

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: To provide a substitute amendment.

**IN THE SENATE OF THE UNITED STATES—108th Cong., 1st Sess.**

**S. 1627**

To reauthorize the Workforce Investment Act of 1998, and  
for other purposes.

Referred to the Committee on \_\_\_\_\_  
and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended  
to be proposed by Mr. ENZI (for himself, Mr. KENNEDY,  
Mr. GREGG, Mrs. MURRAY, \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_)

Viz:

1 Strike all after the enacting clause and insert the fol-  
2 lowing:

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Workforce Investment  
5 Act Amendments of 2003”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents of this Act is as follows:

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

2

Sec. 3. References.

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

Subtitle A—Definitions

Sec. 101. Definitions.

Subtitle B—Statewide and Local Workforce Investment Systems

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

Subtitle C—Job Corps

Sec. 131. Job Corps.

Subtitle D—National Programs

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

Subtitle E—Administration

- Sec. 151. Requirements and restrictions.
- Sec. 152. Cost principles.
- Sec. 153. Reports.
- Sec. 154. Administrative provisions.
- Sec. 155. Use of certain real property.
- Sec. 156. Table of contents.

Subtitle F—Incentive Grants

Sec. 161. Incentive grants.

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

- Sec. 201. Short title; purpose.
- Sec. 202. Definitions.
- Sec. 203. Authorization of appropriations.

## 3

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

## TITLE III—AMENDMENTS TO OTHER PROVISIONS OF LAW

- Sec. 301. Wagner-Peyser Act.

## TITLE IV—REHABILITATION ACT AMENDMENTS

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

## Subtitle A—Vocational Rehabilitation Services

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

## Subtitle B—Research and Training

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

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

- Sec. 441. Training.
- Sec. 442. Demonstration and training programs.

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- Sec. 443. Migrant and seasonal farmworkers.  
 Sec. 444. Recreational programs.

Subtitle D—National Council on Disability

- Sec. 451. Authorization of appropriations.

Subtitle E—Rights and Advocacy

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

Subtitle F—Employment Opportunities for Individuals With Disabilities

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

Subtitle G—Independent Living Services and Centers for Independent Living

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

Subtitle H—Miscellaneous

- Sec. 495. Helen Keller National Center Act.

TITLE V—TRANSITION AND EFFECTIVE DATE

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

1 **SEC. 3. REFERENCES.**

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

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

4 **Subtitle A—Definitions**

5 **SEC. 101. DEFINITIONS.**

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

7 (1) by striking paragraph (24);

8 (2) by redesignating paragraphs (1) through  
9 (4), (5) through (16), (17), (18) through (23), (25)  
10 through (41), and (42) through (53) as paragraphs  
11 (2) through (5), (7) through (18), (20), (23)  
12 through (28), (29) through (45), and (47) through  
13 (58), respectively;

14 (3) by inserting before paragraph (3) (as redesi-  
15 gnated by paragraph (2)) the following:

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

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

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

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

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

9           (5) by striking paragraph (5) (as redesignated  
10          by paragraph (2)) and inserting the following:

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

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

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

22          (6) by inserting after paragraph (5) (as redesign-  
23          ated by paragraph (2)) the following:

24          “(6) BUSINESS INTERMEDIARY.—The term  
25          ‘business intermediary’ means an entity that brings

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

3 (7) in paragraph (9) (as redesignated by para-  
4 graph (2)), by inserting “, including a faith-based  
5 organization,” after “nonprofit organization”;

6 (8) in paragraph (10) (as redesignated by para-  
7 graph (2))—

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

10 (B) in subparagraph (C)—

11 (i) by striking “not less than 50 per-  
12 cent of the cost of the training” and in-  
13 serting “a significant portion of the cost of  
14 training as determined by the local board,  
15 taking into account the size of the em-  
16 ployer and such other factors as the local  
17 board determines to be appropriate”; and

18 (ii) by striking the period and insert-  
19 ing “; and”; and

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

21 “(D) for customized training with an em-  
22 ployer in multiple local areas in the State, a  
23 significant portion of the cost of the training,  
24 as determined by the Governor, taking into ac-  
25 count the size of the employer and such other

1 factors as the Governor determines appro-  
2 priate.”;

3 (9) in paragraph (11) (as redesignated by para-  
4 graph (2))—

5 (A) in subparagraph (A)(ii)(II), by striking  
6 “section 134(c)” and inserting “section  
7 121(e)”;

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

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

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

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

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

24 (10) in paragraph (12)(A) (as redesignated by  
25 paragraph (2))—

1 (A) by striking “and” after the semicolon  
2 and inserting “or”;

3 (B) by striking “(A)” and inserting  
4 “(A)(i)”; and

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

6 “(ii) is the dependent spouse of a member  
7 of the Armed Forces on active duty for a period  
8 of more than 30 days (as defined in section  
9 101(d)(2) of title 10, United States Code)  
10 whose family income is significantly reduced be-  
11 cause of a deployment (as defined in section  
12 991(b) of title 10, United States Code, or pur-  
13 suant to paragraph (4) of such section), a call  
14 or order to active duty pursuant to a provision  
15 of law referred to in section 101(a)(13)(B) of  
16 title 10, United States Code, a permanent  
17 change of station, or the service-connected (as  
18 defined in section 101(16) of title 38, United  
19 States Code) death or disability of the member;  
20 and”;

21 (11) in paragraph (14)(A) (as redesignated by  
22 paragraph (2)), by striking “section 122(e)(3)” and  
23 inserting “section 122”;

24 (12) by inserting after paragraph (18) (as re-  
25 designated by paragraph (2)) the following:

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

15           (13) by inserting after paragraph (20) (as re-  
16 designated by paragraph (2)) the following:

17           “(21) INTEGRATED TRAINING PROGRAM.—The  
18 term ‘integrated training program’ means a program  
19 that combines occupational skills training with  
20 English language acquisition.

21           “(22) INSTITUTION OF HIGHER EDUCATION.—  
22 The term ‘institution of higher education’ has the  
23 meaning given the term in section 102(a)(1) (A) and  
24 (B) of the Higher Education Act of 1965 (20 U.S.C.  
25 1002(a)(1)).”;

1 (14) in paragraph (29) (as redesignated by  
2 paragraph (2))—

3 (A) in subparagraph (B), by striking  
4 “higher of—” and all that follows through  
5 “level, for an equivalent period” and inserting  
6 “poverty line for an equivalent period”;

7 (B) by redesignating subparagraphs (D)  
8 through (F) as subparagraphs (E) through (G),  
9 respectively; and

10 (C) by inserting after subparagraph (C)  
11 the following:

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

16 (15) in paragraph (34) (as redesignated by  
17 paragraph (2)), by inserting “, subject to section  
18 121(b)(1)(C)” after “121(b)(1)”;

19 (16) by striking paragraph (37) (as redesignated by paragraph (2)) and inserting the following:

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

1 (17) in paragraph (45) (as redesignated by  
2 paragraph (2)), by striking “, and the term means  
3 such Secretary for purposes of section 503”;

4 (18) by inserting after paragraph (45) (as re-  
5 designated by paragraph (2)) the following:

6 “(46) SELF-SUFFICIENCY.—The term ‘self-suf-  
7 ficiency’ has the meaning given the term in section  
8 134(a)(3)(A)(4)(x) and section 134(e)(1)(A)(xii).”;

9 (19) in paragraph (48) (as redesignated by  
10 paragraph (2)), by striking “clause (iii) or (v) of  
11 section 136(b)(3)(A)” and inserting “section  
12 136(b)(3)(A)(iii)”;

13 (20) in paragraph (57) (as redesignated by  
14 paragraph (2)), by striking “(or as described in sec-  
15 tion 129(c)(5))” and inserting “(or as described in  
16 section 129(a)(2))”; and

17 (21) in paragraph (58) (as redesignated by  
18 paragraph (2)), by striking “established under sec-  
19 tion 117(h)” and inserting “that may be established  
20 under section 117(h)(2)”.

## 21 **Subtitle B—Statewide and Local** 22 **Workforce Investment Systems**

### 23 **SEC. 111. PURPOSE.**

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

1 **“SEC. 106. PURPOSES.**

2 “The purposes of this subtitle are the following:

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

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

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

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

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

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

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

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

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

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

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

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



1                   “(II) in the case of the programs  
2                   authorized under title I of the Reha-  
3                   bilitation Act of 1973, the representa-  
4                   tive shall be the head of the des-  
5                   ignated State unit, as defined in sec-  
6                   tion 7 of the Rehabilitation Act of  
7                   1973 (29 U.S.C. 705);

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

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

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

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

22                   “(III) are appointed from among  
23                   individuals nominated by State busi-  
24                   ness organizations, business trade as-  
25                   sociations, and local boards;

1           “(iv) is a chief elected official (rep-  
2           resenting cities and counties, where appro-  
3           priate)

4           “(v) are representatives of labor orga-  
5           nizations, who have been nominated by  
6           State labor federations; and

7           “(vi) are such other State agency offi-  
8           cials and other representatives as the Gov-  
9           ernor may designate.”; and

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

13           (2)    CONFORMING    AMENDMENT.—Section  
14           111(c) (29 U.S.C. 2821(c)) is amended by striking  
15           “subsection (b)(1)(C)(i)” and inserting “subsection  
16           (b)(1)(C)(iii)”.

17           (b)    FUNCTIONS.—Section   111(d)   (29   U.S.C.  
18           2811(d)) is amended—

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

22           (2) in paragraph (2), by striking “section  
23           134(c)” and inserting “section 121(e)”;

24           (3) by striking paragraph (3) and inserting the  
25           following:

1           “(3) 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           including commenting at least once annually on the  
7           measures taken pursuant to section 113(b)(3) of the  
8           Carl D. Perkins Vocational and Technical Education  
9           Act of 1998 (20 U.S.C 2323(b)(3)) and title II of  
10          this Act;

11           (4) by redesignating paragraphs (4) through  
12          (9) as paragraphs (5) through (10), respectively;

13           (5) by inserting after paragraph (3) the fol-  
14          lowing:

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

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

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

4           “(C) the development of—

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

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

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

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

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

3 “(E) such other matters as may promote  
4 statewide objectives for, and enhance the per-  
5 formance of, the one-stop delivery systems;”;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 **SEC. 113. STATE PLAN.**

6       (a) **PLANNING CYCLE.**—Section 112(a) (29 U.S.C.  
7 2822(a)) is amended—

8           (1) by striking “5-year strategy” and inserting  
9 “4-year strategy”; and

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

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

23           (1) in paragraph (8)(A)—

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

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

2 “(xi) programs authorized under title  
3 II of the Social Security Act (42 U.S.C.  
4 401 et seq.) (relating to Federal old-age,  
5 survivors, and disability insurance bene-  
6 fits), title XVI of such Act (42 U.S.C.  
7 1381 et seq.) (relating to supplemental se-  
8 curity income), title XIX of such Act (42  
9 U.S.C. 1396 et seq.) (relating to med-  
10 icaid), and title XX of such Act (relating  
11 to block grants to States for social serv-  
12 ices), programs authorized under title VII  
13 of the Rehabilitation Act of 1973 (29  
14 U.S.C. 796 et seq.), and programs carried  
15 out by State agencies relating to mental  
16 retardation and developmental disabilities;  
17 and”;

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

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

1        participation of businesses, employees, and individuals  
2        in the Statewide workforce investment system, in-  
3        cluding a description of incentives and technical as-  
4        sistance the State will provide to local areas for such  
5        purposes;”;

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

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

11           (5) in paragraph (17)—

12                (A) in subparagraph (A)—

13                    (i) in clause (iii)—

14                            (I) by inserting “local” before  
15                            “customized training”; and

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

17                    (ii) in clause (iv), by striking “home-  
18                    makers),” and all that follows through  
19                    “disabilities)” and inserting “hard-to-serve  
20                    populations and individuals training for  
21                    nontraditional employment”; and

22                    (iii) by adding after clause (iv) the  
23                    following:

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, the conduct of assessments,  
7 service delivery, the development of adjust-  
8 ments to performance measures established  
9 under section 136, and the training of  
10 staff; and”;

11 (B) in subparagraph (B), by striking  
12 “and” at the end;

13 (6) in paragraph (18)(D)—

14 (A) by striking “youth opportunity grants”  
15 and inserting “youth challenge grants author-  
16 ized under section 169 and other federally fund-  
17 ed youth programs”;

18 (B) by striking the period and inserting a  
19 semicolon; and

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

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

1           “(20) a description of the State strategy for co-  
2           ordinating workforce investment activities and eco-  
3           nomic development activities;

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

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

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

23           “(B) provide incentives and technical as-  
24           sistance to assist local areas in more fully en-  
25           gaging all employers, including small employers,

1 in local workforce development activities, to  
2 make the workforce investment system more  
3 relevant to the needs of area businesses, and to  
4 better coordinate workforce investment and eco-  
5 nomic development efforts to contribute to the  
6 economic well being of the local area, as deter-  
7 mined appropriate by the local board;

8 “(23) a description of the State strategy for en-  
9 suring cooperation between transportation providers,  
10 including public transportation providers, and work-  
11 force investment activities;

12 “(24) a description of how the State will assist  
13 local areas in assuring physical and programmatic  
14 accessibility for individuals with disabilities at one-  
15 stop centers;

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

18 “(A) review statewide policies and provide  
19 guidance on the coordinated provision of serv-  
20 ices through the one-stop delivery system de-  
21 scribed in section 121;

22 “(B) establish, in consultation with chief  
23 elected officials and local boards, procedures  
24 and objective criteria for use by local boards in  
25 periodically assessing the effectiveness and con-

1           tinuous improvement of one-stop centers and  
2           one-stop delivery systems as described in sec-  
3           tion 121(g); and

4                   “(C) determine one-stop partner program  
5           contributions for—

6                           “(i) the costs of the infrastructure of  
7                           one-stop centers under section 121(h)(2);  
8                           and

9                           “(ii) the formula for allocating the  
10                          funds described in section 121(h)(2) to  
11                          local areas; and

12                   “(26) a description of the State strategy for en-  
13                   suring that activities carried out under this title are  
14                   placing men and women in jobs, education, or train-  
15                   ing that lead to comparable pay.”.

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

18                   (1) by striking “5-year period” and inserting  
19                   “4-year period”; and

20                   (2) by adding at the end the following: “In ad-  
21                   dition, the State shall submit the modifications to  
22                   the State plan required under subsection (a), and  
23                   under circumstances prescribed by the Secretary  
24                   that are due to changes in Federal law that signifi-  
25                   cantly affect elements of the State plan.”.

1 **SEC. 114. 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:

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

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

13 “(2) AUTOMATIC DESIGNATION.—

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

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

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

4 “(I) performed successfully; and

5 “(II) sustained fiscal integrity;

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

9 “(I) performed successfully; and

10 “(II) sustained fiscal integrity; or

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

21 “(I) performed successfully; and

22 “(II) sustained fiscal integrity.

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

1                   “(i) PERFORMED SUCCESSFULLY.—  
2                   The term ‘performed successfully’, when  
3                   used with respect to a local area, means  
4                   the local area performed at 80 percent or  
5                   more of the adjusted level of performance  
6                   for core indicators of performance de-  
7                   scribed in section 136(b)(2)(A) for 2 con-  
8                   secutive years.

9                   “(ii) SUSTAINED FISCAL INTEG-  
10                  RITY.—The term ‘sustained fiscal integ-  
11                  rity’ means that the Secretary has not  
12                  made a formal determination during the  
13                  preceding 2-year period that either the  
14                  grant recipient or the administrative entity  
15                  of the area misexpended funds provided  
16                  under this title due to willful disregard of  
17                  the requirements of the Act involved, gross  
18                  negligence, or failure to comply with ac-  
19                  cepted standards of administration.”.

20                  (3) CONFORMING AMENDMENTS.—Section  
21                  116(a) (29 U.S.C. 2831(a)) is amended—

22                                 (A) by striking paragraph (3);

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

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

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

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

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

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

12 (ii) by striking the second sentence.

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)(2), the Gov-  
18 ernor of any State that was a single local area for  
19 purposes of this title as of July 1, 2002, 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) REDESIGNATION.—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)(2) requests such designation as a sep-  
6 arate local area.

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

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

15 (1) by striking paragraph (1) and inserting the  
16 following:

17 “(1) PLANNING.—

18 “(A) IN GENERAL.—As part of the process  
19 for developing the State plan, a State may re-  
20 quire regional planning by local boards for a  
21 designated region in the State. The State may  
22 require the local boards for a designated region  
23 to participate in a regional planning process  
24 that results in the establishment of regional  
25 performance measures for workforce investment

1 activities authorized under this subtitle. The  
2 State, after consultation with local boards and  
3 chief elected officials, may require the local  
4 boards for the designated region to prepare,  
5 submit, and obtain approval of a single regional  
6 plan that incorporates local plans for each of  
7 the local areas in the region, as required under  
8 section 118. The State may award regional in-  
9 centive grants to the designated regions that  
10 meet or exceed the regional performance meas-  
11 ures pursuant to section 134(a)(2)(C).

12 “(B) TECHNICAL ASSISTANCE.—If the  
13 State requires regional planning as provided in  
14 subparagraph (A), the State shall provide tech-  
15 nical assistance and labor market information  
16 to such local areas in the designated regions to  
17 assist with such regional planning and subse-  
18 quent service delivery efforts.”;

19 (2) in paragraph (2), by inserting “information  
20 about the skill requirements of existing and emerg-  
21 ing industries and industry clusters,” after “infor-  
22 mation about employment opportunities and  
23 trends,”; and

24 (3) in paragraph (3), by adding at the end the  
25 following: “Such services may be required to be co-



1           “(III) an administrator of local enti-  
2           ties providing adult education and literacy  
3           activities in the local area;”;

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

6           (D) by striking clause (vi) and inserting  
7           the following:

8           “(vi) if the local board does not estab-  
9           lish a youth council, representatives with  
10          experience serving out-of-school youth, par-  
11          ticularly out-of-school youth facing barriers  
12          to employment.”; and

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

14          “(6) SPECIAL RULE.—In the case that there  
15          are multiple school districts or institutions of higher  
16          education serving a local area, the representatives  
17          described in paragraph (2)(A)(ii) shall be appointed  
18          from among individuals nominated by regional or  
19          local educational agencies, institutions, or organiza-  
20          tions representing such agencies or institutions.”.

21          (b) AUTHORITY OF BOARD MEMBERS.—Section  
22          117(b)(3) (29 U.S.C. 2832(b)(3)) is amended—

23                 (1) in the heading, by inserting “AND REP-  
24                 RESENTATION” after “AUTHORITY”; and



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

5           (3) in paragraph (8)—

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

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

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

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

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

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

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

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

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

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

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

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

13 (1) by striking subparagraph (B) and inserting  
14 the following:

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

17 (2) by striking subparagraph (C); and

18 (3) by redesignating subparagraph (D) as sub-  
19 paragraph (C).

20 **SEC. 116. LOCAL PLAN.**

21 (a) PLANNING CYCLE.—Section 118(a) (29 U.S.C.  
22 2833(a)) is amended—

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

24 and

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

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

8           (1) in paragraph (2)—

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

11           (B) by striking subparagraph (B) and in-  
12           serting the following:

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

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

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

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

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

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

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

9           “(11) 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 development 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 alliances, career ladder programs, uti-  
20 lization of effective business intermediaries, and  
21 other business services and strategies designed to  
22 meet the needs of area employers and contribute to  
23 the economic well being of the local area, as deter-  
24 mined appropriate by the local board, consistent  
25 with the purposes of this Act;

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

5                   “(A) the utilization of programs funded  
6 under this title ; and

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

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

18 **SEC. 117. ESTABLISHMENT OF ONE-STOP DELIVERY SYS-**

19 **TEMS.**

20 (a) ONE-STOP PARTNERS.—

21 (1) REQUIRED PARTNERS.—Section 121(b)(1)

22 (29 U.S.C. 2841(b)(1)) is amended—

23 (A) by striking subparagraph (A) and in-  
24 serting the following:

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

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

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

19           “(iii) enter into the local memo-  
20 randum of understanding with the local  
21 board relating to the operation of the one-  
22 stop system that meets the requirements of  
23 subsection (c);

24           “(iv) participate in the operation of  
25 the one-stop system consistent with the

1 terms of the memorandum of under-  
2 standing, the requirements of this title,  
3 and the requirements of the Federal laws  
4 authorizing the programs carried out by  
5 the entity; and

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

9 (B) in subparagraph (B)—

10 (i) by striking clause (v);

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

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

16 (iv) in clause (xi) (as redesignated by  
17 clause (ii)), by striking the period and in-  
18 sserting “; and”; and

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

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

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

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

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

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

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

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

20                   (2) ADDITIONAL PARTNERS.—

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

24                   “(A) IN GENERAL.—With the approval of  
25                   the local board and chief elected official, in ad-

1           dition to the entities described in paragraph  
2           (1), other entities that carry out a human re-  
3           source program described in subparagraph (B)  
4           may be a one-stop partner and carry out the re-  
5           sponsibilities described in paragraph (1)(A).”.

6           (B)    ADDITIONAL    PARTNERS.—Section  
7           121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is  
8           amended by striking clauses (i) through (iii)  
9           and inserting the following:

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

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

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

22           (b) LOCAL MEMORANDUM OF UNDERSTANDING.—

23           (1)    CONTENTS    OF    MEMORANDUM.—Section  
24           121(c)(2)(A) (29 U.S.C. 2841(c)(2)(A)) is amended  
25           to read as follows:

1 “(A) provisions describing—

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

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

15 “(iii) methods of referral of individ-  
16 uals between the one-stop operator and the  
17 one-stop partners for appropriate services  
18 and activities;

19 “(iv) methods to ensure the needs of  
20 hard-to-serve populations are addressed in  
21 accessing services through the one-stop  
22 system; and

23 “(v) the duration of the memorandum  
24 of understanding and the procedures for  
25 amending the memorandum during the

1 term of the memorandum, and assurances  
2 that such memorandum shall be reviewed  
3 not less than once every 2-year period to  
4 ensure appropriate funding and delivery of  
5 services; and”.

6 (c) CONFORMING AMENDMENT.—Section 121(d)(2)  
7 (29 U.S.C. 2841(d)(2)) is amended by striking “section  
8 134(e)” and inserting “section 121(e)”.

9 (d) PROVISION OF SERVICES.—

10 (1) ELIMINATION OF PROVISIONS CONCERNING  
11 ESTABLISHED SYSTEMS.—Section 121 (29 U.S.C.  
12 2841) is amended by striking subsection (e).

13 (2) REDESIGNATION.—Subtitle B of title I is  
14 amended—

15 (A) in section 134 (29 U.S.C. 2864), by  
16 redesignating subsection (e) as subsection (e);  
17 and

18 (B) by transferring that subsection (e) so  
19 that the subsection appears after subsection (d)  
20 of section 121.

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

1 (A) in subparagraph (A), by striking “sub-  
2 section (d)(2)” and inserting “section  
3 134(d)(2)”;

4 (B) in subparagraph (B)—

5 (i) by striking “subsection (d)” and  
6 inserting “section 134(d)”;

7 (ii) by striking “individual training  
8 accounts” and inserting “career scholar-  
9 ship accounts”; and

10 (iii) by striking “subsection  
11 (d)(4)(G)” and inserting “section  
12 134(d)(4)(G)”;

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

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

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

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

1           “(g) CONTINUOUS IMPROVEMENT OF ONE-STOP  
2 CENTERS.—

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

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

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

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

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

5             “(1) IN GENERAL.—

6                     “(A) OPTIONS FOR INFRASTRUCTURE  
7             FUNDING.—

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

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

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

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

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

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

15               “(i) guidelines for State administered  
16               one-stop partner programs in determining  
17               such program’s contributions to and par-  
18               ticipation in the one-stop delivery system,  
19               including funding for the costs of infra-  
20               structure as described in paragraph (4),  
21               negotiated pursuant to the local memo-  
22               randum of understanding under subsection  
23               (b); and

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

1 methods of funding of the costs of the in-  
2 frastructure of one-stop centers in local  
3 areas.

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

6 “(A) PARTNER CONTRIBUTIONS.—

7 “(i) IN GENERAL.—Notwithstanding  
8 any other provision of law, but subject to  
9 clause (iii), a portion determined under  
10 clause (ii) of the Federal funds provided to  
11 the State and areas within the State under  
12 the Federal laws authorizing the programs  
13 described in subsection (b)(1) and adminis-  
14 tered by one-stop partners for a fiscal year  
15 shall be provided to the Governor from  
16 such programs to assist in paying the costs  
17 of infrastructure of one-stop centers in  
18 those local areas of the State not funded  
19 under the option described in paragraph  
20 (1)(B)(i)(I).

21 “(ii) DETERMINATION OF GOV-  
22 ERNOR.—

23 “(I) IN GENERAL.—Subject to  
24 subclause (II) and clause (iii), the  
25 Governor, after consultation with chief

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

24 “(II) SPECIAL RULE.—In a State  
25 in which the State constitution places

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

21 “(III) APPEAL BY ONE-STOP  
22 PARTNERS.—The Governor shall es-  
23 tablish a procedure for the one-stop  
24 partner administering a program de-  
25 scribed in subsection (b) to appeal a

1 determination regarding the portion of  
2 funds to be contributed under this  
3 paragraph on the basis that such de-  
4 termination is inconsistent with the  
5 criteria described in the State plan or  
6 with the requirements of this para-  
7 graph. Such procedure shall ensure  
8 prompt resolution of the appeal.

9 “(iii) LIMITATIONS.—

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

21 “(II) CAP ON REQUIRED CON-  
22 TRIBUTIONS.—

23 “(aa) WIA FORMULA PRO-  
24 GRAMS AND EMPLOYMENT SERV-  
25 ICE.—The portion of funds re-

1           required to be contributed under  
2           this paragraph by the programs  
3           authorized under chapters 4 and  
4           5 of this title and under the  
5           Wagner-Peyser Act shall not be  
6           in excess of 3 percent of the  
7           amount of Federal funds pro-  
8           vided to carry out each such pro-  
9           gram in the State for a fiscal  
10          year.

11           “(bb) OTHER ONE-STOP  
12          PARTNERS.—The portion of  
13          funds required to be contributed  
14          under paragraph (1)(B)(ii) by a  
15          one-stop partner from a program  
16          described in subsection (b)(1)  
17          other than the programs de-  
18          scribed under item (aa) shall not  
19          be in excess of 1 and ½ percent  
20          of the amount of Federal funds  
21          provided to carry out such pro-  
22          gram in the State for a fiscal  
23          year.

24           “(cc) SPECIAL RULE.—Not-  
25          withstanding items (aa) and (bb),

1 an agreement, including local  
2 memorandums of understanding,  
3 entered into prior to the date of  
4 enactment of the Workforce In-  
5 vestment Act Amendments of  
6 2003 by an entity regarding con-  
7 tributions under this title that  
8 permits the percentages described  
9 in such items to be exceeded,  
10 may continue to be in effect until  
11 terminated by the parties.

12 “(dd) VOCATIONAL REHA-  
13 BILITATION.—Notwithstanding  
14 items (aa) and (bb), an entity ad-  
15 ministering a program under title  
16 I of the Rehabilitation Act of  
17 1973 (29 U.S.C. 720 et seq.)  
18 shall not be required to provide,  
19 for the purposes of this para-  
20 graph, an amount in excess of—

21 “(AA) 0.75 percent of the  
22 amount provided for such pro-  
23 gram in the State for the second  
24 program year that begins after  
25 the date of enactment of the

1 Workforce Investment Act  
2 Amendments of 2003;

3 “(BB) 1.0 percent of the  
4 amount provided for such pro-  
5 gram in the State for the third  
6 program year that begins after  
7 such date;

8 “(CC) 1.25 percent of the  
9 amount provided for such pro-  
10 gram in the State for the fourth  
11 program year that begins after  
12 such date; and

13 “(DD) 1.5 percent of the  
14 amount provided for such pro-  
15 gram in the State for the fifth  
16 and each succeeding program  
17 year that begins after such date.

18 “(III) FEDERAL DIRECT SPEND-  
19 ING PROGRAMS.—An entity admin-  
20 istering a program funded with direct  
21 spending as defined in section  
22 250(c)(8) of the Balanced Budget and  
23 Emergency Deficit Control Act of  
24 1985 (2 U.S.C. 900(c)(8)) shall not  
25 be required to provide, for purposes of

1                   this paragraph, an amount in excess  
2                   of the amount determined to be equiv-  
3                   alent to the cost of the proportionate  
4                   use of the one-stop centers for such  
5                   program in the State.

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

21                  “(B) ALLOCATION BY GOVERNOR.—From  
22                  the funds provided under subparagraph (A), the  
23                  Governor shall allocate the funds to local areas  
24                  in accordance with the formula established  
25                  under subparagraph (C) for the purposes of as-

1           sisting in paying the costs of infrastructure of  
2           one-stop centers.

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

15          “(D) COSTS OF INFRASTRUCTURE.—In  
16          this subsection, the term ‘costs of infrastruc-  
17          ture’, used with respect to a one-stop center,  
18          means the nonpersonnel costs that are nec-  
19          essary for the general operation of the one-stop  
20          center, including the rental costs of the facili-  
21          ties, the costs of utilities and maintenance,  
22          equipment (including adaptive technology for  
23          individuals with disabilities), and technology to  
24          facilitate remote access to the one-stop center’s

1           strategic planning activities, and common out-  
2           reach activities.

3           “(i) OTHER FUNDS.—

4           “(1) IN GENERAL.—Subject to paragraph (2),  
5           in addition to the funds provided to carry out sub-  
6           section (h), a portion of funds made available under  
7           Federal law authorizing the programs described in  
8           subsection (b) and administered by one-stop part-  
9           ners, or the noncash resources available under such  
10          programs, shall be used to pay the additional costs  
11          relating to the operation of the one-stop delivery sys-  
12          tem involved that are not paid from the funds pro-  
13          vided under subsection (h), as determined in accord-  
14          ance with paragraph (2), to the extent not incon-  
15          sistent with the Federal law involved. Such costs  
16          shall include the costs of the provision of core serv-  
17          ices described in section 134(d)(2) applicable to each  
18          program and may include common costs that are not  
19          paid from the funds provided under subsection (h).

20          “(2) DETERMINATION AND GUIDANCE.—The  
21          method for determining the appropriate portion of  
22          funds and noncash resources to be provided by each  
23          program under paragraph (1) for a one-stop center  
24          shall be determined as part of the development of  
25          the memorandum of understanding under subsection

1 (c) for the one-stop center and shall be stated in the  
2 memorandum. The State board shall provide guid-  
3 ance to facilitate the determination of an appro-  
4 priate allocation of the funds and noncash resources  
5 in local areas.”.

6 **SEC. 118. ELIGIBLE PROVIDERS OF TRAINING SERVICES.**

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

9 **“SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF**  
10 **TRAINING SERVICES.**

11 “(a) IN GENERAL.—The Governor, after consultation  
12 with the State board, shall establish criteria and proce-  
13 dures regarding the eligibility of providers of training serv-  
14 ices described in section 134(d)(4) (referred to in this sec-  
15 tion as ‘training services’) to receive funds provided under  
16 section 133(b) for the provision of training services.

17 “(b) CRITERIA.—

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

21 “(A) the performance of providers of train-  
22 ing services with respect to the performance  
23 measures described in section 136 or other ap-  
24 propriate measures of performance outcomes  
25 for those individuals receiving training services

1 under this subtitle (taking into consideration  
2 the characteristics of the population served and  
3 relevant economic conditions);

4 “(B) the need to ensure access to training  
5 services throughout the State, including any  
6 rural areas;

7 “(C) the information such providers are re-  
8 quired to report to State agencies with respect  
9 to Federal and State programs (other than the  
10 program carried out under this subtitle), includ-  
11 ing partner programs;

12 “(D) the requirements for State licensing  
13 of providers of training services, and the licens-  
14 ing status of each provider of training services  
15 if applicable;

16 “(E) to the extent practicable, encouraging  
17 the use of industry recognized standards and  
18 certification;

19 “(F) the ability to provide training services  
20 to hard-to-serve populations, including individ-  
21 uals with disabilities; and

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

24 “(i) the quality of services provided;

1                   “(ii) the accountability of the pro-  
2                   viders;

3                   “(iii) that the one-stop centers in the  
4                   State will ensure that such providers meet  
5                   the needs of local employers and partici-  
6                   pants;

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

9                   “(v) that the collection of information  
10                  required is not unduly burdensome or cost-  
11                  ly to providers.

12                  “(2) INFORMATION AND RENEWAL.—The cri-  
13                  teria established by the Governor shall require that  
14                  a provider of training services submit appropriate,  
15                  accurate, and timely information to the State for  
16                  purposes of carrying out subsection (d). The criteria  
17                  shall also provide for annual review and renewal of  
18                  eligibility under this section for providers of training  
19                  services.

20                  “(3) LOCAL CRITERIA.—A local board in the  
21                  State may establish criteria in addition to the cri-  
22                  teria established by the Governor, or may require  
23                  higher levels of performance than required under the  
24                  criteria established by the Governor, for purposes of  
25                  determining the eligibility of providers of training

1 services to receive funds described in subsection (a)  
2 to provide the services in the local areas involved.

3 “(c) PROCEDURES.—The procedures established  
4 under subsection (a) shall identify the application process  
5 for a provider of training services to become eligible to  
6 receive funds provided under section 133(b) for the provi-  
7 sion of training services, and identify the respective roles  
8 of the State and local areas in receiving and reviewing the  
9 applications and in making determinations of such eligi-  
10 bility based on the criteria established under this section.  
11 The procedures shall also establish a process for a pro-  
12 vider of training services to appeal a denial or termination  
13 of eligibility under this section, that includes an oppor-  
14 tunity for a hearing and prescribes appropriate time limits  
15 to ensure prompt resolution of the appeal.

16 “(d) INFORMATION TO ASSIST PARTICIPANTS IN  
17 CHOOSING PROVIDERS.—

18 “(1) IN GENERAL.—In order to facilitate and  
19 assist participants in choosing employment and  
20 training activities under chapter 5 and in choosing  
21 providers of training services, the Governor shall en-  
22 sure that an appropriate list of providers determined  
23 to be eligible under this section in the State, accom-  
24 panied by appropriate information provided by pro-  
25 viders of training in the State in accordance with

1 subsection (b) and such other information as the  
2 Governor determines is appropriate, including infor-  
3 mation on program costs for participants in applica-  
4 ble programs, is provided to the one-stop delivery  
5 system in the State. The list and the information  
6 shall be made available to such participants and to  
7 members of the public through the one-stop delivery  
8 system in the State.

9 “(2) SPECIAL RULE.—An entity that carries  
10 out programs under the Act of August 16, 1937  
11 (commonly known as the ‘National Apprenticeship  
12 Act’, 50 Stat. 664, chapter 663; 29 U.S.C. 50 et  
13 seq.) shall be included on the list of eligible pro-  
14 viders described in paragraph (1) for so long as such  
15 entity remains certified by the Department of Labor.

16 “(e) ENFORCEMENT.—

17 “(1) IN GENERAL.—The criteria and proce-  
18 dures established under this section shall provide the  
19 following:

20 “(A) INTENTIONALLY SUPPLYING INAC-  
21 CURATE INFORMATION.—Upon a determination  
22 that a provider of training services, or indi-  
23 vidual providing information on behalf of the  
24 provider, intentionally supplied inaccurate infor-  
25 mation under this section, the eligibility of such

1 provider to receive funds under chapter 5 shall  
2 be terminated for a period of time that is not  
3 less than 2 years.

4 “(B) SUBSTANTIAL VIOLATIONS.—Upon a  
5 determination that a provider of training serv-  
6 ices substantially violated any requirement  
7 under this title, the eligibility of such provider  
8 to receive funds under the program involved  
9 may be terminated, or other appropriate action  
10 may be taken.

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

17 “(2) CONSTRUCTION.—Paragraph (1) shall be  
18 construed to provide remedies and penalties that  
19 supplement, but do not supplant, other civil and  
20 criminal remedies and penalties.”.

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

1           “(g) OPPORTUNITY TO SUBMIT COMMENTS.—In es-  
2     tablishing criteria, procedures, and information required  
3     under this section, the Governor shall provide an oppor-  
4     tunity for interested members of the public to make rec-  
5     ommendations and submit comments regarding such cri-  
6     teria, procedures, and information.

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

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

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

23               “(2) COLLECTION AND DISSEMINATION OF IN-  
24    FORMATION.—A one-stop operator in a local area  
25    shall collect such performance information from on-

1 the-job training and customized training providers  
2 as the Governor may require, determine whether the  
3 providers meet such performance criteria as the Gov-  
4 ernor may require, and disseminate information  
5 identifying providers that meet the criteria as eligi-  
6 ble providers, and the performance information,  
7 through the one-stop delivery system. Providers de-  
8 termined to meet the criteria shall be considered to  
9 be identified as eligible providers of training serv-  
10 ices.”.

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

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

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

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

21 “(b) EXCEPTIONS.—A local board may award grants  
22 or contracts on a sole-source basis if such board deter-  
23 mines there is an insufficient number of eligible providers  
24 of youth activities in the local area involved (such as a

1 rural area) for grants and contracts to be awarded on a  
2 competitive basis under subsection (a).”.

3 **SEC. 120. YOUTH ACTIVITIES.**

4 (a) STATE ALLOTMENTS.—Section 127 (29 U.S.C.  
5 2852) is amended—

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

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

10 “(b) ALLOTMENT AMONG STATES.—

11 “(1) YOUTH ACTIVITIES.—

12 “(A) YOUTH CHALLENGE GRANTS.—

13 “(i) IN GENERAL.—For each fiscal  
14 year in which the amount appropriated  
15 under section 137(a) exceeds  
16 \$1,000,000,000, the Secretary shall re-  
17 serve a portion of the amount to provide  
18 youth challenge grants and other activities  
19 under section 169 (relating to youth chal-  
20 lenge grants) and provide youth activities  
21 under section 167 (relating to migrant and  
22 seasonal farmworker programs).

23 “(ii) PORTION.—The portion referred  
24 to in clause (i) shall equal, for a fiscal  
25 year—

1                   “(I) except as provided in sub-  
2                   clause (II), the difference obtained by  
3                   subtracting \$1,000,000,000 from the  
4                   amount appropriated under section  
5                   137(a) for the fiscal year; or

6                   “(II) for any fiscal year in which  
7                   the amount is \$1,250,000,000 or  
8                   greater, \$250,000,000.

9                   “(iii) YOUTH ACTIVITIES FOR FARM-  
10                  WORKERS.—The Secretary shall reserve  
11                  the greater of \$10,000,000 or 4 percent of  
12                  the portion described in clause (i) for a fis-  
13                  cal year to provide youth activities under  
14                  section 167.

15                  “(iv) NATIVE AMERICANS.—From the  
16                  remainder of the amount appropriated  
17                  under section 137(a) for each fiscal year  
18                  the Secretary shall reserve not more than  
19                  1½ percent of such amount to provide  
20                  youth activities under section 166 (relating  
21                  to native Americans).

22                  “(B) OUTLYING AREAS.—

23                  “(i) IN GENERAL.—From the amount  
24                  made available under subsection (a)(2) for  
25                  each fiscal year the Secretary shall reserve

1 not more than  $\frac{1}{4}$  of 1 percent of the  
2 amount appropriated under section 137(a)  
3 for the fiscal year to provide assistance to  
4 the outlying areas to carry out youth ac-  
5 tivities and statewide workforce investment  
6 activities.

7 “(ii) LIMITATION FOR FREELY ASSO-  
8 CIATED STATES.—

9 “(I) COMPETITIVE GRANTS.—

10 The Secretary shall use funds de-  
11 scribed in clause (i)(II) to award  
12 grants to Guam, American Samoa,  
13 the Commonwealth of the Northern  
14 Mariana Islands, and the Freely Asso-  
15 ciated States to carry out youth ac-  
16 tivities and statewide workforce in-  
17 vestment activities.

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

1                   “(III) ASSISTANCE REQUIRE-  
2                   MENTS.—Any Freely Associated State  
3                   that desires to receive assistance  
4                   under this subparagraph shall submit  
5                   an application to the Secretary and  
6                   shall include in the application for  
7                   assistance—

8                   “(aa) information dem-  
9                   onstrating that the Freely Asso-  
10                  ciated State will meet all condi-  
11                  tions that apply to States under  
12                  this title;

13                  “(bb) an assurance that,  
14                  notwithstanding any other provi-  
15                  sion of this title, the Freely Asso-  
16                  ciated State will use such assist-  
17                  ance only for the direct provision  
18                  of services; and

19                  “(cc) such other information  
20                  and assurances as the Secretary  
21                  may require.

22                  “(IV) ADMINISTRATIVE COSTS.—  
23                  The Secretary may provide not more  
24                  than 5 percent of the funds made  
25                  available for grants under subclause

1 (I) to pay the administrative costs of  
2 the Pacific Region Educational Lab-  
3 oratory in Honolulu, Hawaii, regard-  
4 ing activities assisted under this  
5 clause.

6 “(iii) ADDITIONAL REQUIREMENT.—  
7 The provisions of Public Law 95–134, per-  
8 mitting the consolidation of grants by the  
9 outlying areas, shall not apply to assist-  
10 ance provided to those areas, including the  
11 Freely Associated States, under this sub-  
12 paragraph.

13 “(C) STATES.—

14 “(i) IN GENERAL.—From the remain-  
15 der of the amount appropriated under sec-  
16 tion 137(a) for a fiscal year that exists  
17 after the Secretary determines the  
18 amounts to be reserved under subpara-  
19 graphs (A) and (B), the Secretary shall  
20 allot to the States—

21 “(I) an amount of the remainder  
22 that is less than or equal to the total  
23 amount that was allotted to States for  
24 fiscal year 2003 under section  
25 127(b)(1)(C) of this Act (as in effect

1 on the day before the date of enact-  
2 ment of the Workforce Investment Act  
3 Amendments of 2003), in accordance  
4 with the requirements of such section  
5 127(b)(1)(C); and

6 “(II) the amount of the remain-  
7 der, if any, in excess of the amount  
8 referred to in subclause (I), in accord-  
9 ance with clause (ii).

10 “(ii) FORMULA.—Subject to clauses  
11 (iii) and (iv), of the amount described in  
12 clause (i)(II)—

13 “(I)  $33\frac{1}{3}$  percent shall be allot-  
14 ted on the basis of the relative num-  
15 ber of individuals in the civilian labor  
16 force who are ages 16 through 21 in  
17 each State, compared to the total  
18 number of individuals in the civilian  
19 labor force who are ages 16 through  
20 21 in all States;

21 “(II)  $33\frac{1}{3}$  percent shall be allot-  
22 ted on the basis of the relative num-  
23 ber of unemployed individuals in each  
24 State, compared to the total number

1 of unemployed individuals in all  
2 States; and

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

10 “(iii) MINIMUM AND MAXIMUM PER-  
11 CENTAGES.—

12 “(I) MINIMUM PERCENTAGE.—  
13 The Secretary shall ensure that no  
14 State shall receive an allotment per-  
15 centage under this subparagraph for a  
16 fiscal year that is less than 90 percent  
17 of the allotment percentage of the  
18 State for the preceding fiscal year.

19 “(II) MAXIMUM PERCENTAGE.—  
20 Subject to subclause (I), the Secretary  
21 shall ensure that no State shall re-  
22 ceive an allotment percentage under  
23 this subparagraph for a fiscal year  
24 that is more than 130 percent of the

1 allotment percentage of the State for  
2 the preceding fiscal year.

3 “(iv) SMALL STATE MINIMUM ALLOT-  
4 MENT.—Subject to clause (iii), the Sec-  
5 retary shall ensure that no State shall re-  
6 ceive an allotment under this subparagraph  
7 that is less than the total of—

8 “(I)  $\frac{3}{10}$  of 1 percent of  
9 \$1,000,000,000 of the remainder de-  
10 scribed in clause (i) for the fiscal  
11 year; and

12 “(II) if the remainder described  
13 in clause (i) for the fiscal year exceeds  
14 \$1,000,000,000,  $\frac{2}{5}$  of 1 percent of  
15 the excess.

16 “(2) DEFINITIONS.—For the purposes of para-  
17 graph (1):

18 “(A) ALLOTMENT PERCENTAGE.—The  
19 term ‘allotment percentage’, used with respect  
20 to fiscal year 2004 or a subsequent fiscal year,  
21 means a percentage of the remainder described  
22 in paragraph (1)(C)(i) that is received by the  
23 State involved through an allotment made  
24 under this subsection for the fiscal year. The  
25 term, used with respect to fiscal year 2003,

1 means the percentage of the amounts allotted  
2 to States under this chapter (as in effect on the  
3 day before the date of enactment of the Work-  
4 force Investment Act Amendments of 2003)  
5 that is received by the State involved for fiscal  
6 year 2003.

7 “(B) DISADVANTAGED YOUTH.—Subject to  
8 paragraph (3), the term ‘disadvantaged youth’  
9 means an individual who is age 16 through 21  
10 who received an income, or is a member of a  
11 family that received a total family income, that,  
12 in relation to family size, does not exceed the  
13 poverty line.

14 “(C) FREELY ASSOCIATED STATES.—The  
15 term ‘Freely Associated States’ means the Re-  
16 public of the Marshall Islands, the Federated  
17 States of Micronesia, and the Republic of  
18 Palau.

19 “(3) SPECIAL RULE.—For purposes of the for-  
20 mula specified in paragraph (1)(C), the Secretary  
21 shall, as appropriate and to the extent practicable,  
22 exclude college students and members of the Armed  
23 Forces from the determination of the number of dis-  
24 advantaged youth.”.

25 (b) REALLOTMENT.—

1           (1) AMENDMENT.—Section 127(c) (29 U.S.C.  
2 2852(c)) is amended—

3           (A) by striking paragraph (2) and insert-  
4 ing the following:

5           “(2) AMOUNT.—The amount available for real-  
6 lotment 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 State under  
11 this section during such prior program year (includ-  
12 ing amounts allotted to the State in all prior pro-  
13 gram years that remained 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 State under this section during the program  
18 year prior to the program year for which the  
19 determination is made (including amounts allot-  
20 ted to the State in all prior program years that  
21 remained available); and

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

24           (B) in paragraph (3)—

1 (i) by striking “for the prior program  
2 year” and inserting “for the program year  
3 for which the determination is made”; and

4 (ii) by striking “such prior program  
5 year” and inserting “such program year”;

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

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

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

15 (2) EFFECTIVE DATE.—The amendment made  
16 by paragraph (1)(C) shall take effect for the pro-  
17 gram year that begins after the date of enactment  
18 of this Act.

19 (c) WITHIN STATE ALLOCATIONS.—

20 (1) RESERVATION FOR STATEWIDE ACTIVI-  
21 TIES.—Section 128(a) (29 U.S.C. 2853(a)) is  
22 amended to read as follows:

23 “(a) RESERVATIONS FOR STATEWIDE ACTIVITIES.—

24 “(1) IN GENERAL.—The Governor of a State  
25 shall reserve not more than 15 percent of each of

1 the amounts allotted to the State under section  
2 127(b)(1)(C) and paragraphs (1)(B) and (2)(B) of  
3 section 132(b) for a fiscal year for statewide work-  
4 force investment activities.

5 “(2) USE OF FUNDS.—Regardless of whether  
6 the reserved amounts were allotted under section  
7 127(b)(1)(C), or under paragraph (1)(B) or (2)(B)  
8 of section 132(b), the Governor may use the re-  
9 served amounts to carry out statewide youth activi-  
10 ties under section 129(b) or statewide employment  
11 and training activities, for adults or dislocated work-  
12 ers, under section 134(a).”.

13 (2) WITHIN STATE ALLOCATION.—Section  
14 128(b) (29 U.S.C. 2853(b)) is amended to read as  
15 follows:

16 “(b) WITHIN STATE ALLOCATIONS.—

17 “(1) IN GENERAL.—Of the amount allotted to  
18 the State under section 127(b)(1)(C) and not re-  
19 served under subsection (a)(1)—

20 “(A) a portion equal to not less than 80  
21 percent of such amount shall be allocated by  
22 the Governor to local areas in accordance with  
23 paragraph (2); and

24 “(B) a portion equal to not more than 20  
25 percent of such amount may be allocated by the

1 Governor to local areas in accordance with  
2 paragraph (3).

3 “(2) ESTABLISHED FORMULA.—

4 “(A) IN GENERAL.—Of the portion de-  
5 scribed in paragraph (1)(A), the Governor shall  
6 allocate—

7 “(i)  $33\frac{1}{3}$  percent on the basis of the  
8 relative number of individuals in the civil-  
9 ian labor force who are ages 16 through 21  
10 in each local area, compared to the total  
11 number of individuals in the civilian labor  
12 force who are ages 16 through 21 in all  
13 local areas in the State;

14 “(ii)  $33\frac{1}{3}$  percent on the basis of the  
15 relative number of unemployed individuals  
16 in each local area, compared to the total  
17 number of unemployed individuals in all  
18 local areas in the State; and

19 “(iii)  $33\frac{1}{3}$  percent on the basis of the  
20 relative number of disadvantaged youth  
21 who are ages 16 through 21 in each local  
22 area, compared to the total number of dis-  
23 advantaged youth who are ages 16 through  
24 21 in all local areas in the State.

1                   “(B) MINIMUM AND MAXIMUM PERCENT-  
2                   AGES.—

3                   “(i) MINIMUM PERCENTAGE.—The  
4                   Governor shall ensure that no local area  
5                   shall receive an allocation percentage under  
6                   this paragraph for a fiscal year that is less  
7                   than 90 percent of the allocation percent-  
8                   age of the local area for the preceding fis-  
9                   cal year.

10                  “(ii) MAXIMUM PERCENTAGE.—Sub-  
11                  ject to clause (i), the Governor shall ensure  
12                  that no local area shall receive an alloca-  
13                  tion percentage under this paragraph for a  
14                  fiscal year that is more than 130 percent  
15                  of the allocation percentage of the local  
16                  area for the preceding fiscal year.

17                  “(C) DEFINITIONS.—In this paragraph:

18                  “(i) ALLOCATION PERCENTAGE.—The  
19                  term ‘allocation percentage’, used with re-  
20                  spect to fiscal year 2004 or a subsequent  
21                  fiscal year, means a percentage of the por-  
22                  tion described in paragraph (1)(A) that is  
23                  received by the local area involved through  
24                  an allocation made under this paragraph  
25                  for the fiscal year. The term, used with re-

1           spect to fiscal year 2003, means the per-  
2           centage of the amounts allocated to local  
3           areas under this chapter (as in effect on  
4           the day before the date of enactment of the  
5           Workforce Investment Act Amendments of  
6           2003) that is received by the local area in-  
7           volved for fiscal year 2003.

8           “(ii) DISADVANTAGED YOUTH.—The  
9           term ‘disadvantaged youth’ means an indi-  
10          vidual who—

11                   “(I) is age 16 through 21;

12                   “(II) is not a college student or  
13                   member of the Armed Forces; and

14                   “(III) received an income, or is a  
15                   member of a family that received a  
16                   total family income, that, in relation  
17                   to family size, does not exceed the  
18                   poverty line.

19           “(3) YOUTH DISCRETIONARY ALLOCATION.—  
20           The Governor may allocate the portion described in  
21           paragraph (1)(B) to local areas where there are a  
22           significant number of eligible youth, after consulta-  
23           tion with the State board and local board.

24           “(4) LOCAL ADMINISTRATIVE COST LIMIT.—

1           “(A) IN GENERAL.—Of the amount allo-  
2           cated to a local area under this subsection and  
3           section 133(b) for a fiscal year, not more than  
4           10 percent of the amount may be used by the  
5           local board involved for the administrative costs  
6           of carrying out local workforce investment ac-  
7           tivities under this chapter or chapter 5.

8           “(B) USE OF FUNDS.—Funds made avail-  
9           able for administrative costs under subpara-  
10          graph (A) may be used for the administrative  
11          costs of any of the local workforce investment  
12          activities described in this chapter or chapter 5,  
13          regardless of whether the funds were allocated  
14          under this subsection or section 133(b).”.

15          (3) REALLOCATION.—

16                 (A) AMENDMENT.—Section 128(c) (29  
17                 U.S.C. 2853(c)) is amended—

18                         (i) in paragraph (1), by striking  
19                         “paragraph (2)(A) or (3) of”;

20                         (ii) by striking paragraph (2) and in-  
21                         serting the following:

22                         “(2) AMOUNT.—The amount available for re-  
23                         allocation for a program year is equal to the amount  
24                         by which the unexpended balance at the end of the  
25                         program year prior to the program year for which

1 the determination is made exceeds 30 percent of the  
2 total amount of funds available to the local area  
3 under this section during such prior program year  
4 (including amounts allocated to the local area in all  
5 prior program years that remained available). For  
6 purposes of this paragraph, the unexpended balance  
7 is the amount that is the difference between—

8 “(A) the total amount of funds available to  
9 the local area under this section during the pro-  
10 gram year prior to the program year for which  
11 the determination is made (including amounts  
12 allocated to the local area in all prior program  
13 years that remained available); and

14 “(B) the accrued expenditures during such  
15 prior program year.”;

16 (iii) by amending paragraph (3)—

17 (I) by striking “subsection  
18 (b)(3)” each place it appears and in-  
19 serting “subsection (b)”;

20 (II) by striking “for the prior  
21 program year” and inserting “for the  
22 program year for which the deter-  
23 mination is made”;

1 (III) by striking “such prior pro-  
2 gram year” and inserting “such pro-  
3 gram year”; and

4 (IV) by striking the last sen-  
5 tence; and

6 (iv) by striking paragraph (4) and in-  
7 serting the following:

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

13 (B) EFFECTIVE DATE.—The amendments  
14 made by subparagraph (A) shall take effect for  
15 the later of—

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

18 (ii) program year 2004.

19 (d) 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) ELIGIBILITY.—

23 “(A) IN GENERAL.—To be eligible to par-  
24 ticipate in activities carried out under this  
25 chapter during any program year an individual

1 shall, at the time the eligibility determination is  
2 made, be an out-of-school youth or an in-school  
3 youth.

4 “(B) OUT-OF-SCHOOL YOUTH.—In this  
5 section the term ‘out-of-school youth’ means an  
6 individual who is—

7 “(i) not younger than age 16 (subject  
8 to paragraph (3)) nor older than age 21;  
9 and

10 “(ii) one of the following:

11 “(I) A school dropout.

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

16 “(III) A recipient of a secondary  
17 school diploma or its equivalent who  
18 is—

19 “(aa) deficient in basic  
20 skills, including limited English  
21 proficiency;

22 “(bb) a low-income indi-  
23 vidual; and

24 “(cc) not attending any  
25 school; or



1                   “(I) Deficient in basic literacy  
2 skills, including limited English pro-  
3 ficiency.

4                   “(II) Homeless, a runaway, a  
5 foster child, a child eligible for assist-  
6 ance under section 477 of the Social  
7 Security Act, or in an out-of-home  
8 placement.

9                   “(III) Pregnant or parenting.

10                  “(IV) An offender (other than an  
11 individual described in subparagraph  
12 (B)(ii)(IV)).

13                  “(V) An individual who requires  
14 additional assistance to complete an  
15 educational program, or to secure or  
16 hold employment.

17                  “(2) EXCEPTION.—Not more than 5 percent of  
18 the individuals assisted under this section in each  
19 local area may be individuals who are not low-in-  
20 come with respect to individuals for whom low-in-  
21 come is a requirement for eligibility under this sec-  
22 tion.

23                  “(3) LIMITATIONS ON ACTIVITIES FOR IN-  
24 SCHOOL YOUTH.—

1           “(A) IN GENERAL.—For any program  
2 year, not more than 60 percent of the funds  
3 available for statewide activities that serve  
4 youth under subsection (b), and not more than  
5 60 percent of funds available to local areas  
6 under subsection (c), may be used to provide  
7 activities for in-school youth meeting the re-  
8 quirements of paragraph (1)(B).

9           “(B) EXCEPTION.—A State that receives a  
10 minimum allotment under section 127(b)(1) in  
11 accordance with section 127(b)(1)(C)(iv)(II) or  
12 under section 132(b)(1) in accordance with sec-  
13 tion 132(b)(1)(B)(iv)(II) may increase the per-  
14 centage described in subparagraph (A) for a  
15 local area in the State, if—

16           “(i) after an analysis of the eligible  
17 youth population in the local area, the  
18 State determines that the local area will be  
19 unable to use at least 40 percent of the  
20 funds available for activities that serve  
21 youth under subsection (b) to serve out-of-  
22 school youth due to a low number of out-  
23 of-school youth; and

24           “(ii)(I) the State submits to the Sec-  
25 retary, for the local area, a request includ-

1           ing a proposed reduced percentage for pur-  
2           poses of subparagraph (A), and the sum-  
3           mary of the eligible youth population anal-  
4           ysis; and

5                   “(II) the request is approved by the  
6           Secretary.

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

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

16                   “(b) STATEWIDE ACTIVITIES.—

17                           “(1) IN GENERAL.—Funds reserved by a Gov-  
18                           ernor for a State as described in sections 128(a) and  
19                           133(a)(1) shall be used, regardless of whether the  
20                           funds were allotted to the State under section  
21                           127(b)(1)(C) or under paragraph (1) or (2) of sec-  
22                           tion 132(b) for statewide activities, which may  
23                           include—

24                                   “(A) conducting—

1                   “(i) evaluations under section 136(e)  
2                   of activities authorized under this chapter  
3                   and chapter 5 in coordination with evalua-  
4                   tions carried out by the Secretary under  
5                   section 172;

6                   “(ii) research; and

7                   “(iii) demonstration projects;

8                   “(B) providing incentive grants to local  
9                   areas for regional cooperation among local  
10                  boards (including local boards in a designated  
11                  region as described in section 116(c)), for local  
12                  coordination of activities carried out under this  
13                  title, and for exemplary performance by local  
14                  areas under section 136(i)(2);

15                  “(C) providing technical assistance and ca-  
16                  pacity building activities to local areas, one-stop  
17                  operators, one-stop partners, and eligible pro-  
18                  viders, including the development and training  
19                  of staff, the development of exemplary program  
20                  activities, the provision of technical assistance  
21                  to local areas that fail to meet local perform-  
22                  ance measures described in section 136(c), and  
23                  the provision of technology to facilitate remote  
24                  access to services provided through one-stop de-  
25                  livery systems;

1           “(D) operating a fiscal and management  
2           accountability information system under section  
3           136(f);

4           “(E) carrying out monitoring and over-  
5           sight of activities carried out under this chapter  
6           and chapter 5, which may include a review com-  
7           paring the services provided to male and female  
8           youth;

9           “(F) providing additional assistance to  
10          local areas that have high concentrations of eli-  
11          gible youth;

12          “(G) supporting the development of alter-  
13          native programs and other activities that en-  
14          hance the choices available to eligible youth and  
15          encourage such youth to reenter secondary edu-  
16          cation, enroll in postsecondary education and  
17          advanced training, and obtain career path em-  
18          ployment; and

19          “(H) supporting the provision of core serv-  
20          ices described in section 134(d)(2) in the one-  
21          stop delivery system in the State;

22          “(2) LIMITATION.—Not more than 5 percent of  
23          the funds allotted to a State under section  
24          127(b)(1)(C) shall be used by the State for adminis-

1 trative activities carried out under this subsection or  
2 section 134(a).

3 “(3) PROHIBITION.—No funds described in this  
4 subsection may be used to develop or implement  
5 education curricula for school systems in the  
6 State.”.

7 (f) LOCAL ELEMENTS AND REQUIREMENTS.—

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

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

13 (B) in subparagraph (B), by inserting “are  
14 directly linked to 1 or more of the performance  
15 measures relating to this chapter under section  
16 136, and that” after “for each participant  
17 that”; and

18 (C) in subparagraph (C)—

19 (i) by redesignating clauses (i)  
20 through (iv) as clauses (ii) through (v), re-  
21 spectively;

22 (ii) by inserting before clause (ii) (as  
23 redesignated by clause (i)) the following:

24 “(i) activities leading to the attain-  
25 ment of a secondary school diploma or its

1 equivalent, or another recognized creden-  
2 tial;”;

3 (iii) in clause (ii) (as redesignated by  
4 clause (i)), by inserting “and advanced  
5 training” after “opportunities”;

6 (iv) in clause (iii) (as redesignated by  
7 clause (i))—

8 (I) by inserting “instruction  
9 based on State academic content and  
10 student academic achievement stand-  
11 ards established under section 1111 of  
12 the Elementary and Secondary Edu-  
13 cation Act of 1965 (20 U.S.C. 6311)”  
14 after “academic”; and

15 (II) by inserting “that lead to the  
16 attainment of recognized credentials”  
17 after “learning”; and

18 (v) by striking clause (v) (as redesi-  
19 gnated by clause (i)) and inserting the fol-  
20 lowing:

21 “(v) effective connections to all em-  
22 ployers, including small employers, in sec-  
23 tors of the local and regional labor markets  
24 that are experiencing high growth in em-  
25 ployment opportunities.”.

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

3           (A) in subparagraph (A), by striking “sec-  
4           ondary school, including dropout prevention  
5           strategies” and inserting “the requirements for  
6           a secondary school diploma or its recognized  
7           equivalent (including recognized alternative  
8           standards for individuals with disabilities) or  
9           for another recognized credential, including  
10          dropout prevention strategies”;

11          (B) in subparagraph (B), by inserting “,  
12          with a priority on exposing youth to technology  
13          and nontraditional jobs” before the semicolon;

14          (C) in subparagraph (F), by striking “dur-  
15          ing nonschool hours”;

16          (D) in subparagraph (I), by striking “and”  
17          at the end;

18          (E) in subparagraph (J), by striking the  
19          period at the end and inserting a semicolon;  
20          and

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

22                  “(K) on-the-job training opportunities;

23                  “(L) opportunities to acquire financial lit-  
24          eracy skills;

1           “(M) entrepreneurial skills training and  
2           microenterprise services; and

3           “(N) information about average wages for  
4           a range of jobs available in the local area, in-  
5           cluding technology jobs.”.

6           (3)    ADDITIONAL    REQUIREMENTS.—Section  
7           129(c)(3)(A) (29 U.S.C. 2854(c)(3)(A)) is amended  
8           in the matter preceding clause (i) by striking “or ap-  
9           plicant who meets the minimum income criteria to  
10          be considered an eligible youth”.

11          (4)    PRIORITY    AND    EXCEPTIONS.—Section  
12          129(c) (29 U.S.C. 2854(c)) is amended by striking  
13          paragraphs (4) and (5).

14          (5)    PROHIBITIONS   AND   LINKAGES.—Section  
15          129(c) (29 U.S.C. 2854(c)), as amended by para-  
16          graph (4), is further amended—

17                (A) by redesignating paragraphs (6), (7),  
18                and (8) as paragraphs (4), (5), and (6), respec-  
19                tively;

20                (B) in paragraph (4) (as redesignated by  
21                subparagraph (A))—

22                    (i) by striking subparagraph (B); and

23                    (ii) by redesignating subparagraph

24                    (C) as subparagraph (B); and

1                   (C) in paragraph (5) (as redesignated by  
2                   subparagraph (A)), by striking “youth councils”  
3                   and inserting “local boards”.