

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 444**

**(as reported by the Subcommittee on 21st Century
Competitiveness on February 26, 2003)**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE

2 This Act may be cited as the “Back to Work Incen-
3 tive Act of 2003”.

**4 SEC. 2. GRANTS TO SUPPORT PERSONAL REEMPLOYMENT
5 ACCOUNTS.**

6 Subtitle B of title I of the Workforce Investment Act
7 of 1998 (29 U.S.C. 2811 et seq.) is amended by inserting
8 after chapter 5 the following new chapter:

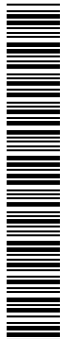
**9 “CHAPTER 5A—PERSONAL
10 REEMPLOYMENT ACCOUNTS**

11 “SEC. 135A. PURPOSES.

12 “The purposes of this chapter are to provide for the
13 establishment of personal reemployment accounts for cer-
14 tain individuals identified as likely to exhaust their unem-
15 ployment compensation in order to—

16 “(1) accelerate the reemployment of such indi-
17 viduals;

18 “(2) promote the retention in employment of
19 such individuals; and



1 “(3) provide such individuals with enhanced
2 flexibility, choice, and control in obtaining intensive
3 reemployment, training, and supportive services.

4 **“SEC. 135B. DEFINITION.**

5 “In this chapter, the term ‘State’ means each of the
6 several States of the United States, the District of Colum-
7 bia, the Commonwealth of Puerto Rico, and the United
8 States Virgin Islands.

9 **“SEC. 135C. GRANTS TO STATES.**

10 “(a) GRANTS.—The Secretary shall—

11 “(1) reserve $\frac{2}{10}$ of 1 percent of the amount ap-
12 propriated under section 137(d) for use under sec-
13 tion 135I; and

14 “(2) use the remainder of the amount appro-
15 priated under section 137(d) to make allotments in
16 accordance with subsection (b).

17 “(b) ALLOTMENT AMONG STATES.—

18 “(1) IN GENERAL.—From the amount made
19 available under subsection (a)(2), the Secretary shall
20 allot to each State an amount that is proportionate
21 to the relative number of unemployed individuals in
22 the State as compared to the total number of unem-
23 ployed individuals in all States in order to provide
24 assistance for eligible individuals in accordance with
25 this chapter.



1 “(2) SMALL STATE MINIMUM ALLOTMENT.—

2 The Secretary shall ensure that—

3 “(A) each State (other than the United
4 States Virgin Islands) shall receive an allotment
5 under paragraph (1) that is not less than $\frac{3}{10}$
6 of 1 percent of the amount made available
7 under subsection (a)(2) for the fiscal year; and

8 “(B) the United States Virgin Islands shall
9 receive an allotment under paragraph (1) that
10 is not less than $\frac{1}{10}$ of 1 percent of the amount
11 made available under subsection (a)(2) for the
12 fiscal year.

13 “(c) AVAILABILITY.—Notwithstanding section
14 189(g)(1), amounts made available under subsection (a)
15 to carry out this chapter shall be available for obligation
16 and expenditure beginning on the date of the enactment
17 of the Back to Work Incentive Act of 2003.

18 **“SEC. 135D. WITHIN STATE ALLOCATION.**

19 “(a) ALLOCATION.—Of the amount allotted to a
20 State under section 135C—

21 “(1) not more than 2 percent of the amount
22 may be reserved by the Governor of the State to en-
23 hance the system of worker profiling described in
24 section 303(j) of the Social Security Act and to es-
25 tablish and operate a data management system, as



1 necessary, and carry out other appropriate activities
2 to implement this chapter;

3 “(2) 5 percent of the amount shall be allocated
4 by the State to local areas in accordance with the
5 formula described in subsection (b) for start-up
6 costs and other operating costs related to the provi-
7 sion of assistance under this chapter; and

8 “(3) the remainder of the amount shall be pro-
9 vided to local areas consistent with the methods and
10 procedures described in section 135G(a)(4) for the
11 establishment of personal reemployment accounts
12 described in section 135E for eligible individuals in
13 such local areas.

14 “(b) FORMULA.—A State shall allocate funds to local
15 areas in the State under subsection (a)(2) in an amount
16 that is proportionate to the relative number of unemployed
17 individuals in the local area as compared to the total num-
18 ber of unemployed individuals in the State.

19 “(c) AVAILABILITY.—Notwithstanding section
20 189(g)(2), amounts allotted to a State under section
21 135C, and amounts subsequently provided to a local area
22 under this section, shall be available for obligation and ex-
23 penditure only for the 3-year period beginning on the date
24 of the enactment of the Back to Work Incentive Act of
25 2003.



1 **“SEC. 135E. PERSONAL REEMPLOYMENT ACCOUNTS.**

2 “(a) ACCOUNTS.—

3 “(1) IN GENERAL.—Funds provided to a local
4 area under section 135D shall be used to provide eli-
5 gible individuals with personal reemployment ac-
6 counts to be used in accordance with section 135F.
7 An eligible individual may receive only one personal
8 reemployment account.

9 “(2) AMOUNT.—The State shall establish the
10 amount of a personal reemployment account, which
11 shall be uniform throughout the State, and shall not
12 exceed \$3,000.

13 “(b) ELIGIBLE INDIVIDUALS.—

14 “(1) IN GENERAL.—Each State shall establish
15 eligibility criteria for individuals for personal reem-
16 ployment accounts in accordance with this sub-
17 section.

18 “(2) MINIMUM ELIGIBILITY CRITERIA REQUIRE-
19 MENTS.—

20 “(A) IN GENERAL.—Subject to subpara-
21 graph (B), an individual shall be eligible to re-
22 ceive assistance under this chapter if, beginning
23 after the date of enactment of the Back to
24 Work Incentive Act of 2003, the individual—

25 “(i) is identified by the State pursu-
26 ant to section 303(j)(1) of the Social Secu-



1 rity Act as likely to exhaust regular unem-
 2 ployment compensation and in need of job
 3 search assistance to make a successful
 4 transition to new employment;

5 “(ii) is receiving regular unemploy-
 6 ment compensation under any State or
 7 Federal unemployment compensation pro-
 8 gram administered by the State; and

9 “(iii) is eligible for not less than 20
 10 weeks for the regular unemployment com-
 11 pensation described in clause (ii).

12 “(B) ADDITIONAL ELIGIBILITY AND PRI-
 13 ORITY CRITERIA.—A State may establish cri-
 14 teria that is in addition to the criteria described
 15 in subparagraph (A) for the eligibility of indi-
 16 viduals to receive assistance under this chapter.
 17 A State may also establish criteria for priority
 18 in the provision of assistance to such eligible in-
 19 dividuals under this chapter.

20 “(3) TRANSITION RULE.—

21 “(A) PREVIOUSLY IDENTIFIED AS LIKELY
 22 TO EXHAUST UNEMPLOYMENT COMPENSA-
 23 TION.—

24 “(i) IN GENERAL.—At the option of
 25 the State, and subject to clause (ii), an in-



1 dividual may be eligible to receive assist-
2 ance under this chapter if the individual—

3 “(I) during the 90-day period
4 ending on the date of the enactment
5 of the Back to Work Incentive Act of
6 2003, was identified by the State pur-
7 suant to section 303(j)(1) of the So-
8 cial Security Act as likely to exhaust
9 regular unemployment compensation
10 and in need of job search assistance
11 to make a successful transition to new
12 employment; and

13 “(II) otherwise meets the re-
14 quirements of clauses (ii) and (iii) of
15 paragraph (2)(A).

16 “(ii) ADDITIONAL ELIGIBILITY AND
17 PRIORITY CRITERIA.—A State may estab-
18 lish criteria that is in addition to the cri-
19 teria described in clause (i) for the eligi-
20 bility of individuals to receive assistance
21 under this chapter. A State may also es-
22 tablish criteria for priority in the provision
23 of assistance to such eligible individuals
24 under this chapter.

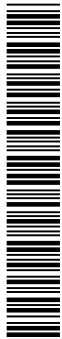


1 “(B) PREVIOUSLY EXHAUSTED UNEM-
2 PLOYMENT COMPENSATION.—At the option of
3 the State, an individual may be eligible to re-
4 ceive assistance under this chapter if the
5 individual—

6 “(i) during the 180-day period ending
7 on the date of the enactment of the Back
8 to Work Incentive Act of 2003, exhausted
9 all rights to any unemployment compensa-
10 tion; and

11 “(ii)(I) is enrolled in training and
12 needs additional support to complete such
13 training, with a priority of service to be
14 provided to such individuals who are train-
15 ing for shortage occupations or high-
16 growth industries; or

17 “(II) is separated from employment in
18 an industry or occupation that has experi-
19 enced declining employment, or no longer
20 provides any employment, in the local labor
21 market during the two-year period ending
22 on the date of the determination of eligi-
23 bility of the individual under this subpara-
24 graph.



1 “(4) NO INDIVIDUAL ENTITLEMENT.—Nothing
2 in this chapter shall be construed to entitle any indi-
3 vidual to receive a personal reemployment account.

4 “(c) LOCAL ADMINISTRATION.—

5 “(1) INFORMATION AND ATTESTATION.—Prior
6 to the establishment of a personal reemployment ac-
7 count for an eligible individual under this chapter,
8 the local board, through the one-stop delivery sys-
9 tem, shall ensure that the individual—

10 “(A) is informed of the requirements appli-
11 cable to the personal reemployment account, in-
12 cluding the allowable uses of funds from the ac-
13 count, the limitations on access to services de-
14 scribed under section 135F(a)(3)(C) and a de-
15 scription of such services, and the conditions for
16 receiving a reemployment bonus;

17 “(B) has the option to develop a personal
18 reemployment plan which will identify the em-
19 ployment goals and appropriate combination of
20 services selected by the individual to achieve the
21 employment goals; and

22 “(C) signs an attestation that the indi-
23 vidual has been given the option to develop a
24 personal reemployment plan in accordance with
25 subparagraph (B), will comply with the require-



1 ments relating to the personal reemployment
2 accounts under this chapter, and will reimburse
3 the account or, if the account has been termi-
4 nated, the program under this chapter, for any
5 amounts expended from the account that are
6 not allowable.

7 “(2) PERIODIC INTERVIEWS.—If a recipient ex-
8 hausts his or her rights to any unemployment com-
9 pensation, and the recipient has a remaining balance
10 in his or her personal reemployment account, the
11 one-stop delivery system shall conduct periodic inter-
12 views with the recipient to assist the recipient in
13 meeting his or her individual employment goals.

14 **“SEC. 135F. USE OF FUNDS.**

15 “(a) ALLOWABLE ACTIVITIES.—

16 “(1) IN GENERAL.—Subject to the require-
17 ments contained in paragraphs (2) and (3), a recipi-
18 ent may use amounts in a personal reemployment
19 account to purchase one or more of the following:

20 “(A) Intensive services, including those
21 types of services specified in section
22 134(d)(3)(C).

23 “(B) Training services, including those
24 types of services specified in section
25 134(d)(4)(D).



1 “(C) Supportive services, except for needs-
2 related payments.

3 “(D) Assistance to purchase or lease an
4 automobile, if such assistance is necessary to
5 allow the recipient to accept a bona fide offer
6 of employment for which there is a reasonable
7 expectation of long-term duration.

8 “(2) DELIVERY OF SERVICES.—The following
9 requirements relating to delivery of services shall
10 apply to the program under this chapter:

11 “(A) Recipients may use funds from the
12 personal reemployment account to purchase the
13 services described in paragraph (1) through the
14 one-stop delivery system on a fee-for-service
15 basis, or through other providers, consistent
16 with safeguards described in the State and local
17 plans under section 135G.

18 “(B) The local board, through the one-stop
19 delivery system, may pay costs for such services
20 directly on behalf of the recipient, through a
21 voucher system, or by reimbursement to the re-
22 cipient upon receipt of appropriate cost docu-
23 mentation, consistent with safeguards described
24 in the State plan under section 135G.



1 “(C) Each local board, through the one-
2 stop delivery system, shall make available to re-
3 cipients information on training providers speci-
4 fied in section 134(d)(4)(F)(ii), information
5 available to the one-stop delivery system on pro-
6 viders of the intensive and supportive services
7 described in paragraph (1), and information re-
8 lating to occupations in demand in the local
9 area.

10 “(3) LIMITATIONS.—The following limitations
11 shall apply with respect to personal reemployment
12 accounts under this chapter:

13 “(A)(i) Amounts in a personal reemploy-
14 ment account may be used for up to one year
15 from the date of the establishment of the ac-
16 count.

17 “(ii) No personal reemployment account
18 may be established beginning 2 years after the
19 date of the enactment of the Back to Work In-
20 centive Act of 2003.

21 “(B) Each recipient shall submit cost doc-
22 umentation as required by the one-stop delivery
23 system.

24 “(C) For the 1-year period following the
25 establishment of the account, recipients may



1 not receive intensive, supportive, or training
2 services funded under this title except on a fee-
3 for-services basis as specified in paragraph
4 (2)(A).

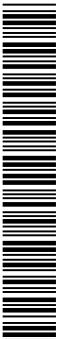
5 “(D) Amounts in a personal reemployment
6 account shall be nontransferable.

7 “(b) INCOME SUPPORT.—A State may authorize re-
8 cipients determined eligible under section 135E(b)(3)(B)
9 to withdraw amounts from the personal reemployment ac-
10 count on a weekly basis for purposes of income support
11 in amounts up to the average weekly amount of unemploy-
12 ment compensation that the individual received prior to
13 his or her exhaustion of rights to unemployment com-
14 pensation if the individual is engaged in job search, inten-
15 sive services, or training that is expected to lead to em-
16 ployment.

17 “(c) REEMPLOYMENT BONUS.—

18 “(1) IN GENERAL.—Subject to paragraph (2)—

19 “(A) if a recipient determined eligible
20 under section 135E(b)(2) obtains full-time em-
21 ployment before the end of the 13th week of
22 unemployment for which unemployment com-
23 pensation is paid, the balance of his or her per-
24 sonal reemployment account shall be provided
25 directly to the recipient in cash; and



1 “(B) if a recipient determined eligible
2 under section 135E(b)(3) obtains full-time em-
3 ployment before the end of the 13th week after
4 the date on which the account is established,
5 the balance of his or her personal reemployment
6 account shall be provided directly to the recipi-
7 ent in cash.

8 “(2) LIMITATIONS.—The following limitations
9 shall apply with respect to a recipient described in
10 paragraph (1):

11 “(A) 60 percent of the remaining personal
12 reemployment account balance shall be paid to
13 the recipient at the time of reemployment.

14 “(B) 40 percent of the remaining personal
15 reemployment account balance shall be paid to
16 the recipient not later than 6 months after the
17 date of reemployment.

18 “(3) EXCEPTION REGARDING SUBSEQUENT UN-
19 EMPLOYMENT.—If a recipient described in para-
20 graph (1) subsequently becomes unemployed due to
21 a lack of work after receiving the portion of the re-
22 employment bonus specified under paragraph (2)(A),
23 the individual may use the amount remaining in the
24 personal reemployment account for the purposes de-



1 scribed in subsection (a) but may not be eligible for
2 additional cash payments under this subsection.

3 **“SEC. 135G. STATE AND LOCAL PLANS.**

4 “(a) STATE PLAN.—In order for a State to receive
5 an allotment under section 135C, the Governor of the
6 State shall submit to the Secretary a plan for approval
7 that includes a description of how the State intends to
8 carry out the personal reemployment accounts authorized
9 under this chapter, including—

10 “(1) the criteria and methods to be used for de-
11 termining eligibility for the personal reemployment
12 accounts, including whether the State intends to in-
13 clude the optional categories described in section
14 135E(b)(3), and the additional criteria and priority
15 for service that the State intends to apply, if any,
16 pursuant to section 135E(b)(2)(B);

17 “(2) the methods or procedures, developed in
18 consultation with local boards and chief elected offi-
19 cials, to be used to provide eligible individuals infor-
20 mation relating to services and providers, and safe-
21 guards, developed in consultation with such boards
22 and officials, to ensure that funds from the personal
23 reemployment accounts are used for purposes au-
24 thorized under this chapter and to ensure the quality
25 and integrity of services and providers, consistent



1 with the purpose of providing such individuals with
2 enhanced flexibility, choice, and control in obtaining
3 intensive reemployment, training, and supportive
4 services.

5 “(3) how the State will coordinate the activities
6 carried out under this chapter with the employment
7 and training activities carried out under section 134
8 and other activities carried out by each local board
9 through the one-stop delivery system in the State;
10 and

11 “(4) the methods and procedures for providing
12 funds to local areas under section 135D(a)(3).

13 “(b) LOCAL PLAN.—In order for a local area to re-
14 ceive an allocation under section 135D, the local board,
15 in partnership with the chief elected official for the local
16 area involved, shall submit to the Governor a plan for ap-
17 proval that includes a description of how the local board
18 intends to carry out the personal reemployment accounts,
19 consistent with the requirements of this chapter and with
20 the State plan established under subsection (a),
21 including—

22 “(1) a description of how the local board will
23 coordinate the activities carried out under this chap-
24 ter with the employment and training activities car-
25 ried out in the local area under section 134; and



1 “(2) a description of the methods or procedures
2 to be used to provide eligible individuals information
3 relating to the jobs that are available in the local
4 area in high demand occupations and information on
5 services and providers, and the safeguards the local
6 area will initiate to ensure that funds from the per-
7 sonal reemployment accounts are used for purposes
8 authorized under this chapter and to ensure the
9 quality and integrity of services and providers, con-
10 sistent with the purpose of providing such individ-
11 uals with enhanced flexibility, choice, and control in
12 obtaining intensive reemployment, training, and sup-
13 portive services, and consistent with the State plan.

14 “(c) STATE PLAN SUBMISSION AND APPROVAL.—A
15 State plan submitted to the Secretary under subsection
16 (a) by a Governor shall be considered to be approved by
17 the Secretary at the end of the 30-day period beginning
18 on the date the Secretary receives the plan, unless the Sec-
19 retary makes a written determination during such period
20 that the plan is incomplete or otherwise inconsistent with
21 the provisions of this chapter.

22 **“SEC. 135H. PROGRAM INFORMATION.**

23 “The Secretary may require from States the collec-
24 tion and reporting on such financial, performance, and
25 other program-related information as the Secretary deter-



1 mines is appropriate to carry out this chapter, including
2 the evaluation described in section 135I.

3 **“SEC. 135I. EVALUATION.**

4 “(a) EVALUATION.—From the amount made avail-
5 able under section 135C(a)(1), the Secretary, pursuant to
6 the authority provided under section 172, shall, directly
7 or through grants, contracts, or cooperative agreements
8 with appropriate entities, conduct an evaluation of the ac-
9 tivities carried out under this chapter.

10 “(b) CONDUCT OF EVALUATION.—The evaluation
11 shall examine the effectiveness of such activities in achiev-
12 ing the purposes described in section 135A and such other
13 purposes as the Secretary determines are appropriate.

14 “(c) REPORT.—The report to Congress under section
15 172(e) relating to the results of the evaluations required
16 under section 172 shall include the recommendation of the
17 Secretary with respect to the use of personal reemploy-
18 ment accounts as a mechanism to assist individuals in ob-
19 taining and retaining employment.”.

20 **SEC. 3. ADMINISTRATION.**

21 Section 117(d) of the Workforce Investment Act of
22 1998 (29 U.S.C. 2832(d)) is amended—

23 (1) in paragraph (3)(B)(i)(I), by striking “sec-
24 tions 128 and 133” and inserting “sections 128,
25 133, and 135D”; and



1 (2) in paragraph (4), by inserting “, activities
2 authorized under section 135F” after “section 134”.

3 **SEC. 4. DELIVERY OF SERVICES.**

4 Section 134(c)(1) of the Workforce Investment Act
5 of 1998 (29 U.S.C. 2864(c)(1)) is amended—

6 (1) in subparagraph (D), by striking “and” at
7 the end;

8 (2) in subparagraph (E), by striking the period
9 at the end and inserting “; and”; and

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

11 “(F) shall provide access to personal reemployment
12 accounts in accordance to section 135E.”.

13 **SEC. 5. AUTHORIZATION OF APPROPRIATION.**

14 Section 137 of the Workforce Investment Act of 1998
15 (29 U.S.C. 2872) is amended by adding at the end the
16 following:

17 “(d) PERSONAL REEMPLOYMENT ACCOUNTS.—

18 “(1) IN GENERAL.—There is authorized to be
19 appropriated \$3,600,000,000 for fiscal year 2003 to
20 carry out chapter 5A.

21 “(2) AVAILABILITY.—Amounts appropriated
22 pursuant to the authorization of appropriations
23 under paragraph (1) to carry out section 135I are
24 authorized to remain available until expended.”.



1 **SEC. 6. CONFORMING AMENDMENT.**

2 The table of contents for the Workforce Investment
3 Act of 1998 is amended by inserting after the items relat-
4 ing to chapter 5 of subtitle B of title I the following new
5 items:

“CHAPTER 5A—PERSONAL REEMPLOYMENT ACCOUNTS

- “Sec. 135A. Purposes.
- “Sec. 135B. Definition.
- “Sec. 135C. Grants to States.
- “Sec. 135D. Within State allocation.
- “Sec. 135E. Personal reemployment accounts.
- “Sec. 135F. Use of funds.
- “Sec. 135G. State and local plans.
- “Sec. 135H. Program information.
- “Sec. 135I. Evaluation.”.

