

**AMENDMENT TO THE AMENDMENT IN THE  
NATURE OF A SUBSTITUTE TO H.R. 803  
OFFERED BY MRS. BROOKS OF INDIANA**

Page 12, line 14, strike the closed quotation marks  
and following period.

Page 12, after line 14, insert the following:

1           “(56)   PAY-FOR-PERFORMANCE    CONTRACT  
2           STRATEGY.—The term ‘pay-for-performance contract  
3           strategy’ means a strategy in which a contract to  
4           provide a program of employment and training ac-  
5           tivities incorporates—

6                   “(A) the performance outcomes described  
7                   in subclauses (I) through (IV) of section  
8                   136(b)(2)(A)(i);

9                   “(B) a fixed amount that will be paid to a  
10                  provider of such employment and training ac-  
11                  tivities for each program participant who  
12                  achieves the agreed to levels of performance  
13                  based upon the outcome measures described in  
14                  subparagraph (A), within a defined timetable,  
15                  and may include a bonus payment to such pro-

1           vider which may be used to expand the capacity  
2           of such provider;

3           “(C) the ability for a provider to recoup  
4           the costs of training a participant who has not  
5           met such outcome measures, but for whom the  
6           provider is able to demonstrate that such par-  
7           ticipant gained specific competencies required  
8           for education and career advancement that are,  
9           where feasible, tied to industry-recognized cre-  
10          dentials and related standards, or State licens-  
11          ing requirements; and

12          “(D) the ability for a provider that does  
13          not meet the requirements under section  
14          122(a)(2) to participate in such pay-for-per-  
15          formance contract and to not be required to re-  
16          port on the performance and cost information  
17          required under section 122(d).”.

Page 36, line 5, insert before the period the fol-  
lowing: “, annually review the outcome of individual  
training providers using the criteria under section  
122(b)(2), and designate providers in the local area who  
have demonstrated the highest level of success with re-  
spect to such indicators as priority providers for the fol-  
lowing program year”.

Page 85, line 12, insert “as defined in section 101(56),” after “strategies”.

Page 85, line 13, insert before the semicolon the following: “and providing technical support to local areas and providers in order to carry such strategy, which may provide assistance with data collection and data entry requirements”.

Page 102, line 22, insert after “education” the following: “that has been identified as a priority provider under section 117(d)(5)(B)”.

Page 102, line 24, insert after “occupations” the following: “, and which may be used to enable the expansion of programs provided by a priority provider”.

Page 104, line 17, insert “, as defined in section 101(56),” after “strategies”.

Page 124, line 19, strike “subsection” and insert “subsections”.

Page 125, line 2, strike the closed quotations and the following period, and insert after such line the following:

1       “(k) ESTABLISHING PAY-FOR-PERFORMANCE INCEN-  
2 TIVES.—

1           “(1) IN GENERAL.—At the discretion of the  
2           Governor of a State, a State may establish an incen-  
3           tive system for local boards to implement pay-for-  
4           performance contract strategies for the delivery of  
5           employment and training services in the local areas  
6           served by the local boards.

7           “(2) IMPLEMENTATION.—A State that estab-  
8           lishes a pay-for-performance incentive system shall  
9           reserve not more than 10 percent of the total  
10          amount allotted to the State under section 132(b)(2)  
11          for a fiscal year to provide funds to local areas in  
12          the State whose local boards have implemented a  
13          pay-for-performance contract strategy.

14          “(3) EVALUATIONS.—A State described in  
15          paragraph (2) shall use funds reserved by the State  
16          under section 133(a)(1) to evaluate the return on in-  
17          vestment of pay-for-performance contract strategies  
18          implemented by local boards in the State.”.

