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(Original Signature of Member)

108<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. \_\_\_\_\_

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## IN THE HOUSE OF REPRESENTATIVES

Mr. PORTER (for himself, Mr. BOEHNER, and Mr. McKEON) introduced the following bill; which was referred to the Committee on

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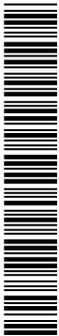
# A BILL

To amend the Workforce Investment Act of 1998 to establish a Personal Reemployment Accounts grant program to assist Americans in returning to work.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE**

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



1 **SEC. 2. GRANTS TO SUPPORT PERSONAL REEMPLOYMENT**  
2 **ACCOUNTS.**

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

6 **“CHAPTER 5A—PERSONAL**  
7 **REEMPLOYMENT ACCOUNTS**

8 **“SEC. 135A. PURPOSES.**

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

13 “(1) accelerate the reemployment of such indi-  
14 viduals;

15 “(2) promote the retention in employment of  
16 such individuals; and

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

20 **“SEC. 135B. DEFINITION.**

21 “In this chapter, the term ‘State’ means each of the  
22 several States of the United States, the District of Colum-  
23 bia, the Commonwealth of Puerto Rico, and the United  
24 States Virgin Islands.

25 **“SEC. 135C. GRANTS TO STATES.**

26 “(a) GRANTS.—The Secretary shall—



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

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

7           “(b) ALLOTMENT AMONG STATES.—

8           “(1) IN GENERAL.—From the amount made  
9           available under subsection (a)(2), the Secretary shall  
10          allot to each State an amount that is proportionate  
11          to the relative number of unemployed individuals in  
12          the State as compared to the total number of unem-  
13          ployed individuals in all States in order to provide  
14          assistance for eligible individuals in accordance with  
15          this chapter.

16          “(2) SMALL STATE MINIMUM ALLOTMENT.—  
17          The Secretary shall ensure that—

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

23                 “(B) the United States Virgin Islands shall  
24                 receive an allotment under paragraph (1) that  
25                 is not less than  $\frac{1}{10}$  of 1 percent of the amount



1           made available under subsection (a)(2) for the  
2           fiscal year.

3           “(c)    AVAILABILITY.—Notwithstanding    section  
4 189(g)(1), amounts made available under subsection (a)  
5 to carry out this chapter shall be available for obligation  
6 and expenditure beginning on the date of the enactment  
7 of the Back to Work Incentive Act of 2003.

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

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

11           “(1) not more than 2 percent of the amount  
12           may be reserved by the Governor of the State to en-  
13           hance the system of worker profiling described in  
14           section 303(j) of the Social Security Act and to es-  
15           tablish and operate a data management system, as  
16           necessary, and carry out other appropriate activities  
17           to implement this chapter;

18           “(2) 5 percent of the amount shall be allocated  
19           by the State to local areas in accordance with the  
20           formula described in subsection (b) for start-up  
21           costs and other operating costs related to the provi-  
22           sion of assistance under this chapter; and

23           “(3) the remainder of the amount shall be pro-  
24           vided to local areas for the establishment of personal



1 reemployment accounts described in section 135E  
2 for eligible individuals in such local areas.

3 “(b) FORMULA.—A State shall allocate funds to local  
4 areas in the State under subsection (a)(2) in an amount  
5 that is proportionate to the relative number of unemployed  
6 individuals in the local area as compared to the total num-  
7 ber of unemployed individuals in the State.

8 “(c) AVAILABILITY.—Notwithstanding section  
9 189(g)(2), amounts allotted to a State under section  
10 135C, and amounts subsequently provided to a local area  
11 under this section, shall be available for obligation and ex-  
12 penditure only for the 3-year period beginning on the date  
13 of the enactment of the Back to Work Incentive Act of  
14 2003.

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

16 “(a) ACCOUNTS.—

17 “(1) IN GENERAL.—Funds provided to a local  
18 area under section 135D shall be used to provide eli-  
19 gible individuals with personal reemployment ac-  
20 counts to be used in accordance with section 135F.  
21 An eligible individual may receive only one personal  
22 reemployment account.

23 “(2) AMOUNT.—The State shall establish the  
24 amount of a personal reemployment account, which



1 shall be uniform throughout the State, and shall not  
2 exceed \$3,000.

3 “(b) ELIGIBLE INDIVIDUALS.—

4 “(1) IN GENERAL.—Each State shall establish  
5 eligibility criteria for individuals for personal reem-  
6 ployment accounts in accordance with this sub-  
7 section.

8 “(2) MINIMUM ELIGIBILITY CRITERIA REQUIRE-  
9 MENTS.—

10 “(A) IN GENERAL.—Subject to subpara-  
11 graph (B), an individual shall be eligible to re-  
12 ceive assistance under this chapter if, beginning  
13 after the date of enactment of the Back to  
14 Work Incentive Act of 2003, the individual—

15 “(i) is identified by the State pursu-  
16 ant to section 303(j)(1) of the Social Secu-  
17 rity Act as likely to exhaust regular unem-  
18 ployment compensation and in need of job  
19 search assistance to make a successful  
20 transition to new employment;

21 “(ii) is receiving regular unemploy-  
22 ment compensation under any State or  
23 Federal unemployment compensation pro-  
24 gram administered by the State; and



1                   “(iii) is eligible for not less than 20  
 2                   weeks for the regular unemployment com-  
 3                   pensation described in clause (ii).

4                   “(B) ADDITIONAL ELIGIBILITY AND PRI-  
 5                   ORITY CRITERIA.—A State may establish cri-  
 6                   teria that is in addition to the criteria described  
 7                   in subparagraph (A) for the eligibility of indi-  
 8                   viduals to receive assistance under this chapter.  
 9                   A State may also establish criteria for priority  
 10                  in the provision of assistance to such eligible in-  
 11                  dividuals under this chapter.

12                  “(3) TRANSITION RULE.—

13                  “(A) PREVIOUSLY IDENTIFIED AS LIKELY  
 14                  TO EXHAUST UNEMPLOYMENT COMPENSA-  
 15                  TION.—

16                  “(i) IN GENERAL.—At the option of  
 17                  the State, and subject to clause (ii), an in-  
 18                  dividual may be eligible to receive assist-  
 19                  ance under this chapter if the individual—

20                  “(I) during the 90-day period  
 21                  ending on the date of the enactment  
 22                  of the Back to Work Incentive Act of  
 23                  2003, was identified by the State pur-  
 24                  suant to section 303(j)(1) of the So-  
 25                  cial Security Act as likely to exhaust



1 regular unemployment compensation  
2 and in need of job search assistance  
3 to make a successful transition to new  
4 employment; and

5 “(II) otherwise meets the re-  
6 quirements of clauses (ii) and (iii) of  
7 paragraph (2)(A).

8 “(ii) ADDITIONAL ELIGIBILITY AND  
9 PRIORITY CRITERIA.—A State may estab-  
10 lish criteria that is in addition to the cri-  
11 teria described in clause (i) for the eligi-  
12 bility of individuals to receive assistance  
13 under this chapter. A State may also es-  
14 tablish criteria for priority in the provision  
15 of assistance to such eligible individuals  
16 under this chapter.

17 “(B) PREVIOUSLY EXHAUSTED UNEM-  
18 PLOYMENT COMPENSATION.—At the option of  
19 the State, an individual may be eligible to re-  
20 ceive assistance under this chapter if the  
21 individual—

22 “(i) during the 90-day period ending  
23 on the date of the enactment of the Back  
24 to Work Incentive Act of 2003, exhausted



1 all rights to any unemployment compensa-  
2 tion; and

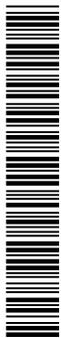
3 “(ii)(I) is enrolled in training and  
4 needs additional support to complete such  
5 training, with a priority of service to be  
6 provided to such individuals who are train-  
7 ing for shortage occupations or high-  
8 growth industries; or

9 “(II) is separated from employment in  
10 an industry or occupation that has experi-  
11 enced declining employment, or no longer  
12 provides any employment, in the local labor  
13 market during the two-year period ending  
14 on the date of the determination of eligi-  
15 bility of the individual under this subpara-  
16 graph.

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

20 “(c) LOCAL ADMINISTRATION.—

21 “(1) INFORMATION AND ATTESTATION.—Prior  
22 to the establishment of a personal reemployment ac-  
23 count for an eligible individual under this chapter,  
24 the one-stop delivery system shall ensure that the  
25 individual—



1           “(A) is informed of the requirements appli-  
2           cable to the personal reemployment account, in-  
3           cluding the allowable uses of funds from the ac-  
4           count, the limitations on access to services de-  
5           scribed under section 135F(a)(3)(C) and a de-  
6           scription of such services, and the conditions for  
7           receiving a reemployment bonus;

8           “(B) has the option to develop a personal  
9           reemployment plan which will identify the em-  
10          ployment goals and appropriate combination of  
11          services selected by the individual to achieve the  
12          employment goals; and

13          “(C) signs an attestation that the indi-  
14          vidual will comply with the requirements relat-  
15          ing to the personal reemployment accounts  
16          under this chapter and will reimburse the ac-  
17          count or, if the account has been terminated,  
18          the program under this chapter, for any  
19          amounts expended from the account that are  
20          not allowable.

21          “(2) PERIODIC INTERVIEWS.—If a recipient ex-  
22          hausts his or her rights to any unemployment com-  
23          pensation, and the recipient has a remaining balance  
24          in his or her personal reemployment account, the  
25          one-stop delivery system shall conduct periodic inter-



1 views with the recipient to assist the recipient in  
2 meeting his or her individual employment goals.

3 **“SEC. 135F. USE OF FUNDS.**

4 “(a) ALLOWABLE ACTIVITIES.—

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

9 “(A) Intensive services, including those  
10 types of services specified in section  
11 134(d)(3)(C).

12 “(B) Training services, including those  
13 types of services specified in section  
14 134(d)(4)(D).

15 “(C) Supportive services, except for needs-  
16 related payments.

17 “(D) Assistance to purchase or lease an  
18 automobile, if such assistance is necessary to  
19 allow the recipient to accept a bona fide offer  
20 of employment for which there is a reasonable  
21 expectation of long-term duration.

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



1           “(A) Recipients may use funds from the  
2           personal reemployment account to purchase the  
3           services described in paragraph (1) through the  
4           one-stop delivery system on a fee-for-service  
5           basis, or through other providers, consistent  
6           with safeguards described in the State plan  
7           under section 135G.

8           “(B) The one-stop delivery system may  
9           pay costs for such services directly on behalf of  
10          the recipient, through a voucher system, or by  
11          reimbursement to the recipient upon receipt of  
12          appropriate cost documentation, consistent with  
13          safeguards described in the State plan under  
14          section 135G.

15          “(C) Each one-stop delivery system shall  
16          make available to recipients information on  
17          training providers specified in section  
18          134(d)(4)(F)(ii), information available to the  
19          one-stop delivery system on providers of the in-  
20          tensive and supportive services described in  
21          paragraph (1), and information relating to oc-  
22          cupations in demand in the local area.

23          “(3) LIMITATIONS.—The following limitations  
24          shall apply with respect to personal reemployment  
25          accounts under this chapter:



1           “(A)(i) Amounts in a personal reemploy-  
2           ment account may be used for up to one year  
3           from the date of the establishment of the ac-  
4           count.

5           “(ii) No personal reemployment account  
6           may be established beginning 2 years after the  
7           date of the enactment of the Back to Work In-  
8           centive Act of 2003.

9           “(B) Each recipient shall submit cost doc-  
10          umentation as required by the one-stop delivery  
11          system.

12          “(C) For the 1-year period following the  
13          establishment of the account, recipients may  
14          not receive intensive, supportive, or training  
15          services funded under this title except on a fee-  
16          for-services basis as specified in paragraph  
17          (2)(A).

18          “(D) Amounts in a personal reemployment  
19          account shall be nontransferable.

20          “(b) INCOME SUPPORT.—A State may authorize re-  
21          cipients determined eligible under section 135E(b)(3)(B)  
22          to withdraw amounts from the personal reemployment ac-  
23          count on a weekly basis for purposes of income support  
24          in amounts up to the average weekly amount of unemploy-  
25          ment compensation that the individual received prior to



1 his or her exhaustion of rights to unemployment com-  
2 pensation if the individual is engaged in job search, inten-  
3 sive services, or training that is expected to lead to em-  
4 ployment.

5 “(c) REEMPLOYMENT BONUS.—

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

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

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

21 “(2) LIMITATIONS.—The following limitations  
22 shall apply with respect to a recipient described in  
23 paragraph (1):



1           “(A) 60 percent of the remaining personal  
2           reemployment account balance shall be paid to  
3           the recipient at the time of reemployment.

4           “(B) 40 percent of the remaining personal  
5           reemployment account balance shall be paid to  
6           the recipient not later than 6 months after the  
7           date of reemployment.

8           “(3) EXCEPTION REGARDING SUBSEQUENT UN-  
9           EMPLOYMENT.—If a recipient described in para-  
10          graph (1) subsequently becomes unemployed due to  
11          a lack of work after receiving the portion of the re-  
12          employment bonus specified under paragraph (2)(A),  
13          the individual may use the amount remaining in the  
14          personal reemployment account for the purposes de-  
15          scribed in subsection (a) but may not be eligible for  
16          additional cash payments under this subsection.

17       **“SEC. 135G. STATE PLAN.**

18          “(a) IN GENERAL.—In order for a State to receive  
19          an allotment under section 135C, the Governor of the  
20          State shall submit to the Secretary a plan that includes  
21          a description of how the State intends to carry out the  
22          personal reemployment accounts authorized under this  
23          chapter, including—

24               “(1) the criteria and methods to be used for de-  
25          termining eligibility for the personal reemployment



1 accounts, including whether the State intends to in-  
2 clude the optional categories described in section  
3 135E(b)(3), and the additional criteria and priority  
4 for service that the State intends to apply, if any,  
5 pursuant to section 135E(b)(2)(B);

6 “(2) the methods or procedures to be used to  
7 provide eligible individuals information relating to  
8 services and providers, and safeguards to ensure  
9 that funds from the personal reemployment accounts  
10 are used for purposes authorized under this chapter  
11 and are not used for services or providers that are  
12 wholly unreasonable or egregious;

13 “(3) how the State will coordinate the activities  
14 carried out under this chapter with the employment  
15 and training activities carried out under section 134  
16 and other activities carried out through the one-stop  
17 delivery system in the State.

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



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

2 “The Secretary may require from States the collec-  
3 tion and reporting on such financial, performance, and  
4 other program-related information as the Secretary deter-  
5 mines is appropriate to carry out this chapter, including  
6 the evaluation described in section 135I.

7 **“SEC. 135I. EVALUATION.**

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

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

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

24 **SEC. 3. ADMINISTRATION.**

25 Section 117(d) of the Workforce Investment Act of  
26 1998 (29 U.S.C. 2832(d)) is amended—



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

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

6 **SEC. 4. DELIVERY OF SERVICES.**

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

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

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

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

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

16 **SEC. 5. AUTHORIZATION OF APPROPRIATION.**

17 Section 137 of the Workforce Investment Act of 1998  
18 (29 U.S.C. 2872) is amended by adding at the end the  
19 following:

20 “(d) PERSONAL REEMPLOYMENT ACCOUNTS.—

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

24 “(2) AVAILABILITY.—Amounts appropriated  
25 pursuant to the authorization of appropriations



1 under paragraph (1) to carry out section 135I are  
2 authorized to remain available until expended.”.

3 **SEC. 6. CONFORMING AMENDMENT.**

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

“CHAPTER 5A—PERSONAL REEMPLOYMENT ACCOUNTS

- “Sec. 135A. Purposes.
- “Sec. 135B. Definitions.
- “Sec. 135C. Grants to States.
- “Sec. 135D. Within State allocation.
- “Sec. 135E. Personal reemployment accounts.
- “Sec. 135F. Use of funds.
- “Sec. 135G. State plan.
- “Sec. 135H. Program information.
- “Sec. 135I. Evaluation, technical assistance, and data collection activities.”.

