities and counties, where appropriate);

''(v) representatives of labor organizations, who have been nominated by State labor federations; and

''(vi) such other representatives and State agency officials as the Governor may designate.''; and

(B) in paragraph (3), by striking ''paragraph (1)(C)(i)'' and inserting ''paragraph (1)(C)(iii)''.

(2) CONFORMING AMENDMENT.—Section 111(c) (29 U.S.C 2811(c)) is amended by striking ''subsection (b)(1)(C)(i)'' and inserting ''subsection (b)(1)(C)(iii)''.

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

(1) in paragraph (2), by striking ''section 134(c)'' and inserting ''section 121(e)'';

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

''(3) development and review of statewide policies affecting the integrated provision of services through the one-stop delivery system described in section 121, including—

''(A) the development of criteria for, and the issuance of, certifications of one-stop centers;

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

''(C) approaches to facilitating equitable and efficient cost allocation in one-stop delivery systems; and

''(D) such other matters that may promote statewide objectives for, and enhance the performance of, one-stop delivery systems within the State;'';

(3) in paragraph (4), by inserting ''and the development of State criteria relating to the appointment and certification of local boards under section 117'' after ''section 116'';

(4) in paragraph (5), by striking ''sections 128(b)(3)(B) and 133(b)(3)(B)'' and inserting ''sections 128(b)(3) and 133(b)(3)''; and

(5) in paragraph (9), by striking ''section 503'' and inserting ''section 136(i)''.

(c) ELIMINATION OF ALTERNATIVE ENTITY AND PROVISION OF AUTHORITY TO HIRE STAFF.—Section 111(e) (29 U.S.C. 2821(e)) is amended to read as follows:

''(e) AUTHORITY TO HIRE STAFF.—The State board may hire staff to assist in carrying out the functions described in subsection (d).''.

SEC. 104. STATE PLAN.

(a) PLANNING CYCLE.—Section 112(a) (29 U.S.C. 2822(a)) is amended by striking ''5-year strategy'' and inserting ''2-year strategy''.

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

(1) in paragraph (12)(A), by striking ''sections 128(b)(3)(B) and 133(b)(3)(B)'' and inserting ''sections 128(b)(3) and 133(b)(3)'';

(2) in paragraph (14), by striking ''section 134(c)'' and inserting ''section 121(e)'';

(3) in paragraph (17)(A)—

(A) in clause (iii) by striking ''and'';

(B) by amending clause (iv) to read as follows:

''(iv) how the State will serve the employment and training needs of dislocated workers (including displaced homemakers and formerly self-employed and transitioning farmers, ranchers, and fisherman) low income individuals (including recipients of public assistance), individuals with limited English proficiency, homeless individuals, ex-offenders, individuals training for nontraditional employment, and other individuals with multiple barriers to employment (including older individuals); and''; and

(C) by inserting after clause (iv) the following:

''(v) how the State will serve the employment and training needs of individuals with disabilities, consistent with section 188 and Executive Order 13217 (42 U.S.C. 12131 note; relating to community-based alternatives for individuals with disabilities) including the provision of outreach, intake, assessments, and service delivery, the development of performance measures, the training of staff, and other aspects of accessibility to program services, consistent with sections 504 and 508 of the Rehabilitation Act of 1973; and'';

(4) in paragraph (18)(D), by striking ''youth opportunity grants'' and inserting ''youth challenge grants''; and

(5) by adding at the end the following new paragraphs:

''(19) a description of the methodology for determining one-stop partner program contributions for the cost of the infrastructure of one-stop centers under section 121(h)(1) and of the formula for allocating such infrastructure funds to local areas under section 121(h)(3); and

''(20) a description of any programs and strategies the State will utilize to meet the needs of businesses in the State, including small businesses, which may include providing incentives and technical assistance to assist local areas in engaging employers in local workforce development activities.''.

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

SEC. 105. LOCAL WORKFORCE INVESTMENT AREAS.

(a) DESIGNATION OF AREAS.—

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

''(vi) The extent to which such local areas will promote efficiency in the administration and provision of services.''.

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

''(2) AUTOMATIC DESIGNATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B) of this paragraph and subsection (b), the Governor shall approve a request for designation as a local area from—

''(i) any unit of general local government with a population of 500,000 or more; and

''(ii) an area served by a rural concentrated employment program grant recipient that served as a service delivery area or substate area under the Job Training Partnership Act (29 U.S.C. 1501 et seq.),

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

''(B) CONTINUED DESIGNATION BASED ON PERFORMANCE.—The Governor may deny a request for designation submitted pursuant to subparagraph (A) if such unit of government was designated as a local area for the preceding 2-year period covered by a State plan and the Governor determines that such local area did not perform successfully during such period.''.

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

SEC. 106. LOCAL WORKFORCE INVESTMENT BOARDS.

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

(1) in clause (i)(II), by inserting '', businesses that are in the leading industries in the local area, and large and small businesses in the local area'' after ''local area'';

(2) by amending clause (ii) to read as follows:

''(ii) a superintendent of the local secondary school system, an administrator of an entity providing adult education and literacy activities that is not a one-stop partner designated under section 121(b)(1)(B), and the president or chief executive officer of a postsecondary educational institution serving the local area (including community colleges, where such entities exist);'';

(3) in clause (iv), by striking the semicolon and inserting ''and faith-based organizations; and''; and

(4) by striking clause (vi).

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

(1) in the heading, by inserting ''AND REPRESENTATION'' after ''MEMBERS''; and

(2) by adding at the end the following: ''The members of the board shall represent diverse geographic sections within the local area.''.

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

(1) in paragraph (2)(B), by striking ''by awarding grants'' and all that follows through ''youth council''; and

(2) in paragraph (4) by inserting '', and ensure the appropriate use and management of the funds provided under this title for such programs, activities, and system'' after ''area''.

(d) AUTHORITY TO ESTABLISH COUNCILS AND ELIMINATION OF REQUIREMENT FOR YOUTH COUNCILS.—Section 117(h) (29 U.S.C. 2832(h)) is amended to read as follows:

''(h) ESTABLISHMENT OF COUNCILS.—The local board may establish councils to provide information and advice to assist the local board in carrying out activities under this title. Such councils may include a council composed of one-stop partners to advise the local board on the operation of the one-stop delivery system, a youth council composed of experts and stakeholders in youth programs to advise the local board on activities for youth, and such other councils as the local board determines are appropriate.''.

(e) REPEAL OF ALTERNATIVE ENTITY PROVISION.—Section 117 (29 U.S.C. 2832) is further amended by striking subsection (i).

SEC. 107. LOCAL PLAN.

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

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

(1) by amending paragraph (2) to read as follows:

''(2) a description of the one-stop delivery system to be established or designated in the local area, including a description of how the local board will ensure the continuous improvement of eligible providers of services through the system and ensure that such providers meet the employment needs of local employers and participants;'';

(2) in paragraph (4), by striking ''and dislocated worker'';

(3) in paragraph (9), by striking ''; and'' and inserting a semicolon; and

(4) by redesignating paragraph (10) as paragraph (12) and inserting after paragraph (9) the following:

''(10) a description of the strategies and services that will be initiated in the local area to engage employers, including small employers, in workforce development activities;

''(11) how the local area will serve the employment and training needs of individuals with disabilities, consistent with section 188 and Executive Order 13217 (42 U.S.C. 12131 note) including the provision of outreach, intake, assessments, and service delivery, the development of performance measures, the training of staff, and other aspects of accessibility to program services, consistent with sections 504 and 508 of the Rehabilitation Act of 1973; and''.

SEC. 108. ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEMS.

(a) ONE-STOP PARTNERS.—

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

(A) in subparagraph (B)—

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

(ii) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively, and by redesignating clauses (vi) through (xii) as clauses (iv) through (x), respectively;

(iii) in clause (ix) (as so redesignated), by striking ''and'' at the end;

(iv) in clause (x) (as so redesignated), by striking the period and inserting ''; and''; and

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

''(xi) programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et. seq.), subject to subparagraph (C).''; and

(B) by adding after subparagraph (B) the following:

''(C) DETERMINATION BY THE GOVERNOR.—The program referred to in clause (xi) of subparagraph (B) shall be included as a required partner for purposes of this title in a State unless the Governor of the State notifies the Secretary and the Secretary of Health and Human Services in writing of a determination by the Governor not to include such programs as required partners for purposes of this title in the State.''.

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

(A) by striking clause (i) and redesignating clauses (ii) through (v) as clauses (i) through (iv) respectively;

(B) in clause (iii) (as so redesignated) by striking ''and'' at the end;

(C) in clause (iv) (as so redesignated) by striking the period and inserting a semicolon; and

(D) by adding at the end the following new clauses:

''(v) employment and training programs administered by the Social Security Administration, including the Ticket to Work program (established by Public Law 106–170);

''(vi) employment and training programs carried out by the Small Business Administration;

''(vii) programs under part D of title IV of the Social Security Act (42 U.S.C. 451 et seq.) (relating to child support enforcement);

''(viii) employment, training, and literacy services carried out by public libraries; and

''(ix) programs carried out in the local area for individuals with disabilities, including programs carried out by State agencies relating to mental health, mental retardation, and developmental disabilities, State Medicaid agencies, State Independent Living Councils, and Independent Living Centers.''.

(b) PROVISION OF SERVICES.—Subtitle B of title I is amended—

(1) in section 121(d)(2), by striking ''section 134(c)'' and inserting ''subsection (e)'';

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

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

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

(A) in paragraph (1)(A), by striking ''subsection (d)(2)'' and inserting ''section 134(c)(2)'';

(B) in paragraph (1)(B)—

(i) by striking ''subsection (d)'' and inserting ''section 134(c)''; and

(ii) by striking ''subsection (d)(4)(G)'' and inserting ''section 134(c)(4)(G)'';

(C) in paragraph (1)(C), by striking ''subsection (e)'' and inserting ''section 134(d)'';

(D) in paragraph (1)(D), by striking ''section 121(b)'' and inserting ''subsection (b)''; and

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

''(E) shall provide access to the information described in section 15(e) of the Wagner-Peyser Act (29 U.S.C. 49l-2(e)).''.

(c) CERTIFICATION AND FUNDING OF ONE-STOP CENTERS.—Section 121 (as amended by subsection (b)) is further amended by adding at the end the following new subsections:

''(g) CERTIFICATION OF ONE-STOP CENTERS.—

''(1) IN GENERAL.—The State board shall establish procedures and criteria for periodically certifying one-stop centers for the purpose of awarding the one-stop infrastructure funding described in subsection (h).

''(2) CRITERIA.—The criteria for certification under this subsection shall include minimum standards relating to the scope and degree of service integration achieved by the centers involving the programs provided by the one-stop partners, and how the centers ensure that such providers meet the employment needs of local employers and participants.

''(3) EFFECT OF CERTIFICATION.—One-stop centers certified under this subsection shall be eligible to receive the infrastructure grants authorized under subsection (h).

''(h) ONE-STOP INFRASTRUCTURE FUNDING.—

''(1) PARTNER CONTRIBUTIONS.—

''(A) PROVISION OF FUNDS.—Notwithstanding any other provision of law, as determined under subparagraph (B), a portion of the Federal funds provided to the State and areas within the State under the Federal laws authorizing the one-stop partner programs described in subsection (b)(1)(B) and participating additional partner programs described in (b)(2)(B) for a fiscal year shall be provided to the Governor by such programs to carry out this subsection.

''(B) DETERMINATION OF GOVERNOR.—Subject to subparagraph (C), the Governor, in consultation with the State board, shall determine the portion of funds to be provided under subparagraph (A) by each one-stop partner and in making such determination shall consider the proportionate use of the one-stop centers by each partner, the costs of administration for purposes not related to one-stop centers for each partner, and other relevant factors described in paragraph (3).

''(C) LIMITATIONS.—

''(i) PROVISION FROM ADMINISTRATIVE FUNDS.—The funds provided under this paragraph by each one-stop partner shall be provided only from funds available for the costs of administration under the program administered by such partner, and shall be subject to the limitations with respect to the portion of funds under such programs that may be used for administration.

''(ii) FEDERAL DIRECT SPENDING PROGRAMS.—Programs that are Federal direct spending under section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(8)) shall not, for purposes of this paragraph, be required to provide an amount in excess of the amount determined to be equivalent to the proportionate use of the one-stop centers by such programs in the State.

''(iii) NATIVE AMERICAN PROGRAMS.—Native American programs established under section 166 shall not be subject to the provisions of this subsection. The method for determining the appropriate portion of funds to be provided by such Native American programs to pay for the costs of infrastructure of a one-stop center certified under subsection (g) shall be determined as part of the development of the memorandum of understanding under subsection (c) for the one-stop center and shall be stated in the memorandum.

''(2) ALLOCATION BY GOVERNOR.—From the funds provided under paragraph (1), the Governor shall allocate funds to local areas in accordance with the formula established under paragraph (3) for the purposes of assisting in paying the costs of the infrastructure of One-Stop centers certified under subsection (g).

''(3) ALLOCATION FORMULA.—The State board shall develop a formula to be used by the Governor to allocate the funds described in paragraph (1). The formula shall include such factors as the State board determines are appropriate, which may include factors such as the number of centers in the local area that have been certified, the population served by such centers, and the performance of such centers.

''(4) COSTS OF INFRASTRUCTURE.—For purposes of this subsection, the term 'costs of infrastructure' means the nonpersonnel costs that are necessary for the general operation of a one-stop center, including the rental costs of the facilities, the costs of utilities and maintenance, equipment (including adaptive technology for individuals with disabilities), strategic planning activities for the center, and common outreach activities.

''(i) OTHER FUNDS.—

''(1) IN GENERAL.—In addition to the funds provided to carry out subsection (h), a portion of funds made available under Federal law authorizing the one-stop partner programs described in subsection (b)(1)(B) and participating partner programs described in subsection (b)(2)(B), or the noncash resources available under such programs shall be used to pay the costs relating to the operation of the one-stop delivery system that are not paid for from the funds provided under subsection (h), to the extent not inconsistent with the Federal law involved including—

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

''(B) common costs that are in addition to the costs of infrastructure; and

''(C) the costs of the provision of core services applicable to each program.

''(2) DETERMINATION AND GUIDANCE.—The method for determining the appropriate portion of funds and noncash resources to be provided by each program under paragraph (1) shall be determined as part of the memorandum of understanding under subsection (c). The State board shall provide guidance to facilitate the determination of appropriate allocation of the funds and noncash resources in local areas.''.

SEC. 109. ELIGIBLE PROVIDERS OF TRAINING SERVICES.

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

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

''(a) IN GENERAL.—The Governor shall establish criteria and procedures regarding the eligibility of providers of training services described in section 134(c)(4) to receive funds provided under section 133(b) for the provision of such training services.

''(b) CRITERIA.—

''(1) IN GENERAL.—The criteria established pursuant to subsection (a) shall take into account the performance of providers of training services with respect to the indicators described in section 136 or other appropriate indicators (taking into consideration the characteristics of the population served and relevant economic conditions), and such other factors as the Governor determines are appropriate to ensure the quality of services, the accountability of providers, how the centers ensure that such providers meet the needs of local employers and participants, whether providers of training allow participants to attain a certification, certificate, or mastery, and the informed choice of participants under chapter 5. Such criteria shall require that the provider submit appropriate, accurate and timely information to the State for purposes of carrying out subsection (d). The criteria shall also provide for periodic review and renewal of eligibility under this section for providers of training services. The Governor may authorize local areas in the State to establish additional criteria or to modify the criteria established by the Governor under this section for purposes of determining the eligibility of providers of training services to provide such services in the local area.

''(2) LIMITATION.—In carrying out the requirements of this subsection, no personally identifiable information regarding a student, including Social Security number, student identification number, or other identifier, may be disclosed without the prior written consent of the parent or eligible student in compliance with section 444 of the General Education Provisions Act (20 U.S.C. 1232g).

''(c) PROCEDURES.—The procedures established under subsection (a) shall identify the application process for a provider of training services to become eligible to receive funds under section 133(b) for the provision of training services, and identify the respective roles of the State and local areas in receiving and reviewing applications and in making determinations of eligibility based on the criteria established under this section. The procedures shall also establish a process for a provider of training services to appeal a denial or termination of eligibility under this section that includes an opportunity for a hearing and prescribes appropriate time limits to ensure prompt resolution of the appeal.

''(d) INFORMATION TO ASSIST PARTICIPANTS IN CHOOSING PROVIDERS.—

''(1) IN GENERAL.—In order to facilitate and assist participants under chapter 5 in choosing providers of training services, the Governor shall ensure that an appropriate list or lists of providers determined eligible under this section in the State, accompanied by such information

as the Governor determines is appropriate, is provided to the local boards in the State to be made available to such participants and to members of the public through the one-stop delivery system in the State.

''(2) SPECIAL RULE.—An entity that carries out programs under the Act of August 16, 1937 (commonly known as the 'National Apprenticeship Act', 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.) shall be included on the list of eligible providers described in paragraph (1) for so long as such entity remains certified by the Department of Labor.

''(e) AGREEMENTS WITH OTHER STATES.—States may enter into agreements, on a reciprocal basis, to permit eligible providers of training services to accept individual training accounts provided in another State.

''(f) RECOMMENDATIONS.—In developing the criteria, procedures, and information required under this section, the Governor shall solicit and take into consideration the recommendations of local boards and providers of training services within the State.

''(g) OPPORTUNITY TO SUBMIT COMMENTS.—During the development of the criteria, procedures, and information required under this section, the Governor shall provide an opportunity for interested members of the public, including representatives of business and labor organizations, to submit comments regarding such criteria, procedures, and information.

''(h) ON-THE-JOB TRAINING OR CUSTOMIZED TRAINING EXCEPTION.—

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

''(2) COLLECTION AND DISSEMINATION OF INFORMATION.—A one-stop operator in a local area shall collect such performance information from on-the-job training and customized training providers as the Governor may require, determine whether the providers meet such performance criteria as the Governor may require, and disseminate information identifying providers that meet the criteria as eligible providers, and the performance information, through the one-stop delivery system. Providers determined to meet the criteria shall be considered to be identified as eligible providers of training services.''.

SEC. 110. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

(a) ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.—Section 123 (29 U.S.C. 2843) is amended to read as follows:

''SEC. 123. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

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

''(b) EXCEPTIONS.—A local board may award grants or contracts on a sole-source basis if such board determines there are an insufficient number of eligible providers of training services in the local area involved (such as rural areas) for grants to be awarded on a competitive basis under subsection (a).''.

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

''Sec. 123. Eligible providers of youth activities.''.

SEC. 111. YOUTH ACTIVITIES.

(a) STATE ALLOTMENTS.—

(1) IN GENERAL.—Section 127(a) (29 U.S.C. 2852(a)) is amended to read as follows:

''(a) ALLOTMENT AMONG STATES.—

''(1) YOUTH ACTIVITIES.—

''(A) YOUTH CHALLENGE GRANTS.—

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

''(ii) LIMITATION.—Notwithstanding clause (i), if the amount appropriated under section 137(a) for a fiscal year exceeds $1,000,000,000, the Secretary shall reserve $250,000,000 to provide youth challenge grants under section 169.

''(B) OUTLYING AREAS AND NATIVE AMERICANS.—

''(i) IN GENERAL.—After determining the amount to be reserved under subparagraph (A), of the remainder of the amount appropriated under section 137(a) for each fiscal year the Secretary shall—

''(I) reserve not more than ¼ of one percent of such amount to provide assistance to the outlying areas to carry out youth activities and statewide workforce investment activities; and

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

''(ii) RESTRICTION.—The Republic of Palau shall cease to be eligible to receive funding under this subparagraph upon entering into an agreement for extension of United States educational assistance under the Compact of Free Association (approved by the Compact of Free Association Amendments Act of 2003 (Public Law 108–188)) after the date of enactment of the Job Training Improvement Act of 2005.

''(C) STATES.—

''(i) IN GENERAL.—Of the remainder of the amount appropriated under section 137(a) for a fiscal year that is available after determining the amounts to be reserved under subparagraphs (A) and (B), the Secretary shall allot—

''(I) the amount of the remainder that is less than or equal to the total amount that was allotted to States for fiscal year 2005 under section 127(b)(1)(C) of this Act (as in effect on the day before the date of enactment of the Job Training Improvement Act of 2005) in accordance with the requirements of such section 127(b)(1)(C); and

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

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

''(I) 33⅓ percent shall be allotted on the basis of the relative number of individuals in the civilian labor force who are ages 16–19 in each State, compared to the total number of individuals in the civilian labor force who are ages 16–19 in all States;

''(II) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals in each State, compared to the total number of unemployed individuals in all States; and

''(III) 33⅓ percent shall be allotted on the basis of the relative number of disadvantaged youth who are ages 16 through 21 in each State, compared to the total number of disadvantaged youth who are ages 16 through 21 in all States.

''(iii) MINIMUM AND MAXIMUM PERCENTAGES.—The Secretary shall ensure that no State shall receive an allotment for a fiscal year that is less than 90 percent or greater than 130 percent of the allotment percentage of that State for the preceding fiscal year.

''(iv) SMALL STATE MINIMUM ALLOTMENT.—Subject to clause (iii), the Secretary shall ensure that no State shall receive an allotment under this paragraph that is less than 3/10 of 1 percent of the amount available under subparagraph (A).

''(2) DEFINITIONS.—For the purposes of paragraph (1), the following definitions apply:

''(A) ALLOTMENT PERCENTAGE.—The term 'allotment percentage', used with respect to fiscal year 2006 or a subsequent fiscal year, means a percentage of the remainder described in paragraph (1)(C)(i) that is received through an allotment made under this subsection for the fiscal year. The term, with respect to fiscal year 2005, means the percentage of the amounts allotted to States under this chapter (as in effect on the day before the date of enactment of the Job Training Improvement Act of 2005) that is received by the State involved for fiscal year 2005.

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

''(3) SPECIAL RULE.—For purposes of the formulas specified in paragraph (1)(C), the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of disadvantaged youth.''.

(2) REALLOTMENT.—Section 127 (29 U.S.C. 2552) is further amended—

(A) by striking subsection (b);

(B) by redesignating subsection (c) as subsection (b);

(C) in subsection (b) (as so redesignated)—

(i) by amending paragraph (2) to read as follows:

''(2) AMOUNT.—The amount available for reallotment for a program year is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the State under this section during such prior program year (including amounts allotted to the State in all prior program years that remained available). For purposes of this paragraph, the expended balance is the amount that is the difference between—

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

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

(ii) in paragraph (3)—

(I) by striking ''for the prior program year'' and inserting ''for the program year in which the determination is made''; and

(II) by striking ''such prior program year'' and inserting ''such program year'';

(iii) by amending paragraph (4) to read as follows:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible State means a State which does not have an amount available for reallotment under paragraph (2) for the program year for which the determination under paragraph (2) is made.''; and

(iv) in paragraph (5), by striking ''obligation'' and inserting ''accrued expenditure''.

(b) WITHIN STATE ALLOCATIONS.—

(1) RESERVATION FOR STATEWIDE ACTIVITIES.—Section 128(a) is amended to read as follows:

''(a) RESERVATION FOR STATEWIDE ACTIVITIES.—

''(1) IN GENERAL.—The Governor of a State shall reserve not more than 10 percent of the amount allotted to the State under section 127(a)(1)(C) for a fiscal year for statewide activities.

''(2) USE OF FUNDS.—Regardless of whether the amounts are allotted under section 127(a)(1)(C) and reserved under paragraph (1) or allotted under section 132 and reserved under section 133(a), the Governor may use the reserved amounts to carry out statewide youth activities under section 129(b) or statewide employment and training activities under section 133.''.

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

''(b) WITHIN STATE ALLOCATION.—

''(1) IN GENERAL.—Of the amounts allotted to the State under section 127(a)(1)(C) and not reserved under subsection (a)(1)—

''(A) 80 percent of such amounts shall be allocated by the Governor to local areas in accordance with paragraph (2); and

''(B) 20 percent of such amounts shall be allocated by the Governor to local areas in accordance with paragraph (3).

''(2) ESTABLISHED FORMULA.—

''(A) IN GENERAL.—Of the amounts described in paragraph (1)(A), the Governor shall allocate—

''(i) 33⅓ percent shall be allotted on the basis of the relative number of individuals in the civilian labor force who are ages 16–19 in each local area, compared to the total number of individuals in the civilian labor force who are ages 16–19 in all local areas in the State;

''(ii) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals in each local area, compared to the total number of unemployed individuals in all local areas in the State; and

''(iii) 33⅓ percent on the basis of the relative number of disadvantaged youth who are ages 16 through 21 in each local area, compared to the total number of disadvantaged youth who are ages 16 through 21 in all local areas in the State.

''(B) MINIMUM AND MAXIMUM PERCENTAGES.—The Governor shall ensure that no local area shall receive an allocation for a fiscal year under this paragraph that is less than 90 percent or greater than 130 percent of the allocation percentage of the local area for the preceding fiscal year.

''(C) DEFINITIONS.—

''(i) ALLOCATION PERCENTAGE.—For purposes of this paragraph, the term 'allocation percentage', used with respect to fiscal year 2006 or a subsequent fiscal year, means a percentage of the amount described in paragraph(1)(A) that is received through an allocation made under this paragraph for the fiscal year. The term, with respect to fiscal year 2005, means the percentage of the amounts allocated to local areas under this chapter (as in effect on the day before the date of enactment of the Job Training Improvement Act of 2005) that is received by the local area involved for fiscal year 2005.

''(ii) DISADVANTAGED YOUTH.—The term 'disadvantaged youth' means an individual who is age 16 through 21 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.

''(3) YOUTH DISCRETIONARY ALLOCATION.—The Governor shall allocate to local areas the amounts described in paragraph (1)(B) in accordance with such demographic and economic factors as the Governor, after consultation with the State board and local boards, determines are appropriate.

''(4) LOCAL ADMINISTRATIVE COST LIMIT.—

''(A) IN GENERAL.—Of the amounts allocated to a local area under this subsection and section 133(b) for a fiscal year, not more than 10 percent of the amount may be used by the local boards for the administrative costs of carrying out local workforce investment activities under this chapter or chapter 5.

''(B) USE OF FUNDS.—Funds made available for administrative costs under subparagraph (A) may be used for the administrative costs of any of the local workforce investment activities described in this chapter or chapter 5, regardless of whether the funds were allocated under this subsection or section 133(b).''.

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

(A) in paragraph (1), by striking ''paragraph (2)(A) or (3) of'';

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

''(2) AMOUNT.—The amount available for reallocation for a program year is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the local area under this section during such prior program year, (including amounts allotted to the local area in prior program years that remain available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

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

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

(C) by amending paragraph (3)—

(i) by striking ''subsection (b)(3)'' the first two places it appears and inserting ''subsection (b)'';

(ii) by striking ''the prior program year'' and inserting ''the program year in which the determination is made'';

(iii) by striking ''such prior program year'' and inserting ''such program year''; and

(iv) by striking the last sentence; and

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

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible local area means a local area which does not have an amount available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made.''.

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

''(a) YOUTH PARTICIPANT ELIGIBILITY.—

''(1) IN GENERAL.—The individuals participating in activities carried out under this chapter by a local area during any program year shall be individuals who, at the time the eligibility determination is made, are—

''(A) not younger than age 16 or older than age 24; and

''(B) one or more of the following:

''(i) school dropouts;

''(ii) recipients of a secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent (including recognized alternative standards for individuals with disabilities) who are deficient in basic skills and not attending any school;

''(iii) court-involved youth attending an alternative school;

''(iv) youth in foster care or who have been in foster care; or

''(v) in school youth who are low-income individuals and one or more of the following:

''(I) Deficient in literacy skills.

''(II) Homeless, runaway, or foster children.

''(III) Pregnant or parents.

''(IV) Offenders.

''(V) Individuals who require additional assistance to complete an educational program, or to secure and hold employment.

''(2) PRIORITY FOR SCHOOL DROPOUTS.—A priority in the provision of services under this chapter shall be given to individuals who are school dropouts.

''(3) LIMITATIONS ON ACTIVITIES FOR IN-SCHOOL YOUTH.—

''(A) PERCENTAGE OF FUNDS.—For any program year, not more than 30 percent of the funds available for statewide activities under subsection (b), and not more than 30 percent of funds available to local areas under subsection (c), may be used to provide activities for in-school youth meeting the requirements of paragraph (1)(B)(v).

''(B) NON-SCHOOL HOURS REQUIRED.—

''(i) IN GENERAL.—Except as provided in clause (ii), activities carried out under this chapter for in-school youth meeting the requirements of paragraph (1)(B)(v) shall only be carried out in non-school hours or periods when school is not in session (such as before and after school or during recess).

''(ii) EXCEPTION.—The requirements of clause (i) shall not apply to activities carried out for in-school youth meeting the requirements of paragraph (1)(B)(v) during school hours that are part of a program that has demonstrated effectiveness in high school youth attaining diplomas.''.

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

''(b) STATEWIDE ACTIVITIES.—

''(1) IN GENERAL.—Funds reserved by a Governor for a State as described in sections 128(a) and 133(a)(1) may be used for statewide activities including—

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

''(B) supporting the provision of core services described in section 134(c)(2) in the one-stop delivery system;

''(C) conducting evaluations under section 136(e) of activities authorized under this chapter and chapter 5 in coordination with evaluations carried out by the Secretary under section 172, research, and demonstration projects;

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

''(E) providing technical assistance and capacity building to local areas, one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the development of exemplary program activities, and the provision of technical assistance to local areas that fail to meet local performance measures;

''(F) operating a fiscal and management accountability system under section 136(f); and

''(G) carrying out monitoring and oversight of activities under this chapter and chapter 5.

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

''(3) PROHIBITION.—No funds described in this subsection or in section 134(a) may be used to develop or implement education curricula for school systems in the State.''.

(e) LOCAL ELEMENTS AND REQUIREMENTS.—

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

(A) in the matter preceding subparagraph (A), by striking ''paragraph (2)(A) or (3), as appropriate, of'';

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

(C) in subparagraph (C)—

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

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

''(i) activities leading to the attainment of a secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent (including recognized alternative standards for individuals with disabilities);'';

(iii) in clause (ii) (as so redesignated), by inserting ''and advanced training'' after ''opportunities'';

(iv) in clause (iii) (as so redesignated), by inserting ''that lead to the attainment of recognized credentials'' after ''learning''; and

(v) by amending clause (v) (as redesignated by this subparagraph) to read as follows:

''(v) effective connections to employers in sectors of the local labor market experiencing high growth in employment opportunities.''.

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

(A) in subparagraph (A), by striking ''secondary school, including dropout prevention strategies'' and inserting ''secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent (including recognized alternative standards for individuals with disabilities), including dropout prevention strategies'';

(B) in subparagraph (I), by striking ''and'' at the end;

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

(D) by adding at the end the following:

''(K) on-the-job training opportunities; and

''(L) financial literacy skills.''.

(3) ADDITIONAL REQUIREMENTS.—Section 129(c)(3)(A) (29 U.S.C. 2854(c)(3)(A)) is amended in the matter preceding clause (i) by striking ''or applicant who meets the minimum income criteria to be considered an eligible youth''.

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

(A) by striking paragraphs (4) and (5);

(B) by redesignating paragraph (6) as paragraph (4);

(C) by redesignating paragraph (7) as paragraph (5), and in such redesignated paragraph (5) by striking ''youth councils'' and inserting ''local boards''; and

(D) by redesignating paragraph (8) as paragraph (6).

SEC. 112. COMPREHENSIVE PROGRAMS FOR ADULTS.

(a) TITLE AMENDMENT.—

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

"CHAPTER 5—COMPREHENSIVE EMPLOYMENT AND TRAINING ACTIVITIES FOR ADULTS".

(2) CLERICAL AMENDMENT.—The table of contents in section 1(b) is amended by amending the item related to the heading for chapter 5 to read as follows:

''CHAPTER 5—COMPREHENSIVE EMPLOYMENT AND TRAINING ACTIVITIES FOR ADULTS''.

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

(1) by striking ''paragraphs (1)(B) and (2)(B) of''; and

(2) by striking '', and dislocated workers,''.

(c) STATE ALLOTMENTS.—

(1) IN GENERAL.—Section 132(a) (29 U.S.C. 2862(a)) is amended to read as follows:

''(a) IN GENERAL.—The Secretary shall—

''(1) reserve 10 percent of the amount appropriated under section 137(b) for a fiscal year, of which—

''(A) not less than 75 percent shall be used for national dislocated worker grants under section 173, of which up to $125,000,000 may be used to carry out section 171(d);

''(B) not more than 20 percent may be used for demonstration projects under section 171; and

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

''(2) make allotments from 90 percent of the amount appropriated under section 137(b) for a fiscal year in accordance with subsection (b).''.

(2) ALLOTMENT AMONG STATES.—Section 132(b) (29 U.S.C. 2862(b)) is amended to read as follows:

''(b) ALLOTMENT AMONG STATES FOR ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—

''(1) RESERVATION FOR OUTLYING AREAS.—

''(A) IN GENERAL.—From the amount made available under subsection (a)(2) for a fiscal year, the Secretary shall reserve not more than ¼ of 1 percent to provide assistance to outlying areas to carry out employment and training activities for adults and statewide workforce investment activities.

''(B) RESTRICTION.—The Republic of Palau shall cease to be eligible to receive funding under this paragraph upon entering into an agreement for extension of United States educational assistance under the Compact of Free Association (approved by the Compact of Free Association Amendments Act of 2003 (Public Law 108–188)) after the date of enactment of the Job Training Improvement Act of 2005.

''(2) STATES.—Subject to paragraph (5), of the remainder of the amount referred to under subsection (a)(2) for a fiscal year that is available after determining the amount to be reserved under paragraph (1), the Secretary shall allot to the States for employment and training activities for adults and for statewide workforce investment activities—

''(A) 26 percent in accordance with paragraph (3); and

''(B) 74 percent in accordance with paragraph (4).

''(3) BASE FORMULA.—

''(A) FISCAL YEAR 2006.—

''(i) IN GENERAL.—Subject to clause (ii), the amount referred to in paragraph (2)(A) shall be allotted for fiscal year 2006 on the basis of allotment percentage of each State under section 6 of the Wagner-Peyser Act for fiscal year 2005.

''(ii) EXCESS AMOUNTS.—If the amount referred to in paragraph (2)(A) for fiscal year 2006 exceeds the amount that was available for allotment to the States under the Wagner-Peyser Act for fiscal year 2005, such excess amount shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of individuals in the civilian labor force in all States, adjusted to ensure that no State receives less than 3/10 of one percent of such excess amount.

''(iii) DEFINITION.—For purposes of this subparagraph, the term 'allotment percentage' means the percentage of the amounts allotted to States under section 6 of the Wagner-Peyser Act that is received by the State involved for fiscal year 2005.

''(B) FISCAL YEARS 2007 AND THEREAFTER.—

''(i) IN GENERAL.—Subject to clause (ii), the amount referred to in paragraph(2)(A) shall be allotted for fiscal year 2007 and each fiscal year thereafter on the basis of the allotment percentage of each State under this paragraph for the preceding fiscal year.

''(ii) EXCESS AMOUNTS.—If the amount referred to in paragraph (2)(A) for fiscal year 2007 or any fiscal year thereafter exceeds the amount that was available for allotment under this paragraph for the prior fiscal year, such excess amount shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of individuals in the civilian labor force in all States, adjusted to ensure that no State receives less than 3/10 of one percent of such excess amount.

''(iii) DEFINITION.—For purposes of this subparagraph, the term 'allotment percentage' means the percentage of the amounts allotted to States under this paragraph in a fiscal year that is received by the State involved for such fiscal year.

''(4) CONSOLIDATED FORMULA.—

''(A) IN GENERAL.—Subject to subparagraphs (B) and (C), of the amount referred to in paragraph (2)(B)—

''(i) 60 percent shall be allotted on the basis of the relative number of unemployed individuals in each State, compared to the total number of unemployed individuals in all States;

''(ii) 25 percent shall be allotted on the basis of the relative excess number of unemployed individuals in each State, compared to the total excess number of unemployed individuals in all States; and

''(iii) 15 percent shall be allotted on the basis of the relative number of disadvantaged adults in each State, compared to the total number of disadvantaged adults in all States.

''(B) MINIMUM AND MAXIMUM PERCENTAGES.—

''(i) MINIMUM PERCENTAGE.—The Secretary shall ensure that no State shall receive an allotment under this paragraph for a fiscal year that is less than 90 percent of the allotment percentage of the State under this paragraph for the preceding fiscal year.

''(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the Secretary shall ensure that no State shall receive an allotment for a fiscal year under this paragraph that is more than 130 percent of the allotment of the State under this paragraph for the preceding fiscal year.

''(C) SMALL STATE MINIMUM ALLOTMENT.—Subject to subparagraph (B), the Secretary shall ensure that no State shall receive an allotment under this paragraph that is less than 2/10 of 1 percent of the amount available under subparagraph (A).

''(D) DEFINITIONS.—For the purposes of this paragraph:

''(i) ALLOTMENT PERCENTAGE.—The term 'allotment percentage', used with respect to fiscal year 2006 or a subsequent fiscal year, means a percentage of the amounts described in paragraph (2)(B) that is received through an allotment made under this paragraph for the fiscal year. The term, with respect to fiscal year 2005, means the percentage of the amounts allotted to States under this chapter (as in effect on the day before the date of enactment of the Job Training Improvement Act of 2005) and under reemployment service grants received by the State involved for fiscal year 2005.

''(ii) DISADVANTAGED ADULT.—The term 'disadvantaged adult' means an individual who is age 22 through 72 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.

''(iii) EXCESS NUMBER.—The term 'excess number' means, used with respect to the excess number of unemployed individuals within a State, the number that represents the number of unemployed individuals in excess of 4½ percent of the civilian labor force in the State.

''(5) ADJUSTMENTS IN ALLOTMENTS BASED ON DIFFERENCES WITH UNCONSOLIDATED FORMULAS.—

''(A) IN GENERAL.—The Secretary shall ensure that for any fiscal year no State has an allotment difference, as defined in subparagraph (C), that is less than zero. The Secretary shall adjust the amounts allotted to the States under this subsection in accordance with subparagraph (B) if necessary to carry out this subparagraph.

''(B) ADJUSTMENTS IN ALLOTMENTS.—

''(i) REDISTRIBUTION OF EXCESS AMOUNTS.—

''(I) IN GENERAL.—If necessary to carry out subparagraph (A), the Secretary shall reduce the amounts that would be allotted under paragraphs (3) and (4) to States that have an excess allotment difference, as defined in subclause (II), by the amount of such excess, and use such amounts to increase the allotments to States that have an allotment difference less than zero.

''(II) EXCESS AMOUNTS.—For purposes of subclause (I), the term 'excess' allotment difference means an allotment difference for a State that is—

''(aa) in excess of 3 percent of the amount described in subparagraph (C)(i)(II); or

''(bb) in excess of a percentage established by the Secretary that is greater than 3 percent of the amount described in subparagraph (C)(i)(II) if the Secretary determines that such greater percentage is sufficient to carry out subparagraph (A).

''(ii) USE OF AMOUNTS AVAILABLE UNDER NATIONAL RESERVE ACCOUNT.—If the funds available under clause (i) are insufficient to carry out subparagraph (A), the Secretary shall use funds reserved under section 132(a) in such amounts as are necessary to increase the allotments to States to meet the requirements of subparagraph (A). Such funds shall be used in the same manner as the States use the other funds allotted under this subsection.

''(C) DEFINITION OF ALLOTMENT DIFFERENCE.—

''(i) IN GENERAL.—For purposes of this paragraph, the term 'allotment difference' means the difference between—

''(I) the total amount a State would receive of the amounts available for allotment under subsection (b)(2) for a fiscal year pursuant to paragraphs (3) and (4); and

''(II) the total amount the State would receive of the amounts available for allotment under subsection (b)(2) for the fiscal year if such amounts were allotted pursuant to the unconsolidated formulas (applied as described in clause (iii)) that were used in allotting funds for fiscal year 2005.

''(ii) UNCONSOLIDATED FORMULAS.—For purposes of clause (i), the unconsolidated formulas are:

''(I) The requirements for the allotment of funds to the States contained in section 132(b)(1)(B) of this Act (as in effect on the day before the date of enactment of the Job Training Improvement Act of 2005) that were applicable to the allotment of funds under such section for fiscal year 2005.

''(II) The requirements for the allotment of funds to the States contained in section 132(b)(2)(B) of this Act (as in effect on the day before the date of enactment of the Job Training Improvement Act of 2005) that were applicable to the allotment of funds under such section for fiscal year 2005.

''(III) The requirements for the allotment of funds to the States that were contained in section 6 of the Wagner-Peyser Act (as in effect on the day before the date of enactment of the Job Training Improvement Act of 2005) that were applicable to the allotment of funds under such Act for fiscal year 2005.

''(IV) The requirements for the allotment of funds to the States that were established by the Secretary for Reemployment Services Grants that were applicable to the allotment of funds for such grants for fiscal year 2005.

''(iii) PROPORTIONATE APPLICATION OF UNCONSOLIDATED FORMULAS BASED ON FISCAL YEAR 2005.—In calculating the amount under clause (i)(II), each of the unconsolidated formulas identified in clause (ii) shall be applied, respectively, only to the proportionate share of the total amount of funds available for allotment under subsection (b)(2) for a fiscal year that is equal to the proportionate share to which each of the unconsolidated formulas applied with respect to the total amount of funds allotted to the States under all of the unconsolidated formulas in fiscal year 2005.

''(iv) RULE OF CONSTRUCTION.—The amounts used to adjust the allotments to a State under subparagraph (B) for a fiscal year shall not be included in the calculation of the amounts under clause (i) for a subsequent fiscal year, including the calculation of allocation percentages for a preceding fiscal year applicable to paragraphs (3) and (4) and to the unconsolidated formulas described in clause (ii).''.

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

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

''(2) AMOUNT.—The amount available for reallotment for a program year is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the State under this section during such prior program year (including amounts allotted to the State in all prior program years that remained available). For purposes of this paragraph, the expended balance is the amount that is the difference between—

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

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

(B) in paragraph (3)—

(i) by striking ''for the prior program year'' and inserting ''for the program year in which the determination is made''; and

(ii) by striking ''such prior program year'' and inserting ''such program year'';

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

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible State means a State that does not have an amount available for reallotment under paragraph (2) for the program year for which the determination under paragraph (2) is made.''; and

(D) in paragraph (5), by striking ''obligation'' and inserting ''accrued expenditure''.

(d) WITHIN STATE ALLOCATIONS.—

(1) RESERVATION FOR STATE ACTIVITIES.—Section 133(a) (29 U.S.C. 2863(a)) is amended to read as follows:

''(a) RESERVATION FOR STATEWIDE ACTIVITIES.—The Governor of a State may reserve up to 50 percent of the total amount allotted to the State under section 132 for a fiscal year to carry out the statewide activities described in section 134(a).''.

(2) ALLOCATIONS TO LOCAL AREAS.—Section 133(b) (29 U.S.C. 2863(b)) is amended to read as follows:

''(b) ALLOCATIONS TO LOCAL AREAS.—

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

''(A) 85 percent of such amounts shall be allocated by the Governor to local areas in accordance with paragraph (2); and

''(B) 15 percent of such amounts shall be allocated by the Governor to local areas in accordance with paragraph (3).

''(2) ESTABLISHED FORMULA.—

''(A) IN GENERAL.—Of the amounts described in paragraph (1)(A), the Governor shall allocate—

''(i) 60 percent on the basis of the relative number of unemployed individuals in each local area, compared to the total number of unemployed individuals in all local areas in the State;

''(ii) 25 percent on the basis of the relative excess number of unemployed individuals in each local area, compared to the total excess number of unemployed individuals in all local areas in the State; and

''(iii) 15 percent shall be allotted on the basis of the relative number of disadvantaged adults in each local area, compared to the total number of disadvantaged adults in all local areas in the State.

''(B) MINIMUM AND MAXIMUM PERCENTAGES.—The Governor shall ensure that no local area shall receive an allocation for a fiscal year under this paragraph that is less than 90 percent or greater than 130 percent of the allocation percentage of the local area for the preceding fiscal year.

''(C) DEFINITIONS.—

''(i) ALLOCATION PERCENTAGE.—The term 'allocation percentage', used with respect to fiscal year 2006 or a subsequent fiscal year, means a percentage of the amount described in paragraph (1)(A) that is received through an allocation made under this paragraph for the fiscal year. The term, with respect to fiscal year 2005, means the percentage of the amounts allocated to local areas under this chapter (as in effect on the day before the date of enactment of the Job Training Improvement Act of 2005) that is received by the local area involved for fiscal year 2005.

''(ii) DISADVANTAGED ADULT.—The term 'disadvantaged adult' means an individual who is age 22 through 72 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.

''(iii) EXCESS NUMBER.—The term 'excess number' means, used with respect to the excess number of unemployed individuals within a local area, the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the local area.

''(3) DISCRETIONARY ALLOCATION.—The Governor shall allocate to local areas the amounts described in paragraph (1)(B) based on a formula developed in consultation with the State board and local boards. Such formula shall be objective and geographically equitable and may include such demographic and economic factors as the Governor, after consultation with the State board and local boards, determines are appropriate.

''(4) LOCAL ADMINISTRATIVE COST LIMIT.—

''(A) IN GENERAL.—Of the amounts allocated to a local area under this subsection and section 128(b) for a fiscal year, not more than 10 percent of the amount may be used by the local boards for the administrative costs of carrying out local workforce investment activities under this chapter or chapter 4.

''(B) USE OF FUNDS.—Funds made available for administrative costs under subparagraph (A) may be used for the administrative costs of any of the local workforce investment activities described in this chapter or chapter 4, regardless of whether the funds were allocated under this subsection or section 128(b).''.

(3) REALLOCATION AMONG LOCAL AREAS.—Section 133(c) (29 U.S.C. 2863(c)) is amended—

(A) in paragraph (1), by striking ''paragraph (2)(A) or (3) of'';

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

''(2) AMOUNT.—The amount available for reallocation for a program year is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the local area under this section during such prior program year (including amounts allotted to the local area in prior program years that remain available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

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

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

(C) by amending paragraph (3)—

(i) by striking ''subsection (b)(3)'' the first two places it appears and inserting ''subsection (b)'';

(ii) by striking ''the prior program year'' and inserting ''the program year in which the determination is made'';

(iii) by striking ''such prior program year'' and inserting ''such program year''; and

(iv) by striking the last sentence; and

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

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible local area means a local area which does not have an amount available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made.''.

(e) USE OF FUNDS FOR EMPLOYMENT AND TRAINING ACTIVITIES.—

(1) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

(A) IN GENERAL.—Section 134(a)(1) (29 U.S.C. 2864(a)(1) is amended to read as follows:

''(1) IN GENERAL.—

''(A) REQUIRED USE OF FUNDS.—Not less than 50 percent of the funds reserved by a Governor under section 133(a) shall be used to support the provision of core services in local areas, consistent with the local plan, through one-stop delivery systems by distributing funds to local areas in accordance with subparagraph (B). Such funds may be used by States to employ State personnel to provide such services in designated local areas in consultation with local boards.

''(B) METHOD OF DISTRIBUTING FUNDS.—The method of distributing funds under this paragraph shall be developed in consultation with the State board and local boards. Such method of distribution, which may include the formula established under section 121(h)(3), shall be objective and geographically equitable, and may include factors such as the number of centers in the local area that have been certified, the population served by such centers, and the performance of such centers.

''(C) OTHER USE OF FUNDS.—Funds reserved by a Governor for a State—

''(i) under section 133(a) and not used under subparagraph (A), may be used for statewide activities described in paragraph (2); and

''(ii) under section 133(a) and not used under subparagraph (A), and under section 128(a) may be used to carry out any of the statewide employment and training activities described in paragraph (3).''.

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

''(2) STATEWIDE RAPID RESPONSE ACTIVITIES.—A State shall carry out statewide rapid response activities using funds reserved as described in section 133(a). Such activities shall include—

''(A) provision of rapid response activities, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials in the local areas; and

''(B) provision of additional assistance to local areas that experience disasters, mass layoffs or plant closings, or other events that precipitate substantial increases in the number of unemployed individuals, carried out in local areas by the State, working in conjunction with the local boards and the chief elected officials in the local areas.''.

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

''(3) STATEWIDE ACTIVITIES.—Funds reserved by a Governor for a State as described in sections 133(a) and 128(a) may be used for statewide activities including—

''(A) supporting the provision of core services described in section 134(c)(2) in the one-stop delivery system;

''(B) conducting evaluations under section 136(e) of activities authorized under this chapter and chapter 4 in coordination with evaluations carried out by the Secretary under section 172, research, and demonstration projects;

''(C) providing incentive grants to local areas for regional cooperation among local boards (including local boards in a designated region as described in section 116(c)), for local coordination of activities carried out under this Act, and for exemplary performance by local areas on the local performance measures;

''(D) providing technical assistance and capacity building to local areas, one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the development of exemplary program activities, and the provision of technical assistance to local areas that fail to meet local performance measures;

''(E) operating a fiscal and management accountability system under section 136(f);

''(F) carrying out monitoring and oversight of activities carried out under this chapter and chapter 4;

''(G) implementing innovative programs, such as incumbent worker training programs, programs and strategies designed to meet the needs of businesses in the State, including small businesses, and engage employers in workforce activities, and programs serving individuals with disabilities consistent with section 188;

''(H) developing strategies for effectively serving hard-to-serve populations and for integrating programs and services among one-stop partners;

''(I) implementing innovative programs for displaced homemakers, which for purposes of this subparagraph may include an individual who is receiving public assistance and is within 2 years of exhausting lifetime eligibility under Part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

''(J) implementing programs to increase the number of individuals training for and placed in nontraditional employment; and

''(K) carrying out activities to facilitate remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology.''.

(D) LIMITATION ON STATE ADMINISTRATIVE EXPENDITURES.—Section 134(a) is further amended by adding the following new paragraph:

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

(2) LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—Section 134(b) (29 U.S.C. 2864(b)) is amended—

(A) by striking ''under paragraph (2)(A)'' and all that follows through ''section 133(b)(2)(B)'' and inserting ''under section 133(b)''; and

(B) in paragraphs (1) and (2), by striking ''or dislocated workers, respectively'' .

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

(4) REQUIRED LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—

(A) ALLOCATED FUNDS.—Section 134(c)(1) (29 U.S.C. 2864(c)(1)) (as redesignated by paragraph (3)) is amended to read as follows:

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

''(A) to establish a one-stop delivery system as described in section 121(e);

''(B) to provide the core services described in paragraph (2) through the one-stop delivery system in accordance with such paragraph;

''(C) to provide the intensive services described in paragraph (3) to adults described in such paragraph; and

''(D) to provide training services described in paragraph (4) to adults described in such paragraph.''.

(B) CORE SERVICES.—Section 134(c)(2) (29 U.S.C. 2864(c)(2)) (as redesignated by paragraph (3)) is amended—

(i) by striking ''who are adults or dislocated workers'';

(ii) in subparagraph (A), by striking ''under this subtitle'' and inserting ''under the one-stop partner programs described in section 121(b)'';

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

''(D) labor exchange services, including—

''(i) job search and placement assistance, and where appropriate career counseling;

''(ii) appropriate recruitment services for employers; and

''(iii) reemployment services provided to unemployment claimants.'';

(iv) in subparagraph (I), by inserting ''and the administration of the work test for the unemployment compensation system'' after ''compensation''; and

(v) by amending subparagraph (J) to read as follows:

''(J) assistance in establishing eligibility for programs of financial aid assistance for training and education programs that are not funded under this Act and are available in the local area; and''.

(C) INTENSIVE SERVICES.—Section 134(c)(3) (29 U.S.C. 2864(c)(3) (as redesignated by paragraph (3) of this subsection) is amended—

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

''(A) IN GENERAL.—

''(i) ELIGIBILITY.—Funds allocated to a local area under section 133(b) shall be used to provide intensive services for adults who—

''(I) are unemployed and who have been determined by the one-stop operator to be—

''(aa) unlikely or unable to obtain suitable employment through core services; and

''(bb) in need of intensive services in order to obtain suitable employment; or

''(II) are employed, but who are determined by a one-stop operator to be in need of intensive services to obtain or retain suitable employment.

''(ii) DEFINITION.—The Governor shall define the term 'suitable employment' for purposes of this subparagraph.''; and

(ii) in subparagraph (C)—

(I) in clause (v), by striking ''for participants seeking training services under paragraph (4)''; and

(II) by adding the following clauses after clause (vi):

''(vii) Internships and work experience.

''(viii) Literacy activities relating to basic work readiness, information and communication technology literacy activities, and financial literacy activities.

''(ix) Out-of-area job search assistance and relocation assistance.''.

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

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

''(A) IN GENERAL.—

''(i) ELIGIBILITY.—Funds allocated to a local area under section 133(b) shall be used to provide training services to adults who—

''(I) after an interview, evaluation, or assessment, and case management, have been determined by a one-stop operator or one-stop partner, as appropriate, to—

''(aa) be unlikely or unable to obtain or retain suitable employment through intensive services under paragraph (3)(A);

''(bb) be in need of training services to obtain or retain suitable employment; and

''(cc) have the skills and qualifications to successfully participate in the selected program of training services;

''(II) select programs of training services that are directly linked to the employment opportunities in the local area involved or in another area in which the adults receiving such services are willing to commute or relocate;

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

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

''(ii) DEFINITION.—The Governor shall define the term 'suitable employment' for purposes of this subparagraph.'';

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

(iii) in subparagraph (D)—

(I) by amending clause (iv) to read as follows:

''(iv) entrepreneurial training, including providing information about obtaining microcredit loans for the purpose of starting a business, including contact information of microcredit lenders operating within the local area;'';

(II) in clause (viii) by inserting ''(including English as a Second Language)'' after ''activities''; and

(III) by redesignating clause (ix) as clause (x) and inserting after clause (viii) the following:

''(ix) training that integrates occupational skills training and English language acquisition;'';

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

''(E) PRIORITY.—

''(i) IN GENERAL.—A priority shall be given to unemployed individuals for the provision of intensive and training services under this subsection.

''(ii) ADDITIONAL PRIORITY.—If the funds in the local area, including the funds allocated under section 133(b), for serving recipients of public assistance and other low-income individuals, including single parents, displaced homemakers, and pregnant single women, is limited, the priority for the provision of intensive and training services under this subsection shall include such recipients and individuals.

''(iii) DETERMINATIONS.—The Governor and the appropriate local board shall direct the one-stop operators in the local area with regard to making determinations with respect to the priority of service under this subparagraph.'';

(v) in subparagraph (F), by adding the following clause after clause (iii):

''(iv) ENHANCED INDIVIDUAL TRAINING ACCOUNTS.—Each local board may, through one-stop centers, assist individuals receiving individual training accounts through the establishment of such accounts that include, in addition to the funds provided under this paragraph, funds from other programs and sources that will assist the individual in obtaining training services.'';

(vi) in subparagraph (G)(iv), by redesignating subclause (IV) as subclause (V) and inserting after subclause (III) the following:

''(IV) Individuals with disabilities.''; and

(vii) by adding at the end the following:

''(H) COMPUTER TECHNOLOGY.—In providing training services under subparagraph (G), funds allocated to a local area under this title may be used to purchase computer technology for use by an individual who is eligible pursuant to subsection (A), only if—

''(i) such purchase is part of an ongoing training program; and

''(ii) such purchase is necessary to ensure the individual can participate in such training program.

Any purchase of computer technology under this subparagraph shall remain the property of the one-stop operator.''.

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

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

''(1) DISCRETIONARY ONE-STOP DELIVERY ACTIVITIES.—

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

''(i) customized screening and referral of qualified participants in training services to employers;

''(ii) customized employment-related services to employers on a fee-for-service basis;

''(iii) customer support to navigate among multiple services and activities for special participant populations that face multiple barriers to employment, including individuals with disabilities;

''(iv) employment and training assistance provided in coordination with child support enforcement activities of the State agency carrying out subtitle D of title IV of the Social Security Act;

''(v) activities to improve services to local employers, including small employers in the local area, and increase linkages between the local workforce investment system and employers; and

''(vi) activities to facilitate remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology.

''(B) WORK SUPPORT ACTIVITIES FOR LOW-WAGE WORKERS.—

''(i) IN GENERAL.—Funds allocated to a local area under 133(b) may be used to provide, through the one-stop delivery system and in collaboration with the appropriate programs and resources of the one-stop partners, work support activities designed to assist low-wage workers in retaining and enhancing employment.

''(ii) ACTIVITIES.—The activities described in clause (i) may include assistance in accessing financial supports for which such workers may be eligible and the provision of activities available through the one-stop delivery system in a manner that enhances the opportunities of such workers to participate, such as the provision of employment and training activities during non-traditional hours and the provision of on-site child care while such activities are being provided.''; and

(B) by adding after paragraph (3) the following new paragraph:

''(4) INCUMBENT WORKER TRAINING PROGRAMS.—

''(A) IN GENERAL.—The local board may use up to 10 percent of the funds allocated to a local area under section 133(b) to carry out incumbent worker training programs in accordance with this paragraph.

''(B) TRAINING ACTIVITIES.—The training programs for incumbent workers under this paragraph shall be carried out by the local area in conjunction with the employers of such workers for the purpose of assisting such workers in obtaining the skills necessary to retain employment and avert layoffs.

''(C) EMPLOYER MATCH REQUIRED.—

''(i) IN GENERAL.—Employers participating in programs under this paragraph shall be required to pay a proportion of the costs of providing the training to the incumbent workers. The Governor shall establish, or may authorize the local board to establish, the required portion of such costs, which shall not be less than—

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

''(II) 25 percent of the costs, for employers with more than 50 employees but fewer than 100 employees; and

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

''(ii) CALCULATION OF MATCH.—The wages paid by an employer to a worker while they are attending training may be included as part of the requirement payment of the employer.''.

SEC. 113. PERFORMANCE ACCOUNTABILITY SYSTEM.

(a) STATE PERFORMANCE MEASURES.—

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

(A) in subparagraph (A)(i), by striking ''and the customer satisfaction indicator of performance described in paragraph (2)(B)''; and

(B) in subparagraph (A)(ii), by striking ''paragraph (2)(C)'' and inserting ''paragraph (2)(B)''.

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

(A) in subparagraph (A)(i), by striking ''(except for self-service and information activities) and (for participants who are eligible youth age 19 through 21) for youth activities authorized under section 129'';

(B) in subparagraph (A)(i)(II), by inserting ''and'' after the semicolon;

(C) in subparagraph (A)(i)(III), by striking ''; and'' and inserting a period;

(D) by striking subparagraph (A)(i)(IV);

(E) by amending subparagraph (A)(ii) to read as follows:

''(ii) CORE INDICATORS FOR ELIGIBLE YOUTH.—The core indicators of performance for youth activities authorized under section 129 shall consist of—

''(I) entry into employment, education or advanced training, or military service;

''(II) attainment of secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent (including recognized alternative standards for individuals with disabilities); and

''(III) literacy or numeracy gains.'';

(F) by striking subparagraph (B); and

(G) by redesignating subparagraph (C) as subparagraph (B), and by adding at the end of such subparagraph (as so redesignated) the following new sentence: ''Such indicators may include customer satisfaction of employers and participants with services received from the workforce investment activities authorized under this subtitle.''.

(3) LEVELS OF PERFORMANCE.—Section 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amended—

(A) in clause (i), by striking ''and the customer satisfaction indicator described in paragraph (2)(B)'';

(B) in clause (ii), by striking ''and the customer satisfaction indicator of performance, for the first 3'' and inserting ''for the 2'';

(C) in clause (iii)—

(i) in the heading, by striking ''FOR FIRST 3 YEARS''; and

(ii) by striking ''and the customer satisfaction indicator of performance, for the first 3'' and inserting ''for the 2'';

(D) in clause (iv)—

(i) by striking subclause (I);

(ii) by redesignating subclauses (II) and (III) as subclauses (I) and (II), respectively; and

(iii) in subclause (I) (as so redesignated)—

(I) by striking ''taking into account'' and inserting ''which shall be adjusted based on'';

(II) by inserting '', such as unemployment rates and job losses or gains in particular industries'' after ''economic conditions''; and

(III) by inserting '', such as indicators of poor work history, lack of work experience, low levels of literacy or English proficiency, disability status, including the number of veterans with disabilities, and welfare dependency'' after ''program'';

(E) by striking clause (v); and

(F) by redesignating clause (vi) as clause (v).

(4) ADDITIONAL INDICATORS.—Section 136(b)(3)(B) is amended by striking ''paragraph (2)(C)'' and inserting ''paragraph (2)(B)''.

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

(1) in paragraph (1)(A)(i), by striking '', and the customer satisfaction indicator of performance described in subsection (b)(2)(B),'';

(2) in paragraph (1)(A)(ii), by striking ''subsection (b)(2)(C)'' and inserting ''subsection (b)(2)(B)''; and

(3) by amending paragraph (3) to read as follows:

''(3) DETERMINATIONS.—In determining such local levels of performance, the local board, the chief elected official, and the Governor shall ensure such levels are adjusted based on the specific economic characteristics (such as unemployment rates and job losses or gains in particular industries), demographic characteristics, or other characteristics of the population to be served in the local area, such as poor work history, lack of work experience, low levels of literacy or English proficiency, disability status, including the number of veterans with disabilities, and welfare dependency.''.

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

(1) in paragraph (1), by striking ''and the customer satisfaction indicator'' in both places that it appears;

(2) in paragraph (2)—

(A) in subparagraph (E), by striking ''(excluding participants who received only self-service and informational activities); and'' and inserting a semicolon;

(B) in subparagraph (F), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(G) the number of participants served and the cost per participant.''; and

(3) by adding at the end the following:

''(4) DATA VALIDATION.—In preparing the reports described in this subsection, the States shall establish procedures, consistent with guidelines issued by the Secretary, to ensure the information contained in the report is valid and reliable.''.

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

(1) in paragraph (1)(A), by striking ''or (B)''; and

(2) in paragraph (2), by striking ''section 503'' and inserting ''section 136(i)''.

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

(1) in paragraph (1), by striking ''or (B)''; and

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

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

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

''(i) INCENTIVE GRANTS FOR STATES AND LOCAL AREAS.—

''(1) INCENTIVE GRANTS FOR STATES.—

''(A) IN GENERAL.—From funds appropriated under section 174, the Secretary may award grants to States for exemplary performance in carrying programs under chapters 4 and 5 of this title. Such awards may be based on States meeting or exceeding the performance measures established under this section, on the performance of the State in serving special populations, including the levels of service provided and the performance outcomes, and such other factors relating to the performance of the State under this title as the Secretary determines is appropriate.

''(B) USE OF FUNDS.—The funds awarded to a State under this paragraph may be used to carry out any activities authorized under chapters 4 and 5 of this title, including demonstrations and innovative programs for special populations.

''(2) INCENTIVE GRANTS FOR LOCAL AREAS.—

''(A) IN GENERAL.—From funds reserved under sections 128(a) and 133(a), the Governor may award incentive grants to local areas for exemplary performance with respect to the measures established under this section and with the performance of the local area in serving special populations, including the levels of service and the performance outcomes.

''(B) USE OF FUNDS.—The funds awarded to a local area may be used to carry out activities authorized for local areas under chapters 4 and 5 of this title, and such demonstration or other innovative programs to serve special populations as may be approved by the Governor.''.

(g) USE OF CORE INDICATORS FOR OTHER PROGRAMS.—Section 136 (29 U.S.C. 2871) is further amended by adding at the end the following subsection:

''(j) USE OF CORE INDICATORS FOR OTHER PROGRAMS.—In addition to the programs carried out under chapters 4 and 5, and consistent with the requirements of the applicable authorizing laws, the Secretary shall use the core indicators of performance described in subsection (b)(2)(A) to assess the effectiveness of the programs described under section 121(b)(1)(B) that are carried out by the Secretary.''.

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

SEC. 114. AUTHORIZATION OF APPROPRIATIONS.

(a) YOUTH ACTIVITIES.—Section 137(a) (29 U.S.C. 2872(a)) is amended by striking ''such sums as may be necessary for each of fiscal years 1999 through 2003'' and inserting ''$1,250,000,000 for fiscal year 2006 and such sums as may be necessary for each of fiscal years 2007 through 2011''.

(b) ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by striking ''section 132(a)(1), such sums as may be necessary for each of fiscal years 1999 through 2003'' and inserting ''section 132(a), $3,140,000,000 for fiscal year 2006 and such sums as may be necessary for each of fiscal years 2007 through 2011''.

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

SEC. 115. JOB CORPS.

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

(1) in paragraph (1)(A), by striking ''local and distant''; and

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

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

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

(1) by amending paragraph (1) to read as follows:

''(1) CORE INDICATORS.—The Secretary shall annually establish expected levels of performance for Job Corps centers and the Job Corps program relating to each of the core indicators for youth identified in section 136(b)(2)(A)(ii).''; and

(2) in paragraph (2), by striking ''measures'' each place it appears and inserting ''indicators''.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 161 (29 U.S.C. 2901) is amended by striking ''1999 through 2003'' and inserting ''2006 through 2011''.

SEC. 116. NATIVE AMERICAN PROGRAMS.

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

''(C) DUTIES.—The Council shall advise the Secretary on the operation and administration of the programs assisted under this section.''.

(b) ASSISTANCE TO AMERICAN SAMOANS IN HAWAII.—Section 166 (29 U.S.C. 2911) is further amended by striking subsection (j).

SEC. 117. MIGRANT AND SEASONAL FARMWORKER PROGRAMS.

Section 167(d) is amended by inserting ''(including permanent housing)'' after ''housing''.

SEC. 118. VETERANS' WORKFORCE INVESTMENT PROGRAMS.

Section 168(a)(3)(C) (29 U.S.C. 2913 (a)(3)(C)) is amended by striking ''section 134(c)'' and inserting ''section 121(e)''.

SEC. 119. YOUTH CHALLENGE GRANTS.

(a) IN GENERAL.—Section 169 (29 U.S.C. 2914) is amended to read as follows:

''SEC. 169. YOUTH CHALLENGE GRANTS.

''(a) IN GENERAL.—Of the amounts reserved by the Secretary under section 127(a)(1)(A) for a fiscal year—

''(1) the Secretary shall use not less than 80 percent to award competitive grants under subsection (b); and

''(2) the Secretary may use not more than 20 percent to award discretionary grants under subsection (c).

''(b) COMPETITIVE GRANTS TO STATES AND LOCAL AREAS.—

''(1) ESTABLISHMENT.—From the funds described in subsection (a)(1), the Secretary shall award competitive grants to eligible entities to carry out activities authorized under this section to assist eligible youth in acquiring the skills, credentials and employment experience necessary to succeed in the labor market.

''(2) ELIGIBLE ENTITIES.—Grants under this subsection may be awarded to States, local boards, recipients of grants under section 166 (relating to Native American programs), and public or private entities (including consortia of such entities) applying in conjunction with local boards.

''(3) GRANT PERIOD.—The Secretary may make a grant under this section for a period of 1 year and may renew the grants for each of the 4 succeeding years.

''(4) AUTHORITY TO REQUIRE MATCH.—The Secretary may require that grantees under this subsection provide a non-Federal share of the cost of activities carried out under a grant awarded under this subsection.

''(5) PARTICIPANT ELIGIBILITY.—Youth ages 14 through 19 as of the time the eligibility determination is made may be eligible to participate in activities provided under this subsection.

''(6) USE OF FUNDS.—Funds under this subsection may be used for activities that are designed to assist youth in acquiring the skills, credentials and employment experience that are necessary to succeed in the labor market, including the activities identified in section 129. The activities may include activities such as—

''(A) training and internships for out-of-school youth in sectors of the economy experiencing or projected to experience high growth;

''(B) after-school dropout prevention activities for in-school youth;

''(C) activities designed to assist special youth populations, such as court-involved youth and youth with disabilities; and

''(D) activities combining remediation of academic skills, work readiness training, and work experience, and including linkages to postsecondary education, apprenticeships, and career-ladder employment.

''(7) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(A) a description of the activities the eligible entity will provide to eligible youth under this subsection;

''(B) a description of the programs of demonstrated effectiveness on which the provision of the activities under subparagraph (A) are based, and a description of how such activities will expand the base of knowledge relating to the provision of activities for youth;

''(C) a description of the private and public, and local and State resources that will be leveraged to provide the activities described under subparagraph (A) in addition to the funds provided under this subsection; and

''(D) the levels of performance the eligible entity expects to achieve with respect to the indicators of performance for youth specified in section 136(b)(2)(A)(ii).

''(8) FACTORS FOR AWARD.—In awarding grants under this subsection the Secretary may consider the quality of the proposed project, the goals to be achieved, the likelihood of successful implementation, the extent to which the project is based on proven strategies or the extent to which the project will expand the knowledge base on activities for youth, and the additional State, local or private resources that will be provided.

''(9) EVALUATION.—The Secretary may reserve up to 5 percent of the funds described in subsection(a)(1) to provide technical assistance to, and conduct evaluations of the projects funded under this subsection (using appropriate techniques as described in section 172(c)).

''(c) DISCRETIONARY GRANTS FOR YOUTH ACTIVITIES.—

''(1) IN GENERAL.—From the funds described in subsection(a)(2), the Secretary may award grants to eligible entities to provide activities that will assist youth in preparing for, and entering and retaining, employment.

''(2) ELIGIBLE ENTITIES.—Grants under this subsection may be awarded to public or private entities that the Secretary determines would effectively carry out activities relating to youth under this subsection.

''(3) PARTICIPANT ELIGIBILITY.—Youth ages 14 through 19 at the time the eligibility determination is made may be eligible to participate in activities under this subsection.

''(4) USE OF FUNDS.—Funds provided under this subsection may be used for activities that will assist youth in preparing for, and entering and retaining, employment, including the activities described in section 129 for out-of-school youth, activities designed to assist in-school youth to stay in school and gain work experience, and such other activities that the Secretary determines are appropriate.

''(5) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(6) ADDITIONAL REQUIREMENTS.—The Secretary may require the provision of a non-Federal share for projects funded under this subsection and may require participation of grantees in evaluations of such projects, including evaluations using the techniques as described in section 172(c).''.

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) is amended by amending the item related to section 169 to read as follows:

''Sec. 169. Youth challenge grants.''.

SEC. 120. TECHNICAL ASSISTANCE.

Section 170 (29 U.S.C. 2915) is amended—

(1) by striking subsection (b);

(2) by striking

''(a) GENERAL TECHNICAL ASSISTANCE.—'';

(3) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c) respectively, and moving such subsections 2 ems to the left;

(4) in subsection (a) (as redesignated by paragraph (3))—

(A) by inserting ''the training of staff providing rapid response services, the training of other staff of recipients of funds under this title, peer review activities under this title, assistance regarding accounting and program operation practices (when such assistance would not be duplicative to assistance provided by the State), technical assistance to States that do not meet State performance measures described in section 136,'' after ''localities,''; and

(B) by striking ''from carrying out activities'' and all that follows up to the period and inserting ''to implement the amendments made by the Job Training Improvement Act of 2005''; and

(5) by inserting, after subsection (c) (as redesignated by paragraph (3)), the following:

''(d) BEST PRACTICES COORDINATION.—The Secretary shall establish a system whereby States may share information regarding best practices with regard to the operation of workforce investment activities under this Act.''.

SEC. 121. DEMONSTRATION, PILOT, MULTI-SERVICE, RESEARCH AND MULTI-STATE PROJECTS.

(a) DEMONSTRATION AND PILOT PROJECTS.—Section 171(b) (29 U.S.C. 2916(b)) is amended—

(1) in paragraph (1)—

(A) by striking ''Under a'' and inserting ''Consistent with the priorities specified in the'';

(B) by amending subparagraphs (A) through (D) to read as follows:

''(A) projects that assist national employers in connecting with the workforce investment system established under this title in order to facilitate the recruitment and employment of needed workers and to provide information to such system on skills and occupations in demand;

''(B) projects that promote the development of systems that will improve the effectiveness and efficiency of programs carried out under this title;

''(C) projects that focus on opportunities for employment in industries and sectors of industries that are experiencing or are likely to experience high rates of growth, including those relating to information technology;

''(D) projects carried out by States and local areas to test innovative approaches to delivering employment-related services;'';

(C) by striking subparagraph (E);

(D) by redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively;

(E) in subparagraph (F) (as so redesignated, by striking ''; and'' and inserting a semicolon;

(F) by inserting after subparagraph (F) (as so redesignated) the following:

''(G) projects that provide retention grants to qualified job training programs upon placement or retention of a low-income individual trained by that program in employment with a single employer for a period of 1 year, provided that such employment is providing to the low-income individual an income not less than twice the poverty line for that individual;'';

(G) by amending subparagraph (H) to read as follows:

''(H) projects that focus on opportunities for employment in industries and sectors of industries that are being transformed by technology and innovation requiring new knowledge or skill sets for workers, including advanced manufacturing; and''; and

(H) by adding at the end the following:

''(I) projects carried out by States and local areas to assist adults or out of school youth in starting a small business, including training and assistance in business or financial management or in developing other skills necessary to operate a business.''; and

(2) in paragraph (2)—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraph (C) as subparagraph (B).

(b) MULTISERVICE PROJECTS.—Section 171(c)(2)(B) (29 U.S.C. 2916(c)(2)(B)) is amended to read as follows:

''(B) NET IMPACT STUDIES AND REPORTS.—The Secretary shall conduct studies to determine the net impacts of programs, services, and activities carried out under this title. The Secretary shall prepare and disseminate to Congress and the public reports containing the results of such studies.''.

SEC. 122. COMMUNITY-BASED JOB TRAINING.

Section 171(d) of the Workforce Investment Act of 1998 is amended to read as follows:

''(d) COMMUNITY-BASED JOB TRAINING.—

''(1) DEMONSTRATION PROJECT.—In addition to the demonstration projects under subsection (b), the Secretary may establish and implement a national demonstration project designed to develop local solutions to the workforce challenges facing high-growth, high-skill industries with labor shortages, and increase opportunities for workers to gain access to employment in high-growth, high-demand occupations by promoting the establishment of partnerships among education entities, the workforce investment system, and businesses in high-growth, high-skill industries.

''(2) GRANTS.—In carrying out the demonstration project under this subsection, the Secretary shall award competitive grants, in accordance with generally applicable Federal requirements, to eligible entities to carry out activities authorized under this subsection.

''(3) DEFINITIONS.—

''(A) ELIGIBLE ENTITY.—In this subsection, the term 'eligible entity' means a community college or consortium of community colleges that shall work in conjunction with—

''(i) the local workforce investment system; and

''(ii) business or businesses in a qualified industry or an industry association in a qualified industry.

''(B) QUALIFIED INDUSTRY.—In this subsection, the term 'qualified industry' means an industry or economic sector that is projected to experience significant growth, such as an industry and economic sector that—

''(i) is projected to add substantial numbers of new jobs to the economy;

''(ii) has significant impact on the economy;

''(iii) impacts the growth of other industries and economic sectors;

''(iv) is being transformed by technology and innovation requiring new knowledge or skill sets for workers;

''(v) is a new or emerging industry or economic sector that is projected to grow; or

''(vi) has high-skilled occupations and significant labor shortages in the local area.

''(C) COMMUNITY COLLEGE.—As used in this subsection, the term 'community college' means an institution of higher education, as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001), that provides not less than a 2-year program that is acceptable for full credit toward a bachelor's degree, or is a tribally controlled college or university.

''(4) AUTHORITY TO REQUIRE NON-FEDERAL SHARE.—The Secretary may require that recipients of grants under this subsection provide a non-Federal share, from either cash or noncash resources, of the costs of activities carried out under a grant awarded under this subsection.

''(5) USE OF FUNDS.—Grants awarded under this subsection may be used for—

''(A) the development, by a community college, in consultation with representatives of qualified industries, of rigorous training and education programs related to employment in a qualified industry identified in the eligible entity's application;

''(B) training of adults and dislocated workers in the skills and competencies needed to obtain or upgrade employment in a qualified industry identified in the eligible entity's application;

''(C) disseminating to adults and dislocated workers, through the one-stop delivery system, information on high-growth, high-demand occupations in qualified industries;

''(D) placing, through the one-stop delivery system, trained individuals into employment in qualified industries; and

''(E) increasing the integration of community colleges with activities of businesses and the one-stop delivery system to meet the training needs for qualified industries.

''(6) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(A) a description of the community college that will offer training under the grant;

''(B) an economic analysis of the local labor market to identify high-growth, high-demand industries and identify the workforce issues faced by those industries;

''(C) a description of the qualified industry for which training will occur and the availability of competencies on which training will be based;

''(D) an assurance that the application was developed in consultation with the local board or boards in the area or areas where the proposed grant will be used;

''(E) performance outcomes for the grant, including expected number of individuals to be trained in a qualified industry, the employment and retention rates for such individuals in a qualified industry, and earnings increases for such individuals;

''(F) a description of how the activities funded by the proposed grant will be coordinated with activities provided through the one-stop delivery system in the local area or areas; and

''(G) a description of any local or private resources that will support the activities carried out under this subsection and allow the entity to carry out and expand such activities after the expiration of the grant.

''(7) FACTORS FOR AWARD OF GRANT.—

''(A) IN GENERAL.—In awarding grants under this subsection the Secretary shall consider—

''(i) the extent of public and private collaboration, including existing partnerships among industries, community colleges, and the public workforce investment system;

''(ii) the extent to which the grant will provide job seekers with employment opportunities in high-growth, high-demand occupations;

''(iii) the extent to which the grant will expand the local one-stop delivery system's capacity to be demand-driven and responsive to local economic needs;

''(iv) the extent to which local businesses commit to hire or retain individuals who receive training through the grant; and

''(v) the extent to which the eligible entity commits to make any newly developed products, such as competencies or training curriculum, available for distribution nationally.

''(B) LEVERAGING OF RESOURCES.—In awarding grants under this subsection, the Secretary shall also consider—

''(i) the extent to which local or private resources, in addition to the funds provided under this subsection, will be made available to support the activities carried out under this subsection; and

''(ii) the ability of an eligible entity to continue to carry out and expand such activities after the expiration of the grant.

''(C) DISTRIBUTION OF GRANTS.—In awarding grants under this subsection the Secretary shall ensure an equitable distribution of such grants across geographically diverse areas.

''(8) PERFORMANCE ACCOUNTABILITY AND EVALUATION.—

''(A) PERFORMANCE ACCOUNTABILITY.—The Secretary shall require an eligible entity that receives a grant under this subsection to report to

the Secretary on the employment outcomes obtained by individuals receiving training under this subsection using the indicators of performance identified in the eligible entity's grant application.

''(B) EVALUATION.—The Secretary may require that an eligible entity that receives a grant under this subsection participate in an evaluation of activities carried out under this subsection, including an evaluation using the techniques described in section 172(c).''.

SEC. 123. PERSONAL REEMPLOYMENT ACCOUNTS.

Section 171 of the Workforce Investment Act of 1998 is further amended by adding at the end the following:

''(e) PERSONAL REEMPLOYMENT ACCOUNTS.—

''(1) DEFINITION.—In this subsection, the term 'State' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the United States Virgin Islands.

''(2) DEMONSTRATION PROJECT.—In addition to the demonstration projects under subsection (b), the Secretary may establish and implement a national demonstration project designed to analyze and provide data on workforce training programs that accelerate the reemployment of unemployed individuals, promote the retention in employment of such individuals, and provide such individuals with enhanced flexibility, choice, and control in obtaining intensive reemployment, training, and supportive services.

''(3) GRANTS.—

''(A) IN GENERAL.—In carrying out the demonstration project, the Secretary shall make grants, on a competitive basis, to eligible entities to provide personal reemployment accounts to eligible individuals. In awarding grants under this subsection the Secretary shall take into consideration awarding grants to eligible entities from diverse geographic areas, including rural areas.

''(B) DURATION.—The Secretary shall make the grants for periods of not less than 2 years and may renew the grant for each of the succeeding 3 years.

''(4) ELIGIBLE ENTITY.—In this subsection, the term 'eligible entity' means—

''(A) a State; or

''(B) a local board or consortium of local boards.

''(5) USE OF FUNDS.—

''(A) IN GENERAL.—An eligible entity that receives a grant under this subsection shall use the grant funds to provide, through a local area or areas, eligible individuals with personal reemployment accounts. An eligible individual may receive only 1 personal reemployment account.

''(B) GEOGRAPHIC AREA AND AMOUNT.—

''(i) IN GENERAL.—The eligible entity shall establish the amount of a personal reemployment account for each eligible individual participating, which shall be uniform throughout the area represented by the eligible entity, and shall not exceed $3,000.

''(ii) OPTION FOR STATES.—If the eligible entity is a State, the eligible entity may choose to use the grant statewide, if practicable, or only in specified local areas within a State.

''(C) ELIGIBLE INDIVIDUALS.—

''(i) IN GENERAL.—Each eligible entity shall establish eligibility criteria for individuals for personal reemployment accounts in accordance with this subparagraph.

''(ii) ELIGIBILITY CRITERIA REQUIREMENTS.—

''(I) IN GENERAL.—Subject to subclause (II), an individual shall be eligible to receive a personal reemployment account under a grant awarded under this subsection if, beginning after the date of enactment of this subsection, the individual—

''(aa) is identified by the State pursuant to section 303(j)(1) of the Social Security Act (42 U.S.C. 503(j)(1)) as likely to exhaust regular unemployment compensation and in need of job search assistance to make a successful transition to new employment, or the individual's unemployment can be attributed in substantial part to unfair competition from Federal Prison Industries, Incorporated;

''(bb) is receiving regular unemployment compensation under any Federal or State unemployment compensation program administered by the State; and

''(cc) is eligible for not less than 20 weeks of regular unemployment compensation described in item (bb).

''(II) ADDITIONAL ELIGIBILITY AND PRIORITY CRITERIA.—An eligible entity may establish criteria that are in addition to the criteria described in subclause (I) for the eligibility of individuals to receive a personal reemployment account under this subsection. An eligible entity may also establish criteria for priority in the provision of a personal reemployment account to such eligible individuals under a grant awarded under this subsection.

''(iii) TRANSITION RULE.—

''(I) PREVIOUSLY IDENTIFIED AS LIKELY TO EXHAUST UNEMPLOYMENT COMPENSATION.—

''(aa) IN GENERAL.—At the option of the eligible entity, and subject to item (bb), an individual may be eligible to receive a personal reemployment account under this subsection if the individual—

''(AA) during the 13-week period ending the week prior to the date of the enactment of the subsection, was identified by the State pursuant to section 303(j)(1) of the Social Security Act (42 U.S.C. 503(j)(1)) as likely to exhaust regular unemployment compensation and in need of job search assistance to make a successful transition to new employment; and

''(BB) otherwise meets the requirements of clause (ii)(I)(bb) and (cc).

''(bb) ADDITIONAL ELIGIBILITY AND PRIORITY CRITERIA.—An eligible entity may establish criteria that is in addition to the criteria described in item (aa) for the eligibility of individuals to receive a personal reemployment account under this subsection. An eligible entity may also establish criteria for priority in the provision of such accounts to such eligible individuals under this subsection.

''(II) PREVIOUSLY EXHAUSTED UNEMPLOYMENT COMPENSATION.—At the option of the eligible entity, an individual may be eligible to receive a personal reemployment account under a grant awarded under this subsection if the individual—

''(aa) during the 26-week period ending the week prior to the date of the enactment of this subsection, exhausted all rights to any unemployment compensation; and

''(bb)(AA) is enrolled in training and needs additional support to complete such training, with a priority of service to be provided to such individuals who are training for shortage occupations or high-growth industries; or

''(BB) is separated from employment in an industry or occupation that has experienced declining employment, or no longer provides any employment, in the local labor market during the 2-year period ending on the date of the determination of eligibility of the individual under this subparagraph.

''(iv) NO INDIVIDUAL ENTITLEMENT.—Nothing in this subsection shall be construed to entitle any individual to receive a personal reemployment account.

''(D) LIMITATIONS.—

''(i) INFORMATION AND ATTESTATION.—Prior to the establishment of a personal reemployment account for an eligible individual, the eligible entity receiving a grant, through the one-stop delivery system in the participating local area or areas, shall ensure that the individual—

''(I) is informed of the requirements applicable to the personal reemployment account, including the allowable uses of funds from the account, the limitations on access to services described in paragraph (7)(A)(iii) and a description of such services, and the conditions for receiving a reemployment bonus;

''(II) has the option to develop a personal reemployment plan which will identify the employment goals and appropriate combination of services selected by the individual to achieve the employment goals; and

''(III) signs an attestation that the individual has been given the option to develop a personal reemployment plan in accordance with subclause (II), will comply with the requirements under this subsection relating to the personal reemployment accounts, and will reimburse the account or, if the account has been terminated, the grant awarded under this subsection, for any amounts expended from the account that are not allowable.

''(ii) PERIODIC INTERVIEWS.—If a recipient exhausts his or her rights to any unemployment compensation, and the recipient has a remaining balance in his or her personal reemployment account, the one-stop delivery system shall conduct periodic interviews with the recipient to assist the recipient in meeting his or her individual employment goals.

''(iii) USE OF PERSONAL REEMPLOYMENT ACCOUNTS.—The eligible entity receiving a grant shall ensure that eligible individuals receiving a personal reemployment account use the account in accordance with paragraph (7).

''(6) APPLICATION FOR GRANTS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(A) if the eligible entity is a State—

''(i) assurance that the application was developed in conjunction with the local board or boards and chief elected officials where the personal reemployment accounts shall be made available; and

''(ii) a description of the methods and procedures for providing funds to local areas where the personal reemployment accounts shall be made available;

''(B) a description of the criteria and methods to be used for determining eligibility for the personal reemployment account, including whether the eligible entity intends to include the optional categories described in paragraph (5)(C)(iii), and the additional criteria and priority for service that the eligible entity intends to apply, if any, pursuant to paragraph (5)(C)(ii)(II);

''(C) a description of the methods or procedures to be used to provide eligible individuals information relating to services and providers;

''(D) a description of safeguards to ensure that funds from the personal reemployment accounts are used for purposes authorized under this subsection and to ensure the quality and integrity of services and providers, consistent with the purpose of providing eligible individuals with enhanced flexibility, choice, and control in obtaining intensive reemployment, training, and supportive services;

''(E) a description of how the eligible entity will coordinate the activities carried out under this subsection with the employment and training activities carried out under section 134 and other activities carried out by local boards through the one-stop delivery system in the State or local area; and

''(F) an assurance that the eligible entity will comply with any evaluation and reporting requirements the Secretary may require.

''(7) USE OF PERSONAL REEMPLOYMENT ACCOUNTS.—

''(A) ALLOWABLE ACTIVITIES.—

''(i) IN GENERAL.—Subject to the requirements contained in clauses (ii) and (iii), a recipient of a personal reemployment account may use amounts in a personal reemployment account to purchase 1 or more of the following:

''(I) Intensive services, including those type of services specified in section 134(d)(3)(C).

''(II) Training services, including those types of services specified in section 134(d)(4)(D).

''(III) Supportive services, except for needs related payments.

''(ii) DELIVERY OF SERVICES.—The following requirements relating to delivery of services shall apply to the grants under this subsection:

''(I) Recipients may use funds from the personal reemployment account to purchase the services described in clause (i) through the one-stop delivery system on a fee-for-service basis, or through other providers, consistent with the safeguards described in paragraph (6)(D).

''(II) The eligible entity, through the one-stop delivery system in the participating local area, may pay costs for such services directly on behalf of the recipient, through a voucher system, or by reimbursement to the recipient upon receipt of appropriate cost documentation.

''(III) Each eligible entity, through the one-stop delivery system in the participating local area, shall make available to recipients information on training providers specified in section 134(d)(4)(F)(ii), information available to the one-stop delivery system on providers of the intensive and supportive services described in clause (i), and information relating to occupations in demand in the local area.

''(iii) LIMITATIONS.—The following limitations shall apply with respect to personal reemployment accounts under this subsection:

''(I) Amounts in a personal reemployment account may be used for up to 1 year from the date of the establishment of the account.

''(II) Each recipient shall submit cost documentation as required by the one-stop delivery system.

''(III) For the 1-year period following the establishment of the account, recipients may not receive intensive, supportive, or training services funded under this title except on a fee-for-services basis as specified in clause (ii)(I).

''(IV) Amounts in a personal reemployment account shall be nontransferable.

''(B) REEMPLOYMENT BONUS.—

''(i) IN GENERAL.—Subject to clause (ii)—

''(I) if a recipient determined eligible under paragraph (5)(C)(ii) obtains full-time employment before the 13th week of unemployment for which unemployment compensation is paid, the balance of his or her personal reemployment account shall be provided directly to the recipient in cash; and

''(II) if a recipient determined eligible under paragraph (5)(C)(iii) obtains full-time employment before the end of the 13th week after the date on which the account is established, the balance of his or her personal reemployment account shall be provided directly to the recipient in cash.

''(ii) LIMITATIONS.—The following limitations shall apply with respect to a recipient described in clause (i):

''(I) 60 percent of the remaining personal reemployment account balance shall be paid to the recipient at the time of employment.

''(II) 40 percent of the remaining personal reemployment account shall be paid to the recipient after 26 weeks of employment retention.

''(iii) EXCEPTION REGARDING SUBSEQUENT EMPLOYMENT.—If a recipient described in clause (i) subsequently becomes unemployed due to a lack of work after receiving the portion of the reemployment bonus specified under clause (ii)(I), the individual may use the amount remaining in the personal reemployment account for the purposes described in subparagraph (A) but may not be eligible for additional cash payments under this subparagraph.

''(8) PROGRAM INFORMATION AND EVALUATION.—

''(A) INFORMATION.—The Secretary may require from eligible entities the collection and reporting on such financial, performance, and other program-related information as the Secretary determines is appropriate to carry out this subsection, including the evaluation described in subparagraph (B).

''(B) EVALUATION.—

''(i) IN GENERAL.—The Secretary, pursuant to the authority provided under section 172, shall, directly or through grants, contracts, or cooperative agreement with appropriate entities, conduct an evaluation of the activities carried out under any grants awarded under this subsection.

''(ii) REPORT.—The report to Congress under section 172(e) relating to the results of the evaluations required under section 172 shall include the recommendation of the Secretary with respect to the use of personal reemployment account as a mechanism to assist individuals in obtaining and retaining employment.''.

SEC. 124. TRAINING FOR REALTIME WRITERS.

Section 171 of the Workforce Investment Act of 1998 is further amended by adding at the end the following:

''(f) TRAINING FOR REALTIME WRITERS.—

''(1) IN GENERAL.—The Secretary may make competitive grants to eligible entities under paragraph (2)(A) to promote training and placement of individuals as realtime writers in order to meet the requirements for closed captioning of video programming set forth in section 723 of the Communications Act of 1934 (47 U.S.C. 613) and the rules prescribed thereunder.

''(2) LIMITATIONS.—

''(A) ELIGIBLE ENTITIES.—For purposes of this subsection, an eligible entity is a court reporting or realtime writing training program that—

''(i) can document and demonstrate to the Secretary that it meets appropriate standards of educational and financial accountability, with a curriculum capable of training realtime writers, qualified to provide captioning services and includes arrangements to assist in the placement of such individuals in employment as realtime writers; and

''(ii) is and entity that—

''(I) is an eligible provider of training services under section 122; or

''(II) is accredited by an accrediting agency recognized by the Department of Education; and participates in student aid programs under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

''(B) PRIORITY IN GRANTS.—In determining whether to award grants under this section, the Secretary shall give priority to eligible entities that—

''(i) demonstrate the greatest ability to increase their capacity to train realtime writers;

''(ii) demonstrate the most promising collaboration with local workforce investment boards, local educational institutions, businesses, labor organizations, or other community-based organization having the potential to train or provide job placement assistance to realtime writers; and

''(iii) propose the most promising and innovative approaches for initiating or expanding training or job placement assistance efforts for realtime writers.

''(C) DURATION OF GRANT.—A grant under this subsection shall be for a period of 2 years.

''(D) MAXIMUM AMOUNT OF GRANT.—The amount of a grant provided under paragraph (1) to an entity eligible may not exceed $1,500,000.

''(3) APPLICATION.—To receive a grant under paragraph (1), an eligible entity shall submit an application to the Secretary at such time and in such manner as the Secretary may require. The application shall include—

''(A) a description of the training and assistance to be funded using the grant amount, including how such training and assistance will increase the number of realtime writers;

''(B) a description of performance measures to be utilized to evaluate the progress of individuals receiving such training and assistance in matters relating to enrollment, completion of training, and job placement and retention;

''(C) a description of the manner in which the eligible entity intends to continue providing the training and assistance to be funded by the grant after the end of the grant period, including any partnerships or arrangements established for that purpose;

''(D) a description of how the eligible entity will work with local workforce investment boards to ensure that training and assistance to be funded with the grant will further local workforce goals, including the creation of educational opportunities for individuals who are from economically disadvantaged backgrounds or are dislocated workers; and

''(E) such other information as the Secretary may require.

''(4) USE OF FUNDS.—

''(A) IN GENERAL.—An eligible entity receiving a grant under paragraph (1) shall use the grant amount for purposes relating to the recruitment, training, assistance, and job placement of individuals (including individuals who have completed a court reporting training program) as realtime writers, including—

''(i) recruitment activities;

''(ii) the provision of training grants to individuals for training in realtime writing;

''(iii) distance learning;

''(iv) design and development of curriculum to more effectively train realtime writing skills and education in the knowledge bases necessary for the delivery of high quality closed captioning services;

''(v) assistance in job placement for upcoming and recent graduates with all types of captioning employers; and

''(vi) encouragement of individuals with disabilities to pursue a career in realtime writing.

''(B) ADMINISTRATIVE COSTS.—The recipient of a grant under paragraph (1) may not use more than 5 percent of the grant amount to pay administrative costs associated with activities funded by the grant.

''(5) REPORTS.—Each eligible entity receiving a grant under paragraph (1) shall submit to the Secretary, at the end of each year of the grant period, a report which shall include—

''(A) a description of the use of grant amounts by the entity during such year;

''(B) an assessment, utilizing the performance measures submitted by the entity in the application for the grant under paragraph (2)(D), of the effectiveness of activities carried out using such funds in increasing the number of realtime writers; and

''(C) a description of the best practices identified by the entity as a result of the grant for increasing the number of individuals who are trained, employed, and retained in employment as realtime writers.''.

SEC. 125. BUSINESS PARTNERSHIP GRANTS.

Section 171 (29 U.S.C. 2916) is further amended by adding at the end the following:

''(g) BUSINESS PARTNERSHIP GRANTS.—

''(1) DEMONSTRATION PROJECT.—In addition to the demonstration projects under subsection (b), (d), and (e), the Secretary may make up to 10 competitive grants per year to eligible entities to expand local sector-focused training and workforce development in high growth, high wage industry sectors in one or more regions of particular States.

''(2) ELIGIBLE ENTITIES.—For purposes of this subsection an eligible entity is a business or business partnership, including associations of single or related industry employers and employee representatives, consortia of such employers, employee representatives, and workforce development community-based organizations, and higher education institutions.

''(3) USE OF FUNDS.—Grants awarded under this subsection may be used to—

''(A) provide workforce-directed business services to help employers in targeted industries better retain, support and advance their skilled workers;

''(B) provide capacity building through regional skill alliances, workforce intermediaries, and other collaborative entities to link businesses to public workforce systems and service providers targeted for their industry;

''(C) conduct analyses of skills that are needed in the workforce in such industries currently and in the future to project new market opportunities in particular industries;

''(D) develop rigorous training and education programs related to employment in high-growth, high-wage industries;

''(E) develop skill standards and industry-certified curricula used in preparing workers for employment in such industries;

''(F) train adults and dislocated workers in the skills and competencies needed to obtain or upgrade employment;

''(G) disseminate information on high-growth, high-wage occupations;

''(H) place trained individuals into employment in high-growth, high-wage industries;

''(I) increase integration between training providers, businesses, and the one-stop delivery system to meet the training needs of particular industries.

''(4) REPORTS.—The Secretary shall track and annually report to the chairmen and ranking minority members of the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor and Pensions of the Senate, on the industries receiving grants under this subsection, the performance results of each such grant, and the percentage and amount of grants awarded to eligible entities for programs serving each of the following populations: incumbent workers, dislocated workers, adults, and youth.''.

SEC. 126. NATIONAL DISLOCATED WORKER GRANTS.

(a) IN GENERAL.—Section 173 (29 U.S.C. 2916) is amended—

(1) by amending the designation and heading to read as follows:

''SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.''; and

(2) in subsection (a)—

(A) by striking ''national emergency grants'' in the matter preceding paragraph (1) and inserting ''national dislocated worker grants''; and

(B) in paragraph (1), by striking ''subsection (c)'' and inserting ''subsection (b)''.

(b) ADMINISTRATION.—Section 173 (29 U.S.C. 2918) is further amended—

(1) by striking subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (c), respectively; and

(2) by striking subsection (e) and redesignating subsections (f) and (g) as subsection (d) and (e), respectively.

(c) ELIGIBLE ENTITIES.—Section 173(b)(1)(B) (29 U.S.C. 2918(b)(1)(B)) (as redesignated by subsection (b)(1) of this section) is amended by striking '', and other entities'' and all that follows and inserting a period.

(d) PARTICIPANT ELIGIBILITY FOR MILITARY SPOUSES.—Section 173(b)(2)(A) (29 U.S.C. 2918(b)(2)(A)) (as redesignated by subsection (b)(1) of this section) is amended—

(1) in clause (iii), by striking ''; or'' and inserting a semicolon;

(2) in clause (iv)(IV) by striking the period and inserting ''; or''; and

(3) by inserting at the end the following:

''(v) is the spouse of a member of the Armed Forces who is on active duty or full-time National Guard duty, or who was recently separated from such duties, and such spouse is in need of employment and training assistance to obtain or retain employment.''.

(e) CONFORMING AMENDMENT.—The table of contents in section 1(b) is amended by amending the item related to section 173 to read as follows:

''Sec. 173. National dislocated worker grants.''.

SEC. 127. AUTHORIZATION OF APPROPRIATIONS FOR NATIONAL ACTIVITIES.

(a) IN GENERAL.—Section 174(a)(1) (29 U.S.C. 2919(a)(1)) is amended by striking ''1999 through 2003'' and inserting ''2006 through 2011''.

(b) RESERVATIONS.—Section 174(b) is amended to read as follows:

''(b) TECHNICAL ASSISTANCE; DEMONSTRATION AND PILOT PROJECTS; EVALUATIONS; INCENTIVE GRANTS.—

''(1) DEMONSTRATION AND PILOT PROJECTS.—

''(A) IN GENERAL.—There are authorized to be appropriated to carry out section 171, $211,000,000 for fiscal year 2006 and such sums as may be necessary for fiscal years 2007 through 2011.

''(B) RESERVATION FOR COMMUNITY-BASED JOB TRAINING.—Of the amount appropriated pursuant to subparagraph (A), the Secretary shall reserve up to $125,000,000 for carrying out section 171(d).

''(2) TECHNICAL ASSISTANCE, EVALUATIONS.—There are authorized to be appropriated to carry out section 170, section 172, and section 136 such sums as may be necessary for each of fiscal years 2006 through 2011.''.

SEC. 128. REQUIREMENTS AND RESTRICTIONS.

(a) IN GENERAL.—Section 181(c)(2)(A) (29 U.S.C. 2931(c)(2)(A)) is amended in the matter preceding clause (i) by striking ''shall'' and inserting ''may''.

(b) LIMITATIONS.—Section 181(e) (29 U.S.C. 2931(e)) is amended by striking ''training for'' and inserting ''the entry into employment, retention in employment, or increases in earnings of''.

(c) REPORTS TO CONGRESS.—Section 185(e)(2) (29 U.S.C. 2935(e)(2)) is amended by inserting ''and the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate,'' after ''Secretary,''.

SEC. 129. NONDISCRIMINATION.

Section 188(a)(2) (29 U.S.C. 2931(a)(2)) is amended to read as follows:

''(2) PROHIBITION OF DISCRIMINATION REGARDING PARTICIPATION, BENEFITS, AND EMPLOYMENT.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), no individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with, any such program or activity because of race, color, religion, sex (except as otherwise permitted under title IX of the Education Amendments of 1972), national origin, age, disability, or political affiliation or belief.

''(B) EXEMPTION FOR RELIGIOUS ORGANIZATIONS.—Subparagraph (A) shall not apply to a recipient of financial assistance under this title that is a religious corporation, association, educational institution, or society, with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution, or society of its activities. Such recipients shall comply with the other requirements contained in subparagraph (A).''.

SEC. 130. ADMINISTRATIVE PROVISIONS.

(a) PROGRAM YEAR.—Section 189(g)(1) (29 U.S.C. 2939(g)(1)) is amended to read as follows:

''(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities carried out under this title shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.''.

(b) AVAILABILITY.—Section 189(g)(2) (29 U.S.C. 2939(g)(2)) is amended by striking ''each State'' and inserting ''each recipient''.

(c) GENERAL WAIVERS.—Section 189(i)(4) (29 U.S.C. 2939(i)(4)) is amended—

(1) in subparagraph (A), in the matter preceding clause (i), by inserting '', or in accordance with subparagraph (D)'' after ''subparagraph (B)''; and

(2) by adding the following subparagraph:

''(D) EXPEDITED PROCESS FOR EXTENDING APPROVED WAIVERS TO ADDITIONAL STATES.—In lieu of the requirements of subparagraphs (B) and (C), the Secretary may establish an expedited procedure for the purpose of extending to additional States the waiver of statutory or regulatory requirements that have been approved for a State pursuant to a request under subparagraph (B). Such procedure shall ensure that the extension of such waivers to additional States are accompanied by appropriate conditions relating the implementation of such waivers.''.

SEC. 131. GENERAL PROGRAM REQUIREMENTS.

Section 195 (29 U.S.C. 2945) is amended by adding at the end the following new paragraphs:

''(14) Funds provided under this title shall not be used to establish or operate stand-alone fee-for-service enterprises that compete with private sector employment agencies within the meaning of section 701(c) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(c)). For purposes of this paragraph, such an enterprise does not include one-stop centers.

''(15) Any report required to be submitted to Congress, or to a Committee of Congress, under this title shall be submitted to both the chairmen and ranking minority members of the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate.''.

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

SEC. 201. TABLE OF CONTENTS.

The table of contents in section 1(b) is amended by amending the items relating to title II to read as follows:

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

''Sec. 201. Short title.
''Sec. 202. Purpose.
''Sec. 203. Definitions.
''Sec. 204. Home schools.
''Sec. 205. Authorization of appropriations.

''CHAPTER 1—FEDERAL PROVISIONS

''Sec. 211. Reservation of funds; grants to eligible agencies; allotments.
''Sec. 212. Performance accountability system.
''Sec. 213. Incentive grants for States.

''CHAPTER 2—STATE PROVISIONS

''Sec. 221. State administration.
''Sec. 222. State distribution of funds; matching requirement.
''Sec. 223. State leadership activities.
''Sec. 224. State plan.
''Sec. 225. Programs for corrections education and other institutionalized individuals.

''CHAPTER 3—LOCAL PROVISIONS

''Sec. 231. Grants and contracts for eligible providers.
''Sec. 232. Local application.
''Sec. 233. Local administrative cost limits.

''CHAPTER 4—GENERAL PROVISIONS

''Sec. 241. Administrative provisions.
''Sec. 242. National Institute for Literacy.
''Sec. 243. National leadership activities.''.

SEC. 202. AMENDMENT.

Title II (29 U.S.C. 2901 et seq.) is amended to read as follows:

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

''SEC. 201. SHORT TITLE.

''This title may be cited as the 'Adult Education, Basic Skills, and Family Literacy Education Act'.

''SEC. 202. PURPOSE.

''It is the purpose of this title to provide instructional opportunities for adults seeking to improve their literacy skills, including their basic reading, writing, speaking, and math skills, and support States and local communities in providing, on a voluntary basis, adult education, basic skills, and family literacy education programs, in order to—

''(1) increase the literacy of adults, including the basic reading, writing, speaking, and math skills, to a level of proficiency necessary for adults to obtain employment and self-sufficiency and to successfully advance in the workforce;

''(2) assist adults in the completion of a secondary school education (or its equivalent) and the transition to a postsecondary educational institution;

''(3) assist adults who are parents to enable them to support the educational development of their children and make informed choices regarding their children's education including, through instruction in basic reading, writing, speaking, and math skills; and

''(4) assist immigrants who are not proficient in English in improving their reading, writing, speaking, and math skills and acquiring an understanding of the American free enterprise system, individual freedom, and the responsibilities of citizenship.

"SEC. 203. DEFINITIONS.

''In this title:

''(1) ADULT EDUCATION, BASIC SKILLS, AND FAMILY LITERACY EDUCATION PROGRAMS.—The term 'adult education, basic skills, and family literacy education programs' means a sequence of academic instruction and educational services below the postsecondary level that increase an individual's ability to read, write, and speak in English and perform mathematical computations leading to a level of proficiency equivalent to at least a secondary school completion that is provided for individuals—

''(A) who are at least 16 years of age;

''(B) who are not enrolled or required to be enrolled in secondary school under State law; and

''(C) who—

''(i) lack sufficient mastery of basic reading, writing, speaking, and math skills to enable the individuals to function effectively in society;

''(ii) do not have a secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent and have not achieved an equivalent level of education; or

''(iii) are unable to read, write, or speak the English language.

''(2) ELIGIBLE AGENCY.—The term 'eligible agency'—

''(A) means the primary entity or agency in a State or an outlying area responsible for administering or supervising policy for adult education, basic skills, and family literacy education programs in the State or outlying area, respectively, consistent with the law of the State or outlying area, respectively; and

''(B) may be the State educational agency, the State agency responsible for administering workforce investment activities, or the State agency responsible for administering community or technical colleges.

''(3) ELIGIBLE PROVIDER.—The term 'eligible provider' means—

''(A) a local educational agency;

''(B) a community-based or faith-based organization of demonstrated effectiveness;

''(C) a volunteer literacy organization of demonstrated effectiveness;

''(D) an institution of higher education;

''(E) a public or private educational agency;

''(F) a library;

''(G) a public housing authority;

''(H) an institution that is not described in any of subparagraphs (A) through (G) and has the ability to provide adult education, basic skills, and family literacy education programs to adults and families; or

''(I) a consortium of the agencies, organizations, institutions, libraries, or authorities described in any of subparagraphs (A) through (H).

''(4) ENGLISH LANGUAGE ACQUISITION PROGRAM.—The term 'English language acquisition program' means a program of instruction designed to help individuals with limited English proficiency achieve competence in reading, writing, and speaking the English language.

''(5) ESSENTIAL COMPONENTS OF READING INSTRUCTION.—The term 'essential components of reading instruction' has the meaning given to that term in section 1208 of the Elementary and Secondary Education Act of 1965.

''(6) FAMILY LITERACY EDUCATION PROGRAM.—The term 'family literacy education program' means an educational program that—

''(A) assists parents and students, on a voluntary basis, in achieving the purposes of this title as described in section 202; and

''(B) is of sufficient intensity in terms of hours and of sufficient duration to make sustainable changes in a family, is based upon scientific research-based principles, and, for the purpose of substantially increasing the ability of parents and children to read, write, and speak English, integrates—

''(i) interactive literacy activities between parents and their children;

''(ii) training for parents regarding how to be the primary teacher for their children and full partners in the education of their children;

''(iii) parent literacy training that leads to economic self-sufficiency; and

''(iv) an age-appropriate education to prepare children for success in school and life experiences.

''(7) GOVERNOR.—The term 'Governor' means the chief executive officer of a State or outlying area.

''(8) INDIVIDUAL WITH A DISABILITY.—

''(A) IN GENERAL.—The term 'individual with a disability' means an individual with any disability (as defined in section 3 of the Americans with Disabilities Act of 1990).

''(B) INDIVIDUALS WITH DISABILITIES.—The term 'individuals with disabilities' means more than one individual with a disability.

''(9) INDIVIDUAL WITH LIMITED ENGLISH PROFICIENCY.—The term 'individual with limited English proficiency' means an adult or out-of-school youth who has limited ability in reading, writing, speaking, or understanding the English language, and—

''(A) whose native language is a language other than English; or

''(B) who lives in a family or community environment where a language other than English is the dominant language.

''(10) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given to that term in section 101 of the Higher Education Act of 1965.

''(11) LITERACY.—The term 'literacy' means an individual's ability to read, write, and speak in English, compute, and solve problems at a level of proficiency necessary to obtain employment and to successfully make the transition to postsecondary education.

''(12) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given to that term in section 9101 of the Elementary and Secondary Education Act of 1965.

''(13) OUTLYING AREA.—The term 'outlying area' has the meaning given to that term in section 101 of this Act.

''(14) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term 'postsecondary educational institution' means—

''(A) an institution of higher education that provides not less than a 2-year program of instruction that is acceptable for credit toward a bachelor's degree;

''(B) a tribally controlled community college; or

''(C) a nonprofit educational institution offering certificate or apprenticeship programs at the postsecondary level.

''(15) READING.—The term 'reading' has the meaning given to that term in section 1208 of the Elementary and Secondary Education Act of 1965.

''(16) SCIENTIFICALLY BASED RESEARCH.—The term 'scientifically based research' has the meaning given to that term in section 9101 of the Elementary and Secondary Education Act of 1965.

''(17) SECRETARY.—The term 'Secretary' means the Secretary of Education.

''(18) STATE.—The term 'State' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

''(19) STATE EDUCATIONAL AGENCY.—The term 'State educational agency' has the meaning given to that term in section 9101 of the Elementary and Secondary Education Act of 1965.

''(20) WORKPLACE LITERACY PROGRAM.—The term 'workplace literacy program' means an educational program that is offered in collaboration between eligible providers and employers or employee organizations for the purpose of improving the productivity of the workforce through the improvement of reading, writing, speaking, and math skills.

"SEC. 204. HOME SCHOOLS.

''Nothing in this title shall be construed to affect home schools, whether or not a home school is treated as a home school or a private school under State law, or to compel a parent engaged in home schooling to participate in an English language acquisition program, a family literacy education program, or an adult education, basic skills, and family literacy education program.

"SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this title $590,127,000 for fiscal year 2006 and such sums as may be necessary for fiscal years 2007 through 2011.

"CHAPTER 1—FEDERAL PROVISIONS

"SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE AGENCIES; ALLOTMENTS.

''(a) RESERVATION OF FUNDS.—From the sums appropriated under section 205 for a fiscal year, the Secretary—

''(1) shall reserve up to 1.72 percent for incentive grants under section 213;

''(2) shall reserve 1.75 percent to carry out section 242; and

''(3) shall reserve up to 1.55 percent to carry out section 243.

''(b) GRANTS TO ELIGIBLE AGENCIES.—

''(1) IN GENERAL.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall award a grant to each eligible agency having a State plan approved under section 224 in an amount equal to the sum of the initial allotment under subsection (c)(1) and the additional allotment under subsection (c)(2) for the eligible agency for the fiscal year, subject to subsections (f) and (g).

''(2) PURPOSE OF GRANTS.—The Secretary may award a grant under paragraph (1) only if the eligible agency involved agrees to expend the grant in accordance with the provisions of this title.

''(c) ALLOTMENTS.—

''(1) INITIAL ALLOTMENTS.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall allot to each eligible agency having a State plan approved under section 224—

''(A) $100,000, in the case of an eligible agency serving an outlying area; and

''(B) $250,000, in the case of any other eligible agency.

''(2) ADDITIONAL ALLOTMENTS.—From the sums appropriated under section 205, not reserved under subsection (a), and not allotted under paragraph (1), for a fiscal year, the Secretary shall allot to each eligible agency that receives an initial allotment under paragraph (1) an additional amount that bears the same relationship to such sums as the number of qualifying adults in the State or outlying area served by the eligible agency bears to the number of such adults in all States and outlying areas.

''(d) QUALIFYING ADULT.—For the purpose of subsection (c)(2), the term 'qualifying adult' means an adult who—

''(1) is at least 16 years of age;

''(2) is beyond the age of compulsory school attendance under the law of the State or outlying area;

''(3) does not have a secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent; and

''(4) is not enrolled in secondary school.

''(e) SPECIAL RULE.—

''(1) IN GENERAL.—From amounts made available under subsection (c) for the Republic of Palau, the Secretary shall award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Republic of Palau to carry out activities described in this title in accordance with the provisions of this title as determined by the Secretary.

''(2) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the Republic of Palau shall be eligible to receive a grant under this title until an agreement for the extension of United States education assistance under the Compact of Free Association for the Republic of Palau becomes effective.

''(3) ADMINISTRATIVE COSTS.—The Secretary may provide not more than 5 percent of the funds made available for grants under this subsection to pay the administrative costs of the Pacific Region Educational Laboratory regarding activities assisted under this subsection.

''(f) HOLD-HARMLESS PROVISIONS.—

''(1) IN GENERAL.—Notwithstanding subsection (c), and subject to paragraphs (2) and (3), for fiscal year 2006 and each succeeding fiscal year, no eligible agency shall receive an allotment under this title that is less than 90 percent of the allotment the eligible agency received for the preceding fiscal year under this title.

''(2) EXCEPTION.—An eligible agency that receives for the preceding fiscal year only an initial allotment under subsection (c)(1) (and no additional allotment under subsection (c)(2)) shall receive an allotment equal to 100 percent of the initial allotment.

''(3) RATABLE REDUCTION.—If for any fiscal year the amount available for allotment under this title is insufficient to satisfy the provisions of paragraph (1), the Secretary shall ratably reduce the payments to all eligible agencies, as necessary.

''(g) REALLOTMENT.—The portion of any eligible agency's allotment under this title for a fiscal year that the Secretary determines will not be required for the period such allotment is available for carrying out activities under this title, shall be available for reallotment from time to time, on such dates during such period as the Secretary shall fix, to other eligible agencies in proportion to the original allotments to such agencies under this title for such year.

"SEC. 212. PERFORMANCE ACCOUNTABILITY SYSTEM.

''(a) PURPOSE.—The purpose of this section is to establish a comprehensive performance accountability system, composed of the activities described in this section, to assess the effectiveness of eligible agencies in achieving continuous improvement of adult education, basic skills, and family literacy education programs funded under this title, in order to optimize the return on investment of Federal funds in adult education, basic skills, and family literacy education programs.

''(b) ELIGIBLE AGENCY PERFORMANCE MEASURES.—

''(1) IN GENERAL.—For each eligible agency, the eligible agency performance measures shall consist of—

''(A)(i) the core indicators of performance described in paragraph (2)(A); and

''(ii) employment performance indicators identified by the eligible agency under paragraph (2)(B); and

''(B) an eligible agency adjusted level of performance for each indicator described in subparagraph (A).

''(2) INDICATORS OF PERFORMANCE.—

''(A) CORE INDICATORS OF PERFORMANCE.—The core indicators of performance shall include the following:

''(i) Measurable improvements in literacy, including basic skill levels in reading, writing, and speaking the English language and basic math, leading to proficiency in each skill.

''(ii) Receipt of a secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent.

''(iii) Placement in postsecondary education or other training programs.

''(B) EMPLOYMENT PERFORMANCE INDICATORS.—Consistent with applicable Federal and State privacy laws, an eligible agency shall identify in the State plan the following individual participant employment performance indicators:

''(i) Entry into employment.

''(ii) Retention in employment.

''(iii) Increase in earnings.

''(3) LEVELS OF PERFORMANCE.—

''(A) ELIGIBLE AGENCY ADJUSTED LEVELS OF PERFORMANCE FOR CORE INDICATORS.—

''(i) IN GENERAL.—For each eligible agency submitting a State plan, there shall be established, in accordance with this subparagraph, levels of performance for each of the core indicators of performance described in paragraph (2)(A) for adult education, basic skills, and family literacy education programs authorized under this title. The levels of performance established under this subparagraph shall, at a minimum—

''(I) be expressed in an objective, quantifiable, and measurable form; and

''(II) show the progress of the eligible agency toward continuously and significantly improving the agency's performance outcomes in an objective, quantifiable, and measurable form.

''(ii) IDENTIFICATION IN STATE PLAN.—Each eligible agency shall identify, in the State plan submitted under section 224, expected levels of performance for each of the core indicators of performance for the first 3 program years covered by the State plan.

''(iii) AGREEMENT ON ELIGIBLE AGENCY ADJUSTED LEVELS OF PERFORMANCE FOR FIRST 3 YEARS.—In order to ensure an optimal return on the investment of Federal funds in adult education, basic skills, and family literacy education programs authorized under this title, the Secretary and each eligible agency shall reach agreement on levels of student performance for each of the core indicators of performance, for the first 3 program years covered by the State plan, taking into account the levels identified in the State plan under clause (ii) and the factors described in clause (iv). The levels agreed to under this clause shall be considered to be the eligible agency adjusted levels of performance for the eligible agency for such years and shall be incorporated into the State plan prior to the approval of such plan.

''(iv) FACTORS.—The agreement described in clause (iii) or (v) shall take into account—

''(I) how the levels involved compare with the eligible agency's adjusted levels of performance, taking into account factors including the characteristics of participants when the participants entered the program; and

''(II) the extent to which such levels promote continuous and significant improvement in performance on the student proficiency measures used by such eligible agency and ensure optimal return on the investment of Federal funds.

''(v) AGREEMENT ON ELIGIBLE AGENCY ADJUSTED LEVELS OF PERFORMANCE FOR SECOND 3 YEARS.—Prior to the fourth program year covered by the State plan, the Secretary and each eligible agency shall reach agreement on levels of student performance for each of the core indicators of performance for the fourth, fifth, and sixth program years covered by the State plan, taking into account the factors described in clause (iv). The levels agreed to under this clause shall be considered to be the eligible agency adjusted levels of performance for the eligible agency for such years and shall be incorporated into the State plan.

''(vi) REVISIONS.—If unanticipated circumstances arise in a State resulting in a significant change in the factors described in clause (iv)(I), the eligible agency may request that the eligible agency adjusted levels of performance agreed to under clause (iii) or (v) be revised.

''(B) LEVELS OF EMPLOYMENT PERFORMANCE.—The eligible agency shall identify, in the State plan, eligible agency levels of performance for each of the employment performance indicators described in paragraph (2)(B). Such levels shall be considered to be eligible agency adjusted levels of performance for purposes of this title.

''(c) REPORT.—

''(1) IN GENERAL.—Each eligible agency that receives a grant under section 211(b) shall annually prepare and submit to the Secretary, the Governor, the State legislature, and eligible providers a report on the progress of the eligible agency in achieving eligible agency performance measures, including the following:

''(A) Information on the levels of performance achieved by the eligible agency with respect to the core indicators of performance and employment performance indicators.

''(B) The number and type of each eligible provider that receives funding under such grant.

''(2) INFORMATION DISSEMINATION.—The Secretary—

''(A) shall make the information contained in such reports available to the general public through publication (including on the Internet site of the Department of Education) and other appropriate methods;

''(B) shall disseminate State-by-State comparisons of the information; and

''(C) shall provide the appropriate committees of the Congress with copies of such reports.

"SEC. 213. INCENTIVE GRANTS FOR STATES.

''(a) IN GENERAL.—From funds appropriated under section 211(a)(1), the Secretary may award grants to States for exemplary performance in carrying out programs under this title. Such awards shall be based on States exceeding the core indicators of performance established under section 212(b)(2)(A) and may be based on the performance of the State in serving populations, such as those described in section 224(b)(10), including the levels of service provided and the performance outcomes, and such other factors relating to the performance of the State under this title as the Secretary determines appropriate.

''(b) USE OF FUNDS.—The funds awarded to a State under this paragraph may be used to carry out any activities authorized under this title, including demonstrations and innovative programs for hard-to-serve populations.

"CHAPTER 2—STATE PROVISIONS

"SEC. 221. STATE ADMINISTRATION.

''Each eligible agency shall be responsible for the following activities under this title:

''(1) The development, submission, implementation, and monitoring of the State plan.

''(2) Consultation with other appropriate agencies, groups, and individuals that are involved in, or interested in, the development and implementation of activities assisted under this title.

''(3) Coordination and avoidance of duplication with other Federal and State education, training, corrections, public housing, and social service programs.

"SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING REQUIREMENT.

''(a) STATE DISTRIBUTION OF FUNDS.—Each eligible agency receiving a grant under this title for a fiscal year—

''(1) shall use an amount not less than 82.5 percent of the grant funds to award grants and contracts under section 231 and to carry out section 225, of which not more than 10 percent of

such amount shall be available to carry out section 225;

''(2) shall use not more than 12.5 percent of the grant funds to carry out State leadership activities under section 223; and

''(3) shall use not more than 5 percent of the grant funds, or $75,000, whichever is greater, for the administrative expenses of the eligible agency.

''(b) MATCHING REQUIREMENT.—

''(1) IN GENERAL.—In order to receive a grant from the Secretary under section 211(b), each eligible agency shall provide, for the costs to be incurred by the eligible agency in carrying out the adult education, basic skills, and family literacy education programs for which the grant is awarded, a non-Federal contribution in an amount at least equal to—

''(A) in the case of an eligible agency serving an outlying area, 12 percent of the total amount of funds expended for adult education, basic skills, and family literacy education programs in the outlying area, except that the Secretary may decrease the amount of funds required under this subparagraph for an eligible agency; and

''(B) in the case of an eligible agency serving a State, 25 percent of the total amount of funds expended for adult education, basic skills, and family literacy education programs in the State.

''(2) NON-FEDERAL CONTRIBUTION.—An eligible agency's non-Federal contribution required under paragraph (1) may be provided in cash or in kind, fairly evaluated, and shall include only non-Federal funds that are used for adult education, basic skills, and family literacy education programs in a manner that is consistent with the purpose of this title.

''SEC. 223. STATE LEADERSHIP ACTIVITIES.

''(a) IN GENERAL.—Each eligible agency may use funds made available under section 222(a)(2) for any of the following adult education, basic skills, and family literacy education programs:

''(1) The establishment or operation of professional development programs to improve the quality of instruction provided pursuant to local activities required under section 231(b), including instruction incorporating the essential components of reading instruction and instruction provided by volunteers or by personnel of a State or outlying area.

''(2) The provision of technical assistance to eligible providers of adult education, basic skills, and family literacy education programs, including for the development and dissemination of scientifically based research instructional practices in reading, writing, speaking, math, and English language acquisition programs.

''(3) The provision of assistance to eligible providers in developing, implementing, and reporting measurable progress in achieving the objectives of this title.

''(4) The provision of technology assistance, including staff training, to eligible providers of adult education, basic skills, and family literacy education programs, including distance learning activities, to enable the eligible providers to improve the quality of such activities.

''(5) The development and implementation of technology applications or distance learning, including professional development to support the use of instructional technology.

''(6) Coordination with other public programs, including welfare-to-work, workforce development, and job training programs.

''(7) Coordination with existing support services, such as transportation, child care, and other assistance designed to increase rates of enrollment in, and successful completion of, adult education, basic skills, and family literacy education programs, for adults enrolled in such activities.

''(8) The development and implementation of a system to assist in the transition from adult basic education to postsecondary education.

''(9) Activities to promote workplace literacy programs.

''(10) Activities to promote and complement local outreach initiatives described in section 243(7).

''(11) Other activities of statewide significance, including assisting eligible providers in achieving progress in improving the skill levels of adults who participate in programs under this title.

''(12) Integration of literacy, instructional, and occupational skill training and promotion of linkages with employees.

''(b) COORDINATION.—In carrying out this section, eligible agencies shall coordinate where possible, and avoid duplicating efforts, in order to maximize the impact of the activities described in subsection (a).

''(c) STATE-IMPOSED REQUIREMENTS.—Whenever a State or outlying area implements any rule or policy relating to the administration or operation of a program authorized under this title that has the effect of imposing a requirement that is not imposed under Federal law (including any rule or policy based on a State or outlying area interpretation of a Federal statute, regulation, or guideline), the State or outlying area shall identify, to eligible providers, the rule or policy as being imposed by the State or outlying area.

''SEC. 224. STATE PLAN.

''(a) 6-YEAR PLANS.—

''(1) IN GENERAL.—Each eligible agency desiring a grant under this title for any fiscal year shall submit to, or have on file with, the Secretary a 6-year State plan.

''(2) COMPREHENSIVE PLAN OR APPLICATION.—The eligible agency may submit the State plan as part of a comprehensive plan or application for Federal education assistance.

''(b) PLAN CONTENTS.—The eligible agency shall include in the State plan or any revisions to the State plan—

''(1) an objective assessment of the needs of individuals in the State or outlying area for adult education, basic skills, and family literacy education programs, including individuals most in need or hardest to serve;

''(2) a description of the adult education, basic skills, and family literacy education programs that will be carried out with funds received under this title;

''(3) a description of how the eligible agency will evaluate and measure annually the effectiveness and improvement of the adult education, basic skills, and family literacy education programs based on the performance measures described in section 212 including—

''(A) how the eligible agency will evaluate and measure annually such effectiveness on a grant-by-grant basis; and

''(B) how the eligible agency—

''(i) will hold eligible providers accountable regarding the progress of such providers in improving the academic achievement of participants in adult education programs under this title and regarding the core indicators of performance described in section 212(b)(2)(A); and

''(ii) will use technical assistance, sanctions, and rewards (including allocation of grant funds based on performance and termination of grant funds based on nonperformance);

''(4) a description of the performance measures described in section 212 and how such performance measures have significantly improved adult education, basic skills, and family literacy education programs in the State or outlying area;

''(5) an assurance that the eligible agency will, in addition to meeting all of the other requirements of this title, award not less than one grant under this title to an eligible provider that—

''(A) offers flexible schedules and necessary support services (such as child care and transportation) to enable individuals, including individuals with disabilities, or individuals with other special needs, to participate in adult education, basic skills, and family literacy education programs; and

''(B) attempts to coordinate with support services that are not provided under this title prior to using funds for adult education, basic skills, and family literacy education programs provided under this title for support services;

''(6) an assurance that the funds received under this title will not be expended for any purpose other than for activities under this title;

''(7) a description of how the eligible agency will fund local activities in accordance with the measurable goals described in section 231(d);

''(8) an assurance that the eligible agency will expend the funds under this title only in a manner consistent with fiscal requirements in section 241;

''(9) a description of the process that will be used for public participation and comment with respect to the State plan, which process—

''(A) shall include consultation with the State workforce investment board, the State board responsible for administering community or technical colleges, the Governor, the State educational agency, the State board or agency responsible for administering block grants for temporary assistance to needy families under title IV of the Social Security Act, the State council on disabilities, the State vocational rehabilitation agency, other State agencies that promote the improvement of adult education, basic skills, and family literacy education programs, and direct providers of such programs; and

''(B) may include consultation with the State agency on higher education, institutions responsible for professional development of adult education, basic skills, and family literacy education programs instructors, representatives of business and industry, refugee assistance programs, and faith-based organizations;

''(10) a description of the eligible agency's strategies for serving populations that include, at a minimum—

''(A) low-income individuals;

''(B) individuals with disabilities;

''(C) the unemployed;

''(D) the underemployed; and

''(E) individuals with multiple barriers to educational enhancement, including individuals with limited English proficiency;

''(11) a description of how the adult education, basic skills, and family literacy education programs that will be carried out with any funds received under this title will be integrated with other adult education, career development, and employment and training activities in the State or outlying area served by the eligible agency;

''(12) a description of the steps the eligible agency will take to ensure direct and equitable access, as required in section 231(c)(1), including—

''(A) how the State will build the capacity of community-based and faith-based organizations to provide adult education, basic skills, and family literacy education programs; and

''(B) how the State will increase the participation of business and industry in adult education, basic skills, and family literacy education programs;

''(13) an assessment of the adequacy of the system of the State or outlying area to ensure teacher quality and a description of how the State or outlying area will use funds received under this subtitle to improve teacher quality, including professional development on the use of scientifically based research to improve instruction; and

''(14) a description of how the eligible agency will consult with any State agency responsible for postsecondary education to develop adult education that prepares students to enter postsecondary education without the need for remediation upon completion of secondary school equivalency programs.

''(c) PLAN REVISIONS.—When changes in conditions or other factors require substantial revisions to an approved State plan, the eligible agency shall submit the revisions of the State plan to the Secretary.

''(d) CONSULTATION.—The eligible agency shall—

''(1) submit the State plan, and any revisions to the State plan, to the Governor, the chief State school officer, or the State officer responsible for administering community or technical colleges, or outlying area for review and comment; and

''(2) ensure that any comments regarding the State plan by the Governor, the chief State school officer, or the State officer responsible for administering community or technical colleges, and any revision to the State plan, are submitted to the Secretary.

''(e) PLAN APPROVAL.—A State plan submitted to the Secretary shall be approved by the Secretary only if the plan is consistent with the specific provisions of this title.

''SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND OTHER INSTITUTIONALIZED INDIVIDUALS.

''(a) PROGRAM AUTHORIZED.—From funds made available under section 222(a)(1) for a fiscal year, each eligible agency shall carry out corrections education and education for other institutionalized individuals.

''(b) USES OF FUNDS.—The funds described in subsection (a) shall be used for the cost of educational programs for criminal offenders in correctional institutions and for other institutionalized individuals, including academic programs for—

''(1) basic skills education;

''(2) special education programs as determined by the eligible agency;

''(3) reading, writing, speaking, and math programs; and

''(4) secondary school credit or diploma programs or their recognized equivalent.

''(c) PRIORITY.—Each eligible agency that is using assistance provided under this section to carry out a program for criminal offenders within a correctional institution shall give priority to serving individuals who are likely to leave the correctional institution within 5 years of participation in the program.

''(d) DEFINITIONS.—For purposes of this section:

''(1) CORRECTIONAL INSTITUTION.—The term 'correctional institution' means any—

''(A) prison;

''(B) jail;

''(C) reformatory;

''(D) work farm;

''(E) detention center; or

''(F) halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders.

''(2) CRIMINAL OFFENDER.—The term 'criminal offender' means any individual who is charged with, or convicted of, any criminal offense.

''CHAPTER 3—LOCAL PROVISIONS

''SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PROVIDERS.

''(a) GRANTS AND CONTRACTS.—From grant funds made available under section 211(b), each eligible agency shall award multiyear grants or contracts, on a competitive basis, to eligible providers within the State or outlying area that meet the conditions and requirements of this title to enable the eligible providers to develop, implement, and improve adult education, basic skills, and family literacy education programs within the State.

''(b) LOCAL ACTIVITIES.—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to establish or operate one or more programs of instruction that provide services or instruction in one or more of the following categories:

''(1) Adult education, basic skills, and family literacy education programs (including proficiency in reading, writing, speaking, and math).

''(2) Workplace literacy programs.

''(3) English language acquisition programs.

''(4) Family literacy education programs.

''(c) DIRECT AND EQUITABLE ACCESS; SAME PROCESS.—Each eligible agency receiving funds under this title shall ensure that—

''(1) all eligible providers have direct and equitable access to apply for grants or contracts under this section; and

''(2) the same grant or contract announcement process and application process is used for all eligible providers in the State or outlying area.

''(d) MEASURABLE GOALS.—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to demonstrate—

''(1) the eligible provider's measurable goals for participant outcomes to be achieved annually on the core indicators of performance and employment performance indicators described in section 212(b)(2);

''(2) the past effectiveness of the eligible provider in improving the basic academic skills of adults and, for eligible providers receiving grants in the prior year, the success of the eligible provider receiving funding under this title in exceeding its performance goals in the prior year;

''(3) the commitment of the eligible provider to serve individuals in the community who are the most in need of basic academic skills instruction services, including individuals who are low-income or have minimal reading, writing, speaking, and math skills, or limited English proficiency;

''(4) the program—

''(A) is of sufficient intensity and duration for participants to achieve substantial learning gains; and

''(B) uses instructional practices that include the essential components of reading instruction;

''(5) educational practices are based on scientifically based research;

''(6) the activities of the eligible provider effectively employ advances in technology, as appropriate, including the use of computers;

''(7) the activities provide instruction in real-life contexts, when appropriate, to ensure that an individual has the skills needed to compete in the workplace and exercise the rights and responsibilities of citizenship;

''(8) the activities are staffed by well-trained instructors, counselors, and administrators;

''(9) the activities are coordinated with other available resources in the community, such as through strong links with elementary schools and secondary schools, postsecondary educational institutions, one-stop centers, job training programs, community-based and faith-based organizations, and social service agencies;

''(10) the activities offer flexible schedules and support services (such as child care and transportation) that are necessary to enable individuals, including individuals with disabilities or other special needs, to attend and complete programs;

''(11) the activities include a high-quality information management system that has the capacity to report measurable participant outcomes and to monitor program performance against the performance measures established by the eligible agency;

''(12) the local communities have a demonstrated need for additional English language acquisition programs;

''(13) the capacity of the eligible provider to produce valid information on performance results, including enrollments and measurable participant outcomes;

''(14) adult education, basic skills, and family literacy education programs offer rigorous reading, writing, speaking, and math content that are based on scientifically based research; and

''(15) applications of technology, and services to be provided by the eligible providers, are of sufficient intensity and duration to increase the amount and quality of learning and lead to measurable learning gains within specified time periods.

''(e) SPECIAL RULE.—Eligible providers may use grant funds under this title to serve children participating in family literacy programs assisted under this part, provided that other sources of funds available to provide similar services for such children are used first.

''SEC. 232. LOCAL APPLICATION.

''Each eligible provider desiring a grant or contract under this title shall submit an application to the eligible agency containing such information and assurances as the eligible agency may require, including—

''(1) a description of how funds awarded under this title will be spent consistent with the requirements of this title;

''(2) a description of any cooperative arrangements the eligible provider has with other agencies, institutions, or organizations for the delivery of adult education, basic skills, and family literacy education programs; and

''(3) each of the demonstrations required by section 231(d).

''SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.

''(a) IN GENERAL.—Subject to subsection (b), of the amount that is made available under this title to an eligible provider—

''(1) at least 95 percent shall be expended for carrying out adult education, basic skills, and family literacy education programs; and

''(2) the remaining amount shall be used for planning, administration, personnel and professional development, development of measurable goals in reading, writing, speaking, and math, and interagency coordination.

''(b) SPECIAL RULE.—In cases where the cost limits described in subsection (a) are too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination, the eligible provider may negotiate with the eligible agency in order to determine an adequate level of funds to be used for non-instructional purposes.

''CHAPTER 4—GENERAL PROVISIONS

''SEC. 241. ADMINISTRATIVE PROVISIONS.

''(a) SUPPLEMENT NOT SUPPLANT.—Funds made available for adult education, basic skills, and family literacy education programs under this title shall supplement and not supplant other State or local public funds expended for adult education, basic skills, and family literacy education programs.

''(b) MAINTENANCE OF EFFORT.—

''(1) IN GENERAL.—

''(A) DETERMINATION.—An eligible agency may receive funds under this title for any fiscal year if the Secretary finds that the fiscal effort per student or the aggregate expenditures of such eligible agency for activities under this title, in the second preceding fiscal year, were not less than 90 percent of the fiscal effort per student or the aggregate expenditures of such eligible agency for adult education, basic skills, and family literacy education programs, in the third preceding fiscal year.

''(B) PROPORTIONATE REDUCTION.—Subject to paragraphs (2), (3), and (4), for any fiscal year with respect to which the Secretary determines under subparagraph (A) that the fiscal effort or the aggregate expenditures of an eligible agency for the preceding program year were less than such effort or expenditures for the second preceding program year, the Secretary—

''(i) shall determine the percentage decreases in such effort or in such expenditures; and

''(ii) shall decrease the payment made under this title for such program year to the agency for adult education, basic skills, and family literacy education programs by the lesser of such percentages.

''(2) COMPUTATION.—In computing the fiscal effort and aggregate expenditures under paragraph (1), the Secretary shall exclude capital expenditures and special one-time project costs.

''(3) DECREASE IN FEDERAL SUPPORT.—If the amount made available for adult education, basic skills, and family literacy education programs under this title for a fiscal year is less

than the amount made available for adult education, basic skills, and family literacy education programs under this title for the preceding fiscal year, then the fiscal effort per student and the aggregate expenditures of an eligible agency required in order to avoid a reduction under paragraph (1)(B) shall be decreased by the same percentage as the percentage decrease in the amount so made available.

''(4) WAIVER.—The Secretary may waive the requirements of this subsection for not more than 1 fiscal year, if the Secretary determines that a waiver would be equitable due to exceptional or uncontrollable circumstances, such as a natural disaster or an unforeseen and precipitous decline in the financial resources of the State or outlying area of the eligible agency. If the Secretary grants a waiver under the preceding sentence for a fiscal year, the level of effort required under paragraph (1) shall not be reduced in the subsequent fiscal year because of the waiver.

''SEC. 242. NATIONAL INSTITUTE FOR LITERACY.

''(a) IN GENERAL.—

''(1) PURPOSE.—The purpose of the National Institute for Literacy is to promote the improvement of literacy, including skills in reading, writing, and English language acquisition for children, youth, and adults, through practices derived from the findings of scientifically based research.

''(2) ESTABLISHMENT.—There is established a National Institute for Literacy (in this section referred to as the 'Institute'). The Institute shall be administered under the terms of an interagency agreement entered into, reviewed annually, and modified as needed by the Secretary of Education with the Secretary of Health and Human Services and the Secretary of Labor (in this section referred to as the 'Interagency Group').

''(3) OFFICES.—The Institute shall have offices separate from the offices of the Department of Education, the Department of Health and Human Services, and the Department of Labor.

''(4) ADMINISTRATIVE SUPPORT.—The Department of Education shall provide administrative support for the Institute.

''(5) DAILY OPERATIONS.—The Director of the Institute shall administer the daily operations of the Institute.

''(b) DUTIES.—

''(1) IN GENERAL.—To carry out its purpose, the Institute may—

''(A) identify and disseminate rigorous scientific research on the effectiveness of instructional practices and organizational strategies relating to programs on the acquisition of skills in reading, writing, and English language acquisition for children, youth, and adults;

''(B) create and widely disseminate materials about the acquisition and application of skills in reading, writing, and English language acquisition for children, youth, and adults based on scientifically based research;

''(C) ensure a broad understanding of scientifically based research on reading, writing, and English language acquisition for children, youth, and adults among Federal agencies with responsibilities for administering programs that provide related services, including State and local educational agencies;

''(D) facilitate coordination and information sharing among national organizations and associations interested in programs that provide services to improve skills in reading, writing, and English language acquisition for children, youth, and adults;

''(E) coordinate with the appropriate offices in the Department of Education, the Department of Health and Human Services, the Department of Labor, and other Federal agencies to apply the findings of scientifically based research related to programs on reading, writing, and English language acquisition for children, youth, and adults;

''(F) establish a national electronic database and Internet site describing and fostering communication on scientifically based programs in reading, writing, and English language acquisition for children, youth, and adults, including professional development programs; and

''(G) provide opportunities for technical assistance, meetings, and conferences that will foster increased coordination among Federal, State, and local agencies and entities and improvement of reading, writing, and English language acquisition skills for children, youth, and adults.

''(2) COORDINATION.—In identifying scientifically based research on reading, writing, and English language acquisition for children, youth, and adults, the Institute shall use standards for research quality that are consistent with those established by the Institute of Education Sciences.

''(3) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—

''(A) IN GENERAL.—The Institute may award grants to, or enter into contracts or cooperative agreements with, individuals, public or private institutions, agencies, organizations, or consortia of such individuals, institutions, agencies, or organizations, to carry out the activities of the Institute.

''(B) REGULATIONS.—The Director may adopt the general administrative regulations of the Department of Education, as applicable, for use by the Institute.

''(C) RELATION TO OTHER LAWS.—The duties and powers of the Institute under this title are in addition to the duties and powers of the Institute under subparts 1, 2, and 3 of part B of the Elementary and Secondary Education Act of 1965 (commonly referred to as Reading First, Early Reading First, and the William F. Goodling Even Start Family Literacy Program, respectively).

''(c) VISITING SCHOLARS.—The Institute may establish a visiting scholars program, with such stipends and allowances as the Director considers necessary, for outstanding researchers, scholars, and individuals who—

''(1) have careers in adult education, workforce development, or scientifically based reading, writing, or English language acquisition; and

''(2) can assist the Institute in translating research into practice and providing analysis that advances instruction in the fields of reading, writing, and English language acquisition for children, youth, and adults.

''(d) INTERNS AND VOLUNTEERS.—The Institute, in consultation with the National Institute for Literacy Advisory Board, may award paid and unpaid internships to individuals seeking to assist the Institute in carrying out its purpose. Notwithstanding section 1342 of title 31, United States Code, the Institute may accept and use voluntary and uncompensated services as the Institute determines necessary.

''(e) NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD.—

''(1) ESTABLISHMENT.—

''(A) IN GENERAL.—There shall be a National Institute for Literacy Advisory Board (in this section referred to as the 'Board'), which shall consist of 10 individuals appointed by the President with the advice and consent of the Senate.

''(B) QUALIFICATIONS.—The Board shall be composed of individuals who—

''(i) are not otherwise officers or employees of the Federal Government; and

''(ii) are knowledgeable about current effective scientifically based research findings on instruction in reading, writing, and English language acquisition for children, youth, and adults.

''(C) COMPOSITION.—The Board may include—

''(i) representatives of business, industry, labor, literacy organizations, adult education providers, community colleges, students with disabilities, and State agencies, including State directors of adult education; and

''(ii) individuals who, and representatives of entities that, have been successful in improving skills in reading, writing, and English language acquisition for children, youth, and adults.

''(2) DUTIES.—The Board shall—

''(A) make recommendations concerning the appointment of the Director of the Institute;

''(B) provide independent advice on the operation of the Institute;

''(C) receive reports from the Interagency Group and the Director; and

''(D) review the biennial report to the Congress under subsection (k).

''(3) FEDERAL ADVISORY COMMITTEE ACT.—Except as otherwise provided, the Board shall be subject to the provisions of the Federal Advisory Committee Act.

''(4) APPOINTMENTS.—

''(A) IN GENERAL.—Each member of the Board shall be appointed for a term of 3 years, except that the initial terms for members may be 1, 2, or 3 years in order to establish a rotation in which one-third of the members are selected each year. Any such member may be appointed for not more than 2 consecutive terms.

''(B) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office.

''(5) QUORUM.—A majority of the members of the Board shall constitute a quorum, but a lesser number may hold hearings. A recommendation of the Board may be passed only by a majority of the Board's members present at a meeting for which there is a quorum.

''(6) ELECTION OF OFFICERS.—The Chairperson and Vice Chairperson of the Board shall be elected by the members of the Board. The term of office of the Chairperson and Vice Chairperson shall be 2 years.

''(7) MEETINGS.—The Board shall meet at the call of the Chairperson or a majority of the members of the Board.

''(f) GIFTS, BEQUESTS, AND DEVISES.—

''(1) IN GENERAL.—The Institute may accept, administer, and use gifts or donations of services, money, or property, whether real or personal, tangible or intangible.

''(2) RULES.—The Board shall establish written rules setting forth the criteria to be used by the Institute in determining whether the acceptance of contributions of services, money, or property whether real or personal, tangible or intangible, would reflect unfavorably upon the ability of the Institute or any employee to carry out the responsibilities of the Institute or employee, or official duties, in a fair and objective manner, or would compromise the integrity, or the appearance of the integrity, of the Institute's programs or any official involved in those programs.

''(g) MAILS.—The Board and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

''(h) DIRECTOR.—The Secretary of Education, after considering recommendations made by the Board and consulting with the Interagency Group, shall appoint and fix the pay of the Director of the Institute and, when necessary, shall appoint an Interim Director of the Institute.

''(i) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Institute may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for level IV of the Executive Schedule.

''(j) EXPERTS AND CONSULTANTS.—The Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

''(k) BIENNIAL REPORT.—

''(1) IN GENERAL.—The Institute shall submit a report biennially to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate. Each report submitted under this subsection shall include—

''(A) a comprehensive and detailed description of the Institute's operations, activities, financial condition, and accomplishments in identifying and describing programs on reading, writing, and English language acquisition for children, youth, and adults for the period covered by the report; and

''(B) a description of how plans for the operation of the Institute for the succeeding 2 fiscal years will facilitate achievement of the purpose of the Institute.

''(2) FIRST REPORT.—The Institute shall submit its first report under this subsection to the Congress not later than 1 year after the date of the enactment of the Job Training Improvement Act of 2005.

''(l) ADDITIONAL FUNDING.—In addition to the funds authorized under section 205 and reserved for the Institute under section 211, the Secretary of Education, the Secretary of Health and Human Services, the Secretary of Labor, or the head of any other Federal agency or department that participates in the activities of the Institute may provide funds to the Institute for activities that the Institute is authorized to perform under this section.

"SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.

''The Secretary shall establish and carry out a program of national leadership activities that may include the following:

''(1) Technical assistance, on request, including assistance—

''(A) on request to volunteer community- and faith-based organizations, including but not limited to, improving their fiscal management, research-based instruction, and reporting requirements, and the development of measurable objectives to carry out the requirements of this title;

''(B) in developing valid, measurable, and reliable performance data, and using performance information for the improvement of adult education basic skills, English language acquisition, and family literacy education programs;

''(C) on adult education professional development; and

''(D) in using distance learning and improving the application of technology in the classroom, including instruction in English language acquisition for individuals who have limited English proficiency.

''(2) Providing for the conduct of research on national literacy basic skill acquisition levels among adults, including the number of limited English proficient adults functioning at different levels of reading proficiency.

''(3) Improving the coordination, efficiency, and effectiveness of adult education and workforce development services at the national, State, and local levels.

''(4) Determining how participation in adult education basic skills, English language acquisition, and family literacy education programs prepares individuals for entry into and success in postsecondary education and employment, and in the case of prison-based services, the effect on recidivism.

''(5) Evaluating how different types of providers, including community and faith-based organizations or private for-profit agencies measurably improve the skills of participants in adult education basic skills, English language acquisition, and family literacy education programs.

''(6) Identifying model integrated basic and workplace skills education programs, including programs for individuals with limited English proficiency coordinated literacy and employment services, and effective strategies for serving adults with disabilities.

''(7) Supporting the development of an entity that would produce and distribute technology-based programs and materials for adult education, basic skills, and family literacy education programs using an intercommunication system, as that term is defined in section 397 of the Communications Act of 1934, and expand the effective outreach and use of such programs and materials to adult education eligible providers.

''(8) Initiating other activities designed to improve the measurable quality and effectiveness of adult education basic skills, English language acquisition, and family literacy education programs nationwide.''.

TITLE III—AMENDMENTS TO THE WAGNER-PEYSER ACT

SEC. 301. AMENDMENTS TO THE WAGNER-PEYSER ACT.

The Wagner-Peyser Act (29 U.S.C. 49 et. seq.) is amended—

(1) by striking sections 1 through 13;

(2) in section 14 by inserting ''of Labor'' after ''Secretary''; and

(3) by amending section 15 to read as follows:

"SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.

''(a) SYSTEM CONTENT.—

''(1) IN GENERAL.—The Secretary of Labor, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide workforce and labor market information system that includes—

''(A) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems that, taken together, enumerate, estimate, and project employment opportunities and conditions at national, State, and local levels in a timely manner, including statistics on—

''(i) employment and unemployment status of national, State, and local populations, including self-employed, part-time, and seasonal workers;

''(ii) industrial distribution of occupations, as well as current and projected employment opportunities, wages, benefits (where data is available), and skill trends by occupation and industry, with particular attention paid to State and local conditions;

''(iii) the incidence of, industrial and geographical location of, and number of workers displaced by, permanent layoffs and plant closings; and

''(iv) employment and earnings information maintained in a longitudinal manner to be used for research and program evaluation;

''(B) information on State and local employment opportunities, and other appropriate statistical data related to labor market dynamics, which—

''(i) shall be current and comprehensive;

''(ii) shall meet the needs identified through the consultations described in subparagraphs (A) and (B) of subsection (e)(2); and

''(iii) shall meet the needs for the information identified in section 134(d);

''(C) technical standards (which the Secretary shall publish annually) for data and information described in subparagraphs (A) and (B) that, at a minimum, meet the criteria of chapter 35 of title 44, United States Code;

''(D) procedures to ensure compatibility and additivity of the data and information described in subparagraphs (A) and (B) from national, State, and local levels;

''(E) procedures to support standardization and aggregation of data from administrative reporting systems described in subparagraph (A) of employment-related programs;

''(F) analysis of data and information described in subparagraphs (A) and (B) for uses such as—

''(i) national, State, and local policymaking;

''(ii) implementation of Federal policies (including allocation formulas);

''(iii) program planning and evaluation; and

''(iv) researching labor market dynamics;

''(G) wide dissemination of such data, information, and analysis in a user-friendly manner and voluntary technical standards for dissemination mechanisms; and

''(H) programs of—

''(i) training for effective data dissemination;

''(ii) research and demonstration; and

''(iii) programs and technical assistance.

''(2) INFORMATION TO BE CONFIDENTIAL.—

''(A) IN GENERAL.—No officer or employee of the Federal Government or agent of the Federal Government may—

''(i) use any submission that is furnished for exclusively statistical purposes under the provisions of this section for any purpose other than the statistical purposes for which the submission is furnished;

''(ii) make any publication or media transmittal of the data contained in the submission described in clause (i) that permits information concerning individual subjects to be reasonably inferred by either direct or indirect means; or

''(iii) permit anyone other than a sworn officer, employee, or agent of any Federal department or agency, or a contractor (including an employee of a contractor) of such department or agency, to examine an individual submission described in clause (i),

without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission.

''(B) IMMUNITY FROM LEGAL PROCESS.—Any submission (including any data derived from the submission) that is collected and retained by a Federal department or agency, or an officer, employee, agent, or contractor of such a department or agency, for exclusively statistical purposes under this section shall be immune from the legal process and shall not, without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

''(C) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to provide immunity from the legal process for such submission (including any data derived from the submission) if the submission is in the possession of any person, agency, or entity other than the Federal Government or an officer, employee, agent, or contractor of the Federal Government, or if the submission is independently collected, retained, or produced for purposes other than the purposes of this Act.

''(b) SYSTEM RESPONSIBILITIES.—

''(1) IN GENERAL.—The workforce and labor market information system described in subsection (a) shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and States.

''(2) DUTIES.—The Secretary, with respect to data collection, analysis, and dissemination of labor employment statistics for the system, shall carry out the following duties:

''(A) Assign responsibilities within the Department of Labor for elements of the workforce and labor market information system described in subsection (a) to ensure that all statistical and administrative data collected is consistent with appropriate Bureau of Labor Statistics standards and definitions.

''(B) Actively seek the cooperation of other Federal agencies to establish and maintain mechanisms for ensuring complementarity and nonduplication in the development and operation of statistical and administrative data collection activities.

''(C) Eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority.

''(D) In collaboration with the Bureau of Labor Statistics and States, develop and maintain the elements of the workforce and labor

market information system described in subsection (a), including the development of consistent procedures and definitions for use by the States in collecting the data and information described in subparagraphs (A) and (B) of subsection (a)(1).

''(E) Establish procedures for the system to ensure that—

''(i) such data and information are timely;

''(ii) paperwork and reporting for the system are reduced to a minimum; and

''(iii) States and localities are fully involved in the development and continuous improvement of the system at all levels, including ensuring the provision, to such States and localities, of budget information necessary for carrying out their responsibilities under subsection (e).

''(c) NATIONAL ELECTRONIC TOOLS TO PROVIDE SERVICES.—The Secretary is authorized to assist in the development of national electronic tools that may be used to facilitate the delivery of core services described in section 134 and to provide workforce information to individuals through the one-stop delivery systems described in section 121 and through other appropriate delivery systems.

''(d) COORDINATION WITH THE STATES.—

''(1) IN GENERAL.—The Secretary, working through the Bureau of Labor Statistics and the Employment and Training Administration, shall regularly consult with representatives of State agencies carrying out workforce information activities regarding strategies for improving the workforce and labor market information system.

''(2) FORMAL CONSULTATIONS.—At least twice each year, the Secretary, working through the Bureau of Labor Statistics, shall conduct formal consultations regarding programs carried out by the Bureau of Labor Statistics with representatives of each of the 10 Federal regions of the Department of Labor, elected from the State directors affiliated with State agencies that perform the duties described in subsection (e)(2).

''(e) STATE RESPONSIBILITIES.—

''(1) IN GENERAL.—In order to receive Federal financial assistance under this section, the Governor of a State shall—

''(A) be responsible for the management of the portions of the workforce and labor market information system described in subsection (a) that comprise a statewide workforce and labor market information system and for the State's participation in the development of the annual plan;

''(B) establish a process for the oversight of such system;

''(C) consult with State and local employers, participants, and local workforce investment boards about the labor market relevance of the data to be collected and disseminated through the statewide workforce and labor market information system;

''(D) consult with State educational agencies and local educational agencies concerning the provision of employment statistics in order to meet the needs of secondary school and postsecondary school students who seek such information;

''(E) collect and disseminate for the system, on behalf of the State and localities in the State, the information and data described in subparagraphs (A) and (B) of subsection (a)(1);

''(F) maintain and continuously improve the statewide workforce and labor market information system in accordance with this section;

''(G) perform contract and grant responsibilities for data collection, analysis, and dissemination for such system;

''(H) conduct such other data collection, analysis, and dissemination activities as will ensure an effective statewide workforce and labor market information system;

''(I) actively seek the participation of other State and local agencies in data collection, analysis, and dissemination activities in order to ensure complementarity, compatibility, and usefulness of data;

''(J) participate in the development of the annual plan described in subsection (c); and

''(K) utilize the quarterly records described in section 136(f)(2) of the Workforce Investment Act of 1998 to assist the State and other States in measuring State progress on State performance measures.

''(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as limiting the ability of a Governor to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this section.

''(f) NONDUPLICATION REQUIREMENT.—None of the functions and activities carried out pursuant to this section shall duplicate the functions and activities carried out under the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of the fiscal years 2006 through 2011.

''(h) DEFINITION.—In this section, the term 'local area' means the smallest geographical area for which data can be produced with statistical reliability.''.

TITLE IV—AMENDMENTS TO THE REHABILITATION ACT OF 1973

SEC. 401. FINDINGS.

Section 2(a) of the Rehabilitation Act of 1973 (29 U.S.C. 701(a)) is amended—

(1) in paragraph (5), by striking ''and'' at the end;

(2) in paragraph (6), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(7) there is a substantial need to improve and expand services for students with disabilities under this Act.''.

SEC. 402. REHABILITATION SERVICES ADMINISTRATION.

Section 3(a) of the Rehabilitation Act of 1973 (29 U.S.C. 702(a)) is amended—

(1) by striking ''Office of the Secretary'' and inserting ''Department of Education'';

(2) by striking ''President by and with the advice and consent of the Senate'' and inserting ''Secretary, except that the Commissioner appointed under the authority existing on the day prior to the date of enactment of the Job Training Improvement Act of 2005 may continue to serve in the former capacity''; and

(3) by striking '', and the Commissioner shall be the principal officer,''.

SEC. 403. DIRECTOR.

(a) IN GENERAL.—The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended—

(1) by striking ''Commissioner'' each place it appears, except in sections 3(a) (as amended by section 402) and 21, and inserting ''Director'';

(2) in section 100(d)(2)(B), by striking ''COMMISSIONER'' and inserting ''DIRECTOR'';

*(3) in section 706, by striking ''**COMMISSIONER**'' and inserting ''**DIRECTOR**''; and*

(4) in section 723(a)(3), by striking ''COMMISSIONER'' and inserting ''DIRECTOR''.

(b) EXCEPTION.—Section 21 of the Rehabilitation Act of 1973 (29 U.S.C. 718) is amended—

(1) in subsection (b)(1)—

(A) by striking ''Commissioner'' the first place it appears and inserting ''Director of the Rehabilitation Services Administration''; and

(B) by striking ''(referred to in this subsection as the 'Director')''; and

(2) by striking ''Commissioner and the Director'' each place it appears and inserting ''both such Directors''.

SEC. 404. DEFINITIONS.

Section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705) is amended—

(1) by redesignating paragraphs (35) through (39) as paragraphs (36), (37), (38), (40), and (41), respectively;

(2) in subparagraph (A)(ii) of paragraph (36) (as redesignated in paragraph (1)), by striking ''paragraph (36)(C)'' and inserting ''paragraph (37)(C)'';

(3) by inserting after paragraph (34) the following:

''(35)(A) The term 'student with a disability' means an individual with a disability who—

''(i) is not younger than 16 and not older than 21;

''(ii) has been determined to be eligible under section 102(a) for assistance under this title; and

''(iii)(I) is eligible for, and is receiving, special education under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); or

''(II) is an individual with a disability, for purposes of section 504.

''(B) The term 'students with disabilities' means more than 1 student with a disability.''; and

(4) by inserting after paragraph (38) (as redesignated by paragraph (1)) the following:

''(39) The term 'transition services expansion year' means—

''(A) the first fiscal year for which the amount appropriated under section 100(b) exceeds the amount appropriated under section 100(b) for fiscal year 2004 by not less than $100,000,000; and

''(B) each fiscal year subsequent to that first fiscal year.''.

SEC. 405. STATE PLAN.

(a) COORDINATION WITH EDUCATION OFFICIALS AND ASSISTIVE TECHNOLOGY PROGRAMS.—Section 101(a)(11) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(11)) is amended—

(1) in subparagraph (D)(i) by inserting '', which may be provided using alternative means of meeting participation (such as video conferences and conference calls)'' before the semicolon; and

(2) by adding at the end the following:

''(G) COORDINATION WITH ASSISTIVE TECHNOLOGY PROGRAMS.—The State plan shall include an assurance that the designated State unit and the lead agency responsible for carrying out duties under the Assistive Technology Act of 1998 (29 U.S.C. 3001), as amended, have developed working relationships and coordinate their activities.''.

(b) ASSESSMENT AND STRATEGIES.—Section 101(a)(15) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(15)) is amended—

(1) in subparagraph (A)

(A) in clause (i)—

(i) in subclause (II), by striking ''and'' at the end;

(ii) in subclause (III), by adding ''and'' at the end; and

(iii) by adding at the end the following:

''(IV) in a transition services expansion year, students with disabilities, including their need for transition services;''; and

(B) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively, and inserting after clause (i) the following:

''(ii) include an assessment of the transition services provided under this Act, and coordinated with transition services under the Individuals with Disabilities Education Act, as to those services meeting the needs of individuals with disabilities;''; and

(2) in subparagraph (D)—

(A) by redesignating clauses (iii), (iv), and (v) as clauses (iv), (v), and (vi), respectively; and

(B) by inserting after clause (ii) the following:

''(iii) in a transition services expansion year, the methods to be used to improve and expand vocational rehabilitation services for students with disabilities, including the coordination of services designed to facilitate the transition of such students from the receipt of educational services in school to the receipt of vocational rehabilitation services under this title or to postsecondary education or employment;''.

(c) SERVICES FOR STUDENTS WITH DISABILITIES.—Section 101(a) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) is further amended by adding at the end the following:

''(25) SERVICES FOR STUDENTS WITH DISABILITIES.—The State plan for a transition services

expansion year shall provide an assurance satisfactory to the Secretary that the State—

''(A) has developed and implemented strategies to address the needs identified in the assessment described in paragraph (15), and achieve the goals and priorities identified by the State, to improve and expand vocational rehabilitation services for students with disabilities on a statewide basis in accordance with paragraph (15); and

''(B) from funds reserved under section 110A, shall carry out programs or activities designed to improve and expand vocational rehabilitation services for students with disabilities that—

''(i) facilitate the transition of the students with disabilities from the receipt of educational services in school, to the receipt of vocational rehabilitation services under this title, including, at a minimum, those services specified in the interagency agreement required in paragraph (11)(D);

''(ii) improve the achievement of post-school goals of students with disabilities, including improving the achievement through participation (as appropriate when vocational goals are discussed) in meetings regarding individualized education programs developed under section 614 of the Individuals with Disabilities Education Act (20 U.S.C. 1414);

''(iii) provide vocational guidance, career exploration services, and job search skills and strategies and technical assistance to students with disabilities;

''(iv) support the provision of training and technical assistance to State and local educational agency and designated State agency personnel responsible for the planning and provision of services to students with disabilities; and

''(v) support outreach activities to students with disabilities who are eligible for, and need, services under this title.''.

SEC. 406. SCOPE OF SERVICES.

Section 103 of the Rehabilitation Act of 1973 (29 U.S.C. 723) is amended—

(1) in subsection (a), by striking paragraph (15) and inserting the following:

''(15) transition services for students with disabilities, that facilitate the achievement of the employment outcome identified in the individualized plan for employment, including, in a transition services expansion year, services described in clauses (i) through (iii) of section 101(a)(25)(B);'';

(2) in subsection (b), by striking paragraph (6) and inserting the following:

''(6)(A)(i) Consultation and technical assistance services to assist State and local educational agencies in planning for the transition of students with disabilities from school to post-school activities, including employment.

''(ii) In a transition services expansion year, training and technical assistance described in section 101(a)(25)(B)(iv).

''(B) In a transition services expansion year, services for groups of individuals with disabilities who meet the requirements of clauses (i) and (iii) of section 7(35)(A), including services described in clauses (i), (ii), (iii), and (v) of section 101(a)(25)(B), to assist in the transition from school to post-school activities.''; and

(3) in subsection (b) by inserting at the end, the following:

''(7) The establishment, development, or improvement of assistive technology demonstration, loan, reutilization, or financing programs in coordination with activities authorized under the Assistive Technology Act of 1998 (29. U.S.C. 3001), as amended, to promote access to assistive technology for individuals with disabilities and employers.''.

SEC. 407. STANDARDS AND INDICATORS.

Section 106(a) of the Rehabilitation Act of 1973 (29 U.S.C. 726(a)) is amended by striking paragraph (1)(C) and all that follows through paragraph (2) and inserting the following:

''(2) MEASURES.—The standards and indicators shall include outcome and related measures of program performance that—

''(A) facilitate the accomplishment of the purpose and policy of this title;

''(B) to the maximum extent practicable, are consistent with the core indicators of performance, and corresponding State adjusted levels of performance, established under section 136(b) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(b)); and

''(C) include measures of the program's performance with respect to the transition to post-school vocational activities, and achievement of the post-school vocational goals, of students with disabilities served under the program.''.

SEC. 408. RESERVATION FOR EXPANDED TRANSITION SERVICES.

The Rehabilitation Act of 1973 is amended by inserting after section 110 (29 U.S.C. 730) the following:

''SEC. 110A. RESERVATION FOR EXPANDED TRANSITION SERVICES.

''(a) RESERVATION.—From the State allotment under section 110 in a transition services expansion year, each State shall reserve an amount calculated by the Director under subsection (b) to carry out programs and activities under sections 101(a)(25)(B) and 103(b)(6).

''(b) CALCULATION.—The Director shall calculate the amount to be reserved for such programs and activities for a fiscal year by each State by multiplying $50,000,000 by the percentage determined by dividing—

''(1) the amount allotted to that State under section 110 for the prior fiscal year, by

''(2) the total amount allotted to all States under section 110 for that prior fiscal year.''.

SEC. 409. CLIENT ASSISTANCE PROGRAM.

Section 112(e)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 732(e)(1)) is amended by redesignating subparagraph (D) as subparagraph (E) and inserting after subparagraph (C) the following:

''(D) The Secretary shall make grants to the protection and advocacy system serving the American Indian Consortium to provide services in accordance with this section. The amount of such grants shall be the same as provided to territories under this subsection. ''.

SEC. 410. PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS.

Section 509(g)(2) of the Rehabilitation Act of 1973 (29 U.S.C. 794e(g)(2)) is amended by striking ''was paid'' and inserting ''was paid, except that program income generated from such amount shall remain available to such system for one additional fiscal year''.

SEC. 411. CHAIRPERSON.

Section 705(b)(5) of the Rehabilitation Act of 1973 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

''(5) CHAIRPERSON.—The Council shall select a chairperson from among the voting membership of the Council.''.

SEC. 412. AUTHORIZATIONS OF APPROPRIATIONS.

The Rehabilitation Act of 1973 is further amended—

(1) in section 100(b)(1) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011'';

(2) in section 100(d)(1)(B) by striking ''fiscal year 2003'' and inserting ''fiscal year 2011'';

(3) in section 110(c) by amending paragraph (2) to read as follows:

''(2) The sum referred to in paragraph (1) shall be, as determined by the Secretary, not less than 1 percent and not more than 1.5 percent of the amount referred to in paragraph (1) for each of fiscal years 2003 through 2011.'';

(4) in section 112(h) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011'';

(5) in section 201(a) by striking ''fiscal years 1999 through 2003'' each place it appears and inserting ''fiscal years 2006 through 2011'';

(6) in section 302(i) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011'';

(7) in section 303(e) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011'';

(8) in section 304(b) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011'';

(9) in section 305(b) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011'';

(10) in section 405 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011'';

(11) in section 502(j) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011'';

(12) in section 509(l) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011'';

(13) in section 612 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011'';

(14) in section 628 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011'';

(15) in section 714 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011'';

(16) in section 727 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''; and

(17) in section 753 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 413. CONFORMING AMENDMENT.

Section 1(b) of the Rehabilitation Act of 1973 is amended by inserting after the item relating to section 110 the following:

''Sec. 110A. Reservation for expanded transition services.''.

SEC. 414. HELEN KELLER NATIONAL CENTER ACT.

(a) GENERAL AUTHORIZATION OF APPROPRIATIONS.—The first sentence of section 205(a) of the Helen Keller National Center Act (29 U.S.C. 1904(a)) is amended by striking ''1999 through 2003'' and inserting ''2006 through 2011''.

(b) HELEN KELLER NATIONAL CENTER FEDERAL ENDOWMENT FUND.—The first sentence of section 208(h) of such Act (29 U.S.C. 1907(h)) is amended by striking ''1999 through 2003'' and inserting ''2006 through 2011''.

TITLE V—TRANSITION AND EFFECTIVE DATE

SEC. 501. TRANSITION PROVISIONS.

The Secretary of Labor shall take such actions as the Secretary determines to be appropriate to provide for the orderly implementation of this Act.

SEC. 502. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act, shall take effect on the date of enactment of this Act.

The CHAIRMAN. No amendment to the committee amendment is in order except those printed in House Report 109–11. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

It is now in order to consider amendment No. 1 printed in House report 109–11.

AMENDMENT OFFERED BY MR. KILDEE

Mr. KILDEE. Mr. Chairman, I offer an amendment as a designee of the gentleman from Massachusetts (Mr. TIERNEY).

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. KILDEE:

Strike sections 111 and 119.

In section 101(1), strike ''paragraphs (13) and'' and all that follows through ''through (24)'' and insert ''paragraph (24) and redesignating paragraphs (1) through (23) as paragraphs (3) through (25)''.

In section 101(8), strike ''; and'' and insert a period.

Strike paragraph (9) of section 101.

In the table of contents in section 2 of the bill, strike the items related to section 111 and redesignate succeeding items accordingly.

In the table of contents in section 2 of the bill, strike the item related to section 119 and redesignate succeeding items accordingly.

The CHAIRMAN. Pursuant to House Resolution 126, the gentleman from Michigan (Mr. KILDEE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, current law requires that services be provided to both in-school youth and out-of-school youth. Nothing in the Act prevents States from spending all of youth funds on out-of-school youths. In fact, as many as 17 States spend more than 30 percent on out-of-school programs. The majority of States are challenged by current out-of-school requirements.

Eliminating services for in-school youth cuts funding for programs designed to keep youths in school, to develop workforce skills, to prepare for post-secondary education, and provide after school and summer opportunities.

H.R. 27 limits the business community's ability to work with schools and prepare emerging workforces. In many communities, you have that cooperation between the business community and the schools.

H.R. 27 restricts services for rural youths. Many rural in-school programs provide workforce development and on-school support service for students who are at risk for dropping out. I think it is very, very important that we maintain the in-school youth program, and that is the purpose for me offering this amendment.

Mr. Chairman, I reserve the balance of my time.

□ 1700

Mr. BOEHNER. Mr. Chairman, I rise in opposition to the gentleman's amendment and yield myself such time as I may consume.

Mr. Chairman, the amendment that is being offered by my friend, the gentleman from Michigan (Mr. KILDEE), would strike all of the positive reforms for youth that are included in H.R. 27. Under current law, funds for the WIA youth program are spread too thinly, as they fund programs that both serve in-school and out-of-school youth.

In the White House, the Disadvantaged Youth Task Force has proposed targeted Federal youth training funds to serve the most in need and to reduce the duplication of services amongst Federal programs. There are a large number of programs today designed to deal with in-school, at-risk children, and there is really only one program in WIA that is targeted at out-of-school youth.

What we tried to do in this bill was to strike a balance by requiring that 70 percent of the youth program funds go to out-of-school youth, a population that is by and large ignored and that I think these funds ought to be targeted to. We do allow the local workforce boards to use up to 30 percent of their programs for in-school youth; but there are other programs, a half a dozen other programs, targeted at these at-risk children who are in school.

So as a way of trying to bring more synergy to an effort to help out-of-school youth, I think the language we have in the bill strikes the right balance.

Mr. Chairman, I reserve the balance of my time.

Mr. KILDEE. Mr. Chairman, I yield the balance of my time to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise to support the Tierney amendment, and I thank the distinguished gentleman from Michigan (Mr. KILDEE) for yielding me this time and also for his leadership. I also want to thank the gentleman from Massachusetts (Mr. TIERNEY) for his leadership. I know he was very thoughtful in this amendment.

Particularly when we talk about these programs, what comes to mind, and I heard the gentleman from Michigan (Mr. KILDEE) be so eloquent in the Committee on Rules about the effectiveness and the importance of a training program, number one, for the new jobs of the 21st century. I am reminded of the fact that I spent a good part of my time as a locally elected official on the Houston City Council promoting the job training programs of our community that came down through the workforce board commissions in Texas.

When you eliminate summer jobs, you are literally undermining the opportunities for inner-city and rural youth to move to the next level of opportunity. You are extinguishing the right and the exposure that they have for career preparation. You go into these youth training programs and you look at the smiles on the faces of individuals who have come from experiences where there was no work, where their families are unemployed, and where there is no hope and opportunity.

I am very disappointed, in addition, to the cut in youth programs, and the fact that we are now getting rid of the veterans' preference for job training, actually cutting funds. What an outrage. With a million people having served in Afghanistan and Iraq; with the devastation of the impact of those returning veterans, with their emotional problems and injuries, and now we are suggesting to them that they are not worthy of a job preference.

Let me also say that when you block-grant these dollars, you block-grant job training away. That is what this program does; and in particular, it sends away this opportunity.

My last point is that I might beg to differ with the chairman of this particular distinguished committee. There is discrimination in this bill. And, frankly, I think we should follow the Kildee model, who said that he knew a priest in Detroit who had a job training program who made sure that there was no discrimination, whether someone is a Muslim, whether they are Jewish or Catholic or Protestant. A program that is based upon religion and allows someone to deny you the opportunity for a job or a training position under the auspices of being a particular faith and being in charge of that particular program is discrimination under title VII in the 1964 Civil Rights Bill or under any discrimination law that has been passed in America and that exists today.

Frankly, I believe this bill, even in its presence on the floor of the House, should go no further than this House; and I ask my colleagues to support the Tierney amendment, but to oppose the underlying bill.

Mr. BOEHNER. Mr. Chairman, I yield myself such time as I may consume just to correct the record.

The gentlewoman who just spoke says that we eliminated a preference for veterans in this bill. The fact is that there is a preference for veterans written into the law. That has not changed at all.

Secondly, the gentlewoman said there are block grants in the underlying bill. There are no block grants. As a matter of fact, the targeting of funds to the local workforce boards in this bill is more structured than it is today under current law, so that at least 75 percent of the funds available back to the States must go to the local workforce investment boards.

Lastly, the gentlewoman said that we have discrimination in this bill. I would just remind the gentlewoman that when our predecessors wrote the 1964 Civil Rights Act, they recognized in title VII that religious organizations ought to be protected in their hiring so that they would not be required to hire anybody that shows up, but could, if they wanted to, only hire those people within their faith.

Now, if people want to disagree with title VII of the 1964 Civil Rights Act, they certainly have that right. They may go to the Committee on the Judiciary and change that law, but let us not try to do it in this bill.

Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Georgia (Mr. PRICE), a member of the committee).

Mr. PRICE of Georgia. Mr. Chairman, I appreciate the opportunity to speak again on this, and I am astounded, frankly, at the level of misinformation that is coming from the other side.

I think it is important to look at the bill specifically as it defines youth. The definition of youth has changed.

The age for when an individual is considered a youth has changed. Currently it is 14 to 21 years. In the bill, it would change it from 16 to 24 years. What that means is that we have more individuals out of school, out of school, who require assistance. And that is one of the reasons the provision is in the bill to change it, so that more individuals out of school will have greater opportunity to access those monies.

It is also important to appreciate this is a Department of Labor program. The Department of Education has a phenomenal number of programs eligible for in-school youth that really dwarfs the amount of money for the out-of-school individuals, 15 to 1 by my count. Some of those programs are title I grants to improve education for the disadvantaged, neglected and delinquent grants to local educational agencies, 21st Century Learning Centers, Safe and Drug-free Schools and community State grants, Bilingual Education Instructional Services, Dropout Prevention Grants, and on and on and on, Striving Readers Grant and Vocational Technical Education.

In summary, no one, no one is decreasing the amount of money to in-school youth for the concerns and the issues that they have. What we are doing is making it so that this bill addresses those individuals that are most in need.

Mr. KILDEE. Mr. Chairman, I yield the balance of my time to the gentleman from Massachusetts (Mr. TIERNEY), the author of the amendment.

Mr. TIERNEY. Mr. Chairman, I thank the chairman and I thank the gentleman from Michigan (Mr. KILDEE) for taking this amendment to this point.

Just in response to the gentleman's comments a second ago and earlier, the reason for this amendment is that current law takes care of any State that wants to put a higher proportion of funds towards out-of-school youth. It has the flexibility for that. And if they want to move in that direction, they can.

It also allows States like Massachusetts, and at least 17 others, who have a greater need to serve in-school youth for job training purposes, to use their money for that.

What the H.R. 27 bill does is it takes away that flexibility and harms at least 27 States from being able to help the people that they want while it solves a problem that does not exist for the others. The others already can, in fact, serve as many of the people they want out of school.

With respect to this money that is a duplication for it because there are other funds going, none of those other programs have money left over for job training. They are already used up. Most of them are underfunded: Safe and Drug-Free Schools being slashed by the President. Title I, underfunded. You can go right on down the line.

So I hope my colleagues look at this and do not disadvantage those States that need to have the flexibility to serve more in-school youth, and at the same time realize that this amendment harms those who need more out-of-school youth served in no way at all.

Mr. BOEHNER. Mr. Chairman, I yield 30 seconds, the balance of my time, to my friend, the gentleman from Massachusetts (Mr. TIERNEY), who I know has been pressed for time.

Mr. TIERNEY. Mr. Chairman, I thank the chairman very much. This is an example of the collegiality of our Committee on Education and the Workforce. We do not agree often, but we at least have a good collegial time doing it.

I just want to stress the points that I made. And the fact of the matter is that having a mandate that every State put all their money toward out-of-school youth does not help those States that have an in-school youth issue. It also deprives a lot of programs that are working with our business community and in-school youth to get them better equipped to not only support themselves but their families to have them be more self-sufficient when they get out of school. Those programs would be slashed in many States if H.R. 27 were to go through as it is.

We have a great need for these in many States; programs like Girls Inc., Action Inc. and others work that way. I respect the chairman giving me this time to make that point, that this H.R. 27 change is a solution that does not have a problem.

The Acting CHAIRMAN (Mr. BASS). All time having expired, the question is on the amendment offered by the gentleman from Michigan (Mr. KILDEE).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. TIERNEY. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Michigan (Mr. KILDEE) will be postponed.

The Acting CHAIRMAN. It is now in order to consider amendment No. 2 printed in House Report 109–11.

AMENDMENT NO. 2 OFFERED BY MS. VELÁZQUEZ

Ms. VELÁZQUEZ. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Ms. VELÁZQUEZ:

In subsection (e)(7)(A)(i) of the matter proposed to be inserted by section 123, add at the end the following:

''(IV) Borrower guarantee fees for loans made pursuant to section 7(a) of the Small Business Act (15 U.S.C. 636(a)).''.

The Acting CHAIRMAN. Pursuant to House Resolution 126, the gentlewoman from New York (Ms. VELÁZQUEZ) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from New York (Ms. VELÁZQUEZ).

Ms. VELÁZQUEZ. Mr. Chairman, I yield myself such time as I may consume.

(Ms. VELÁZQUEZ asked and was given permission to revise and extend her remarks.)

Ms. VELÁZQUEZ. Mr. Chairman, for many unemployed workers, starting a small company provides opportunities for career growth and financial success. But the lack of access to capital prevents many entrepreneurs from starting their own business. The Small Business Administration's 7(a) loan program is a critical source of capital for small businesses, providing 30 percent of all long-term loans to U.S. entrepreneurs.

Despite the success of the 7(a) loan program, the Bush administration has repeatedly underfunded it, implemented a series of caps, imposed burdensome restrictions, and shut down the entire program. In the latest attack on October 1, the President doubled the fees that small businesses must pay to receive a 7(a) loan.

These new up-front fees are limiting the number of small businesses that can afford 7(a) loans. For a loan of $150,000, an entrepreneur must now pay nearly $3,000 in up-front fees, a significant cost for someone trying to start a company. These higher costs have significantly reduced small business use of the 7(a) program, as loan volume has decreased by $500 million since the new fees were implemented. The impact has been so great that this January the SBA made fewer loans than when the administration shut down the entire program last January.

President Bush was wrong when he increased the burden entrepreneurs face in accessing capital. This amendment acknowledges the shortsightedness of that decision. It affirms that new fees on 7(a) loans are hurting small businesses and demonstrates congressional support for using Federal funding to cover the cost of these fees.

A vote for this amendment is a vote against the Bush administration's policy raising the fees on 7(a) loans. It is a vote for our Nation's up-and-coming small business owners.

I have serious reservations about Personal Reemployment Accounts, as they will place severe limits on the amount of training an unemployed worker can receive. However, if Congress is going to establish Personal Reemployment Accounts, then we should provide entrepreneurs with the opportunity to use these resources to secure the capital needed to start small businesses. Unemployed workers should be allowed to use these funds in their accounts to pay for the cost of the 7(a) loan fees, and that is exactly what my amendment will do.

Given President Bush's commitment to creating an ownership society, I am surprised there are not more provisions in this bill to help unemployed workers own small businesses. The goal here is help reduce high unemployment, create a strong workforce, and boost our economy. This cannot be achieved without

a stronger commitment to our Nation's entrepreneurs. After all, it was laid-off managers launching their own small businesses that turned our economy around during the last recession.

We need a revival of entrepreneurship in this country that will spur more job creation and grow our economy. To do this, we must take advantage of every opportunity to ensure that capital is accessible and affordable for all start-up small business owners, and we must make it clear that President Bush is failing our Nation's entrepreneurs. This amendment is one of those opportunities, and I urge my colleagues to support it.

Mr. Chairman, I reserve the balance of my time.

□ 1715

Mr. MCKEON. Mr. Chairman, although I do not oppose the amendment, I ask unanimous consent to claim the time in opposition.

The Acting CHAIRMAN (Mr. BASS). Without objection, the gentleman from California is recognized for 5 minutes.

There was no objection.

Mr. MCKEON. Mr. Chairman, I yield myself such time as I may consume. I guess I was prepared to accept this amendment, or to support this amendment, but the gentlewoman's rhetoric almost decided me not to.

But as I read the amendment, it says the amendment would allow unemployable workers to also use their personal re-employment accounts to cover the borrower guaranty costs associated with small business claims. If we can keep the focus on that, instead of the rhetoric against President Bush, I see no reason to oppose this amendment.

Mr. Chairman, I yield back the balance of my time.

Ms. VELÁZQUEZ. Mr. Chairman, I yield myself the balance of my time.

On October 1, the Bush administration effectively implemented a tax on U.S. entrepreneurship. By doubling the fees on 7–A loans, the Bush administration has severely limited access to critical source of capital for our Nation's small businesses.

I want to be on record, and I want every Member in this House to be on record about the fact that last July, an amendment to the CJS appropriations that would have protected the 7–A program was approved with strong support. The House was on record then, and we should continue to be on record for the small business community.

This amendment sends a message that Congress is not willing to accept the recent policy decisions of the Bush administration to further burden U.S. entrepreneurs. They are our job creators. They drive our economy and they deserve our support.

Our goal is to fully repeal the freeze on the 7–A loans. While this amendment will not change the fee structure, it will help entrepreneurs afford this vital source of capital. So I therefore urge my colleagues to support this amendment.

Mrs. CHRISTENSEN. Mr. Chairman, I rise in support of the Velázquez amendment to H.R. 27 but in strong opposition to the underlying bill. H.R. 27 is a fundamentally flawed and partisan job training bill, which does nothing to address the root causes of why little actual job training services are provided under the Workforce Investment Act.

The Velázquez amendment would compensate for the harm in the Bush administration's policy of raising the fees on 7(a) loans and its proposal to undermine existing job-training programs by establishing an untested job-training voucher program. It addresses these two critical issues by offering a solution that would benefit entrepreneurs by providing them the opportunity to use funds from personal reinvestment accounts to secure the capital needed to start small businesses.

Mr. Chairman, with our high employment rate and the administration's failure to create the number of jobs it promised, entrepreneurship is a viable alternative to unemployment. The Velázquez amendment allows unemployed individuals to use the personal reinvestment accounts to defray the costs of the administration's recent fee increases for the 7(a) loan program. This fee increase on the 7(a) program puts the program out of reach for newly unemployed workers. This amendment would help to defray the cost of the 7(a) loan program for potential borrowers.

Access to capital is the biggest obstacle that entrepreneurs face in starting small businesses. A vote for this amendment is a vote to give unemployed workers resources to invest in their future by securing capital to start small businesses. Not only would this amendment help our Nation's unemployed, it will also boost job creation. After all, small businesses account for approximately 75 percent of the net new jobs added to the economy.

I would like to commend Ranking Member VELÁZQUEZ on her amendment and continued commitment to our Nation's small businesses. I urge my colleagues to support the Velázquez amendment.

Ms. VELÁQUEZ. Mr. Chairman, I yield back the balance of my time.

Mr. MCKEON. Mr. Chairman, I ask unanimous consent to reclaim the balance of my time.

The Acting CHAIRMAN. Is there objection to the request of the gentleman from California?

Ms. VELÁZQUEZ. Mr. Chairman, I object.

The Acting CHAIRMAN. Objection is heard.

The question is on the amendment offered by the gentlewoman from New York (Ms. VELÁZQUEZ).

The question was taken; and the Acting Chairman announced that the ayes appeared to have it.

Ms. VELÁZQUEZ. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from New York (Ms. VELÁZQUEZ) will be postponed.

It is now in order to consider Amendment No. 3 printed in House report 109–11.

AMENDMENT NO. 3 OFFERED BY MR. SCOTT OF VIRGINIA.

Mr. SCOTT of Virginia. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. SCOTT of Virginia:

Strike section 129.

In the table of contents in section 2 of the bill, strike the item relating to section 129, and redesignate succeeding sections accordingly.

The Acting CHAIRMAN. Pursuant to House Resolution 126, the gentleman from Virginia (Mr. SCOTT) and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT of Virginia. Mr. Chairman I yield myself 1 minute and 15 seconds.

Mr. Chairman, I made a previous statement on this amendment during the consideration of the rule, so let me just say that this amendment is offered along with my colleagues, the gentlewoman from California (Ms. WOOLSEY), the gentleman from Maryland (Mr. VAN HOLLEN), the gentleman from Massachusetts (Mr. FRANK), the gentleman from Texas (Mr. EDWARDS) and the gentleman from New York (Mr. NADLER) in order to preserve and maintain civil rights protections as they currently appear in job training law.

Current law prohibits sponsors of job training programs from discriminating in hiring based on race or religion. This amendment will keep the law the way it has been since 1965. We have heard some comments about title VII. Title VII gives the religious organization an exemption to discriminate with its own money. It was never intended to apply to Federal money.

In any event, there has been no discrimination in job training programs with Federal money, whether it is faith-based sponsored or otherwise since 1965.

Speakers have suggested that religious organizations have barriers to participation. They do not say what the barrier is. The barrier is that you cannot discriminate in employment with the Federal money. Any program that can get funded under this new language in the bill could be funded anyway under the traditional funding, no discrimination, if the sponsor would agree not to discriminate in employment. That has been the rule since 1965.

Mr. Chairman, I reserve the balance of my time.

Mr. BOEHNER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Virginia.

The Acting CHAIRMAN. The gentleman from Ohio (Mr. BOEHNER) is recognized for 30 minutes.

Mr. BOEHNER. Mr. Chairman, I yield myself such time as I may consume. The amendment by my friend from Virginia would actually work against the neediest citizens in our local communities. Faith-based organizations such as churches, synagogues and other

faith-based charities are a central part of the fabric of local communities across America. Many of these faith-based institutions provide assistance to the hardest-to-serve individuals because they often go where others will not and serve those others prefer not to serve, and go out of the way to meet people where they are rather than where we would want them to be.

President Bush noted yesterday at a speech that one of the key reasons why many faith-based groups are so effective is the commitment to serve that is grounded in the shared values and religious identity of their volunteers and their employees. In other words, effectiveness happens because people who share faith show up to help a particular organization based on that faith to succeed.

I agree with President Bush that many faith-based organizations can make a vital contribution to Federal assistance programs. Yet this amendment would deny faith-based institutions their rights, under the historic 1964 Civil Rights Act. Considering the proven track record of faith-based providers in meeting the needs of our citizens, why would we want to deny them the opportunity to help in Federal job training efforts?

Unfortunately, in some Federal laws, these faith-based organizations have been stripped of their hiring rights and must relinquish their civil liberties if they choose to participate in Federal service initiatives.

The landmark 1964 Civil Rights Act explicitly protects the rights of religious organizations to take religion into account into their hiring practices. In fact, the Civil Rights Act made clear that when faith-based organizations hire employees on a religious basis, it is an exercise of the organization's civil liberties and not discrimination under Federal law.

Those organizations willing to serve their communities by participating in Federal programs should not be forced to compromise their religious liberties in order to serve those in need. The U.S. Supreme Court in 1987 upheld the rights of faith-based institutions and held that it was constitutional for these groups to take religion into account when making hiring decisions.

Former Democrat President Bill Clinton himself signed four laws explicitly allowing faith-based groups to staff on a religious basis when they receive Federal funds. Those laws are the 1996 Welfare Reform Law, the 1998 Community Services Block Grant Act, the 2000 Community Renewal Tax Relief Act, and the 2000 Substance Abuse and Mental Health Services Administration Act.

President Bush has worked tirelessly to remove the barriers that needlessly discourage faith-based groups from bringing their talents and compassion to Federal initiatives that help Americans in need. And just yesterday, again, he called on Congress to send him the same language protecting religious hiring that President Clinton signed on four other occasions.

The underlying bill answers the President's call and takes advantage of the positive role that faith-based institutions play in our communities in serving those who are most in need. We should not be denying faith-based providers the opportunity to serve the neediest of our citizens. And I urge my colleagues to vote no on the Scott amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. SCOTT of Virginia. Mr. Chairman, I yield 3 minutes to the gentlewoman from California (Ms. WOOLSEY), a cosponsor of the amendment.

Ms. WOOLSEY. Mr. Chairman, I will begin by correcting two misunderstandings about this amendment. First, it would not keep faith-based organizations from hiring members of their own religion with their own funds in the exercise of their faith.

Second, it would not keep faith-based organizations from participating in job training programs under this bill. What this amendment says is that if a faith-based organization accepts Federal funds for job training, then in delivering job training, it cannot engage in religious discrimination.

Yesterday President Bush called on Congress, and let me quote, ''to judge faith-based groups by results, not by their religion.''

Well, current law does judge faith-based organizations by results, not by their religion. But sadly, the supporters of H.R. 27 would allow federally-funded job training programs to judge job applicants by their religion, not by their results.

Under H.R. 27, a faith-based grantee could refuse to hire the best qualified person for the grant or even fire its best worker because they are not the right religion. That is wrong, it is unconstitutional, and it is bad policy.

When people who desperately need a job seek help, they do not care about the religion of the person helping them, they do care that the person helping them was hired because he or she was the best qualified person, and they do care that the person helping them is not concerned about their religion. But when the people providing help are hired because of their own religion, it is naive to think that religion will not permeate the help that they provide, no matter what H.R. 27 says.

The proof of this slippery slope is in the President's words. In talking about a hypothetical federally-funded Methodist alcohol treatment center, he said that the policy should be that ''all are welcome, welcome to be saved so they become sober.''

I support every American's right to seek salvation through their religion, but our only interest in federally-funded programs should be whether they provide qualified services for which they are funded. No, this amendment does not discriminate against religion, it protects people from discrimination because of their religion.

In closing, I will correct a third misunderstanding, that the faith community opposes this amendment. A wide range of faith-based organizations support this amendment because they recognize that it is not an attack on American religious freedoms, but a defense of those freedoms.

So I thank the gentleman from Virginia (Mr. SCOTT), the gentleman from Maryland (Mr. VAN HOLLEN), the gentleman from Texas (Mr. EDWARDS), and the gentleman from New York (Mr. NADLER) for their commitments to protecting American's liberties and I encourage all Americans to join us in supporting this amendment.

Mr. BOEHNER. Mr. Chairman, I reserve the balance of my time.

Mr. SCOTT of Virginia. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland (Mr. VAN HOLLEN), a cosponsor of the amendment.

Mr. VAN HOLLEN. Mr. Chairman, I thank the gentleman from Virginia (Mr. SCOTT) for yielding me this time.

First, let me clarify what this amendment is not about. This amendment is not about whether faith-based organizations do a terrific job in our communities and around the world in providing services. They do, and they are doing that every day. Catholic Charities, Jewish Federation, and a whole variety of Protestant denominations currently receive Federal dollars to provide services in our community and around the world. Indeed, many of them receive money today to provide job training services, and they do a good job.

And guess what, today they are doing it under current law which says when they receive those Federal tax dollars, they may not discriminate in who they hire based on religion, and not one of those organizations has come to me and said we could do a better job in providing job training services if only you would let us discriminate based on religion. That is what this is all about.

The Civil Rights Act of 1964 does not say in any way that religious organizations can take taxpayer dollars and then discriminate in their hiring based on religion when they are providing services based on those dollars. The issue is very simple. Taxes are paid by Christians, by Jews, by Muslims, by people of all denominations. We are now using those resources to provide to faith-based organizations, and what the bill would allow people to do is to say to somebody who is coming to apply for a job to provide job training services, you know what, we know you are qualified, we know you have a great education, know you can do a good job in providing job training services, but you are the wrong religion. We do not want you because you are Christian, we do not want you because you are Jewish, we do not want you because you are the wrong religion. That is a terrible message to be sending to people throughout this country. In fact, it is a great irony that in a bill that is designed to provide job training to help

more people get jobs, we would put in a provision that would deny someone an opportunity to get a job providing job training based on their religion.

□ 1730

I urge my colleagues to stick with the current law, because what the underlying bill does is eliminate current law and give a green light that allows people to discriminate based on religion, a terrible message to send. Let us not do it.

Mr. BOEHNER. Mr. Chairman, I yield myself 30 seconds. Title VII of the 1964 Civil Rights Act explicitly says that religious organizations in their hiring can hire people of their own faith. Period. That is what it says. It does not say whether you take Federal money or you do not take Federal money. It says that a religious organization can take religion into account in terms of their hiring. Period.

Mr. Chairman, I yield 5 minutes to the gentleman from Indiana (Mr. SOUDER).

(Mr. SOUDER asked and was given permission to revise and extend his remarks.)

Mr. SOUDER. Mr. Chairman, I want to further elaborate on the last point in this amendment's attack on religious liberty in the United States, that in fact the interpretation in the Presiding Bishop v. Amos, the Supreme Court unanimously upheld the language permitting religious organizations to staff on a religious basis in matters concerning employment when they receive Federal funds, in a unanimous decision.

Finding that the exemption did not violate the establishment clause, the Supreme Court has made it clear that it is ''a permissible legislative purpose to alleviate significant governmental interference with the ability of religious organizations to define and carry out their religious missions.''

Even where the content of their activities is secular, in the sense that activities do not include religious teaching, proselytizing, or worship, and it is very important for everybody to understand, we all agree you cannot have prayer, you cannot proselytize, you cannot use government funds for anything but a secular purpose in job training, Justice Brennan, hardly a conservative, said that even if a religious organization is providing job training, which would be a secular thing, it is likely to be infused with a religious purpose. In other words, the motivation of the individuals probably is religious.

He also recognized that churches and other religious entities ''often regard the provision of such services as a means of fulfilling religious duty and of providing an example of the way of life a church seeks to foster.'' He is perhaps one of the greatest liberal justices of all time. And then he recognized that preserving the title VII protections when religious organizations engage in social services is a necessary element of religious freedom.

This attempt to redefine the Supreme Court in today's debate is unfortunate. It is, in my opinion, bigotry against many religious people in the United States who would like to provide assistance to the poor, who would like to leverage their funds, their volunteer time, their churches, but are being told that even though they accept everybody in, even though they cannot proselytize with it, that they are not welcome to participate, they are going to have their liberties taken away.

For example, a case we often hear, well, they can set up a 501(c)3 or not have that reach, but Catholic Charities, an organization that historically has taken funds and it is often held up, the California Supreme Court just said that because Catholic Charities offers secular services to clients and does not directly preach Catholic values, it is therefore not a religious organization. Therefore, the court ruled that Catholic Charities must provide services contrary to their religious principles.

Furthermore, as we take the logical extension of this which we are dealing with in whether we provide buses and computers to private schools and which will certainly come up in education bills in front of our committee, one of the questions is, if those funds run through the bishop's office, does in fact the reach of the funds that go for buses and for computers, which the court has ruled a computer does not do the proselytizing, the software does the proselytizing, will this reach back in because the governance of Catholic Charities ultimately comes back to the bishop's office?

Court rulings are increasingly tilting that direction because we have falsely interpreted what is religious liberty in the United States and that we have to make it clear in these bills which, as the chairman has pointed out, have passed this House multiple times, the President of the United States in many of these was not President Bush pushing a faith-based initiative, but President Clinton. And as the Member from Maryland has pointed out, he did not enthusiastically say this was going to be upheld; but the fact is over the objections of many on his side, he supported it.

Former Vice President Gore has said specifically that religious organizations should not have to change their religious character in order to participate. What does religious character mean? It means that if you are an Orthodox Jewish group and you are going to serve everybody in your community, that you get to be an Orthodox Jewish group; if you are an evangelical group that believes in the resurrection of Jesus Christ, that people who represent your organization should share that belief; if you are a Muslim group, that people who represent that group should share that.

The fundamental question here is, and through my Subcommittee on Criminal Justice and Human Services we held eight hearings across the United States and we had a great debate in every region of the country, but many organizations came forth, whether they were Muslim, Jewish or Christian in some form, and said, we cannot compromise the nature of our faith if you are going to make us change our hiring practices.

So what we are saying, by trying to take away their religious liberty, if they want to provide secular services, that we are discriminating and changing policy contrary to what President Clinton has supported, contrary to what President Bush has supported, contrary to the different nominees of both parties; and it will be a sad day if this Congress after bipartisan efforts for the last 5 to 8 years to push this type of legislation to allow these faith-based groups at the table would go backwards and say, you are no longer welcome, you are not invited to help anymore, you are off the table.

I believe that the Members, and I know one argument is that we had these debates in the middle of the night, I believe Members actually looked at those bills and they knew what they were voting for, and I hope they will not flip-flop today.

Mr. SCOTT of Virginia. Mr. Chairman, I yield 3½ minutes to the gentleman from Massachusetts (Mr. FRANK), a cosponsor of the amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, the history is ambiguous. Courts have been on both sides. The principle is what is involved. We are told that if we adopt this amendment, we are denying the liberty to religious organizations. The liberty that is being asked, frankly I am disappointed to hear this asserted, and I think the greatest denigration of religious organizations coming forward here are those who are saying this: there are religious groups in this country who are eager to help people in need, but if they get Federal tax dollars to help people in need and they are forced to associate with heathens and unbelievers and infidels, then they will be driven away.

What is so terrible about saying to the Orthodox Jews in Brooklyn who were cited, you want to help the people in Brooklyn, the people you want to help will be black and Hispanic, they will be white and poor and Jewish and Christian, if you really want to help them, on your own, whatever you want to do, you can do. But if you want all of those people in Brooklyn who paid Federal taxes, if you want a share of their Federal taxes to run a program to help them, God forbid, I guess you mean this literally, God forbid you should have to hire one of them.

Martin Luther King said, and it is sadly still true, that one of the most segregated times in America is the hour of worship. So understand that when you empower the religious groups to discriminate based on religion, you will also de facto empower some segregation. Those Orthodox Jewish groups in Brooklyn will hire very few

black people in Brooklyn. And if in fact you have a policy that says all the money is going to go in these areas to the religious groups, then what about people who are not religious? The Constitution says you should not discriminate against them. You may not think much of them, but you should not be discriminating against them, but they cannot ever get a job.

And you talk about message. I love this message. What we are going to be saying if you win here in the House of Representatives is, attention all Shiites, do not hire Sunnis. That is your principle. Apparently, we are going to be encouraging the people in Iraq with Iraqi Government money or American Government money, a lot of it is going to Iraq, do you really think you want to send that message to the Shiites that when they try to rebuild their country they should not hire Sunnis?

And what are you saying? That there is something somehow so corrosive about associating with someone of a different religion that it disables you from doing good? What kind of motivation do you impute to these people? You want to do good, but you should not have to associate with one of those people. By the way, even you acknowledge that the people being served have to be of all religions. So this religious purity that apparently is so essential has already been dissolved.

But here is the point: we are being asked to say to Americans, yes, you will pay taxes for this; but the taxes you pay, you are not eligible for a job because you believe in the wrong God. Or you believe in God in the wrong way. You believe in the wrong denomination. Or you do not believe. Again, what are you saying? Is it really the case that religious organizations, that they are somehow so angry towards outsiders, that they feel so unclean that they cannot help people in need if they have to associate with people who are otherwise perfectly qualified, who believe in the mission of this entity, but they do not share the same religion?

I hope we will not so characterize religious people as being so narrow and so biased towards people not of their own religion that they cannot even work with them in this common cause to which you say they are committed.

Mr. SOUDER. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. PITTS).

Mr. PITTS. Mr. Chairman, I rise in opposition to this amendment. The 1964 Civil Rights Act explicitly protects the rights of religious organizations to take religion into account in their hiring practices. In fact, the Civil Rights Act made clear that when faith-based organizations hire employees on a religious basis, it is an exercise of the organization's civil liberties and does not constitute discrimination under Federal law.

The writers of that legislation understood that a church, a synagogue, a mosque all operate as distinctly religious organizations. They are, therefore, protected under the first amendment's right to the free exercise of religion.

Why are we being asked today, then, to approve an amendment that revokes the constitutional right of faith-based communities to practice their religions freely? This amendment would revoke the constitutionally protected right of faith-based groups to maintain their religious nature and character through those they hire. By denying the rights of religious organizations to hire according to their principles, this amendment declares war between the government and faith-based organizations, it cuts services for people in need, it eliminates the role of faith-based organizations in our government efforts to help.

I doubt that the gentleman from Virginia would support an amendment forcing him to hire staff who oppose his values and priorities as a legislator. Why then are we being asked to call it discriminatory when a Christian or Muslim charity wants to consider the beliefs of potential employees before hiring them? Such practices have been upheld by the United States Supreme Court. If this amendment passes, we might as well revisit the Civil Rights Act itself, since we would be rewriting it today.

Faith-based providers cannot be expected to sustain their religious missions without the ability to employ individuals who share the tenets and practices of their faith. The success of any organization is having everyone on board with its essential principles and vision. The Civil Rights Act secures that right, the Supreme Court protected it, and we should follow suit.

This amendment should be defeated.

Mr. SCOTT of Virginia. Mr. Chairman, we are revisiting the civil rights laws. There has been no discrimination since 1965, and that is exactly what we are revisiting.

Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. GEORGE MILLER), the ranking member of the Committee on Education and the Workforce.

Mr. GEORGE MILLER of California. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support of his amendment, and I find it just incredible that all of a sudden discrimination becomes the core of religious organizations, for those of us who have spent almost 40 years working with faith-based organizations in our communities involved in all kinds of public service endeavors, all kinds of delivery of services to people in need, to help members of our community in almost everything, from education to child care to job training to substance abuse to a whole range of activities that are absolutely essential to binding our community together.

Nobody said that discrimination was a fundamental part of this operation all through the sixties and seventies, the eighties or the nineties. None of these organizations ever said they were unable to deliver these services, unwilling to deliver these services, unwilling to help these people whom they have chosen to extend the services of their organization to; when they took Federal money said they could not do this because they needed to discriminate. But all of a sudden now the suggestion is that the basic tenet is that you must be able to discriminate. You must be able to discriminate or you will not deliver these services.

What does it also say about the use of the taxpayers' dollars? If the best person to provide the substance abuse counseling, if the best person to provide the child development, if the best person to provide the job training is not of the same religion, is the taxpayer getting a fair shake when they hire somebody else that does not have those qualifications? Should we not be looking for the best person to provide these services? You cannot maintain your religious character, you cannot maintain the religious character of your organization unless you can discriminate in hiring?

Organizations, again, have never suggested that they have been diminished because they ran a child development center. They have never said they have been diminished because they ran an afterschool program because they could not discriminate. What is this liberty to discriminate against somebody else using Federal dollars? This is absolutely unacceptable.

□ 1745

Mr. SOUDER. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia (Mr. PRICE), a member of the Committee on Education and the Workforce.

Mr. PRICE of Georgia. Mr. Chairman, I appreciate the opportunity once again to speak on this, and I urge my colleagues to oppose this amendment. The misunderstandings and confusion and frankly the hyperbole is phenomenal coming out of the other side. No one, no one, is encouraging faith-based institutions to discriminate with the language in this bill.

Sometimes I think it is helpful to go back to the original language. We have had a lot of reference to title VII of the Civil Rights Acts of 1964. What it says specifically is ''This subchapter shall not apply to an employer with respect to the employment of,'' et cetera. It does not say anything about the source of the money. Nothing. There is no mention of the source.

There has been some discussion about previous language that many Members on the other side of the aisle have adopted in previous bills, four pieces of legislation under the Clinton administration. President Clinton himself said that no discrimination with employment in the bills that were adopted, and we have heard about them, the welfare reform, the community renewal tax relief, Community

Services Block Grant, substance abuse. The gentleman from Virginia (Mr. SCOTT) himself said that there has been no discrimination since 1965.

Well, the exact identical language in this bill was in those. If there is this incredible occurrence that is happening out there with this remarkable discrimination, where are the examples under those bills? Where are the examples of discrimination under those bills that have exactly the same language as this bill that we are promoting here?

I urge my colleagues to oppose this and to be certain, to be certain, there is no intent or desire on anybody on this side of the aisle to encourage discrimination by faith-based institutions.

Mr. SCOTT of Virginia. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. NADLER), a cosponsor of the amendment.

Mr. NADLER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, since the presidency of Franklin Roosevelt, our Nation has moved inexorably toward the elimination of all forms of discrimination in government contracting and in the private sector. This bill rolls back that commitment that would enshrine the principle of religious discrimination in one of our most important job training programs at a time when many Americans are losing their jobs and need the help these programs offer.

Members on the other sides of the aisle say that this would roll back the ability of churches and synagogues to discriminate on the basis of religion now. Nonsense. They can discriminate. No one tells the Catholic Church they have to hire women priests. No one tells the Catholic Church or any other church or synagogue they have to hire a janitor of a different religion. Nor would this amendment. What this says is that with Federal funds, they cannot discriminate. With their own funds they still can.

President Reagan, who signed the original version of this legislation 23 years ago, did not think it was necessary to allow employment discrimination with Federal funds. No one should ever be told that they cannot hold a job simply because they profess the wrong faith. And why is this necessary? Are religiously affiliated charities unable to participate in federally social services programs? Is there a single Member of this House who has not held secure government funds for such programs? For Catholic Charities? The Federation of Protestant Welfare Agencies? The Jewish Federation, and countless others? We all get these funds. That is no secret.

The only thing required of these organizations is that they play by the same rules as everyone else. They cannot make professing religious faith a precondition of receiving social services paid for with the taxpayers' dollars, and they cannot discriminate in employment when those jobs are paid for with taxpayers' dollars.

We have all heard about the bad old days when signs hung in windows: ''No Catholics need apply,'' ''No Jews need apply. Fill in one's favorite denomination. That is wrong. People of every faith pay their taxes, and we have no right to deny them employment paid for by those taxes.

It is wrong. It is unAmerican. It is immoral. It is unnecessary, and it is unprecedented.

These are the armies of compassion. Religious discrimination with taxpayers' dollars is not compassionate. I urge support for the amendment.

Mr. BOEHNER. Mr. Chairman, I yield 3 minutes to the gentleman from Puerto Rico (Mr. FORTUÑO).

Mr. FORTUNO. Mr. Chairman, the discussion today is really about protecting the mission of those religious organizations that some of the Members here are proposing that we regulate even further in spite of the wonderful job they are doing to work with our social ills. It is also about preserving the strength and integrity of religious organizations that engage in this type of social work. It is not a license we are looking for to impose particular religious beliefs, but a guarantee to protect the administrative integrity that is part of each religious group that engages in this type of work.

Faith-based and community-based organizations are far better suited than a government bureaucracy to address these issues and produce results. Key to their success is a unifying roll they often play in their communities, as well as their proximity to individuals and communities in need.

This is especially true, I must say, of the Hispanic American population. Hispanic Americans traditionally, in following their traditional values and beliefs, often turn to faith-based and community organizations for help. By channeling social services through these organizations, we can avoid losing members of this community in our society.

However, what some today are trying to do here is essentially trying to tell them whom they can hire and whom they cannot hire. I know of different programs actually as we speak here in Washington, D.C. I have a group of six or seven ministers from the northwestern part of Puerto Rico that are visiting with us today, and they have been doing, for a number of years, a wonderful job in terms of working with our younger population. No one from Washington, I repeat, no one from Washington, has a right to tell them whom they can hire and whom they cannot hire. When a faith-based group hires employees on a religious basis, they are exercising their civil liberties. No one from Washington will take that away from them. If denied the right to staff their programs on a religious basis, employees of religious organizations not sharing the religious organization's faith could end up suing to tear down religious art or symbols and perhaps even its religious sounding name.

What is really happening here is there are some people who do not believe that these organizations should be performing the job they are performing.

I ask everyone here to oppose the amendment that has been introduced.

Mr. SCOTT of Virginia. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona (Mr. GRIJALVA).

Mr. GRIJALVA. Mr. Chairman, I rise today in support of the gentleman from Virginia's (Mr. SCOTT) amendment to H.R. 27.

Twenty-three years ago, the Workforce Investment Act was first enacted. It established a commonsense clause prohibiting job discrimination on the basis of religion. WIA then was originally designed to provide funding for secular social services. Clearly, it did not intend to permit government-funded job training programs to engage in religious discrimination when making an employment decision, which is exactly what this bill purports to do.

H.R. 27 would allow faith-based organizations to discriminate not just on the basis of a person's religious affiliation, but also on how closely they follow the tenets of that religion. This would include religious beliefs on medical treatments; procedures; marriage; pregnancy; gender; and, yes, even race.

Under this bill, if a woman providing workforce rehabilitation services in a faith-based organization was found to be using birth control, she could be fired, demoted, or not promoted. Or if a faith-based organization frowned upon women working outside the home, they could deny a woman a job just because of her gender or even deny it to her husband for allowing such a breach of faith.

It is simply unAmerican to set the clock back on the safeguards provided to protected classes, including religion, sex, race, ethnicity, and sexual orientation. H.R. 27 would remove these important protections, allowing faith-based organizations to discriminate on the basis of religion, even regarding the secular social services they provide.

This bill contains the first ever major rollback of civil rights protections that were established over 40 years ago, and many of us, including myself, have profited from those protections and from those rights granted to us 40 years ago. This is an unconscionable change of Federal law, and I cannot support a bill with such provisions.

Mr. Chairman, I urge my colleagues to join me in supporting the Scott amendment and voting ''no'' on the final passage of this bill that endorses a Federal rollback of decades-old civil rights and privacy protections.

Mr. BOEHNER. Mr. Chairman, I yield 3 minutes to the gentlewoman from North Carolina (Ms. FOXX).

Ms. FOXX. Mr. Chairman, I rise in opposition to the Scott amendment, which seeks to strike important protections for religious organizations included in the bill.

I am frankly appalled at the scale of the rhetoric being presented by the minority party on this issue. We know that many religious organizations in our hometowns and across America provide invaluable job training services in our communities. We must help religious organizations, whether they be churches, synagogues, or mosques, maintain their integrity while continuing to provide these vital services to those in need.

This debate is about whether a religious organization should have the ability to select employees who share common values and sense of purpose. This is not saying that they will not hire people of other religions but we will not force them to do so. This is a vital criterion for all organizations, especially religious ones. A secular group, such as Planned Parenthood or the Sierra Club, that receives government money, is currently free to hire based on their ideology and mission but still use Federal funds in accordance with the terms of the program. How can we allow this for groups such as these and not allow it for groups that are religious by nature?

Others who oppose these hiring protections for religious organizations talk about discrimination. The only discrimination that would take place here is if we do not include these protections. Without them we would be discriminating against religious organizations just because they are religious. Religious organizations should be allowed to apply for the same amount of government money for services they provide that nonreligious organizations do. If we deny them these protections, many of them would have to compromise their missions or not apply at all for assistance in implementing these services.

The real question here should be, do we want to be telling religious organizations whom they can hire and cannot hire? No. Nowhere in the Civil Rights Act of 1964 does it state that a faith-based organization loses its rights if it accepts Federal funds.

Our Nation was founded by those fleeing religious persecution and seeking religious freedom. For us to forget that and to place restrictions of this sort on our churches is contrary to the very foundation of this great Nation. I implore each and every one of my colleagues to take a long hard work at what message we would be sending to oppressed people across the globe if we do not include these important protections for religious organizations.

If we approve this amendment, we could be seriously damaging the integrity and mission of these faith-based institutions that only seek to serve our communities.

I urge the Members to oppose this amendment and support these important protections for religious organizations that want to provide job training services to our communities.

Mr. SCOTT of Virginia. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. ANDREWS).

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, next month my family and I will observe my wife's Jewish tradition and recite the ancient story, the Passover at our family seder. Later this month, I will honor my religious tradition and commemorate Christ's crucifixion on Good Friday and his resurrection on Easter Sunday. And today I will honor the principles behind the United States Constitution and vote for the gentleman from Virginia's (Mr. SCOTT) amendment.

The principle here is that when an organization takes Federal money, it takes with it the responsibility not to discriminate. I do not think we should ever have a situation in this country where an organization takes taxpayers' money collected from everyone and then says if they want to be a job counselor in our agency, they cannot be a Catholic, they cannot be Jewish, they cannot be Muslim, they cannot be an evangelical Christian. Our religious organizations are free and should remain free to discriminate with their own funds. That is the religious liberty that our friends on the other side refer to correctly. But that liberty does not extend to the power to use someone else's money to subsidize the practice of one's religion. That is the establishment of a religion which is specifically precluded by the first amendment of the Constitution.

It would be a travesty to reject the gentleman from Virginia's (Mr. SCOTT) amendment. It would be wholly consistent with the religious principles of this country to adopt it. I would urge its adoption.

□ 1800

Mr. BOEHNER. Mr. Chairman, I am pleased to yield 3 minutes to the gentleman from Louisiana (Mr. JINDAL).

Mr. JINDAL. Mr. Chairman, I rise in opposition to the offered amendment. It seems to me in our country right now we have an all-out assault on faith-based groups. Just this week, a court in my home State of Louisiana ruled that school boards were prohibited from having voluntary school board member-led prayers to begin their meetings. Now, this very Chamber, the Supreme Court, and many government entities begin their proceedings with a prayer; and along that line I see nothing wrong with us inviting faith-based groups to be partners with the government in training tomorrow's workforce.

To me, this debate should be about one and only one thing, and that is how do we provide the most effective training for our future workers? Nobody here is arguing that we should have an unlevel playing field. Nobody here is arguing for favoritism for faith-based groups. Rather, we are simply saying, let us level the playing field. Let us invite those who are motivated by faith to help us to train displaced workers, to train tomorrow's workforce.

In my home State of Louisiana, faith-based groups have done a wonderful thing. They have provided health care to those who needed it; they have provided education, housing and shelter to those whose needed it the most.

What is next? If you extend the logic of this amendment, what might be next might be those Catholic hospitals not being able to accept Medicare patients. What might be next might be the Baptist hospitals not being allowed to participate in our State's Medicaid program.

We are not asking for special treatment. All we are saying is let us build on a bipartisan precedent, a precedent set in the Civil Rights Act, a precedent reaffirmed under President Clinton under four different bills. Let us build on that bipartisan precedent of opening the doors and allowing faith-based groups to participate as equal partners.

People of faith pay taxes as well in this country. We are not arguing for special treatment; we are just arguing for a level playing field.

Four different times this Congress saw fit to open those doors to faith-based groups. Four different times President Clinton signed into law four different measures designed to protect the interests and rights of faith-based groups.

Today this bill that we are going to approve later on the floor today simply takes another step forward. It simply says to the faith-based community, we will not discriminate against you. We will not require you to give up your employment rights guaranteed or granted to you by the 1964 Civil Rights Act.

To quote Members from the other side, Senator KERRY and Senator CLINTON, those that have stood before for freedom and plurality, they themselves say, Senator CLINTON in her own words says, ''There is no contradiction between support for faith-based initiatives and upholding our constitutional principles.'' Senator KERRY says, ''I know there are some that say that the first amendment means faith-based organizations can't help government. I've never accepted that. I think they are wrong.''

In this instance, I find myself in agreement with both Senator KERRY and Senator CLINTON. The first amendment is not designed to protect government, not designed to protect us from faith; it is rather designed to separate church and State. It is, rather, designed to protect faith from government, not the other way around.

So I think we need to stop closing the door to people of faith. We need to stop discriminating against those groups that are motivated by their religious beliefs to help the weakest in society. I rise in opposition to this amendment.

Mr. SCOTT of Virginia. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, we keep hearing that we are discriminating against religious organizations in terms of participation in government contracts. That is not true. The fact is that they can participate. When you talk about a barrier, say what the barrier is. The barrier is, there is a level playing field; you cannot discriminate.

We have also heard a lot about the 1964 Civil Rights Act. What has not been said is since 1965 there has been a specific prohibition against discrimination in Federal contracts. You have not been able to discriminate in a job training program since 1965. In fact, for defense contracts, you have not been able to discriminate since 1941.

We also heard, Mr. Chairman, about the hiring for Planned Parenthood, I believe, and what your position is on abortion or gun control or something. In the 1960s, Mr. Chairman, we passed civil rights laws to respond to our sorry history of bigotry, and we designated specific protected classes where you could not discriminate in employment, race, color, creed, national origin and sex; and you cannot discriminate against those protected classes.

There is a difference between telling somebody they cannot get a job because I do not like your position on gun control and we do not hire blacks or Jews. Race and religion are protected classes; positions on gun control and abortion are not, and there is a difference.

Mr. Chairman, I yield 6 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Chairman, this debate is about one question that each Member and each American should ask himself or herself. This is the question: Should any American citizen have to pass someone else's private religious test to qualify for a tax-funded job? I think the vast majority of Americans would answer that question, absolutely not.

Should the gentleman from Ohio (Mr. BOEHNER), who is the author of this bill, have to come to me if I get a $5 million job computer training grant from the Federal Government under this bill, should the gentleman from Ohio (Mr. BOEHNER) have to come to me and answer a 20-point religious questionnaire? Should the gentleman from Ohio (Mr. BOEHNER) have to say whether or not he believes in Jesus Christ, whether or not he believes in evolution, whether or not he believes in the literal interpretation of the New Testament?

I do not think the gentleman from Ohio (Mr. BOEHNER) should have to answer those kinds of questions to me as a recipient of a $5 million job training grant. And without the Scott amendment, that is exactly what could happen under this bill.

For those who oppose the Scott amendment, let me say what you are endorsing. You are saying it is okay for a church associated with Bob Jones University, at least based on its past philosophy, it can take a $1 million job training grant and pay for a sign that says, No Jews Or Catholics Need Apply Here For a Federally Funded Job. Do you really think that is right?

What the opponents of the Scott amendment are saying is that the members of a white church who received a $1 million job training grant can say to an African American applicant, You do not belong to our church. Even though you are totally qualified for this federally funded job, we are not going to hire you.

What this bill would say, without the Scott amendment, is that someone could say to a single mom trying to find a job in our religious faith, We do not believe single mothers should work, so we are not going to hire you, even though you are fully qualified for this job.

Religious discrimination is wrong. To subsidize it in the year 2005 I find unbelievable. It is unbelievable that on the very day American soldiers are risking their lives in Iraq, and perhaps some have given their lives today in Iraq to give the Iraqis religious freedom, we are debating a bill on the floor of this House that would say an American citizen can be denied a federally funded, tax-funded job for simply one reason, the exercise of your religious faith.

Religious freedom is not just any freedom; it is the first freedom. It is the first freedom enunciated in the Bill of Rights. It is the freedom upon which all other freedoms we cherish in this country are built.

The Founding Fathers thought so much about that freedom, about religious freedom, they put in the first 16 words of the first amendment these words: ''Congress shall pass no law respecting an establishment of religion, or prohibiting the free exercise thereof.''

If saying that someone has to lose a job to support his or her family because they are exercising their own deeply-felt religious faith, if that is not prohibiting the free exercise of religion, what is? If saying we are going to take away your ability to put food on the table for your children and a job that is paid for by taxpayers, to say that you cannot have that job because you do not pass my private religious test, if that is not prohibiting the free exercise of religion, what is?

The ninth commandment warns people to not bear false witness against thy neighbor. Yet repeatedly I have heard on this floor those say on this side of the floor that supporters of the Scott amendment are opposed to faith-based groups being involved in providing social services.

I would suggest perhaps they should not only preach the Ten Commandments; perhaps they should exercise and practice the ninth commandment, because to make that argument is to suggest that the Baptist Joint Committee, the American Jewish Committee, and numerous other religious groups are somehow opposing faith-based groups' involvement in Federal social service programs. You know that argument is simply not correct.

This amendment, the Scott amendment, is about one question and one question alone: Should any American citizen have to pass another American citizen's private religious test to qualify for a federally funded job? I hope the Members of this House will respect the Founding Fathers and the first amendment and the views of the vast majority of American citizens and say, no, you should not be denied a tax-funded job because of the exercise of your religious faith.

I urge Members on both sides of the aisle to put partisanship and politics aside. Vote for religious freedom. Vote for the Scott amendment.

Mr. BOEHNER. Mr. Chairman, I reserve the balance of my time.

Mr. SCOTT of Virginia. Mr. Chairman, I yield myself the balance of my time.

The Acting CHAIRMAN (Mr. BASS). The gentleman from Virginia is recognized for 4 minutes.

Mr. SCOTT of Virginia. Mr. Chairman, this amendment does not propose any new initiative. The adoption of this amendment will simply keep the law the way it has been in job training programs since 1965.

Much has been said about court cases. None of those court cases involved Federal money. They involve church money and what the church can do with its church money; and whether it is religious or secular activities, it is still the church's money, not Federal money.

Since 1965 there has been no discrimination with Federal money, at least until these faith-based initiatives came along. In fact, since 1941 there has been no discrimination in defense contracts, without exception. So if you want to sell the Army some rifles, if you discriminate in employment, the Army will not buy those rifles from you.

Mr. Chairman, a lot has been said about the Clinton administration. Let me say I will be introducing into the RECORD statements made at the signing of those bills outlining the interpretation of the Clinton administration, outlining why there would be no discrimination in employment under the Clinton administration, notwithstanding the language in those various bills.

There has been no discrimination against faith-based organizations. Speakers have suggested that they cannot get contracts. The fact of the matter is that they can get contracts. In fact, anybody that can get funded under the underlying bill could be funded if the organization would simply agree not to discriminate in employment.

In 1964, a gentleman during the debate on the floor said in terms of whether or not you can get the money,

''Stop the discrimination, get the money; continue the discrimination, do not get the money.''

That is what we are talking about here. Telling somebody that they are not qualified for a federally paid-for job because of religion is wrong. Adopt my amendment and we will keep the law the way it has been since 1965.

Mr. Chairman, I yield back the balance of my time.

Mr. BOEHNER. Mr. Chairman, I yield myself the balance of my time.

The Acting CHAIRMAN. The gentleman from Ohio is recognized for 8 minutes.

Mr. BOEHNER. Mr. Chairman, I think it is important that we keep our eye on the target here. The bill before us seeks to help Americans who need job training services or retraining services to help them have an opportunity to participate and succeed in the economy of the 21st century. The question is how best do we deliver those services.

Under the Workforce Investment Act, we set up these one-stop centers all over the country. They have in fact been wildly successful. But we also know that there are pockets of poverty, pockets of people in very dire straits, that are not going to come walking into a one-stop shop. We also know that there are organizations out there that as part of their faith, part of the mission of their faith, go out and help those in need.

□ 1815

Now, what we are trying to do is to make sure that these services get to the people that they need. So in this bill we include protections for those faith-based organizations who may want to participate in this program, give them the opportunity to do that without, without giving up their rights under the 1964 Civil Rights Act.

It is a very simple question that we are down to here. My friends on the other side of the aisle, by and large, want to say if you take one Federal dollar in the pursuit of helping others under this program, you have to give up your rights under the 1964 Civil Rights Act. That is the whole point here.

POINT OF ORDER

Mr. SCOTT of Virginia. Mr. Chairman, I have a point of order.

If it is true that they cannot discriminate with the Federal money, but can discriminate with the church money, is the statement that the gentleman mentioned, true or not?

The Acting CHAIRMAN (Mr. BASS). The gentleman is not stating a point of order.

The gentleman from Ohio (Mr. BOEHNER) will continue.

Mr. BOEHNER. Mr. Chairman, so the debate here boils down to one of two issues, you believe that if these faith-based organizations want to participate in these programs that they have to give up their rights under the 1964 Civil Rights Act.

We believe and the majority of this House has believed on a number of occasions as we have had this vote, that faith-based organizations who want to help the neediest of the needy should in fact be able to have their rights under the 1964 Civil Rights Act. It is just as simple as that.

So I would ask my colleagues as they look at this bill and look at this amendment to support the work that we have done, to allow these groups to participate. They do good work. There is no reason why that they cannot partner with the Federal Government to help us in our effort to help the neediest of the needy, and to help improve the prospects for job training and retraining to help all Americans participate in the 21st century economy and give them a chance to succeed at the American dream.

Mr. Chairman, I ask my colleagues to vote against the Scott amendment.

Ms. KILPATRICK of Michigan. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Virginia, Mr. SCOTT. As written, the underlying bill will make it legal for faith-based organizations that receive federal funds and run job-training programs to discriminate in their hiring practices.

Throughout my life, I have fought against discrimination wherever it is practiced in our social, cultural, political and economic life. The language contained in this bill goes against that core principle. The president and I have our disagreements, but the one concern we do share is that Sunday is generally regarded as the most segregated day of the week. The bill before us today encourages faith-based organizations to practice discrimination within their employment practices with Federal funds during the workday week.

I support the work of our religious institutions in sponsoring federal programs and delivering vital social and employment programs to our communities. I first sought elected office by the grace of our God and at the urging of my church. But supporters of this bill contend if you do not allow religious organizations to hire members of their own faith, we are denying religious institutions from participating in federal programs that deliver needed services to our local communities. In other words, they argue we are practicing religious bigotry.

Nothing can be further from the truth. In fact, I would suggest that this movement is reminiscent of the days of school desegregation when many parents withdrew their children from public school so they could attend so-called Christian academies for the purpose learning. Why does the federal government want to encourage that kind of action? This bill does just that.

I urge my colleagues to vote ''no.''

Mr. BOEHNER. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. SCOTT).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. SCOTT of Virginia. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Virginia (Mr. SCOTT) will be postponed.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments on which further proceedings were postponed, in the following order:

Amendment by the gentleman from Michigan (Mr. KILDEE), amendment by the gentlewoman from New York (Ms. VELÁZQUEZ), amendment by the gentleman from Virginia (Mr. SCOTT).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 1 OFFERED BY MR. KILDEE

The Acting CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Michigan (Mr. KILDEE) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 200, noes 222, not voting 11, as follows:

[Roll No. 44]

AYES—200

Abercrombie	Delahunt	Kucinich
Ackerman	DeLauro	Langevin
Allen	Dicks	Lantos
Andrews	Dingell	Larsen (WA)
Baca	Doggett	Larson (CT)
Baird	Doyle	Leach
Baldwin	Edwards	Lee
Barrow	Emanuel	Levin
Bean	Engel	Lewis (GA)
Becerra	Eshoo	Lipinski
Berkley	Etheridge	Lofgren, Zoe
Berman	Evans	Lowey
Berry	Farr	Lynch
Bishop (GA)	Fattah	Maloney
Bishop (NY)	Filner	Markey
Blumenauer	Ford	Marshall
Boren	Frank (MA)	Matheson
Boswell	Gonzalez	McCarthy
Boucher	Gordon	McCollum (MN)
Boyd	Green, Al	McDermott
Brady (PA)	Green, Gene	McGovern
Brown (OH)	Grijalva	McIntyre
Brown, Corrine	Gutierrez	McKinney
Butterfield	Harman	McNulty
Capps	Hastings (FL)	Meehan
Capuano	Herseth	Meek (FL)
Cardin	Higgins	Melancon
Cardoza	Hinchey	Menendez
Carnahan	Hinojosa	Michaud
Case	Holden	Miller (NC)
Chandler	Holt	Miller, George
Clay	Honda	Mollohan
Clyburn	Hooley	Moore (KS)
Conyers	Hoyer	Moore (WI)
Cooper	Inslee	Moran (VA)
Costa	Israel	Murtha
Costello	Jackson (IL)	Nadler
Cramer	Jackson-Lee (TX)	Neal (MA)
Crowley	Jefferson	Oberstar
Cuellar	Johnson (CT)	Obey
Cummings	Johnson, E. B.	Olver
Davis (AL)	Kanjorski	Ortiz
Davis (CA)	Kaptur	Owens
Davis (FL)	Kennedy (RI)	Pallone
Davis (IL)	Kildee	Pascrell
Davis (TN)	Kilpatrick (MI)	Pastor
DeFazio	Kind	Paul
DeGette		Payne

Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Sabo
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Schiff
Schwartz (PA)
Scott (GA)
Scott (VA)
Serrano
Shays
Sherman
Simmons
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOES—222

Aderholt
Akin
Alexander
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boustany
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole (OK)
Conaway
Cox
Crenshaw
Cubin
Culberson
Cunningham
Davis (KY)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Feeney
Ferguson
Fitzpatrick (PA)
Flake
Foley
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Green (WI)
Gutknecht
Hall
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Hulshof
Hunter
Hyde
Inglis (SC)
Issa
Istook
Jenkins
Jindal
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
Kuhl (NY)
LaHood
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCaul (TX)
McCotter
McHenry
McHugh
McKeon
McMorris
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy
Musgrave
Myrick
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Otter
Oxley
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Porter
Portman
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schwarz (MI)
Sensenbrenner
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Shuster
Simpson
Smith (NJ)
Smith (TX)
Sodrel
Souder
Stearns
Sullivan
Sweeney
Tancredo
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—11

Carson
Cleaver
Gillmor
Harris
Jones (OH)
McCrery
Meeks (NY)
Millender-McDonald
Napolitano
Reynolds
Ryan (OH)

□ 1845

Messrs. LATOURETTE, NEUGEBAUER, and WALDEN of Oregon, Mrs. MUSGRAVE, and Messrs. FITZPATRICK of Pennsylvania, PETRI, and OTTER changed their vote from ''aye'' to ''no.''

Messrs. SPRATT, POMEROY and SHAYS changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 2 OFFERED BY MS. VELÁZQUEZ

The Acting CHAIRMAN (Mr. BASS). The pending business is the demand for a recorded vote on the amendment offered by the gentlewoman from New York (Ms. VELÁZQUEZ) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 202, noes 221, not voting 10, as follows:

[Roll No. 45]

AYES—202

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldwin
Barrow
Bean
Beauprez
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Brown-Waite, Ginny
Butterfield
Capps
Capuano
Cardin
Cardoza
Carnahan
Case
Chandler
Clay
Clyburn
Conyers
Cooper
Costa
Costello
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Fossella
Frank (MA)
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Harman
Hastings (FL)
Herseth
Higgins
Hinchey
Hinojosa
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (IL)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick (MI)
Kind
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren, Zoe
Lowey
Lynch
Maloney
Markey
Marshall
Matheson
McCarthy
McCollum (MN)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Melancon
Menendez
Michaud
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murtha
Nadler
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Renzi
Reyes
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Schiff
Schwartz (PA)
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Sweeney
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOES—221

Aderholt
Akin
Alexander
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boustany
Bradley (NH)
Brady (TX)
Brown (SC)
Burgess
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole (OK)
Conaway
Cox
Crenshaw
Cubin
Culberson
Cunningham
Davis (KY)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeLay
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Feeney
Ferguson
Fitzpatrick (PA)
Flake
Foley
Forbes
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Green (WI)
Gutknecht
Hall
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Hulshof
Hunter
Hyde
Inglis (SC)
Issa
Istook
Jenkins
Jindal
Johnson (CT)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
Kuhl (NY)
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCaul (TX)
McCotter
McHenry
McHugh
McKeon
McMorris
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy
Musgrave
Myrick
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Otter
Oxley
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Porter
Portman
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schwarz (MI)
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (NJ)
Smith (TX)
Sodrel
Souder
Stearns
Sullivan
Tancredo
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Westmoreland
Whitfield

Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—10

Carson
Cleaver
Gillmor
Harris
Jones (OH)
McCrery
Meeks (NY)
Millender-McDonald
Napolitano
Reynolds

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote) (Mr. BASS). Members are advised that 2 minutes remain in this vote.

□ 1853

Mr. SHAYS changed his vote from ''aye'' to ''no.''

Mr. FOSSELLA changed his vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 3 OFFERED BY MR. SCOTT OF VIRGINIA

The Acting CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Virginia (Mr. SCOTT) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 186, noes 239, not voting 8, as follows:

[Roll No. 46]

AYES—186

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldwin
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Butterfield
Capps
Capuano
Cardin
Cardoza
Carnahan
Case
Clay
Clyburn
Conyers
Cooper
Costa
Costello
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Gonzalez
Green, Al
Green, Gene
Grijalva
Gutierrez
Harman
Hastings (FL)
Higgins
Hinchey
Hinojosa
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick (MI)
Kind
Kirk
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren, Zoe
Lowey
Lynch
Maloney
Markey
Matheson
McCarthy
McCollum (MN)
McDermott
McGovern
McKinney
McNulty
Meehan
Meek (FL)
Melancon
Menendez
Michaud
Miller (NC)
Miller, George
Moore (KS)
Moore (WI)
Moran (VA)
Murtha
Nadler
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rangel
Reyes
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Schiff
Schwartz (PA)
Scott (GA)
Scott (VA)
Serrano
Shays
Sherman
Simmons
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOES—239

Aderholt
Akin
Alexander
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boustany
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chandler
Chocola
Coble
Cole (OK)
Conaway
Cox
Cramer
Crenshaw
Cubin
Culberson
Cunningham
Davis (KY)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Feeney
Ferguson
Fitzpatrick (PA)
Flake
Foley
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Gordon
Granger
Graves
Green (WI)
Gutknecht
Hall
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Herseth
Hobson
Hoekstra
Hostettler
Hulshof
Hunter
Hyde
Inglis (SC)
Issa
Istook
Jenkins
Jindal
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kline
Knollenberg
Kolbe
Kuhl (NY)
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
Marshall
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McIntyre
McKeon
McMorris
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Mollohan
Moran (KS)
Murphy
Musgrave
Myrick
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Otter
Oxley
Paul
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Porter
Portman
Price (GA)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reichert
Renzi
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schwarz (MI)
Sensenbrenner
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Shuster
Simpson
Skelton
Smith (NJ)
Smith (TX)
Sodrel
Souder
Stearns
Sullivan
Sweeney
Tancredo
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—8

Carson
Cleaver
Gillmor
Harris
Meeks (NY)
Millender-McDonald
Napolitano
Reynolds

□ 1903

Mr. BASS changed his vote from ''aye'' to ''no.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

The Acting CHAIRMAN (Mr. BASS). There being no further amendments, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The Acting CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. HASTINGS of Washington) having assumed the chair, Mr. BASS, the Acting Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 27) 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, pursuant to House Resolution 126, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. KILDEE

Mr. KILDEE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. KILDEE. Yes, I am, Mr. Speaker, in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Kildee of Michigan moves to recommit the bill H.R. 27 to the Committee on Education and the Workforce with instructions to report the same back to the House forthwith with the following amendment:

After section 127, insert the following new section (and redesignate succeeding sections

and conform the table of contents accordingly):

SEC. 128. ASSISTANCE TO VETERANS RETURNING FROM ACTIVE DUTY AND WORKERS WHO LOSE JOBS DUE TO OFFSHORING.

The Workforce Investment Act of 1998 is amended by adding after section 174 the following new section:

"SEC. 175. ASSISTANCE TO VETERANS RETURNING FROM ACTIVE DUTY AND WORKERS WHO LOSE JOBS DUE TO OFFSHORING.

''(a) INCOME SUPPORT, JOB TRAINING, JOB SEARCH ASSISTANCE, RELOCATION ALLOWANCE.—

''(1) IN GENERAL.—From the amount authorized under subsection (d), the Secretary shall make grants to States to provide income support, job training assistance, job search assistance, and relocation allowances to—

''(A) individuals who have lost employment due to offshoring; and

''(B) a person who is unemployed and, while on active duty in the Armed Forces, was deployed overseas in support of Operation Enduring Freedom or Operation Iraqi Freedom.

''(2) VETERAN ELIGIBILITY FOR JOB TRAINING.—With respect to job training assistance under this subsection, a person who served on active duty in the Armed Forces and was deployed overseas in support of Operation Enduring Freedom or Operation Iraqi Freedom shall be eligible regardless of whether such person is employed.

''(b) ASSISTANCE.—The benefits provided under this section for such individuals shall be the same as the benefits for such individuals under the Trade Adjustment Assistance program (under subchapter II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.)).

''(c) OFFSHORING OF JOBS.—For purposes of this section, the term 'offshoring' means any action taken by an employer the effect of which is to create, shift, or transfer work or facilities outside the United States.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out this section.''.

Mr. KILDEE (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore. The gentleman from Michigan is recognized for 5 minutes.

Mr. KILDEE. Mr. Speaker, my motion to recommit is simple. It provides extra assistance to workers whose jobs have been outsourced and veterans who are returning from conflicts overseas.

Mr. Speaker, half a million jobs have been outsourced over the past 3 years. An additional 830,000 jobs are expected to be outsourced in 2005 and 3.3 million by 2015. Up to 6 million jobs may be sent overseas in the next 10 years. These statistics represent lost jobs for American workers. Fewer jobs means that American workers will struggle to provide for their families and fall further into debt. The administration has turned a deaf ear to the needs of these workers. American workers who lose their jobs due to outsourcing need significant assistance and resources to obtain new employment. This motion would provide this help.

Likewise, many veterans returning from the conflicts in Afghanistan and Iraq may need skills and training to obtain or retain their jobs. Reservists who have spent a year or more overseas have put their careers on hold to serve our country. This amendment would provide the help they need.

Mr. Speaker, I urge Members who want to help our veterans and those who have lost their jobs to outsourcing to support this motion.

Mr. Speaker, I yield 1½ minutes to the gentlewoman from South Dakota (Ms. HERSETH).

Ms. HERSETH. Mr. Speaker, I would like to thank the gentleman from Michigan for offering this motion to recommit.

Mr. Speaker, we have asked literally hundreds of thousands of our best and brightest, many of them National Guard and Reservists from South Dakota, to serve overseas in Operations Iraqi Freedom and Enduring Freedom. We owe these brave men and women and their families a great deal for their sacrifice during these difficult times. What we owe them is the opportunity to make good on the American Dream that they have fought to defend.

This motion would create an economic transition benefit, similar to Trade Adjustment Act assistance, for service members returning from Iraq and Afghanistan who find themselves without employment. Additionally, too many of the brave men and women who are serving in the National Guard and Reserve forces have returned home to find their jobs gone and their families struggling to make ends meet. While our military personnel are risking their lives in Iraq and Afghanistan, they should not be worrying if their jobs will be there for them when they return home or what they will do if they are not.

This motion to recommit would provide unemployed veterans of Iraq and Afghanistan with income support and intensive employment training and job relocation assistance so that they can successfully transition back into civilian life.

I ask my colleagues to support this motion to recommit. Our returning servicemembers from Iraq and Afghanistan deserve no less.

Mr. KILDEE. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, the outsourcing of good-paying American jobs to other countries is a crisis that touches every community in the United States. Up to half a million jobs have been outsourced over the past 3 years to countries like China, India, and Mexico. This at a time when there are 8 million Americans out of work.

Americans now understand that outsourcing negatively impacts every segment of our economy. Not only have 2.7 million jobs been lost in our once-vibrant manufacturing sector since the beginning of this administration but white collar jobs are being offshored as well. According to one report, 181,000 computer jobs will be moved offshore by the end of 2005. Last year, State and local governments outsourced $10 billion of public projects.

What we are witnessing today is a full-scale erosion of the American workforce, with millions seeking skills to improve their current employment situation. This bill undermines our job training system and our economy alike. This motion seeks to provide assistance to veterans, provide workers who lost their jobs to outsourcing with job training assistance, allowances to relocate to where they can find work and other forms of income support. This bill destroys the functioning elements of our job training system. It does not, quote, improve our delivery of these vital services for unemployed Americans.

I urge my colleagues to support this motion to recommit.

Mr. KILDEE. Mr. Speaker, I urge support for this motion which will address a very urgent problem.

Mr. Speaker, I yield back the balance of my time.

Mr. BOEHNER. Mr. Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore. The gentleman from Ohio is recognized for 5 minutes.

Mr. BOEHNER. Mr. Speaker, let us tell the truth about what has happened in job creation in America. Over the last 17 months, 2.7 million new jobs have been created in America. Our economy is strong and our economy is getting stronger. If we look at the underlying bill that we have before us, veterans have a preference to services above all others.

What the gentleman from Michigan proposes here is a brand new program similar to a trade adjustment program that provides up to 2 years of unemployment-type benefits and provides unlimited access to training. But the fact is that unemployed workers have access today, people coming back from Iraq who are unemployed have access to services, and those who may have their jobs lost through outsourcing have, in fact, access to services.

But what also happens under the gentleman's amendment is that they get a preference in this bill. The gentleman creates a new preference here above other types of people who may have lost their jobs. The underlying bill, in fact, will provide more services to more unemployed workers and workers who want to increase their skills who may not be unemployed.

But when we look at this, this is a new program. This is an authorization. There is no appropriation. We all know it will probably take 2 to 5 years for this type of program to be implemented. The fact is I think it is a cruel hoax on those who may be unemployed, who may fall into one of these categories to think that they are going to be eligible for unemployment-type assistance or be eligible for unlimited

training when, in fact, there is no appropriation and the fact is the program will take years to implement.

I urge my colleagues to vote against the motion to recommit and support the underlying bill.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. KILDEE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—ayes 197, noes 228, not voting 8, as follows:

[Roll No. 47]

AYES—197

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Butterfield
Capps
Capuano
Cardin
Cardoza
Carnahan
Case
Chandler
Clay
Clyburn
Conyers
Cooper
Costa
Costello
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Harman
Hastings (FL)
Herseth
Higgins
Hinchey
Hinojosa
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick (MI)
Kind
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren, Zoe
Lowey
Lynch
Maloney
Markey
Marshall
Matheson
McCarthy
McCollum (MN)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Melancon
Menendez
Michaud
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murtha
Nadler
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Schiff
Schwartz (PA)
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOES—228

Aderholt
Akin
Alexander
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Boustany
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole (OK)
Conaway
Cox
Crenshaw
Cubin
Culberson
Cunningham
Davis (KY)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Feeney
Ferguson
Fitzpatrick (PA)
Flake
Foley
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Green (WI)
Gutknecht
Hall
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Hulshof
Hunter
Hyde
Inglis (SC)
Issa
Istook
Jenkins
Jindal
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
Kuhl (NY)
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy
Musgrave
Myrick
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Otter
Oxley
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Porter
Portman
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schwarz (MI)
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (NJ)
Smith (TX)
Sodrel
Souder
Stearns
Sullivan
Sweeney
Tancredo
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—8

Bonner
Carson
Cleaver
Gillmor
Harris
Meeks (NY)
Millender-McDonald
Napolitano

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HASTINGS of Washington) (during the vote). Members are advised 2 minutes remain in this vote.

□ 1933

Mr. GARRETT of New Jersey changed his vote from ''aye'' to ''no.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. KILDEE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 224, noes 200, not voting 9, as follows:

[Roll No. 48]

AYES—224

Aderholt
Akin
Alexander
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Boustany
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole (OK)
Conaway
Cox
Cramer
Crenshaw
Cubin
Culberson
Cunningham
Davis (KY)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Ehlers
Emerson
English (PA)
Everett
Feeney
Ferguson
Fitzpatrick (PA)
Foley
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Green (WI)
Gutknecht
Hall
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hobson
Hoekstra
Hulshof
Hunter
Hyde
Inglis (SC)
Issa
Istook
Jenkins
Jindal
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
Kuhl (NY)
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
Marshall
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy
Musgrave
Myrick
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Otter
Oxley
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Porter
Portman
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schwarz (MI)
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (NJ)
Smith (TX)
Sodrel
Souder
Stearns
Sullivan
Sweeney

Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden (OR)
Walsh
Weldon (FL)
Weldon (PA)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOES—200

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Butterfield
Capps
Capuano
Cardin
Cardoza
Carnahan
Case
Chandler
Clay
Clyburn
Conyers
Cooper
Costa
Costello
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Duncan
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Flake
Ford
Frank (MA)
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Harman
Hastings (FL)
Hensarling
Herseth
Higgins
Hinchey
Hinojosa
Holden
Holt
Honda
Hooley
Hostettler
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick (MI)
Kind
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren, Zoe
Lowey
Lynch
Maloney
Markey
Matheson
McCarthy
McCollum (MN)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Melancon
Menendez
Michaud
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murtha
Nadler
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Schiff
Schwartz (PA)
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Tancredo
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—9

Bonner
Carson
Cleaver
Gillmor
Harris
Meeks (NY)
Millender-McDonald
Napolitano
Pelosi

□ 1942

Mr. ROYCE changed his vote from ''no'' to ''aye.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONTINUATION OF NATIONAL EMERGENCY BLOCKING PROPERTY OF PERSONS UNDERMINING DEMOCRATIC PROCESSES OR INSTITUTIONS IN ZIMBABWE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 109–12)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent to the *Federal Register* for publication the enclosed notice stating that the national emergency blocking the property of persons undermining democratic processes or institutions in Zimbabwe is to continue in effect beyond March 6, 2005. The most recent notice continuing this emergency was published in the *Federal Register* on March 5, 2004 (69 FR 10313).

The crisis constituted by the actions and policies of certain members of the Government of Zimbabwe and other persons to undermine Zimbabwe's democratic processes or institutions has not been resolved. These actions and policies pose a continuing unusual and extraordinary threat to the foreign policy of the United States. For these reasons, I have determined that it is necessary to continue the national emergency blocking the property of persons undermining democratic processes or institutions in Zimbabwe and to maintain in force the sanctions to respond to this threat.

GEORGE W. BUSH.
THE WHITE HOUSE, *March 2, 2005.*

UNITED STATES ASSISTANCE FOR INTERDICTION OF AIRCRAFT ENGAGED IN ILLICIT DRUG TRAFFICKING—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 109–13)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

Consistent with the authorities relating to official immunity in the interdiction of aircraft engaged in illicit drug trafficking (Public Law 107–108, 22 U.S.C. 2291–4), and in order to keep the Congress fully informed, I am providing a report prepared by my Administration. This report includes matters relating to the interdiction of aircraft engaged in illicit drug trafficking.

GEORGE W. BUSH
THE WHITE HOUSE, *March 2, 2005.*

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

WHAT IT MEANS TO SUPPORT AMERICA'S TROOPS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

Ms. WOOLSEY. Mr. Speaker, what does it mean to support America's troops? Does it mean placing a yellow ribbon on the bumper of your car? Does it mean blindly supporting the wars in which they fight? Or does it mean something else entirely?

I believe that supporting our Nation's brave soldiers means honoring, above all else, the promise to never place them in harm's way unless the safety and security of our Nation depends on it. It also means that we properly equip them in battle and then fully care for them once they are home.

□ 1945

Sadly, the war in Iraq has violated all three of the ways that we must support our troops. The very premise of this war violates the trust that our military places in the government. It actually violates the trusts that we will only vote to go to war under circumstances of dire national emergency when our fate as a Nation depends on it.

The war in Iraq was never about a national emergency or America's security. It was about the Bush administration's callous manipulation of the 9/11 tragedy. In the end, it was about promoting the administration's own political causes using the tactic of ridding Iraq of weapons of mass destruction and now, installing their version of a democracy in the Middle East.

The sad irony is that Iraq is now less stable than ever before. And it has never posed a bigger threat to our security here at home. Iraq has become the breeding ground for terrorists of all nationalities whose most common trait is their hatred of the United States.

This war was fought for the worst reasons, not for the security of our country, but to promote the Bush administration's political goals. The fact that the Bush administration has the audacity to label anyone who does not support this false war as being unsupportive of the troops is nothing short of hypocritical.

Mr. Speaker, I hope that the President does not confuse my opposition to