

**Part B: Text of Amendment to be Made in Order**

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE  
McCreary OF Louisiana, OR HIS  
DESIGNEE, DEBATABLE FOR 60 MINUTES:

*Revised*

1

**REVISED AMENDMENT TO H.R. 3920, AS  
 REPORTED  
 OFFERED BY MR. MCCRERY OF LOUISIANA AND  
 MR. MCKEON OF CALIFORNIA**

Strike all after the enacting clause and insert the  
 following:

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

2 (a) **SHORT TITLE.**—This Act may be cited as the  
 3 “Helping American Workers Adjust to Globalization and  
 4 Win Act”.

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

Sec. 1. Short title; table of contents.

**TITLE I—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS**

**Subtitle A—Petitions and Determinations**

- Sec. 101. Petitions.
- Sec. 102. Group eligibility requirements.
- Sec. 103. Determinations by Secretary of Labor.
- Sec. 104. Benefit information to workers.
- Sec. 105. Administrative reconsideration of determinations by Secretary of Labor.

**Subtitle B—Program Benefits**

**CHAPTER 1—TRADE READJUSTMENT ALLOWANCES**

- Sec. 111. Qualifying requirements for workers.
- Sec. 112. Weekly amounts.
- Sec. 113. Limitations on trade readjustment allowances.

**CHAPTER 2—TRAINING, OTHER REEMPLOYMENT SERVICES, AND  
 ALLOWANCES**

Sec. 121. Reemployment services.

- Sec. 122. Training.
- Sec. 123. Job search allowances.
- Sec. 124. Relocation allowances.

#### Subtitle C—General Provisions

- Sec. 131. Agreements with States.
- Sec. 132. Authorization of appropriations; incentive payments to States.
- Sec. 133. Phase-out of demonstration project for alternative trade adjustment assistance for older workers.
- Sec. 134. Wage supplement program.
- Sec. 135. Definitions.
- Sec. 136. Capacity-building grants to enhance training for workers.

#### Subtitle D—Effective Date

- Sec. 141. Effective date.

### TITLE II—OTHER TRADE ADJUSTMENT ASSISTANCE PROGRAMS AND RELATED PROVISIONS

- Sec. 201. Technical assistance for firms.
- Sec. 202. Extension of trade adjustment assistance for firms.
- Sec. 203. Extension of trade adjustment assistance for farmers.
- Sec. 204. Judicial review.
- Sec. 205. Termination.

### TITLE III—MISCELLANEOUS PROVISIONS

- Sec. 301. Credit reduction for failures relating to co-enrollment of participants and program performance reports.
- Sec. 302. TAA wage supplement participants eligibility for credit for health insurance costs.
- Sec. 303. Special allocation under new markets tax credit in connection with trade adjustment assistance.
- Sec. 304. Expedited reemployment demonstration projects.
- Sec. 305. Increase in percentage of TAA and PBGC health insurance tax credit.
- Sec. 306. Collection of unemployment compensation debts.
- Sec. 307. Offsets.

### TITLE IV—WORKFORCE INVESTMENT IMPROVEMENT

- Sec. 401. Short title.
- Sec. 402. References.

#### Subtitle A—Amendments to Title I of the Workforce Investment Act of 1998

- Sec. 411. Definitions.
- Sec. 412. Purpose.
- Sec. 413. State workforce investment boards.
- Sec. 414. State plan.
- Sec. 415. Local workforce investment areas.
- Sec. 416. Local workforce investment boards.
- Sec. 417. Local plan.
- Sec. 418. Establishment of one-stop delivery systems.
- Sec. 419. Eligible providers of training services.
- Sec. 420. Eligible providers of youth activities.

- Sec. 421. Youth activities.
- Sec. 422. Comprehensive programs for adults.
- Sec. 423. Performance accountability system.
- Sec. 424. Authorization of appropriations.
- Sec. 425. Job Corps.
- Sec. 426. Native American programs.
- Sec. 427. Migrant and seasonal farmworker programs.
- Sec. 428. Veterans' workforce investment programs.
- Sec. 429. Youth challenge grants.
- Sec. 430. Technical assistance.
- Sec. 431. Demonstration, pilot, multiservice, research and multi-State projects.
- Sec. 432. Community-based job training.
- Sec. 433. Evaluations.
- Sec. 434. National dislocated worker grants.
- Sec. 435. Authorization of appropriations for national activities.
- Sec. 436. Requirements and restrictions.
- Sec. 437. Nondiscrimination.
- Sec. 438. Administrative provisions.
- Sec. 439. State legislative authority.
- Sec. 440. Workforce innovation in regional economic development.
- Sec. 441. General program requirements.

Subtitle B—Adult Education, Basic Skills, and Family Literacy Education

- Sec. 451. Table of contents.
- Sec. 452. Amendment.

Subtitle C—Amendments to the Wagner-Peyser Act

- Sec. 461. Amendments to the Wagner-Peyser Act.

Subtitle D—Amendments to the Rehabilitation Act of 1973

- Sec. 471. Findings.
- Sec. 472. Rehabilitation Services Administration.
- Sec. 473. Director.
- Sec. 474. Definitions.
- Sec. 475. State plan.
- Sec. 476. Scope of services.
- Sec. 477. Standards and indicators.
- Sec. 478. Reservation for expanded transition services.
- Sec. 479. Client assistance program.
- Sec. 480. Protection and advocacy of individual rights.
- Sec. 481. Chairperson.
- Sec. 482. Authorizations of appropriations.
- Sec. 483. Conforming amendment.
- Sec. 484. Helen Keller National Center Act.

Subtitle E—Transition and Effective Date

- Sec. 491. Transition provisions.
- Sec. 492. Effective date.

1     **TITLE I—TRADE ADJUSTMENT**  
2     **ASSISTANCE FOR WORKERS**  
3     **Subtitle A—Petitions and**  
4     **Determinations**

5     **SEC. 101. PETITIONS.**

6         Section 221(a) of the Trade Act of 1974 (19 U.S.C.  
7     2271(a)) is amended—

8             (1) in paragraph (1), by striking “simulta-  
9         neously with the Secretary and with the Governor of  
10         the State in which such workers’ firm or subdivision  
11         is located” and inserting “with the Secretary”;

12             (2) by redesignating paragraphs (2) and (3) as  
13         paragraphs (3) and (4), respectively;

14             (3) by inserting after paragraph (1) the fol-  
15         lowing new paragraph:

16         “(2) Upon receipt of a petition filed under paragraph  
17         (1), the Secretary shall promptly notify the Governor of  
18         the State in which such workers’ firm or subdivision is  
19         located of the filing of the petition and its contents.”;

20             (4) in paragraph (3) (as redesignated by para-  
21         graph (2) of this section), by striking “a petition  
22         filed under paragraph (1)” and inserting “a notice  
23         under paragraph (2)”; and

24             (5) in paragraph (4) (as redesignated by para-  
25         graph (2) of this section)—

1 (A) by striking “the petition” and insert-  
2 ing “a petition filed under paragraph (1)”; and  
3 (B) by inserting “and on the Website of  
4 the Department of Labor” after “in the Fed-  
5 eral Register”.

6 **SEC. 102. GROUP ELIGIBILITY REQUIREMENTS.**

7 (a) **IN GENERAL.**—Subsection (a)(2)(B)(i) of section  
8 222 of the Trade Act of 1974 (19 U.S.C. 2272) is amend-  
9 ed by inserting at the end before the semicolon the fol-  
10 lowing: “that contributed importantly to such workers’  
11 separation or threat of separation”.

12 (b) **ADVERSELY AFFECTED SECONDARY WORK-**  
13 **ERS.**—Subsection (b) of such section is amended—

14 (1) in paragraph (2), by striking “and” at the  
15 end;

16 (2) by redesignating paragraph (3) as para-  
17 graph (4);

18 (3) by inserting after paragraph (2) the fol-  
19 lowing new paragraph:

20 “(3) the sales or production, or both, of such  
21 firm or subdivision have decreased absolutely; and”;  
22 and

23 (4) in subparagraph (A) of paragraph (4) (as  
24 redesignated by paragraph (2) of this subsection), by  
25 inserting at the end before the semicolon the fol-

1       lowing: “and contributed importantly to the workers’  
2       separation or threat of separation determined under  
3       paragraph (1)”.

4       (c) DEFINITIONS.—Subsection (c) of such section is  
5       amended—

6           (1) in paragraph (3), by striking “, if the cer-  
7       tification of eligibility under subsection (a) is based  
8       on an increase in imports from, or a shift in produc-  
9       tion to, Canada or Mexico”; and

10          (2) by adding at the end the following new  
11       paragraphs:

12           “(5) The term ‘article’ means—

13               “(A) a tangible product subject to duty  
14               under the Harmonized Tariff Schedule of the  
15               United States which is not incidental to the  
16               provision of a service; or

17               “(B) an intangible product, such as a dig-  
18               ital product (including computer programs,  
19               text, video, image and sound recordings, and  
20               similar products), that would be subject to duty  
21               under the Harmonized Tariff Schedule of the  
22               United States if the intangible product were  
23               embodied in a physical medium and which is  
24               not incidental to the provision of a service.

25           “(6) The term ‘worker’ means—

1           “(A) with respect to a firm described in  
2 subsection (a)—

3                   “(i) an individual directly employed by  
4 the firm that produces an article that is  
5 the basis for a determination under sub-  
6 section (a) and who performs tasks relat-  
7 ing to the production of the article; or

8                   “(ii) an individual who is under the  
9 operational control of the firm that pro-  
10 duces an article that is the basis for a de-  
11 termination under subsection (a) pursuant  
12 to a contract or leasing arrangement and  
13 who performs tasks relating to the produc-  
14 tion of the article;

15           “(B) with respect to a firm that is a sup-  
16 plier described in subsection (b)—

17                   “(i) an individual directly employed by  
18 the firm that is a supplier and who per-  
19 forms tasks relating to the production of  
20 component parts for an article that is the  
21 basis for a determination under subsection  
22 (a); or

23                   “(ii) an individual who is under the  
24 operational control of the firm that is a  
25 supplier pursuant to a contract or leasing

1 arrangement and who performs tasks relat-  
2 ing to the production of component parts  
3 for an article that is the basis for a deter-  
4 mination under subsection (a); and

5 “(C) with respect to a firm that is a down-  
6 stream producer described in subsection (b)—

7 “(i) an individual directly employed by  
8 the firm that is a downstream producer  
9 and who perform tasks relating to the pro-  
10 vision of additional, value-added production  
11 processes for an article that is the basis for  
12 a determination under subsection (a); or

13 “(ii) an individual who is under the  
14 operational control of the firm that is a  
15 downstream producer pursuant to a con-  
16 tract or leasing arrangement and who per-  
17 forms tasks relating to the provision of ad-  
18 ditional, value-added production processes  
19 for an article that is the basis for a deter-  
20 mination under subsection (a).”

21 **SEC. 103. DETERMINATIONS BY SECRETARY OF LABOR.**

22 (a) **WORKERS COVERED BY CERTIFICATION.**—Sub-  
23 section (b) of section 223 of the Trade Act of 1974 (19  
24 U.S.C. 2273) is amended—

1 (1) in the matter preceding paragraph (1), by  
2 striking “under this section” and inserting “under  
3 subsection (a) or (d) of this section”; and

4 (2) in paragraph (2), to read as follows:

5 “(2) after the earliest of—

6 “(A) the date that is two years after the  
7 date on which certification is granted under  
8 subsection (a);

9 “(B) the date that is two years after the  
10 date of the earliest determination, if any, deny-  
11 ing certification under subsection (a); or

12 “(C) the termination date, if any, deter-  
13 mined under subsection (e).”.

14 (b) PUBLICATION OF DETERMINATION.—Subsection  
15 (c) of such section is amended—

16 (1) by striking “his determination” and insert-  
17 ing “a determination”;

18 (2) by inserting “and on the Website of the De-  
19 partment of Labor” after “in the Federal Register”;  
20 and

21 (3) by striking “his reasons” and inserting “the  
22 Secretary’s reasons”.

23 (c) AMENDMENT TO CERTIFICATION.—Such section  
24 is further amended—

1           (1) by redesignating subsection (d) as sub-  
2           section (e); and

3           (2) by inserting after subsection (c) the fol-  
4           lowing new subsection:

5           “(d) Whenever the Secretary determines, with respect  
6           to any certification of eligibility of the workers of a firm  
7           or subdivision of the firm, and subject to such regulations  
8           as the Secretary may prescribe, that good cause exists to  
9           amend such certification, the Secretary shall amend such  
10          certification and promptly publish notice of such amend-  
11          ment in the Federal Register and on the Website of the  
12          Department of Labor together with the reasons for mak-  
13          ing such determination.”.

14          (d) TERMINATION OF CERTIFICATION.—Subsection  
15          (e) of such section (as redesignated by subsection (c)(1)  
16          of this section) is amended—

17                 (1) by striking “he shall” and inserting “the  
18                 Secretary shall”;

19                 (2) by inserting “and on the Website of the De-  
20                 partment of Labor” after “in the Federal Register”;  
21                 and

22                 (3) by striking “his reasons” and inserting “the  
23                 Secretary’s reasons”.

1 **SEC. 104. BENEFIT INFORMATION TO WORKERS.**

2 Section 225(a) of the Trade Act of 1974 (19 U.S.C.  
3 2275(a)) is amended in the fourth sentence by striking  
4 “the State Board for Vocational Education or equivalent  
5 agency and other public or private agencies, institutions,  
6 and employers, as appropriate,” and inserting “the appro-  
7 priate State workforce investment board (established  
8 under section 111 of the Workforce Investment Act of  
9 1998 (29 U.S.C. 2821)) and State workforce agency re-  
10 sponsible for the administration of the State workforce in-  
11 vestment program funded under title I of the Workforce  
12 Investment Act of 1998 (29 U.S.C. 2801 et seq.)”.

13 **SEC. 105. ADMINISTRATIVE RECONSIDERATION OF DETER-**  
14 **MINATIONS BY SECRETARY OF LABOR.**

15 (a) IN GENERAL.—Subchapter A of chapter 2 of title  
16 II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) is  
17 amended by adding at the end the following new section:

18 **“SEC. 226. ADMINISTRATIVE RECONSIDERATION OF DETER-**  
19 **MINATIONS BY SECRETARY OF LABOR.**

20 “(a) ADMINISTRATIVE RECONSIDERATION.—

21 “(1) IN GENERAL.—A worker, group of work-  
22 ers, certified or recognized union or other duly au-  
23 thorized representative of such worker or group of  
24 workers, or any of the individuals or entities de-  
25 scribed in section 221(a)(1)(C), aggrieved (or on be-  
26 half of such workers aggrieved) by a determination

1 of the Secretary of Labor under section 223 denying  
2 a certification of eligibility, may file a request for  
3 administrative reconsideration with the Secretary  
4 not later than 60 days after the date on which notice  
5 of the determination is published under section 223.

6 “(2) FAILURE TO MAKE TIMELY REQUEST.—

7 The failure to file a request for administrative recon-  
8 sideration of a determination denying a certification  
9 of eligibility under section 223 within the 60-day pe-  
10 riod described in paragraph (1) shall be deemed to  
11 be a failure to exhaust administrative remedies and  
12 such determination shall not be subject to judicial  
13 review under section 284.

14 “(b) NOTICE, REVIEW, AND FINAL DETERMINA-  
15 TION.—

16 “(1) NOTICE.—If a request for administrative  
17 reconsideration of a determination of the Secretary  
18 is filed in accordance with the provisions of sub-  
19 section (a), the Secretary shall promptly publish no-  
20 tice thereof in the Federal Register and on the  
21 Website of the Department of Labor.

22 “(2) REVIEW OF DETERMINATION.—The Sec-  
23 retary shall initiate a review of the determination of  
24 the Secretary upon filing of the request for adminis-  
25 trative reconsideration under subsection (a) and

1 shall include an opportunity for interested persons to  
2 submit additional information.

3 “(3) FINAL DETERMINATION.—The Secretary  
4 shall issue a final determination on the request for  
5 administrative reconsideration not later than 60  
6 days after the date on which the Secretary publishes  
7 notice of the request for reconsideration pursuant to  
8 paragraph (1). Upon reaching a determination on a  
9 reconsideration, the Secretary shall promptly publish  
10 a summary of the determination in the Federal Reg-  
11 ister and on the Website of the Department of  
12 Labor, together with the reasons for making such  
13 determination. The requirements relating to judicial  
14 review under section 284 shall apply to any deter-  
15 mination made by the Secretary under this sub-  
16 section.”

17 (b) CLERICAL AMENDMENT.—The table of contents  
18 in section 1 of the Trade Act of 1974 is amended by in-  
19 serting after the item relating to section 225 the following:

“Sec. 226. Administrative reconsideration of determinations by Secretary of  
Labor.”

1           **Subtitle B—Program Benefits**  
2           **CHAPTER 1—TRADE READJUSTMENT**  
3           **ALLOWANCES**

4   **SEC. 111. QUALIFYING REQUIREMENTS FOR WORKERS.**

5           (a) **BASIC TRADE READJUSTMENT ALLOWANCE.—**

6   Subsection (a) of section 231 of the Trade Act of 1974  
7   (19 U.S.C. 2291) is amended—

8           (1) in the matter preceding paragraph (1), by  
9           striking “60 days” and inserting “40 days”;

10          (2) in paragraph (1), by striking “occurred—”  
11          and all that follows and inserting “occurred during  
12          the period described in section 223(b).”; and

13          (3) by striking paragraphs (4) and (5).

14          (b) **PAYMENT OF ADDITIONAL TRADE READJUST-**  
15          **MENT ALLOWANCE.—**Such section is further amended—

16          (1) by redesignating subsections (b) and (c) as  
17          subsections (c) and (d), respectively; and

18          (2) by inserting after subsection (a) the fol-  
19          lowing new subsection:

20          “(b) In addition to the payment of a trade readjust-  
21          ment allowance under subsection (a), payment of an addi-  
22          tional trade readjustment allowance shall be made to an  
23          adversely affected worker who is covered by a certification  
24          under subchapter A and who—

1           “(1) files an application for such allowance for  
2           any week of unemployment which begins after the  
3           worker has received the maximum amount of trade  
4           readjustment allowances payable under subsection  
5           (a);

6           “(2) meets the conditions described in para-  
7           graphs (1) through (3) of subsection (a); and

8           “(3) is either—

9                   “(A) totally unemployed and is enrolled in  
10                  a full-time training program approved by the  
11                  Secretary under section 236(a); or

12                   “(B) partially unemployed and is enrolled  
13                  in a full-time or part-time training program ap-  
14                  proved by the Secretary under section 236(a).”

15           (c) WITHHOLDING OF TRADE READJUSTMENT AL-  
16           LOWANCE PENDING BEGINNING OR RESUMPTION OF PAR-  
17           TICIPATION IN TRAINING PROGRAM; PERIOD OF APPLICA-  
18           BILITY.—Subsection (c) of such section (as redesignated  
19           by subsection (b)(1) of this section) is amended to read  
20           as follows:

21           “(c) If the Secretary determines that—

22                   “(1) the adversely affected worker—

23                           “(A) has failed to begin participation in  
24                           the training program the enrollment in which  
25                           meets the requirement of subsection (b)(3), or

1           “(B) has ceased to participate in such  
2           training program before completing such train-  
3           ing program, and

4           “(2) there is no justifiable cause for such fail-  
5           ure or cessation,  
6           no trade readjustment allowance may be paid to the ad-  
7           versely affected worker under this part for the week in  
8           which such failure, cessation, or revocation occurred, or  
9           any succeeding week, until the adversely affected worker  
10          begins or resumes participation in a training program ap-  
11          proved under section 236(a).”

12          (d) WAIVERS OF TRAINING REQUIREMENTS.—Sub-  
13          section (d) of such section (as redesignated by subsection  
14          (b)(1) of this section) is hereby repealed.

15          **SEC. 112. WEEKLY AMOUNTS.**

16          (a) IN GENERAL.—Subsection (a) of section 232 of  
17          the Trade Act of 1974 (19 U.S.C. 2292) is amended—

18                 (1) by striking “(a)” and inserting “(a)(1)”;

19                 (2) by inserting “paragraph (2) and” after  
20          “Subject to”;

21                 (3) by redesignating paragraphs (1) and (2) as  
22          subparagraphs (A) and (B), respectively; and

23                 (4) by adding at the end the following new  
24          paragraph:

1       “(2)(A) Notwithstanding section 231(a)(3)(B), if an  
2 adversely affected worker who is participating in training  
3 qualifies for unemployment insurance under State law,  
4 based in whole or in part upon part-time or short-term  
5 employment following approval of the worker’s initial  
6 trade readjustment allowance application under section  
7 231(a), then for any week for which unemployment insur-  
8 ance is payable and for which the worker would otherwise  
9 be entitled to a trade readjustment allowance based upon  
10 the certification under section 223, the worker shall be  
11 paid a trade readjustment allowance in the amount de-  
12 scribed in subparagraph (B).

13       “(B) The trade readjustment allowance payable  
14 under subparagraph (A) shall be equal to the weekly ben-  
15 efit amount of the unemployment insurance upon which  
16 the worker’s trade readjustment allowance was initially de-  
17 termined under paragraph (1), reduced by—

18               “(i) the amount of the unemployment insurance  
19 benefit payable to such worker for that week of un-  
20 employment for which a trade readjustment allow-  
21 ance is payable under subparagraph (A) of this  
22 paragraph; and

23               “(ii) the amounts described in subparagraphs  
24 (A) and (B) of paragraph (1).”.

1 (b) ADVERSELY AFFECTED WORKERS WHO ARE UN-  
2 DERGOING TRAINING.—Subsection (b) of such section is  
3 amended—

4 (1) by inserting “under section 231(b)” after  
5 “who is entitled to trade readjustment allowances”;  
6 and

7 (2) by striking “he is undergoing any such”  
8 and inserting “such worker is undergoing”.

9 **SEC. 113. LIMITATIONS ON TRADE READJUSTMENT ALLOW-**  
10 **ANCES.**

11 Section 233 of the Trade Act of 1974 (19 U.S.C.  
12 2293) is amended—

13 (1) in subsection (a)—

14 (A) in paragraph (1)—

15 (i) by striking “The maximum  
16 amount” and inserting “Except as pro-  
17 vided in paragraph (3), the maximum  
18 amount”; and

19 (ii) by striking “52” and inserting  
20 “39”; and

21 (B) in paragraph (3), by striking “52”  
22 each place it appears and inserting “65”;

23 (2) by striking subsection (b);

24 (3) by redesignating subsections (c) through (g)  
25 as subsections (b) through (f), respectively; and

1 (4) in subsection (f) (as redesignated by para-  
2 graph (3) of this section), by striking “section  
3 236(a)(5)(D)” and inserting “section 236”.

4 **CHAPTER 2—TRAINING, OTHER REEM-**  
5 **PLOYMENT SERVICES, AND ALLOW-**  
6 **ANCES**

7 **SEC. 121. REEMPLOYMENT SERVICES.**

8 (a) IN GENERAL.—Section 235 of the Trade Act of  
9 1974 (19 U.S.C. 2295) is amended—

10 (1) in the heading, by striking “**EMPLOY-**  
11 **MENT**” and inserting “**REEMPLOYMENT**”;

12 (2) by striking “The Secretary” the first place  
13 it appears and inserting “(a) The Secretary”;

14 (3) by striking “counseling, testing, and place-  
15 ment services, and supportive and other services”  
16 and inserting “career counseling, testing and assess-  
17 ments, and job placement services, and supportive  
18 and other services”; and

19 (4) by adding at the end the following new sub-  
20 section:

21 “(b) In order to facilitate the provision of services  
22 described in subsection (a), the Secretary shall ensure the  
23 effective implementation of the requirements of section  
24 239(e) relating to the co-enrollment of adversely affected  
25 workers in the dislocated worker program authorized

1 under chapter 5 of subtitle B of title I of the Workforce  
2 Investment Act of 1998 (29 U.S.C. 2861 et seq.).”

3 (b) CLERICAL AMENDMENT.—The table of contents  
4 in section 1 of the Trade Act of 1974 is amended by strik-  
5 ing the heading relating to part II of subchapter B of  
6 chapter 2 of title II of the Trade Act of 1974 and the  
7 item relating to section 235 of such Act and inserting the  
8 following:

“PART II—TRAINING, OTHER REEMPLOYMENT SERVICES, AND ALLOWANCES  
“Sec. 235. Reemployment services.”

9 **SEC. 122. TRAINING.**

10 (a) IN GENERAL.—Section 236 of the Trade Act of  
11 1974 (19 U.S.C. 2296) is amended to read as follows:

12 **“SEC. 236. TRAINING.**

13 **“(a) APPROVAL OF TRAINING.—**

14 **“(1) IN GENERAL.—**If the Secretary determines  
15 that an adversely affected worker, including an ad-  
16 versely affected worker who has obtained reemploy-  
17 ment subsequent to separation from the adversely  
18 affected employment, or an adversely affected in-  
19 cumbent worker, meets the criteria described in  
20 paragraph (2), and otherwise meets the require-  
21 ments described under this section, the Secretary  
22 shall approve the training program requested by the  
23 worker. Upon such approval, the worker shall be en-  
24 titled to have payment of the costs of such training

1 (subject to the limitations imposed by this section)  
2 paid on the worker's behalf by the Secretary directly  
3 or through a voucher system. The costs of such  
4 training shall include the costs of tuition, books, re-  
5 quired tools, and fees related to education, licensing,  
6 or certification.

7 “(2) CRITERIA FOR APPROVAL OF TRAINING  
8 PROGRAM.—For purposes of paragraph (1), training  
9 for an adversely affected worker or an adversely af-  
10 fected incumbent worker, shall be approved if the  
11 Secretary determines that—

12 “(A) the worker needs additional market-  
13 able skills to obtain or retain employment com-  
14 parable to the worker's adversely affected em-  
15 ployment;

16 “(B) there is a reasonable expectation of  
17 such employment following the completion of  
18 the training; and

19 “(C) the worker is qualified to undertake  
20 and complete the training sought.

21 “(3) ENROLLMENT DEADLINE.—

22 “(A) IN GENERAL.—In order to receive as-  
23 sistance under this section, a worker shall enroll  
24 in a training program approved under para-  
25 graph (1) not later than the later of—

1           “(i) the last day of the 39th week  
2           after the worker’s most recent separation  
3           from adversely affected employment which  
4           meets the requirements of paragraphs (1)  
5           and (2) of section 231(a); or

6           “(ii) the last day of the 13th week  
7           after the week in which the Secretary  
8           issues a certification under subchapter A  
9           covering such worker.

10          “(B) EXTENSION FOR JUSTIFIABLE  
11          CAUSE.—The Secretary may grant an extension  
12          of the enrollment period described in subpara-  
13          graph (A) for a worker if the Secretary deter-  
14          mines that there is justifiable cause for such an  
15          extension.

16          “(b) FUNDING FOR TRAINING.—

17                 “(1) ANNUAL LIMIT ON AGGREGATE PAYMENTS  
18          UNDER PROGRAM.—

19                 “(A) IN GENERAL.—The total amount of  
20          payments that may be made under subsection  
21          (a)(1) for any fiscal year shall not exceed  
22          \$220,000,000.

23                 “(B) APPORTIONMENT AMONG STATES.—  
24          The Secretary shall establish a method for ap-  
25          portioning among States the funds that are

1 available for training under this chapter in any  
2 fiscal year. Such method may include the use of  
3 formula allotments and reallocations, and the  
4 establishment of a reserve that is used to assist  
5 in apportioning funds to those States in need of  
6 additional funding during the fiscal year.

7 “(2) LIMITATIONS APPLICABLE TO WORKERS.—

8 “(A) DURATION.—Subject to subpara-  
9 graph (C), the costs of a training program ap-  
10 proved under subsection (a)(1) for an adversely  
11 affected worker or an adversely affected incum-  
12 bent worker shall be paid under this section for  
13 a period not to exceed four years from the date  
14 the worker first enrolled in the training pro-  
15 gram. A worker may participate in such train-  
16 ing program during such period on a full-time  
17 or part-time basis. During the period of partici-  
18 pation the worker shall make adequate yearly  
19 progress, as determined by the Secretary, to-  
20 ward the attainment of a license, certificate, or  
21 degree pursuant to such training program in  
22 order to remain eligible for assistance under  
23 this section.

24 “(B) AMOUNT.—Subject to subparagraph  
25 (C), the payments for a training program under

1 subsection (a)(1) for a worker may not exceed  
2 \$4,000 for any one-year period, or a total of  
3 \$8,000 over the maximum four-year period de-  
4 scribed in subparagraph (A).

5 “(C) EXCEPTIONS.—

6 “(i) LITERACY TRAINING AND PRE-  
7 REQUISITES.—If the Secretary determines  
8 that an adversely affected worker or an ad-  
9 versely affected incumbent worker needs  
10 literacy training, English as a second lan-  
11 guage instruction, remedial education, edu-  
12 cational assistance to obtain a high school  
13 diploma or General Equivalency Degree, or  
14 prerequisites in order to participate in a  
15 training program for occupations in de-  
16 mand, the Secretary shall approve the pro-  
17 vision of such activities and provide up to  
18 \$1,000 in payments for such activities.  
19 Such payments shall not be included for  
20 purposes of applying the limits on pay-  
21 ments described in subparagraph (B).

22 “(ii) ON-THE-JOB TRAINING.—The  
23 provisions of subparagraphs (A) and (B)  
24 shall not be applicable to on-the-job train-

1                   ing programs, except as provided in sub-  
2                   section (f)(2).

3                   “(3) DUPLICATIVE PAYMENTS PROHIBITED.—  
4                   No payment may be made under subsection (a)(1) of  
5                   the costs of training an adversely affected worker or  
6                   an adversely affected incumbent worker if such costs  
7                   are payable or have already been paid under any  
8                   other provision of Federal law.

9                   “(4) REPORT.—

10                   “(A) IN GENERAL.—Not later than May  
11                   31 and November 30 of each year, the Sec-  
12                   retary shall submit to the Committee on Fi-  
13                   nance of the Senate and the Committee on  
14                   Ways and Means of the House of Representa-  
15                   tives a report on—

16                   “(i) the initial allocation among  
17                   States of funds for training approved  
18                   under this section;

19                   “(ii) any additional distributions of  
20                   funds for training approved under this sec-  
21                   tion during the two most recent fiscal  
22                   quarters and cumulatively during the fiscal  
23                   year;

24                   “(iii) the amount of funds obligated  
25                   and expended by the States to provide

1 training approved under this section dur-  
2 ing the two most recent fiscal quarters and  
3 cumulatively during the fiscal year; and

4 “(iv) the efforts of the Department of  
5 Labor to ensure that each State receives  
6 an appropriate level of funds during the  
7 fiscal year to provide training approved  
8 under this section to all eligible workers.

9 “(B) DEFINITION.—In this paragraph, the  
10 term ‘fiscal quarter’ means any 3-month period  
11 beginning on October 1, January 1, April 1, or  
12 July 1 of a fiscal year.

13 “(c) TRAINING PROGRAMS THAT MAY BE AP-  
14 PROVED.—The training programs that may be approved  
15 under subsection (a) include—

16 “(1) employer-based training, including—

17 “(A) on-the-job training;

18 “(B) customized training; and

19 “(C) apprenticeship programs registered  
20 under the National Apprenticeship Act (29  
21 U.S.C. 50 et seq.);

22 “(2) a training program that leads to a license,  
23 certificate, or degree and is linked to occupations in  
24 demand, which may include training provided in

1 classroom, distance learning, and technology-based  
2 learning;

3 “(3) a training program that has been deter-  
4 mined by a State to be eligible to receive payments  
5 under section 122 of the Workforce Investment Act  
6 of 1998 (29 U.S.C. 2842);

7 “(4) a program of remedial education that will  
8 enable a worker to obtain employment or to enroll  
9 in a training program described in paragraph (2) or  
10 (3); and

11 “(5) a training program for which all, or any  
12 portion, of the costs of training the worker are  
13 paid—

14 “(A) under any Federal or State program  
15 other than this chapter; or

16 “(B) from any source other than this sec-  
17 tion.

18 “(d) SHARING OF COSTS.—

19 “(1) IN GENERAL.—The Secretary is not re-  
20 quired under subsection (a) to pay the costs of any  
21 training approved under such subsection to the ex-  
22 tent that such costs are paid—

23 “(A) under any Federal or State program  
24 other than this chapter; or

1                   “(B) from any source other than this sec-  
2                   tion.

3                   “(2) COST-SHARING AGREEMENT.—Before ap-  
4                   proving any training to which paragraph (1) may  
5                   apply, the Secretary may require that the adversely  
6                   affected worker or the adversely affected incumbent  
7                   worker enter into an agreement with the Secretary  
8                   under which the Secretary will not be required to  
9                   pay under this section the portion of the costs of  
10                  such training that the worker has reason to believe  
11                  will be paid under the program, or by the source, de-  
12                  scribed in subparagraph (A) or (B) of paragraph  
13                  (1).

14                  “(e) SUPPLEMENTAL ASSISTANCE.—

15                  “(1) IN GENERAL.—The Secretary may, where  
16                  appropriate, authorize supplemental assistance nec-  
17                  essary to defray reasonable transportation and sub-  
18                  sistence expenses for separate maintenance when  
19                  training is provided in facilities that are not within  
20                  commuting distance of a worker’s regular place of  
21                  residence.

22                  “(2) LIMITATIONS.—The Secretary may not au-  
23                  thorize—

24                                  “(A) payments for subsistence that exceed  
25                                  whichever is the lesser of—

1                   “(i) the actual per diem expenses for  
2                   subsistence; or

3                   “(ii) payments at 50 percent of the  
4                   prevailing per diem allowance rate author-  
5                   ized under the Federal travel regulations;

6                   or

7                   “(B) payments for travel expenses exceed-  
8                   ing the prevailing mileage rate authorized under  
9                   the Federal travel regulations.

10                  “(f) PAYMENT OF COSTS OF ON-THE-JOB TRAIN-  
11                  ING.—

12                  “(1) IN GENERAL.—The Secretary shall pay the  
13                  costs of any on-the-job training of an adversely af-  
14                  fected worker that is approved under subsection  
15                  (a)(1), but the Secretary may pay such costs, not-  
16                  withstanding any other provision of this section, only  
17                  if—

18                         “(A) no currently employed worker is dis-  
19                         placed by such adversely affected worker (in-  
20                         cluding partial displacement such as a reduction  
21                         in the hours of nonovertime work, wages, or  
22                         employment benefits);

23                         “(B) such training does not impair existing  
24                         contracts for services or collective bargaining  
25                         agreements;

1           “(C) in the case of training which would be  
2           inconsistent with the terms of a collective bar-  
3           gaining agreement, the written concurrence of  
4           the labor organization concerned has been ob-  
5           tained;

6           “(D) no other individual is on layoff from  
7           the same, or any substantially equivalent, job  
8           for which such adversely affected worker is  
9           being trained;

10          “(E) the employer has not terminated the  
11          employment of any regular employee or other-  
12          wise reduced the work force of the employer  
13          with the intention of filling the vacancy so cre-  
14          ated by hiring such adversely affected worker;

15          “(F) the job for which such adversely af-  
16          fected worker is being trained is not being cre-  
17          ated in a promotional line that will infringe in  
18          any way upon the promotional opportunities of  
19          currently employed individuals;

20          “(G) such training is not for the same oc-  
21          cupation from which the worker was separated  
22          and with respect to which such worker’s group  
23          was certified pursuant to section 222;

24          “(H) the employer is provided reimburse-  
25          ment of not more than 50 percent of the wage

1 rate of the participant, for the cost of providing  
2 the training and additional supervision related  
3 to the training;

4 “(I) the duration of such training does not  
5 exceed 1 year; and

6 “(J) the employer has not received pay-  
7 ment under subsection (a)(1) with respect to  
8 any other on-the-job training provided by such  
9 employer which failed to meet the requirements  
10 of subparagraphs (A), (B), (C), (D), (E), and  
11 (F).

12 “(2) SUPPLEMENTARY TRAINING.—An on-the-  
13 job training program approved under this section  
14 may include, as a component of such program, the  
15 provision of training with a provider other than the  
16 employer that is not provided on-the-job and is de-  
17 signed to enhance the occupational skills of the  
18 worker. The costs of such training shall be subject  
19 to the limitation described in subsection (b)(2)(B).

20 “(g) EFFECT OF APPROVED TRAINING ON ELIGI-  
21 BILITY FOR UNEMPLOYMENT COMPENSATION.—A worker  
22 may not be determined to be ineligible or disqualified for  
23 unemployment insurance or program benefits under this  
24 subchapter because the individual is in training approved  
25 under subsection (a), because of leaving work which is not

1 comparable employment to enter such training, or because  
2 of the application to any such week in training of provi-  
3 sions of State law or Federal unemployment insurance law  
4 relating to availability for work, active search for work,  
5 or refusal to accept work.

6 “(h) DEFINITION.—In this section, the term ‘cus-  
7 tomized training’ means training that is—

8 “(1) designed to meet the special requirements  
9 of an employer or group of employers;

10 “(2) conducted with a commitment by the em-  
11 ployer or group of employers to employ an individual  
12 upon successful completion of the training; and

13 “(3) for which the employer pays for a signifi-  
14 cant portion of the cost of such training, as deter-  
15 mined by the Secretary.”

16 (b) CONFORMING AMENDMENTS.—Part II of sub-  
17 chapter B of chapter 2 of title II of the Trade Act of 1974  
18 (19 U.S.C. 2295 et seq.) is amended—

19 (1) in section 237(b)(2), by striking “section  
20 236(b)(1) and (2)” and inserting “section 236”; and

21 (2) in subsections (b)(1) and (c)(2) of section  
22 238, by striking “section 236(b)(1) and (2)” each  
23 place it appears and inserting “section 236”.

1 **SEC. 123. JOB SEARCH ALLOWANCES.**

2 Section 237(a)(2) of the Trade Act of 1974 (19  
3 U.S.C. 2297(a)(2)) is amended—

4 (1) in subparagraph (B), by striking “suitable”  
5 and inserting “comparable”; and

6 (2) in subparagraph (C)(ii), by striking “, un-  
7 less the worker received a waiver under section  
8 231(c)”.

9 **SEC. 124. RELOCATION ALLOWANCES.**

10 Section 238(a)(2) of the Trade Act of 1974 (19  
11 U.S.C. 2298(a)(2)) is amended—

12 (1) in subparagraph (B), by striking “suitable”  
13 and inserting “comparable”;

14 (2) in subparagraph (D)—

15 (A) in the heading, by striking “SUIT-  
16 ABLE” and inserting “OUT-OF-AREA”; and

17 (B) in clause (i) to read as follows:

18 “(i) has obtained employment afford-  
19 ing a reasonable expectation of long-term  
20 duration in the area in which the worker  
21 wishes to relocate and which provides  
22 wages that are substantially greater than  
23 the wages for the employment that is likely  
24 to be available to the worker in the area  
25 from which the worker would be relocating;  
26 and”;

1           (3) in subparagraph (E)(ii), by striking “, un-  
2           less the worker received a waiver under section  
3           231(c)”.

## 4           **Subtitle C—General Provisions**

### 5           **SEC. 131. AGREEMENTS WITH STATES.**

6           (a) **IN GENERAL.**—Subsection (a) of section 239 of  
7           the Trade Act of 1974 (19 U.S.C. 2311) is amended—

8                 (1) in the matter preceding clause (1), by strik-  
9                 ing “any State agency” and inserting “a State agen-  
10                cy”;

11               (2) in clause (2), to read as follows: “(2) in ac-  
12               cordance with subsections (e) and (f), will afford ad-  
13               versely affected workers testing and assessments, ca-  
14               reer counseling, referral to training and job search  
15               programs, and job placement services, and”;

16               (3) by striking clause (3); and

17               (4) by redesignating clause (4) as clause (3).

18           (b) **ADMINISTRATION.**—Subsection (e) of such sec-  
19           tion is amended—

20               (1) in the first sentence, to read as follows:  
21               “Any agreement entered into under this section shall  
22               provide for the administration of the provision for  
23               reemployment services, training, and supplemental  
24               assistance under sections 235 and 236 of this Act by  
25               the same State agency responsible for the adminis-

1       tration of the State workforce investment program  
2       funded under title I of the Workforce Investment  
3       Act of 1998 (29 U.S.C. 2801 et seq.) and shall in-  
4       clude such terms and conditions as are established  
5       by the Secretary in consultation with the States and  
6       set forth in such agreement.”;

7             (2) in the second sentence, by striking “Any  
8       agency” and inserting “The agency”; and

9             (3) by adding at the end the following new sen-  
10       tence: “The terms and conditions set forth in the  
11       agreement shall include at a minimum that—

12             “(1) adversely affected workers applying for as-  
13       sistance under this chapter shall be co-enrolled in  
14       the dislocated worker program authorized under  
15       chapter 5 of subtitle B of title I of the Workforce  
16       Investment Act of 1998 (29 U.S.C. 2861 et seq.);  
17       and

18             “(2) the services provided under this chapter  
19       shall be administered through the one-stop delivery  
20       system established under title I of such Act (29  
21       U.S.C. 2801 et seq.).”.

22       (c) COOPERATING STATE AGENCY.—Subsection (f)  
23       of such section is amended—

24             (1) in paragraph (2), by adding “and” at the end;

25             (2) by striking paragraph (3);

1 (3) by redesignating paragraph (4) as paragraph (3);  
2 and  
3 (4) in paragraph (3) (as redesignated by paragraph  
4 (3) of this subsection), by striking "suitable".

5 (d) PERFORMANCE ACCOUNTABILITY.—Such section  
6 is further amended by adding at the end the following new  
7 subsection:

8 "(h) PERFORMANCE ACCOUNTABILITY.—

9 "(1) IN GENERAL.—Any agreement entered  
10 into under this section shall include performance  
11 measures that the cooperating State or State agency  
12 is expected to achieve with respect to the program  
13 carried out under this chapter. The performance  
14 measures shall consist of indicators of performance  
15 and levels of performance applicable to each indi-  
16 cator.

17 "(2) INDICATORS OF PERFORMANCE.—The in-  
18 dicators of performance shall be—

19 "(A) entry into employment;

20 "(B) retention in employment;

21 "(C) average earnings; and

22 "(D) such other indicators as the Sec-  
23 retary determines are appropriate.

24 "(3) LEVELS OF PERFORMANCE.—The levels of  
25 performance for each State for the indicators of per-

1 performance described in paragraph (2) shall be deter-  
2 mined by the Secretary, after consultation with the  
3 State.

4 “(4) PERFORMANCE REPORTING.—Any agree-  
5 ment shall also include a requirement that the State  
6 annually report to the Secretary the level of per-  
7 formance achieved with respect to each indicator  
8 under the program carried out under this chapter in  
9 the preceding fiscal year, and the State shall submit  
10 such additional reports regarding the performance of  
11 programs as the Secretary may require. The Sec-  
12 retary shall make the information contained in the  
13 annual reports available to the general public  
14 through publication on the Website of the Depart-  
15 ment of Labor and other appropriate methods and  
16 shall provide copies of the reports to the Committee  
17 on Ways and Means of the House of Representatives  
18 and the Committee on Finance of the Senate. The  
19 Secretary shall also publish on the Website of the  
20 Department of Labor a list identifying those States  
21 that fail to submit reports to the Secretary on a  
22 timely basis or fail to submit accurate reports.”

1 **SEC. 132. AUTHORIZATION OF APPROPRIATIONS; INCEN-**  
2 **TIVE PAYMENTS TO STATES.**

3 (a) **IN GENERAL.**—Subsection (a) of section 245 of  
4 the Trade Act of 1974 (19 U.S.C. 2317) is amended by  
5 striking “December 31, 2007” and inserting “September  
6 30, 2012”.

7 (b) **INCENTIVE PAYMENTS TO STATES.**—Such sec-  
8 tion is further amended by adding at the end the following  
9 new subsection:

10 “(c) **INCENTIVE PAYMENTS TO STATES.**—If, in the  
11 last quarter of any fiscal year, the Secretary determines  
12 that the amount of funds needed to make payments for  
13 the costs of training under this chapter for such fiscal year  
14 will not reach the amount of the limitation described in  
15 section 236(b)(1)(A) and funds appropriated to make pay-  
16 ments for the costs of such training remain available for  
17 obligation, the Secretary may use not more than an  
18 amount equal to five percent of the amount of the limita-  
19 tion described in such section 236(b)(1)(A) to award funds  
20 to States that the Secretary determines have dem-  
21 onstrated exemplary performance in carrying out the pro-  
22 gram under this chapter with respect to exceeding the per-  
23 formance levels established pursuant to section 239(h) and  
24 with respect to such other factors as the Secretary deter-  
25 mines appropriate. Such funds shall be available to the  
26 States for the purpose of enhancing the administration of

1 the program which may include improvements to manage-  
2 ment information systems, targeted outreach, staff train-  
3 ing, and enhanced services to participants.”.

4 (c) CONFORMING AND CLERICAL AMENDMENTS.—

5 (1) CONFORMING AMENDMENT.—Such section  
6 is further amended in the heading by inserting be-  
7 fore the period at the end the following: “; INCEN-  
8 TIVE PAYMENTS TO STATES”.

9 (2) CLERICAL AMENDMENT.—The table of con-  
10 tents in section 1 of the Trade Act of 1974 is  
11 amended by striking the item relating to section 245  
12 and inserting the following:

“Sec. 245. Authorization of appropriations; incentive payments to States.”.

13 **SEC. 133. PHASE-OUT OF DEMONSTRATION PROJECT FOR**  
14 **ALTERNATIVE TRADE ADJUSTMENT ASSIST-**  
15 **ANCE FOR OLDER WORKERS.**

16 Section 246(b)(1) of the Trade Act of 1974 (19  
17 U.S.C. 2318(b)(1)) is amended by striking “the date that  
18 is 5 years after the date under which such program is im-  
19 plemented by the State” and inserting “September 30,  
20 2008”.

21 **SEC. 134. WAGE SUPPLEMENT PROGRAM.**

22 (a) IN GENERAL.—Chapter 2 of title II of the Trade  
23 Act of 1974 (19 U.S.C. 2271 et seq.) is amended by in-  
24 serting after section 246 the following new section:

1 **“SEC. 246A. WAGE SUPPLEMENT PROGRAM.**

2       “(a) ESTABLISHMENT.—Beginning on October 1,  
3 2008, the Secretary shall establish a program to provide  
4 the benefits described in subsection (b) to an adversely  
5 affected worker who meets the eligibility criteria described  
6 in subsection (c), including the requirement that such  
7 worker be employed for the minimum number of hours per  
8 week described in subsection (c)(3).

9       “(b) BENEFITS.—

10           “(1) AMOUNT OF PAYMENTS.—A State shall  
11 use the funds provided to the State under section  
12 241 to pay an hourly wage supplement to an eligible  
13 adversely affected worker for a period not to exceed  
14 2 years, in an amount equal to the difference, if any  
15 (but not less than zero) resulting from subtracting  
16 the amount described in paragraph (2)(B) from the  
17 amount described in paragraph (2)(A).

18           “(2) FACTORS.—(A) For purposes of paragraph  
19 (1), the amount described in this subparagraph is  
20 the sum of—

21           “(i) whichever is the highest of—

22           “(I) the hourly minimum wage that is  
23 applicable to a worker under the Fair  
24 Labor Standards Act of 1938 (29 U.S.C.  
25 201 et seq.), or if such worker is exempt  
26 under section 13 of such Act (29 U.S.C.

1                   213), the hourly minimum wage that  
2                   would be applicable if section 6(a)(1) of  
3                   such Act (29 U.S.C. 206(a)(1)) were ap-  
4                   plied; or

5                   “(II) the applicable State or local  
6                   hourly minimum wage; and

7                   “(ii) \$2.40.

8                   “(B) For purposes of paragraph (1), the  
9                   amount described in this subparagraph is the hourly  
10                  wage actually paid to such worker.

11                  “(3) HEALTH INSURANCE ELIGIBILITY.—A  
12                  worker described in subsection (c) who is partici-  
13                  pating in the program established under subsection  
14                  (a) is eligible to receive, for a period not to exceed  
15                  2 years, a credit for health insurance costs to the ex-  
16                  tent provided under section 35 of the Internal Rev-  
17                  enue Code of 1986.

18                  “(c) ELIGIBILITY FOR WAGE SUPPLEMENT.—A  
19                  worker in a group that the Secretary has certified as eligi-  
20                  ble to apply for adjustment assistance under section 223  
21                  may elect to receive the benefits described in subsection  
22                  (b) if such worker—

23                  “(1) is covered by a certification under sub-  
24                  chapter A of this chapter;

1           “(2) meets the requirements of paragraphs (1)  
2           and (2) of section 231(a);

3           “(3) is employed for an average of at least 30  
4           hours per week, which may include employment as  
5           part of an apprenticeship program registered under  
6           the National Apprenticeship Act (20 U.S.C. 50 et  
7           seq.);

8           “(4) does not return to the employment from  
9           which the worker was separated; and

10           “(5) has not received any payments under sec-  
11           tion 246 while covered under the same certification  
12           as described in paragraph (1).

13           “(d) EFFECT ON OTHER BENEFITS.—A worker re-  
14           ceiving payments under this section shall not be eligible  
15           to receive other benefits under this chapter except for  
16           training assistance provided under section 236 (provided  
17           that such worker otherwise meets the requirements of sec-  
18           tion 236) or the assistance described in subsection (b)(3).  
19           A worker may receive payments under this section during  
20           breaks in training that exceed the period described in sec-  
21           tion 233(e) if the worker otherwise meets the requirements  
22           of this section.”.

23           (b) CLERICAL AMENDMENT.—The table of contents  
24           in section 1 of the Trade Act of 1974 is amended by in-  
25           serting after the item relating to section 246 the following:

          “Sec. 246A. Wage supplement program.”.

1 **SEC. 135. DEFINITIONS.**

2 Section 247 of the Trade Act of 1974 (19 U.S.C.  
3 2319) is amended by adding at the end the following new  
4 paragraphs:

5 “(18) The term ‘comparable employment’  
6 means, with respect to a worker, work of a substan-  
7 tially equal or higher skill level than the worker’s  
8 past adversely affected employment, and wages for  
9 such work at not less than 80 percent of the work-  
10 er’s average weekly wage.

11 “(19) The term ‘adversely affected incumbent  
12 worker’ means a worker who is a member of a group  
13 of workers who have been certified as eligible to  
14 apply for adjustment assistance under subchapter A  
15 and who has not been separated from adversely af-  
16 fected employment.”

17 **SEC. 136. CAPACITY-BUILDING GRANTS TO ENHANCE**  
18 **TRAINING FOR WORKERS.**

19 (a) **IN GENERAL.**—Chapter 2 of title II of the Trade  
20 Act of 1974 (19 U.S.C. 2271 et seq.) is amended by add-  
21 ing at the end the following new section:

22 **“SEC. 250. CAPACITY-BUILDING GRANTS TO ENHANCE**  
23 **TRAINING FOR WORKERS.**

24 “(a) **IN GENERAL.**—The Secretary may award grants  
25 to eligible entities described in subsection (b) to tempo-  
26 rarily increase the capacity of such entities, through the

1 activities authorized under subsection (c), to provide train-  
2 ing to workers as provided for in section 236.

3 “(b) ELIGIBLE ENTITIES.—An eligible entity re-  
4 ferred to in subsection (a) is—

5 “(1) a community college (as such term is de-  
6 fined in section 202(a)(2) of the Carl D. Perkins Vo-  
7 cational and Applied Technology Education Amend-  
8 ments of 1998 (20 U.S.C. 2371(a)(2)) that provides  
9 training for occupations in demand; or

10 “(2) a provider of training for occupations in  
11 demand that is eligible to receive funds under sec-  
12 tion 122 of the Workforce Investment Act of 1998  
13 (29 U.S.C. 2842).

14 “(c) AUTHORIZED ACTIVITIES.—An eligible entity  
15 that is awarded a grant under this section shall utilize  
16 funds under the grant to expand available training slots  
17 and prepare adversely affected workers and adversely af-  
18 fected incumbent workers under this chapter for occupa-  
19 tions in demand by conducting such activities as the Sec-  
20 retary may authorize, including—

21 “(1) the development of education and training  
22 curricula, which may be developed in consultation  
23 with employers of incumbent workers, local work-  
24 force investment boards (as defined in section 117 of  
25 the Workforce Investment Act of 1998 (29 U.S.C.

1 2832)), labor organizations that represent individ-  
2 uals currently employed in occupations in demand  
3 for the local area, regional economic development  
4 agencies, one-stop operators (as defined in section  
5 101(29) of such Act (29 U.S.C. 2801(29)), commu-  
6 nity-based organizations, or any other public or pri-  
7 vate entity that is likely to employ or facilitate the  
8 employment of adversely affected workers in occupa-  
9 tions in demand;

10 “(2) the hiring of additional faculty and staff;

11 “(3) the acquisition of new equipment or the  
12 upgrading of existing equipment, which shall be nec-  
13 essary to facilitate the teaching of job skills to ad-  
14 versely affected workers and adversely affected in-  
15 cumbent workers; and

16 “(4) the development of a program to provide  
17 on-the-job training experiences for adversely affected  
18 workers in coordination with local employers that  
19 have committed to employ adversely affected workers  
20 following successful completion of the program.

21 “(d) APPLICATION.—

22 “(1) REQUESTS FOR APPLICATIONS.—

23 “(A) BY THE SECRETARY.—In each fiscal  
24 year, and at such times as the Secretary may  
25 determine, the Secretary may request applica-

1 tions from eligible entities to carry out activities  
2 authorized under this section.

3 “(B) BY AN ELIGIBLE ENTITY.—At any  
4 time, and in such form and manner as the Sec-  
5 retary may prescribe, an eligible entity may rec-  
6 ommend that the Secretary initiate a request  
7 for capacity building grant applications if the  
8 eligible entity believes that there has been or  
9 will be a sudden and significant shortage of  
10 training slots available to adversely affected  
11 workers and adversely affected incumbent work-  
12 ers in a local area.

13 “(2) INFORMATION REQUIRED FOR APPLICA-  
14 TION.—To be eligible to receive a grant under this  
15 section, an applicant shall provide to the Secretary  
16 the following information in the application:

17 “(A) A description of the factors in a local  
18 area that have resulted or may result in a sig-  
19 nificant increase in demand for training slots by  
20 adversely affected workers and adversely af-  
21 fected incumbent workers, which may include—

22 “(i) mass layoffs at firms that are be-  
23 lieved to employ a large number of ad-  
24 versely affected workers;

1                   “(ii) imminent closure or relocation of  
2                   facilities that are believed to employ a  
3                   large number of adversely affected work-  
4                   ers; and

5                   “(iii) prevailing labor market condi-  
6                   tions that may have an immediate, measur-  
7                   able adverse employment impact on the  
8                   employment of adversely affected workers.

9                   “(B) A description of the number of train-  
10                  ing slots currently available to adversely af-  
11                  fected workers and adversely affected incum-  
12                  bent workers, and the number of proposed addi-  
13                  tional slots to be made available using funds  
14                  under the grant.

15                  “(C) A description of the potential number  
16                  of adversely affected workers and adversely af-  
17                  fected incumbent workers in the local area who  
18                  would be able to access increased training slots.

19                  “(D) A description of the commitment  
20                  made by local employers, labor organizations,  
21                  and other public or private organizations to as-  
22                  sist in the development of training and related  
23                  curricula for the benefit of adversely affected  
24                  workers and adversely affected incumbent work-  
25                  ers.

1       “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated to carry out this section  
3 \$50,000,000 for each of fiscal years 2008 through 2012.”.

4       (b) CLERICAL AMENDMENT.—The table of contents  
5 in section 1 of the Trade Act of 1974 is amended by in-  
6 serting after the item relating to section 249 the following:

“Sec. 250. Capacity-building grants to enhance training for workers.”.

## 7                   **Subtitle D—Effective Date**

### 8       **SEC. 141. EFFECTIVE DATE.**

9       The amendments made by this title shall take effect  
10 beginning 90 days after the date of the enactment of this  
11 Act.

## 12       **TITLE II—OTHER TRADE AD- 13 JUSTMENT ASSISTANCE PRO- 14 GRAMS AND RELATED PROVI- 15 SIONS**

### 16       **SEC. 201. TECHNICAL ASSISTANCE FOR FIRMS.**

17       Section 253 of the Trade Act of 1974 (19 U.S.C.  
18 2343) is amended by adding at the end the following new  
19 subsections:

20       “(c)(1) Any grant made under subsection (b)(3) shall  
21 include performance measures that an intermediary orga-  
22 nization is expected to achieve with respect to the program  
23 carried out under this chapter. The performance measures  
24 shall consist of indicators of performance described in  
25 paragraph (2) and levels of performance described in para-

1 graph (3) applicable to each such indicator of perform-  
2 ance.

3 “(2) The indicators of performance referred to in  
4 paragraph (1) are the following:

5 “(A) The extent to which outreach efforts effec-  
6 tively apprise import-impacted firms likely to benefit  
7 from the program about resources available under  
8 the program.

9 “(B) The extent to which firms receiving ad-  
10 justment assistance under section 252 meet or ex-  
11 ceed targets to retain or create employment.

12 “(C) The percentage of workers totally or par-  
13 tially separated from employment that have returned  
14 to work or returned to their previous level of employ-  
15 ment.

16 “(D) The extent to which firms receiving ad-  
17 justment assistance under section 252 meet or ex-  
18 ceed targets for maintaining or increasing sales or  
19 production.

20 “(E) Such other indicators of performance as  
21 the Secretary may determine are appropriate.

22 “(3) The levels of performance referred to in para-  
23 graph (1) shall be determined by the Secretary, after con-  
24 sultation with the intermediary organization. In reviewing  
25 an intermediary organization’s levels of performance, the

1 Secretary shall take into consideration economic condi-  
2 tions affecting the region served by the organization that  
3 may affect that performance.

4 “(4)(A) Any grant made under subsection (b)(3)  
5 shall also include a requirement that the intermediary or-  
6 ganization submit to the Secretary a report on an annual  
7 basis on the levels of performance achieved with respect  
8 to each indicator of performance under the program car-  
9 ried out under this chapter in the preceding fiscal year,  
10 and such additional reports regarding such indicators of  
11 performance as the Secretary may require.

12 “(B) The Secretary shall make the information con-  
13 tained in the reports described in subparagraph (A) avail-  
14 able to the general public through publication on the  
15 Website of the Economic Development Administration and  
16 other appropriate methods. The Secretary shall provide  
17 copies of the reports described in subparagraph (A) to the  
18 Committee on Ways and Means of the House of Rep-  
19 resentatives and the Committee on Finance of the Senate.

20 “(C) The Secretary shall also publish on the Website  
21 of the Economic Development Administration a list that  
22 identifies those intermediary organizations that fail to  
23 submit reports to the Secretary in accordance with sub-  
24 paragraph (A) on a timely basis or fail to submit accurate

1 reports to the Secretary in accordance with subparagraph  
2 (A).

3 “(d) At least once every three years, the Secretary  
4 shall provide for an independent evaluation of each inter-  
5 mediary organization receiving assistance under this sec-  
6 tion to assess the intermediary organization’s performance  
7 and contribution toward retention and creation of employ-  
8 ment. The purpose of the evaluations shall be to determine  
9 which intermediary organizations are performing well and  
10 merit continued assistance under this section and which  
11 intermediary organizations should not receive continued  
12 assistance under this section, so that other universities  
13 and intermediary organizations that have not previously  
14 received assistance under this section may participate in  
15 the program carried out under this chapter.”

16 **SEC. 202. EXTENSION OF TRADE ADJUSTMENT ASSISTANCE**  
17 **FOR FIRMS.**

18 Section 256(b) of the Trade Act of 1974 (19 U.S.C.  
19 2346(b)) is amended—

20 (1) by striking “and \$4,000,000” and inserting  
21 “\$4,000,000”; and

22 (2) by inserting after “October 1, 2007,” the  
23 following: “\$15,000,000 for the 9-month period be-  
24 ginning on January 1, 2008, and \$19,000,000 for  
25 each of the fiscal years 2009 through 2012,”.

1 **SEC. 203. EXTENSION OF TRADE ADJUSTMENT ASSISTANCE**  
2 **FOR FARMERS.**

3 Section 298(a) of the Trade Act of 1974 (19 U.S.C.  
4 2401g(a)) is amended by adding at the end the following  
5 new sentence: "There are authorized to be appropriated  
6 to the Department of Agriculture to carry out this chapter  
7 \$81,000,000 for the 9-month period beginning on January  
8 1, 2008, and \$90,000,000 for each of the fiscal years 2009  
9 through 2012."

10 **SEC. 204. JUDICIAL REVIEW.**

11 (a) **IN GENERAL.**—Section 284(a) of the Trade Act  
12 of 1974 (19 U.S.C. 2395(a)) is amended in the first sen-  
13 tence—

14 (1) by striking "or authorized representative"  
15 and inserting "or other duly authorized representa-  
16 tive";

17 (2) by striking "aggrieved" and inserting " , or  
18 any of the individuals or entities described in section  
19 221(a)(1)(C), aggrieved (or on behalf of such work-  
20 ers aggrieved)"; and

21 (3) by striking "section 223" and inserting  
22 "section 226".

23 (b) **EFFECTIVE DATE.**—The amendments made by  
24 subsection (a) shall take effect beginning 90 days after  
25 the date of the enactment of this Act.

1 **SEC. 205. TERMINATION.**

2 Section 285 of the Trade Act of 1974 (19 U.S.C.  
3 2271 note) is amended by striking “December 31, 2007”  
4 each place it appears and inserting “September 30,  
5 2012”.

6 **TITLE III—MISCELLANEOUS**  
7 **PROVISIONS**

8 **SEC. 301. CREDIT REDUCTION FOR FAILURES RELATING TO**  
9 **CO-ENROLLMENT OF PARTICIPANTS AND**  
10 **PROGRAM PERFORMANCE REPORTS.**

11 (a) **IN GENERAL.**—Paragraph (3) of section 3302(c)  
12 of the Internal Revenue Code of 1986 is amended—

13 (1) by striking “(3) If” and inserting “(3) (A)  
14 Except as provided in subparagraph (B), if”,

15 (2) by redesignating subparagraphs (A) and  
16 (B) as clauses (i) and (ii), respectively, and

17 (3) by adding at the end the following new sub-  
18 paragraph:

19 “(B) If the Secretary of Labor determines that  
20 a State, or State agency, failed to meet the require-  
21 ments of subsections (e)(1) (relating to the co-enroll-  
22 ment of participants) or (h)(3) (relating to the sub-  
23 mission of reports on program performance) of sec-  
24 tion 239 of the Trade Act of 1974, the Secretary of  
25 Labor may direct that, in the case of a taxpayer  
26 subject to the unemployment compensation law of

1 such State, the total credits (after applying sub-  
2 sections (a) and (b) and paragraphs (1) and (2) of  
3 this section) otherwise allowable under this section  
4 for a year during which such State or agency fails  
5 to meet those requirements shall (in lieu of reduc-  
6 tion under subparagraph (A)) be reduced by 3 per-  
7 cent of the tax imposed with respect to wages paid  
8 by such taxpayer during such year which are attrib-  
9 utable to such State.”.

10 (b) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply with respect to taxable years begin-  
12 ning after September 30, 2008.

13 **SEC. 302. TAA WAGE SUPPLEMENT PARTICIPANTS ELIGI-**  
14 **BILITY FOR CREDIT FOR HEALTH INSURANCE**  
15 **COSTS.**

16 (a) ELIGIBILITY.—Paragraph (1) of section 35(c) of  
17 the Internal Revenue Code of 1986 is amended by striking  
18 “and” at the end of subparagraph (B), by striking the  
19 period at the end of subparagraph (C) and inserting “;  
20 and” , and by adding after subparagraph (C) the fol-  
21 lowing:

22 “(D) an eligible TAA wage supplement re-  
23 cipient.”.

1 (b) ELIGIBLE TAA WAGE SUPPLEMENT RECIPIENT  
2 DEFINED.—Subsection (c) of section 35 of such Code is  
3 amended by adding after paragraph (4) the following:

4 “(5) ELIGIBLE TAA WAGE SUPPLEMENT RECIPI-  
5 ENT.—The term ‘eligible TAA wage supplement re-  
6 cipient’ means, with respect to any month, any indi-  
7 vidual who—

8 “(A) is a worker described in section  
9 246A(c) of the Trade Act of 1974 who is par-  
10 ticipating in the wage supplement program es-  
11 tablished under section 246A(a) of such Act,  
12 and

13 “(B) is receiving a benefit for such month  
14 under section 246A(b) of such Act.

15 An individual shall continue to be treated as an eli-  
16 gible TAA wage supplement recipient during the  
17 first month that such individual would otherwise  
18 cease to be an eligible TAA wage supplement recipi-  
19 ent by reason of the preceding sentence.”

20 (c) QUALIFIED HEALTH INSURANCE.—Subpara-  
21 graph (J) of section 35(e)(1) of such Code is amended  
22 by striking “or” at the end of clause (ii), by striking the  
23 period at the end of clause (iii) and inserting “, or” , and  
24 by inserting after clause (iii) the following:

1                   “(iv) in the case of an eligible TAA  
2                   wage supplement recipient, the benefit de-  
3                   scribed in subsection (c)(5)(B).”.

4           (d) SUBSIDIZED COVERAGE.—Subparagraph (B) of  
5 section 35(f)(1) of such Code is amended —

6                   (1) by inserting “or an eligible TAA wage sup-  
7                   plement recipient” after “eligible alternative TAA  
8                   recipient” in the matter preceding clause (i), and

9                   (2) by inserting “OR ELIGIBLE TAA WAGE SUP-  
10                  PLEMENT RECIPIENTS” after “ELIGIBLE ALTER-  
11                  NATIVE TAA RECIPIENTS” in the heading.

12          (e) ADVANCE PAYMENT OF HCTC.—Paragraph (1)  
13 of section 7527(d) of such Code is amended by striking  
14 “or an eligible alternative TAA recipient (as defined in  
15 section 35(c)(3))” and inserting “, an eligible alternative  
16 TAA recipient (as defined in section 35(c)(3)), or an eligi-  
17 ble TAA wage supplement recipient (as defined in section  
18 35(c)(5))”.

19          (f) EFFECTIVE DATE.—The amendments made by  
20 this section shall apply to taxable years beginning after  
21 December 31, 2007.

1 **SEC. 303. SPECIAL ALLOCATION UNDER NEW MARKETS TAX**  
2 **CREDIT IN CONNECTION WITH TRADE AD-**  
3 **JUSTMENT ASSISTANCE.**

4 (a) **IN GENERAL.**—Section 45D of the Internal Rev-  
5 enue Code of 1986 is amended by redesignating subsection  
6 (i) as subsection (j) and by inserting after subsection (h)  
7 the following new subsection:

8 “(i) **SPECIAL ALLOCATIONS IN CONNECTION WITH**  
9 **TRADE ADJUSTMENT ASSISTANCE.**—

10 “(1) **ALLOCATIONS.**—The new markets tax  
11 credit limitation otherwise determined under sub-  
12 section (f)(1) shall be increased by an amount equal  
13 to \$500,000,000 for 2008 to be allocated among  
14 qualified community development entities to make  
15 capital or equity investments in, or loans to, quali-  
16 fied TAA businesses.

17 “(2) **RESTRICTION ON DESIGNATION.**—A quali-  
18 fied community development entity receiving an allo-  
19 cation under paragraph (1) may not use such alloca-  
20 tion to designate any qualified equity investment  
21 under subsection (b)(1)(C) unless substantially all of  
22 such investment is used for the purpose described in  
23 paragraph (1).

24 “(3) **QUALIFIED TAA BUSINESSES.**—For pur-  
25 poses of this subsection—

1           “(A) IN GENERAL.—The term ‘qualified  
2 TAA business’ means, with respect to any tax-  
3 able year—

4           “(i) any qualified active low-income  
5 community business (as defined in sub-  
6 section (d)(2)) which meets the require-  
7 ments of clause (i) or (ii) of subparagraph  
8 (B) for such taxable year, and

9           “(ii) any specified TAA business.

10          “(B) SPECIFIED TAA BUSINESS.—The  
11 term ‘specified TAA business’ means, with re-  
12 spect to any taxable year, any corporation (in-  
13 cluding a nonprofit corporation) or partnership  
14 if—

15           “(i) not less than 40 percent of the  
16 individuals hired by such entity during  
17 such taxable year were eligible TAA recipi-  
18 ents (as defined in section 35(c)(2)) or eli-  
19 gible alternative TAA recipients (as de-  
20 fined in section 35(c)(3)) with respect to  
21 any month beginning during the 1-year pe-  
22 riod ending on the hiring date (as defined  
23 in section 51(d)) of such individual,

24           “(ii) such entity is certified by the  
25 Secretary of Commerce as eligible to apply

1 for adjustment assistance under chapter 3  
2 of title II of the Trade Act of 1974 with  
3 respect to any portion of the taxable year  
4 in which the investment or loan referred to  
5 in paragraph (1) is made, and

6 “(iii) the Secretary determines that  
7 such entity will utilize the assistance pro-  
8 vided pursuant to this section in a manner  
9 consistent with the purposes of subsection  
10 (d)(2)(A).

11 The requirement of clause (i) shall be treated  
12 as satisfied for any taxable year if such clause  
13 would be satisfied if all individuals hired by  
14 such entity during such taxable year and all  
15 preceding taxable years which are not before  
16 the taxable year in which the investment or  
17 loan referred to in paragraph (1) was made  
18 were taken into account.

19 “(4) REALLOCATIONS.—Subsection (f)(3) shall  
20 be applied separately with respect to the amount of  
21 the increase under paragraph (1).”

22 (b) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply to allocations made after December  
24 31, 2007.

1 **SEC. 304. EXPEDITED REEMPLOYMENT DEMONSTRATION**  
2 **PROJECTS.**

3 Title III of the Social Security Act (42 U.S.C. 501  
4 and following) is amended by adding at the end the fol-  
5 lowing:

6 "DEMONSTRATION PROJECTS

7 "SEC. 305. (a) The Secretary of Labor may enter  
8 into agreements, with States submitting an application de-  
9 scribed in subsection (b), for the purpose of allowing such  
10 States to conduct demonstration projects to test and  
11 evaluate measures designed—

12 "(1) to expedite, such as through the use of a wage  
13 insurance program, the reemployment of individuals who  
14 establish initial eligibility for unemployment compensation  
15 under the State law of such State; or

16 "(2) to improve the effectiveness of such State in car-  
17 rying out its State law.

18 "(b) The Governor of any State desiring to conduct  
19 a demonstration project under this section shall submit  
20 an application to the Secretary of Labor at such time, in  
21 such manner, and including such information as the Sec-  
22 retary of Labor may require. Any such application shall,  
23 at a minimum, include—

24 "(1) a general description of the proposed dem-  
25 onstration project, including the authority (under  
26 the laws of the State) for the measures to be tested,

1 as well as the period of time during which such dem-  
2 onstration project would be conducted;

3 “(2) if a waiver under subsection (c) is re-  
4 quested, the specific aspects of the project to which  
5 the waiver would apply and the reasons why such  
6 waiver is needed;

7 “(3) a description of the goals and the expected  
8 programmatic outcomes of the demonstration  
9 project, including how the project would contribute  
10 to the objective described in subsection (a)(1), sub-  
11 section (a)(2), or both;

12 “(4) assurances (accompanied by supporting  
13 analysis) that the demonstration project would not  
14 result in any increased net costs to the State’s ac-  
15 count in the Unemployment Trust Fund;

16 “(5) a description of the manner in which the  
17 State—

18 “(A) will conduct an impact evaluation,  
19 using a control or comparison group or other  
20 valid methodology, of the demonstration project;  
21 and

22 “(B) will determine the extent to which the  
23 goals and outcomes described in paragraph (3)  
24 were achieved; and

1           “(6) assurances that the State will provide any  
2 reports relating to the demonstration project, after  
3 its approval, as the Secretary of Labor may require.

4           “(c) The Secretary of Labor may waive any of the  
5 requirements of section 3304(a)(4) of the Internal Rev-  
6 enue Code of 1986 or of paragraph (1) or (5) of section  
7 303(a), to the extent and for the period the Secretary of  
8 Labor considers necessary to enable the State to carry out  
9 a demonstration project under this section.

10          “(d) A demonstration project under this section—

11           “(1) may be commenced any time after Sep-  
12 tember 30, 2007; and

13           “(2) may not, under subsection (b), be ap-  
14 proved for a period of time greater than 2 years,  
15 subject to extension upon request of the Governor of  
16 the State involved for such additional period as the  
17 Secretary of Labor may agree to, except that in no  
18 event may a demonstration project under this sec-  
19 tion be conducted after the end of the 5-year period  
20 beginning on the date of the enactment of this sec-  
21 tion.

22          “(e) The Secretary of Labor shall, in the case of any  
23 State for which an application is submitted under sub-  
24 section (b)—



1 **SEC. 306. COLLECTION OF UNEMPLOYMENT COMPENSA-**  
2 **TION DEBTS.**

3 (a) IN GENERAL.—Section 6402 of the Internal Rev-  
4 enue Code (relating to authority to make credits or re-  
5 funds) is amended by redesignating subsections (f)  
6 through (k) as subsections (g) through (l), respectively,  
7 and by inserting after subsection (e) the following new  
8 subsection:

9 “(f) COLLECTION OF UNEMPLOYMENT COMPENSA-  
10 TION DEBTS.—

11 “(1) IN GENERAL.—Upon receiving notice from  
12 any State that a named person owes a covered un-  
13 employment compensation debt to such State, the  
14 Secretary shall, under such conditions as may be  
15 prescribed by the Secretary—

16 “(A) reduce the amount of any overpay-  
17 ment payable to such person by the amount of  
18 such covered unemployment compensation debt;

19 “(B) pay the amount by which such over-  
20 payment is reduced under subparagraph (A) to  
21 such State and notify such State of such per-  
22 son’s name, taxpayer identification number, ad-  
23 dress, and the amount collected; and

24 “(C) notify the person making such over-  
25 payment that the overpayment has been re-

1           duced by an amount necessary to satisfy a cov-  
2           ered unemployment compensation debt.

3           If an offset is made pursuant to a joint return, the  
4           notice under subparagraph (B) shall include the  
5           names, taxpayer identification numbers, and ad-  
6           dresses of each person filing such return and the no-  
7           tice under subparagraph (C) shall include informa-  
8           tion related to the rights of a spouse of a person  
9           subject to such an offset.

10           “(2) PRIORITIES FOR OFFSET.—Any overpay-  
11           ment by a person shall be reduced pursuant to this  
12           subsection—

13           “(A) after such overpayment is reduced  
14           pursuant to—

15           “(i) subsection (a) with respect to any  
16           liability for any internal revenue tax on the  
17           part of the person who made the overpay-  
18           ment;

19           “(ii) subsection (c) with respect to  
20           past-due support; and

21           “(iii) subsection (d) with respect to  
22           any past-due, legally enforceable debt owed  
23           to a Federal agency; and

24           “(B) before such overpayment is credited  
25           to the future liability for any Federal internal

1 revenue tax of such person pursuant to sub-  
2 section (b).

3 If the Secretary receives notice from a State or  
4 States of more than one debt subject to paragraph  
5 (1) or subsection (e) that is owed by a person to  
6 such State or States, any overpayment by such per-  
7 son shall be applied against such debts in the order  
8 in which such debts accrued.

9 “(3) NOTICE; CONSIDERATION OF EVIDENCE.—  
10 No State may take action under this subsection until  
11 such State—

12 “(A) notifies the person owing the covered  
13 unemployment compensation debt that the  
14 State proposes to take action pursuant to this  
15 section;

16 “(B) provides such person at least 60 days  
17 to present evidence that all or part of such li-  
18 ability is not legally enforceable;

19 “(C) considers any evidence presented by  
20 such person and determines that an amount of  
21 such debt is legally enforceable; and

22 “(D) satisfies such other conditions as the  
23 Secretary may prescribe to ensure that the de-  
24 termination made under subparagraph (C) is  
25 valid and that the State has made reasonable

1 efforts to obtain payment of such covered un-  
2 employment compensation debt.

3 “(4) COVERED UNEMPLOYMENT COMPENSATION  
4 DEBT.—For purposes of this subsection, the term  
5 ‘covered unemployment compensation debt’ means—

6 “(A) a past-due debt for erroneous pay-  
7 ment of unemployment compensation which has  
8 become final under the law of a State certified  
9 by the Secretary of Labor pursuant to section  
10 3304 and which remains uncollected;

11 “(B) contributions due to the unemploy-  
12 ment fund of a State for which the State has  
13 determined the person to be liable; and

14 “(C) any penalties and interest assessed on  
15 such debt.

16 “(5) REGULATIONS.—

17 “(A) IN GENERAL.—The Secretary may  
18 issue regulations prescribing the time and man-  
19 ner in which States must submit notices of cov-  
20 ered unemployment compensation debt and the  
21 necessary information that must be contained  
22 in or accompany such notices. The regulations  
23 may specify the minimum amount of debt to  
24 which the reduction procedure established by  
25 paragraph (1) may be applied.

1           “(B) FEE PAYABLE TO SECRETARY.—The  
2 regulations may require States to pay a fee to  
3 the Secretary, which may be deducted from  
4 amounts collected, to reimburse the Secretary  
5 for the cost of applying such procedure. Any fee  
6 paid to the Secretary pursuant to the preceding  
7 sentence shall be used to reimburse appropria-  
8 tions which bore all or part of the cost of apply-  
9 ing such procedure.

10           “(C) SUBMISSION OF NOTICES THROUGH  
11 SECRETARY OF LABOR.—The regulations may  
12 include a requirement that States submit no-  
13 tices of covered unemployment compensation  
14 debt to the Secretary via the Secretary of Labor  
15 in accordance with procedures established by  
16 the Secretary of Labor. Such procedures may  
17 require States to pay a fee to the Secretary of  
18 Labor to reimburse the Secretary of Labor for  
19 the costs of applying this subsection. Any such  
20 fee shall be established in consultation with the  
21 Secretary of the Treasury. Any fee paid to the  
22 Secretary of Labor may be deducted from  
23 amounts collected and shall be used to reim-  
24 burse the appropriation account which bore all  
25 or part of the cost of applying this subsection.

1           “(6) ERRONEOUS PAYMENT TO STATE.—Any  
2           State receiving notice from the Secretary that an er-  
3           roneous payment has been made to such State under  
4           paragraph (1) shall pay promptly to the Secretary,  
5           in accordance with such regulations as the Secretary  
6           may prescribe, an amount equal to the amount of  
7           such erroneous payment (without regard to whether  
8           any other amounts payable to such State under such  
9           paragraph have been paid to such State).”

10          (b) DISCLOSURE OF CERTAIN INFORMATION TO  
11          STATES REQUESTING REFUND OFFSETS FOR LEGALLY  
12          ENFORCEABLE STATE UNEMPLOYMENT COMPENSATION  
13          DEBT.—

14                 (1) GENERAL RULE.—Paragraph (3) of section  
15                 6103(a) of such Code is amended by inserting  
16                 “(10),” after “(6),”

17                 (2) DISCLOSURE TO DEPARTMENT OF LABOR  
18                 AND ITS AGENT.—Paragraph (10) of section 6103(l)  
19                 of such Code is amended—

20                         (A) by striking “(c), (d), or (e)” each place  
21                         it appears in the heading and text and inserting  
22                         “(c), (d), (e), or (f),”

23                         (B) in subparagraph (A) by inserting “, to  
24                         officers and employees of the Department of  
25                         Labor and its agent for purposes of facilitating

1 the exchange of data in connection with a re-  
2 quest made under subsection (f)(5) of section  
3 6402,” after “section 6402”, and

4 (C) in subparagraph (B) by inserting “,  
5 and any agents of the Department of Labor,”  
6 after “agency” the first place it appears.

7 (3) SAFEGUARDS.—Paragraph (4) of section  
8 6103(p) of such Code is amended—

9 (A) in the matter preceding subparagraph  
10 (A), by striking “(l)(16),” and inserting  
11 “(l)(10), (16),”;

12 (B) in subparagraph (F)(i), by striking  
13 “(l)(16),” and inserting “(l)(10), (16),”;

14 (C) In the matter following subparagraph  
15 (f)(iii)—

16 (i) in each of the first two places it  
17 appears, by striking “(l)(16),” and insert-  
18 ing “(l)(10), (16),”;

19 (ii) by inserting “(10),” after “para-  
20 graph (6)(A),”;

21 (iii) in each of the last two places it  
22 appears, by striking “(l)(16)” and insert-  
23 ing “(l)(10) or (16)”.

24 (c) EXPENDITURES FROM STATE FUND.—Section  
25 3304(a)(4) of such Code is amended—

1 (1) in subparagraph (E), by striking “and”  
2 after the semicolon;

3 (2) in subparagraph (F), by inserting “and”  
4 after the semicolon; and

5 (3) by adding at the end the following new sub-  
6 paragraph:

7 “(G) WITH RESPECT TO AMOUNTS OF COV-  
8 ERED UNEMPLOYMENT COMPENSATION DEBT  
9 (AS DEFINED IN SECTION 6402(F)(4)) COL-  
10 LECTED UNDER SECTION 6402(F).—

11 “(i) amounts may be deducted to pay  
12 any fees authorized under such section;  
13 and

14 “(ii) the penalties and interest de-  
15 scribed in section 6402(f)(4)(B) may be  
16 transferred to the appropriate State fund  
17 into which the State would have deposited  
18 such amounts had the person owing the  
19 debt paid such amounts directly to the  
20 State;”.

21 (d) CONFORMING AMENDMENTS.—

22 (1) Subsection (a) of section 6402 of such Code  
23 is amended by striking “(c), (d), and (e),” and in-  
24 serting “(c), (d), (e), and (f)”.

1           (2) Paragraph (2) of section 6402(d) of such  
2 Code is amended by striking “and before such over-  
3 payment is reduced pursuant to subsection (e)” and  
4 inserting “and before such overpayment is reduced  
5 pursuant to subsections (e) and (f)”.

6           (3) Paragraph (3) of section 6402(e) of such  
7 Code is amended in the last sentence by inserting  
8 “or subsection (f)” after “paragraph (1)”.

9           (4) Subsection (g) of section 6402 of such  
10 Code, as redesignated by subsection (a), is amended  
11 by striking “(c), (d), or (e)” and inserting “(c), (d),  
12 (e), or (f)”.

13           (5) Subsection (i) of section 6402 of such Code,  
14 as redesignated by subsection (a), is amended by  
15 striking “subsection (c) or (e)” and inserting “sub-  
16 section (c), (e), or (f)”.

17           (e) **EFFECTIVE DATE.**—The amendments made by  
18 this section shall apply to refunds payable under section  
19 6402 of the Internal Revenue Code of 1986 on or after  
20 the date of enactment of this Act.

21 **SEC. 307. OFFSETS.**

22           (a) **TIME FOR PAYMENT OF CORPORATE ESTIMATED**  
23 **TAXES.**—Subparagraph (B) of section 401(1) of the Tax  
24 Increase Prevention and Reconciliation Act of 2005 is

1 amended by striking “115 percent” and inserting “127.50  
2 percent”.

3 (b) CUSTOMS USER FEES.—Section 13031(j)(3)(A)  
4 of the Consolidated Omnibus Budget Reconciliation Act  
5 of 1985 (19 U.S.C. 58c(j)(3)(A)) is amended by striking  
6 “October 21, 2014” and inserting “February 17, 2015”.

7 (c) TIMEFRAME FOR MEDICARE PART A AND B PAY-  
8 MENTS.—Notwithstanding sections 1816(c) and  
9 1842(c)(2) of the Social Security Act or any other provi-  
10 sion of law—

11 (1) any payment from the Federal Hospital In-  
12 surance Trust Fund under section 1817 of the So-  
13 cial Security Act (42 U.S.C. 1395i) or from the Fed-  
14 eral Supplementary Medical Insurance Trust Fund  
15 under section 1841 of such Act (42 U.S.C. 1395t)  
16 for claims submitted under part A or B of title  
17 XVIII of such Act for items and services furnished  
18 under such part A or B, respectively, that would  
19 otherwise be payable during the period beginning on  
20 September 22, 2012, and ending on September 30,  
21 2012, shall be paid on the first business day of Oc-  
22 tober 2012; and

23 (2) no interest or late penalty shall be paid to  
24 an entity or individual for any delay in a payment  
25 by reason of the application of paragraph (1).

1           **TITLE IV—WORKFORCE**  
2           **INVESTMENT IMPROVEMENT**

3   **SEC. 401. SHORT TITLE.**

4           This title may be cited as the “Workforce Investment  
5 Improvement Act of 2007”.

6   **SEC. 402. REFERENCES.**

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

13   **Subtitle A—Amendments to Title I**  
14           **of the Workforce Investment Act**  
15           **of 1998**

16   **SEC. 411. DEFINITIONS.**

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

18           (1) by striking paragraphs (13) and (24) and  
19 redesignating paragraphs (1) through (12) as para-  
20 graphs (3) through (14), and paragraphs (14)  
21 through (23) as paragraphs (15) through (24), re-  
22 spectively;

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

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

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

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

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

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

14 (A) in subparagraph (A)(ii)(II), by striking  
15 “section 134(c)” and inserting “section  
16 121(e)”;

17 (B) in subparagraph (B)(iii), by striking  
18 “intensive services described in section  
19 134(d)(3)” and inserting “work ready services  
20 described in section 134(c)(3)(M) through (U)”;

21 (C) in subparagraph (C), by striking “or”  
22 after the semicolon;

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

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

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

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

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

13                 (A) by striking “and” after the semicolon  
14                 and inserting “or”;

15                 (B) by striking “(A)” and inserting  
16                 “(A)(i)”; and

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

18                 “(ii) is the dependent spouse of a member  
19                 of the Armed Forces on active duty for a period  
20                 of more than 30 days (as defined in section  
21                 101(d)(2) of title 10, United States Code)  
22                 whose family income is significantly reduced be-  
23                 cause of a deployment (as defined in section  
24                 991(b) of title 10, United States Code, or pur-  
25                 suant to paragraph (4) of such section), a call

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

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

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

12 (A) in subparagraph (A), by striking “sec-  
13 tion 122(e)(3)” and inserting “section 122”;  
14 and

15 (B) by striking subparagraph (B), and in-  
16 serting the following:

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

20 (9) in paragraph (25)—

21 (A) in subparagraph (B), by striking  
22 “higher of—” and all that follows through  
23 clause (ii) and inserting “poverty line for an  
24 equivalent period;” and

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

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

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

12 (11) by striking paragraph (33) and redesignating  
13 paragraphs (34) through (53) as paragraphs  
14 (33) through (52), respectively.

15 **SEC. 412. PURPOSE.**

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

23 **SEC. 413. STATE WORKFORCE INVESTMENT BOARDS.**

24 (a) **MEMBERSHIP.**—

1           (1) IN GENERAL.—Section 111(b) (29 U.S.C.  
2    2821(b)) is amended—

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

5           “(C) representatives appointed by the Gov-  
6    ernor, who are—

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

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

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

1 most individuals with disabilities in the  
2 State;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 (5) in paragraph (8)—

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

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

19 (6) in paragraph (9)—

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

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

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

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

6           (c) **ELIMINATION OF ALTERNATIVE ENTITY AND**  
7 **PROVISION OF AUTHORITY TO HIRE STAFF.**—Section  
8 111(e) (29 U.S.C. 2821(e)) is amended to read as follows:

9           “(e) **AUTHORITY TO HIRE STAFF.**—The State board  
10 may hire staff to assist in carrying out the functions de-  
11 scribed in subsection (d).”.

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

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

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

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

21 **SEC. 414. STATE PLAN.**

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

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

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

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

11 (2) in paragraph (8)—

12 (A) in subparagraph (A)—

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

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

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

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

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

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

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

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

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

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

8 (6) in paragraph (17)(A)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 **SEC. 415. LOCAL WORKFORCE INVESTMENT AREAS.**

2 (a) DESIGNATION OF AREAS.—

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

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

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

12 “(2) AUTOMATIC DESIGNATION.—

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

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

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

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

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

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

15 “(b) SINGLE LOCAL AREA STATES.—

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

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

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

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

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

19 **SEC. 416. LOCAL WORKFORCE INVESTMENT BOARDS.**

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

22 (1) in subparagraph (A)—

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

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

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

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

11 (C) in clause (iii)—

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

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

17 (D) in clause (iv)—

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

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

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

- 1 (F) by striking clause (vi); and  
2 (2) in subparagraph (B), by striking the period  
3 and inserting “; and”; and  
4 (3) by adding at the end the following subpara-  
5 graph:

6 “(C) except for the individuals described in  
7 subparagraph(A)(ii), shall not include any indi-  
8 vidual who is employed by an entity receiving  
9 funds for the provision of services under chap-  
10 ters 4 or 5.”.

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

13 (1) in the heading, by inserting “**AND REP-**  
14 **RESENTATION**” after “**MEMBERS**”; and

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

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

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

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

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

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

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

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

17           (5) in paragraph (6)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 **SEC. 417. LOCAL PLAN.**

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

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

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

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

16 (2) in paragraph (4)—

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

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

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

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

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

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



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

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

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

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

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

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

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

7 (B) in subparagraph (B)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10       (b) LOCAL MEMORANDUM OF UNDERSTANDING.—

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

13           “(A) provisions describing—

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

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

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

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

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

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

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

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

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

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

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

7 (B) in paragraph (1)(B)—

8 (i) by striking “intensive services”;

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

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

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

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

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

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

23 “(E) shall provide access to the informa-  
24 tion described in section 15(e) of the Wagner-  
25 Peyser Act (29 U.S.C. 491–2(e)).”; and

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

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

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

9 “(1) IN GENERAL.—

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

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

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

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

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

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

9 “(1) PARTNER CONTRIBUTIONS.—

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

21 “(B) DETERMINATION OF GOVERNOR.—

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

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

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

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

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

11 “(C) LIMITATIONS.—

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

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

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

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

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

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

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

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

21 “(i) OTHER FUNDS.—

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

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

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

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

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

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

1 **SEC. 419. ELIGIBLE PROVIDERS OF TRAINING SERVICES.**

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

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

6 **“(a) ELIGIBILITY.—**

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

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

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

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

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

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

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

3 or

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

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

18 "(b) CRITERIA.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 “(e) ENFORCEMENT.—

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

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

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

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

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

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

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

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

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

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

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

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

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

1 **SEC. 420. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.**

2 (a) **ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.—**

3 Section 123 (29 U.S.C. 2843) is amended to read as fol-  
4 lows:

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

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

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

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

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

21 **SEC. 421. YOUTH ACTIVITIES.**

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

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

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

3           “(b) ALLOTMENT AMONG STATES.—

4           “(1) YOUTH ACTIVITIES.—

5           “(A) YOUTH CHALLENGE GRANTS.—

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

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

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

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

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

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

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

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

20 “(C) STATES.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7           (3) in subsection (c)—

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

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

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

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

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

5           (B) in paragraph (3)—

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

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

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

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

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

20          (b) WITHIN STATE ALLOCATIONS.—

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

23           “(a) RESERVATION FOR STATEWIDE ACTIVITIES.—

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

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

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

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

14 “(b) WITHIN STATE ALLOCATION.—

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

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

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

25 “(2) ESTABLISHED FORMULA.—

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

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

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

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

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

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

5 “(C) DEFINITIONS.—

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

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

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

3                   “(3) YOUTH DISCRETIONARY ALLOCATION.—

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

9                   “(4) LOCAL ADMINISTRATIVE COST LIMIT.—

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

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

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

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

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

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

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

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

24 (C) in paragraph (3)—

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

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

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

10 (iv) by striking the last sentence; and

11 (D) by amending paragraph (4) to read as

12 follows:

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

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

21 “(a) YOUTH PARTICIPANT ELIGIBILITY.—

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

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

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

5 “(B) one or more of the following:

6 “(i) school dropouts;

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

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

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

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

21 “(I) Deficient in literacy skills.

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

24 “(III) Pregnant or parents.

25 “(IV) Offenders.

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

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

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

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

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

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

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

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

17           “(C) NON-SCHOOL HOURS REQUIRED.—

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

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

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

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

17                  “(b) STATEWIDE ACTIVITIES.—

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

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

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

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

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

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

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

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

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

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

12          (e) LOCAL ELEMENTS AND REQUIREMENTS.—

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

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

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

23           (C) in subparagraph (C)—

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

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

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

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

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

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

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

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

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

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

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

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

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

19                 “(K) on-the-job training opportunities; and  
20                 “(L) financial literacy skills.”.

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

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

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

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

9 **SEC. 422. COMPREHENSIVE PROGRAMS FOR ADULTS.**

10 (a) TITLE AMENDMENT.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 “(1) RESERVATION FOR OUTLYING AREAS.—

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

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

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

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

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

5           “(3) BASE FORMULA.—

6           “(A) FISCAL YEAR 2008.—

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

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

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

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

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

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

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

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

10 “(4) CONSOLIDATED FORMULA.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19                  “(B) ADJUSTMENTS IN ALLOTMENTS.—

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

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

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

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

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

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

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

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

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

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

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

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

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

3                   “(ii) UNCONSOLIDATED FORMULAS.—  
4                   For purposes of clause (i), the unconsoli-  
5                   dated formulas are:

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

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

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

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

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

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

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

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

16 (3) in subsection (c)—

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

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

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

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

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

13 (B) in paragraph (3)—

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

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

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

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

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

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

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

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

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

14 “(b) ALLOCATIONS TO LOCAL AREAS.—

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

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

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

24 “(2) ESTABLISHED FORMULA.—

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

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

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

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

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

1 “(C) DEFINITIONS.—

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

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

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

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

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

14          “(4) LOCAL ADMINISTRATIVE COST LIMIT.—

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

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

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

4 (3) in subsection (c)—

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

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

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

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

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

3           (C) by amending paragraph (3)—

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

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

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

12                and

13                 (iv) by striking the last sentence; and

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

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

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

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

4           “(1) IN GENERAL.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 “(D) labor exchange services, including—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4                   “(i) occupational skills training;

5                   “(ii) on-the-job training;

6                   “(iii) skill upgrading and retraining;

7                   “(iv) entrepreneurial training;

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

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

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

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

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

25                  “(E) PRIORITY.—

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

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

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

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

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

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

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

20 (vi) in subparagraph (G)—

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

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

5 (III) in clause (ii)—

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

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

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

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

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

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

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

3 (IV) in clause (iv)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 “(II) may include—

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

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

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

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

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

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

1 force in coordination with rapid  
2 response activities;

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

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

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

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

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

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

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

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

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

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

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

13          “(C) EMPLOYER MATCH REQUIRED.—

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

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

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

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

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

13 **SEC. 423. PERFORMANCE ACCOUNTABILITY SYSTEM.**

14                  (a) STATE PERFORMANCE MEASURES.—

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

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

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

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

25                   (A) in subparagraph (A)(i)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 (C) in clause (iii)—

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

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

10 (D) in clause (iv)—

11 (i) by striking subclause (I);

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

15 (iii) in subclause (I) (as so redesign-  
16 nated)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (2) in paragraph (2)—

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

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

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

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

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

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

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

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

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

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

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

18 and

19 (2) in paragraph (2), by striking “section 503”

20 and inserting “section 136(i)”.

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

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

24 (2) by amending paragraph (2)(B) to read as

25 follows:

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

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

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

13           “(1) INCENTIVE GRANTS FOR STATES.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 or

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

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

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

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

19 **SEC. 424. AUTHORIZATION OF APPROPRIATIONS.**

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

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

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

10 **SEC. 425. JOB CORPS.**

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

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

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

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

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

1           “(3) EMPLOYERS OUTSIDE OF LOCAL AREAS.—

2           The industry council may include, or otherwise pro-  
3           vide for consultation with, employers from outside  
4           the local area who are likely to hire a significant  
5           number of enrollees from the Job Corps center.

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

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

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

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

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

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

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

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

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

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

14 **SEC. 426. NATIVE AMERICAN PROGRAMS.**

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

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

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

1 **SEC. 427. MIGRANT AND SEASONAL FARMWORKER PRO-**  
2 **GRAMS.**

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

5 **SEC. 428. VETERANS’ WORKFORCE INVESTMENT PRO-**  
6 **GRAMS.**

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

10 **SEC. 429. YOUTH CHALLENGE GRANTS.**

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

13 **“SEC. 169. YOUTH CHALLENGE GRANTS.**

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

16 **“(1)** the Secretary shall use not less than 80  
17 percent to award competitive grants under sub-  
18 section (b); and

19 **“(2)** the Secretary may use not more than 20  
20 percent to award discretionary grants under sub-  
21 section (c).

22 **“(b) COMPETITIVE GRANTS TO STATES AND LOCAL**  
23 **AREAS.**—

24 **“(1) ESTABLISHMENT.**—From the funds de-  
25 scribed in subsection (a)(1), the Secretary shall  
26 award competitive grants to eligible entities to carry

1 out activities authorized under this section to assist  
2 eligible youth in acquiring the skills, credentials and  
3 employment experience necessary to succeed in the  
4 labor market.

5 “(2) ELIGIBLE ENTITIES.—Grants under this  
6 subsection may be awarded to States, local boards,  
7 recipients of grants under section 166 (relating to  
8 Native American programs), and public or private  
9 entities (including consortia of such entities) apply-  
10 ing in conjunction with local boards.

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

15 “(4) AUTHORITY TO REQUIRE MATCH.—The  
16 Secretary may require that grantees under this sub-  
17 section provide a non-Federal share of the cost of  
18 activities carried out under a grant awarded under  
19 this subsection.

20 “(5) PARTICIPANT ELIGIBILITY.—Youth ages  
21 14 through 19 as of the time the eligibility deter-  
22 mination is made may be eligible to participate in  
23 activities provided under this subsection.

24 “(6) USE OF FUNDS.—Funds under this sub-  
25 section may be used for activities that are designed

1 to assist youth in acquiring the skills, credentials  
2 and employment experience that are necessary to  
3 succeed in the labor market, including the activities  
4 identified in section 129. The activities may include  
5 activities such as—

6 “(A) training and internships for out-of-  
7 school youth in sectors of the economy experi-  
8 encing or projected to experience high growth;

9 “(B) after-school dropout prevention activi-  
10 ties for in-school youth;

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

14 “(D) activities combining remediation of  
15 academic skills, work readiness training, and  
16 work experience, and including linkages to post-  
17 secondary education, apprenticeships, and ca-  
18 reer-ladder employment.

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

24 “(A) a description of the activities the eli-  
25 gible entity will provide to eligible youth under

1           this subsection and how the eligible entity will  
2           collaborate with State and local workforce in-  
3           vestment systems established under this title in  
4           the provisions of such activities;

5           “(B) a description of the programs of dem-  
6           onstrated effectiveness on which the provision  
7           of the activities under subparagraph (A) are  
8           based, and a description of how such activities  
9           will expand the base of knowledge relating to  
10          the provision of activities for youth;

11          “(C) a description of the private and pub-  
12          lic, and local and State resources that will be le-  
13          veraged to provide the activities described under  
14          subparagraph (A) in addition to the funds pro-  
15          vided under this subsection and a description of  
16          the extent of the involvement of employers in  
17          the activities; and

18          “(D) the levels of performance the eligible  
19          entity expects to achieve with respect to the in-  
20          dicators of performance for youth specified in  
21          section 136(b)(2)(A)(ii).

22          “(8) FACTORS FOR AWARD.—

23                 “(A) IN GENERAL.—In awarding grants  
24                 under this subsection the Secretary shall con-  
25                 sider—

1                   “(i) the quality of the proposed activi-  
2                   ties;

3                   “(ii) the goals to be achieved;

4                   “(iii) the likelihood of successful im-  
5                   plementation;

6                   “(iv) the extent to which the proposed  
7                   activities are based on proven strategies or  
8                   the extent to which the proposed activities  
9                   will expand the base of knowledge relating  
10                  to the provision of activities for eligible  
11                  youth;

12                  “(v) the extent of collaboration with  
13                  the State and local workforce investment  
14                  systems in carrying out the proposed ac-  
15                  tivities;

16                  “(vi) the extent of employer involve-  
17                  ment in the proposed activities;

18                  “(vii) whether there are other Federal  
19                  and non-Federal funds available for similar  
20                  activities to the proposed activities, and the  
21                  additional State, local, and private re-  
22                  sources that will be provided to carry out  
23                  the proposed activities;

1                   “(viii) the quality of the proposed ac-  
2                   tivities in meeting the needs of the eligible  
3                   youth to be served; and

4                   “(ix) the extent to which the proposed  
5                   activities will expand on services provided  
6                   under section 127.

7                   “(B) EQUITABLE GEOGRAPHIC DISTRIBUTION.—In awarding grants under this sub-  
8                   section the Secretary shall ensure an equitable  
9                   distribution of such grants across geographi-  
10                  cally diverse areas.

11                  “(9) EVALUATION.—The Secretary may reserve  
12                  up to 5 percent of the funds described in sub-  
13                  section(a)(1) to provide technical assistance to, and  
14                  conduct evaluations of the projects funded under  
15                  this subsection (using appropriate techniques as de-  
16                  scribed in section 172(c)).

17                  “(c) DISCRETIONARY GRANTS FOR YOUTH ACTIVI-  
18                  TIES.—

19                  “(1) IN GENERAL.—From the funds described  
20                  in subsection(a)(2), the Secretary may award grants  
21                  to eligible entities to provide activities that will as-  
22                  sist youth in preparing for, and entering and retain-  
23                  ing, employment.  
24

1           “(2) ELIGIBLE ENTITIES.—Grants under this  
2 subsection may be awarded to public or private enti-  
3 ties that the Secretary determines would effectively  
4 carry out activities relating to youth under this sub-  
5 section.

6           “(3) PARTICIPANT ELIGIBILITY.—Youth ages  
7 14 through 19 at the time the eligibility determina-  
8 tion is made may be eligible to participate in activi-  
9 ties under this subsection.

10           “(4) USE OF FUNDS.—Funds provided under  
11 this subsection may be used for activities that will  
12 assist youth in preparing for, and entering and re-  
13 taining, employment, including the activities de-  
14 scribed in section 129 for out-of-school youth, activi-  
15 ties designed to assist in-school youth to stay in  
16 school and gain work experience, and such other ac-  
17 tivities that the Secretary determines are appro-  
18 priate.

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

24           “(6) ADDITIONAL REQUIREMENTS.—The Sec-  
25 retary may require the provision of a non-Federal

1 share for projects funded under this subsection and  
2 may require participation of grantees in evaluations  
3 of such projects, including evaluations using the  
4 techniques as described in section 172(c).”

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

“Sec. 169. Youth challenge grants.”

8 **SEC. 430. TECHNICAL ASSISTANCE.**

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

10 (1) by striking subsection (b);

11 (2) by striking

12 “(a) GENERAL TECHNICAL ASSISTANCE.—”;

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

16 (4) in subsection (a) (as redesignated by para-  
17 graph (3))—

18 (A) by inserting “the training of staff pro-  
19 viding rapid response services, the training of  
20 other staff of recipients of funds under this  
21 title, peer review activities under this title, as-  
22 sistance regarding accounting and program op-  
23 eration practices (when such assistance would  
24 not be duplicative to assistance provided by the  
25 State), technical assistance to States that do

1 not meet State performance measures described  
2 in section 136,” after “localities,”; and

3 (B) by striking “from carrying out activi-  
4 ties” and all that follows up to the period and  
5 inserting “to implement the amendments made  
6 by the Workforce Investment Improvement Act  
7 of 2007”; and

8 (5) by inserting, after subsection (c) (as reded-  
9 igned by paragraph (3)), the following:

10 “(d) BEST PRACTICES COORDINATION.—The Sec-  
11 retary shall—

12 “(1) establish a system through which States  
13 may share information regarding best practices with  
14 regard to the operation of workforce investment ac-  
15 tivities under this Act;

16 “(2) evaluate and disseminate information re-  
17 garding best practices and identify knowledge gaps;  
18 and

19 “(3) commission research under section 171(c)  
20 to address knowledge gaps identified under para-  
21 graph (2).”

22 **SEC. 431. DEMONSTRATION, PILOT, MULTISERVICE, RE-**  
23 **SEARCH AND MULTI-STATE PROJECTS.**

24 (a) DEMONSTRATION AND PILOT PROJECTS.—Sec-  
25 tion 171(b) (29 U.S.C. 2916(b)) is amended—

1 (1) in paragraph (1)—

2 (A) by striking “Under a” and inserting  
3 “Consistent with the priorities specified in the”;

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

6 “(A) projects that assist national employ-  
7 ers in connecting with the workforce investment  
8 system established under this title in order to  
9 facilitate the recruitment and employment of  
10 needed workers and to provide information to  
11 such system on skills and occupations in de-  
12 mand;

13 “(B) projects that promote the develop-  
14 ment of systems that will improve the effective-  
15 ness and efficiency of programs carried out  
16 under this title;

17 “(C) projects that focus on opportunities  
18 for employment in industries and sectors of in-  
19 dustries that are experiencing or are likely to  
20 experience high rates of growth, including those  
21 relating to information technology;

22 “(D) projects carried out by States and  
23 local areas to test innovative approaches to de-  
24 livering employment-related services;”;

25 (C) by striking subparagraph (E);

1 (D) by redesignating subparagraphs (F)  
2 and (G) as subparagraphs (E) and (F), respec-  
3 tively;

4 (E) in subparagraph (F) (as so redesign-  
5 ated, by striking “; and” and inserting a semi-  
6 colon;

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

9 “(G) projects carried out by States and  
10 local areas to assist adults or out of school  
11 youth in starting a small business, including  
12 training and assistance in business or financial  
13 management or in developing other skills nec-  
14 essary to operate a business;” and

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

17 “(H) projects that focus on opportunities  
18 for employment in industries and sectors of in-  
19 dustries that are being transformed by tech-  
20 nology and innovation requiring new knowledge  
21 or skill sets for workers, including advanced  
22 manufacturing; and”; and

23 (2) in paragraph (2)—

24 (A) by striking subparagraph (B); and

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

3 (b) MULTISERVICE PROJECTS.—Section  
4 171(c)(2)(B) (29 U.S.C. 2916(c)(2)(B)) is amended to  
5 read as follows:

6 “(B) NET IMPACT STUDIES AND RE-  
7 PORTS.—The Secretary shall conduct studies to  
8 determine the net impacts of programs, serv-  
9 ices, and activities carried out under this title.  
10 The Secretary shall prepare and disseminate to  
11 Congress and the public reports containing the  
12 results of such studies.”

13 **SEC. 432. COMMUNITY-BASED JOB TRAINING.**

14 Section 171(d) is amended to read as follows:

15 “(d) COMMUNITY-BASED JOB TRAINING.—

16 “(1) DEMONSTRATION PROJECT.—In addition  
17 to the demonstration projects under subsection (b),  
18 the Secretary may establish and implement a na-  
19 tional demonstration project designed to develop  
20 local solutions to the workforce challenges facing  
21 high-growth, high-skill industries with labor short-  
22 ages, and increase opportunities for workers to gain  
23 access to employment in high-growth, high-demand  
24 occupations by promoting the establishment of part-  
25 nerships among education entities, the workforce in-

1 investment system, and businesses in high-growth,  
2 high-skill industries.

3 “(2) GRANTS.—In carrying out the demonstra-  
4 tion project under this subsection, the Secretary  
5 shall award competitive grants, in accordance with  
6 generally applicable Federal requirements, to eligible  
7 entities to carry out activities authorized under this  
8 subsection.

9 “(3) DEFINITIONS.—

10 “(A) ELIGIBLE ENTITY.—In this sub-  
11 section, the term ‘eligible entity’ means a com-  
12 munity college or consortium of community col-  
13 leges that shall work in conjunction with—

14 “(i) the local workforce investment  
15 system; and

16 “(ii) business or businesses in a quali-  
17 fied industry or an industry association in  
18 a qualified industry.

19 “(B) QUALIFIED INDUSTRY.—In this sub-  
20 section, the term ‘qualified industry’ means an  
21 industry or economic sector that is projected to  
22 experience significant growth, such as an indus-  
23 try and economic sector that—

24 “(i) is projected to add substantial  
25 numbers of new jobs to the economy;

1                   “(ii) has significant impact on the  
2                   economy;

3                   “(iii) impacts the growth of other in-  
4                   dustries and economic sectors;

5                   “(iv) is being transformed by tech-  
6                   nology and innovation requiring new  
7                   knowledge or skill sets for workers;

8                   “(v) is a new or emerging industry or  
9                   economic sector that is projected to grow;  
10                  or

11                  “(vi) has high-skilled occupations and  
12                  significant labor shortages in the local  
13                  area.

14                  “(C) COMMUNITY COLLEGE.—As used in  
15                  this subsection, the term ‘community college’  
16                  means an institution of higher education, as de-  
17                  fined in section 101 of the Higher Education  
18                  Act of 1965 (20 U.S.C. 1001), that provides  
19                  not less than a 2-year program that is accept-  
20                  able for full credit toward a bachelor’s degree,  
21                  or is a tribally controlled college or university.

22                  “(4) AUTHORITY TO REQUIRE NON-FEDERAL  
23                  SHARE.—The Secretary may require that recipients  
24                  of grants under this subsection provide a non-Fed-  
25                  eral share, from either cash or noncash resources, of

1 the costs of activities carried out under a grant  
2 awarded under this subsection.

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

5 “(A) the development, by a community col-  
6 lege, in consultation with representatives of  
7 qualified industries, of rigorous training and  
8 education programs related to employment in a  
9 qualified industry identified in the eligible enti-  
10 ty’s application;

11 “(B) training of adults and dislocated  
12 workers in the skills and competencies needed  
13 to obtain or upgrade employment in a qualified  
14 industry identified in the eligible entity’s appli-  
15 cation;

16 “(C) disseminating to adults and dis-  
17 located workers, through the one-stop delivery  
18 system, information on high-growth, high-de-  
19 mand occupations in qualified industries;

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

23 “(E) increasing the integration of commu-  
24 nity colleges with activities of businesses and

1 the one-stop delivery system to meet the train-  
2 ing needs for qualified industries.

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

8 “(A) a description of the eligible entity  
9 that will offer training under the grant;

10 “(B) an economic analysis of the local  
11 labor market to identify high-growth, high-de-  
12 mand industries, identify the workforce issues  
13 faced by those industries, and potential partici-  
14 pants in programs funded under this sub-  
15 section;

16 “(C) a description of the qualified industry  
17 for which training will occur and the availability  
18 of competencies on which training will be based  
19 and how the grant will help workers acquire the  
20 competencies and skills necessary for employ-  
21 ment;

22 “(D) an assurance that the application was  
23 developed in consultation with the local board  
24 or boards and businesses, including small busi-

1 nesses, in the geographic area or areas where  
2 the proposed grant will be used;

3 “(E) performance measures for the grant,  
4 including expected number of individuals to be  
5 trained in a qualified industry, the employment  
6 and retention rates for such individuals in a  
7 qualified industry, and earnings increases for  
8 such individuals;

9 “(F) a description of how the activities  
10 funded by the proposed grant will be coordi-  
11 nated with activities provided through the one-  
12 stop delivery system in the local area or areas;  
13 and

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

19 “(7) FACTORS FOR AWARD OF GRANT.—

20 “(A) IN GENERAL.—In awarding grants  
21 under this subsection the Secretary shall con-  
22 sider—

23 “(i) the extent of public and private  
24 collaboration, including existing partner-  
25 ships among industries, community col-

1           leges, and the public workforce investment  
2           system;

3           “(ii) the extent to which the grant will  
4           provide job seekers with employment op-  
5           portunities in high-growth, high-demand  
6           occupations;

7           “(iii) the extent to which the grant  
8           will expand the eligible entity and local  
9           one-stop delivery system’s capacity to be  
10          demand-driven and responsive to local eco-  
11          nomic needs;

12          “(iv) the extent to which local busi-  
13          nesses commit to hire or retain individuals  
14          who receive training through the grant;  
15          and

16          “(v) the extent to which the eligible  
17          entity commits to make any newly devel-  
18          oped products, such as competencies or  
19          training curriculum, available for distribu-  
20          tion nationally.

21          “(B) LEVERAGING OF RESOURCES.—In  
22          awarding grants under this subsection, the Sec-  
23          retary shall also consider—

24          “(i) the extent to which local or pri-  
25          vate resources, in addition to the funds

1 provided under this subsection, will be  
2 made available to support the activities  
3 carried out under this subsection; and

4 “(ii) the ability of an eligible entity to  
5 continue to carry out and expand such ac-  
6 tivities after the expiration of the grant.

7 “(C) DISTRIBUTION OF GRANTS.—In  
8 awarding grants under this subsection the Sec-  
9 retary shall ensure an equitable distribution of  
10 such grants across geographically diverse areas.

11 “(8) PERFORMANCE ACCOUNTABILITY AND  
12 EVALUATION.—

13 “(A) PERFORMANCE ACCOUNTABILITY.—  
14 The Secretary shall require an eligible entity  
15 that receives a grant under this subsection to  
16 report to the Secretary on the employment out-  
17 comes obtained by individuals receiving training  
18 under this subsection using the indicators of  
19 performance identified in the eligible entity's  
20 grant application.

21 “(B) EVALUATION.—The Secretary may  
22 require that an eligible entity that receives a  
23 grant under this subsection participate in an  
24 evaluation of activities carried out under this

1 subsection, including an evaluation using the  
2 techniques described in section 172(c).”

3 **SEC. 433. EVALUATIONS.**

4 (a) **IMPACT ANALYSIS.**—Section 172(a)(4) (29  
5 U.S.C. 2917(a)(4)) is amended to read as follows:

6 “(4) the impact of receiving services and not re-  
7 ceiving services under such programs and activities  
8 on the community, businesses, and individuals;” and

9 (b) **TECHNIQUES.**—Section 172(c) (29 U.S.C.  
10 2917(c)) is amended to read as follows:

11 “(c) **TECHNIQUES.**—Evaluations conducted under  
12 this section shall utilize appropriate and rigorous method-  
13 ology and research designs, including the use of control  
14 groups chosen by scientific random assignment methodolo-  
15 gies, quasi-experimental methods, impact analysis and the  
16 use of administrative data. The Secretary shall conduct  
17 an impact analysis, as described in subsection (a)(4), of  
18 the formula grant programs under subtitle B not later  
19 than 2010, and thereafter shall conduct such an analysis  
20 not less than once every four years.”

21 **SEC. 434. NATIONAL DISLOCATED WORKER GRANTS.**

22 (a) **IN GENERAL.**—Section 173 (29 U.S.C. 2916) is  
23 amended—

24 (1) by amending the designation and heading to  
25 read as follows:

1 "SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.";

2 and

3 (2) in subsection (a)—

4 (A) by striking "national emergency  
5 grants" in the matter preceding paragraph (1)  
6 and inserting "national dislocated worker  
7 grants"; and

8 (B) in paragraph (1), by striking "sub-  
9 section (c)" and inserting "subsection (b)".

10 (3) by striking subsections (b) and (e) and re-  
11 designating subsections (c), (d), (f), and (g) as sub-  
12 sections (b) through (e), respectively;

13 (4) in subsection (b)(1)(B) as so redesignated),  
14 by striking ", and other entities" and all that follows  
15 and inserting a period; and

16 (5) in subsection (b)(2)(A) (as so redesign-  
17 ated)—

18 (A) in clause (iii), by striking "; or" and  
19 inserting a semicolon;

20 (B) in clause (iv)(IV) by striking the pe-  
21 riod and inserting "; or"; and

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

23 "(v) is the spouse of a member of the  
24 Armed Forces who is on active duty or  
25 full-time National Guard duty, or who was  
26 recently separated from such duties, and



1 **SEC. 436. REQUIREMENTS AND RESTRICTIONS.**

2 (a) **IN GENERAL.**—Section 181(c)(2)(A) (29 U.S.C.  
3 2931(c)(2)(A)) is amended in the matter preceding clause  
4 (i) by striking “shall” and inserting “may”.

5 (b) **LIMITATIONS.**—Section 181(e) (29 U.S.C.  
6 2931(e)) is amended by striking “training for” and insert-  
7 ing “the entry into employment, retention in employment,  
8 or increases in earnings of”.

9 (c) **SALARY CAP.**—Section 181 (29 U.S.C. 2931) is  
10 further amended by adding at the end the following new  
11 subsection:

12 “(g) **SALARY AND BONUS LIMITATION.**—No funds  
13 provided under this title shall be used by a recipient or  
14 subrecipient of such funds to pay the salary and bonuses  
15 of an individual, either as direct costs or indirect costs,  
16 at a rate in excess of Level II of the Federal Executive  
17 Pay Schedule (5 U.S.C. 5313). This limitation shall not  
18 apply to vendors providing goods and services as defined  
19 in OMB Circular A-133. Where States are recipients of  
20 such funds, States may establish a lower limit for salaries  
21 and bonuses of those receiving salaries and bonuses from  
22 subrecipients of such funds, taking into account factors  
23 including the relative cost-of-living in the State, the com-  
24 pensation levels for comparable State or local government  
25 employees, and the size of the organizations that admin-  
26 ister the programs.”.

1 (d) REPORTS TO CONGRESS.—Section 185 (29  
2 U.S.C. 2935) is amended—

3 (1) in subsection (c)—

4 (A) in paragraph (2), by striking “and”  
5 after the semicolon;

6 (B) in paragraph (3), by striking the pe-  
7 riod and inserting “; and”; and

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

9 “(4) shall have the option to submit or dissemi-  
10 nate electronically any reports, records, plans, or any  
11 other data that are required to be collected or dis-  
12 seminated under this title.”; and

13 (2) in paragraph (e)(2), by inserting “and the  
14 Secretary shall submit to the Committee on Edu-  
15 cation and Labor of the House of Representatives  
16 and the Committee on Health, Education, Labor,  
17 and Pensions of the Senate,” after “Secretary,”.

18 **SEC. 437. NONDISCRIMINATION.**

19 Section 188(a)(2) (29 U.S.C. 2931(a)(2)) is amended  
20 to read as follows:

21 “(2) PROHIBITION OF DISCRIMINATION RE-  
22 GARDING PARTICIPATION, BENEFITS, AND EMPLOY-  
23 MENT.—

24 “(A) IN GENERAL.—Except as provided in  
25 subparagraph (B), no individual shall be ex-

1           cluded from participation in, denied the benefits  
2           of, subjected to discrimination under, or denied  
3           employment in the administration of or in con-  
4           nection with, any such program or activity be-  
5           cause of race, color, religion, sex (except as oth-  
6           erwise permitted under title IX of the Edu-  
7           cation Amendments of 1972), national origin,  
8           age, disability, or political affiliation or belief.

9           “(B) EXEMPTION FOR RELIGIOUS ORGANI-  
10          ZATIONS.—Subparagraph (A) shall not apply to  
11          a recipient of financial assistance under this  
12          title that is a religious corporation, association,  
13          educational institution, or society, with respect  
14          to the employment of individuals of a particular  
15          religion to perform work connected with the  
16          carrying on by such corporation, association,  
17          educational institution, or society of its activi-  
18          ties. Such recipients shall comply with the other  
19          requirements contained in subparagraph (A).”.

20 **SEC. 438. ADMINISTRATIVE PROVISIONS.**

21          (a) PROGRAM YEAR.—Section 189(g)(1) (29 U.S.C.  
22          2939(g)(1)) is amended to read as follows:

23                 “(1) IN GENERAL.—Appropriations for any fis-  
24                 cal year for programs and activities carried out  
25                 under this title shall be available for obligation only

1 on the basis of a program year. The program year  
2 shall begin on July 1 in the fiscal year for which the  
3 appropriation is made.”

4 (b) AVAILABILITY.—Section 189(g)(2) (29 U.S.C.  
5 2939(g)(2)) is amended by striking “each State” and in-  
6 serting “each recipient”.

7 (c) GENERAL WAIVERS.—Section 189(i)(4) (29  
8 U.S.C. 2939(i)(4)) is amended—

9 (1) in subparagraph (A)—

10 (A) in the matter preceding clause (i), by  
11 inserting “, or in accordance with subparagraph  
12 (D)” after “subparagraph (B)”; and

13 (B) by striking clause (ii), the clause (i)  
14 designation and the dash preceding such des-  
15 ignation, and moving the remaining text flush  
16 with the preceding matter; and

17 (2) by adding the following subparagraph:

18 “(D) EXPEDITED PROCESS FOR EXTEND-  
19 ING APPROVED WAIVERS TO ADDITIONAL  
20 STATES.—In lieu of the requirements of sub-  
21 paragraphs (B) and (C), the Secretary may es-  
22 tablish an expedited procedure for the purpose  
23 of extending to additional States the waiver of  
24 statutory or regulatory requirements that have  
25 been approved for a State pursuant to a request

1 under subparagraph (B). Such procedure shall  
2 ensure that the extension of such waivers to ad-  
3 ditional States are accompanied by appropriate  
4 conditions relating the implementation of such  
5 waivers.”.

6 **SEC. 439. STATE LEGISLATIVE AUTHORITY.**

7 Section 191 is amended—

8 (1) in subsection (a), by striking “consistent  
9 with the provisions of this title” and inserting “con-  
10 sistent with State law and the provisions of this  
11 title”; and

12 (2) in subsection (a), by striking “consistent  
13 with the terms and conditions required under this  
14 title” and inserting “consistent with State law and  
15 the terms and conditions required under this title”.

16 **SEC. 440. WORKFORCE INNOVATION IN REGIONAL ECO-  
17 NOMIC DEVELOPMENT.**

18 (a) **WORKFORCE INNOVATION IN REGIONAL ECO-  
19 NOMIC DEVELOPMENT.**—Section 192 (29 U.S.C. 2942) is  
20 amended to read as follows:

21 **“SEC. 192. WORKFORCE INNOVATION IN REGIONAL ECO-  
22 NOMIC DEVELOPMENT.**

23 **“(a) WORKFORCE INNOVATION IN REGIONAL ECO-  
24 NOMIC DEVELOPMENT PLANS.—**

1           “(1) IN GENERAL.—The Secretary, in coopera-  
2           tion with other federal agency heads responsible for  
3           the administration of programs included in plans  
4           submitted under this subsection, may approve Work-  
5           force Innovation in Regional Economic Development  
6           (in this subsection referred to as WIRED) plans  
7           submitted by a State pursuant to paragraph (2) to  
8           support the development of regional economies in  
9           order to foster economic development, expand em-  
10          ployment, and advancement opportunities for work-  
11          ers and to promote the creation of high-skill and  
12          high-wage opportunities.

13          “(2) CONTENTS OF PLAN.—To have a WIRED  
14          plan approved under this subsection, a State and the  
15          region or regions identified in subparagraph (A)  
16          shall jointly submit a plan to the Secretary at such  
17          time, in such manner, and containing such informa-  
18          tion as the Secretary may require, including—

19                 “(A) the identification of the multi-county  
20                 region or regions that is to be the focus of the  
21                 activities provided under the plan, including  
22                 identification of the communities in the region  
23                 that share common characteristics, and a de-  
24                 scription of why the selected area comprises a  
25                 regional economy;

1           “(B) a description of the broad-based re-  
2           gional partnership that has been created for the  
3           region identified in subparagraph (A) rep-  
4           resenting the major assets of the region, con-  
5           sistent with the requirements of paragraph (3),  
6           and that will assist in developing the economic  
7           vision described in subparagraph (D), the strat-  
8           egies described in subparagraph (E), and pro-  
9           vide a forum for regional economic decision-  
10          making, including a description of the partner-  
11          ship’s involvement, particularly that of rep-  
12          resentatives of affected local boards and chief  
13          elected officials, in the development of the plan;

14          “(C) a description of the assets of the re-  
15          gion identified in subparagraph (A), based on a  
16          regional assessment, and identification of the  
17          strengths, weaknesses, opportunities, and risks  
18          based on those assets;

19          “(D) a description of an economic vision  
20          for the region identified in subparagraph (A),  
21          based on the identified strengths and assets de-  
22          scribed in subparagraph (C), and evidence of  
23          support for that vision from the broad-based re-  
24          gional partnership described in subparagraph  
25          (B);

1           “(E) a description of the talent develop-  
2           ment and related strategies that provide a blue-  
3           print for how to achieve the economic vision for  
4           the region as described in subparagraph (D),  
5           including the activities to be carried out under  
6           this subsection, consistent with paragraphs (5)  
7           and (6), and the identification of specific goals  
8           associated with those strategies;

9           “(F) information on the workforce develop-  
10          ment programs to be integrated in the region,  
11          in accordance with the requirements of para-  
12          graph (4), into an integrated workforce develop-  
13          ment program, including—

14                 “(i) identification of the programs to  
15                 be integrated;

16                 “(ii) the amount and proportion of the  
17                 resources available to the region under  
18                 each of the integrated programs to carry  
19                 out the strategies described in subpara-  
20                 graph (E);

21                 “(iii) a description of how these re-  
22                 sources will be used to accomplish the vi-  
23                 sion identified in subparagraph (D), in-  
24                 cluding the services to be provided and

1           how such services will be provided, con-  
2           sistent with clause (iv) and paragraph (5);

3           “(iv) assurances that in carrying out  
4           the wired plan—

5                       “(I) the region, through the inte-  
6                       grated workforce development pro-  
7                       gram, will maintain a local workforce  
8                       investment board, or a regional work-  
9                       force investment board, that is sub-  
10                      stantially similar to the local work-  
11                      force investment boards required  
12                      under section 117 of this Act, that  
13                      such board will carry out functions  
14                      that are substantially similar to those  
15                      described under section 117(d), and,  
16                      that such region shall submit to the  
17                      State for approval a local plan for the  
18                      region that is substantially similar to  
19                      the local plans required under section  
20                      118 of this Act;

21                      “(II) the region, through the in-  
22                      tegrated workforce development pro-  
23                      gram, will maintain a one-stop deliv-  
24                      ery system that is consistent with the

1 requirements of section 121 of this  
2 Act;

3 “(III) the region, through the in-  
4 tegrated workforce development pro-  
5 gram, will serve populations consistent  
6 with the populations served by the  
7 programs being integrated, and will  
8 provide universal access to work ready  
9 services as described in section  
10 134(d)(2) of this Act;

11 “(IV) the region, in carrying out  
12 the integrated workforce development  
13 program, will comply with the vet-  
14 erans’ priority of service requirement  
15 under section 4215 of title 38, United  
16 States Code;

17 “(V) of the funds expended  
18 under the integrated workforce devel-  
19 opment program each year, not more  
20 than 10 percent of such funds will be  
21 expended on the costs of administra-  
22 tion (as defined by the Secretary);

23 “(VI) the services provided under  
24 the integrated workforce development  
25 program will be coordinated with em-

1                   employment-related programs not in-  
2                   cluded under the integrated workforce  
3                   program;

4                   “(VII) the region, in carrying out  
5                   the integrated workforce development  
6                   program, will comply with require-  
7                   ments under this title relating to wage  
8                   and labor standards (including non-  
9                   displacement provisions), grievance  
10                  procedures and judicial review, and  
11                  nondiscrimination;

12                  “(G) an assurance that each local work-  
13                  force board and chief elected official included in  
14                  the region that will carry out the integrated  
15                  workforce development plan has approved the  
16                  plan;

17                  “(H) information on the community and  
18                  economic development programs, if any, that  
19                  will provide a portion of funds that will be inte-  
20                  grated to carry out the strategies described in  
21                  subparagraph (E), in accordance with the re-  
22                  quirements of paragraph (6), including—

23                  “(i) identification of the included com-  
24                  munity and economic development pro-  
25                  grams;

1                   “(ii) the amount and proportion of the  
2                   resources available to the State under each  
3                   such program that will be used in the re-  
4                   gion to carry out the strategies described  
5                   in subparagraph (E);

6                   “(iii) a description of how these re-  
7                   sources will be used to assist in accom-  
8                   plishing the vision identified in subpara-  
9                   graph (D), including the activities to be  
10                  carried out;

11                  “(I) in addition to the resources described  
12                  under subparagraphs (F) and (G), identifica-  
13                  tion of other resources that will be used to sup-  
14                  port the strategies of the region described in  
15                  subparagraph (E), from a wide range of  
16                  sources, including foundations, private invest-  
17                  ment such as venture capital, and federal, state,  
18                  and local governments.

19                  “(3) BROAD-BASED REGIONAL PARTNERSHIP.—  
20                  For purposes of this subsection, a broad-based re-  
21                  gional partnership—

22                  “(A) shall include—

23                  “(i) representatives from each of the  
24                  local workforce investment systems in the  
25                  region identified under paragraph (2)(A),

1 such as the chairpersons or executive direc-  
2 tors of affected local workforce investment  
3 boards in such region;

4 “(ii) representatives of the education  
5 system in the region identified under para-  
6 graph (2)(A), including representatives  
7 from each of the following:

8 “(I) The K–12 public school sys-  
9 tems;

10 “(II) Community colleges; and

11 “(III) Four-year educational in-  
12 stitutions;

13 “(iii) representatives of businesses  
14 and industry associations in the region  
15 identified under paragraph (2)(A);

16 “(iv) the chief elected officials from  
17 each of the affected local areas identified  
18 under paragraph (2)(A); and

19 “(v) representatives of local and re-  
20 gional economic development agencies in  
21 the region identified under paragraph  
22 (2)(A); and

23 “(B) may include—

24 “(i) representatives of the philan-  
25 thropic community;

1           “(ii) representatives of postsecondary  
2           education and training providers in addi-  
3           tion to those described in subparagraph  
4           (A)(ii);

5           “(iii) representatives of private invest-  
6           ment entities such as seed and venture  
7           capital organizations; investor networks;  
8           and entrepreneurs;

9           “(iv) representatives of faith and com-  
10          munity-based organizations; and

11          “(v) representatives of such other  
12          Federal, state or local entities and organi-  
13          zations that may enhance the carrying out  
14          of the activities of the partnership.

15          “(4) INTEGRATION OF WORKFORCE DEVELOP-  
16          MENT SERVICES AUTHORIZED.—

17          “(A) AUTHORIZATION FOR INTEGRA-  
18          TION.—In carrying out this subsection, the Sec-  
19          retary of Labor, in cooperation with the federal  
20          agency heads responsible for the administration  
21          of the workforce development programs de-  
22          scribed in subparagraph (D) that are included  
23          in the WIRED plan submitted by the State,  
24          shall, upon the approval of the plan submitted  
25          under paragraph (2), authorize the State to in-

1           tegrate programs as described in subparagraph  
2           (B).

3           “(B) INTEGRATION.—The authorization  
4           shall give the State the authority to integrate,  
5           in accordance with such approved plan, the fed-  
6           erally-funded programs described in subpara-  
7           graph (D) that are included in the approved  
8           plan, in a manner that integrates those pro-  
9           grams into a single, coordinated, comprehensive  
10          workforce development program to achieve the  
11          economic vision identified in such plan for the  
12          region.

13          “(C) EFFECT ON PROGRAM REQUIRE-  
14          MENTS.—The provisions of the approved grant  
15          application and the requirements of this sub-  
16          section shall supersede the requirements of the  
17          statutes authorizing the programs included for  
18          integration in such approved plan, except as  
19          otherwise specified in this subsection.

20          “(D) INCLUDED WORKFORCE DEVELOP-  
21          MENT PROGRAMS.—

22                 “(i) MANDATORY PROGRAMS.—A  
23                 WIRED plan authorized under this sub-  
24                 section shall include the workforce invest-

1                   ment activities for adults authorized under  
2                   chapter 5 of subtitle B.

3                   “(ii) ADDITIONAL PROGRAMS.—In ad-  
4                   dition to the integration of the programs  
5                   described in clause (i) into a single pro-  
6                   gram, a WIRED plan may include integra-  
7                   tion of one or more of the following pro-  
8                   grams as part of such single program—

9                   “(I) the program of workforce in-  
10                  vestment activities for youth author-  
11                  ized under chapter 4 of subtitle B; or

12                  “(II) any of the other required  
13                  one-stop partner programs and activi-  
14                  ties described in section 121(b)(1)(B)  
15                  of this Act.

16                  “(5) WORKFORCE DEVELOPMENT ACTIVITIES  
17                  TO BE CARRIED OUT UNDER WIRED PLAN.—The  
18                  workforce development activities carried out under a  
19                  WIRED plan may include—

20                  “(A) job training and related activities for  
21                  workers to assist them in gaining the skills and  
22                  competencies needed to obtain or upgrade em-  
23                  ployment in industries or economic sectors pro-  
24                  jected to experience significant growth in the

1 region identified in paragraph (2)(A), includ-  
2 ing—

3 “(i) activities supporting talent devel-  
4 opment related to entrepreneurship and  
5 small business development; and

6 “(ii) the purchase of equipment to  
7 train job seekers and workers for high-  
8 growth occupations;

9 “(B) activities to enhance the training and  
10 related activities described in subparagraph (A)  
11 and to promote workforce development in the  
12 region identified in paragraph (2)(A), includ-  
13 ing—

14 “(i) the development and implementa-  
15 tion of model activities, such as developing  
16 appropriate curricula to build core com-  
17 petencies and train workers in the region;

18 “(ii) identifying and disseminating ca-  
19 reer and skill information relating to the  
20 region;

21 “(iii) developing or purchasing re-  
22 gional data tools or systems to deepen un-  
23 derstanding of the regional economy and  
24 labor market; and

1                   “(iv) integrated regional planning,  
2                   such as increasing the integration of com-  
3                   munity and technical college activities with  
4                   activities of businesses and the public  
5                   workforce investment system to meet the  
6                   training needs of high growth industries in  
7                   the region.

8                   “(C) appropriate employment-related ac-  
9                   tivities and services authorized under the work-  
10                  force development programs that are integrated  
11                  under the plan in accordance with paragraphs  
12                  (2)(F) and (4) that will assist achieving the  
13                  economic vision described in paragraph (2)(D)  
14                  and in implementing the strategies described in  
15                  paragraph (2)(E).

16                  “(6) INTEGRATION OF COMMUNITY AND ECO-  
17                  NOMIC DEVELOPMENT FUNDS AUTHORIZED.—

18                  “(A) AUTHORIZATION FOR INTEGRATION  
19                  OF FUNDS.—In carrying out this subsection,  
20                  the Secretary of Labor, in cooperation with the  
21                  federal agency heads responsible for the admin-  
22                  istration of the community and economic devel-  
23                  opment programs described in subparagraph  
24                  (D) that are included in the WIRED plan sub-  
25                  mitted by the State, shall, upon the approval of

1 the plan submitted under paragraph (2), au-  
2 thorize the State to integrate the portion of the  
3 funds from such programs to assist in imple-  
4 menting such plans.

5 “(B) INTEGRATION.—The authorization  
6 shall give the State the authority to integrate,  
7 in accordance with such approved plan, funds  
8 provided under programs identified from sub-  
9 paragraph (D) to carry out the community and  
10 economic development activities described in  
11 paragraph (2)(G).

12 “(C) EFFECT ON PROGRAM REQUIRE-  
13 MENTS.—The integrated funds may be used,  
14 consistent with the description contained in  
15 paragraph (2)(G), to carry out any of the ac-  
16 tivities authorized under any the programs de-  
17 scribed in subparagraph (D) that are included  
18 in the plan.

19 “(D) INCLUDED COMMUNITY AND ECO-  
20 NOMIC DEVELOPMENT PROGRAMS.—The funds  
21 that may be integrated under this paragraph  
22 are funds provided under—

23 “(i) Community Development Block  
24 Grants authorized under title I of the

1           Housing and Community Development Act  
2           of 1974 (42 U.S.C. 5301-5321);

3           “(ii) grants authorized under the  
4           Community Services Block Grant Act (42  
5           U.S.C. 9901 et seq.);

6           “(iii) Public Works and Economic De-  
7           velopment Grants authorized under section  
8           201 of the Public Works and Economic  
9           Development Act of 1965 (42 U.S.C.  
10          3141);

11          “(iv) Rural Business Enterprise  
12          Grants authorized under the Consolidated  
13          Farm and Rural Development Act (7  
14          U.S.C. 1932);

15          “(v) Rural Business Opportunity  
16          Grants authorized under section  
17          741(a)(11) of the Federal Agriculture Im-  
18          provement and Reform Act of 1996 (42  
19          U.S.C. 1926(a)(11);

20          “(vi) grants authorized under the  
21          Brownfields Economic Development Initia-  
22          tive; and

23          “(vii) Rural Housing and Economic  
24          Development grants.

1           “(7) SPECIAL RULE.—If a State elects not to  
2 submit a WIRED plan described in paragraph (2)  
3 for approval or does not have a plan approved under  
4 paragraph (2), the Secretary may approve a WIRED  
5 plan submitted by a local workforce investment  
6 board or a regional workforce investment board that  
7 serves a region within such State, if the plan meets  
8 all other requirements of this section.

9           “(8) PERFORMANCE MEASURES AND REPORT-  
10 ING.—

11           “(A) PERFORMANCE MEASURES.—The  
12 Secretary shall establish performance measures  
13 that will be used to evaluate the effectiveness of  
14 activities carried out under this subsection and  
15 shall require such entities to report to the Sec-  
16 retary on the employment outcomes obtained by  
17 individuals receiving training under this sub-  
18 section using those core indicators of perform-  
19 ance described in section 136(b)(2).

20           “(B) REPORTING.—Each State with an  
21 approved plan under this subsection shall en-  
22 sure that records are maintained and reports  
23 are submitted, in such form and containing  
24 such information, as the Secretary may require

1           regarding the performance of programs and ac-  
2           tivities carried out under this subsection.

3           “(9) TECHNICAL ASSISTANCE AND EVALUA-  
4           TION.—

5           “(A) TECHNICAL ASSISTANCE.—The Sec-  
6           retary shall provide such staff training, tech-  
7           nical assistance, and other activities as the Sec-  
8           retary deems appropriate to support the imple-  
9           mentation of this subsection.

10          “(B) EVALUATION.—The Secretary may  
11          require that States with an approved plan  
12          under this subsection to participate in an eval-  
13          uation of activities carried out under this sub-  
14          section, including an evaluation using the tech-  
15          niques described in section 172(c).

16          “(10) PLAN REVIEW.—Upon receipt of a  
17          WIRED plan from the Governor, the Secretary shall  
18          consult with the Federal agency head responsible for  
19          the administration of any of the programs included  
20          in the plan pursuant to paragraph (4) or (6).

21          “(11) FEDERAL RESPONSIBILITIES.—

22          “(A) INTERAGENCY MEMORANDUM OF UN-  
23          DERSTANDING.—Within 90 days following the  
24          date of enactment of this subsection, the Sec-  
25          retary and the federal agency heads responsible

1 for programs that could be included in a plan  
2 approved under this subsection pursuant to  
3 paragraph (4) or (6) shall enter into an inter-  
4 departmental memorandum of agreement pro-  
5 viding for the implementation of WIRED plans  
6 with respect to the integration of programs and  
7 funds administered by each Secretary.

8 “(B) INTERAGENCY FUNDS TRANSFERS  
9 AUTHORIZED.—The Secretary and the federal  
10 agency heads responsible for the programs that  
11 are included in a plan approved under para-  
12 graph (4) or (6) are authorized to take such ac-  
13 tion as may be necessary to provide for intra-  
14 agency or interagency transfers of funds other-  
15 wise available to a State in order to further the  
16 purposes of this subsection.

17 “(12) ADMINISTRATION OF FUNDS.—

18 “(A) SEPARATE RECORDS NOT RE-  
19 QUIRED.—Nothing in this subsection shall be  
20 construed as requiring the region to maintain  
21 separate records tracing any services or activi-  
22 ties conducted under an approved WIRED plan  
23 to the programs under which funds were origi-  
24 nally authorized, nor shall the State be required  
25 to allocate expenditures among such programs.

1                   “(B) SINGLE AUDIT ACT.—Nothing in this  
2                   section shall be construed to interfere with the  
3                   ability of the Secretary to fulfill the responsibil-  
4                   ities for the safeguarding of Federal funds pur-  
5                   suant to the Single Audit Act of 1984.

6                   “(b) AUTHORITY TO CARRY OUT ADDITIONAL  
7                   WIRED ACTIVITIES UNDER WIA.—

8                   “(1) AUTHORIZATION FOR USE OF CERTAIN  
9                   FUNDS UNDER WIA.—Funds available under sections  
10                  128(a), 133(a), 171, and 173 of this Act may be  
11                  used by recipients and subrecipients of those funds  
12                  for WIRED activities, as defined in paragraph (2),  
13                  in addition to the other activities for which such  
14                  funds are authorized to be used.

15                  “(2) DEFINITION.—For purposes of this sub-  
16                  section, WIRED activities include—

17                         “(A) WIRED planning activities, includ-  
18                         ing—

19                                 “(i) defining the regional economy;

20                                 “(ii) creating a broad-based regional  
21                                 partnership that assists in developing the  
22                                 economic vision described in clause (iv),  
23                                 the strategies described in clause (v), and  
24                                 that provides a forum for regional eco-  
25                                 nomic decision-making;

1                   “(iii) conducting an assessment of the  
2 regional economy to map the assets of a  
3 region and identify the strengths, weak-  
4 nesses, opportunities and risks based on  
5 those assets;

6                   “(iv) developing an economic vision  
7 based on those strengths and assets;

8                   “(v) developing strategies and cor-  
9 responding implementation plans that  
10 identify specific goals and tasks and pro-  
11 vides a blueprint for how to achieve the  
12 economic vision for the region; and

13                   “(vi) identifying resources to support  
14 the plan of the region;

15                   “(B) job training and related activities for  
16 workers to assist them in gaining the skills and  
17 competencies needed to obtain or upgrade em-  
18 ployment in industries or economic sectors pro-  
19 jected to experience significant growth in the  
20 region, including—

21                   “(i) activities supporting talent devel-  
22 opment related to entrepreneurship and  
23 small business development in the region;  
24 and

1           “(ii) the purchase of equipment to  
2           train job seekers and workers for high-  
3           growth occupations in the region; and

4           “(C) activities to enhance training and re-  
5           lated activities and to promote workforce devel-  
6           opment in the region, including—

7           “(i) the development and implementa-  
8           tion of model activities, such as developing  
9           appropriate curricula to build core com-  
10          petencies and train workers in the region;

11          “(ii) identifying and disseminating ca-  
12          reer and skill information relating to the  
13          region;

14          “(iii) developing or purchasing re-  
15          gional data tools or systems to deepen un-  
16          derstanding of the regional economy and  
17          labor market; and

18          “(iv) integrated regional planning,  
19          such as increasing the integration of com-  
20          munity and technical college activities with  
21          activities of businesses and the public  
22          workforce investment system to meet the  
23          training needs of businesses in the re-  
24          gion.”.

1 **SEC. 441. GENERAL PROGRAM REQUIREMENTS.**

2 Section 195 (29 U.S.C. 2945) is amended—

3 (1) in paragraph (7) by inserting at the end the  
4 following:

5 “(D) Funds received by a public or private  
6 nonprofit entity that are not described in para-  
7 graph (B), such as funds privately raised from  
8 philanthropic foundations, businesses, or other  
9 private entities, shall not be considered to be in-  
10 come under this title and shall not be subject  
11 to the requirements of this section.”;

12 (2) by adding at the end the following new  
13 paragraphs:

14 “(14) Funds provided under this title shall not  
15 be used to establish or operate stand-alone fee-for-  
16 service enterprises that compete with private sector  
17 employment agencies within the meaning of section  
18 701(c) of the Civil Rights Act of 1964 (42 U.S.C.  
19 2000e(c)). For purposes of this paragraph, such an  
20 enterprise does not include one-stop centers.

21 “(15) Any report required to be submitted to  
22 Congress, or to a Committee of Congress, under this  
23 title shall be submitted to both the chairmen and  
24 ranking minority members of the Committee on  
25 Education and Labor of the House of Representa-

1 tives and the Committee on Health, Education,  
2 Labor, and Pensions of the Senate.”

3 **Subtitle B—Adult Education, Basic**  
4 **Skills, and Family Literacy Edu-**  
5 **cation**

6 **SEC. 451. TABLE OF CONTENTS.**

7 The table of contents in section 1(b) is amended by  
8 amending the items relating to title II to read as follows:

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

“Sec. 201. Short title.

“Sec. 202. Purpose.

“Sec. 203. Definitions.

“Sec. 204. Home schools.

“Sec. 205. Authorization of appropriations.

“CHAPTER 1—FEDERAL PROVISIONS

“Sec. 211. Reservation of funds; grants to eligible agencies; allotments.

“Sec. 212. Performance accountability system.

“Sec. 213. Incentive grants for States.

“CHAPTER 2—STATE PROVISIONS

“Sec. 221. State administration.

“Sec. 222. State distribution of funds; matching requirement.

“Sec. 223. State leadership activities.

“Sec. 224. State plan.

“Sec. 225. Programs for corrections education and other institutionalized individuals.

“CHAPTER 3—LOCAL PROVISIONS

“Sec. 231. Grants and contracts for eligible providers.

“Sec. 232. Local application.

“Sec. 233. Local administrative cost limits.

“CHAPTER 4—GENERAL PROVISIONS

“Sec. 241. Administrative provisions.

“Sec. 242. National Institute for Literacy.

“Sec. 243. National leadership activities.”

1 **SEC. 452. AMENDMENT.**

2 Title II (29 U.S.C. 2901 et seq.) is amended to read  
3 as follows:

4 **“TITLE II—ADULT EDUCATION,**  
5 **BASIC SKILLS, AND FAMILY**  
6 **LITERACY EDUCATION**

7 **“SEC. 201. SHORT TITLE.**

8 “This title may be cited as the ‘Adult Education,  
9 Basic Skills, and Family Literacy Education Act’.

10 **“SEC. 202. PURPOSE.**

11 “It is the purpose of this title to provide instructional  
12 opportunities for adults seeking to improve their literacy  
13 skills, including their basic reading, writing, speaking, and  
14 math skills, and support States and local communities in  
15 providing, on a voluntary basis, adult education, basic  
16 skills, and family literacy education programs, in order  
17 to—

18 “(1) increase the literacy of adults, including  
19 the basic reading, writing, speaking, and math skills,  
20 to a level of proficiency necessary for adults to ob-  
21 tain employment and self-sufficiency and to success-  
22 fully advance in the workforce;

23 “(2) assist adults in the completion of a sec-  
24 ondary school education (or its equivalent) and the  
25 transition to a postsecondary educational institution;

1           “(3) assist adults who are parents to enable  
2           them to support the educational development of their  
3           children and make informed choices regarding their  
4           children’s education including, through instruction in  
5           basic reading, writing, speaking, and math skills;  
6           and

7           “(4) assist immigrants who are not proficient in  
8           English in improving their reading, writing, speak-  
9           ing, and math skills and acquiring an understanding  
10          of the American free enterprise system, individual  
11          freedom, and the responsibilities of citizenship.

12       **“SEC. 203. DEFINITIONS.**

13        “In this title:

14           “(1) ADULT EDUCATION, BASIC SKILLS, AND  
15        FAMILY LITERACY EDUCATION PROGRAMS.—The  
16        term ‘adult education, basic skills, and family lit-  
17        eracy education programs’ means a sequence of aca-  
18        demic instruction and educational services below the  
19        postsecondary level that increase an individual’s abil-  
20        ity to read, write, and speak in English and perform  
21        mathematical computations leading to a level of pro-  
22        ficiency equivalent to at least a secondary school  
23        completion that is provided for individuals—

24           “(A) who are at least 16 years of age;

1           “(B) who are not enrolled or required to be  
2 enrolled in secondary school under State law;  
3 and

4           “(C) who—

5                 “(i) lack sufficient mastery of basic  
6 reading, writing, speaking, and math skills  
7 to enable the individuals to function effec-  
8 tively in society;

9                 “(ii) do not have a secondary school  
10 diploma, General Educational Development  
11 credential (GED), or other State-recog-  
12 nized equivalent and have not achieved an  
13 equivalent level of education; or

14                 “(iii) are unable to read, write, or  
15 speak the English language.

16           “(2) ELIGIBLE AGENCY.—The term ‘eligible  
17 agency’—

18                 “(A) means the primary entity or agency  
19 in a State or an outlying area responsible for  
20 administering or supervising policy for adult  
21 education, basic skills, and family literacy edu-  
22 cation programs in the State or outlying area,  
23 respectively, consistent with the law of the  
24 State or outlying area, respectively; and

1           “(B) may be the State educational agency,  
2           the State agency responsible for administering  
3           workforce investment activities, or the State  
4           agency responsible for administering community  
5           or technical colleges.

6           “(3) ELIGIBLE PROVIDER.—The term ‘eligible  
7           provider’ means—

8           “(A) a local educational agency;

9           “(B) a community-based or faith-based or-  
10          ganization of demonstrated effectiveness;

11          “(C) a volunteer literacy organization of  
12          demonstrated effectiveness;

13          “(D) an institution of higher education;

14          “(E) a public or private educational agen-  
15          cy;

16          “(F) a library;

17          “(G) a public housing authority;

18          “(H) an institution that is not described in  
19          any of subparagraphs (A) through (G) and has  
20          the ability to provide adult education, basic  
21          skills, and family literacy education programs to  
22          adults and families; or

23          “(I) a consortium of the agencies, organi-  
24          zations, institutions, libraries, or authorities de-

1           scribed in any of subparagraphs (A) through  
2           (H).

3           “(4) ENGLISH LANGUAGE ACQUISITION PRO-  
4           GRAM.—The term ‘English language acquisition pro-  
5           gram’ means a program of instruction designed to  
6           help individuals with limited English proficiency  
7           achieve competence in reading, writing, and speaking  
8           the English language.

9           “(5) ESSENTIAL COMPONENTS OF READING IN-  
10          STRUCTION.—The term ‘essential components of  
11          reading instruction’ has the meaning given to that  
12          term in section 1208 of the Elementary and Sec-  
13          ondary Education Act of 1965.

14          “(6) FAMILY LITERACY EDUCATION PRO-  
15          GRAM.—The term ‘family literacy education pro-  
16          gram’ means an educational program that—

17                 “(A) assists parents and students, on a  
18                 voluntary basis, in achieving the purposes of  
19                 this title as described in section 202; and

20                 “(B) is of sufficient intensity in terms of  
21                 hours and of sufficient duration to make sus-  
22                 tainable changes in a family, is based upon sci-  
23                 entifically based research, and, for the purpose  
24                 of substantially increasing the ability of parents

1 and children to read, write, and speak English,  
2 integrates—

3 “(i) interactive literacy activities be-  
4 tween parents and their children;

5 “(ii) training for parents regarding  
6 how to be the primary teacher for their  
7 children and full partners in the education  
8 of their children;

9 “(iii) parent literacy training that  
10 leads to economic self-sufficiency; and

11 “(iv) an age-appropriate education to  
12 prepare children for success in school and  
13 life experiences.

14 “(7) GOVERNOR.—The term ‘Governor’ means  
15 the chief executive officer of a State or outlying  
16 area.

17 “(8) INDIVIDUAL WITH A DISABILITY.—

18 “(A) IN GENERAL.—The term ‘individual  
19 with a disability’ means an individual with any  
20 disability (as defined in section 3 of the Ameri-  
21 cans with Disabilities Act of 1990).

22 “(B) INDIVIDUALS WITH DISABILITIES.—  
23 The term ‘individuals with disabilities’ means  
24 more than one individual with a disability.

1           “(9) INDIVIDUAL WITH LIMITED ENGLISH PRO-  
2           FICIENCY.—The term ‘individual with limited  
3           English proficiency’ means an adult or out-of-school  
4           youth who has limited ability in reading, writing,  
5           speaking, or understanding the English language,  
6           and—

7                   “(A) whose native language is a language  
8                   other than English; or

9                   “(B) who lives in a family or community  
10                  environment where a language other than  
11                  English is the dominant language.

12           “(10) INSTITUTION OF HIGHER EDUCATION.—  
13           The term ‘institution of higher education’ has the  
14           meaning given to that term in section 101 of the  
15           Higher Education Act of 1965.

16           “(11) LITERACY.—The term ‘literacy’ means an  
17           individual’s ability to read, write, and speak in  
18           English, compute, and solve problems at a level of  
19           proficiency necessary to obtain employment and to  
20           successfully make the transition to postsecondary  
21           education.

22           “(12) LOCAL EDUCATIONAL AGENCY.—The  
23           term ‘local educational agency’ has the meaning  
24           given to that term in section 9101 of the Elemen-  
25           tary and Secondary Education Act of 1965.

1           “(13) OUTLYING AREA.—The term ‘outlying  
2 area’ has the meaning given to that term in section  
3 101 of this Act.

4           “(14) POSTSECONDARY EDUCATIONAL INSTITU-  
5 TION.—The term ‘postsecondary educational institu-  
6 tion’ means—

7           “(A) an institution of higher education  
8 that provides not less than a 2-year program of  
9 instruction that is acceptable for credit toward  
10 a bachelor’s degree;

11           “(B) a tribally controlled community col-  
12 lege; or

13           “(C) a nonprofit educational institution of-  
14 fering certificate or apprenticeship programs at  
15 the postsecondary level.

16           “(15) READING.—The term ‘reading’ has the  
17 meaning given to that term in section 1208 of the  
18 Elementary and Secondary Education Act of 1965.

19           “(16) SCIENTIFICALLY BASED RESEARCH.—  
20 The term ‘scientifically based research’ has the  
21 meaning given to that term in section 9101 of the  
22 Elementary and Secondary Education Act of 1965.

23           “(17) SECRETARY.—The term ‘Secretary’  
24 means the Secretary of Education.

1           “(18) STATE.—The term ‘State’ means each of  
2           the several States of the United States, the District  
3           of Columbia, and the Commonwealth of Puerto Rico.

4           “(19) STATE EDUCATIONAL AGENCY.—The  
5           term ‘State educational agency’ has the meaning  
6           given to that term in section 9101 of the Elemen-  
7           tary and Secondary Education Act of 1965.

8           “(20) WORKPLACE LITERACY PROGRAM.—The  
9           term ‘workplace literacy program’ means an edu-  
10          cational program that is offered in collaboration be-  
11          tween eligible providers and employers or employee  
12          organizations for the purpose of improving the pro-  
13          ductivity of the workforce through the improvement  
14          of reading, writing, speaking, and math skills.

15   **“SEC. 204. HOME SCHOOLS.**

16          “Nothing in this title shall be construed to affect  
17          home schools, whether or not a home school is treated as  
18          a home school or a private school under State law, or to  
19          compel a parent engaged in home schooling to participate  
20          in an English language acquisition program, a family lit-  
21          eracy education program, or an adult education, basic  
22          skills, and family literacy education program.

1 **“SEC. 205. AUTHORIZATION OF APPROPRIATIONS.**

2 “There are authorized to be appropriated to carry out  
3 this title \$590,127,000 for fiscal year 2008 and such sums  
4 as may be necessary for fiscal years 2009 through 2012.

5 **“CHAPTER 1—FEDERAL PROVISIONS**

6 **“SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE**  
7 **AGENCIES; ALLOTMENTS.**

8 “(a) **RESERVATION OF FUNDS.**—From the sums ap-  
9 propriated under section 205 for a fiscal year, the Sec-  
10 retary—

11 “(1) shall reserve up to 1.72 percent for incen-  
12 tive grants under section 213;

13 “(2) shall reserve 1.75 percent to carry out sec-  
14 tion 242; and

15 “(3) shall reserve up to 1.55 percent to carry  
16 out section 243.

17 “(b) **GRANTS TO ELIGIBLE AGENCIES.**—

18 “(1) **IN GENERAL.**—From the sums appro-  
19 priated under section 205 and not reserved under  
20 subsection (a) for a fiscal year, the Secretary shall  
21 award a grant to each eligible agency having a State  
22 plan approved under section 224 in an amount equal  
23 to the sum of the initial allotment under subsection  
24 (c)(1) and the additional allotment under subsection  
25 (c)(2) for the eligible agency for the fiscal year, sub-  
26 ject to subsections (f) and (g).

1           “(2) PURPOSE OF GRANTS.—The Secretary  
2           may award a grant under paragraph (1) only if the  
3           eligible agency involved agrees to expend the grant  
4           in accordance with the provisions of this title.

5           “(c) ALLOTMENTS.—

6           “(1) INITIAL ALLOTMENTS.—From the sums  
7           appropriated under section 205 and not reserved  
8           under subsection (a) for a fiscal year, the Secretary  
9           shall allot to each eligible agency having a State  
10          plan approved under section 224—

11           “(A) \$100,000, in the case of an eligible  
12          agency serving an outlying area; and

13           “(B) \$250,000, in the case of any other el-  
14          igible agency.

15          “(2) ADDITIONAL ALLOTMENTS.—From the  
16          sums appropriated under section 205, not reserved  
17          under subsection (a), and not allotted under para-  
18          graph (1), for a fiscal year, the Secretary shall allot  
19          to each eligible agency that receives an initial allot-  
20          ment under paragraph (1) an additional amount  
21          that bears the same relationship to such sums as the  
22          number of qualifying adults in the State or outlying  
23          area served by the eligible agency bears to the num-  
24          ber of such adults in all States and outlying areas.

1       “(d) QUALIFYING ADULT.—For the purpose of sub-  
2 section (c)(2), the term ‘qualifying adult’ means an adult  
3 who—

4           “(1) is at least 16 years of age;

5           “(2) is beyond the age of compulsory school at-  
6 tendance under the law of the State or outlying  
7 area;

8           “(3) does not have a secondary school diploma,  
9 General Educational Development credential (GED),  
10 or other State-recognized equivalent; and

11           “(4) is not enrolled in secondary school.

12       “(e) SPECIAL RULE.—

13           “(1) IN GENERAL.—From amounts made avail-  
14 able under subsection (c) for the Republic of Palau,  
15 the Secretary shall award grants to Guam, American  
16 Samoa, the Commonwealth of the Northern Mariana  
17 Islands, or the Republic of Palau to carry out activi-  
18 ties described in this title in accordance with the  
19 provisions of this title as determined by the Sec-  
20 retary.

21           “(2) TERMINATION OF ELIGIBILITY.—Notwith-  
22 standing any other provision of law, the Republic of  
23 Palau shall be eligible to receive a grant under this  
24 title until an agreement for the extension of United  
25 States education assistance under the Compact of

1 Free Association for the Republic of Palau becomes  
2 effective.

3 “(3) ADMINISTRATIVE COSTS.—The Secretary  
4 may provide not more than 5 percent of the funds  
5 made available for grants under this subsection to  
6 pay the administrative costs of the Pacific Region  
7 Educational Laboratory regarding activities assisted  
8 under this subsection.

9 “(f) HOLD-HARMLESS PROVISIONS.—

10 “(1) IN GENERAL.—Notwithstanding subsection  
11 (c), and subject to paragraphs (2) and (3), for fiscal  
12 year 2008 and each succeeding fiscal year, no eligi-  
13 ble agency shall receive an allotment under this title  
14 that is less than 90 percent of the allotment the eli-  
15 gible agency received for the preceding fiscal year  
16 under this title.

17 “(2) EXCEPTION.—An eligible agency that re-  
18 ceives for the preceding fiscal year only an initial al-  
19 lotment under subsection (c)(1) (and no additional  
20 allotment under subsection (c)(2)) shall receive an  
21 allotment equal to 100 percent of the initial allot-  
22 ment.

23 “(3) RATABLE REDUCTION.—If for any fiscal  
24 year the amount available for allotment under this  
25 title is insufficient to satisfy the provisions of para-

1 graph (1), the Secretary shall ratably reduce the  
2 payments to all eligible agencies, as necessary.

3 “(g) REALLOTMENT.—The portion of any eligible  
4 agency’s allotment under this title for a fiscal year that  
5 the Secretary determines will not be required for the pe-  
6 riod such allotment is available for carrying out activities  
7 under this title, shall be available for reallocation from  
8 time to time, on such dates during such period as the Sec-  
9 retary shall fix, to other eligible agencies in proportion to  
10 the original allotments to such agencies under this title  
11 for such year.

12 **“SEC. 212. PERFORMANCE ACCOUNTABILITY SYSTEM.**

13 “(a) PURPOSE.—The purpose of this section is to es-  
14 tablish a comprehensive performance accountability sys-  
15 tem, composed of the activities described in this section,  
16 to assess the effectiveness of eligible agencies in achieving  
17 continuous improvement of adult education, basic skills,  
18 and family literacy education programs funded under this  
19 title, in order to optimize the return on investment of Fed-  
20 eral funds in adult education, basic skills, and family lit-  
21 eracy education programs.

22 “(b) ELIGIBLE AGENCY PERFORMANCE MEAS-  
23 URES.—

1           “(1) IN GENERAL.—For each eligible agency,  
2           the eligible agency performance measures shall con-  
3           sist of—

4                   “(A)(i) the core indicators of performance  
5                   described in paragraph (2)(A); and

6                   “(ii) employment performance indicators  
7                   identified by the eligible agency under para-  
8                   graph (2)(B); and

9                   “(B) an eligible agency adjusted level of  
10                  performance for each indicator described in  
11                  subparagraph (A).

12           “(2) INDICATORS OF PERFORMANCE.—

13                   “(A) CORE INDICATORS OF PERFORM-  
14                   ANCE.—The core indicators of performance  
15                   shall include the following:

16                           “(i) Measurable improvements in lit-  
17                           eracy, including basic skill levels in read-  
18                           ing, writing, and speaking the English lan-  
19                           guage and basic math, leading to pro-  
20                           ficiency in each skill.

21                           “(ii) Receipt of a secondary school di-  
22                           ploma, General Educational Development  
23                           credential (GED), or other State-recog-  
24                           nized equivalent.

1                   “(iii) Placement in postsecondary edu-  
2                   cation or other training programs.

3                   “(B) EMPLOYMENT PERFORMANCE INDI-  
4                   CATORS.—Consistent with applicable Federal  
5                   and State privacy laws, an eligible agency shall  
6                   identify in the State plan the following indi-  
7                   vidual participant employment performance in-  
8                   dicators:

9                   “(i) Entry into employment.

10                  “(ii) Retention in employment.

11                  “(iii) Increase in earnings.

12                  “(3) LEVELS OF PERFORMANCE.—

13                  “(A) ELIGIBLE AGENCY ADJUSTED LEVELS  
14                  OF PERFORMANCE FOR CORE INDICATORS.—

15                  “(i) IN GENERAL.—For each eligible  
16                  agency submitting a State plan, there shall  
17                  be established, in accordance with this sub-  
18                  paragraph, levels of performance for each  
19                  of the core indicators of performance de-  
20                  scribed in paragraph (2)(A) for adult edu-  
21                  cation, basic skills, and family literacy edu-  
22                  cation programs authorized under this  
23                  title. The levels of performance established  
24                  under this subparagraph shall, at a min-  
25                  imum—

1                   “(I) be expressed in an objective,  
2                   quantifiable, and measurable form;  
3                   and

4                   “(II) show the progress of the el-  
5                   igible agency toward continuously and  
6                   significantly improving the agency’s  
7                   performance outcomes in an objective,  
8                   quantifiable, and measurable form.

9                   “(ii) IDENTIFICATION IN STATE  
10                  PLAN.—Each eligible agency shall identify,  
11                  in the State plan submitted under section  
12                  224, expected levels of performance for  
13                  each of the core indicators of performance  
14                  for the first 3 program years covered by  
15                  the State plan.

16                  “(iii) AGREEMENT ON ELIGIBLE  
17                  AGENCY ADJUSTED LEVELS OF PERFORM-  
18                  ANCE FOR FIRST 3 YEARS.—In order to en-  
19                  sure an optimal return on the investment  
20                  of Federal funds in adult education, basic  
21                  skills, and family literacy education pro-  
22                  grams authorized under this title, the Sec-  
23                  retary and each eligible agency shall reach  
24                  agreement on levels of student perform-  
25                  ance for each of the core indicators of per-

1 formance, for the first 3 program years  
2 covered by the State plan, taking into ac-  
3 count the levels identified in the State plan  
4 under clause (ii) and the factors described  
5 in clause (iv). The levels agreed to under  
6 this clause shall be considered to be the eli-  
7 gible agency adjusted levels of performance  
8 for the eligible agency for such years and  
9 shall be incorporated into the State plan  
10 prior to the approval of such plan.

11 “(iv) FACTORS.—The agreement de-  
12 scribed in clause (iii) or (v) shall take into  
13 account—

14 “(I) how the levels involved com-  
15 pare with the eligible agency’s ad-  
16 justed levels of performance, taking  
17 into account factors including the  
18 characteristics of participants when  
19 the participants entered the program;  
20 and

21 “(II) the extent to which such  
22 levels promote continuous and signifi-  
23 cant improvement in performance on  
24 the student proficiency measures used  
25 by such eligible agency and ensure op-

1 timal return on the investment of  
2 Federal funds.

3 “(v) AGREEMENT ON ELIGIBLE AGEN-  
4 CY ADJUSTED LEVELS OF PERFORMANCE  
5 FOR SECOND 3 YEARS.—Prior to the fourth  
6 program year covered by the State plan,  
7 the Secretary and each eligible agency  
8 shall reach agreement on levels of student  
9 performance for each of the core indicators  
10 of performance for the fourth, fifth, and  
11 sixth program years covered by the State  
12 plan, taking into account the factors de-  
13 scribed in clause (iv). The levels agreed to  
14 under this clause shall be considered to be  
15 the eligible agency adjusted levels of per-  
16 formance for the eligible agency for such  
17 years and shall be incorporated into the  
18 State plan.

19 “(vi) REVISIONS.—If unanticipated  
20 circumstances arise in a State resulting in  
21 a significant change in the factors de-  
22 scribed in clause (iv)(I), the eligible agency  
23 may request that the eligible agency ad-  
24 justed levels of performance agreed to  
25 under clause (iii) or (v) be revised.

1           “(B) LEVELS OF EMPLOYMENT PERFORM-  
2 ANCE.—The eligible agency shall identify, in the  
3 State plan, eligible agency levels of performance  
4 for each of the employment performance indica-  
5 tors described in paragraph (2)(B). Such levels  
6 shall be considered to be eligible agency ad-  
7 justed levels of performance for purposes of this  
8 title.

9           “(c) DEFINITIONS FOR INDICATORS OF  
10 PERFORMANCE.—In order to ensure comparability of per-  
11 formance data across States, the Secretary shall issue  
12 definitions for the indicators of performance under para-  
13 graph (2).

14           “(d) REPORT.—

15           “(1) IN GENERAL.—Each eligible agency that  
16 receives a grant under section 211(b) shall annually  
17 prepare and submit to the Secretary, the Governor,  
18 the State legislature, and eligible providers a report  
19 on the progress of the eligible agency in achieving el-  
20 igible agency performance measures, including the  
21 following:

22           “(A) Information on the levels of perform-  
23 ance achieved by the eligible agency with re-  
24 spect to the core indicators of performance and  
25 employment performance indicators.

1           “(B) The number and type of each eligible  
2           provider that receives funding under such  
3           grant.

4           “(2) INFORMATION DISSEMINATION.—The Sec-  
5           retary—

6           “(A) shall make the information contained  
7           in such reports available to the general public  
8           through publication (including on the Internet  
9           site of the Department of Education) and other  
10          appropriate methods;

11          “(B) shall disseminate State-by-State com-  
12          parisons of the information; and

13          “(C) shall provide the appropriate commit-  
14          tees of the Congress with copies of such re-  
15          ports.

16       **“SEC. 213. INCENTIVE GRANTS FOR STATES.**

17       “(a) IN GENERAL.—From funds appropriated under  
18       section 211(a)(1), the Secretary may award grants to  
19       States for exemplary performance in carrying out pro-  
20       grams under this title. Such awards shall be based on  
21       States exceeding the core indicators of performance estab-  
22       lished under section 212(b)(2)(A) and may be based on  
23       the performance of the State in serving populations, such  
24       as those described in section 224(b)(10), including the lev-  
25       els of service provided and the performance outcomes, and

1 such other factors relating to the performance of the State  
2 under this title as the Secretary determines appropriate.

3 “(b) USE OF FUNDS.—The funds awarded to a State  
4 under this paragraph may be used to carry out any activi-  
5 ties authorized under this title, including demonstrations  
6 and innovative programs for hard-to-serve populations.

## 7 “CHAPTER 2—STATE PROVISIONS

### 8 “SEC. 221. STATE ADMINISTRATION.

9 “Each eligible agency shall be responsible for the fol-  
10 lowing activities under this title:

11 “(1) The development, submission, implementa-  
12 tion, and monitoring of the State plan.

13 “(2) Consultation with other appropriate agen-  
14 cies, groups, and individuals that are involved in, or  
15 interested in, the development and implementation  
16 of activities assisted under this title.

17 “(3) Coordination and avoidance of duplication  
18 with other Federal and State education, training,  
19 corrections, public housing, and social service pro-  
20 grams.

### 21 “SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING RE- 22 QUIREMENT.

23 “(a) STATE DISTRIBUTION OF FUNDS.—Each eligi-  
24 ble agency receiving a grant under this title for a fiscal  
25 year—

1           “(1) shall use an amount not less than 82.5  
2           percent of the grant funds to award grants and con-  
3           tracts under section 231 and to carry out section  
4           225, of which not more than 10 percent of such  
5           amount shall be available to carry out section 225;

6           “(2) shall use not more than 12.5 percent of  
7           the grant funds to carry out State leadership activi-  
8           ties under section 223; and

9           “(3) shall use not more than 5 percent of the  
10          grant funds, or \$75,000, whichever is greater, for  
11          the administrative expenses of the eligible agency.

12          “(b) MATCHING REQUIREMENT.—

13          “(1) IN GENERAL.—In order to receive a grant  
14          from the Secretary under section 211(b), each eligi-  
15          ble agency shall provide, for the costs to be incurred  
16          by the eligible agency in carrying out the adult edu-  
17          cation, basic skills, and family literacy education  
18          programs for which the grant is awarded, a non-  
19          Federal contribution in an amount at least equal  
20          to—

21          “(A) in the case of an eligible agency serv-  
22          ing an outlying area, 12 percent of the total  
23          amount of funds expended for adult education,  
24          basic skills, and family literacy education pro-  
25          grams in the outlying area, except that the Sec-

1           retary may decrease the amount of funds re-  
2           quired under this subparagraph for an eligible  
3           agency; and

4           “(B) in the case of an eligible agency serv-  
5           ing a State, 25 percent of the total amount of  
6           funds expended for adult education, basic skills,  
7           and family literacy education programs in the  
8           State.

9           “(2) NON-FEDERAL CONTRIBUTION.—An eligi-  
10          ble agency’s non-Federal contribution required under  
11          paragraph (1) may be provided in cash or in kind,  
12          fairly evaluated, and shall include only non-Federal  
13          funds that are used for adult education, basic skills,  
14          and family literacy education programs in a manner  
15          that is consistent with the purpose of this title.

16       **“SEC. 223. STATE LEADERSHIP ACTIVITIES.**

17          “(a) IN GENERAL.—Each eligible agency may use  
18          funds made available under section 222(a)(2) for any of  
19          the following adult education, basic skills, and family lit-  
20          eracy education programs:

21          “(1) The establishment or operation of profes-  
22          sional development programs to improve the quality  
23          of instruction provided pursuant to local activities  
24          required under section 231(b), including instruction  
25          incorporating the essential components of reading

1 instruction and instruction provided by volunteers or  
2 by personnel of a State or outlying area.

3 “(2) The provision of technical assistance to eli-  
4 gible providers of adult education, basic skills, and  
5 family literacy education programs, including for the  
6 development and dissemination of scientifically based  
7 research instructional practices in reading, writing,  
8 speaking, math, and English language acquisition  
9 programs.

10 “(3) The provision of assistance to eligible pro-  
11 viders in developing, implementing, and reporting  
12 measurable progress in achieving the objectives of  
13 this title.

14 “(4) The provision of technology assistance, in-  
15 cluding staff training, to eligible providers of adult  
16 education, basic skills, and family literacy education  
17 programs, including distance learning activities, to  
18 enable the eligible providers to improve the quality  
19 of such activities.

20 “(5) The development and implementation of  
21 technology applications or distance learning, includ-  
22 ing professional development to support the use of  
23 instructional technology.

1           “(6) Coordination with other public programs,  
2 including welfare-to-work, workforce development,  
3 and job training programs.

4           “(7) Coordination with existing support serv-  
5 ices, such as transportation, child care, and other  
6 assistance designed to increase rates of enrollment  
7 in, and successful completion of, adult education,  
8 basic skills, and family literacy education programs,  
9 for adults enrolled in such activities.

10          “(8) The development and implementation of a  
11 system to assist in the transition from adult basic  
12 education to postsecondary education.

13          “(9) Activities to promote workplace literacy  
14 programs.

15          “(10) Activities to promote and complement  
16 local outreach initiatives described in section 243(7).

17          “(11) Other activities of statewide significance,  
18 including assisting eligible providers in achieving  
19 progress in improving the skill levels of adults who  
20 participate in programs under this title.

21          “(12) Integration of literacy, instructional, and  
22 occupational skill training and promotion of linkages  
23 with employees.

24          “(b) COORDINATION.—In carrying out this section,  
25 eligible agencies shall coordinate where possible, and avoid

1 duplicating efforts, in order to maximize the impact of the  
2 activities described in subsection (a).

3       “(c) STATE-IMPOSED REQUIREMENTS.—Whenever a  
4 State or outlying area implements any rule or policy relat-  
5 ing to the administration or operation of a program au-  
6 thorized under this title that has the effect of imposing  
7 a requirement that is not imposed under Federal law (in-  
8 cluding any rule or policy based on a State or outlying  
9 area interpretation of a Federal statute, regulation, or  
10 guideline), the State or outlying area shall identify, to eli-  
11 gible providers, the rule or policy as being imposed by the  
12 State or outlying area.

13 **“SEC. 224. STATE PLAN.**

14       “(a) 6-YEAR PLANS.—

15               “(1) IN GENERAL.—Each eligible agency desir-  
16 ing a grant under this title for any fiscal year shall  
17 submit to, or have on file with, the Secretary a 6-  
18 year State plan.

19               “(2) COMPREHENSIVE PLAN OR APPLICA-  
20 TION.—The eligible agency may submit the State  
21 plan as part of a comprehensive plan or application  
22 for Federal education assistance.

23       “(b) PLAN CONTENTS.—The eligible agency shall in-  
24 clude in the State plan or any revisions to the State plan—

1           “(1) an objective assessment of the needs of in-  
2           dividuals in the State or outlying area for adult edu-  
3           cation, basic skills, and family literacy education  
4           programs, including individuals most in need or  
5           hardest to serve;

6           “(2) a description of the adult education, basic  
7           skills, and family literacy education programs that  
8           will be carried out with funds received under this  
9           title;

10          “(3) a description of how the eligible agency  
11          will evaluate and measure annually the effectiveness  
12          and improvement of the adult education, basic skills,  
13          and family literacy education programs based on the  
14          performance measures described in section 212 in-  
15          cluding—

16                 “(A) how the eligible agency will evaluate  
17                 and measure annually such effectiveness on a  
18                 grant-by-grant basis; and

19                 “(B) how the eligible agency—

20                         “(i) will hold eligible providers ac-  
21                         countable regarding the progress of such  
22                         providers in improving the academic  
23                         achievement of participants in adult edu-  
24                         cation programs under this title and re-

1                   garding the core indicators of performance  
2                   described in section 212(b)(2)(A); and

3                   “(ii) will use technical assistance,  
4                   sanctions, and rewards (including alloca-  
5                   tion of grant funds based on performance  
6                   and termination of grant funds based on  
7                   nonperformance);

8                   “(4) a description of the performance measures  
9                   described in section 212 and how such performance  
10                  measures have significantly improved adult edu-  
11                  cation, basic skills, and family literacy education  
12                  programs in the State or outlying area;

13                  “(5) an assurance that the eligible agency will,  
14                  in addition to meeting all of the other requirements  
15                  of this title, award not less than one grant under  
16                  this title to an eligible provider that—

17                  “(A) offers flexible schedules and necessary  
18                  support services (such as child care and trans-  
19                  portation) to enable individuals, including indi-  
20                  viduals with disabilities, or individuals with  
21                  other special needs, to participate in adult edu-  
22                  cation, basic skills, and family literacy edu-  
23                  cation programs; and

24                  “(B) attempts to coordinate with support  
25                  services that are not provided under this title

1 prior to using funds for adult education, basic  
2 skills, and family literacy education programs  
3 provided under this title for support services;

4 “(6) an assurance that the funds received under  
5 this title will not be expended for any purpose other  
6 than for activities under this title;

7 “(7) a description of how the eligible agency  
8 will fund local activities in accordance with the  
9 measurable goals described in section 231(d);

10 “(8) an assurance that the eligible agency will  
11 expend the funds under this title only in a manner  
12 consistent with fiscal requirements in section 241;

13 “(9) a description of the process that will be  
14 used for public participation and comment with re-  
15 spect to the State plan, which process—

16 “(A) shall include consultation with the  
17 State workforce investment board, the State  
18 board responsible for administering community  
19 or technical colleges, the Governor, the State  
20 educational agency, the State board or agency  
21 responsible for administering block grants for  
22 temporary assistance to needy families under  
23 title IV of the Social Security Act, the State  
24 council on disabilities, the State vocational re-  
25 habilitation agency, other State agencies that

1 promote the improvement of adult education,  
2 basic skills, and family literacy education pro-  
3 grams, and direct providers of such programs;  
4 and

5 “(B) may include consultation with the  
6 State agency on higher education, institutions  
7 responsible for professional development of  
8 adult education, basic skills, and family literacy  
9 education programs instructors, representatives  
10 of business and industry, refugee assistance  
11 programs, and faith-based organizations;

12 “(10) a description of the eligible agency’s  
13 strategies for serving populations that include, at a  
14 minimum—

15 “(A) low-income individuals;

16 “(B) individuals with disabilities;

17 “(C) the unemployed;

18 “(D) the underemployed; and

19 “(E) individuals with multiple barriers to  
20 educational enhancement, including individuals  
21 with limited English proficiency;

22 “(11) a description of how the adult education,  
23 basic skills, and family literacy education programs  
24 that will be carried out with any funds received  
25 under this title will be integrated with other adult

1 education, career development, and employment and  
2 training activities in the State or outlying area  
3 served by the eligible agency;

4 “(12) a description of the steps the eligible  
5 agency will take to ensure direct and equitable ac-  
6 cess, as required in section 231(c)(1), including—

7 “(A) how the State will build the capacity  
8 of community-based and faith-based organiza-  
9 tions to provide adult education, basic skills,  
10 and family literacy education programs; and

11 “(B) how the State will increase the partici-  
12 pation of business and industry in adult edu-  
13 cation, basic skills, and family literacy edu-  
14 cation programs;

15 “(13) an assessment of the adequacy of the sys-  
16 tem of the State or outlying area to ensure teacher  
17 quality and a description of how the State or out-  
18 lying area will use funds received under this subtitle  
19 to improve teacher quality, including professional de-  
20 velopment on the use of scientifically based research  
21 to improve instruction; and

22 “(14) a description of how the eligible agency  
23 will consult with any State agency responsible for  
24 postsecondary education to develop adult education  
25 that prepares students to enter postsecondary edu-

1 cation without the need for remediation upon com-  
2 pletion of secondary school equivalency programs.

3 “(c) PLAN REVISIONS.—When changes in conditions  
4 or other factors require substantial revisions to an ap-  
5 proved State plan, the eligible agency shall submit the re-  
6 visions of the State plan to the Secretary.

7 “(d) CONSULTATION.—The eligible agency shall—

8 “(1) submit the State plan, and any revisions to  
9 the State plan, to the Governor, the chief State  
10 school officer, or the State officer responsible for ad-  
11 ministering community or technical colleges, or out-  
12 lying area for review and comment; and

13 “(2) ensure that any comments regarding the  
14 State plan by the Governor, the chief State school  
15 officer, or the State officer responsible for admin-  
16 istering community or technical colleges, and any re-  
17 vision to the State plan, are submitted to the Sec-  
18 retary.

19 “(e) PLAN APPROVAL.—A State plan submitted to  
20 the Secretary shall be approved by the Secretary only if  
21 the plan is consistent with the specific provisions of this  
22 title.

1 **“SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND**  
2 **OTHER INSTITUTIONALIZED INDIVIDUALS.**

3 “(a) **PROGRAM AUTHORIZED.**—From funds made  
4 available under section 222(a)(1) for a fiscal year, each  
5 eligible agency shall carry out corrections education and  
6 education for other institutionalized individuals.

7 “(b) **USES OF FUNDS.**—The funds described in sub-  
8 section (a) shall be used for the cost of educational pro-  
9 grams for criminal offenders in correctional institutions  
10 and for other institutionalized individuals, including aca-  
11 demic programs for—

12 “(1) basic skills education;

13 “(2) special education programs as determined  
14 by the eligible agency;

15 “(3) reading, writing, speaking, and math pro-  
16 grams; and

17 “(4) secondary school credit or diploma pro-  
18 grams or their recognized equivalent.

19 “(c) **PRIORITY.**—Each eligible agency that is using  
20 assistance provided under this section to carry out a pro-  
21 gram for criminal offenders within a correctional institu-  
22 tion shall give priority to serving individuals who are likely  
23 to leave the correctional institution within 5 years of par-  
24 ticipation in the program.

25 “(d) **DEFINITIONS.**—For purposes of this section:

1           “(1) CORRECTIONAL INSTITUTION.—The term  
2           ‘correctional institution’ means any—

3                   “(A) prison;

4                   “(B) jail;

5                   “(C) reformatory;

6                   “(D) work farm;

7                   “(E) detention center; or

8                   “(F) halfway house, community-based re-  
9           habilitation center, or any other similar institu-  
10          tion designed for the confinement or rehabilita-  
11          tion of criminal offenders.

12           “(2) CRIMINAL OFFENDER.—The term ‘crimi-  
13          nal offender’ means any individual who is charged  
14          with, or convicted of, any criminal offense.

15           **“CHAPTER 3—LOCAL PROVISIONS**

16           **“SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PRO-**  
17   **VIDERS.**

18           “(a) GRANTS AND CONTRACTS.—From grant funds  
19          made available under section 211(b), each eligible agency  
20          shall award multiyear grants or contracts, on a competi-  
21          tive basis, to eligible providers within the State or outlying  
22          area that meet the conditions and requirements of this  
23          title to enable the eligible providers to develop, implement,  
24          and improve adult education, basic skills, and family lit-  
25          eracy education programs within the State.

1       “(b) LOCAL ACTIVITIES.—The eligible agency shall  
2 require eligible providers receiving a grant or contract  
3 under subsection (a) to establish or operate one or more  
4 programs of instruction that provide services or instruc-  
5 tion in one or more of the following categories:

6           “(1) Adult education, basic skills, and family  
7 literacy education programs (including proficiency in  
8 reading, writing, speaking, and math).

9           “(2) Workplace literacy programs.

10          “(3) English language acquisition programs.

11          “(4) Family literacy education programs.

12       “(c) DIRECT AND EQUITABLE ACCESS; SAME PROC-  
13 ESS.—Each eligible agency receiving funds under this title  
14 shall ensure that—

15           “(1) all eligible providers have direct and equi-  
16 table access to apply for grants or contracts under  
17 this section; and

18           “(2) the same grant or contract announcement  
19 process and application process is used for all eligi-  
20 ble providers in the State or outlying area.

21       “(d) MEASURABLE GOALS.—The eligible agency shall  
22 require eligible providers receiving a grant or contract  
23 under subsection (a) to demonstrate—

24           “(1) the eligible provider’s measurable goals for  
25 participant outcomes to be achieved annually on the

1 core indicators of performance and employment per-  
2 formance indicators described in section 212(b)(2);

3 “(2) the past effectiveness of the eligible pro-  
4 vider in improving the basic academic skills of adults  
5 and, for eligible providers receiving grants in the  
6 prior year, the success of the eligible provider receiv-  
7 ing funding under this title in exceeding its perform-  
8 ance goals in the prior year;

9 “(3) the commitment of the eligible provider to  
10 serve individuals in the community who are the most  
11 in need of basic academic skills instruction services,  
12 including individuals who are low-income or have  
13 minimal reading, writing, speaking, and math skills,  
14 or limited English proficiency;

15 “(4) the program—

16 “(A) is of sufficient intensity and duration  
17 for participants to achieve substantial learning  
18 gains; and

19 “(B) uses instructional practices that in-  
20 clude the essential components of reading in-  
21 struction;

22 “(5) educational practices are based on scientif-  
23 ically based research;

1           “(6) the activities of the eligible provider effec-  
2           tively employ advances in technology, as appropriate,  
3           including the use of computers;

4           “(7) the activities provide instruction in real-life  
5           contexts, when appropriate, to ensure that an indi-  
6           vidual has the skills needed to compete in the work-  
7           place and exercise the rights and responsibilities of  
8           citizenship;

9           “(8) the activities are staffed by well-trained in-  
10          structors, counselors, and administrators;

11          “(9) the activities are coordinated with other  
12          available resources in the community, such as  
13          through strong links with elementary schools and  
14          secondary schools, postsecondary educational institu-  
15          tions, one-stop centers, job training programs, com-  
16          munity-based and faith-based organizations, and so-  
17          cial service agencies;

18          “(10) the activities offer flexible schedules and  
19          support services (such as child care and transpor-  
20          tation) that are necessary to enable individuals, in-  
21          cluding individuals with disabilities or other special  
22          needs, to attend and complete programs;

23          “(11) the activities include a high-quality infor-  
24          mation management system that has the capacity to  
25          report measurable participant outcomes and to mon-

1       itor program performance against the performance  
2       measures established by the eligible agency;

3           “(12) the local communities have a dem-  
4       onstrated need for additional English language ac-  
5       quisition programs;

6           “(13) the capacity of the eligible provider to  
7       produce valid information on performance results,  
8       including enrollments and measurable participant  
9       outcomes;

10          “(14) adult education, basic skills, and family  
11       literacy education programs offer rigorous reading,  
12       writing, speaking, and math content that are based  
13       on scientifically based research; and

14          “(15) applications of technology, and services to  
15       be provided by the eligible providers, are of sufficient  
16       intensity and duration to increase the amount and  
17       quality of learning and lead to measurable learning  
18       gains within specified time periods.

19          “(e) SPECIAL RULE.—Eligible providers may use  
20       grant funds under this title to serve children participating  
21       in family literacy programs assisted under this part, pro-  
22       vided that other sources of funds available to provide simi-  
23       lar services for such children are used first.

1 **“SEC. 232. LOCAL APPLICATION.**

2 “Each eligible provider desiring a grant or contract  
3 under this title shall submit an application to the eligible  
4 agency containing such information and assurances as the  
5 eligible agency may require, including—

6 “(1) a description of how funds awarded under  
7 this title will be spent consistent with the require-  
8 ments of this title;

9 “(2) a description of any cooperative arrange-  
10 ments the eligible provider has with other agencies,  
11 institutions, or organizations for the delivery of  
12 adult education, basic skills, and family literacy edu-  
13 cation programs; and

14 “(3) each of the demonstrations required by  
15 section 231(d).

16 **“SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.**

17 “(a) IN GENERAL.—Subject to subsection (b), of the  
18 amount that is made available under this title to an eligi-  
19 ble provider—

20 “(1) at least 95 percent shall be expended for  
21 carrying out adult education, basic skills, and family  
22 literacy education programs; and

23 “(2) the remaining amount shall be used for  
24 planning, administration, personnel and professional  
25 development, development of measurable goals in

1 reading, writing, speaking, and math, and inter-  
2 agency coordination.

3 “(b) SPECIAL RULE.—In cases where the cost limits  
4 described in subsection (a) are too restrictive to allow for  
5 adequate planning, administration, personnel develop-  
6 ment, and interagency coordination, the eligible provider  
7 may negotiate with the eligible agency in order to deter-  
8 mine an adequate level of funds to be used for noninstruc-  
9 tional purposes.

#### 10 **“CHAPTER 4—GENERAL PROVISIONS**

##### 11 **“SEC. 241. ADMINISTRATIVE PROVISIONS.**

12 “(a) SUPPLEMENT NOT SUPPLANT.—Funds made  
13 available for adult education, basic skills, and family lit-  
14 eracy education programs under this title shall supplement  
15 and not supplant other State or local public funds ex-  
16 pended for adult education, basic skills, and family literacy  
17 education programs.

18 “(b) MAINTENANCE OF EFFORT.—

19 “(1) IN GENERAL.—

20 “(A) DETERMINATION.—An eligible agency  
21 may receive funds under this title for any fiscal  
22 year if the Secretary finds that the fiscal effort  
23 per student or the aggregate expenditures of  
24 such eligible agency for activities under this  
25 title, in the second preceding fiscal year, were

1 not less than 90 percent of the fiscal effort per  
2 student or the aggregate expenditures of such  
3 eligible agency for adult education, basic skills,  
4 and family literacy education programs, in the  
5 third preceding fiscal year.

6 “(B) PROPORTIONATE REDUCTION.—Sub-  
7 ject to paragraphs (2), (3), and (4), for any fis-  
8 cal year with respect to which the Secretary de-  
9 termines under subparagraph (A) that the fiscal  
10 effort or the aggregate expenditures of an eligi-  
11 ble agency for the preceding program year were  
12 less than such effort or expenditures for the  
13 second preceding program year, the Secretary—

14 “(i) shall determine the percentage  
15 decreases in such effort or in such expendi-  
16 tures; and

17 “(ii) shall decrease the payment made  
18 under this title for such program year to  
19 the agency for adult education, basic skills,  
20 and family literacy education programs by  
21 the lesser of such percentages.

22 “(2) COMPUTATION.—In computing the fiscal  
23 effort and aggregate expenditures under paragraph  
24 (1), the Secretary shall exclude capital expenditures  
25 and special one-time project costs.

1           “(3) DECREASE IN FEDERAL SUPPORT.—If the  
2 amount made available for adult education, basic  
3 skills, and family literacy education programs under  
4 this title for a fiscal year is less than the amount  
5 made available for adult education, basic skills, and  
6 family literacy education programs under this title  
7 for the preceding fiscal year, then the fiscal effort  
8 per student and the aggregate expenditures of an el-  
9 igible agency required in order to avoid a reduction  
10 under paragraph (1)(B) shall be decreased by the  
11 same percentage as the percentage decrease in the  
12 amount so made available.

13           “(4) WAIVER.—The Secretary may waive the  
14 requirements of this subsection for not more than 1  
15 fiscal year, if the Secretary determines that a waiver  
16 would be equitable due to exceptional or uncontrol-  
17 lable circumstances, such as a natural disaster or an  
18 unforeseen and precipitous decline in the financial  
19 resources of the State or outlying area of the eligible  
20 agency. If the Secretary grants a waiver under the  
21 preceding sentence for a fiscal year, the level of ef-  
22 fort required under paragraph (1) shall not be re-  
23 duced in the subsequent fiscal year because of the  
24 waiver.

1 **“SEC. 242. NATIONAL INSTITUTE FOR LITERACY.**

2 “(a) IN GENERAL.—

3 “(1) PURPOSE.—The purpose of the National  
4 Institute for Literacy is to promote the improvement  
5 of literacy, including skills in reading, writing, and  
6 English language acquisition for children, youth, and  
7 adults, through practices derived from the findings  
8 of scientifically based research.

9 “(2) ESTABLISHMENT.—There is established a  
10 National Institute for Literacy (in this section re-  
11 ferred to as the ‘Institute’). The Institute shall be  
12 administered under the terms of an interagency  
13 agreement entered into, reviewed annually, and  
14 modified as needed by the Secretary of Education  
15 with the Secretary of Health and Human Services  
16 and the Secretary of Labor (in this section referred  
17 to as the ‘Interagency Group’).

18 “(3) OFFICES.—The Institute shall have offices  
19 separate from the offices of the Department of Edu-  
20 cation, the Department of Health and Human Serv-  
21 ices, and the Department of Labor.

22 “(4) ADMINISTRATIVE SUPPORT.—The Depart-  
23 ment of Education shall provide administrative sup-  
24 port for the Institute.

1           “(5) DAILY OPERATIONS.—The Director of the  
2           Institute shall administer the daily operations of the  
3           Institute.

4           “(b) DUTIES.—

5           “(1) IN GENERAL.—To carry out its purpose,  
6           the Institute may—

7                   “(A) identify and disseminate rigorous sci-  
8                   entific research on the effectiveness of instruc-  
9                   tional practices and organizational strategies re-  
10                  lating to programs on the acquisition of skills  
11                  in reading, writing, and English language ac-  
12                  quisition for children, youth, and adults;

13                  “(B) create and widely disseminate mate-  
14                  rials about the acquisition and application of  
15                  skills in reading, writing, and English language  
16                  acquisition for children, youth, and adults based  
17                  on scientifically based research;

18                  “(C) ensure a broad understanding of sci-  
19                  entifically based research on reading, writing,  
20                  and English language acquisition for children,  
21                  youth, and adults among Federal agencies with  
22                  responsibilities for administering programs that  
23                  provide related services, including State and  
24                  local educational agencies;

1           “(D) facilitate coordination and informa-  
2           tion sharing among national organizations and  
3           associations interested in programs that provide  
4           services to improve skills in reading, writing,  
5           and English language acquisition for children,  
6           youth, and adults;

7           “(E) coordinate with the appropriate of-  
8           fices in the Department of Education, the De-  
9           partment of Health and Human Services, the  
10          Department of Labor, and other Federal agen-  
11          cies to apply the findings of scientifically based  
12          research related to programs on reading, writ-  
13          ing, and English language acquisition for chil-  
14          dren, youth, and adults;

15          “(F) establish a national electronic data-  
16          base and Internet site describing and fostering  
17          communication on scientifically based programs  
18          in reading, writing, and English language ac-  
19          quisition for children, youth, and adults, includ-  
20          ing professional development programs; and

21          “(G) provide opportunities for technical as-  
22          sistance, meetings, and conferences that will  
23          foster increased coordination among Federal,  
24          State, and local agencies and entities and im-  
25          provement of reading, writing, and English lan-

1           guage acquisition skills for children, youth, and  
2           adults.

3           “(2) COORDINATION.—In identifying scientif-  
4           ically based research on reading, writing, and  
5           English language acquisition for children, youth, and  
6           adults, the Institute shall use standards for research  
7           quality that are consistent with those established by  
8           the Institute of Education Sciences.

9           “(3) GRANTS, CONTRACTS, AND COOPERATIVE  
10          AGREEMENTS.—

11          “(A) IN GENERAL.—The Institute may  
12          award grants to, or enter into contracts or co-  
13          operative agreements with, individuals, public  
14          or private institutions, agencies, organizations,  
15          or consortia of such individuals, institutions,  
16          agencies, or organizations, to carry out the ac-  
17          tivities of the Institute.

18          “(B) REGULATIONS.—The Director may  
19          adopt the general administrative regulations of  
20          the Department of Education, as applicable, for  
21          use by the Institute.

22          “(C) RELATION TO OTHER LAWS.—The  
23          duties and powers of the Institute under this  
24          title are in addition to the duties and powers of  
25          the Institute under subparts 1, 2, and 3 of part

1 B of the Elementary and Secondary Education  
2 Act of 1965 (commonly referred to as Reading  
3 First, Early Reading First, and the William F.  
4 Goodling Even Start Family Literacy Program,  
5 respectively).

6 “(c) VISITING SCHOLARS.—The Institute may estab-  
7 lish a visiting scholars program, with such stipends and  
8 allowances as the Director considers necessary, for out-  
9 standing researchers, scholars, and individuals who—

10 “(1) have careers in adult education, workforce  
11 development, or scientifically based reading, writing,  
12 or English language acquisition; and

13 “(2) can assist the Institute in translating re-  
14 search into practice and providing analysis that ad-  
15 vances instruction in the fields of reading, writing,  
16 and English language acquisition for children, youth,  
17 and adults.

18 “(d) INTERNS AND VOLUNTEERS.—The Institute, in  
19 consultation with the National Institute for Literacy Advi-  
20 sory Board, may award paid and unpaid internships to  
21 individuals seeking to assist the Institute in carrying out  
22 its purpose. Notwithstanding section 1342 of title 31,  
23 United States Code, the Institute may accept and use vol-  
24 untary and uncompensated services as the Institute deter-  
25 mines necessary.

1           “(e) NATIONAL INSTITUTE FOR LITERACY ADVISORY  
2 BOARD.—

3           “(1) ESTABLISHMENT.—

4                   “(A) IN GENERAL.—There shall be a Na-  
5 tional Institute for Literacy Advisory Board (in  
6 this section referred to as the ‘Board’), which  
7 shall consist of 10 individuals appointed by the  
8 President with the advice and consent of the  
9 Senate.

10           “(B) QUALIFICATIONS.—The Board shall  
11 be composed of individuals who—

12                   “(i) are not otherwise officers or em-  
13 ployees of the Federal Government; and

14                   “(ii) are knowledgeable about current  
15 effective scientifically based research find-  
16 ings on instruction in reading, writing, and  
17 English language acquisition for children,  
18 youth, and adults.

19           “(C) COMPOSITION.—The Board may in-  
20 clude—

21                   “(i) representatives of business, indus-  
22 try, labor, literacy organizations, adult  
23 education providers, community colleges,  
24 students with disabilities, and State agen-

1                   cies, including State directors of adult edu-  
2                   cation; and

3                   “(ii) individuals who, and representa-  
4                   tives of entities that, have been successful  
5                   in improving skills in reading, writing, and  
6                   English language acquisition for children,  
7                   youth, and adults.

8                   “(2) DUTIES.—The Board shall—

9                   “(A) make recommendations concerning  
10                  the appointment of the Director of the Insti-  
11                  tute;

12                  “(B) provide independent advice on the op-  
13                  eration of the Institute;

14                  “(C) receive reports from the Interagency  
15                  Group and the Director; and

16                  “(D) review the biennial report to the Con-  
17                  gress under subsection (k).

18                  “(3) FEDERAL ADVISORY COMMITTEE ACT.—

19                  Except as otherwise provided, the Board shall be  
20                  subject to the provisions of the Federal Advisory  
21                  Committee Act.

22                  “(4) APPOINTMENTS.—

23                  “(A) IN GENERAL.—Each member of the  
24                  Board shall be appointed for a term of 3 years,  
25                  except that the initial terms for members may

1           be 1, 2, or 3 years in order to establish a rota-  
2           tion in which one-third of the members are se-  
3           lected each year. Any such member may be ap-  
4           pointed for not more than 2 consecutive terms.

5           “(B) VACANCIES.—Any member appointed  
6           to fill a vacancy occurring before the expiration  
7           of the term for which the member’s predecessor  
8           was appointed shall be appointed only for the  
9           remainder of that term. A member may serve  
10          after the expiration of that member’s term until  
11          a successor has taken office.

12          “(5) QUORUM.—A majority of the members of  
13          the Board shall constitute a quorum, but a lesser  
14          number may hold hearings. A recommendation of  
15          the Board may be passed only by a majority of the  
16          Board’s members present at a meeting for which  
17          there is a quorum.

18          “(6) ELECTION OF OFFICERS.—The Chair-  
19          person and Vice Chairperson of the Board shall be  
20          elected by the members of the Board. The term of  
21          office of the Chairperson and Vice Chairperson shall  
22          be 2 years.

23          “(7) MEETINGS.—The Board shall meet at the  
24          call of the Chairperson or a majority of the members  
25          of the Board.

1       “(f) GIFTS, BEQUESTS, AND DEVISES.—

2               “(1) IN GENERAL.—The Institute may accept,  
3 administer, and use gifts or donations of services,  
4 money, or property, whether real or personal, tan-  
5 gible or intangible.

6               “(2) RULES.—The Board shall establish writ-  
7 ten rules setting forth the criteria to be used by the  
8 Institute in determining whether the acceptance of  
9 contributions of services, money, or property whether  
10 real or personal, tangible or intangible, would reflect  
11 unfavorably upon the ability of the Institute or any  
12 employee to carry out the responsibilities of the In-  
13 stitute or employee, or official duties, in a fair and  
14 objective manner, or would compromise the integrity,  
15 or the appearance of the integrity, of the Institute’s  
16 programs or any official involved in those programs.

17       “(g) MAILS.—The Board and the Institute may use  
18 the United States mails in the same manner and under  
19 the same conditions as other departments and agencies of  
20 the United States.

21       “(h) DIRECTOR.—The Secretary of Education, after  
22 considering recommendations made by the Board and con-  
23 sulting with the Interagency Group, shall appoint and fix  
24 the pay of the Director of the Institute and, when nec-  
25 essary, shall appoint an Interim Director of the Institute.

1       “(i) APPLICABILITY OF CERTAIN CIVIL SERVICE  
2 LAWS.—The Director and staff of the Institute may be  
3 appointed without regard to the provisions of title 5,  
4 United States Code, governing appointments in the com-  
5 petitive service, and may be paid without regard to the  
6 provisions of chapter 51 and subchapter III of chapter 53  
7 of that title relating to classification and General Schedule  
8 pay rates, except that an individual so appointed may not  
9 receive pay in excess of the annual rate of basic pay pay-  
10 able for level IV of the Executive Schedule.

11       “(j) EXPERTS AND CONSULTANTS.—The Institute  
12 may procure temporary and intermittent services under  
13 section 3109(b) of title 5, United States Code.

14       “(k) BIENNIAL REPORT.—

15               “(1) IN GENERAL.—The Institute shall submit  
16 a report biennially to the Committee on Education  
17 and Labor of the House of Representatives and the  
18 Committee on Health, Education, Labor, and Pen-  
19 sions of the Senate. Each report submitted under  
20 this subsection shall include—

21                       “(A) a comprehensive and detailed descrip-  
22 tion of the Institute’s operations, activities, fi-  
23 nancial condition, and accomplishments in iden-  
24 tifying and describing programs on reading,  
25 writing, and English language acquisition for

1 children, youth, and adults for the period cov-  
2 ered by the report; and

3 “(B) a description of how plans for the op-  
4 eration of the Institute for the succeeding 2 fis-  
5 cal years will facilitate achievement of the pur-  
6 pose of the Institute.

7 “(2) **FIRST REPORT.**—The Institute shall sub-  
8 mit its first report under this subsection to the Con-  
9 gress not later than 1 year after the date of the en-  
10 actment of the Workforce Investment Improvement  
11 Act of 2007.

12 “(1) **ADDITIONAL FUNDING.**—In addition to the  
13 funds authorized under section 205 and reserved for the  
14 Institute under section 211, the Secretary of Education,  
15 the Secretary of Health and Human Services, the Sec-  
16 retary of Labor, or the head of any other Federal agency  
17 or department that participates in the activities of the In-  
18 stitute may provide funds to the Institute for activities  
19 that the Institute is authorized to perform under this sec-  
20 tion.

21 **“SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.**

22 “The Secretary shall establish and carry out a pro-  
23 gram of national leadership activities that may include the  
24 following:

1           “(1) Technical assistance, on request, including  
2 assistance—

3           “(A) on request to volunteer community-  
4 and faith-based organizations, including but not  
5 limited to, improving their fiscal management,  
6 research-based instruction, and reporting re-  
7 quirements, and the development of measurable  
8 objectives to carry out the requirements of this  
9 title;

10          “(B) in developing valid, measurable, and  
11 reliable performance data, and using perform-  
12 ance information for the improvement of adult  
13 education basic skills, English language acquisi-  
14 tion, and family literacy education programs;

15          “(C) on adult education professional devel-  
16 opment; and

17          “(D) in using distance learning and im-  
18 proving the application of technology in the  
19 classroom, including instruction in English lan-  
20 guage acquisition for individuals who have lim-  
21 ited English proficiency.

22          “(2) Providing for the conduct of research on  
23 national literacy basic skill acquisition levels among  
24 adults, including the number of limited English pro-

1        ficient adults functioning at different levels of read-  
2        ing proficiency.

3            “(3) Improving the coordination, efficiency, and  
4        effectiveness of adult education and workforce devel-  
5        opment services at the national, State, and local lev-  
6        els.

7            “(4) Determining how participation in adult  
8        education basic skills, English language acquisition,  
9        and family literacy education programs prepares in-  
10        dividuals for entry into and success in postsecondary  
11        education and employment, and in the case of pris-  
12        on-based services, the effect on recidivism.

13           “(5) Evaluating how different types of pro-  
14        viders, including community and faith-based organi-  
15        zations or private for-profit agencies measurably im-  
16        prove the skills of participants in adult education  
17        basic skills, English language acquisition, and family  
18        literacy education programs.

19           “(6) Identifying model integrated basic and  
20        workplace skills education programs, including pro-  
21        grams for individuals with limited English pro-  
22        ficiency coordinated literacy and employment serv-  
23        ices, and effective strategies for serving adults with  
24        disabilities.

1           “(7) Supporting the development of an entity  
2 that would produce and distribute technology-based  
3 programs and materials for adult education, basic  
4 skills, and family literacy education programs using  
5 an intercommunication system, as that term is de-  
6 fined in section 397 of the Communications Act of  
7 1934, and expand the effective outreach and use of  
8 such programs and materials to adult education eli-  
9 gible providers.

10           “(8) Initiating other activities designed to im-  
11 prove the measurable quality and effectiveness of  
12 adult education basic skills, English language acqui-  
13 sition, and family literacy education programs na-  
14 tionwide.”

## 15           **Subtitle C—Amendments to the** 16           **Wagner-Peyser Act**

### 17           **SEC. 461. AMENDMENTS TO THE WAGNER-PEYSER ACT.**

18           The Wagner-Peyser Act (29 U.S.C. 49 et seq.) is  
19 amended—

20           (1) by striking sections 1 through 13;

21           (2) in section 14 by inserting “of Labor” after  
22 “Secretary”; and

23           (3) by amending section 15 to read as follows:

1 **"SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION**  
2 **SYSTEM.**

3 **"(a) SYSTEM CONTENT.—**

4 **"(1) IN GENERAL.—**The Secretary of Labor, in  
5 accordance with the provisions of this section, shall  
6 oversee the development, maintenance, and contin-  
7 uous improvement of a nationwide workforce and  
8 labor market information system that includes—

9 **"(A)** statistical data from cooperative sta-  
10 tistical survey and projection programs and  
11 data from administrative reporting systems  
12 that, taken together, enumerate, estimate, and  
13 project employment opportunities and condi-  
14 tions at national, State, and local levels in a  
15 timely manner, including statistics on—

16 **"(i)** employment and unemployment  
17 status of national, State, and local popu-  
18 lations, including self-employed, part-time,  
19 and seasonal workers;

20 **"(ii)** industrial distribution of occupa-  
21 tions, as well as current and projected em-  
22 ployment opportunities, wages, benefits  
23 (where data is available), and skill trends  
24 by occupation and industry, with particular  
25 attention paid to State and local condi-  
26 tions;

1           “(iii) the incidence of, industrial and  
2           geographical location of; and number of  
3           workers displaced by, permanent layoffs  
4           and plant closings; and

5           “(iv) employment and earnings infor-  
6           mation maintained in a longitudinal man-  
7           ner to be used for research and program  
8           evaluation;

9           “(B) information on State and local em-  
10          ployment opportunities, and other appropriate  
11          statistical data related to labor market dynam-  
12          ics, which—

13           “(i) shall be current and comprehen-  
14           sive;

15           “(ii) shall meet the needs identified  
16           through the consultations described in sub-  
17           paragraphs (A) and (B) of subsection  
18           (e)(2); and

19           “(iii) shall meet the needs for the in-  
20           formation identified in section 134(d);

21           “(C) technical standards (which the Sec-  
22           retary shall publish annually) for data and in-  
23           formation described in subparagraphs (A) and  
24           (B) that, at a minimum, meet the criteria of  
25           chapter 35 of title 44, United States Code;

1           “(D) procedures to ensure compatibility  
2           and additivity of the data and information de-  
3           scribed in subparagraphs (A) and (B) from na-  
4           tional, State, and local levels;

5           “(E) procedures to support standardization  
6           and aggregation of data from administrative re-  
7           porting systems described in subparagraph (A)  
8           of employment-related programs;

9           “(F) analysis of data and information de-  
10          scribed in subparagraphs (A) and (B) for uses  
11          such as—

12                 “(i) national, State, and local policy-  
13                 making;

14                 “(ii) implementation of Federal poli-  
15                 cies (including allocation formulas);

16                 “(iii) program planning and evalua-  
17                 tion; and

18                 “(iv) researching labor market dynam-  
19                 ics;

20           “(G) wide dissemination of such data, in-  
21           formation, and analysis in a user-friendly man-  
22           ner and voluntary technical standards for dis-  
23           semination mechanisms; and

24           “(H) programs of—

1           “(i) training for effective data dis-  
2           semination;

3           “(ii) research and demonstration; and

4           “(iii) programs and technical assist-  
5           ance.

6           “(2) INFORMATION TO BE CONFIDENTIAL.—

7           “(A) IN GENERAL.—No officer or em-  
8           ployee of the Federal Government or agent of  
9           the Federal Government may—

10           “(i) use any submission that is fur-  
11           nished for exclusively statistical purposes  
12           under the provisions of this section for any  
13           purpose other than the statistical purposes  
14           for which the submission is furnished;

15           “(ii) disclose to the public any publi-  
16           cation or media transmittal of the data  
17           contained in the submission described in  
18           clause (i) that permits information con-  
19           cerning an individual subject to be reason-  
20           ably inferred by either direct or indirect  
21           means; or

22           “(iii) permit anyone other than a  
23           sworn officer, employee, or agent of any  
24           Federal department or agency, or a con-  
25           tractor (including an employee of a con-

1 tractor) of such department or agency, to  
2 examine an individual submission described  
3 in clause (i),

4 without the consent of the individual, agency, or  
5 other person who is the subject of the submis-  
6 sion or provides that submission.

7 “(B) IMMUNITY FROM LEGAL PROCESS.—

8 Any submission (including any data derived  
9 from the submission) that is collected and re-  
10 tained by a Federal department or agency, or  
11 an officer, employee, agent, or contractor of  
12 such a department or agency, for exclusively  
13 statistical purposes under this section shall be  
14 immune from the legal process and shall not,  
15 without the consent of the individual, agency, or  
16 other person who is the subject of the submis-  
17 sion or provides that submission, be admitted  
18 as evidence or used for any purpose in any ac-  
19 tion, suit, or other judicial or administrative  
20 proceeding.

21 “(C) RULE OF CONSTRUCTION.—Nothing  
22 in this section shall be construed to provide im-  
23 munity from the legal process for such submis-  
24 sion (including any data derived from the sub-  
25 mission) if the submission is in the possession

1 of any person, agency, or entity other than the  
2 Federal Government or an officer, employee,  
3 agent, or contractor of the Federal Government,  
4 or if the submission is independently collected,  
5 retained, or produced for purposes other than  
6 the purposes of this Act.

7 “(b) SYSTEM RESPONSIBILITIES.—

8 “(1) IN GENERAL.—The workforce and labor  
9 market information system described in subsection  
10 (a) shall be planned, administered, overseen, and  
11 evaluated through a cooperative governance struc-  
12 ture involving the Federal Government and States.

13 “(2) DUTIES.—The Secretary, with respect to  
14 data collection, analysis, and dissemination of work-  
15 force and labor market information for the system,  
16 shall carry out the following duties:

17 “(A) Assign responsibilities within the De-  
18 partment of Labor for elements of the work-  
19 force and labor market information system de-  
20 scribed in subsection (a) to ensure that all sta-  
21 tistical and administrative data collected is con-  
22 sistent with appropriate Bureau of Labor Sta-  
23 tistics standards and definitions.

24 “(B) Actively seek the cooperation of other  
25 Federal agencies to establish and maintain

1 mechanisms for ensuring complementarity and  
2 nonduplication in the development and oper-  
3 ation of statistical and administrative data col-  
4 lection activities.

5 “(C) Eliminate gaps and duplication in  
6 statistical undertakings, with the systemization  
7 of wage surveys as an early priority.

8 “(D) In collaboration with the Bureau of  
9 Labor Statistics and States, develop and main-  
10 tain the elements of the workforce and labor  
11 market information system described in sub-  
12 section (a), including the development of con-  
13 sistent procedures and definitions for use by the  
14 States in collecting the data and information  
15 described in subparagraphs (A) and (B) of sub-  
16 section (a)(1).

17 “(E) Establish procedures for the system  
18 to ensure that—

19 “(i) such data and information are  
20 timely;

21 “(ii) paperwork and reporting for the  
22 system are reduced to a minimum; and

23 “(iii) States and localities are fully in-  
24 volved in the development and continuous  
25 improvement of the system at all levels.

1       “(c) NATIONAL ELECTRONIC TOOLS TO PROVIDE  
2 SERVICES.—The Secretary is authorized to assist in the  
3 development of national electronic tools that may be used  
4 to facilitate the delivery of work ready services described  
5 in section 134 and to provide workforce information to in-  
6 dividuals through the one-stop delivery systems described  
7 in section 121 and through other appropriate delivery sys-  
8 tems.

9       “(d) COORDINATION WITH THE STATES.—

10       “(1) IN GENERAL.—The Secretary, working  
11 through the Bureau of Labor Statistics and the Em-  
12 ployment and Training Administration, shall regu-  
13 larly consult with representatives of State agencies  
14 carrying out workforce information activities regard-  
15 ing strategies for improving the workforce and labor  
16 market information system.

17       “(2) FORMAL CONSULTATIONS.—At least twice  
18 each year, the Secretary, working through the Bu-  
19 reau of Labor Statistics, shall conduct formal con-  
20 sultations regarding programs carried out by the  
21 Bureau of Labor Statistics with representatives of  
22 each of the 6 Federal regions of the Bureau of  
23 Labor Statistics, elected (pursuant to a process es-  
24 tablished by the Secretary) from the State directors

1 affiliated with State agencies that perform the duties  
2 described in subsection (e)(2).

3 “(e) STATE RESPONSIBILITIES.—

4 “(1) IN GENERAL.—In order to receive Federal  
5 financial assistance under this section, the Governor  
6 of a State shall—

7 “(A) be responsible for the management of  
8 the portions of the workforce and labor market  
9 information system described in subsection (a)  
10 that comprise a statewide workforce and labor  
11 market information system and for the State’s  
12 participation in the development of the annual  
13 plan;

14 “(B) establish a process for the oversight  
15 of such system;

16 “(C) consult with State and local employ-  
17 ers, participants, and local workforce invest-  
18 ment boards about the labor market relevance  
19 of the data to be collected and disseminated  
20 through the statewide workforce and labor mar-  
21 ket information system;

22 “(D) consult with State educational agen-  
23 cies and local educational agencies concerning  
24 the provision of employment statistics in order  
25 to meet the needs of secondary school and post-

1 secondary school students who seek such infor-  
2 mation;

3 “(E) collect and disseminate for the sys-  
4 tem, on behalf of the State and localities in the  
5 State, the information and data described in  
6 subparagraphs (A) and (B) of subsection  
7 (a)(1);

8 “(F) maintain and continuously improve  
9 the statewide workforce and labor market infor-  
10 mation system in accordance with this section;

11 “(G) perform contract and grant respon-  
12 sibilities for data collection, analysis, and dis-  
13 semination for such system;

14 “(H) conduct such other data collection,  
15 analysis, and dissemination activities as will en-  
16 sure an effective statewide workforce and labor  
17 market information system;

18 “(I) actively seek the participation of other  
19 State and local agencies in data collection, anal-  
20 ysis, and dissemination activities in order to en-  
21 sure complementarity, compatibility, and useful-  
22 ness of data;

23 “(J) participate in the development of the  
24 annual plan described in subsection (c); and

1           “(K) utilize the quarterly records described  
2           in section 136(f)(2) of the Workforce Invest-  
3           ment Act of 1998 to assist the State and other  
4           States in measuring State progress on State  
5           performance measures.

6           “(2) RULE OF CONSTRUCTION.—Nothing in  
7           this section shall be construed as limiting the ability  
8           of a Governor to conduct additional data collection,  
9           analysis, and dissemination activities with State  
10          funds or with Federal funds from sources other than  
11          this section.

12          “(f) NONDUPLICATION REQUIREMENT.—None of the  
13          functions and activities carried out pursuant to this sec-  
14          tion shall duplicate the functions and activities carried out  
15          under the Carl D. Perkins Vocational and Applied Tech-  
16          nology Education Act (20 U.S.C. 2301 et seq.).

17          “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
18          are authorized to be appropriated to carry out this section  
19          such sums as may be necessary for each of the fiscal years  
20          2008 through 2012.

21          “(h) DEFINITION.—In this section, the term ‘local  
22          area’ means the smallest geographical area for which data  
23          can be produced with statistical reliability.”

1       **Subtitle D—Amendments to the**  
2       **Rehabilitation Act of 1973**

3       **SEC. 471. FINDINGS.**

4       Section 2(a) of the Rehabilitation Act of 1973 (29  
5       U.S.C. 701(a)) is amended—

6               (1) in paragraph (5), by striking “and” at the  
7       end;

8               (2) in paragraph (6), by striking the period and  
9       inserting “; and”; and

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

11              “(7) there is a substantial need to improve and  
12       expand services for students with disabilities under  
13       this Act.”

14       **SEC. 472. REHABILITATION SERVICES ADMINISTRATION.**

15       Section 3(a) of the Rehabilitation Act of 1973 (29  
16       U.S.C. 702(a)) is amended—

17              (1) by striking “Office of the Secretary” and  
18       inserting “Department of Education”;

19              (2) by striking “President by and with the ad-  
20       vice and consent of the Senate” and inserting “Sec-  
21       retary, except that the Commissioner appointed  
22       under the authority existing on the day prior to the  
23       date of enactment of the Workforce Investment Im-  
24       provement Act of 2007 may continue to serve in the  
25       former capacity”; and

1           (3) by striking “, and the Commissioner shall  
2           be the principal officer,”.

3 **SEC. 473. DIRECTOR.**

4           (a) **IN GENERAL.**—The Rehabilitation Act of 1973  
5 (29 U.S.C. 701 et seq.) is amended—

6           (1) by striking “Commissioner” each place it  
7           appears, except in sections 3(a) (as amended by sec-  
8           tion 472) and 21, and inserting “Director”;

9           (2) in section 100(d)(2)(B), by striking “**COM-**  
10 **MISSIONER**” and inserting “**DIRECTOR**”;

11           (3) in section 706, by striking “**COMMIS-**  
12 **SIONER**” and inserting “**DIRECTOR**”; and

13           (4) in section 723(a)(3), by striking “**COMMIS-**  
14 **SIONER**” and inserting “**DIRECTOR**”.

15           (b) **EXCEPTION.**—Section 21 of the Rehabilitation  
16 Act of 1973 (29 U.S.C. 718) is amended—

17           (1) in subsection (b)(1)—

18           (A) by striking “Commissioner” the first  
19           place it appears and inserting “Director of the  
20           Rehabilitation Services Administration”; and

21           (B) by striking “(referred to in this sub-  
22           section as the ‘Director’)”; and

23           (2) by striking “Commissioner and the Direc-  
24           tor” each place it appears and inserting “both such  
25           Directors”.

1 **SEC. 474. DEFINITIONS.**

2 Section 7 of the Rehabilitation Act of 1973 (29  
3 U.S.C. 705) is amended—

4 (1) by redesignating paragraphs (35) through  
5 (39) as paragraphs (36), (37), (38), (40), and (41),  
6 respectively;

7 (2) in subparagraph (A)(ii) of paragraph (36)  
8 (as redesignated in paragraph (1)), by striking  
9 “paragraph (36)(C)” and inserting “paragraph  
10 (37)(C)”;

11 (3) by inserting after paragraph (34) the fol-  
12 lowing:

13 “(35)(A) The term ‘student with a disability’  
14 means an individual with a disability who—

15 “(i) is not younger than 16 and not older  
16 than 21;

17 “(ii) has been determined to be eligible  
18 under section 102(a) for assistance under this  
19 title; and

20 “(iii)(I) is eligible for, and is receiving,  
21 special education under part B of the Individ-  
22 uals with Disabilities Education Act (20 U.S.C.  
23 1411 et seq.); or

24 “(II) is an individual with a disability, for  
25 purposes of section 504.

1           “(B) The term ‘students with disabilities’  
2 means more than 1 student with a disability.”; and

3           (4) by inserting after paragraph (38) (as redes-  
4 igned by paragraph (1)) the following:

5           “(39) The term ‘transition services expansion  
6 year’ means—

7           “(A) the first fiscal year for which the  
8 amount appropriated under section 100(b) ex-  
9 ceeds the amount appropriated under section  
10 100(b) for fiscal year 2004 by not less than  
11 \$100,000,000; and

12           “(B) each fiscal year subsequent to that  
13 first fiscal year.”.

14 **SEC. 475. STATE PLAN.**

15           (a) **COORDINATION WITH EDUCATION OFFICIALS**  
16 **AND ASSISTIVE TECHNOLOGY PROGRAMS.**—Section  
17 101(a)(11) of the Rehabilitation Act of 1973 (29 U.S.C.  
18 721(a)(11)) is amended—

19           (1) in subparagraph (D)(i) by inserting “;  
20 which may be provided using alternative means of  
21 meeting participation (such as video conferences and  
22 conference calls)” before the semicolon; and

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

24           “(G) **COORDINATION WITH ASSISTIVE**  
25 **TECHNOLOGY PROGRAMS.**—The State plan shall

1 include an assurance that the designated State  
2 unit and the lead agency responsible for car-  
3 rying out duties under the Assistive Technology  
4 Act of 1998 (29 U.S.C. 3001), as amended,  
5 have developed working relationships and co-  
6 ordinate their activities.”

7 (b) ASSESSMENT AND STRATEGIES.—Section  
8 101(a)(15) of the Rehabilitation Act of 1973 (29 U.S.C.  
9 721(a)(15)) is amended—

10 (1) in subparagraph (A)

11 (A) in clause (i)—

12 (i) in subclause (II), by striking  
13 “and” at the end;

14 (ii) in subclause (III), by adding  
15 “and” at the end; and

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

18 “(IV) in a transition services ex-  
19 pansion year, students with disabil-  
20 ities, including their need for transi-  
21 tion services;”; and

22 (B) by redesignating clauses (ii) and (iii)  
23 as clauses (iii) and (iv), respectively, and insert-  
24 ing after clause (i) the following:

1           “(ii) include an assessment of the  
2 transition services provided under this Act,  
3 and coordinated with transition services  
4 under the Individuals with Disabilities  
5 Education Act, as to those services meet-  
6 ing the needs of individuals with disabil-  
7 ities;”; and

8           (2) in subparagraph (D)—

9           (A) by redesignating clauses (iii), (iv), and  
10 (v) as clauses (iv), (v), and (vi), respectively;  
11 and

12           (B) by inserting after clause (ii) the fol-  
13 lowing:

14           “(iii) in a transition services expan-  
15 sion year, the methods to be used to im-  
16 prove and expand vocational rehabilitation  
17 services for students with disabilities, in-  
18 cluding the coordination of services de-  
19 signed to facilitate the transition of such  
20 students from the receipt of educational  
21 services in school to the receipt of voca-  
22 tional rehabilitation services under this  
23 title or to postsecondary education or em-  
24 ployment;”.

1 (c) SERVICES FOR STUDENTS WITH DISABILITIES.—  
2 Section 101(a) of the Rehabilitation Act of 1973 (29  
3 U.S.C. 721(a)) is further amended by adding at the end  
4 the following:

5 “(25) SERVICES FOR STUDENTS WITH DISABIL-  
6 ITIES.—The State plan for a transition services ex-  
7 pansion year shall provide an assurance satisfactory  
8 to the Secretary that the State—

9 “(A) has developed and implemented strat-  
10 egies to address the needs identified in the as-  
11 sessment described in paragraph (15), and  
12 achieve the goals and priorities identified by the  
13 State, to improve and expand vocational reha-  
14 bilitation services for students with disabilities  
15 on a statewide basis in accordance with para-  
16 graph (15); and

17 “(B) from funds reserved under section  
18 110A, shall carry out programs or activities de-  
19 signed to improve and expand vocational reha-  
20 bilitation services for students with disabilities  
21 that—

22 “(i) facilitate the transition of the stu-  
23 dents with disabilities from the receipt of  
24 educational services in school, to the re-  
25 ceipt of vocational rehabilitation services

1 under this title, including, at a minimum,  
2 those services specified in the interagency  
3 agreement required in paragraph (11)(D);

4 “(ii) improve the achievement of post-  
5 school goals of students with disabilities,  
6 including improving the achievement  
7 through participation (as appropriate when  
8 vocational goals are discussed) in meetings  
9 regarding individualized education pro-  
10 grams developed under section 614 of the  
11 Individuals with Disabilities Education Act  
12 (20 U.S.C. 1414);

13 “(iii) provide vocational guidance, ca-  
14 reer exploration services, and job search  
15 skills and strategies and technical assist-  
16 ance to students with disabilities;

17 “(iv) support the provision of training  
18 and technical assistance to State and local  
19 educational agency and designated State  
20 agency personnel responsible for the plan-  
21 ning and provision of services to students  
22 with disabilities; and

23 “(v) support outreach activities to stu-  
24 dents with disabilities who are eligible for,  
25 and need, services under this title.”

1 **SEC. 476. SCOPE OF SERVICES.**

2 Section 103 of the Rehabilitation Act of 1973 (29  
3 U.S.C. 723) is amended—

4 (1) in subsection (a), by striking paragraph  
5 (15) and inserting the following:

6 “(15) transition services for students with dis-  
7 abilities, that facilitate the achievement of the em-  
8 ployment outcome identified in the individualized  
9 plan for employment, including, in a transition serv-  
10 ices expansion year, services described in clauses (i)  
11 through (iii) of section 101(a)(25)(B);”;

12 (2) in subsection (b), by striking paragraph (6)  
13 and inserting the following:

14 “(6)(A)(i) Consultation and technical assistance  
15 services to assist State and local educational agen-  
16 cies in planning for the transition of students with  
17 disabilities from school to post-school activities, in-  
18 cluding employment.

19 “(ii) In a transition services expansion year,  
20 training and technical assistance described in section  
21 101(a)(25)(B)(iv).

22 “(B) In a transition services expansion year,  
23 services for groups of individuals with disabilities  
24 who meet the requirements of clauses (i) and (iii) of  
25 section 7(35)(A), including services described in  
26 clauses (i), (ii), (iii), and (v) of section

1 101(a)(25)(B), to assist in the transition from  
2 school to post-school activities.”; and

3 (3) in subsection (b) by inserting at the end,  
4 the following:

5 “(7) The establishment, development, or im-  
6 provement of assistive technology demonstration,  
7 loan, reutilization, or financing programs in coordi-  
8 nation with activities authorized under the Assistive  
9 Technology Act of 1998 (29 U.S.C. 3001), as  
10 amended, to promote access to assistive technology  
11 for individuals with disabilities and employers.”.

12 **SEC. 477. STANDARDS AND INDICATORS.**

13 Section 106(a) of the Rehabilitation Act of 1973 (29  
14 U.S.C. 726(a)) is amended by striking paragraph (1)(C)  
15 and all that follows through paragraph (2) and inserting  
16 the following:

17 “(2) MEASURES.—The standards and indica-  
18 tors shall include outcome and related measures of  
19 program performance that—

20 “(A) facilitate the accomplishment of the  
21 purpose and policy of this title;

22 “(B) to the maximum extent practicable,  
23 are consistent with the core indicators of per-  
24 formance, and corresponding State adjusted lev-  
25 els of performance, established under section

1 136(b) of the Workforce Investment Act of  
2 1998 (29 U.S.C. 2871(b)); and

3 “(C) include measures of the program’s  
4 performance with respect to the transition to  
5 post-school vocational activities, and achieve-  
6 ment of the post-school vocational goals, of stu-  
7 dents with disabilities served under the pro-  
8 gram.”.

9 **SEC. 478. RESERVATION FOR EXPANDED TRANSITION**  
10 **SERVICES.**

11 The Rehabilitation Act of 1973 is amended by insert-  
12 ing after section 110 (29 U.S.C. 730) the following:

13 **“SEC. 110A. RESERVATION FOR EXPANDED TRANSITION**  
14 **SERVICES.**

15 “(a) RESERVATION.—From the State allotment  
16 under section 110 in a transition services expansion year,  
17 each State shall reserve an amount calculated by the Di-  
18 rector under subsection (b) to carry out programs and ac-  
19 tivities under sections 101(a)(25)(B) and 103(b)(6).

20 “(b) CALCULATION.—The Director shall calculate the  
21 amount to be reserved for such programs and activities  
22 for a fiscal year by each State by multiplying \$50,000,000  
23 by the percentage determined by dividing—

24 “(1) the amount allotted to that State under  
25 section 110 for the prior fiscal year, by

1           “(2) the total amount allotted to all States  
2           under section 110 for that prior fiscal year.”.

3 **SEC. 479. CLIENT ASSISTANCE PROGRAM.**

4           Section 112(e)(1) of the Rehabilitation Act of 1973  
5 (29 U.S.C. 732(e)(1)) is amended by redesignating sub-  
6 paragraph (D) as subparagraph (E) and inserting after  
7 subparagraph (C) the following:

8           “(D) The Secretary shall make grants to the protec-  
9 tion and advocacy system serving the American Indian  
10 Consortium to provide services in accordance with this sec-  
11 tion. The amount of such grants shall be the same as pro-  
12 vided to territories under this subsection.”.

13 **SEC. 480. PROTECTION AND ADVOCACY OF INDIVIDUAL**  
14 **RIGHTS.**

15           Section 509(g)(2) of the Rehabilitation Act of 1973  
16 (29 U.S.C. 794e(g)(2)) is amended by striking “was paid”  
17 and inserting “was paid, except that program income gen-  
18 erated from such amount shall remain available to such  
19 system for one additional fiscal year”.

20 **SEC. 481. CHAIRPERSON.**

21           Section 705(b)(5) of the Rehabilitation Act of 1973  
22 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

23           “(5) CHAIRPERSON.—The Council shall select a  
24 chairperson from among the voting membership of  
25 the Council.”.

1 **SEC. 482. AUTHORIZATIONS OF APPROPRIATIONS.**

2 The Rehabilitation Act of 1973 is further amended—

3 (1) in section 100(b)(1) by striking “fiscal  
4 years 1999 through 2003” and inserting “fiscal  
5 years 2008 through 2012”;

6 (2) in section 100(d)(1)(B) by striking “fiscal  
7 year 2003” and inserting “fiscal year 2012”;

8 (3) in section 110(c) by amending paragraph  
9 (2) to read as follows:

10 “(2) The sum referred to in paragraph (1) shall  
11 be, as determined by the Secretary, not less than 1  
12 percent and not more than 1.5 percent of the  
13 amount referred to in paragraph (1) for each of fis-  
14 cal years 2008 through 2012.”;

15 (4) in section 112(h) by striking “fiscal years  
16 1999 through 2003” and inserting “fiscal years  
17 2008 through 2012”;

18 (5) in section 201(a) by striking “fiscal years  
19 1999 through 2003” each place it appears and in-  
20 serting “fiscal years 2008 through 2012”;

21 (6) in section 302(i) by striking “fiscal years  
22 1999 through 2003” and inserting “fiscal years  
23 2008 through 2012”;

24 (7) in section 303(e) by striking “fiscal years  
25 1999 through 2003” and inserting “fiscal years  
26 2008 through 2012”;

1 (8) in section 304(b) by striking “fiscal years  
2 1999 through 2003” and inserting “fiscal years  
3 2008 through 2012”;

4 (9) in section 305(b) by striking “fiscal years  
5 1999 through 2003” and inserting “fiscal years  
6 2008 through 2012”;

7 (10) in section 405 by striking “fiscal years  
8 1999 through 2003” and inserting “fiscal years  
9 2008 through 2012”;

10 (11) in section 502(j) by striking “fiscal years  
11 1999 through 2003” and inserting “fiscal years  
12 2008 through 2012”;

13 (12) in section 509(l) by striking “fiscal years  
14 1999 through 2003” and inserting “fiscal years  
15 2008 through 2012”;

16 (13) in section 612 by striking “fiscal years  
17 1999 through 2003” and inserting “fiscal years  
18 2008 through 2012”;

19 (14) in section 628 by striking “fiscal years  
20 1999 through 2003” and inserting “fiscal years  
21 2008 through 2012”;

22 (15) in section 714 by striking “fiscal years  
23 1999 through 2003” and inserting “fiscal years  
24 2008 through 2012”;

1           (16) in section 727 by striking “fiscal years  
2           1999 through 2003” and inserting “fiscal years  
3           2008 through 2012”; and

4           (17) in section 753 by striking “fiscal years  
5           1999 through 2003” and inserting “fiscal years  
6           2008 through 2012”.

7   **SEC. 483. CONFORMING AMENDMENT.**

8           Section 1(b) of the Rehabilitation Act of 1973 is  
9   amended by inserting after the item relating to section  
10 110 the following:

          “Sec. 110A. Reservation for expanded transition services.”

11   **SEC. 484. HELEN KELLER NATIONAL CENTER ACT.**

12           (a) GENERAL AUTHORIZATION OF APPROPRIA-  
13 TIONS.—The first sentence of section 205(a) of the Helen  
14 Keller National Center Act (29 U.S.C. 1904(a)) is amend-  
15 ed by striking “1999 through 2003” and inserting “2008  
16 through 2012”.

17           (b) HELEN KELLER NATIONAL CENTER FEDERAL  
18 ENDOWMENT FUND.—The first sentence of section  
19 208(h) of such Act (29 U.S.C. 1907(h)) is amended by  
20 striking “1999 through 2003” and inserting “2008  
21 through 2012”.

1           **Subtitle E—Transition and**  
2                           **Effective Date**

3   **SEC. 491. TRANSITION PROVISIONS.**

4           The Secretary of Labor shall take such actions as the  
5   Secretary determines to be appropriate to provide for the  
6   orderly implementation of this title.

7   **SEC. 492. EFFECTIVE DATE.**

8           Except as otherwise provided in this title, this title  
9   and the amendments made by this title, shall take effect  
10 on the date of enactment of this Act.