

Whereas Ed Ruth became the first Penn State University wrestler to win 3 NCAA individual championships, and David Taylor became the sixth Penn State University wrestler to win 2 NCAA individual championships; and

Whereas the Penn State University wrestling team concluded the 2013-2014 season with a record of 15 wins and only 1 loss, and won its fourth consecutive Big Ten Championships title; Now, therefore, be it

Resolved, That the Senate—

(1) congratulates the Penn State University wrestling team, coaches, and staff for winning the 2014 National Collegiate Athletic Association (NCAA) Wrestling Championships;

(2) commends the Penn State University wrestling team's wrestlers, coaches, and staff for their diligence, enthusiasm, and hard work; and

(3) recognizes the Penn State University students, faculty, alumni, and devoted fans who supported the Nittany Lions on their path to winning their fourth consecutive NCAA Wrestling Championships.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2958. Mr. COATS (for himself, Ms. AYOTTE, Mr. TOOMEY, and Mr. CORKER) submitted an amendment intended to be proposed by him to the bill H.R. 3979, to amend the Internal Revenue Code of 1986 to ensure that emergency services volunteers are not taken into account as employees under the shared responsibility requirements contained in the Patient Protection and Affordable Care Act; which was ordered to lie on the table.

SA 2959. Mr. THUNE submitted an amendment intended to be proposed by him to the bill H.R. 3979, *supra*; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2958. Mr. COATS (for himself, Ms. AYOTTE, Mr. TOOMEY, and Mr. CORKER) submitted an amendment intended to be proposed by him to the bill H.R. 3979, to amend the Internal Revenue Code of 1986 to ensure that emergency services volunteers are not taken into account as employees under the shared responsibility requirements contained in the Patient Protection and Affordable Care Act; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 8. REQUIREMENT THAT INDIVIDUALS RECEIVING EMERGENCY UNEMPLOYMENT COMPENSATION BE ACTIVELY ENGAGED IN A SYSTEMATIC AND SUSTAINED EFFORT TO OBTAIN SUITABLE WORK.

(a) **IN GENERAL.**—Subsection (h) of section 4001 of the Supplemental Appropriations Act, 2008 (Public Law 110-252; 26 U.S.C. 3304 note) is amended to read as follows:

“(h) **ACTIVELY SEEKING WORK.**—

“(1) **IN GENERAL.**—For purposes of subsection (b)(4), payment of emergency unemployment compensation shall not be made to any individual for any week of unemployment—

“(A) during which the individual fails to accept any offer of suitable work (as defined in paragraph (3)) or fails to apply for any suitable work to which the individual was referred by the State agency; or

“(B) during which the individual fails to actively engage in seeking work, unless such

individual is not actively engaged in seeking work because such individual is, as determined in accordance with State law—

“(i) before any court of the United States or any State pursuant to a lawfully issued summons to appear for jury duty (as such term may be defined by the Secretary); or

“(ii) hospitalized for treatment of an emergency or a life-threatening condition (as such term may be defined by the Secretary), if such exemptions in clauses (i) and (ii) apply to recipients of regular benefits, and the State chooses to apply such exemptions for recipients of emergency unemployment benefits.

“(2) **PERIOD OF INELIGIBILITY.**—If any individual is ineligible for emergency unemployment compensation for any week by reason of a failure described in subparagraph (A) or (B) of paragraph (1), the individual shall be ineligible to receive emergency unemployment compensation for any week which begins during a period which—

“(A) begins with the week following the week in which such failure occurs; and

“(B) does not end until such individual has been employed during at least 4 weeks which begin after such failure and the total of the remuneration earned by the individual for being so employed is not less than the product of 4 multiplied by the individual's average weekly benefit amount for the individual's benefit year.

“(3) **SUITABLE WORK.**—For purposes of this subsection, the term ‘suitable work’ means, with respect to any individual, any work which is within such individual's capabilities, except that, if the individual furnishes evidence satisfactory to the State agency that such individual's prospects for obtaining work in his customary occupation within a reasonably short period are good, the determination of whether any work is suitable work with respect to such individual shall be made in accordance with the applicable State law.

“(4) **EXCEPTION.**—Extended compensation shall not be denied under subparagraph (A) of paragraph (1) to any individual for any week by reason of a failure to accept an offer of, or apply for, suitable work—

“(A) if the gross average weekly remuneration payable to such individual for the position does not exceed the sum of—

“(i) the individual's average weekly benefit amount for his benefit year, plus

“(ii) the amount (if any) of supplemental unemployment compensation benefits (as defined in section 501(c)(17)(D) of the Internal Revenue Code of 1986) payable to such individual for such week;

“(B) if the position was not offered to such individual in writing and was not listed with the State employment service;

“(C) if such failure would not result in a denial of compensation under the provisions of the applicable State law to the extent that such provisions are not inconsistent with the provisions of paragraphs (3) and (5); or

“(D) if the position pays wages less than the higher of—

“(i) the minimum wage provided by section 6(a)(1) of the Fair Labor Standards Act of 1938, without regard to any exemption; or

“(ii) any applicable State or local minimum wage.

“(5) **ACTIVELY ENGAGED IN SEEKING WORK.**—For purposes of this subsection, an individual shall be treated as actively engaged in seeking work during any week if—

“(A) the individual has engaged in a systematic and sustained effort to obtain work during such week, and

“(B) the individual provides tangible evidence to the State agency that he has engaged in such an effort during such week.

“(6) **REFERRAL.**—The State agency shall provide for referring applicants for emergency unemployment benefits to any suitable work to which paragraph (4) would not apply.”

(b) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on the date of the enactment of this Act.

SA 2959. Mr. THUNE submitted an amendment intended to be proposed by him to the bill H.R. 3979, to amend the Internal Revenue Code of 1986 to ensure that emergency services volunteers are not taken into account as employees under the shared responsibility requirements contained in the Patient Protection and Affordable Care Act; which was ordered to lie on the table; as follows:

At the end add the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Good Jobs, Good Wages, and Good Hours Act”.

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

Sec. 1. Short title; table of contents.

TITLE I—ENERGY

Subtitle A—Keystone XL and Natural Gas Exportation

Sec. 101. Keystone XL permit approval.

Sec. 102. Expedited approval of exportation of natural gas to Ukraine and North Atlantic Treaty Organization member countries and Japan.

Subtitle B—Saving Coal Jobs

Sec. 111. Short title.

PART I—PROHIBITION ON ENERGY TAX

Sec. 121. Prohibition on energy tax.

PART II—PERMITS

Sec. 131. National pollutant discharge elimination system.

Sec. 132. Permits for dredged or fill material.

Sec. 133. Impacts of Environmental Protection Agency regulatory activity on employment and economic activity.

Sec. 134. Identification of waters protected by the Clean Water Act.

Sec. 135. Limitations on authority to modify State water quality standards.

Sec. 136. State authority to identify waters within boundaries of the State.

Subtitle C—Point of Order Against Taxes on Carbon

Sec. 141. Point of order against legislation that would create a tax or fee on carbon emissions.

TITLE II—HEALTH

Sec. 201. Forty hours is full time.

Sec. 202. Repeal of the individual mandate.

Sec. 203. Repeal of medical device excise tax.

Sec. 204. Long-term unemployed individuals not taken into account for employer health care coverage mandate.

Sec. 205. Employees with health coverage under TRICARE or the Veterans Administration may be exempted from employer mandate under Patient Protection and Affordable Care Act.

Sec. 206. Prohibition on certain taxes, fees, and penalties enacted under the Affordable Care Act.

Sec. 207. Repeal of the Patient Protection and Affordable Care Act.

TITLE III—INCREASING EMPLOYMENT AND DECREASING GOVERNMENT REGULATION

Subtitle A—Small Business Tax Provisions

- Sec. 301. Permanent extension of increased expensing limitations and treatment of certain real property as section 179 property.
- Sec. 302. Permanent full exclusion applicable to qualified small business stock.
- Sec. 303. Permanent increase in deduction for start-up expenditures.
- Sec. 304. Permanent extension of reduction in S-corporation recognition period for built-in gains tax.
- Sec. 305. Permanent allowance of deduction for health insurance costs in computing self-employment taxes.
- Sec. 306. Clarification of inventory and accounting rules for small business.

Subtitle B—Regulatory Accountability Act

- Sec. 311. Short title.
- Sec. 312. Definitions.
- Sec. 313. Rule making.
- Sec. 314. Agency guidance; procedures to issue major guidance; presidential authority to issue guidelines for issuance of guidance.
- Sec. 315. Hearings; presiding employees; powers and duties; burden of proof; evidence; record as basis of decision.
- Sec. 316. Actions reviewable.
- Sec. 317. Scope of review.
- Sec. 318. Added definition.
- Sec. 319. Effective date.

TITLE IV—SUPPORTING KNOWLEDGE AND INVESTING IN LIFELONG SKILLS

- Sec. 401. Short title.
- Sec. 402. References.
- Sec. 403. Application to fiscal years.

Subtitle A—Amendments to the Workforce Investment Act of 1998

CHAPTER 1—WORKFORCE INVESTMENT DEFINITIONS

- Sec. 406. Definitions.
- ### CHAPTER 2—STATEWIDE AND LOCAL WORKFORCE INVESTMENT SYSTEMS
- Sec. 411. Purpose.
 - Sec. 412. State workforce investment boards.
 - Sec. 413. State plan.
 - Sec. 414. Local workforce investment areas.
 - Sec. 415. Local workforce investment boards.
 - Sec. 416. Local plan.
 - Sec. 417. Establishment of one-stop delivery system.
 - Sec. 418. Identification of eligible providers of training services.
 - Sec. 419. General authorization.
 - Sec. 420. State allotments.
 - Sec. 421. Within State allocations.
 - Sec. 422. Use of funds for employment and training activities.
 - Sec. 423. Performance accountability system.
 - Sec. 424. Authorization of appropriations.
- ### CHAPTER 3—JOB CORPS
- Sec. 426. Job Corps purposes.
 - Sec. 427. Job Corps definitions.
 - Sec. 428. Individuals eligible for the Job Corps.
 - Sec. 429. Recruitment, screening, selection, and assignment of enrollees.
 - Sec. 430. Job Corps centers.
 - Sec. 431. Program activities.
 - Sec. 432. Counseling and job placement.
 - Sec. 433. Support.
 - Sec. 434. Operations.
 - Sec. 435. Community participation.

- Sec. 436. Workforce councils.
- Sec. 437. Technical assistance.
- Sec. 438. Special provisions.
- Sec. 439. Performance accountability management.

CHAPTER 4—NATIONAL PROGRAMS

- Sec. 441. Technical assistance.
- Sec. 442. Evaluations.

CHAPTER 5—ADMINISTRATION

- Sec. 446. Requirements and restrictions.
- Sec. 447. Prompt allocation of funds.
- Sec. 448. Fiscal controls; sanctions.
- Sec. 449. Reports to Congress.
- Sec. 450. Administrative provisions.
- Sec. 451. State legislative authority.
- Sec. 452. General program requirements.
- Sec. 453. Federal agency staff and restrictions on political and lobbying activities.

CHAPTER 6—STATE UNIFIED PLAN

- Sec. 456. State unified plan.

Subtitle B—Adult Education and Family Literacy Education

- Sec. 461. Amendment.

Subtitle C—Amendments to the Wagner-Peyser Act

- Sec. 466. Amendments to the Wagner-Peyser Act.

Subtitle D—Repeals and Conforming Amendments

- Sec. 471. Repeals.
- Sec. 472. Amendments to other laws.
- Sec. 473. Conforming amendment to table of contents.

Subtitle E—Amendments to the Rehabilitation Act of 1973

- Sec. 476. Findings.
- Sec. 477. Rehabilitation Services Administration.
- Sec. 478. Definitions.
- Sec. 479. Carryover.
- Sec. 480. Traditionally underserved populations.
- Sec. 481. State plan.
- Sec. 482. Scope of services.
- Sec. 483. Standards and indicators.
- Sec. 484. Expenditure of certain amounts.
- Sec. 485. Collaboration with industry.
- Sec. 486. Reservation for expanded transition services.
- Sec. 487. Client assistance program.
- Sec. 488. Research.
- Sec. 489. Title III amendments.
- Sec. 490. Repeal of title VI.
- Sec. 491. Title VII general provisions.
- Sec. 492. Authorizations of appropriations.
- Sec. 493. Conforming amendments.

Subtitle F—Studies by the Comptroller General

- Sec. 496. Study by the Comptroller General on exhausting Federal Pell Grants before accessing WIA funds.
- Sec. 497. Study by the Comptroller General on administrative cost savings.

TITLE I—ENERGY

Subtitle A—Keystone XL and Natural Gas Exportation

SEC. 101. KEYSTONE XL PERMIT APPROVAL.

(a) IN GENERAL.—In accordance with clause 3 of section 8 of article I of the Constitution (delegating to Congress the power to regulate commerce with foreign nations), Trans-Canada Keystone Pipeline, L.P. is authorized to construct, connect, operate, and maintain pipeline facilities for the import of crude oil and other hydrocarbons at the United States-Canada Border at Phillips County, Montana, in accordance with the application filed with the Department of State on May 4, 2012.

(b) PRESIDENTIAL PERMIT NOT REQUIRED.—Notwithstanding Executive Order No. 13337 (3

U.S.C. 301 note), Executive Order No. 11423 (3 U.S.C. 301 note), section 301 of title 3, United States Code, and any other Executive order or provision of law, no presidential permit shall be required for the facilities described in subsection (a).

(c) ENVIRONMENTAL IMPACT STATEMENT.—The final environmental impact statement issued by the Secretary of State on August 26, 2011, the Final Evaluation Report issued by the Nebraska Department of Environmental Quality on January 3, 2013, and the Draft Supplemental Environmental Impact Statement issued on March 1, 2013, regarding the crude oil pipeline and appurtenant facilities associated with the facilities described in subsection (a), shall be considered to satisfy—

(1) all requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); and

(2) any other provision of law that requires Federal agency consultation or review with respect to the facilities described in subsection (a) and the related facilities in the United States.

(d) PERMITS.—Any Federal permit or authorization issued before the date of enactment of this Act for the facilities described in subsection (a), and the related facilities in the United States shall remain in effect.

(e) FEDERAL JUDICIAL REVIEW.—The facilities described in subsection (a), and the related facilities in the United States, that are approved by this section, and any permit, right-of-way, or other action taken to construct or complete the project pursuant to Federal law, shall only be subject to judicial review on direct appeal to the United States Court of Appeals for the District of Columbia Circuit.

SEC. 102. EXPEDITED APPROVAL OF EXPORTATION OF NATURAL GAS TO UKRAINE AND NORTH ATLANTIC TREATY ORGANIZATION MEMBER COUNTRIES AND JAPAN.

(a) IN GENERAL.—In accordance with clause 3 of section 8 of article I of the Constitution of the United States (delegating to Congress the power to regulate commerce with foreign nations), Congress finds that exports of natural gas produced in the United States to Ukraine, member countries of the North Atlantic Treaty Organization, and Japan is—

(1) necessary for the protection of the essential security interests of the United States; and

(2) in the public interest pursuant to section 3 of the Natural Gas Act (15 U.S.C. 717b).

(b) EXPEDITED APPROVAL.—Section 3(c) of the Natural Gas Act (15 U.S.C. 717b(c)) is amended by inserting “, to Ukraine, to a member country of the North Atlantic Treaty Organization, or to Japan” after “trade in natural gas”.

(c) EFFECTIVE DATE.—The amendment made by subsection (b) shall apply to applications for the authorization to export natural gas under section 3 of the Natural Gas Act (15 U.S.C. 717b) that are pending on, or filed on or after, the date of the enactment of this Act.

Subtitle B—Saving Coal Jobs

SEC. 111. SHORT TITLE.

This subtitle may be cited as the “Saving Coal Jobs Act of 2014”.

PART I—PROHIBITION ON ENERGY TAX

SEC. 121. PROHIBITION ON ENERGY TAX.

(a) FINDINGS; PURPOSES.—

(1) FINDINGS.—Congress finds that—

(A) on June 25, 2013, President Obama issued a Presidential memorandum directing the Administrator of the Environmental Protection Agency to issue regulations relating to power sector carbon pollution standards for existing coal fired power plants;

(B) the issuance of that memorandum circumvents Congress and the will of the people of the United States;

(C) any action to control emissions of greenhouse gases from existing coal fired power plants in the United States by mandating a national energy tax would devastate major sectors of the economy, cost thousands of jobs, and increase energy costs for low-income households, small businesses, and seniors on fixed income;

(D) joblessness increases the likelihood of hospital visits, illnesses, and premature deaths;

(E) according to testimony on June 15, 2011, before the Committee on Environment and Public Works of the Senate by Dr. Harvey Brenner of Johns Hopkins University, "The unemployment rate is well established as a risk factor for elevated illness and mortality rates in epidemiological studies performed since the early 1980s. In addition to influences on mental disorder, suicide and alcohol abuse and alcoholism, unemployment is also an important risk factor in cardiovascular disease and overall decreases in life expectancy.";

(F) according to the National Center for Health Statistics, "children in poor families were four times as likely to be in fair or poor health as children that were not poor";

(G) any major decision that would cost the economy of the United States millions of dollars and lead to serious negative health effects for the people of the United States should be debated and explicitly authorized by Congress, not approved by a Presidential memorandum or regulations; and

(H) any policy adopted by Congress should make United States energy as clean as practicable, as quickly as practicable, without increasing the cost of energy for struggling families, seniors, low-income households, and small businesses.

(2) PURPOSES.—The purposes of this section are—

(A) to ensure that—

(i) a national energy tax is not imposed on the economy of the United States; and

(ii) struggling families, seniors, low-income households, and small businesses do not experience skyrocketing electricity bills and joblessness;

(B) to protect the people of the United States, particularly families, seniors, and children, from the serious negative health effects of joblessness;

(C) to allow sufficient time for Congress to develop and authorize an appropriate mechanism to address the energy needs of the United States and the potential challenges posed by severe weather; and

(D) to restore the legislative process and congressional authority over the energy policy of the United States.

(b) PRESIDENTIAL MEMORANDUM.—Notwithstanding any other provision of law, the head of a Federal agency shall not promulgate any regulation relating to power sector carbon pollution standards or any substantially similar regulation on or after June 25, 2013, unless that regulation is explicitly authorized by an Act of Congress.

PART II—PERMITS

SEC. 131. NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM.

(a) APPLICABILITY OF GUIDANCE.—Section 402 of the Federal Water Pollution Control Act (33 U.S.C. 1342) is amended by adding at the end the following:

“(s) APPLICABILITY OF GUIDANCE.—

“(1) DEFINITIONS.—In this subsection:

“(A) GUIDANCE.—

“(i) IN GENERAL.—The term ‘guidance’ means draft, interim, or final guidance issued by the Administrator.

“(ii) INCLUSIONS.—The term ‘guidance’ includes—

“(I) the comprehensive guidance issued by the Administrator and dated April 1, 2010;

“(II) the proposed guidance entitled ‘Draft Guidance on Identifying Waters Protected by the Clean Water Act’ and dated April 28, 2011;

“(III) the final guidance proposed by the Administrator and dated July 21, 2011; and

“(IV) any other document or paper issued by the Administrator through any process other than the notice and comment rule-making process.

“(B) NEW PERMIT.—The term ‘new permit’ means a permit covering discharges from a structure—

“(i) that is issued under this section by a permitting authority; and

“(ii) for which an application is—

“(I) pending as of the date of enactment of this subsection; or

“(II) filed on or after the date of enactment of this subsection.

“(C) PERMITTING AUTHORITY.—The term ‘permitting authority’ means—

“(i) the Administrator; or

“(ii) a State, acting pursuant to a State program that is equivalent to the program under this section and approved by the Administrator.

“(2) PERMITS.—

“(A) IN GENERAL.—Notwithstanding any other provision of law, in making a determination whether to approve a new permit or a renewed permit, the permitting authority—

“(i) shall base the determination only on compliance with regulations issued by the Administrator or the permitting authority; and

“(ii) shall not base the determination on the extent of adherence of the applicant for the new permit or renewed permit to guidance.

“(B) NEW PERMITS.—If the permitting authority does not approve or deny an application for a new permit by the date that is 270 days after the date of receipt of the application for the new permit, the applicant may operate as if the application were approved in accordance with Federal law for the period of time for which a permit from the same industry would be approved.

“(C) SUBSTANTIAL COMPLETENESS.—In determining whether an application for a new permit or a renewed permit received under this paragraph is substantially complete, the permitting authority shall use standards for determining substantial completeness of similar permits for similar facilities submitted in fiscal year 2007.”.

(b) STATE PERMIT PROGRAMS.—

(1) IN GENERAL.—Section 402 of the Federal Water Pollution Control Act (33 U.S.C. 1342) is amended by striking subsection (b) and inserting the following:

“(b) STATE PERMIT PROGRAMS.—

“(1) IN GENERAL.—At any time after the promulgation of the guidelines required by section 304(a)(2), the Governor of each State desiring to administer a permit program for discharges into navigable waters within the jurisdiction of the State may submit to the Administrator—

“(A) a full and complete description of the program the State proposes to establish and administer under State law or under an interstate compact; and

“(B) a statement from the attorney general (or the attorney for those State water pollution control agencies that have independent legal counsel), or from the chief legal officer in the case of an interstate agency, that the laws of the State, or the interstate compact, as applicable, provide adequate authority to carry out the described program.

“(2) APPROVAL.—The Administrator shall approve each program for which a description is submitted under paragraph (1) unless the Administrator determines that adequate authority does not exist—

“(A) to issue permits that—

“(i) apply, and ensure compliance with, any applicable requirements of sections 301, 302, 306, 307, and 403;

“(ii) are for fixed terms not exceeding 5 years;

“(iii) can be terminated or modified for cause, including—

“(I) a violation of any condition of the permit;

“(II) obtaining a permit by misrepresentation or failure to disclose fully all relevant facts; and

“(III) a change in any condition that requires either a temporary or permanent reduction or elimination of the permitted discharge; and

“(iv) control the disposal of pollutants into wells;

“(B)(i) to issue permits that apply, and ensure compliance with, all applicable requirements of section 308; or

“(ii) to inspect, monitor, enter, and require reports to at least the same extent as required in section 308;

“(C) to ensure that the public, and any other State the waters of which may be affected, receives notice of each application for a permit and an opportunity for a public hearing before a ruling on each application;

“(D) to ensure that the Administrator receives notice and a copy of each application for a permit;

“(E) to ensure that any State (other than the permitting State), whose waters may be affected by the issuance of a permit may submit written recommendations to the permitting State and the Administrator with respect to any permit application and, if any part of the written recommendations are not accepted by the permitting State, that the permitting State will notify the affected State and the Administrator in writing of the failure of the State to accept the recommendations, including the reasons for not accepting the recommendations;

“(F) to ensure that no permit will be issued if, in the judgment of the Secretary of the Army (acting through the Chief of Engineers), after consultation with the Secretary of the department in which the Coast Guard is operating, anchorage and navigation of any of the navigable waters would be substantially impaired by the issuance of the permit;

“(G) to abate violations of the permit or the permit program, including civil and criminal penalties and other means of enforcement;

“(H) to ensure that any permit for a discharge from a publicly owned treatment works includes conditions to require the identification in terms of character and volume of pollutants of any significant source introducing pollutants subject to pretreatment standards under section 307(b) into the treatment works and a program to ensure compliance with those pretreatment standards by each source, in addition to adequate notice, which shall include information on the quality and quantity of effluent to be introduced into the treatment works and any anticipated impact of the change in the quantity or quality of effluent to be discharged from the publicly owned treatment works, to the permitting agency of—

“(i) new introductions into the treatment works of pollutants from any source that would be a new source (as defined in section 306(a)) if the source were discharging pollutants;

“(ii) new introductions of pollutants into the treatment works from a source that would be subject to section 301 if the source were discharging those pollutants; or

“(iii) a substantial change in volume or character of pollutants being introduced into the treatment works by a source introducing

pollutants into the treatment works at the time of issuance of the permit; and

“(I) to ensure that any industrial user of any publicly owned treatment works will comply with sections 204(b), 307, and 308.

“(3) ADMINISTRATION.—Notwithstanding paragraph (2), the Administrator may not disapprove or withdraw approval of a program under this subsection on the basis of the following:

“(A) The failure of the program to incorporate or comply with guidance (as defined in subsection (s)(1)).

“(B) The implementation of a water quality standard that has been adopted by the State and approved by the Administrator under section 303(c).”.

(2) CONFORMING AMENDMENTS.—

(A) Section 309 of the Federal Water Pollution Control Act (33 U.S.C. 1319) is amended—

(i) in subsection (c)—

(I) in paragraph (1)(A), by striking “402(b)(8)” and inserting “402(b)(2)(H)”; and

(II) in paragraph (2)(A), by striking “402(b)(8)” and inserting “402(b)(2)(H)”; and

(ii) in subsection (d), in the first sentence, by striking “402(b)(8)” and inserting “402(b)(2)(H)”.

(B) Section 402(m) of the Federal Water Pollution Control Act (33 U.S.C. 1342(m)) is amended in the first sentence by striking “subsection (b)(8) of this section” and inserting “subsection (b)(2)(H)”.

(C) SUSPENSION OF FEDERAL PROGRAM.—Section 402(c) of the Federal Water Pollution Control Act (33 U.S.C. 1342(c)) is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following:

“(4) LIMITATION ON DISAPPROVAL.—Notwithstanding paragraphs (1) through (3), the Administrator may not disapprove or withdraw approval of a State program under subsection (b) on the basis of the failure of the following:

“(A) The failure of the program to incorporate or comply with guidance (as defined in subsection (s)(1)).

“(B) The implementation of a water quality standard that has been adopted by the State and approved by the Administrator under section 303(c).”.

(d) NOTIFICATION OF ADMINISTRATOR.—Section 402(d)(2) of the Federal Water Pollution Control Act (33 U.S.C. 1342(d)(2)) is amended—

(1) by striking “(2)” and all that follows through the end of the first sentence and inserting the following:

“(2) OBJECTION BY ADMINISTRATOR.—

“(A) IN GENERAL.—Subject to subparagraph (C), no permit shall issue if—

“(i) not later than 90 days after the date on which the Administrator receives notification under subsection (b)(2)(E), the Administrator objects in writing to the issuance of the permit; or

“(ii) not later than 90 days after the date on which the proposed permit of the State is transmitted to the Administrator, the Administrator objects in writing to the issuance of the permit as being outside the guidelines and requirements of this Act.”;

(2) in the second sentence, by striking “Whenever the Administrator” and inserting the following:

“(B) REQUIREMENTS.—If the Administrator”;

(3) by adding at the end the following:

“(C) EXCEPTION.—The Administrator shall not object to or deny the issuance of a permit by a State under subsection (b) or (s) based on the following:

“(i) Guidance, as that term is defined in subsection (s)(1).

“(ii) The interpretation of the Administrator of a water quality standard that has been adopted by the State and approved by the Administrator under section 303(c).”.

SEC. 132. PERMITS FOR DREDGED OR FILL MATERIAL.

(a) IN GENERAL.—Section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344) is amended—

(1) by striking the section heading and all that follows through “SEC. 404. (a) The Secretary may issue” and inserting the following:

“SEC. 404. PERMITS FOR DREDGED OR FILL MATERIAL.

“(a) PERMITS.—

“(1) IN GENERAL.—The Secretary may issue”;

(2) in subsection (a), by adding at the end the following:

“(2) DEADLINE FOR APPROVAL.—

“(A) PERMIT APPLICATIONS.—

“(i) IN GENERAL.—Except as provided in clause (ii), if an environmental assessment or environmental impact statement, as appropriate, is required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the Secretary shall—

“(I) begin the process not later than 90 days after the date on which the Secretary receives a permit application; and

“(II) approve or deny an application for a permit under this subsection not later than the latter of—

“(aa) if an agency carries out an environmental assessment that leads to a finding of no significant impact, the date on which the finding of no significant impact is issued; or

“(bb) if an agency carries out an environmental assessment that leads to a record of decision, 15 days after the date on which the record of decision on an environmental impact statement is issued.

“(ii) PROCESSES.—Notwithstanding clause (i), regardless of whether the Secretary has commenced an environmental assessment or environmental impact statement by the date described in clause (i)(I), the following deadlines shall apply:

“(I) An environmental assessment carried out under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) shall be completed not later than 1 year after the deadline for commencing the permit process under clause (i)(I).

“(II) An environmental impact statement carried out under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) shall be completed not later than 2 years after the deadline for commencing the permit process under clause (i)(I).

“(B) FAILURE TO ACT.—If the Secretary fails to act by the deadline specified in clause (i) or (ii) of subparagraph (A)—

“(i) the application, and the permit requested in the application, shall be considered to be approved;

“(ii) the Secretary shall issue a permit to the applicant; and

“(iii) the permit shall not be subject to judicial review.”.

(b) STATE PERMITTING PROGRAMS.—Section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344) is amended by striking subsection (c) and inserting the following:

“(c) AUTHORITY OF ADMINISTRATOR.—

“(1) IN GENERAL.—Subject to paragraphs (2) through (4), until the Secretary has issued a permit under this section, the Administrator is authorized to prohibit the specification (including the withdrawal of specification) of any defined area as a disposal site, and deny or restrict the use of any defined area for specification (including the withdrawal of specification) as a disposal site, if the Administrator determines, after notice and opportunity for public hearings, that the dis-

charge of the materials into the area will have an unacceptable adverse effect on municipal water supplies, shellfish beds or fishery areas (including spawning and breeding areas), wildlife, or recreational areas.

“(2) CONSULTATION.—Before making a determination under paragraph (1), the Administrator shall consult with the Secretary.

“(3) FINDINGS.—The Administrator shall set forth in writing and make public the findings of the Administrator and the reasons of the Administrator for making any determination under this subsection.

“(4) AUTHORITY OF STATE PERMITTING PROGRAMS.—This subsection shall not apply to any permit if the State in which the discharge originates or will originate does not concur with the determination of the Administrator that the discharge will result in an unacceptable adverse effect as described in paragraph (1).”.

(c) STATE PROGRAMS.—Section 404(g)(1) of the Federal Water Pollution Control Act (33 U.S.C. 1344(g)(1)) is amended in the first sentence by striking “for the discharge” and inserting “for all or part of the discharges”.

SEC. 133. IMPACTS OF ENVIRONMENTAL PROTECTION AGENCY REGULATORY ACTIVITY ON EMPLOYMENT AND ECONOMIC ACTIVITY.

(a) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Environmental Protection Agency.

(2) COVERED ACTION.—The term “covered action” means any of the following actions taken by the Administrator under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.):

(A) Issuing a regulation, policy statement, guidance, response to a petition, or other requirement.

(B) Implementing a new or substantially altered program.

(3) MORE THAN A DE MINIMIS NEGATIVE IMPACT.—The term “more than a de minimis negative impact” means the following:

(A) With respect to employment levels, a loss of more than 100 jobs, except that any offsetting job gains that result from the hypothetical creation of new jobs through new technologies or government employment may not be used in the job loss calculation.

(B) With respect to economic activity, a decrease in economic activity of more than \$1,000,000 over any calendar year, except that any offsetting economic activity that results from the hypothetical creation of new economic activity through new technologies or government employment may not be used in the economic activity calculation.

(b) ANALYSIS OF IMPACTS OF ACTIONS ON EMPLOYMENT AND ECONOMIC ACTIVITY.—

(1) ANALYSIS.—Before taking a covered action, the Administrator shall analyze the impact, disaggregated by State, of the covered action on employment levels and economic activity, including estimated job losses and decreased economic activity.

(2) ECONOMIC MODELS.—

(A) IN GENERAL.—In carrying out paragraph (1), the Administrator shall use the best available economic models.

(B) ANNUAL GAO REPORT.—Not later than December 31st of each year, the Comptroller General of the United States shall submit to Congress a report on the economic models used by the Administrator to carry out this subsection.

(3) AVAILABILITY OF INFORMATION.—With respect to any covered action, the Administrator shall—

(A) post the analysis under paragraph (1) as a link on the main page of the public Internet Web site of the Environmental Protection Agency; and

(B) request that the Governor of any State experiencing more than a de minimis negative impact post the analysis in the Capitol of the State.

(c) PUBLIC HEARINGS.—

(1) IN GENERAL.—If the Administrator concludes under subsection (b)(1) that a covered action will have more than a de minimis negative impact on employment levels or economic activity in a State, the Administrator shall hold a public hearing in each such State at least 30 days prior to the effective date of the covered action.

(2) TIME, LOCATION, AND SELECTION.—

(A) IN GENERAL.—A public hearing required under paragraph (1) shall be held at a convenient time and location for impacted residents.

(B) PRIORITY.—In selecting a location for such a public hearing, the Administrator shall give priority to locations in the State that will experience the greatest number of job losses.

(d) NOTIFICATION.—If the Administrator concludes under subsection (b)(1) that a covered action will have more than a de minimis negative impact on employment levels or economic activity in any State, the Administrator shall give notice of such impact to the congressional delegation, Governor, and legislature of the State at least 45 days before the effective date of the covered action.

SEC. 134. IDENTIFICATION OF WATERS PROTECTED BY THE CLEAN WATER ACT.

(a) IN GENERAL.—The Secretary of the Army and the Administrator of the Environmental Protection Agency may not—

(1) finalize, adopt, implement, administer, or enforce the proposed guidance described in the notice of availability and request for comments entitled “EPA and Army Corps of Engineers Guidance Regarding Identification of Waters Protected by the Clean Water Act” (EPA-HQ-OW-2011-0409) (76 Fed. Reg. 24479 (May 2, 2011)); and

(2) use the guidance described in paragraph (1), any successor document, or any substantially similar guidance made publicly available on or after December 3, 2008, as the basis for any decision regarding the scope of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) or any rulemaking.

(b) RULES.—The use of the guidance described in subsection (a)(1), or any successor document or substantially similar guidance made publicly available on or after December 3, 2008, as the basis for any rule shall be grounds for vacating the rule.

SEC. 135. LIMITATIONS ON AUTHORITY TO MODIFY STATE WATER QUALITY STANDARDS.

(a) STATE WATER QUALITY STANDARDS.—Section 303(c)(4) of the Federal Water Pollution Control Act (33 U.S.C. 1313(c)(4)) is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and indenting appropriately;

(2) by striking “(4) The” and inserting the following:

“(4) PROMULGATION OF REVISED OR NEW STANDARDS.—

“(A) IN GENERAL.—The”;

(3) by striking “The Administrator shall promulgate” and inserting the following:

“(B) DEADLINE.—The Administrator shall promulgate;” and

(4) by adding at the end the following:

“(C) STATE WATER QUALITY STANDARDS.—Notwithstanding any other provision of this paragraph, the Administrator may not promulgate a revised or new standard for a pollutant in any case in which the State has submitted to the Administrator and the Administrator has approved a water quality standard for that pollutant, unless the State concurs with the determination of the Ad-

ministrator that the revised or new standard is necessary to meet the requirements of this Act.”.

(b) FEDERAL LICENSES AND PERMITS.—Section 401(a) of the Federal Water Pollution Control Act (33 U.S.C. 1341(a)) is amended by adding at the end the following:

“(7) STATE OR INTERSTATE AGENCY DETERMINATION.—With respect to any discharge, if a State or interstate agency having jurisdiction over the navigable waters at the point at which the discharge originates or will originate determines under paragraph (1) that the discharge will comply with the applicable provisions of sections 301, 302, 303, 306, and 307, the Administrator may not take any action to supersede the determination.”.

SEC. 136. STATE AUTHORITY TO IDENTIFY WATERS WITHIN BOUNDARIES OF THE STATE.

Section 303(d) of the Federal Water Pollution Control Act (33 U.S.C. 1313(d)) is amended by striking paragraph (2) and inserting the following:

“(2) STATE AUTHORITY TO IDENTIFY WATERS WITHIN BOUNDARIES OF THE STATE.—

“(A) IN GENERAL.—Each State shall submit to the Administrator from time to time, with the first such submission not later than 180 days after the date of publication of the first identification of pollutants under section 304(a)(2)(D), the waters identified and the loads established under subparagraphs (A), (B), (C), and (D) of paragraph (1).

“(B) APPROVAL OR DISAPPROVAL BY ADMINISTRATOR.—

“(i) IN GENERAL.—Not later than 30 days after the date of submission, the Administrator shall approve the State identification and load or announce the disagreement of the Administrator with the State identification and load.

“(ii) APPROVAL.—If the Administrator approves the identification and load submitted by the State under this subsection, the State shall incorporate the identification and load into the current plan of the State under subsection (e).

“(iii) DISAPPROVAL.—If the Administrator announces the disagreement of the Administrator with the identification and load submitted by the State under this subsection, the Administrator shall submit, not later than 30 days after the date that the Administrator announces the disagreement of the Administrator with the submission of the State, to the State the written recommendation of the Administrator of those additional waters that the Administrator identifies and such loads for such waters as the Administrator believes are necessary to implement the water quality standards applicable to the waters.

“(C) ACTION BY STATE.—Not later than 30 days after receipt of the recommendation of the Administrator, the State shall—

“(i) disregard the recommendation of the Administrator in full and incorporate its own identification and load into the current plan of the State under subsection (e);

“(ii) accept the recommendation of the Administrator in full and incorporate its identification and load as amended by the recommendation of the Administrator into the current plan of the State under subsection (e); or

“(iii) accept the recommendation of the Administrator in part, identifying certain additional waters and certain additional loads proposed by the Administrator to be added to the State’s identification and load and incorporate the State’s identification and load as amended into the current plan of the State under subsection (e).

“(D) NONCOMPLIANCE BY ADMINISTRATOR.—

“(i) IN GENERAL.—If the Administrator fails to approve the State identification and load or announce the disagreement of the Admin-

istrator with the State identification and load within the time specified in this subsection—

“(I) the identification and load of the State shall be considered approved; and

“(II) the State shall incorporate the identification and load that the State submitted into the current plan of the State under subsection (e).

“(ii) RECOMMENDATIONS NOT SUBMITTED.—If the Administrator announces the disagreement of the Administrator with the identification and load of the State but fails to submit the written recommendation of the Administrator to the State within 30 days as required by subparagraph (B)(iii)—

“(I) the identification and load of the State shall be considered approved; and

“(II) the State shall incorporate the identification and load that the State submitted into the current plan of the State under subsection (e).

“(E) APPLICATION.—This section shall apply to any decision made by the Administrator under this subsection issued on or after March 1, 2013.”.

Subtitle C—Point of Order Against Taxes on Carbon

SEC. 141. POINT OF ORDER AGAINST LEGISLATION THAT WOULD CREATE A TAX OR FEE ON CARBON EMISSIONS.

(a) POINT OF ORDER.—It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, or conference report that includes a Federal tax or fee imposed on carbon emissions from any product or entity that is a direct or indirect source of the emissions.

(b) WAIVER AND APPEAL.—

(1) WAIVER.—Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn.

(2) APPEAL.—An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a).

TITLE II—HEALTH

SEC. 201. FORTY HOURS IS FULL TIME.

(a) DEFINITION OF FULL-TIME EMPLOYEE.—Section 4980H(c) of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (2)(E), by striking “by 120” and inserting “by 174”; and

(2) in paragraph (4)(A), by striking “30 hours” and inserting “40 hours”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to months beginning after December 31, 2013.

SEC. 202. REPEAL OF THE INDIVIDUAL MANDATE.

Section 1501 and subsections (a), (b), (c), and (d) of section 10106 of the Patient Protection and Affordable Care Act (and the amendments made by such sections and subsections) are repealed and the Internal Revenue Code of 1986 shall be applied and administered as if such provisions and amendments had never been enacted.

SEC. 203. REPEAL OF MEDICAL DEVICE EXCISE TAX.

(a) IN GENERAL.—Chapter 32 of the Internal Revenue Code of 1986 is amended by striking subchapter E.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 4221 of the Internal Revenue Code of 1986 is amended by striking the last sentence.

(2) Paragraph (2) of section 6416(b) of such Code is amended by striking the last sentence.

(c) CLERICAL AMENDMENT.—The table of subchapter for chapter 32 of the Internal Revenue Code of 1986 is amended by striking the item related to subchapter E.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after the date of the enactment of this Act.

SEC. 204. LONG-TERM UNEMPLOYED INDIVIDUALS NOT TAKEN INTO ACCOUNT FOR EMPLOYER HEALTH CARE COVERAGE MANDATE.

(a) IN GENERAL.—Paragraph (4) of section 4980H(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(C) EXCEPTION FOR LONG-TERM UNEMPLOYED INDIVIDUALS.—

“(i) IN GENERAL.—The term ‘full-time employee’ shall not include any individual who is a long-term unemployed individual with respect to such employer.

“(ii) LONG-TERM UNEMPLOYED INDIVIDUAL.—For purposes of this subparagraph, the term ‘long-term unemployed individual’ means, with respect to any employer, an individual who—

“(I) begins employment with such employer after the date of the enactment of this subparagraph, and

“(II) has been unemployed for 27 weeks or longer, as determined by the Secretary of Labor, immediately before the date such employment begins.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to months beginning after December 31, 2013.

SEC. 205. EMPLOYEES WITH HEALTH COVERAGE UNDER TRICARE OR THE VETERANS ADMINISTRATION MAY BE EXEMPTED FROM EMPLOYER MANDATE UNDER PATIENT PROTECTION AND AFFORDABLE CARE ACT.

(a) IN GENERAL.—Section 4980H(c)(2) of the Internal Revenue Code is amended by adding at the end the following:

“(F) EXEMPTION FOR HEALTH COVERAGE UNDER TRICARE OR THE VETERANS ADMINISTRATION.—Solely for purposes of determining whether an employer is an applicable large employer under this paragraph for any month, an employer may elect not to take into account for a month as an employee any individual who, for such month, has medical coverage under—

“(i) chapter 55 of title 10, United States Code, including coverage under the TRICARE program, or

“(ii) under a health care program under chapter 17 or 18 of title 38, United States Code, as determined by the Secretary of Veterans Affairs, in coordination with the Secretary of Health and Human Services and the Secretary.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to months beginning after December 31, 2013.

SEC. 206. PROHIBITION ON CERTAIN TAXES, FEES, AND PENALTIES ENACTED UNDER THE AFFORDABLE CARE ACT.

No tax, fee, or penalty imposed or enacted under the Patient Protection and Affordable Care Act shall be implemented, administered, or enforced unless there has been a certification by the Joint Committee on Taxation that such provision would not have a direct or indirect economic impact on individuals with an annual income of less than \$200,000 or families with an annual income of less than \$250,000.

SEC. 207. REPEAL OF THE PATIENT PROTECTION AND AFFORDABLE CARE ACT.

(a) IN GENERAL.—Effective as of the enactment of Public Law 111-148, such Act (including any provision amended under sections 201 through 205 of this Act) is repealed, and the provisions of law amended or repealed by such Act (including any provision amended under such sections) are restored or revived as if such Act had not been enacted.

(b) HEALTH CARE-RELATED PROVISIONS IN THE HEALTH CARE AND EDUCATION RECONCILIATION ACT OF 2010.—Effective as of the enactment of the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152),

title I and subtitle B of title II of such Act (including any provision amended under sections 201 through 205 of this Act) are repealed, and the provisions of law amended or repealed by such title or subtitle, respectively (including any provision amended under such sections), are restored or revived as if such title and subtitle had not been enacted.

TITLE III—INCREASING EMPLOYMENT AND DECREASING GOVERNMENT REGULATION

Subtitle A—Small Business Tax Provisions

SEC. 301. PERMANENT EXTENSION OF INCREASED EXPENSING LIMITATIONS AND TREATMENT OF CERTAIN REAL PROPERTY AS SECTION 179 PROPERTY.

(a) DOLLAR LIMITATION.—Section 179(b)(1) of the Internal Revenue Code of 1986 is amended by striking “shall not exceed” and all that follows and inserting “shall not exceed \$500,000.”.

(b) REDUCTION IN LIMITATION.—Section 179(b)(2) of the Internal Revenue Code of 1986 is amended—

(1) by striking subparagraph (C),

(2) by striking “, and” at the end of subparagraph (B) and inserting a period,

(3) by striking the comma at the end of subparagraph (A) and inserting “, and”, and

(4) by inserting “beginning before 2014” after “The limitation under paragraph (1) for any taxable year”.

(c) COMPUTER SOFTWARE.—Section 179(d)(1)(A)(ii) of the Internal Revenue Code of 1986 is amended by striking “and before 2014”.

(d) ELECTION.—Section 179(c)(2) of the Internal Revenue Code of 1986 is amended by striking “and before 2014”.

(e) SPECIAL RULES FOR TREATMENT OF QUALIFIED REAL PROPERTY.—

(1) IN GENERAL.—Section 179(f)(1) of the Internal Revenue Code of 1986 is amended by striking “beginning in 2010, 2011, 2012, or 2013” and inserting “beginning after 2009”.

(2) CONFORMING AMENDMENT.—Section 179(f) of such Code is amended by striking paragraph (4).

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2013.

SEC. 302. PERMANENT FULL EXCLUSION APPLICABLE TO QUALIFIED SMALL BUSINESS STOCK.

(a) IN GENERAL.—Paragraph (4) of section 1202(a) of the Internal Revenue Code of 1986 is amended—

(1) by striking “and before January 1, 2014”, and

(2) by striking “CERTAIN PERIODS IN 2010, 2011, 2012, AND 2013” in the heading and inserting “CERTAIN PERIODS AFTER 2009”.

(b) CONFORMING AMENDMENTS.—

(1) The heading for section 1202 of the Internal Revenue Code of 1986 is amended by striking “PARTIAL”.

(2) The item relating to section 1202 in the table of sections for part I of subchapter P of chapter 1 of such Code is amended by striking “Partial exclusion” and inserting “Exclusion”.

(3) Section 1223(13) of such Code is amended by striking “1202(a)(2)”.

(c) ADJUSTMENT OF GROSS ASSET THRESHOLD FOR INFLATION.—Subsection (d) of section 1202 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(4) ADJUSTMENT FOR INFLATION.—In the case of any taxable year beginning after December 31, 2014, the \$50,000,000 amount in subparagraphs (A) and (B) of paragraph (1) shall be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar

year in which the taxable year begins, by substituting ‘calendar year 2013’ for ‘calendar year 1992’ in subparagraph (B) thereof. If any amount as increased under the preceding sentence is not a multiple of \$1,000, such amount shall be rounded to the nearest multiple of \$1,000.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to stock acquired after December 31, 2013.

SEC. 303. PERMANENT INCREASE IN DEDUCTION FOR START-UP EXPENDITURES.

(a) IN GENERAL.—Clause (ii) of section 195(b)(1)(A) of the Internal Revenue Code of 1986 is amended—

(1) by striking “\$5,000” and inserting “\$10,000”, and

(2) by striking “\$50,000” and inserting “\$60,000”.

(b) ADJUSTMENT FOR INFLATION.—Paragraph (3) of section 195(b) of the Internal Revenue Code of 1986 is amended to read as follows:

“(3) ADJUSTMENT FOR INFLATION.—In the case of any taxable year beginning after December 31, 2014, the \$10,000 and \$60,000 amounts in paragraph (1)(A)(ii) shall each be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ‘calendar year 2013’ for ‘calendar year 1992’ in subparagraph (B) thereof.

If any amount as increased under the preceding sentence is not a multiple of \$1,000, such amount shall be rounded to the nearest multiple of \$1,000.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2013.

SEC. 304. PERMANENT EXTENSION OF REDUCTION IN S-CORPORATION RECOGNITION PERIOD FOR BUILT-IN GAINS TAX.

(a) IN GENERAL.—Paragraph (7) of section 1374(d) of the Internal Revenue Code of 1986 is amended—

(1) by striking “10-year” in subparagraph (A) and inserting “5-year”,

(2) by striking subparagraphs (B) and (C) and redesignating subparagraphs (D) and (E) as subparagraphs (B) and (C), respectively, and

(3) by striking “593(e)—” and all that follows in subparagraph (B), as so redesignated, and inserting “593(e), subparagraph (A) shall be applied without regard to the phrase ‘5-year’.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2013.

SEC. 305. PERMANENT ALLOWANCE OF DEDUCTION FOR HEALTH INSURANCE COSTS IN COMPUTING SELF-EMPLOYMENT TAXES.

(a) IN GENERAL.—Paragraph (4) of section 162(l) of the Internal Revenue Code of 1986 is amended by striking “beginning before January 1, 2010” and all that follows and inserting “beginning—

“(A) before January 1, 2010, or

“(B) after December 31, 2010, and before January 1, 2013.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2012.

SEC. 306. CLARIFICATION OF INVENTORY AND ACCOUNTING RULES FOR SMALL BUSINESS.

(a) CASH ACCOUNTING PERMITTED.—Section 446 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(g) CERTAIN SMALL BUSINESS TAXPAYERS PERMITTED TO USE CASH ACCOUNTING METHOD WITHOUT LIMITATION.—

“(1) IN GENERAL.—With respect to an eligible taxpayer who uses the cash receipts and

disbursements method for any taxable year, such method shall be deemed to clearly reflect income and the taxpayer shall not be required to use an accrual method.

“(2) **ELIGIBLE TAXPAYER.**—For purposes of this subsection, a taxpayer is an eligible taxpayer with respect to any taxable year if—

“(A) for all prior taxable years beginning after December 31, 2013, the taxpayer (or any predecessor) met the gross receipts test of section 448(c) (determined by substituting ‘\$10,000,000’ for ‘\$5,000,000’ each place it appears), and

“(B) the taxpayer is not subject to section 447 or 448.”.

(b) **INVENTORY RULES.**—

(1) **IN GENERAL.**—Section 471 of the Internal Revenue Code of 1986 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

“(C) **SMALL BUSINESS TAXPAYERS NOT REQUIRED TO USE INVENTORIES.**—

“(1) **IN GENERAL.**—A qualified taxpayer shall not be required to use inventories under this section for a taxable year.

“(2) **TREATMENT OF TAXPAYERS NOT USING INVENTORIES.**—If a qualified taxpayer does not use inventories with respect to any property for any taxable year beginning after December 31, 2013, such property shall be treated as a material or supply which is not incidental.

“(3) **QUALIFIED TAXPAYER.**—For purposes of this subsection, the term ‘qualified taxpayer’ means—

“(A) any eligible taxpayer (as defined in section 446(g)(2)), and

“(B) any taxpayer described in section 448(b)(3) (determined by substituting ‘\$10,000,000’ for ‘\$5,000,000’ each place it appears in subsections (b) and (c) of section 448).”.

(2) **INCREASED ELIGIBILITY FOR SIMPLIFIED DOLLAR-VALUE LIFO METHOD.**—Section 474(c) of such Code is amended by striking “\$5,000,000” and inserting “\$10,000,000”.

(3) **CONFORMING AMENDMENT.**—Subsection (c) of section 263A of such Code is amended by adding at the end the following new paragraph:

“(7) **EXCLUSION FROM INVENTORY RULES.**—Nothing in this section shall require the use of inventories for any taxable year by a qualified taxpayer (within the meaning of section 471(c)) who is not required to use inventories under section 471 for such taxable year.”.

(c) **EFFECTIVE DATE AND SPECIAL RULES.**—

(1) **IN GENERAL.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2013.

(2) **CHANGE IN METHOD OF ACCOUNTING.**—In the case of any taxpayer changing the taxpayer’s method of accounting for any taxable year under the amendments made by this section—

(A) such change shall be treated as initiated by the taxpayer; and

(B) such change shall be treated as made with the consent of the Secretary of the Treasury.

Subtitle B—Regulatory Accountability Act

SEC. 311. SHORT TITLE.

This title may be cited as the “Regulatory Accountability Act of 2014”.

SEC. 312. DEFINITIONS.

Section 551 of title 5, United States Code, is amended—

(1) in paragraph (13), by striking “and” at the end;

(2) in paragraph (14), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

“(15) ‘guidance’ means an agency statement of general applicability and future effect, other than a regulatory action, that

sets forth a policy on a statutory, regulatory or technical issue or an interpretation of a statutory or regulatory issue;

“(16) ‘high-impact rule’ means any rule that the Administrator of the Office of Information and Regulatory Affairs determines is likely to impose an annual cost on the economy of \$1,000,000,000 or more, adjusted annually for inflation;

“(17) ‘Information Quality Act’ means section 515 of Public Law 106-554, the Treasury and General Government Appropriations Act for Fiscal Year 2001, and guidelines issued by the Administrator of the Office of Information and Regulatory Affairs or other agencies under that Act;

“(18) ‘major guidance’ means guidance that the Administrator of the Office of Information and Regulatory Affairs finds is likely to lead to—

“(A) an annual cost on the economy of \$100,000,000 or more, adjusted annually for inflation;

“(B) a major increase in costs or prices for consumers, individual industries, Federal, State, local or tribal government agencies, or geographic regions; or

“(C) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets;

“(19) ‘major rule’ means any rule that the Administrator of the Office of Information and Regulatory Affairs determines is likely to impose—

“(A) an annual cost on the economy of \$100,000,000 or more, adjusted annually for inflation;

“(B) a major increase in costs or prices for consumers, individual industries, Federal, State, local, or tribal government agencies, or geographic regions; or

“(C) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets; and

“(20) ‘Office of Information and Regulatory Affairs’ means the office established under section 3503 of chapter 35 of title 44 and any successor to that office.”.

SEC. 313. RULE MAKING.

Section 553 of title 5, United States Code, is amended—

(1) in subsection (a), by striking “(a) This section applies” and inserting “(a) **APPLICABILITY.**—This section applies”; and

(2) by striking subsections (b) through (e) and inserting the following:

“(b) **RULE MAKING CONSIDERATIONS.**—In a rule making, an agency shall make all preliminary and final determinations based on evidence and consider, in addition to other applicable considerations, the following:

“(1) The legal authority under which a rule may be proposed, including whether a rule making is required by statute, and if so, whether by a specific date, or whether the agency has discretion to commence a rule making.

“(2) Other statutory considerations applicable to whether the agency can or should propose a rule or undertake other agency action.

“(3) The specific nature and significance of the problem the agency may address with a rule (including the degree and nature of risks the problem poses and the priority of addressing those risks compared to other matters or activities within the jurisdiction of the agency), whether the problem warrants new agency action, and the countervailing risks that may be posed by alternatives for new agency action.

“(4) Whether existing rules have created or contributed to the problem the agency may address with a rule and whether those rules could be amended or rescinded to address the problem in whole or part.

“(5) Any reasonable alternatives for a new rule or other response identified by the agency or interested persons, including not only responses that mandate particular conduct or manners of compliance, but also—

“(A) the alternative of no Federal response;

“(B) amending or rescinding existing rules;

“(C) potential regional, State, local, or tribal regulatory action or other responses that could be taken instead of agency action; and

“(D) potential responses that—

“(i) specify performance objectives rather than conduct or manners of compliance;

“(ii) establish economic incentives to encourage desired behavior;

“(iii) provide information upon which choices can be made by the public; or

“(iv) incorporate other innovative alternatives rather than agency actions that specify conduct or manners of compliance.

“(6) Notwithstanding any other provision of law—

“(A) the potential costs and benefits associated with potential alternative rules and other responses considered under paragraph (5), including direct, indirect, and cumulative costs and benefits and estimated impacts on jobs, economic growth, innovation, and economic competitiveness;

“(B) the means to increase the cost-effectiveness of any Federal response; and

“(C) incentives for innovation, consistency, predictability, lower costs of enforcement and compliance (to government entities, regulated entities, and the public), and flexibility.

“(c) **ADVANCE NOTICE OF PROPOSED RULE MAKING FOR MAJOR RULES AND HIGH-IMPACT RULES.**—

“(1) In the case of a rule making for a major rule or high-impact rule, not later than 90 days before a notice of proposed rule making is published in the Federal Register, an agency shall publish advance notice of proposed rule making in the Federal Register.

“(2) In publishing advance notice under paragraph (1), the agency shall—

“(A) include a written statement identifying, at a minimum—

“(i) the nature and significance of the problem the agency may address with a rule, including data and other evidence and information on which the agency expects to rely for the proposed rule;

“(ii) the legal authority under which a rule may be proposed, including whether a rule making is required by statute, and if so, whether by a specific date, or whether the agency has discretion to commence a rule making; and

“(iii) preliminary information available to the agency concerning the other considerations specified in subsection (b);

“(B) solicit written data, views or arguments from interested persons concerning the information and issues addressed in the advance notice; and

“(C) provide for a period of not fewer than 60 days for interested persons to submit such written data, views, or arguments to the agency.

“(d) **NOTICES OF PROPOSED RULE MAKING; DETERMINATIONS OF OTHER AGENCY COURSE.**—Following completion of procedures under subsection (c), if applicable, and consultation with the Administrator of the Office of Information and Regulatory Affairs, the agency shall publish either a notice of proposed rule making or a determination of

other agency course, in accordance with the following:

“(1) A notice of proposed rule making shall include—

“(A) a statement of the time, place, and nature of public rule making proceedings;

“(B) reference to the legal authority under which the rule is proposed;

“(C) the terms of the proposed rule;

“(D) a description of information known to the agency on the subject and issues of the proposed rule, including—

“(i) a summary of information known to the agency concerning the considerations specified in subsection (b);

“(ii) a summary of additional information the agency provided to and obtained from interested persons under subsection (c); and

“(iii) information specifically identifying all data, studies, models, and other evidence or information considered or used by the agency in connection with the determination by the agency to propose the rule;

“(E)(i) a reasoned preliminary determination of need for the rule based on the information described under subparagraph (D); and

“(ii) an additional statement of whether a rule is required by statute;

“(F) a reasoned preliminary determination that the benefits of the proposed rule meet the relevant statutory objectives and justify the costs of the proposed rule, including all costs to be considered under subsection (b)(6), based on the information described under subparagraph (D);

“(G) a discussion of—

“(i) the alternatives to the proposed rule, and other alternative responses, considered by the agency under subsection (b);

“(ii) the costs and benefits of those alternatives, including all costs to be considered under subsection (b)(6);

“(iii) whether those alternatives meet relevant statutory objectives; and

“(iv) why the agency did not propose any of those alternatives; and

“(H)(i) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule; and

“(ii) if so, whether or not the agency proposes to amend or rescind any such rules, and why.

All information considered by the agency, and actions to obtain information by the agency, in connection with its determination to propose the rule, including all information described by the agency under subparagraph (D) and, at the discretion of the President or the Administrator of the Office of Information and Regulatory Affairs, information provided by that Office in consultations with the agency, shall be placed in the docket for the proposed rule and made accessible to the public for the public's use when the notice of proposed rule making is published.

“(2)(A) A notice of determination of other agency course shall include a description of the alternative response the agency determined to adopt.

“(B) If in its determination of other agency course the agency makes a determination to amend or rescind an existing rule, the agency need not undertake additional proceedings under subsection (c) before the agency publishes a notice of proposed rule making to amend or rescind the existing rule.

All information considered by the agency, and actions to obtain information by the agency, in connection with its determination of other agency course, including the information specified under paragraph (1)(D) and, at the discretion of the President or the Administrator of the Office of Information and Regulatory Affairs, information provided by

that Office in consultations with the agency, shall be placed in the docket for the determination and made accessible to the public for the public's use when the notice of determination is published.

“(3) After notice of proposed rule making required by this section, the agency shall provide interested persons an opportunity to participate in the rule making through submission of written data, views, or arguments with or without opportunity for oral presentation, except that—

“(A) if a hearing is required under paragraph (4)(B) or subsection (e), reasonable opportunity for oral presentation shall be provided under that requirement; or

“(B) when other than under subsection (e) rules are required by statute or at the discretion of the agency to be made on the record after opportunity for an agency hearing, sections 556 and 557 shall apply, and paragraph (4), requirements of subsection (e) to receive comment outside of the procedures of sections 556 and 557, and the petition procedures of subsection (e)(6) shall not apply.

The agency shall provide not fewer than 90 days for interested persons to submit written data, views, or arguments (or 120 days in the case of a proposed major rule or high-impact rule).

“(4)(A) Within 30 days after publication of notice of proposed rule making, a member of the public may petition for a hearing in accordance with section 556 to determine whether any evidence or other information upon which the agency bases the proposed rule fails to comply with of the Information Quality Act.

“(B)(i) The agency may, upon review of the petition, determine without further process to exclude from the rule making the evidence or other information that is the subject of the petition and, if appropriate, withdraw the proposed rule. The agency shall promptly publish any such determination.

“(ii) If the agency does not resolve the petition under the procedures of clause (i), it shall grant any such petition that presents a prima facie case that evidence or other information upon which the agency bases the proposed rule fails to comply with the Information Quality Act, hold the requested hearing not later than 30 days after receipt of the petition, provide for a reasonable opportunity for cross-examination at the hearing, and decide the issues presented by the petition not later than 60 days after receipt of the petition. The agency may deny any petition that it determines does not present such a prima facie case.

“(C) There shall be no judicial review of the agency's disposition of issues considered and decided or determined under subparagraph (B)(ii) until judicial review of the agency's final action. There shall be no judicial review of an agency's determination to withdraw a proposed rule under subparagraph (B)(i).

“(D) Failure to petition for a hearing under this paragraph shall not preclude judicial review of any claim based on the Information Quality Act under chapter 7 of this title.

“(e) **HEARINGS FOR HIGH-IMPACT RULES.**—Following notice of a proposed rule making, receipt of comments on the proposed rule, and any hearing held under subsection (d)(4), and before adoption of any high-impact rule, the agency shall hold a hearing in accordance with sections 556 and 557, unless such hearing is waived by all participants in the rule making other than the agency. The agency shall provide a reasonable opportunity for cross-examination at such hearing. The hearing shall be limited to the following issues of fact, except that participants at the hearing other than the agency may waive determination of any such issue:

“(1) Whether the agency's asserted factual predicate for the rule is supported by the evidence.

“(2) Whether there is an alternative to the proposed rule that would achieve the relevant statutory objectives at a lower cost (including all costs to be considered under subsection (b)(6)) than the proposed rule.

“(3) If there is more than one alternative to the proposed rule that would achieve the relevant statutory objectives at a lower cost than the proposed rule, which alternative would achieve the relevant statutory objectives at the lowest cost.

“(4) If the agency proposes to adopt a rule that is more costly than the least costly alternative that would achieve the relevant statutory objectives (including all costs to be considered under subsection (b)(6)), whether the additional benefits of the more costly rule exceed the additional costs of the more costly rule.

“(5) Whether the evidence and other information upon which the agency bases the proposed rule meets the requirements of the Information Quality Act.

“(6) Upon petition by an interested person who has participated in the rule making, other issues relevant to the rule making, unless the agency determines that consideration of the issues at the hearing would not advance consideration of the rule or would, in light of the nature of the need for agency action, unreasonably delay completion of the rule making. An agency shall grant or deny a petition under this paragraph within 30 days after the receipt of the petition.

No later than 45 days before any hearing held under this subsection or sections 556 and 557, the agency shall publish in the Federal Register a notice specifying the proposed rule to be considered at such hearing, the issues to be considered at the hearing, and the time and place for such hearing, except that such notice may be issued not later than 15 days before a hearing held under subsection (d)(4)(B).

“(f) **FINAL RULES.**—(1) The agency shall adopt a rule only following consultation with the Administrator of the Office of Information and Regulatory Affairs to facilitate compliance with applicable rule making requirements.

“(2) The agency shall adopt a rule only on the basis of the best reasonably obtainable scientific, technical, economic, and other evidence and information concerning the need for and consequences of the rule.

“(3)(A) Except as provided in subparagraph (B), the agency shall adopt the least costly rule considered during the rule making (including all costs to be considered under subsection (b)(6)) that meets relevant statutory objectives.

“(B) The agency may adopt a rule that is more costly than the least costly alternative that would achieve the relevant statutory objectives only if—

“(i) the additional benefits of the more costly rule justify its additional costs; and

“(ii) the agency explains its reason for doing so based on interests of public health, safety or welfare (including protection of the environment) that are clearly within the scope of the statutory provision authorizing the rule.

“(4)(A) When the agency adopts a final rule, the agency shall publish a notice of final rule making. The notice shall include—

“(i) a concise, general statement of the rule's basis and purpose;

“(ii) the agency's reasoned final determination of need for a rule to address the problem the agency seeks to address with the rule, including a statement of whether a rule is required by statute;

“(iii) the agency's reasoned final determination that the benefits of the rule meet

the relevant statutory objectives and justify the rule's costs (including all costs to be considered under subsection (b)(6));

“(iv) the agency's reasoned final determination not to adopt any of the alternatives to the proposed rule considered by the agency during the rule making, including—

“(I) the agency's reasoned final determination that no alternative considered achieved the relevant statutory objectives with lower costs (including costs to be considered under subsection (b)(6)) than the rule; or

“(II) the agency's reasoned final determination that its adoption of a more costly rule complies with paragraph (3)(B);

“(v) the agency's reasoned final determination—

“(I) that existing rules have not created or contributed to the problem the agency seeks to address with the rule; or

“(II) that existing rules have created or contributed to the problem the agency seeks to address with the rule, and, if so—

“(aa) why amendment or rescission of such existing rules is not alone sufficient to respond to the problem; and

“(bb) whether and how the agency intends to amend or rescind the existing rule separate from adoption of the rule;

“(vi) the agency's reasoned final determination that the evidence and other information upon which the agency bases the rule complies with of the Information Quality Act; and

“(vii) for any major rule or high-impact rule, the agency's plan for review of the rule no less frequently than every 10 years to determine whether, based upon evidence, there remains a need for the rule, whether the rule is in fact achieving statutory objectives, whether the rule's benefits continue to justify its costs, and whether the rule can be modified or rescinded to reduce costs while continuing to achieve statutory objectives.

“(B) Review of a rule under a plan required by paragraph (4)(G) shall take into account the factors and criteria set forth in subsections (b) through (e) and this subsection.

“(C) All information considered by the agency in connection with its adoption of the rule, and, at the discretion of the President or the Administrator of the Office of Information and Regulatory Affairs, information provided by that Office in consultations with the agency, shall be placed in the docket for the rule and made accessible to the public for the public's use not later than the date on which the rule is adopted.

“(g) EXCEPTIONS FROM NOTICE AND HEARING REQUIREMENTS.—(1) Except when notice or hearing is required by statute, subsections (c) through (e) of this section do not apply to interpretive rules, general statements of policy, or rules of agency organization, procedure, or practice.

“(2)(A) When the agency for good cause, based upon evidence, finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that compliance with subsection (c), (d), or (e) or requirements to render final determinations under subsection (f) of this section before the issuance of an interim rule is impracticable or contrary to the public interest, including interests of national security, such subsections or requirements to render final determinations shall not apply to the agency's adoption of an interim rule.

“(B) If, following compliance with subparagraph (A) of this paragraph, the agency adopts an interim rule, it shall commence proceedings that comply fully with subsections (c) through (f) of this section immediately upon publication of the interim rule. No less than 270 days from publication of the interim rule (or 18 months in the case of a major rule or high-impact rule), the agency

shall complete rule making under subsections (c) through (f) of this subsection and take final action to adopt a final rule or rescind the interim rule. If the agency fails to take timely final action, the interim rule shall cease to have the effect of law.

“(C) Other than in cases involving interests of national security, upon the agency's publication of an interim rule without compliance with subsections (c), (d), or (e) or requirements to render final determinations under subsection (f) of this section, an interested party may seek immediate judicial review under chapter 7 of this title of the agency's determination to adopt such interim rule. The record on such review shall include all documents and information considered by the agency and any additional information presented by a party that the court determines necessary to consider to assure justice.

“(h) ADDITIONAL REQUIREMENTS FOR HEARINGS.—When a hearing is required under subsection (e) or is otherwise required by statute or at the agency's discretion before adoption of a rule, the agency shall comply with the requirements of sections 556 and 557 in addition to the requirements of subsection (f) in adopting the rule and in providing notice of the rule's adoption.

“(i) DATE OF PUBLICATION OF RULE.—The required publication or service of a substantive final or interim rule shall be made not less than 30 days before the effective date of the rule, except—

“(1) a substantive rule which grants or recognizes an exemption or relieves a restriction;

“(2) interpretive rules and statements of policy; or

“(3) as otherwise provided by the agency for good cause found and published with the rule.

“(j) RIGHT TO PETITION.—Each agency shall give an interested person the right to petition for the issuance, amendment, or repeal of a rule.

“(k) RULE MAKING GUIDELINES.—(1)(A) The Administrator of the Office of Information and Regulatory Affairs shall have authority to establish guidelines for the assessment, including quantitative and qualitative assessment, of the costs and benefits of potential, proposed, and final rules and other economic issues or issues related to risk that are relevant to rule making under this section and other sections of this title. The rigor of cost-benefit analysis required by such guidelines shall be commensurate, in the Administrator's determination, with the economic impact of the rule.

“(B) To ensure that agencies use the best available techniques to quantify and evaluate anticipated present and future benefits, costs, other economic issues, and risks as accurately as possible, the Administrator of the Office of Information and Regulatory Affairs shall regularly update guidelines established under subparagraph (A).

“(2) The Administrator of the Office of Information and Regulatory Affairs shall also have authority to issue guidelines to promote coordination, simplification and harmonization of agency rules during the rule making process and otherwise. Such guidelines shall assure that each agency avoids regulations that are inconsistent or incompatible with, or duplicative of, its other regulations and those of other Federal agencies and drafts its regulations to be simple and easy to understand, with the goal of minimizing the potential for uncertainty and litigation arising from such uncertainty.

“(3)(A) To ensure consistency in Federal rule making, the Administrator of the Office of Information and Regulatory Affairs shall—

“(i) issue guidelines and otherwise take action to ensure that rule makings conducted

in whole or in part under procedures specified in provisions of law other than those under this subchapter conform to the fullest extent allowed by law with the procedures set forth in this section; and

“(ii) issue guidelines for the conduct of hearings under subsections (d)(4) and (e), including to assure a reasonable opportunity for cross-examination.

“(B) Each agency shall adopt regulations for the conduct of hearings consistent with the guidelines issued under this subparagraph.

“(4) The Administrator of the Office of Information and Regulatory Affairs shall issue guidelines under the Information Quality Act to apply in rule making proceedings under this section and sections 556 and 557. In all cases, the guidelines, and the Administrator's specific determinations regarding agency compliance with the guidelines, shall be entitled to judicial deference.

“(l) RECORD.—The agency shall include in the record for a rule making all documents and information considered by the agency during the proceeding, including, at the discretion of the President or the Administrator of the Office of Information and Regulatory Affairs, documents and information communicated by that Office during consultation with the agency.

“(m) EXEMPTION FOR MONETARY POLICY.—Nothing in subsection (b)(6), subparagraph (F) through (G) of subsection (d)(1), subsection (e), subsection (f)(3), or clauses (iii) and (iv) of subsection (f)(4)(A) shall apply to rule makings that concern monetary policy proposed or implemented by the Board of Governors of the Federal Reserve System or the Federal Open Market Committee.”

SEC. 314. AGENCY GUIDANCE; PROCEDURES TO ISSUE MAJOR GUIDANCE; PRESIDENTIAL AUTHORITY TO ISSUE GUIDELINES FOR ISSUANCE OF GUIDANCE.

(a) IN GENERAL.—Chapter 5 of title 5, United States Code, is amended by inserting after section 553 the following:

“§ 553a. Agency guidance; procedures to issue major guidance; authority to issue guidelines for issuance of guidance

“(a) Before issuing any major guidance, an agency shall—

“(1) make and document a reasoned determination that—

“(A) assures that such guidance is understandable and complies with relevant statutory objectives and regulatory provisions;

“(B) identifies the costs and benefits (including all costs to be considered during the rule making under section 553(b) of this title) of conduct conforming to such guidance and assures that such benefits justify such costs; and

“(C) describes alternatives to such guidance and their costs and benefits (including all costs to be considered during rule making under section 553(b) of this title) and explains why the agency rejected those alternatives; and

“(2) confer with the Administrator of the Office of Information and Regulatory Affairs on the issuance of such guidance to assure that the guidance is reasonable, understandable, consistent with relevant statutory and regulatory provisions and requirements or practices of other agencies, does not produce costs that are unjustified by the guidance's benefits, and is otherwise appropriate.

“(b) AGENCY GUIDANCE.—

“(1) is not legally binding and may not be relied upon by an agency as legal grounds for agency action;

“(2) shall state in a plain, prominent and permanent manner that it is not legally binding; and

“(3) shall, at the time it is issued or upon request, be made available by the issuing agency to interested persons and the public.

“(c) The Administrator of the Office of Information and Regulatory Affairs shall have authority to issue guidelines for use by the agencies in the issuance of major guidance and other guidance. Such guidelines shall assure that each agency avoids issuing guidance documents that are inconsistent or incompatible with, or duplicative of, its other regulations and those of other Federal agencies and drafts its guidance documents to be simple and easy to understand, with the goal of minimizing the potential for uncertainty and litigation arising from such uncertainty.”.

(b) **TECHNICAL AND CONFORMING AMENDMENT.**—The table of sections for chapter 5 of title 5, United States Code, is amended by inserting after the item relating to section 553 the following:

“553a. Agency guidance; procedures to issue major guidance; presidential authority to issue guidelines for issuance of guidance.”.

SEC. 315. HEARINGS; PRESIDING EMPLOYEES; POWERS AND DUTIES; BURDEN OF PROOF; EVIDENCE; RECORD AS BASIS OF DECISION.

Section 556 of title 5, United States Code, is amended by striking subsection (e) and inserting the following:

“(e)(1) The transcript of testimony and exhibits, together with all papers and requests filed in the proceeding, constitutes the exclusive record for decision in accordance with section 557 and, on payment of lawfully prescribed costs, shall be made available to the parties. When an agency decision rests on official notice of a material fact not appearing in the evidence in the record, a party is entitled, on timely request, to an opportunity to show the contrary.

“(2) Notwithstanding paragraph (1) of this subsection, in a proceeding held under this section under section 553(d)(4) or 553(e), the record for decision shall include any information that is part of the record of proceedings under section 553.

“(f) When an agency conducts rule making under this section and section 557 directly after concluding proceedings upon an advance notice of proposed rule making under section 553(c), the matters to be considered and determinations to be made shall include, among other relevant matters and determinations, the matters and determinations described in subsections (b) and (f) of section 553.

“(g)(1) Upon receipt of a petition for a hearing under this section, the agency shall grant the petition in the case of any major rule, unless the agency reasonably determines that a hearing would not advance consideration of the rule or would, in light of the need for agency action, unreasonably delay completion of the rule making. The agency shall publish its decision to grant or deny the petition when it renders the decision, including an explanation of the grounds for decision. The information contained in the petition shall in all cases be included in the administrative record.

“(2) This subsection shall not apply to rule makings that concern monetary policy proposed or implemented by the Board of Governors of the Federal Reserve System or the Federal Open Market Committee.”.

SEC. 316. ACTIONS REVIEWABLE.

Section 704 of title 5, United States Code, is amended—

(1) by striking “Agency action made” and inserting “(a) Agency action made”; and

(2) by adding at the end the following:

“(b)(1) Except as provided under paragraph (2) and notwithstanding subsection (a), upon the agency’s publication of an interim rule without compliance with subsection (c), (d), or (e) of section 553 or requirements to

render final determinations under subsection (f) of section 553, an interested party may seek immediate judicial review under this chapter of the agency’s determination to adopt such rule on an interim basis. Review shall be limited to whether the agency abused its discretion to adopt the interim rule without compliance with subsection (c), (d), or (e) of section 553 or without rendering final determinations under subsection (f) of section 553.

“(2) This subsection shall not apply in cases involving interests of national security.”.

“(c) For rules other than major rules and high-impact rules, compliance with subsection (b)(6), subparagraphs (F) through (G) of subsection (d)(1), subsection (f)(3), and clauses (iii) and (iv) of subsection (f)(4)(A) of section 553 shall not be subject to judicial review. In all cases, the determination that a rule is not a major rule within the meaning of section 551(19)(A) or a high-impact rule shall be subject to judicial review under section 706(a)(2)(A).

“(d) Nothing in this section shall be construed to limit judicial review of an agency’s consideration of costs or benefits as a mandatory or discretionary factor under the statute authorizing the rule or any other applicable statute.”.

SEC. 317. SCOPE OF REVIEW.

Section 706 of title 5, United States Code is amended—

(1) by striking “To the extent necessary” and inserting “(a) To the extent necessary”; and

(2) in paragraph (2)(A) of subsection (a) (as redesignated by paragraph (1) of this section), by inserting after “in accordance with law” the following: “(including the Information Quality Act as defined under section 551(17))”; and

(3) by adding at the end the following:

“(b) The court shall not defer to the agency’s—

“(1) interpretation of an agency rule if the agency did not comply with the procedures of section 553 or sections 556 and 557 to issue the interpretation;

“(2) determination of the costs and benefits or other economic or risk assessment of the regulatory action, if the agency failed to conform to guidelines on such determinations and assessments established by the Administrator of the Office of Information and Regulatory Affairs under section 553(k); or

“(3) determinations under interlocutory review under sections 553(g)(2)(C) and 704(2).

“(c) The court shall review agency denials of petitions under section 553(e)(6) or any other petition for a hearing under sections 556 and 557 for abuse of agency discretion.”.

SEC. 318. ADDED DEFINITION.

Section 701(b) of title 5, United States Code, is amended—

(1) in paragraph (1), by striking “and”; and

(2) in paragraph (2), by striking the period at the end, and inserting “; and”; and

(3) by adding at the end the following:

“(3) ‘substantial evidence’ means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion in light of the record considered as a whole, taking into account whatever in the record fairly detracts from the weight of the evidence relied upon by the agency to support its decision.”.

SEC. 319. EFFECTIVE DATE.

The amendments made by this title to—

(1) sections 553, 556, and 704 of title 5, United States Code;

(2) section 701(b) of title 5, United States Code;

(3) paragraphs (4) and (5) of section 706(b) of title 5, United States Code; and

(4) section 706(c) of title 5, United States Code,

shall not apply to any rule makings pending or completed on the date of enactment of this Act.

TITLE IV—SUPPORTING KNOWLEDGE AND INVESTING IN LIFELONG SKILLS

SEC. 401. SHORT TITLE.

This title may be cited as the “Supporting Knowledge and Investing in Lifelong Skills Act” or the “SKILLS Act”.

SEC. 402. REFERENCES.

Except as otherwise expressly provided, wherever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

SEC. 403. APPLICATION TO FISCAL YEARS.

Except as otherwise provided, this title and the amendments made by this title shall apply with respect to fiscal year 2015 and succeeding fiscal years.

Subtitle A—Amendments to the Workforce Investment Act of 1998

CHAPTER 1—WORKFORCE INVESTMENT DEFINITIONS

SEC. 406. DEFINITIONS.

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

(1) by striking paragraph (2) and inserting the following:

“(2) **ADULT EDUCATION AND FAMILY LITERACY EDUCATION ACTIVITIES.**—The term ‘adult education and family literacy education activities’ has the meaning given the term in section 203.”;

(2) by striking paragraphs (13) and (24);

(3) by redesignating paragraphs (1) through (12) as paragraphs (3) through (14), and paragraphs (14) through (23) as paragraphs (15) through (24), respectively;

(4) by striking paragraphs (52) and (53);

(5) by inserting after “In this title:” the following new paragraphs:

“(1) **ACCURED EXPENDITURES.**—The term ‘accrued expenditures’ means—

“(A) charges incurred by recipients of funds under this title for a given period requiring the provision of funds for goods or other tangible property received;

“(B) charges incurred for services performed by employees, contractors, subgrantees, subcontractors, and other payees; and

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

“(2) **ADMINISTRATIVE COSTS.**—The term ‘administrative costs’ means expenditures incurred by State boards and local boards, direct recipients (including State grant recipients under subtitle B and recipients of awards under subtitles C and D), local grant recipients, local fiscal agents or local grant subrecipients, and one-stop operators in the performance of administrative functions and in carrying out activities under this title that are not related to the direct provision of workforce investment activities (including services to participants and employers). Such costs include both personnel and non-personnel expenditures and both direct and indirect expenditures.”;

(6) in paragraph (3) (as so redesignated), by striking “Except in sections 127 and 132, the” and inserting “The”;

(7) by amending paragraph (5) (as so redesignated) to read as follows:

“(5) **AREA CAREER AND TECHNICAL EDUCATION SCHOOL.**—The term ‘area career and technical education school’ has the meaning given the term in section 3(3) of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302(3)).”;

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

(9) in paragraph (10)(C) (as so redesignated), by striking “not less than 50 percent of the cost of the training” and inserting “a significant portion of the cost of training, as determined by the local board involved (or, in the case of an employer in multiple local areas in the State, as determined by the Governor), taking into account the size of the employer and such other factors as the local board or Governor, respectively, determines to be appropriate”;

(10) in paragraph (11) (as so redesignated)—
(A) in subparagraph (A)(i)(II), by striking “section 134(c)” and inserting “section 121(e)”;

(B) in subparagraph (B)(iii)—
(i) by striking “134(d)(4)” and inserting “134(c)(4)”;

(ii) by striking “intensive services described in section 134(d)(3)” and inserting “work ready services described in section 134(c)(2)”;

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

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

(E) by adding at the end the following:

“(E)(i) is the spouse of a member of the Armed Forces on active duty for a period of more than 30 days (as defined in section 101(d)(2) of title 10, United States Code) who has experienced a loss of employment as a direct result of relocation to accommodate a permanent change in duty station of such member; or

“(ii) is the spouse of a member of the Armed Forces on active duty (as defined in section 101(d)(1) of title 10, United States Code) who meets the criteria described in paragraph (12)(B).”;

(11) in paragraph (12)(A) (as redesignated)—
(A) by striking “and” after the semicolon and inserting “or”;

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

(C) by adding at the end the following:

“(ii) is the spouse of a member of the Armed Forces on active duty for a period of more than 30 days (as defined in section 101(d)(2) of title 10, United States Code) whose family income is significantly reduced because of a deployment (as defined in section 991(b) of title 10, United States Code, or pursuant to paragraph (4) of such section), a call or order to active duty pursuant to a provision of law referred to in section 101(a)(13)(B) of title 10, United States Code, a permanent change of station, or the service-connected (as defined in section 101(16) of title 38, United States Code) death or disability of the member; and”;

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

(13) in paragraph (14) (as so redesignated)—
(A) in subparagraph (A), by striking “section 122(e)(3)” and inserting “section 122”;

(B) by striking subparagraph (B), and inserting the following:

“(B) work ready services, means a provider who is identified or awarded a contract as described in section 117(d)(5)(C); or”;

(C) by striking subparagraph (C); and

(D) by redesignating subparagraph (D) as subparagraph (C);

(14) in paragraph (15) (as so redesignated), by striking “adult or dislocated worker” and inserting “individual”;

(15) in paragraph (20), by striking “The” and inserting “Subject to section 116(a)(1)(E), the”;

(16) in paragraph (25)—

(A) in subparagraph (B), by striking “higher of—” and all that follows through clause

(ii) and inserting “poverty line for an equivalent period”;

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

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

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

(17) in paragraph (32), by striking “the Republic of the Marshall Islands, the Federated States of Micronesia,”;

(18) by amending paragraph (33) to read as follows:

“(33) OUT-OF-SCHOOL YOUTH.—The term ‘out-of-school youth’ means—

“(A) an at-risk youth who is a school dropout; or

“(B) an at-risk youth who has received a secondary school diploma or its recognized equivalent but is basic skills deficient, unemployed, or underemployed.”;

(19) in paragraph (38), by striking “134(a)(1)(A)” and inserting “134(a)(1)(B)”;

(20) in paragraph (41), by striking “, and the term means such Secretary for purposes of section 503”;

(21) in paragraph (43), by striking “clause (iii) or (v) of section 136(b)(3)(A)” and inserting “section 136(b)(3)(A)(iii)”;

(22) by amending paragraph (49) to read as follows:

“(49) VETERAN.—The term ‘veteran’ has the same meaning given the term in section 2108(1) of title 5, United States Code.”;

(23) by amending paragraph (50) to read as follows:

“(50) CAREER AND TECHNICAL EDUCATION.—The term ‘career and technical education’ has the meaning given the term in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302).”;

(24) in paragraph (51), by striking “, and a youth activity”;

(25) by adding at the end the following:

“(52) AT-RISK YOUTH.—Except as provided in subtitle C, the term ‘at-risk youth’ means an individual who—

“(A) is not less than age 16 and not more than age 24;

“(B) is a low-income individual; and

“(C) is an individual who is one or more of the following:

“(i) A secondary school dropout.

“(ii) A youth in foster care (including youth aging out of foster care).

“(iii) A youth offender.

“(iv) A youth who is an individual with a disability.

“(v) A migrant youth.

“(53) INDUSTRY OR SECTOR PARTNERSHIP.—The term ‘industry or sector partnership’ means a partnership of—

“(A) a State board or local board; and

“(B) one or more industry or sector organizations, and other entities, that have the capability to help the State board or local board determine the immediate and long-term skilled workforce needs of in-demand industries or sectors and other occupations important to the State or local economy, respectively.

“(54) INDUSTRY-RECOGNIZED CREDENTIAL.—The term ‘industry-recognized credential’ means a credential that is sought or accepted by companies within the industry sector involved, across multiple States, as recognized, preferred, or required for recruitment, screening, or hiring and is awarded for completion of a program listed or identified under subsection (d) or (i) of section 122, for the local area involved.

“(55) PAY-FOR-PERFORMANCE CONTRACT STRATEGY.—The term ‘pay-for-performance contract strategy’ means a strategy in which a pay-for-performance contract to provide a

program of employment and training activities incorporates provisions regarding—

“(A) the core indicators of performance described in subclauses (I) through (IV) and (VI) of section 136(b)(2)(A)(i);

“(B) a fixed amount that will be paid to an eligible provider of such employment and training activities for each program participant who, within a defined timetable, achieves the agreed-to levels of performance based upon the core indicators of performance described in subparagraph (A), and may include a bonus payment to such provider, which may be used to expand the capacity of such provider;

“(C) the ability for an eligible provider to recoup the costs of providing the activities for a program participant who has not achieved those levels, but for whom the provider is able to demonstrate that such participant gained specific competencies required for education and career advancement that are, where feasible, tied to industry-recognized credentials and related standards, or State licensing requirements; and

“(D) the ability for an eligible provider that does not meet the requirements under section 122(a)(2) to participate in such pay-for-performance contract and to not be required to report on the performance and cost information required under section 122(d).

“(56) RECOGNIZED POSTSECONDARY CREDENTIAL.—The term ‘recognized postsecondary credential’ means a credential awarded by a provider of training services or postsecondary educational institution based on completion of all requirements for a program of study, including coursework or tests or other performance evaluations. The term means an industry-recognized credential, a certificate of completion of a registered apprenticeship program, or an associate or baccalaureate degree from an institution described in section 122(a)(2)(A)(i).

“(57) REGISTERED APPRENTICESHIP PROGRAM.—The term ‘registered apprenticeship program’ means a program described in section 122(a)(2)(B).”.

CHAPTER 2—STATEWIDE AND LOCAL WORKFORCE INVESTMENT SYSTEMS

SEC. 411. PURPOSE.

Section 106 (29 U.S.C. 2811) is amended by adding at the end the following: “It is also the purpose of this subtitle to provide workforce investment activities in a manner that enhances employer engagement, promotes customer choices in the selection of training services, and ensures accountability in the use of taxpayer funds.”.

SEC. 412. STATE WORKFORCE INVESTMENT BOARDS.

Section 111 (29 U.S.C. 2821) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) by striking subparagraph (B);

(ii) by redesignating subparagraph (C) as subparagraph (B); and

(iii) in subparagraph (B) (as so redesignated)—

(I) by amending clause (i)(I), by striking “section 117(b)(2)(A)(i)” and inserting “section 117(b)(2)(A)”;

(II) by amending clause (i)(II) to read as follows:

“(II) represent businesses, including large and small businesses, each of which has immediate and long-term employment opportunities in an in-demand industry or other occupation important to the State economy; and”;

(III) by striking clause (iii) and inserting the following:

“(iii) a State agency official responsible for economic development; and”;

(IV) by striking clauses (iv) through (vi);

(V) by amending clause (vii) to read as follows:

“(vii) such other representatives and State agency officials as the Governor may designate, including—

“(I) members of the State legislature;

“(II) representatives of individuals and organizations that have experience with respect to youth activities;

“(III) representatives of individuals and organizations that have experience and expertise in the delivery of workforce investment activities, including chief executive officers of community colleges and community-based organizations within the State;

“(IV) representatives of the lead State agency officials with responsibility for the programs and activities that are described in section 121(b) and carried out by one-stop partners; or

“(V) representatives of veterans service organizations.”; and

(VI) by redesignating clause (vii) (as so amended) as clause (iv); and

(B) by amending paragraph (3) to read as follows:

“(3) MAJORITY.—A $\frac{3}{4}$ majority of the members of the board shall be representatives described in paragraph (1)(B)(i).”;

(2) in subsection (c), by striking “(b)(1)(C)(i)” and inserting “(b)(1)(B)(i)”;

(3) by amending subsection (d) to read as follows:

“(d) FUNCTIONS.—The State board shall assist the Governor of the State as follows:

“(1) STATE PLAN.—Consistent with section 112, the State board shall develop a State plan.

“(2) STATEWIDE WORKFORCE DEVELOPMENT SYSTEM.—The State board shall review and develop statewide policies and programs in the State in a manner that supports a comprehensive statewide workforce development system that will result in meeting the workforce needs of the State and its local areas. Such review shall include determining whether the State should consolidate additional amounts for additional activities or programs into the Workforce Investment Fund in accordance with section 501(e).

“(3) WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.—The State board shall develop a statewide workforce and labor market information system described in section 15(e) of the Wagner-Peyser Act (29 U.S.C. 491-2(e)), which may include using information collected under Federal law other than this Act by the State economic development entity or a related entity in developing such system.

“(4) EMPLOYER ENGAGEMENT.—The State board shall develop strategies, across local areas, that meet the needs of employers and support economic growth in the State by enhancing communication, coordination, and collaboration among employers, economic development entities, and service providers.

“(5) DESIGNATION OF LOCAL AREAS.—The State board shall designate local areas as required under section 116.

“(6) ONE-STOP DELIVERY SYSTEM.—The State board shall identify and disseminate information on best practices for effective operation of one-stop centers, including use of innovative business outreach, partnerships, and service delivery strategies.

“(7) PROGRAM OVERSIGHT.—The State board shall conduct the following program oversight:

“(A) Reviewing and approving local plans under section 118.

“(B) Ensuring the appropriate use and management of the funds provided for State employment and training activities authorized under section 134.

“(C) Preparing an annual report to the Secretary described in section 136(d).

“(8) DEVELOPMENT OF PERFORMANCE MEASURES.—The State board shall develop and ensure continuous improvement of comprehen-

sive State performance measures, including State adjusted levels of performance, as described under section 136(b).”;

(4) by striking subsection (e) and redesignating subsection (f) as subsection (e);

(5) in subsection (e) (as so redesignated), by inserting “or participate in any action taken” after “vote”;

(6) by inserting after subsection (e) (as so redesignated), the following:

“(F) STAFF.—The State board may employ staff to assist in carrying out the functions described in subsection (d).”;

(7) in subsection (g), by inserting “electronic means and” after “on a regular basis through”.

SEC. 413. STATE PLAN.

Section 112 (29 U.S.C. 2822)—

(1) in subsection (a)—

(A) by striking “127 or”;

(B) by striking “5-year strategy” and inserting “3-year strategy”;

(2) in subsection (b)—

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

“(4) information describing—

“(A) the economic conditions in the State;

“(B) the immediate and long-term skilled workforce needs of in-demand industries, small businesses, and other occupations important to the State economy;

“(C) the knowledge and skills of the workforce in the State; and

“(D) workforce development activities (including education and training) in the State.”;

(B) by amending paragraph (7) to read as follows:

“(7) a description of the State criteria for determining the eligibility of training services providers in accordance with section 122, including how the State will take into account the performance of providers and whether the training services relate to in-demand industries and other occupations important to the State economy.”;

(C) by amending paragraph (8) to read as follows:

“(8)(A) a description of the procedures that will be taken by the State to assure coordination of, and avoid duplication among, the programs and activities identified under section 501(b)(2); and

“(B) a description of and an assurance regarding common data collection and reporting processes used for the programs and activities described in subparagraph (A), which are carried out by one-stop partners, including—

“(i) an assurance that such processes use quarterly wage records for performance measures described in section 136(b)(2)(A) that are applicable to such programs or activities; or

“(ii) if such wage records are not being used for the performance measures, an identification of the barriers to using such wage records and a description of how the State will address such barriers within 1 year of the approval of the plan.”;

(D) in paragraph (9), by striking “, including comment by representatives of businesses and representatives of labor organizations.”;

(E) in paragraph (11), by striking “under sections 127 and 132” and inserting “under section 132”;

(F) by striking paragraph (12);

(G) by redesignating paragraphs (13) through (18) as paragraphs (12) through (17), respectively;

(H) in paragraph (12) (as so redesignated), by striking “111(f)” and inserting “111(e)”;

(I) in paragraph (13) (as so redesignated), by striking “134(c)” and inserting “121(e)”;

(J) in paragraph (14) (as so redesignated), by striking “116(a)(5)” and inserting “116(a)(3)”;

(K) in paragraph (16) (as so redesignated)—

(i) in subparagraph (A)—

(I) in clause (ii)—

(aa) by striking “to dislocated workers”; and

(bb) by inserting “and additional assistance” after “rapid response activities”;

(II) in clause (iii), by striking “134(d)(4)” and inserting “134(c)(4)”;

(III) by striking “and” at the end of clause (iii);

(IV) by amending clause (iv) to read as follows:

“(iv) how the State will serve the employment and training needs of dislocated workers (including displaced homemakers), low-income individuals (including recipients of public assistance such as supplemental nutrition assistance program benefits pursuant to the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.)), long-term unemployed individuals (including individuals who have exhausted entitlement to Federal and State unemployment compensation), English learners, homeless individuals, individuals training for nontraditional employment, youth (including out-of-school youth and at-risk youth), older workers, ex-offenders, migrant and seasonal farmworkers, refugees and entrants, veterans (including disabled and homeless veterans), and Native Americans; and”;

(V) by adding at the end the following new clause:

“(v) how the State will—

“(I) consistent with section 188 and Executive Order No. 13217 (42 U.S.C. 12131 note), serve the employment and training needs of individuals with disabilities; and

“(II) consistent with sections 504 and 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794, 794d), include the provision of outreach, intake, assessments, and service delivery, the development of performance measures, the training of staff, and other aspects of accessibility for individuals with disabilities to programs and services under this subtitle.”;

(ii) in subparagraph (B), by striking “to the extent practicable” and inserting “in accordance with the requirements of the Jobs for Veterans Act (Public Law 107-288) and the amendments made by such Act”;

(L) by striking paragraph (17) (as so redesignated) and inserting the following:

“(17) a description of the strategies and services that will be used in the State—

“(A) to more fully engage employers, including small businesses and employers in in-demand industries and occupations important to the State economy;

“(B) to meet the needs of employers in the State; and

“(C) to better coordinate workforce development programs with economic development activities;

“(18) a description of how the State board will convene (or help to convene) industry or sector partnerships that lead to collaborative planning, resource alignment, and training efforts across a targeted cluster of multiple firms for a range of workers employed or potentially employed by the industry or sector—

“(A) to encourage industry growth and competitiveness and to improve worker training, retention, and advancement in the industry or sector;

“(B) to address the immediate and long-term skilled workforce needs of in-demand industries, small businesses, and other occupations important to the State economy; and

“(C) to address critical skill gaps within and across industries and sectors;

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

“(20) a description of the State strategy and assistance to be provided by the State for encouraging regional cooperation within the State and across State borders, as appropriate;”

“(21) a description of the actions that will be taken by the State to foster communication, coordination, and partnerships with nonprofit organizations (including public libraries, community, faith-based, and philanthropic organizations) that provide employment-related, training, and complementary services, to enhance the quality and comprehensiveness of services available to participants under this title;”

“(22) a description of the process and methodology for determining—

“(A) one-stop partner program contributions for the costs of infrastructure of one-stop centers under section 121(h)(1); and

“(B) the formula for allocating such infrastructure funds to local areas under section 121(h)(3);”

“(23) a description of the strategies and services that will be used in the State to assist at-risk youth and out-of-school youth in acquiring the education and skills, credentials (including recognized postsecondary credentials, such as industry-recognized credentials), and employment experience to succeed in the labor market, including—

“(A) training and internships in in-demand industries or occupations important to the State and local economy;”

“(B) dropout recovery activities that are designed to lead to the attainment of a regular secondary school diploma or its recognized equivalent, or other State-recognized equivalent (including recognized alternative standards for individuals with disabilities); and

“(C) activities combining remediation of academic skills, work readiness training, and work experience, and including linkages to postsecondary education and training and career-ladder employment; and

“(24) a description of—

“(A) how the State will furnish employment, training, including training in advanced manufacturing, supportive, and placement services to veterans, including disabled and homeless veterans;”

“(B) the strategies and services that will be used in the State to assist in and expedite reintegration of homeless veterans into the labor force; and

“(C) the veterans population to be served in the State.”;

(3) in subsection (c), by striking “period, that—” and all that follows through paragraph (2) and inserting “period, that the plan is inconsistent with the provisions of this title.”; and

(4) in subsection (d), by striking “5-year” and inserting “3-year”.

SEC. 414. LOCAL WORKFORCE INVESTMENT AREAS.

Section 116 (29 U.S.C. 2831) is amended—

(1) in subsection (a)—

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

“(1) IN GENERAL.—

“(A) PROCESS.—In order to receive an allotment under section 132, a State, through the State board, shall establish a process to designate local workforce investment areas within the State. Such process shall—

“(i) support the statewide workforce development system developed under section 111(d)(2), enabling the system to meet the workforce needs of the State and its local areas;

“(ii) include consultation, prior to the designation, with chief elected officials;

“(iii) include consideration of comments received on the designation through the public comment process as described in section 112(b)(9); and

“(iv) require the submission of an application for approval under subparagraph (B).”

“(B) APPLICATION.—To obtain designation of a local area under this paragraph, a local or regional board (or consortia of local or regional boards) seeking to take responsibility for the area under this Act shall submit an application to a State board at such time, in such manner, and containing such information as the State board may require, including—

“(i) a description of the local area, including the population that will be served by the local area, and the education and training needs of its employers and workers;

“(ii) a description of how the local area is consistent or aligned with—

“(I) service delivery areas (as determined by the State);

“(II) labor market areas; and

“(III) economic development regions;

“(iii) a description of the eligible providers of education and training, including postsecondary educational institutions such as community colleges, located in the local area and available to meet the needs of the local workforce;

“(iv) a description of the distance that individuals will need to travel to receive services provided in such local area; and

“(v) any other criteria that the State board may require.

“(C) PRIORITY.—In designating local areas under this paragraph, a State board shall give priority consideration to an area proposed by an applicant demonstrating that a designation as a local area under this paragraph will result in the reduction of overlapping service delivery areas, local market areas, or economic development regions.

“(D) ALIGNMENT WITH LOCAL PLAN.—A State may designate an area proposed by an applicant as a local area under this paragraph for a period not to exceed 3 years.

“(E) REFERENCES.—For purposes of this Act, a reference to a local area—

“(i) used with respect to a geographic area, refers to an area designated under this paragraph; and

“(ii) used with respect to an entity, refers to the applicant.”;

(B) by amending paragraph (2) to read as follows:

“(2) TECHNICAL ASSISTANCE.—The Secretary shall, if requested by the Governor of a State, provide the State with technical assistance in making the determinations required under paragraph (1). The Secretary shall not issue regulations governing determinations to be made under paragraph (1).”;

(C) by striking paragraph (3);

(D) by striking paragraph (4);

(E) by redesignating paragraph (5) as paragraph (3); and

(F) in paragraph (3) (as so redesignated), by striking “(2) or (3)” both places it appears and inserting “(1)”;’

(2) by amending subsection (b) to read as follows:

“(b) SINGLE STATES.—Consistent with subsection (a), the State board of a State may designate the State as a single State local area for the purposes of this title.”; and

(3) in subsection (c)—

(A) in paragraph (1), by adding at the end the following: “The State may require the local boards for the designated region to prepare a single regional plan that incorporates the elements of the local plan under section 118 and that is submitted and approved in lieu of separate local plans under such section.”; and

(B) in paragraph (2), by striking “employment statistics” and inserting “workforce and labor market information”.

SEC. 415. LOCAL WORKFORCE INVESTMENT BOARDS.

Section 117 (29 U.S.C. 2832) is amended—

(1) in subsection (b)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

(I) by striking “include—” and all that follows through “representatives” and inserting “include representatives”;

(II) by striking clauses (ii) through (vi);

(III) by redesignating subclauses (I) through (III) as clauses (i) through (iii), respectively (and by moving the margins of such clauses 2 ems to the left);

(IV) by striking clause (ii) (as so redesignated) and inserting the following:

“(ii) represent businesses, including large and small businesses, each of which has immediate and long-term employment opportunities in an in-demand industry or other occupation important to the local economy; and”; and

(V) by striking the semicolon at the end of clause (iii) (as so redesignated) and inserting “; and”; and

(ii) by amending subparagraph (B) to read as follows:

“(B) may include such other individuals or representatives of entities as the chief elected official in the local area may determine to be appropriate, including—

“(i) the superintendent or other employee of the local educational agency who has primary responsibility for secondary education, the presidents or chief executive officers of postsecondary educational institutions (including a community college, where such an entity exists), or administrators of local entities providing adult education and family literacy education activities;

“(ii) representatives of community-based organizations (including organizations representing individuals with disabilities and veterans, for a local area in which such organizations are present); or

“(iii) representatives of veterans service organizations.”;

(B) in paragraph (4)—

(i) by striking “A majority” and inserting “A $\frac{2}{3}$ majority”; and

(ii) by striking “(2)(A)(i)” and inserting “(2)(A)”; and

(C) in paragraph (5), by striking “(2)(A)(i)” and inserting “(2)(A)”;’

(2) in subsection (c)—

(A) in paragraph (1), by striking subparagraph (C); and

(B) in paragraph (3)(A)(ii), by striking “paragraphs (1) through (7)” and inserting “paragraphs (1) through (8)”;’

(3) by amending subsection (d) to read as follows:

“(d) FUNCTIONS OF LOCAL BOARD.—The functions of the local board shall include the following:

“(1) LOCAL PLAN.—Consistent with section 118, each local board, in partnership with the chief elected official for the local area involved, shall develop and submit a local plan to the Governor.

“(2) WORKFORCE RESEARCH AND REGIONAL LABOR MARKET ANALYSIS.—

“(A) IN GENERAL.—The local board shall—

“(i) conduct, and regularly update, an analysis of—

“(I) the economic conditions in the local area;

“(II) the immediate and long-term skilled workforce needs of in-demand industries and other occupations important to the local economy;

“(III) the knowledge and skills of the workforce in the local area; and

“(IV) workforce development activities (including education and training) in the local area; and

“(ii) assist the Governor in developing the statewide workforce and labor market information system described in section 15(e) of the Wagner-Peyser Act (29 U.S.C. 491-2(e)).”

“(B) EXISTING ANALYSIS.—In carrying out requirements of subparagraph (A)(i), a local board shall use an existing analysis, if any, by the local economic development entity or related entity.

“(3) EMPLOYER ENGAGEMENT.—The local board shall meet the needs of employers and support economic growth in the local area by enhancing communication, coordination, and collaboration among employers, economic development entities, and service providers.

“(4) BUDGET AND ADMINISTRATION.—

“(A) BUDGET.—

“(i) IN GENERAL.—The local board shall develop a budget for the activities of the local board in the local area, consistent with the requirements of this subsection.

“(ii) TRAINING RESERVATION.—In developing a budget under clause (i), the local board shall reserve a percentage of funds to carry out the activities specified in section 134(c)(4). The local board shall use the analysis conducted under paragraph (2)(A)(i) to determine the appropriate percentage of funds to reserve under this clause.

“(B) ADMINISTRATION.—

“(i) GRANT RECIPIENT.—The chief elected official in a local area shall serve as the local grant recipient for, and shall be liable for any misuse of, the grant funds allocated to the local area under section 133, unless the chief elected official reaches an agreement with the Governor for the Governor to act as the local grant recipient and bear such liability.

“(ii) DESIGNATION.—In order to assist in administration of the grant funds, the chief elected official or the Governor, where the Governor serves as the local grant recipient for a local area, may designate an entity to serve as a local grant subrecipient for such funds or as a local fiscal agent. Such designation shall not relieve the chief elected official or the Governor of the liability for any misuse of grant funds as described in clause (i).

“(iii) DISBURSAL.—The local grant recipient or an entity designated under clause (ii) shall disburse the grant funds for workforce investment activities at the direction of the local board, pursuant to the requirements of this title. The local grant recipient or entity designated under clause (ii) shall disburse the funds immediately on receiving such direction from the local board.

“(C) STAFF.—The local board may employ staff to assist in carrying out the functions described in this subsection.

“(D) GRANTS AND DONATIONS.—The local board may solicit and accept grants and donations from sources other than Federal funds made available under this Act.

“(5) SELECTION OF OPERATORS AND PROVIDERS.—

“(A) SELECTION OF ONE-STOP OPERATORS.—Consistent with section 121(d), the local board, with the agreement of the chief elected official—

“(i) shall designate or certify one-stop operators as described in section 121(d)(2)(A); and

“(ii) may terminate for cause the eligibility of such operators.

“(B) IDENTIFICATION OF ELIGIBLE TRAINING SERVICE PROVIDERS.—Consistent with this subtitle, the local board shall identify eligible providers of training services described in section 134(c)(4) in the local area, annually review the outcomes of such eligible providers using the criteria under section 122(b)(2), and designate such eligible providers in the local area who have demonstrated the highest level of success with respect to such criteria as priority eligible providers for the program year following the review.

“(C) IDENTIFICATION OF ELIGIBLE PROVIDERS OF WORK READY SERVICES.—If the one-stop operator does not provide the services described in section 134(c)(2) in the local area, the local board shall identify eligible providers of such services in the local area by awarding contracts.

“(6) PROGRAM OVERSIGHT.—The local board, in partnership with the chief elected official, shall be responsible for—

“(A) ensuring the appropriate use and management of the funds provided for local employment and training activities authorized under section 134(b); and

“(B) conducting oversight of the one-stop delivery system, in the local area, authorized under section 121.

“(7) NEGOTIATION OF LOCAL PERFORMANCE MEASURES.—The local board, the chief elected official, and the Governor shall negotiate and reach agreement on local performance measures as described in section 136(c).

“(8) TECHNOLOGY IMPROVEMENTS.—The local board shall develop strategies for technology improvements to facilitate access to services authorized under this subtitle and carried out in the local area, including access in remote areas.”;

(4) in subsection (e)—

(A) by inserting “electronic means and” after “regular basis through”; and

(B) by striking “and the award of grants or contracts to eligible providers of youth activities.”;

(5) in subsection (f)—

(A) in paragraph (1)(A), by striking “section 134(d)(4)” and inserting “section 134(c)(4)”;

(B) by striking paragraph (2) and inserting the following:

“(2) WORK READY SERVICES; DESIGNATION OR CERTIFICATION AS ONE-STOP OPERATORS.—A local board may provide work ready services described in section 134(c)(2) through a one-stop delivery system described in section 121 or be designated or certified as a one-stop operator only with the agreement of the chief elected official and the Governor.”;

(6) in subsection (g)(1), by inserting “or participate in any action taken” after “vote”; and

(7) by striking subsections (h) and (i).

SEC. 416. LOCAL PLAN.

Section 118 (29 U.S.C. 2833) is amended—

(1) in subsection (a), by striking “5-year” and inserting “3-year”;

(2) by amending subsection (b) to read as follows:

“(b) CONTENTS.—The local plan shall include—

“(1) a description of the analysis of the local area’s economic and workforce conditions conducted under subclauses (I) through (IV) of section 117(d)(2)(A)(i), and an assurance that the local board will use such analysis to carry out the activities under this subtitle;

“(2) a description of the one-stop delivery system in the local area, including—

“(A) a description of how the local board will ensure—

“(i) the continuous improvement of eligible providers of services through the system; and

“(ii) that such providers meet the employment needs of local businesses and participants; and

“(B) a description of how the local board will facilitate access to services described in section 117(d)(8) and provided through the one-stop delivery system consistent with section 117(d)(8);

“(3) a description of the strategies and services that will be used in the local area—

“(A) to more fully engage employers, including small businesses and employers in in-demand industries and occupations important to the local economy;

“(B) to meet the needs of employers in the local area;

“(C) to better coordinate workforce development programs with economic development activities; and

“(D) to better coordinate workforce development programs with employment, training, and literacy services carried out by non-profit organizations, including public libraries, as appropriate;

“(4) a description of how the local board will convene (or help to convene) industry or sector partnerships that lead to collaborative planning, resource alignment, and training efforts across multiple firms for a range of workers employed or potentially employed by a targeted industry or sector—

“(A) to encourage industry growth and competitiveness and to improve worker training, retention, and advancement in the targeted industry or sector;

“(B) to address the immediate and long-term skilled workforce needs of in-demand industries, small businesses, and other occupations important to the local economy; and

“(C) to address critical skill gaps within and across industries and sectors;

“(5) a description of how the funds reserved under section 117(d)(4)(A)(ii) will be used to carry out activities described in section 134(c)(4);

“(6) a description of how the local board will coordinate workforce investment activities carried out in the local area with statewide workforce investment activities, as appropriate;

“(7) a description of how the local area will—

“(A) coordinate activities with the local area’s disability community, and with transition services (as defined under section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401)) provided under that Act by local educational agencies serving such local area, to make available comprehensive, high-quality services to individuals with disabilities;

“(B) consistent with section 188 and Executive Order No. 13217 (42 U.S.C. 12131 note), serve the employment and training needs of individuals with disabilities, with a focus on employment that fosters independence and integration into the workplace; and

“(C) consistent with sections 504 and 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794, 794d), include the provision of outreach, intake, assessments, and service delivery, the development of performance measures, the training of staff, and other aspects of accessibility for individuals with disabilities to programs and services under this subtitle;

“(8) a description of the local levels of performance negotiated with the Governor and chief elected official pursuant to section 136(c), to be—

“(A) used to measure the performance of the local area; and

“(B) used by the local board for measuring performance of the local fiscal agent (where appropriate), eligible providers, and the one-stop delivery system, in the local area;

“(9) a description of the process used by the local board, consistent with subsection (c), to provide an opportunity for public comment prior to submission of the plan;

“(10) a description of how the local area will serve the employment and training needs of dislocated workers (including displaced homemakers), low-income individuals (including recipients of public assistance such as supplemental nutrition assistance program benefits pursuant to the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.)), long-term unemployed individuals (including individuals who have exhausted entitlement

to Federal and State unemployment compensation), English learners, homeless individuals, individuals training for nontraditional employment, youth (including out-of-school youth and at-risk youth), older workers, ex-offenders, migrant and seasonal farmworkers, refugees and entrants, veterans (including disabled veterans and homeless veterans), and Native Americans;

“(11) an identification of the entity responsible for the disbursement of grant funds described in section 117(d)(4)(B)(iii), as determined by the chief elected official or the Governor under such section;

“(12) a description of the strategies and services that will be used in the local area to assist at-risk youth and out-of-school youth in acquiring the education and skills, credentials (including recognized postsecondary credentials, such as industry-recognized credentials), and employment experience to succeed in the labor market, including—

“(A) training and internships in in-demand industries or occupations important to the local economy;

“(B) dropout recovery activities that are designed to lead to the attainment of a regular secondary school diploma or its recognized equivalent, or other State-recognized equivalent (including recognized alternative standards for individuals with disabilities); and

“(C) activities combining remediation of academic skills, work readiness training, and work experience, and including linkages to postsecondary education and training and career-ladder employment;

“(13) a description of—

“(A) how the local area will furnish employment, training, including training in advanced manufacturing, supportive, and placement services to veterans, including disabled and homeless veterans;

“(B) the strategies and services that will be used in the local area to assist in and expedite reintegration of homeless veterans into the labor force; and

“(C) the veteran population to be served in the local area;

“(14) a description of—

“(A) the duties assigned to the veteran employment specialist consistent with the requirements of section 134(f);

“(B) the manner in which the veteran employment specialist is integrated into the one-stop career system described in section 121;

“(C) the date on which the veteran employment specialist was assigned; and

“(D) whether the veteran employment specialist has satisfactorily completed related training by the National Veterans' Employment and Training Services Institute; and

“(15) such other information as the Governor may require.”; and

(3) in subsection (c)—

(A) in paragraph (1), by striking “such means” and inserting “electronic means and such means”; and

(B) in paragraph (2), by striking “, including representatives of business and representatives of labor organizations.”.

SEC. 417. ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEM.

Section 121 (29 U.S.C. 2841) is amended—

(1) in subsection (b)—

(A) by striking subparagraph (A) of paragraph (1) and inserting the following:

“(A) ROLES AND RESPONSIBILITIES OF ONE-STOP PARTNERS.—Each entity that carries out a program or activities described in subparagraph (B) shall—

“(i) provide access through a one-stop delivery system to the program or activities carried out by the entity, including making the work ready services described in section 134(c)(2) that are applicable to the program or activities of the entity available at one-

stop centers (in addition to any other appropriate locations);

“(ii) use a portion of the funds available to the program or activities of the entity to maintain the one-stop delivery system, including payment of the costs of infrastructure of one-stop centers in accordance with subsection (h);

“(iii) enter into a local memorandum of understanding with the local board, relating to the operation of the one-stop delivery system, that meets the requirements of subsection (c); and

“(iv) participate in the operation of the one-stop delivery system consistent with the terms of the memorandum of understanding, the requirements of this title, and the requirements of the Federal laws authorizing the program or activities carried out by the entity.”;

(B) in paragraph (1)(B)—

(i) by striking clauses (ii), (v), and (vi);

(ii) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively;

(iii) by redesignating clauses (vii) through (xii) as clauses (iv) through (ix), respectively;

(iv) in clause (ii), as so redesignated, by striking “adult education and literacy activities” and inserting “adult education and family literacy education activities”

(v) in clause (viii), as so redesignated, by striking “and” at the end;

(vi) in clause (ix), as so redesignated, by striking the period and inserting “; and”;

and

(vii) by adding at the end the following:

“(x) subject to subparagraph (C), programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).”;

(C) by inserting after paragraph (1)(B) the following:

“(C) DETERMINATION BY THE GOVERNOR.—Each entity carrying out a program described in subparagraph (B)(x) shall be considered to be a one-stop partner under this title and carry out the required partner activities described in subparagraph (A) unless the Governor of the State in which the local area is located provides the Secretary and Secretary of Health and Human Services written notice of a determination by the Governor that such an entity shall not be considered to be such a partner and shall not carry out such required partner activities.”; and

(D) in paragraph (2)—

(i) in subparagraph (A)(i), by striking “section 134(d)(2)” and inserting “section 134(c)(2)”;

and

(ii) in subparagraph (B)—

(I) by striking clauses (i), (ii), and (v);

(II) in clause (iv), by striking “and” at the end;

(III) by redesignating clauses (iii) and (iv) as clauses (i) and (ii), respectively; and

(IV) by adding at the end the following:

“(iii) employment and training programs administered by the Commissioner of the Social Security Administration;

“(iv) employment and training programs carried out by the Administrator of the Small Business Administration;

“(v) employment, training, and literacy services carried out by public libraries; and

“(vi) other appropriate Federal, State, or local programs, including programs in the private sector.”;

(2) in subsection (c)(2), by amending subparagraph (A) to read as follows:

“(A) provisions describing—

“(i) the services to be provided through the one-stop delivery system consistent with the requirements of this section, including the manner in which the services will be coordinated through such system;

“(ii) how the costs of such services and the operating costs of such system will be fund-

ed, through cash and in-kind contributions, to provide a stable and equitable funding stream for ongoing one-stop system operations, including the funding of the costs of infrastructure of one-stop centers in accordance with subsection (h);

“(iii) methods of referral of individuals between the one-stop operator and the one-stop partners for appropriate services and activities, including referrals for training for nontraditional employment; and

“(iv) the duration of the memorandum of understanding and the procedures for amending the memorandum during the term of the memorandum, and assurances that such memorandum shall be reviewed not less than once every 3-year period to ensure appropriate funding and delivery of services under the memorandum; and”;

(3) in subsection (d)—

(A) in the heading for paragraph (1), by striking “DESIGNATION AND CERTIFICATION” and inserting “LOCAL DESIGNATION AND CERTIFICATION”;

(B) in paragraph (2)—

(i) by striking “section 134(c)” and inserting “subsection (e)”;

(ii) by amending subparagraph (A) to read as follows:

“(A) shall be designated or certified as a one-stop operator through a competitive process; and”;

(iii) in subparagraph (B), by striking clause (ii) and redesignating clauses (iii) through (vi) as clauses (ii) through (v), respectively; and

(C) in paragraph (3), by striking “vocational” and inserting “career and technical”;

(4) by amending subsection (e) to read as follows:

“(e) ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEM.—

“(1) IN GENERAL.—There shall be established in a State that receives an allotment under section 132(b) a one-stop delivery system, which shall—

“(A) provide the work ready services described in section 134(c)(2);

“(B) provide access to training services as described in paragraph (4) of section 134(c), including serving as the point of access to career enhancement accounts for training services to participants in accordance with paragraph (4)(F) of such section;

“(C) provide access to the activities carried out under section 134(d), if any;

“(D) provide access to programs and activities carried out by one-stop partners that are described in subsection (b); and

“(E) provide access to the data and information described in subparagraphs (A) and (B) of section 15(a)(1) of the Wagner-Peyser Act (29 U.S.C. 491-2(a)(1)).

“(2) ONE-STOP DELIVERY.—At a minimum, the one-stop delivery system—

“(A) shall make each of the programs, services, and activities described in paragraph (1) accessible at not less than one physical center in each local area of the State; and

“(B) may also make programs, services, and activities described in paragraph (1) available—

“(i) through a network of affiliated sites that can provide one or more of the programs, services, and activities to individuals; and

“(ii) through a network of eligible one-stop partners—

“(I) in which each partner provides one or more of the programs, services, and activities to such individuals and is accessible at an affiliated site that consists of a physical location or an electronically- or technologically-linked access point; and

“(II) that assures individuals that information on the availability of the work ready services will be available regardless of where

the individuals initially enter the statewide workforce investment system, including information made available through an access point described in subclause (I).

“(3) SPECIALIZED CENTERS.—The centers and sites described in paragraph (2) may have a specialization in addressing special needs.”; and

(5) by adding at the end the following:

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

“(1) IN GENERAL.—

“(A) IN GENERAL.—The State board shall establish objective procedures and criteria for certifying, at least once every 3 years, one-stop centers for the purpose of awarding the one-stop infrastructure funding described in subsection (h).

“(B) CRITERIA.—The criteria for certification of a one-stop center under this subsection shall include—

“(i) meeting the expected levels of performance for each of the corresponding core indicators of performance as outlined in the State plan under section 112;

“(ii) meeting minimum standards relating to the scope and degree of service integration achieved by the center, involving the programs provided by the one-stop partners; and

“(iii) meeting minimum standards relating to how the center ensures that eligible providers meet the employment needs of local employers and participants.

“(C) EFFECT OF CERTIFICATION.—One-stop centers certified under this subsection shall be eligible to receive the infrastructure funding authorized under subsection (h).

“(2) LOCAL BOARDS.—Consistent with the criteria developed by the State, the local board may develop, for certification referred to in paragraph (1)(A), additional criteria or higher standards on the criteria referred to in paragraph (1)(B) to respond to local labor market and demographic conditions and trends.

“(h) ONE-STOP INFRASTRUCTURE FUNDING.—

“(1) PARTNER CONTRIBUTIONS.—

“(A) PROVISION OF FUNDS.—Notwithstanding any other provision of law, as determined under subparagraph (B), a portion of the Federal funds provided to the State and areas within the State under the Federal laws authorizing the one-stop partner programs described in subsection (b)(1)(B) and participating additional partner programs described in subsection (b)(2)(B), for a fiscal year shall be provided to the Governor by such partners to carry out this subsection.

“(B) DETERMINATION OF GOVERNOR.—

“(i) IN GENERAL.—Subject to subparagraph (C), the Governor, in consultation with the State board, shall determine the portion of funds to be provided under subparagraph (A) by each one-stop partner and in making such determination shall consider the proportionate use of the one-stop centers in the State by each such partner, the costs of administration for purposes not related to one-stop centers for each such partner, and other relevant factors described in paragraph (3).

“(ii) SPECIAL RULE.—In those States where the State constitution places policy-making authority that is independent of the authority of the Governor in an entity or official with respect to the funds provided for adult education and family literacy education activities authorized under title II and for postsecondary career and technical education activities authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.), the determination described in clause (i) with respect to the corresponding 2 programs shall be made by the Governor with the appropriate entity or official with such independent policy-making authority.

“(iii) APPEAL BY ONE-STOP PARTNERS.—The Governor shall establish a procedure for the one-stop partner administering a program described in subsection (b) and subparagraph (A) to appeal a determination regarding the portion of funds to be provided under this paragraph on the basis that such determination is inconsistent with the requirements described in the State plan for the program or with the requirements of this paragraph. Such procedure shall ensure prompt resolution of the appeal.

“(C) LIMITATIONS.—

“(i) PROVISION FROM ADMINISTRATIVE FUNDS.—The funds provided under this paragraph by a one-stop partner shall be provided only from funds available for the costs of administration under the program administered by such partner, and shall be subject to the limitations with respect to the portion of funds under such program that may be used for administration.

“(ii) FEDERAL DIRECT SPENDING PROGRAMS.—

“(I) IN GENERAL.—A program that provides Federal direct spending under section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(8)) shall not, for purposes of this paragraph, be required to provide more than the maximum amount determined under subclause (II).

“(II) MAXIMUM AMOUNT.—The maximum amount for the program is the amount that bears the same relationship to the costs referred to in paragraph (2) for the State as the use of the one-stop centers by such program bears to the use of such centers by all one-stop partner programs in the State.

“(2) ALLOCATION BY GOVERNOR.—From the funds provided under paragraph (1), the Governor shall allocate funds to local areas in accordance with the formula established under paragraph (3) for the purposes of assisting in paying the costs of infrastructure of one-stop centers certified under subsection (g).

“(3) ALLOCATION FORMULA.—The State board shall develop a formula to be used by the Governor to allocate the funds provided under paragraph (1) to local areas. The formula shall include such factors as the State board determines are appropriate, which may include factors such as the number of centers in a local area that have been certified, the population served by such centers, and the performance of such centers.

“(4) COSTS OF INFRASTRUCTURE.—For purposes of this subsection, the term ‘costs of infrastructure’ means the nonpersonnel costs that are necessary for the general operation of a one-stop center, including the rental costs of the facilities involved, and the costs of utilities and maintenance, and equipment (including assistive technology for individuals with disabilities).

“(i) OTHER FUNDS.—

“(1) IN GENERAL.—In addition to the funds provided under subsection (h), a portion of funds made available under Federal law authorizing the one-stop partner programs described in subsection (b)(1)(B) and participating additional partner programs described in subsection (b)(2)(B), or the noncash resources available under such 2 types of programs, shall be used to pay the costs relating to the operation of the one-stop delivery system that are not paid for from the funds provided under subsection (h), to the extent not inconsistent with the Federal law involved. Such portion shall be used to pay for costs including—

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

“(B) common costs that are in addition to the costs of infrastructure (as so defined); and

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

“(2) DETERMINATION AND STANDARDS.—The method for determining the appropriate portion of funds and noncash resources to be provided by each program under paragraph (1) shall be determined as part of the memorandum of understanding under subsection (c). The State board shall provide standards to facilitate the determination of appropriate allocation of the funds and noncash resources to local areas.”.

SEC. 418. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.

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

“SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.

“(a) ELIGIBILITY.—

“(1) IN GENERAL.—The Governor, after consultation with the State board, shall establish criteria and procedures regarding the eligibility of providers of training services described in section 134(c)(4) to receive funds provided under section 133(b) for the provision of such training services and be included on the list of eligible providers of training services described in subsection (d).

“(2) PROVIDERS.—Subject to the provisions of this section, to be eligible to receive the funds and be included on the list, the provider shall be—

“(A) a postsecondary educational institution that—

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

“(ii) provides a program that leads to a recognized postsecondary credential;

“(B) an entity that carries out programs under the Act of August 16, 1937 (commonly known as the ‘National Apprenticeship Act’; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.); or

“(C) another public or private provider of a program of training services.

“(3) INCLUSION IN LIST OF ELIGIBLE PROVIDERS.—A provider described in subparagraph (A) or (C) of paragraph (2) shall comply with the criteria and procedures established under this subsection to be eligible to receive the funds and be included on the list. A provider described in paragraph (2)(B) shall be eligible to receive the funds and be included on the list with respect to programs described in paragraph (2)(B) for so long as the provider remains certified by the Secretary of Labor to carry out the programs.

“(b) CRITERIA.—

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

“(A) the performance of providers of training services with respect to the performance measures described in section 136, measures for other matters for which information is required under paragraph (2), and other appropriate measures of performance outcomes for those participants receiving training services under this subtitle;

“(B) whether the training programs of such providers relate to in-demand industries or occupations important to the local economy;

“(C) the need to ensure access to training services throughout the State, including in rural areas;

“(D) the ability of the providers to offer programs that lead to a recognized postsecondary credential, and the quality of such programs;

“(E) the performance of the providers as reflected in the information such providers are required to report to State agencies with respect to other Federal and State programs (other than the program carried out under this subtitle), including one-stop partner programs; and

“(F) such other factors as the Governor deems are appropriate.

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

“(A) information on recognized postsecondary credentials received by such participants;

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

“(C) information on the program completion rate for such participants; and

“(D) information on the performance of the provider with respect to the performance measures described in section 136 for such participants.

“(3) RENEWAL.—The criteria established by the Governor shall also provide for a review on the criteria every 3 years and renewal of eligibility under this section for providers of training services.

“(4) LOCAL CRITERIA.—A local board in the State may establish criteria in addition to the criteria established by the Governor, or may require higher levels of performance than required on the criteria established by the Governor, for purposes of determining the eligibility of providers of training services under this section in the local area involved.

“(5) LIMITATION.—In carrying out the requirements of this subsection, no entity may disclose personally identifiable information regarding a student, including a Social Security number, student identification number, or other identifier, without the prior written consent of the parent or student in compliance with section 444 of the General Education Provisions Act (20 U.S.C. 1232g).

“(c) PROCEDURES.—The procedures established under subsection (a) shall—

“(1) identify—

“(A) the application process for a provider of training services to become eligible under this section; and

“(B) the respective roles of the State and local areas in receiving and reviewing applications and in making determinations of eligibility based on the criteria established under this section; and

“(2) establish a process, for a provider of training services to appeal a denial or termination of eligibility under this section, that includes an opportunity for a hearing and prescribes appropriate time limits to ensure prompt resolution of the appeal.

“(d) INFORMATION TO ASSIST PARTICIPANTS IN CHOOSING PROVIDERS.—In order to facilitate and assist participants under chapter 5 in choosing providers of training services, the Governor shall ensure that an appropriate list of providers determined eligible under this section in the State, including information provided under subsection (b)(2) with respect to such providers, is provided to the local boards in the State and is made available to such participants and to members of the public through the one-stop delivery system in the State.

“(e) ENFORCEMENT.—

“(1) IN GENERAL.—The procedures established under this section shall provide the following:

“(A) INTENTIONALLY SUPPLYING INACCURATE INFORMATION.—Upon a determination, by an individual or entity specified in the procedures, that a provider of training services, or individual providing information on behalf of the provider, intentionally supplied inaccurate information under this section, the eligibility of such provider under this section shall be terminated for a period of time that is not less than 2 years.

“(B) SUBSTANTIAL VIOLATIONS.—Upon a determination, by an individual or entity specified in the procedures, that a provider of training services substantially violated any requirement under this title, the eligibility of such provider under this section shall be terminated for a period of time that is not less than 10 years.

“(C) REPAYMENT.—A provider of training services whose eligibility is terminated under subparagraph (A) or (B) shall be liable for the repayment of funds received under chapter 5 during a period of noncompliance described in such subparagraph. For purposes of subparagraph (A), that period shall be considered to be the period beginning on the date on which the inaccurate information described in subparagraph (A) was supplied, and ending on the date of the termination described in subparagraph (A).

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

“(f) AGREEMENTS WITH OTHER STATES.—A State may enter into an agreement with another State, on a reciprocal basis, to permit eligible providers of training services to accept career enhancement accounts provided in the other State.

“(g) RECOMMENDATIONS.—In developing the criteria (including requirements for related information) and procedures required under this section, the Governor shall solicit and take into consideration the recommendations of local boards and providers of training services within the State.

“(h) OPPORTUNITY TO SUBMIT COMMENTS.—During the development of the criteria and procedures, and the list of eligible providers required under this section, the Governor shall provide an opportunity for interested members of the public to submit comments regarding such criteria, procedures, and list.

“(i) ON-THE-JOB TRAINING OR CUSTOMIZED TRAINING EXCEPTION.—

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

“(2) COLLECTION AND DISSEMINATION OF INFORMATION.—A one-stop operator in a local area shall collect such performance information from on-the-job training and customized training providers as the Governor may require, determine whether the providers meet such performance criteria as the Governor may require, and disseminate information identifying providers that meet the criteria as eligible providers, and the performance information, through the one-stop delivery system. Providers determined to meet the criteria shall be considered to be identified as eligible under this section, to be providers of the training services involved.”.

SEC. 419. GENERAL AUTHORIZATION.

Chapter 5 of subtitle B of title I is amended—

(1) by striking the heading for chapter 5 and inserting the following: “**EMPLOYMENT AND TRAINING ACTIVITIES**”; and

(2) in section 131 (29 U.S.C. 2861)—

(A) by striking “paragraphs (1)(B) and (2)(B) of”; and

(B) by striking “adults, and dislocated workers,” and inserting “individuals”.

SEC. 420. STATE ALLOTMENTS.

Section 132 (29 U.S.C. 2862) is amended—

(1) by amending subsection (a) to read as follows:

“(a) IN GENERAL.—The Secretary shall—

“(1) reserve $\frac{1}{2}$ of 1 percent of the total amount appropriated under section 137 for a fiscal year, of which—

“(A) 50 percent shall be used to provide technical assistance under section 170; and

“(B) 50 percent shall be used for evaluations under section 172;

“(2) reserve 1 percent of the total amount appropriated under section 137 for a fiscal year to make grants to, and enter into contracts or cooperative agreements with Indian tribes, tribal organizations, Alaska Native entities, Indian-controlled organizations serving Indians, or Native Hawaiian organizations to carry out employment and training activities;

“(3) reserve not more than 25 percent of the total amount appropriated under section 137 for a fiscal year to carry out the Jobs Corps program under subtitle C;

“(4) reserve not more than 3.5 percent of the total amount appropriated under section 137 for a fiscal year to—

“(A) make grants to State boards or local boards to provide employment and training assistance to workers affected by major economic dislocations, such as plant closures, mass layoffs, or closures and realignments of military installations; and

“(B) provide assistance to Governors of States with an area that has suffered an emergency or a major disaster (as such terms are defined in paragraphs (1) and (2), respectively, of section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)) to provide disaster relief employment in the area; and

“(5) from the remaining amount appropriated under section 137 for a fiscal year (after reserving funds under paragraphs (1) through (4)), make allotments in accordance with subsection (b) of this section.”; and

(2) by amending subsection (b) to read as follows:

“(b) WORKFORCE INVESTMENT FUND.—

“(1) RESERVATION FOR OUTLYING AREAS.—

“(A) IN GENERAL.—From the amount made available under subsection (a)(5) for a fiscal year, the Secretary shall reserve not more than $\frac{1}{4}$ of 1 percent to provide assistance to the outlying areas.

“(B) RESTRICTION.—The Republic of Palau shall cease to be eligible to receive funding under this paragraph upon entering into an agreement for extension of United States educational assistance under the Compact of Free Association (approved by the Compact of Free Association Amendments Act of 2003 (Public Law 108-188) after the date of enactment of the SKILLS Act.

“(2) STATES.—

“(A) IN GENERAL.—After determining the amount to be reserved under paragraph (1), the Secretary shall allot the remainder of the amount referred to in subsection (a)(5) for a fiscal year to the States pursuant to subparagraph (B) for employment and training activities and statewide workforce investment activities.

“(B) FORMULA.—Subject to subparagraphs (C) and (D), of the remainder—

“(i) 25 percent shall be allotted on the basis of the relative number of unemployed individuals in areas of substantial unemployment in each State, compared to the total number of unemployed individuals in areas of substantial unemployment in all States;

“(ii) 25 percent shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of such individuals in all States;

“(iii) 25 percent shall be allotted on the basis of the relative number of individuals in each State who have been unemployed for 15 weeks or more, compared to the total number of individuals in all States who have been unemployed for 15 weeks or more; and

“(iv) 25 percent shall be allotted on the basis of the relative number of disadvantaged youth in each State, compared to the total number of disadvantaged youth in all States.

“(C) MINIMUM AND MAXIMUM PERCENTAGES.—

“(i) MINIMUM PERCENTAGE.—The Secretary shall ensure that no State shall receive an allotment under this paragraph for—

“(I) each of fiscal years 2015 through 2017, that is less than 100 percent of the allotment percentage of the State for fiscal year 2013; and

“(II) fiscal year 2018 and each succeeding fiscal year, that is less than 90 percent of the allotment percentage of the State for the fiscal year preceding the fiscal year involved.

“(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the Secretary shall ensure that no State shall receive an allotment under this paragraph for—

“(I) each of fiscal years 2015 through 2017, that is more than 130 percent of the allotment percentage of the State for fiscal year 2013; and

“(II) fiscal year 2018 and each succeeding fiscal year, that is more than 130 percent of the allotment percentage of the State for the fiscal year preceding the fiscal year involved.

“(D) SMALL STATE MINIMUM ALLOTMENT.—Subject to subparagraph (C), the Secretary shall ensure that no State shall receive an allotment under this paragraph for a fiscal year that is less than $\frac{1}{2}$ of 1 percent of the remainder described in subparagraph (A) for the fiscal year.

“(E) DEFINITIONS.—For the purpose of the formula specified in this paragraph:

“(i) ALLOTMENT PERCENTAGE.—The term ‘allotment percentage’—

“(I) used with respect to fiscal year 2013, means the percentage of the amounts allotted to States under title I of this Act, title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.), the Women in Apprenticeship and Nontraditional Occupations Act (29 U.S.C. 2501 et seq.), sections 4103A and 4104 of title 38, United States Code, and sections 1 through 14 of the Wagner-Peyser Act (29 U.S.C. 49 et seq.), as such provisions were in effect for fiscal year 2013, that is received under such provisions by the State involved for fiscal year 2013; and

“(II) used with respect to fiscal year 2017 or a succeeding fiscal year, means the percentage of the amounts allotted to States under this paragraph for the fiscal year, that is received under this paragraph by the State involved for the fiscal year.

“(ii) AREA OF SUBSTANTIAL UNEMPLOYMENT.—The term ‘area of substantial unemployment’ means any area that is of sufficient size and scope to sustain a program of workforce investment activities carried out under this subtitle and that has an average rate of unemployment of at least 7 percent for the most recent 12 months, as determined by the Secretary. For purposes of this clause, determinations of areas of substantial unemployment shall be made once each fiscal year.

“(iii) DISADVANTAGED YOUTH.—The term ‘disadvantaged youth’ means an individual who is not less than age 16 and not more than age 24 who receives an income, or is a member of a family that receives a total family income, that in relation to family size, does not exceed the higher of—

“(I) the poverty line; or

“(II) 70 percent of the lower living standard income level.

“(iv) INDIVIDUAL.—The term ‘individual’ means an individual who is age 16 or older.”.

SEC. 421. WITHIN STATE ALLOCATIONS.

Section 133 (29 U.S.C. 2863) is amended—

(1) by amending subsection (a) to read as follows:

“(a) RESERVATIONS FOR STATEWIDE WORKFORCE INVESTMENT ACTIVITIES.—

“(1) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—The Governor of a State shall reserve not more than 15 percent of the total

amount allotted to the State under section 132(b)(2) for a fiscal year to carry out the statewide activities described in section 134(a).

“(2) STATEWIDE RAPID RESPONSE ACTIVITIES AND ADDITIONAL ASSISTANCE.—Of the amount reserved under paragraph (1) for a fiscal year, the Governor of the State shall reserve not more than 25 percent for statewide rapid response activities and additional assistance described in section 134(a)(4).

“(3) STATEWIDE GRANTS FOR INDIVIDUALS WITH BARRIERS TO EMPLOYMENT.—Of the amount reserved under paragraph (1) for a fiscal year, the Governor of the State shall reserve 15 percent to carry out statewide activities described in section 134(a)(5).

“(4) STATE ADMINISTRATIVE COST LIMIT.—Not more than 5 percent of the funds reserved under paragraph (1) may be used by the Governor of the State for administrative costs of carrying out the statewide activities described in section 134(a).”;

(2) by amending subsection (b) to read as follows:

“(b) WITHIN STATE ALLOCATION.—

“(1) METHODS.—The Governor, acting in accordance with the State plan, and after consulting with chief elected officials in the local areas in the State, shall—

“(A) allocate the funds that are allotted to the State under section 132(b)(2) and not reserved under subsection (a), in accordance with paragraph (2)(A); and

“(B) award the funds that are reserved by the State under subsection (a)(3) through competitive grants to eligible entities, in accordance with section 134(a)(1)(C).

“(2) FORMULA ALLOCATIONS FOR THE WORKFORCE INVESTMENT FUND.—

“(A) ALLOCATION.—In allocating the funds described in paragraph (1)(A) to local areas, a State shall allocate—

“(i) 25 percent on the basis described in section 132(b)(2)(B)(i);

“(ii) 25 percent on the basis described in section 132(b)(2)(B)(ii);

“(iii) 25 percent on the basis described in section 132(b)(2)(B)(iii); and

“(iv) 25 percent on the basis described in section 132(b)(2)(B)(iv).

except that a reference in a section specified in any of clauses (i) through (iv) to ‘each State’ shall be considered to refer to each local area, and to ‘all States’ shall be considered to refer to all local areas.

“(B) MINIMUM AND MAXIMUM PERCENTAGES.—

“(i) MINIMUM PERCENTAGE.—The State shall ensure that no local area shall receive an allocation under this paragraph for—

“(I) each of fiscal years 2015 through 2017, that is less than 100 percent of the allocation percentage of the local area for fiscal year 2013; and

“(II) fiscal year 2018 and each succeeding fiscal year, that is less than 90 percent of the allocation percentage of the local area for the fiscal year preceding the fiscal year involved.

“(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the State shall ensure that no local area shall receive an allocation for a fiscal year under this paragraph for—

“(I) each of fiscal years 2015 through 2017, that is more than 130 percent of the allocation percentage of the local area for fiscal year 2013; and

“(II) fiscal year 2018 and each succeeding fiscal year, that is more than 130 percent of the allocation percentage of the local area for the fiscal year preceding the fiscal year involved.

“(C) DEFINITIONS.—For the purpose of the formula specified in this paragraph, the term ‘allocation percentage’—

“(i) used with respect to fiscal year 2013, means the percentage of the amounts allo-

cated to local areas under title I of this Act, title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.), the Women in Apprenticeship and Nontraditional Occupations Act (29 U.S.C. 2501 et seq.), sections 4103A and 4104 of title 38, United States Code, and sections 1 through 14 of the Wagner-Peyser Act (29 U.S.C. 49 et seq.), as such provisions were in effect for fiscal year 2013, that is received under such provisions by the local area involved for fiscal year 2013; and

“(ii) used with respect to fiscal year 2017 or a succeeding fiscal year, means the percentage of the amounts allocated to local areas under this paragraph for the fiscal year, that is received under this paragraph by the local area involved for the fiscal year.”;

(3) in subsection (c)—

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

“(1) IN GENERAL.—The Governor may, in accordance with this subsection, reallocate to eligible local areas within the State amounts that are allocated under subsection (b) for employment and training activities and that are available for reallocation.”;

(B) in paragraph (2), by striking “paragraph (2)(A) or (3) of subsection (b) for such activities” and inserting “subsection (b) for such activities”;

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

“(3) REALLOCATIONS.—In making reallocations to eligible local areas of amounts available pursuant to paragraph (2) for a program year, the Governor shall allocate to each eligible local area within the State an amount based on the relative amount allocated to such local area under subsection (b)(2) for such activities for such prior program year, as compared to the total amount allocated to all eligible local areas in the State under subsection (b)(2) for such activities for such prior program year.”;

(D) in paragraph (4), by striking “paragraph (2)(A) or (3) of”;

(4) by adding at the end the following new subsection:

“(d) LOCAL ADMINISTRATIVE COST LIMIT.—Of the amount allocated to a local area under this section for a fiscal year, not more than 10 percent of the amount may be used by the local board involved for the administrative costs of carrying out local workforce investment activities in the local area under this chapter.”.

SEC. 422. USE OF FUNDS FOR EMPLOYMENT AND TRAINING ACTIVITIES.

Section 134 (29 U.S.C. 2864) is amended—

(1) by amending subsection (a) to read as follows:

“(a) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

“(1) IN GENERAL.—

“(A) DISTRIBUTION OF STATEWIDE ACTIVITIES.—Funds reserved by a Governor for a State as described in section 133(a)(1) and not reserved under paragraph (2) or (3) of section 133(a)—

“(i) shall be used to carry out the statewide employment and training activities described in paragraph (2); and

“(ii) may be used to carry out any of the statewide employment and training activities described in paragraph (3).

“(B) STATEWIDE RAPID RESPONSE ACTIVITIES AND ADDITIONAL ASSISTANCE.—Funds reserved by a Governor for a State as described in section 133(a)(2) shall be used to provide the statewide rapid response activities and additional assistance described in paragraph (4).

“(C) STATEWIDE GRANTS FOR INDIVIDUALS WITH BARRIERS TO EMPLOYMENT.—Funds reserved by a Governor for a State as described in section 133(a)(3) shall be used to award statewide grants for individuals with barriers to employment on a competitive basis,

and carry out other activities, as described in paragraph (5).

“(2) REQUIRED STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—A State shall use funds referred to in paragraph (1)(A) to carry out statewide employment and training activities, which shall include—

“(A) disseminating the State list of eligible providers of training services described in section 122(d), information identifying eligible providers of on-the-job training and customized training described in section 122(i), and performance information and program cost information described in section 122(b)(2);

“(B) supporting the provision of work ready services described in subsection (c)(2) in the one-stop delivery system;

“(C) implementing strategies and services that will be used in the State to assist at-risk youth and out-of-school youth in acquiring the education and skills, recognized post-secondary credentials, and employment experience to succeed in the labor market;

“(D) conducting evaluations under section 136(e) of activities authorized under this chapter in coordination with evaluations carried out by the Secretary under section 172;

“(E) providing technical assistance to local areas that fail to meet local performance measures;

“(F) operating a fiscal and management accountability system under section 136(f); and

“(G) carrying out monitoring and oversight of activities carried out under this chapter.

“(3) ALLOWABLE STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—A State may use funds referred to in paragraph (1)(A) to carry out statewide employment and training activities which may include—

“(A) implementing innovative programs and strategies designed to meet the needs of all employers in the State, including small employers, which may include incumbent worker training programs, sectoral and industry cluster strategies and partnership initiatives, career ladder programs, micro-enterprise and entrepreneurial training and support programs, utilization of effective business intermediaries, activities to improve linkages between the one-stop delivery system in the State and all employers (including small employers) in the State, and other business services and strategies that better engage employers in workforce investment activities and make the workforce investment system more relevant to the needs of State and local businesses, consistent with the objectives of this title;

“(B) providing incentive grants to local areas—

“(i) for regional cooperation among local boards (including local boards in a designated region as described in section 116(c));

“(ii) for local coordination of activities carried out under this Act; and

“(iii) for exemplary performance by local areas on the local performance measures;

“(C) developing strategies for effectively integrating programs and services among one-stop partners;

“(D) carrying out activities to facilitate remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology;

“(E) incorporating pay-for-performance contract strategies as an element in funding activities under this section and providing technical support to local areas and eligible providers in order to carry out such a strategy, which may involve providing assistance with data collection and data entry requirements;

“(F) carrying out the State option under subsection (f)(8); and

“(G) carrying out other activities authorized under this section that the State determines to be necessary to assist local areas in carrying out activities described in subsection (c) or (d) through the statewide workforce investment system.

“(4) STATEWIDE RAPID RESPONSE ACTIVITIES AND ADDITIONAL ASSISTANCE.—A State shall use funds reserved as described in section 133(a)(2)—

“(A) to carry out statewide rapid response activities, which shall include provision of rapid response activities, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials in the local areas; and

“(B) to provide additional assistance to local areas that experience disasters, mass layoffs, or plant closings, or other events that precipitate substantial increases in the number of unemployed individuals, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials in the local areas.

“(5) STATEWIDE GRANTS FOR INDIVIDUALS WITH BARRIERS TO EMPLOYMENT.—

“(A) IN GENERAL.—Of the funds reserved as described in section 133(a)(3), the Governor of a State—

“(i) may reserve up to 5 percent to provide technical assistance for, and conduct evaluations as described in section 136(e) of, the programs carried out under this paragraph; and

“(ii) using the remainder, shall award grants on a competitive basis to eligible entities (that meet specific performance outcomes and criteria established by the Governor) described in subparagraph (B) to carry out employment and training programs authorized under this paragraph for individuals with barriers to employment.

“(B) ELIGIBLE ENTITY DEFINED.—For purposes of this paragraph, the term ‘eligible entity’ means an entity that—

“(i) is a—

“(I) local board or a consortium of local boards;

“(II) nonprofit entity, for-profit entity, or a consortium of nonprofit or for-profit entities; or

“(III) consortium of the entities described in subclauses (I) and (II);

“(ii) has a demonstrated record of placing individuals into unsubsidized employment and serving hard-to-serve individuals; and

“(iii) agrees to be reimbursed primarily on the basis of meeting specified performance outcomes and criteria established by the Governor.

“(C) GRANT PERIOD.—

“(i) IN GENERAL.—A grant under this paragraph shall be awarded for a period of 1 year.

“(ii) GRANT RENEWAL.—A Governor of a State may renew, for up to 4 additional 1-year periods, a grant awarded under this paragraph.

“(D) ELIGIBLE PARTICIPANTS.—To be eligible to participate in activities under this paragraph, an individual shall be a low-income individual age 16 or older.

“(E) USE OF FUNDS.—An eligible entity receiving a grant under this paragraph shall use the grant funds for programs of activities that are designed to assist eligible participants in obtaining employment and acquiring the education and skills necessary to succeed in the labor market. To be eligible to receive a grant under this paragraph for an employment and training program, an eligible entity shall submit an application to a State at such time, in such manner, and containing such information as the State may require, including—

“(i) a description of how the strategies and activities of the program will be aligned

with the State plan submitted under section 112 and the local plan submitted under section 118, with respect to the area of the State that will be the focus of the program under this paragraph;

“(ii) a description of the educational and skills training programs and activities the eligible entity will provide to eligible participants under this paragraph;

“(iii) how the eligible entity will collaborate with State and local workforce investment systems established under this title in the provision of such programs and activities;

“(iv) a description of the programs of demonstrated effectiveness on which the provision of such educational and skills training programs and activities are based, and a description of how such programs and activities will improve education and skills training for eligible participants;

“(v) a description of the populations to be served and the skill needs of those populations, and the manner in which eligible participants will be recruited and selected as participants;

“(vi) a description of the private, public, local, and State resources that will be leveraged, with the grant funds provided, for the program under this paragraph, and how the entity will ensure the sustainability of such program after grant funds are no longer available;

“(vii) a description of the extent of the involvement of employers in such program;

“(viii) a description of the levels of performance the eligible entity expects to achieve with respect to the indicators of performance for all individuals specified in section 136(b)(2);

“(ix) a detailed budget and a description of the system of fiscal controls, and auditing and accountability procedures, that will be used to ensure fiscal soundness for the program provided under this paragraph; and

“(x) any other criteria the Governor may require.”;

(2) by amending subsection (b) to read as follows:

“(b) LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—Funds allocated to a local area under section 133(b)—

“(1) shall be used to carry out employment and training activities described in subsection (c); and

“(2) may be used to carry out employment and training activities described in subsection (d).”;

(3) by striking subsection (c);

(4) by redesignating subsections (d) and (e), as subsections (c) and (d), respectively;

(5) in subsection (c) (as so redesignated)—

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

“(1) IN GENERAL.—Funds allocated to a local area under section 133(b) shall be used—

“(A) to establish a one-stop delivery system as described in section 121(e);

“(B) to provide the work ready services described in paragraph (2) through the one-stop delivery system in accordance with such paragraph; and

“(C) to provide training services described in paragraph (4) in accordance with such paragraph.”;

(B) in paragraph (2)—

(i) in the heading, by striking “CORE SERVICES” and inserting “WORK READY SERVICES”;

(ii) in the matter preceding subparagraph (A)—

(I) by striking “(1)(A)” and inserting “(1)”;

(II) by striking “core services” and inserting “work ready services”; and

(III) by striking “who are adults or dislocated workers”;

(iii) by redesignating subparagraph (K) as subparagraph (V);

(iv) by redesignating subparagraphs (B) through (J) as subparagraphs (C) through (K), respectively;

(v) by inserting after subparagraph (A) the following:

“(B) assistance in obtaining eligibility determinations under the other one-stop partner programs through activities, where appropriate and consistent with the authorizing statute of the one-stop partner program involved, such as assisting in—

“(i) the submission of applications;

“(ii) the provision of information on the results of such applications; and

“(iii) the provision of intake services and information;”;

(vi) by amending subparagraph (E), as so redesignated, to read as follows:

“(E) labor exchange services, including—

“(i) job search and placement assistance, and where appropriate, career counseling;

“(ii) appropriate recruitment services for employers, including small employers, in the local area, which may include services described in this subsection, including provision of information and referral to specialized business services not traditionally offered through the one-stop delivery system; and

“(iii) reemployment services provided to unemployment claimants, including claimants identified as in need of such services under the worker profiling system established under section 303(j) of the Social Security Act (42 U.S.C. 503(j));”;

(vii) in subparagraph (F), as so redesignated, by striking “employment statistics” and inserting “workforce and labor market”;

(viii) in subparagraph (G), as so redesignated, by striking “and eligible providers of youth activities described in section 123,”;

(ix) in subparagraph (H), as so redesignated, by inserting “under section 136” after “local performance measures”;

(x) in subparagraph (J), as so redesignated, by inserting “and information regarding the administration of the work test for the unemployment compensation system” after “compensation”;

(xi) by amending subparagraph (K), as so redesignated, to read as follows:

“(K) assistance in establishing eligibility for programs of financial aid assistance for education and training programs that are not funded under this Act and are available in the local area;”;

(xii) by inserting the following new subparagraphs after subparagraph (K), as so redesignated:

“(L) the provision of information from official publications of the Internal Revenue Service regarding Federal tax credits, available to participants in employment and training activities, and relating to education, job training, and employment;

“(M) comprehensive and specialized assessments of the skill levels and service needs of workers, which may include—

“(i) diagnostic testing and use of other assessment tools; and

“(ii) in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals;

“(N) development of an individual employment plan, to identify the employment goals, appropriate achievement objectives, and appropriate combination of services for the participant;

“(O) group counseling;

“(P) individual counseling and career planning;

“(Q) case management;

“(R) short-term pre-career services, including development of learning skills, communications skills, interviewing skills, punctuality, personal maintenance skills, and professional conduct, to prepare individuals for unsubsidized employment or training;

“(S) internships and work experience;

“(T) literacy activities relating to basic work readiness, information and communication technology literacy activities, and financial literacy activities, if the activities involved are not available to participants in the local area under programs administered under the Adult Education and Family Literacy Act (20 U.S.C. 9201 et seq.);

“(U) out-of-area job search assistance and relocation assistance; and”;

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

“(3) DELIVERY OF SERVICES.—The work ready services described in paragraph (2) shall be provided through the one-stop delivery system and may be provided through contracts with public, private for-profit, and private nonprofit service providers, approved by the local board.”; and

(D) in paragraph (4)—

(i) by amending subparagraph (A) to read as follows:

“(A) IN GENERAL.—Funds described in paragraph (1)(C) shall be used to provide training services to individuals who—

“(i) after an interview, evaluation, or assessment, and case management, have been determined by a one-stop operator or one-stop partner, as appropriate, to—

“(I) be in need of training services to obtain or retain employment; and

“(II) have the skills and qualifications to successfully participate in the selected program of training services;

“(ii) select programs of training services that are directly linked to the employment opportunities in the local area involved or in another area in which the individual receiving such services are willing to commute or relocate; and

“(iii) who meet the requirements of subparagraph (B).”;

(ii) in subparagraph (B)(i), by striking “Except” and inserting “Notwithstanding section 479B of the Higher Education Act of 1965 (20 U.S.C. 1087uu) and except”;

(iii) by amending subparagraph (D) to read as follows:

“(D) TRAINING SERVICES.—Training services authorized under this paragraph may include—

“(i) occupational skills training;

“(ii) on-the-job training;

“(iii) skill upgrading and retraining;

“(iv) entrepreneurial training;

“(v) education activities leading to a regular secondary school diploma or its recognized equivalent in combination with, concurrently or subsequently, occupational skills training;

“(vi) adult education and family literacy education activities provided in conjunction with other training services authorized under this subparagraph;

“(vii) workplace training combined with related instruction;

“(viii) occupational skills training that incorporates English language acquisition;

“(ix) customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training; and

“(x) training programs operated by the private sector.”;

(iv) by striking subparagraph (E) and redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively;

(v) in subparagraph (E) (as so redesignated)—

(I) in clause (ii)—

(aa) in the matter preceding subclause (I), by striking “subsection (c)” and inserting “section 121”;

(bb) in subclause (I), by striking “section 122(e)” and inserting “section 122(d)” and by striking “section 122(h)” and inserting “section 122(i)”;

(cc) in subclause (II), by striking “subsections (e) and (h)” and inserting “subsections (d) and (i)”;

(II) by striking clause (iii) and inserting the following:

“(iii) CAREER ENHANCEMENT ACCOUNTS.—An individual who seeks training services and who is eligible pursuant to subparagraph (A), may, in consultation with a case manager, select an eligible provider of training services from the list or identifying information for providers described in clause (ii)(I). Upon such selection, the one-stop operator involved shall, to the extent practicable, refer such individual to the eligible provider of training services, and arrange for payment for such services through a career enhancement account.

“(iv) COORDINATION.—Each local board may, through one-stop centers, coordinate career enhancement accounts with other Federal, State, local, or private job training programs or sources to assist the individual in obtaining training services from (notwithstanding any provision of this title) eligible providers for those programs and sources.

“(v) ASSISTANCE.—Each local board may, through one-stop centers, assist individuals receiving career enhancement accounts in obtaining funds (in addition to the funds provided under this section) from other programs and sources that will assist the individual in obtaining training services.”; and

(vi) in subparagraph (F) (as so redesignated)—

(I) in the subparagraph heading, by striking “INDIVIDUAL TRAINING ACCOUNTS” and inserting “CAREER ENHANCEMENT ACCOUNTS”;

(II) in clause (i), by striking “individual training accounts” and inserting “career enhancement accounts”;

(III) in clause (ii)—

(aa) by striking “an individual training account” and inserting “a career enhancement account”;

(bb) by striking “subparagraph (F)” and inserting “subparagraph (E)”;

(cc) in subclause (II), by striking “individual training accounts” and inserting “career enhancement accounts”;

(dd) in subclause (II), by striking “or” after the semicolon;

(ee) in subclause (III), by striking the period and inserting “; or”;

(ff) by adding at the end the following:

“(IV) the local board determines that it would be most appropriate to award a contract to a postsecondary educational institution that has been identified as a priority eligible provider under section 117(d)(5)(B) in order to facilitate the training of multiple individuals in in-demand industries or occupations important to the State or local economy, that such contract may be used to enable the expansion of programs provided by a priority eligible provider, and that such contract does not limit customer choice.”;

(IV) in clause (iii), by striking “adult or dislocated worker” and inserting “individual”;

(V) in clause (iv)—

(aa) by redesignating subclause (IV) as subclause (V); and

(bb) by inserting after subclause (III) the following:

“(IV) Individuals with disabilities.”;

(6) in subsection (d) (as so redesignated)—

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

“(1) DISCRETIONARY ONE-STOP DELIVERY ACTIVITIES.—

“(A) IN GENERAL.—Funds allocated to a local area under section 133(b)(2) may be used to provide, through the one-stop delivery system—

“(i) customized screening and referral of qualified participants in training services to employers;

“(ii) customized employment-related services to employers on a fee-for-service basis;

“(iii) customer supports, including transportation and child care, to navigate among multiple services and activities for special participant populations that face multiple barriers to employment, including individuals with disabilities;

“(iv) employment and training assistance provided in coordination with child support enforcement activities of the State agency carrying out subtitle D of title IV of the Social Security Act (42 U.S.C. 651 et seq.);

“(v) incorporation of pay-for-performance contract strategies as an element in funding activities under this section;

“(vi) activities to facilitate remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology; and

“(vii) activities to carry out business services and strategies that meet the workforce investment needs of local area employers, as determined by the local board, consistent with the local plan under section 118.”;

(B) by striking paragraphs (2) and (3); and

(C) by adding at the end the following:

“(2) INCUMBENT WORKER TRAINING PROGRAMS.—

“(A) IN GENERAL.—The local board may use funds allocated to a local area under section 133(b)(2) to carry out incumbent worker training programs in accordance with this paragraph.

“(B) TRAINING ACTIVITIES.—The training programs for incumbent workers under this paragraph shall be carried out by the local area in conjunction with the employers of such workers for the purpose of assisting such workers in obtaining the skills necessary to retain employment and avert layoffs.

“(C) EMPLOYER MATCH REQUIRED.—

“(i) IN GENERAL.—Employers participating in programs under this paragraph shall be required to pay a proportion of the costs of providing the training to the incumbent workers of the employers. The local board shall establish the required payment toward such costs, which may include in-kind contributions.

“(ii) CALCULATION OF MATCH.—The wages paid by an employer to a worker while they are attending training may be included as part of the required payment of the employer.”; and

(7) by adding at the end the following:

“(e) PRIORITY FOR PLACEMENT IN PRIVATE SECTOR JOBS.—In providing employment and training activities authorized under this section, the State board and local board shall give priority to placing participants in jobs in the private sector.

“(f) VETERAN EMPLOYMENT SPECIALIST.—

“(1) IN GENERAL.—Subject to paragraph (8), a local board shall hire and employ one or more veteran employment specialists to carry out employment, training, supportive, and placement services under this subsection in the local area served by the local board.

“(2) PRINCIPAL DUTIES.—A veteran employment specialist in a local area shall—

“(A) conduct outreach to employers in the local area to assist veterans, including disabled veterans, in gaining employment, including—

“(i) conducting seminars for employers; and

“(ii) in conjunction with employers, conducting job search workshops, and establishing job search groups; and

“(B) facilitate the furnishing of employment, training, supportive, and placement services to veterans, including disabled and homeless veterans, in the local area.

“(3) HIRING PREFERENCE FOR VETERANS AND INDIVIDUALS WITH EXPERTISE IN SERVING VETERANS.—Subject to paragraph (8), a local

board shall, to the maximum extent practicable, employ veterans or individuals with expertise in serving veterans to carry out the services described in paragraph (2) in the local area served by the local board. In hiring an individual to serve as a veteran employment specialist, a local board shall give preference to veterans and other individuals in the following order:

“(A) To service-connected disabled veterans.

“(B) If no veteran described in subparagraph (A) is available, to veterans.

“(C) If no veteran described in subparagraph (A) or (B) is available, to any member of the Armed Forces transitioning out of military service.

“(D) If no veteran or member described in subparagraph (A), (B), or (C) is available, to any spouse of a veteran or a spouse of a member of the Armed Forces transitioning out of military service.

“(E) If no veteran or member described in subparagraph (A), (B), or (C) is available and no spouse described in paragraph (D) is available, to any other individuals with expertise in serving veterans.

“(4) ADMINISTRATION AND REPORTING.—

“(A) IN GENERAL.—Each veteran employment specialist shall be administratively responsible to the one-stop operator of the one-stop center in the local area and shall provide, at a minimum, quarterly reports to the one-stop operator of such center and to the Assistant Secretary for Veterans' Employment and Training for the State on the specialist's performance, and compliance by the specialist with Federal law (including regulations), with respect to the—

“(i) principal duties (including facilitating the furnishing of services) for veterans described in paragraph (2); and

“(ii) hiring preferences described in paragraph (3) for veterans and other individuals.

“(B) REPORT TO SECRETARY.—Each State shall submit to the Secretary an annual report on the qualifications used by each local board in the State in making hiring determinations for a veteran employment specialist and the salary structure under which such specialist is compensated.

“(C) REPORT TO CONGRESS.—The Secretary shall submit to the Committee on Education and the Workforce and the Committee on Veterans' Affairs of the House of Representatives and the Committee on Health, Education, Labor, and Pensions and the Committee on Veterans' Affairs of the Senate an annual report summarizing the reports submitted under subparagraph (B), and including summaries of outcomes achieved by participating veterans, disaggregated by local areas.

“(5) PART-TIME EMPLOYEES.—A part-time veteran employment specialist shall perform the functions of a veteran employment specialist under this subsection on a halftime basis.

“(6) TRAINING REQUIREMENTS.—Each veteran employment specialist described in paragraph (2) shall satisfactorily complete training provided by the National Veterans' Employment and Training Institute during the 3-year period that begins on the date on which the employee is so assigned.

“(7) SPECIALIST'S DUTIES.—A full-time veteran employment specialist shall perform only duties related to employment, training, supportive, and placement services under this subsection, and shall not perform other non-veteran-related duties if such duties detract from the specialist's ability to perform the specialist's duties related to employment, training, supportive, and placement services under this subsection.

“(8) STATE OPTION.—At the request of a local board, a State may opt to assume the duties assigned to the local board under

paragraphs (1) and (3), including the hiring and employment of one or more veteran employment specialists for placement in the local area served by the local board.”.

SEC. 423. PERFORMANCE ACCOUNTABILITY SYSTEM.

Section 136 (29 U.S.C. 2871) is amended—

(1) in subsection (b)—

(A) by amending paragraphs (1) and (2) to read as follows:

“(1) IN GENERAL.—For each State, the State performance measures shall consist of—

“(A)(i) the core indicators of performance described in paragraph (2)(A); and

“(ii) additional indicators of performance (if any) identified by the State under paragraph (2)(B); and

“(B) a State adjusted level of performance for each indicator described in subparagraph (A).

“(2) INDICATORS OF PERFORMANCE.—

“(A) CORE INDICATORS OF PERFORMANCE.—

“(i) IN GENERAL.—The core indicators of performance for the program of employment and training activities authorized under sections 132(a)(2) and 134, the program of adult education and family literacy education activities authorized under title II, and the program authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), other than section 112 or part C of that title (29 U.S.C. 732, 741), shall consist of the following indicators of performance (with performance determined in the aggregate and as disaggregated by the populations identified in the State and local plan in each case):

“(I) The percentage and number of program participants who are in unsubsidized employment during the second full calendar quarter after exit from the program.

“(II) The percentage and number of program participants who are in unsubsidized employment during the fourth full calendar quarter after exit from the program.

“(III) The difference in the median earnings of program participants who are in unsubsidized employment during the second full calendar quarter after exit from the program, compared to the median earnings of such participants prior to participation in such program.

“(IV) The percentage and number of program participants who obtain a recognized postsecondary credential (such as an industry-recognized credential or a certificate from a registered apprenticeship program), or a regular secondary school diploma or its recognized equivalent (subject to clause (ii)), during participation in or within 1 year after exit from the program.

“(V) The percentage and number of program participants who, during a program year—

“(aa) are in an education or training program that leads to a recognized postsecondary credential (such as an industry-recognized credential or a certificate from a registered apprenticeship program), a certificate from an on-the-job training program, a regular secondary school diploma or its recognized equivalent, or unsubsidized employment; and

“(bb) are achieving measurable basic skill gains toward such a credential, certificate, diploma, or employment.

“(VI) The percentage and number of program participants who obtain unsubsidized employment in the field relating to the training services described in section 134(c)(4) that such participants received.

“(ii) INDICATOR RELATING TO CREDENTIAL.—For purposes of clause (i)(IV), program participants who obtain a regular secondary school diploma or its recognized equivalent shall be included in the percentage counted as meeting the criterion under such clause

only if such participants (in addition to obtaining such diploma or its recognized equivalent), within 1 year after exit from the program, have obtained or retained employment, have been removed from public assistance, or have begun an education or training program leading to a recognized postsecondary credential.

“(B) ADDITIONAL INDICATORS.—A State may identify in the State plan additional indicators for workforce investment activities authorized under this subtitle.”; and

(B) in paragraph (3)—

(i) in subparagraph (A)—

(I) in the heading, by striking “AND CUSTOMER SATISFACTION INDICATOR”;

(II) in clause (i), by striking “and the customer satisfaction indicator described in paragraph (2)(B)”;

(III) in clause (ii), by striking “and the customer satisfaction indicator of performance, for the first 3” and inserting “, for all 3”;

(IV) in clause (iii)—

(aa) in the heading, by striking “FOR FIRST 3 YEARS”;

(bb) by striking “and the customer satisfaction indicator of performance, for the first 3 program years” and inserting “for all 3 program years”;

(V) in clause (iv)—

(aa) by striking “or (v)”;

(bb) by striking subclause (I) and redesignating subclauses (II) and (III) as subclauses (I) and (II), respectively; and

(cc) in subclause (I) (as so redesignated)—

(AA) by inserting “, such as unemployment rates and job losses or gains in particular industries” after “economic conditions”; and

(BB) by inserting “, such as indicators of poor work experience, dislocation from high-wage employment, low levels of literacy or English proficiency, disability status (including disability status among veterans), and welfare dependency,” after “program”;

(VI) by striking clause (v) and redesignating clause (vi) as clause (v); and

(VII) in clause (v) (as so redesignated)—

(aa) by striking “described in clause (iv)(II)” and inserting “described in clause (iv)(I)”;

(bb) by striking “or (v)”;

(ii) in subparagraph (B), by striking “paragraph (2)(C)” and inserting “paragraph (2)(B)”;

(2) in subsection (c)—

(A) by amending clause (i) of paragraph (1)(A) to read as follows:

“(i) the core indicators of performance described in subsection (b)(2)(A) for activities described in such subsection, other than statewide workforce investment activities; and”;

(B) in clause (ii) of paragraph (1)(A), by striking “(b)(2)(C)” and inserting “(b)(2)(B)”;

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

“(3) DETERMINATIONS.—In determining such local levels of performance, the local board, the chief elected official, and the Governor shall ensure such levels are adjusted based on the specific economic conditions (such as unemployment rates and job losses or gains in particular industries), or demographic characteristics or other characteristics of the population to be served, in the local area.”;

(3) in subsection (d)—

(A) in paragraph (1)—

(i) by striking “127 or”;

(ii) by striking “and the customer satisfaction indicator” each place it appears; and

(iii) in the last sentence, by inserting before the period the following: “, and on the amount and percentage of the State’s annual allotment under section 132 the State spends on administrative costs and on the amount

and percentage of its annual allocation under section 133 each local area in the State spends on administrative costs”;

(B) in paragraph (2)—

(i) by striking subparagraphs (A), (B), and (D);

(ii) by redesignating subparagraph (C) as subparagraph (A);

(iii) by redesignating subparagraph (E) as subparagraph (B);

(iv) in subparagraph (B), as so redesignated—

(I) by striking “(excluding participants who received only self-service and informational activities)”;

(II) by striking “and” at the end;

(v) by striking subparagraph (F); and

(vi) by adding at the end the following:

“(C) with respect to each local area in the State—

“(i) the number of individuals who received work ready services described in section 134(c)(2) and the number of individuals who received training services described in section 134(c)(4), during the most recent program year and fiscal year, and the preceding 5 program years, disaggregated (for individuals who received work ready services) by the type of entity that provided the work ready services and disaggregated (for individuals who received training services) by the type of entity that provided the training services; and the amount of funds spent on each of the 2 types of services during the most recent program year and fiscal year, and the preceding 5 fiscal years;

“(ii) the number of individuals who successfully exited out of work ready services described in section 134(c)(2) and the number of individuals who exited out of training services described in section 134(c)(4), during the most recent program year and fiscal year, and the preceding 5 program years, disaggregated (for individuals who received work ready services) by the type of entity that provided the work ready services and disaggregated (for individuals who received training services) by the type of entity that provided the training services; and

“(iii) the average cost per participant of those individuals who received work ready services described in section 134(c)(2) and the average cost per participant of those individuals who received training services described in section 134(c)(4), during the most recent program year and fiscal year, and the preceding 5 program years, disaggregated (for individuals who received work ready services) by the type of entity that provided the work ready services and disaggregated (for individuals who received training services) by the type of entity that provided the training services; and

“(D) the amount of funds spent on training services and discretionary activities described in section 134(d), disaggregated by the populations identified under section 112(b)(16)(A)(iv) and section 118(b)(10).”;

(C) in paragraph (3)(A), by striking “through publication” and inserting “through electronic means”;

(D) by adding at the end the following:

“(4) DATA VALIDATION.—In preparing the reports described in this subsection, each State shall establish procedures, consistent with guidelines issued by the Secretary, to ensure the information contained in the reports is valid and reliable.

“(5) STATE AND LOCAL POLICIES.—

“(A) STATE POLICIES.—Each State that receives an allotment under section 132 shall maintain a central repository of policies related to access, eligibility, availability of services, and other matters, and plans approved by the State board and make such repository available to the public, including by electronic means.

“(B) LOCAL POLICIES.—Each local area that receives an allotment under section 133 shall maintain a central repository of policies related to access, eligibility, availability of services, and other matters, and plans approved by the local board and make such repository available to the public, including by electronic means.”;

(4) in subsection (g)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking “or (B)”;

(ii) in subparagraph (B), by striking “may reduce by not more than 5 percent,” and inserting “shall reduce”;

(B) by striking paragraph (2) and inserting the following:

“(2) FUNDS RESULTING FROM REDUCED ALLOTMENTS.—The Secretary shall return to the Treasury the amount retained, as a result of a reduction in an allotment to a State made under paragraph (1)(B).”;

(5) in subsection (h)—

(A) in paragraph (1), by striking “or (B)”;

(B) in paragraph (2)—

(i) in subparagraph (A), by amending the matter preceding clause (i) to read as follows:

“(A) IN GENERAL.—If such failure continues for a second consecutive year, the Governor shall take corrective actions, including the development of a reorganization plan. Such plan shall—”;

(ii) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;

(iii) by inserting after subparagraph (A), the following:

“(B) REDUCTION IN THE AMOUNT OF GRANT.—If such failure continues for a third consecutive year, the Governor shall reduce the amount of the grant that would (in the absence of this subparagraph) be payable to the local area under such program for the program year after such third consecutive year. Such penalty shall be based on the degree of failure to meet local levels of performance.”;

(iv) in subparagraph (C)(i) (as so redesignated), by striking “a reorganization plan under subparagraph (A) may, not later than 30 days after receiving notice of the reorganization plan, appeal to the Governor to rescind or revise such plan” and inserting “corrective action under subparagraph (A) or (B) may, not later than 30 days after receiving notice of the action, appeal to the Governor to rescind or revise such action”;

(v) in subparagraph (D) (as so redesignated), by striking “subparagraph (B)” each place it appears and inserting “subparagraph (C)”;

(6) in subsection (i)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking “subsection (b)(2)(C)” and inserting “subsection (b)(2)(B)”;

(ii) in subparagraph (C), by striking “(b)(3)(A)(vi)” and inserting “(b)(3)(A)(v)”;

(B) in paragraph (2), by striking “the activities described in section 502 concerning”;

and

(C) in paragraph (3), by striking “described in paragraph (1) and in the activities described in section 502” and inserting “and activities described in this subsection”;

(7) by adding at the end the following new subsections:

“(j) USE OF CORE INDICATORS FOR OTHER PROGRAMS.—Consistent with the requirements of the applicable authorizing laws, the Secretary shall use the core indicators of performance described in subsection (b)(2)(A) to assess the effectiveness of the programs described in section 121(b)(1)(B) (in addition to the programs carried out under chapter 5) that are carried out by the Secretary.

“(k) ESTABLISHING PAY-FOR-PERFORMANCE INCENTIVES.—

“(1) IN GENERAL.—At the discretion of the Governor of a State, a State may establish an incentive system for local boards to implement pay-for-performance contract strategies for the delivery of employment and training activities in the local areas served by the local boards.

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

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

SEC. 424. AUTHORIZATION OF APPROPRIATIONS.

Section 137 (29 U.S.C. 2872) is amended to read as follows:

“SEC. 137. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to carry out the activities described in section 132, \$5,945,639,000 for fiscal year 2015 and each of the 6 succeeding fiscal years.”.

CHAPTER 3—JOB CORPS

SEC. 426. JOB CORPS PURPOSES.

Paragraph (1) of section 141 (29 U.S.C. 2881(1)) is amended to read as follows:

“(1) to maintain a national Job Corps program for at-risk youth, carried out in partnership with States and communities, to assist eligible youth to connect to the workforce by providing them with intensive academic, career and technical education, and service-learning opportunities, in residential and nonresidential centers, in order for such youth to obtain regular secondary school diplomas and recognized postsecondary credentials leading to successful careers in in-demand industries that will result in opportunities for advancement;”.

SEC. 427. JOB CORPS DEFINITIONS.

Section 142 (29 U.S.C. 2882) is amended—

(1) in paragraph (2)—
(A) in the paragraph heading, by striking “APPLICABLE ONE-STOP” and inserting “ONE-STOP”;
(B) by striking “applicable”;
(C) by striking “customer service”; and
(D) by striking “intake” and inserting “assessment”;

(2) in paragraph (4), by striking “before completing the requirements” and all that follows and inserting “prior to becoming a graduate.”; and

(3) in paragraph (5), by striking “has completed the requirements” and all that follows and inserting the following: “who, as a result of participation in the Job Corps program, has received a regular secondary school diploma, completed the requirements of a career and technical education and training program, or received, or is making satisfactory progress (as defined under section 484(c) of the Higher Education Act of 1965 (20 U.S.C. 1091(c)) toward receiving, a recognized postsecondary credential (including an industry-recognized credential) that prepares individuals for employment leading to economic self-sufficiency.”.

SEC. 428. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.

Section 144 (29 U.S.C. 2884) is amended—

(1) by amending paragraph (1) to read as follows:

“(1) not less than age 16 and not more than age 24 on the date of enrollment;”;

(2) in paragraph (3)(B), by inserting “secondary” before “school”; and

(3) in paragraph (3)(E), by striking “vocational” and inserting “career and technical education and”.

SEC. 429. RECRUITMENT, SCREENING, SELECTION, AND ASSIGNMENT OF ENROLLEES.

Section 145 (29 U.S.C. 2885) is amended—

(1) in subsection (a)—

(A) in paragraph (2)(C)(i) by striking “vocational” and inserting “career and technical education and training”; and

(B) in paragraph (3)—

(i) by striking “To the extent practicable, the” and inserting “The”; and

(ii) in subparagraph (A)—

(I) by striking “applicable”; and

(II) by inserting “and” after the semicolon;

(iii) by striking subparagraphs (B) and (C); and

(iv) by adding at the end the following:

“(B) organizations that have a demonstrated record of effectiveness in placing at-risk youth into employment.”;

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (B), by inserting “and agrees to such rules” after “failure to observe the rules”; and

(ii) by amending subparagraph (C) to read as follows:

“(C) the individual has passed a background check conducted in accordance with procedures established by the Secretary, which shall include—

“(i) a search of the State criminal registry or repository in the State where the individual resides and each State where the individual previously resided;

“(ii) a search of State-based child abuse and neglect registries and databases in the State where the individual resides and each State where the individual previously resided;

“(iii) a search of the National Crime Information Center;

“(iv) a Federal Bureau of Investigation fingerprint check using the Integrated Automated Fingerprint Identification System; and

“(v) a search of the National Sex Offender Registry established under the Adam Walsh Child Protection and Safety Act of 2006 (42 U.S.C. 16901 et seq.).”;

(B) by adding at the end the following new paragraph:

“(3) INDIVIDUALS CONVICTED OF A CRIME.—An individual shall be ineligible for enrollment if the individual—

“(A) makes a false statement in connection with the criminal background check described in paragraph (1)(C);

“(B) is registered or is required to be registered on a State sex offender registry or the National Sex Offender Registry established under the Adam Walsh Child Protection and Safety Act of 2006 (42 U.S.C. 16901 et seq.); or

“(C) has been convicted of a felony consisting of—

“(i) homicide;

“(ii) child abuse or neglect;

“(iii) a crime against children, including child pornography;

“(iv) a crime involving rape or sexual assault; or

“(v) physical assault, battery, or a drug-related offense, committed within the past 5 years.”;

(3) in subsection (c)—

(A) in paragraph (1)—

(i) by striking “2 years” and inserting “year”; and

(ii) by striking “an assignment” and inserting “a”; and

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking “, every 2 years.”;

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

(iii) in subparagraph (C)—

(I) by inserting “the education and training” after “including”; and

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

(iv) by adding at the end the following:

“(D) the performance of the Job Corps center relating to the indicators described in paragraphs (1) and (2) in section 159(c), and whether any actions have been taken with respect to such center pursuant to section 159(f).”; and

(4) in subsection (d)—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by striking “is closest to the home of the enrollee, except that the” and inserting “offers the type of career and technical education and training selected by the individual and, among the centers that offer such education and training, is closest to the home of the individual. The”; and

(ii) by striking subparagraph (A); and

(iii) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(B) in paragraph (2), by inserting “that offers the career and technical education and training desired by” after “home of the enrollee”.

SEC. 430. JOB CORPS CENTERS.

Section 147 (29 U.S.C. 2887) is amended—

(1) in subsection (a)—

(A) in paragraph (1)(A), by striking “vocational” both places it appears and inserting “career and technical”; and

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) by striking “subsections (c) and (d) of section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253)” and inserting “subsections (a) and (b) of section 3304 of title 41, United States Code”; and

(II) by striking “industry council” and inserting “workforce council”; and

(ii) in subparagraph (B)(i)—

(I) by amending subclause (II) to read as follows:

“(II) the ability of the entity to offer career and technical education and training that the workforce council proposes under section 154(c);”;

(II) in subclause (III), by striking “is familiar with the surrounding communities, applicable” and inserting “demonstrates relationships with the surrounding communities, employers, workforce boards,” and by striking “and” at the end;

(III) by amending subclause (IV) to read as follows:

“(IV) the performance of the entity, if any, relating to operating or providing activities described in this subtitle to a Job Corps center, including the entity’s demonstrated effectiveness in assisting individuals in achieving the primary and secondary indicators of performance described in paragraphs (1) and (2) of section 159(c); and”;

(IV) by adding at the end the following new subclause:

“(V) the ability of the entity to demonstrate a record of successfully assisting at-risk youth to connect to the workforce, including by providing them with intensive academic, and career and technical education and training.”;

(iii) in subparagraph (B)(ii)—

(I) by striking “, as appropriate”; and

(II) by striking “through (IV)” and inserting “through (V)”;

(2) in subsection (b), by striking “In any year, no more than 20 percent of the individuals enrolled in the Job Corps may be non-residential participants in the Job Corps.”;

(3) by amending subsection (c) to read as follows:

“(c) CIVILIAN CONSERVATION CENTERS.—

“(1) IN GENERAL.—The Job Corps centers may include Civilian Conservation Centers, operated under an agreement between the Secretary of Labor and the Secretary of Agriculture, that are located primarily in rural areas. Such centers shall adhere to all the provisions of this subtitle, and shall provide, in addition to education, career and technical education and training, and workforce preparation skills training described in section 148, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

“(2) SELECTION PROCESS.—The Secretary shall select an entity that submits an application under subsection (d) to operate a Civilian Conservation Center on a competitive basis, as provided in subsection (a).”; and

(4) by striking subsection (d) and inserting the following:

“(d) APPLICATION.—To be eligible to operate a Job Corps center under this subtitle, an entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

“(1) a description of the program activities that will be offered at the center, including how the career and technical education and training reflect State and local employment opportunities, including in in-demand industries;

“(2) a description of the counseling, placement, and support activities that will be offered at the center, including a description of the strategies and procedures the entity will use to place graduates into unsubsidized employment upon completion of the program;

“(3) a description of the demonstrated record of effectiveness that the entity has in placing at-risk youth into employment, including past performance of operating a Job Corps center under this subtitle;

“(4) a description of the relationships that the entity has developed with State and local workforce boards, employers, State and local educational agencies, and the surrounding communities in an effort to promote a comprehensive statewide workforce investment system;

“(5) a description of the strong fiscal controls the entity has in place to ensure proper accounting of Federal funds, and a description of how the entity will meet the requirements of section 159(a);

“(6) a description of the strategies and policies the entity will utilize to reduce participant costs;

“(7) a description of the steps taken to control costs in accordance with section 159(a)(3);

“(8) a detailed budget of the activities that will be supported using funds under this subtitle;

“(9) a detailed budget of the activities that will be supported using funds from non-Federal resources;

“(10) an assurance the entity will comply with the administrative cost limitation included in section 151(c);

“(11) an assurance the entity is licensed to operate in the State in which the center is located; and

“(12) an assurance the entity will comply with and meet basic health and safety codes, including those measures described in section 152(b).

“(e) LENGTH OF AGREEMENT.—The agreement described in subsection (a)(1)(A) shall be for not longer than a 2-year period. The Secretary may renew the agreement for 3 1-year periods if the entity meets the requirements of subsection (f).

“(f) RENEWAL.—

“(1) IN GENERAL.—Subject to paragraph (2), the Secretary may renew the terms of an agreement described in subsection (a)(1)(A) for an entity to operate a Job Corps center if the center meets or exceeds each of the indicators of performance described in section 159(c)(1).

“(2) RECOMPETITION.—

“(A) IN GENERAL.—Notwithstanding paragraph (1), the Secretary shall not renew the terms of the agreement for an entity to operate a Job Corps center if such center is ranked in the bottom quintile of centers described in section 159(f)(2) for any program year. Such entity may submit a new application under subsection (d) only if such center has shown significant improvement on the indicators of performance described in section 159(c)(1) over the last program year.

“(B) VIOLATIONS.—The Secretary shall not select an entity to operate a Job Corps center if such entity or such center has been found to have a systemic or substantial material failure that involves—

“(i) a threat to the health, safety, or civil rights of program participants or staff;

“(ii) the misuse of funds received under this subtitle;

“(iii) loss of legal status or financial viability, loss of permits, debarment from receiving Federal grants or contracts, or the improper use of Federal funds;

“(iv) failure to meet any other Federal or State requirement that the entity has shown an unwillingness or inability to correct, after notice from the Secretary, within the period specified; or

“(v) an unresolved area of noncompliance.

“(g) CURRENT GRANTEEES.—Not later than 60 days after the date of enactment of the SKILLS Act and notwithstanding any previous grant award or renewals of such award under this subtitle, the Secretary shall require all entities operating a Job Corps center under this subtitle to submit an application under subsection (d) to carry out the requirements of this section.”.

SEC. 431. PROGRAM ACTIVITIES.

Section 148 (29 U.S.C. 2888) is amended—

(1) by amending subsection (a) to read as follows:

“(a) ACTIVITIES PROVIDED THROUGH JOB CORPS CENTERS.—

“(1) IN GENERAL.—Each Job Corps center shall provide enrollees with an intensive, well-organized, and supervised program of education, career and technical education and training, work experience, recreational activities, physical rehabilitation and development, and counseling. Each Job Corps center shall provide enrollees assigned to the center with access to work ready services described in section 134(c)(2).

“(2) RELATIONSHIP TO OPPORTUNITIES.—

“(A) IN GENERAL.—The activities provided under this subsection shall be targeted to helping enrollees, on completion of their enrollment—

“(i) secure and maintain meaningful unsubsidized employment;

“(ii) complete secondary education and obtain a regular secondary school diploma;

“(iii) enroll in and complete postsecondary education or training programs, including obtaining recognized postsecondary credentials (such as industry-recognized credentials and certificates from registered apprenticeship programs); or

“(iv) satisfy Armed Forces requirements.

“(B) LINK TO EMPLOYMENT OPPORTUNITIES.—The career and technical education and training provided shall be linked to the employment opportunities in in-demand industries in the State in which the Job Corps center is located.”;

(2) in subsection (b)—

(A) in the subsection heading, by striking “EDUCATION AND VOCATIONAL” and inserting “ACADEMIC AND CAREER AND TECHNICAL EDUCATION AND”;;

(B) by striking “may” after “The Secretary” and inserting “shall”; and

(C) by striking “vocational” each place it appears and inserting “career and technical”; and

(3) by amending paragraph (3) of subsection (c) to read as follows:

“(3) DEMONSTRATION.—Each year, any operator seeking to enroll additional enrollees in an advanced career training program shall demonstrate, before the operator may carry out such additional enrollment, that—

“(A) participants in such program have achieved a satisfactory rate of completion and placement in training-related jobs; and

“(B) such operator has met or exceeded the indicators of performance described in paragraphs (1) and (2) of section 159(c) for the previous year.”.

SEC. 432. COUNSELING AND JOB PLACEMENT.

Section 149 (29 U.S.C. 2889) is amended—

(1) in subsection (a), by striking “vocational” and inserting “career and technical education and”;;

(2) in subsection (b)—

(A) by striking “make every effort to arrange to”; and

(B) by striking “to assist” and inserting “assist”; and

(3) by striking subsection (d).

SEC. 433. SUPPORT.

Subsection (b) of section 150 (29 U.S.C. 2890) is amended to read as follows:

“(b) TRANSITION ALLOWANCES AND SUPPORT FOR GRADUATES.—The Secretary shall arrange for a transition allowance to be paid to graduates. The transition allowance shall be incentive-based to reflect a graduate's completion of academic, career and technical education or training, and attainment of a recognized postsecondary credential, including an industry-recognized credential.”.

SEC. 434. OPERATIONS.

Section 151 (29 U.S.C. 2891) is amended—

(1) in the header, by striking “OPERATING PLAN.” and inserting “OPERATIONS.”;

(2) in subsection (a), by striking “IN GENERAL.—” and inserting “OPERATING PLAN.—”;

(3) by striking subsection (b) and redesignating subsection (c) as subsection (b);

(4) by amending subsection (b) (as so redesignated)—

(A) in the heading by inserting “OF OPERATING PLAN” after “AVAILABILITY”; and

(B) by striking “subsections (a) and (b)” and inserting “subsection (a)”; and

(5) by adding at the end the following new subsection:

“(c) ADMINISTRATIVE COSTS.—Not more than 10 percent of the funds allotted under section 147 to an entity selected to operate a Job Corps center may be used by the entity for administrative costs under this subtitle.”.

SEC. 435. COMMUNITY PARTICIPATION.

Section 153 (29 U.S.C. 2893) is amended to read as follows:

“SEC. 153. COMMUNITY PARTICIPATION.

“The director of each Job Corps center shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers in the State and nearby communities. Such activities may include the use of any local workforce development boards established under section 117 to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.”.

SEC. 436. WORKFORCE COUNCILS.

Section 154 (29 U.S.C. 2894) is amended to read as follows:

“SEC. 154. WORKFORCE COUNCILS.

“(a) IN GENERAL.—Each Job Corps center shall have a workforce council appointed by

the Governor of the State in which the Job Corps center is located.

“(b) WORKFORCE COUNCIL COMPOSITION.—

“(1) IN GENERAL.—A workforce council shall be comprised of—

“(A) business members of the State board described in section 111(b)(1)(B)(i);

“(B) business members of the local boards described in section 117(b)(2)(A) located in the State;

“(C) a representative of the State board described in section 111(f); and

“(D) such other representatives and State agency officials as the Governor may designate.

“(2) MAJORITY.—A $\frac{2}{3}$ majority of the members of the workforce council shall be representatives described in paragraph (1)(A).

“(c) RESPONSIBILITIES.—The responsibilities of the workforce council shall be—

“(1) to review all the relevant labor market information, including related information in the State plan described in section 112, to—

“(A) determine the in-demand industries in the State in which enrollees intend to seek employment after graduation;

“(B) determine the skills and education that are necessary to obtain the employment opportunities described in subparagraph (A); and

“(C) determine the type or types of career and technical education and training that will be implemented at the center to enable the enrollees to obtain the employment opportunities; and

“(2) to meet at least once a year to re-evaluate the labor market information, and other relevant information, to determine any necessary changes in the career and technical education and training provided at the center.”.

SEC. 437. TECHNICAL ASSISTANCE.

Section 156 (29 U.S.C. 2896) is amended to read as follows:

“SEC. 156. TECHNICAL ASSISTANCE TO CENTERS.

“(a) IN GENERAL.—From the funds reserved under section 132(a)(3), the Secretary shall provide, directly or through grants, contracts, or other agreements or arrangements as the Secretary considers appropriate, technical assistance and training for the Job Corps program for the purposes of improving program quality.

“(b) ACTIVITIES.—In providing training and technical assistance and for allocating resources for such assistance, the Secretary shall—

“(1) assist entities, including those entities not currently operating a Job Corps center, in developing the application described in section 147(d);

“(2) assist Job Corps centers and programs in correcting deficiencies and violations under this subtitle;

“(3) assist Job Corps centers and programs in meeting or exceeding the indicators of performance described in paragraphs (1) and (2) of section 159(c); and

“(4) assist Job Corps centers and programs in the development of sound management practices, including financial management procedures.”.

SEC. 438. SPECIAL PROVISIONS.

Section 158(c)(1) (29 U.S.C. 2989(c)(1)) is amended by striking “title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.)” and inserting “chapter 5 of title 40, United States Code.”.

SEC. 439. PERFORMANCE ACCOUNTABILITY MANAGEMENT.

Section 159 (29 U.S.C. 2899) is amended—

(1) in the section heading, by striking “MANAGEMENT INFORMATION” and inserting “PERFORMANCE ACCOUNTABILITY AND MANAGEMENT”;

(2) in subsection (a)(3), by inserting before the period at the end the following: “, or op-

erating costs for such centers result in a budgetary shortfall”;

(3) by striking subsections (c) through (g); and

(4) by inserting after subsection (b) the following:

“(c) INDICATORS OF PERFORMANCE.—

“(1) PRIMARY INDICATORS.—The annual primary indicators of performance for Job Corps centers shall include—

“(A) the percentage and number of enrollees who graduate from the Job Corps center;

“(B) the percentage and number of graduates who entered unsubsidized employment related to the career and technical education and training received through the Job Corps center, except that such calculation shall not include enrollment in education, the military, or volunteer service;

“(C) the percentage and number of graduates who obtained a recognized postsecondary credential, including an industry-recognized credential or a certificate from a registered apprenticeship program; and

“(D) the cost per successful performance outcome, which is calculated by comparing the number of graduates who were placed in unsubsidized employment or obtained a recognized postsecondary credential, including an industry-recognized credential, to total program costs, including all operations, construction, and administration costs at each Job Corps center.

“(2) SECONDARY INDICATORS.—The annual secondary indicators of performance for Job Corps centers shall include—

“(A) the percentage and number of graduates who entered unsubsidized employment not related to the career and technical education and training received through the Job Corps center;

“(B) the percentage and number of graduates who entered into postsecondary education;

“(C) the percentage and number of graduates who entered into the military;

“(D) the average wage of graduates who are in unsubsidized employment—

“(i) on the first day of employment; and

“(ii) 6 months after the first day;

“(E) the number and percentage of graduates who entered unsubsidized employment and were retained in the unsubsidized employment—

“(i) 6 months after the first day of employment; and

“(ii) 12 months after the first day of employment;

“(F) the percentage and number of enrollees compared to the percentage and number of enrollees the Secretary has established as targets in section 145(c)(1);

“(G) the cost per training slot, which is calculated by comparing the program's maximum number of enrollees that can be enrolled in a Job Corps center at any given time during the program year to the number of enrollees in the same program year; and

“(H) the number and percentage of former enrollees, including the number dismissed under the zero tolerance policy described in section 152(b).

“(3) INDICATORS OF PERFORMANCE FOR RECRUITERS.—The annual indicators of performance for recruiters shall include the measurements described in subparagraph (A) of paragraph (1) and subparagraphs (F), (G), and (H) of paragraph (2).

“(4) INDICATORS OF PERFORMANCE OF CAREER TRANSITION SERVICE PROVIDERS.—The annual indicators of performance of career transition service providers shall include the measurements described in subparagraphs (B) and (C) of paragraph (1) and subparagraphs (B), (C), (D), and (E) of paragraph (2).

“(d) ADDITIONAL INFORMATION.—The Secretary shall collect, and submit in the report described in subsection (f), information on

the performance of each Job Corps center, and the Job Corps program, regarding—

“(1) the number and percentage of former enrollees who obtained a regular secondary school diploma;

“(2) the number and percentage of former enrollees who entered unsubsidized employment;

“(3) the number and percentage of former enrollees who obtained a recognized postsecondary credential, including an industry-recognized credential;

“(4) the number and percentage of former enrollees who entered into military service; and

“(5) any additional information required by the Secretary.

“(e) METHODS.—The Secretary shall collect the information described in subsections (c) and (d), using methods described in section 136(f)(2) and consistent with State law, by entering into agreements with the States to access such data for Job Corps enrollees, former enrollees, and graduates.

“(f) TRANSPARENCY AND ACCOUNTABILITY.—

“(1) REPORT.—The Secretary shall collect and annually submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor and Pensions of the Senate, and make available to the public by electronic means, a report containing—

“(A) information on the performance of each Job Corps center, and the Job Corps program, on the performance indicators described in paragraphs (1) and (2) of subsection (c);

“(B) a comparison of each Job Corps center, by rank, on the performance indicators described in paragraphs (1) and (2) of subsection (c);

“(C) a comparison of each Job Corps center, by rank, on the average performance of all primary indicators described in paragraph (1) of subsection (c);

“(D) information on the performance of the service providers described in paragraphs (3) and (4) of subsection (c) on the performance indicators established under such paragraphs; and

“(E) a comparison of each service provider, by rank, on the performance of all service providers described in paragraphs (3) and (4) of subsection (c) on the performance indicators established under such paragraphs.

“(2) ASSESSMENT.—The Secretary shall conduct an annual assessment of the performance of each Job Corps center which shall include information on the Job Corps centers that—

“(A) are ranked in the bottom 10 percent on the performance indicator described in paragraph (1)(C); or

“(B) have failed a safety and health code review described in subsection (g).

“(3) PERFORMANCE IMPROVEMENT.—With respect to a Job Corps center that is identified under paragraph (2) or reports less than 50 percent on the performance indicators described in subparagraph (A), (B), or (C) of subsection (c)(1), the Secretary shall develop and implement a 1 year performance improvement plan. Such a plan shall require action including—

“(A) providing technical assistance to the center;

“(B) changing the management staff of the center;

“(C) replacing the operator of the center;

“(D) reducing the capacity of the center; or

“(E) closing the center.

“(4) CLOSURE OF JOB CORPS CENTERS.—Job Corps centers that have been identified under paragraph (2) for more than 4 consecutive years shall be closed. The Secretary shall ensure—

“(A) that the proposed decision to close the center is announced in advance to the

general public through publication in the Federal Register and other appropriate means; and

“(B) the establishment of a reasonable comment period, not to exceed 30 days, for interested individuals to submit written comments to the Secretary.

“(g) PARTICIPANT HEALTH AND SAFETY.—The Secretary shall enter into an agreement with the General Services Administration or the appropriate State agency responsible for inspecting public buildings and safeguarding the health of disadvantaged students, to conduct an in-person review of the physical condition and health-related activities of each Job Corps center annually. Such review shall include a passing rate of occupancy under Federal and State ordinances.”

CHAPTER 4—NATIONAL PROGRAMS

SEC. 441. TECHNICAL ASSISTANCE.

Section 170 (29 U.S.C. 2915) is amended—

(1) by striking subsection (b);

(2) by striking:

“(a) GENERAL TECHNICAL ASSISTANCE.—”;

(3) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c) respectively, and moving such subsections 2 ems to the left, and conforming the casing style of the headings of such subsections to the casing style of the heading of subsection (d), as added by paragraph (7) of this section;

(4) in subsection (a) (as so redesignated)—

(A) by inserting “the training of staff providing rapid response services and additional assistance, the training of other staff of recipients of funds under this title, assistance regarding accounting and program operation practices (when such assistance would not be duplicative to assistance provided by the State), technical assistance to States that do not meet State performance measures described in section 136,” after “localities,”; and

(B) by striking “from carrying out activities” and all that follows up to the period and inserting “to implement the amendments made by the SKILLS Act”;

(5) in subsection (b) (as so redesignated)—

(A) by striking “paragraph (1)” and inserting “subsection (a)”;

(B) by striking “, or recipient of financial assistance under any of sections 166 through 169,”; and

(C) by striking “or grant recipient”;

(6) in subsection (c) (as so redesignated), by striking “paragraph (1)” and inserting “subsection (a)”;

(7) by inserting, after subsection (c) (as so redesignated), the following:

“(d) BEST PRACTICES COORDINATION.—The Secretary shall—

“(1) establish a system through which States may share information regarding best practices with regard to the operation of workforce investment activities under this Act; and

“(2) evaluate and disseminate information regarding best practices and identify knowledge gaps.”

SEC. 442. EVALUATIONS.

Section 172 (29 U.S.C. 2917) is amended—

(1) in subsection (a), by striking “the Secretary shall provide for the continuing evaluation of the programs and activities, including those programs and activities carried out under section 171” and inserting “the Secretary, through grants, contracts, or cooperative agreements, shall conduct, at least once every 5 years, an independent evaluation of the programs and activities funded under this Act”;

(2) by amending subsection (a)(4) to read as follows:

“(4) the impact of receiving services and not receiving services under such programs and activities on the community, businesses, and individuals;”;

(3) by amending subsection (c) to read as follows:

“(c) TECHNIQUES.—Evaluations conducted under this section shall utilize appropriate and rigorous methodology and research designs, including the use of control groups chosen by scientific random assignment methodologies, quasi-experimental methods, impact analysis and the use of administrative data. The Secretary shall conduct an impact analysis, as described in subsection (a)(4), of the formula grant program under subtitle B not later than 2016, and thereafter shall conduct such an analysis not less than once every 4 years.”;

(4) in subsection (e), by striking “the Committee on Labor and Human Resources of the Senate” and inserting “the Committee on Health, Education, Labor, and Pensions of the Senate”;

(5) by redesignating subsection (f) as subsection (g) and inserting after subsection (e) the following:

“(f) REDUCTION OF AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR LATE REPORTING.—If a report required to be transmitted to Congress under this section is not transmitted on or before the time period specified for that report, amounts authorized to be appropriated under this title shall be reduced by 10 percent for the fiscal year that begins after the date on which the final report required under this section is required to be transmitted and reduced by an additional 10 percent each subsequent fiscal year until each such report is transmitted to Congress.”; and

(6) by adding at the end, the following:

“(h) PUBLIC AVAILABILITY.—The results of the evaluations conducted under this section shall be made publicly available, including by posting such results on the Department’s website.”

CHAPTER 5—ADMINISTRATION

SEC. 446. REQUIREMENTS AND RESTRICTIONS.

Section 181 (29 U.S.C. 2931) is amended—

(1) in subsection (b)(6), by striking “, including representatives of businesses and of labor organizations,”;

(2) in subsection (c)(2)(A), in the matter preceding clause (i), by striking “shall” and inserting “may”;

(3) in subsection (e)—

(A) by striking “training for” and inserting “the entry into employment, retention in employment, or increases in earnings of”;

(B) by striking “subtitle B” and inserting “this Act”;

(4) in subsection (f)(4), by striking “134(a)(3)(B)” and inserting “133(a)(4)”;

(5) by adding at the end the following:

“(g) SALARY AND BONUS LIMITATION.—

“(1) IN GENERAL.—No funds provided under this title shall be used by a recipient or subrecipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of the rate prescribed in level II of the Executive Schedule under section 5315 of title 5, United States Code.

“(2) VENDORS.—The limitation described in paragraph (1) shall not apply to vendors providing goods and services as defined in OMB Circular A–133.

“(3) LOWER LIMIT.—In a case in which a State is a recipient of such funds, the State may establish a lower limit than is provided in paragraph (1) for salaries and bonuses of those receiving salaries and bonuses from a subrecipient of such funds, taking into account factors including the relative cost of living in the State, the compensation levels for comparable State or local government employees, and the size of the organizations that administer the Federal programs involved.

“(h) GENERAL AUTHORITY.—

“(1) IN GENERAL.—The Employment and Training Administration of the Department of Labor (referred to in this Act as the ‘Administration’) shall administer all programs authorized under title I and the Wagner-Peyser Act (29 U.S.C. 49 et seq.). The Administration shall be headed by an Assistant Secretary appointed by the President by and with the advice and consent of the Senate. Except for title II and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), the Administration shall be the principal agency, and the Assistant Secretary shall be the principal officer, of such Department for carrying out this Act.

“(2) QUALIFICATIONS.—The Assistant Secretary shall be an individual with substantial experience in workforce development and in workforce development management. The Assistant Secretary shall also, to the maximum extent possible, possess knowledge and have worked in or with the State or local workforce investment system or have been a member of the business community.

“(3) FUNCTIONS.—In the performance of the functions of the office, the Assistant Secretary shall be directly responsible to the Secretary or the Deputy Secretary of Labor, as determined by the Secretary. The functions of the Assistant Secretary shall not be delegated to any officer not directly responsible, both with respect to program operation and administration, to the Assistant Secretary. Any reference in this Act to duties to be carried out by the Assistant Secretary shall be considered to be a reference to duties to be carried out by the Secretary acting through the Assistant Secretary.”

SEC. 447. PROMPT ALLOCATION OF FUNDS.

Section 182 (29 U.S.C. 2932) is amended—

(1) in subsection (c)—

(A) by striking “127 or”;

(B) by striking “, except that” and all that follows and inserting a period; and

(2) in subsection (e)—

(A) by striking “sections 128 and 133” and inserting “section 133”; and

(B) by striking “127 or”.

SEC. 448. FISCAL CONTROLS; SANCTIONS.

Section 184(a)(2) (29 U.S.C. 2934(a)(2)) is amended—

(1) by striking “(A)” and all that follows through “Each” and inserting “Each”; and

(2) by striking subparagraph (B).

SEC. 449. REPORTS TO CONGRESS.

Section 185 (29 U.S.C. 2935) is amended—

(1) in subsection (c)—

(A) in paragraph (2), by striking “and” after the semicolon;

(B) in paragraph (3), by striking the period and inserting “; and”; and

(C) by adding at the end the following:

“(4) shall have the option to submit or disseminate electronically any reports, records, plans, or other data that are required to be collected or disseminated under this title.”; and

(2) in subsection (e)(2), by inserting “and the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate,” after “Secretary.”

SEC. 450. ADMINISTRATIVE PROVISIONS.

Section 189 (29 U.S.C. 2939) is amended—

(1) in subsection (g)—

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

“(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities carried out under this title shall be available for obligation only on the basis of a program year. The program year shall begin on October 1 in the fiscal year for which the appropriation is made.”; and

(B) in paragraph (2)—

(i) in the first sentence, by striking “each State” and inserting “each recipient (except

as otherwise provided in this paragraph)"; and

(i) in the second sentence, by striking "171 or";

(2) in subsection (i)—

(A) by striking paragraphs (2) and (3);

(B) by redesignating paragraph (4) as paragraph (2);

(C) by amending paragraph (2)(A), as so redesignated—

(i) in clause (i), by striking "and" and inserting a period at the end;

(ii) by striking "requirements of subparagraph (B)" and all that follows through "any of the statutory or regulatory requirements of subtitle B" and inserting "requirements of subparagraph (B) or (D), any of the statutory or regulatory requirements of subtitle B"; and

(iii) by striking clause (ii); and

(D) by adding at the end the following:

"(D) EXPEDITED PROCESS FOR EXTENDING APPROVED WAIVERS TO ADDITIONAL STATES.—The Secretary may establish an expedited procedure for the purpose of extending to additional States the waiver of statutory or regulatory requirements that have been approved for a State pursuant to a request under subparagraph (B), in lieu of requiring the additional States to meet the requirements of subparagraphs (B) and (C). Such procedure shall ensure that the extension of such a waiver to additional States is accompanied by appropriate conditions relating to the implementation of such waiver.

"(E) EXTERNAL CONDITIONS.—The Secretary shall not require or impose new or additional requirements, that are not specified under this Act, on a State in exchange for providing a waiver to the State or a local area in the State under this paragraph."

SEC. 451. STATE LEGISLATIVE AUTHORITY.

Section 191(a) (29 U.S.C. 2941(a)) is amended—

(1) by striking "consistent with the provisions of this title" and inserting "consistent with State law and the provisions of this title"; and

(2) by striking "consistent with the terms and conditions required under this title" and inserting "consistent with State law and the terms and conditions required under this title".

SEC. 452. GENERAL PROGRAM REQUIREMENTS.

Section 195 (29 U.S.C. 2945) is amended—

(1) in paragraph (7), by inserting at the end the following:

"(D) Funds received under a program by a public or private nonprofit entity that are not described in subparagraph (B), such as funds privately raised from philanthropic foundations, businesses, or other private entities, shall not be considered to be income under this title and shall not be subject to the requirements of this paragraph.";

(2) by striking paragraph (9);

(3) by redesignating paragraphs (10) through (13) as paragraphs (9) through (12), respectively; and

(4) by adding at the end the following new paragraphs:

"(13) Funds provided under this title shall not be used to establish or operate stand-alone fee-for-service enterprises that compete with private sector employment agencies within the meaning of section 701(c) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(c)), except that for purposes of this paragraph, such an enterprise does not include a one-stop center.

"(14) Any report required to be submitted to Congress, or to a Committee of Congress, under this title shall be submitted to both the chairmen and ranking minority members of the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate."

SEC. 453. FEDERAL AGENCY STAFF AND RESTRICTIONS ON POLITICAL AND LOBBYING ACTIVITIES.

Subtitle E of title I (29 U.S.C. 2931 et seq.) is amended by adding at the end the following new sections:

"SEC. 196. FEDERAL AGENCY STAFF.

"The Director of the Office of Management and Budget shall—

"(1) not later than 60 days after the date of the enactment of the SKILLS Act—

"(A) identify the number of Federal government employees who, on the day before the date of enactment of the SKILLS Act, worked on or administered each of the programs and activities that were authorized under this Act or were authorized under a provision listed in section ____71 of the SKILLS Act; and

"(B) identify the number of full-time equivalent employees who on the day before that date of enactment, worked on or administered each of the programs and activities described in subparagraph (A), on functions for which the authorizing provision has been repealed, or for which an amount has been consolidated (if such employee is in a duplicate position), on or after such date of enactment;

"(2) not later than 90 after such date of enactment, publish the information described in paragraph (1) on the Office of Management and Budget website; and

"(3) not later than 1 year after such date of enactment—

"(A) reduce the workforce of the Federal Government by the number of full-time equivalent employees identified under paragraph (1)(B); and

"(B) submit to Congress a report on how the Director carried out the requirements of subparagraph (A).

"SEC. 197. RESTRICTIONS ON LOBBYING AND POLITICAL ACTIVITIES.

"(a) LOBBYING RESTRICTIONS.—

"(1) PUBLICITY RESTRICTIONS.—

"(A) IN GENERAL.—Subject to subparagraph (B), no funds provided under this Act shall be used or proposed for use, for—

"(i) publicity or propaganda purposes; or

"(ii) the preparation, distribution, or use of any kit, pamphlet, booklet, publication, electronic communication, radio, television, or video presentation designed to support or defeat the enactment of legislation before the Congress or any State or local legislature or legislative body.

"(B) EXCEPTION.—Subparagraph (A) shall not apply to—

"(i) normal and recognized executive-legislative relationships;

"(ii) the preparation, distribution, or use of the materials described in subparagraph (A)(i) in presentation to the Congress or any State or local legislature or legislative body (except that this subparagraph does not apply with respect to such preparation, distribution, or use in presentation to the executive branch of any State or local government); or

"(iii) such preparation, distribution, or use of such materials, that are designed to support or defeat any proposed or pending regulation, administrative action, or order issued by the executive branch of any State or local government.

"(2) SALARY PAYMENT RESTRICTION.—No funds provided under this Act shall be used, or proposed for use, to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence the enactment or issuance of legislation, appropriations, regulations, administrative action, or an Executive order proposed or pending before the Congress or any State government, or a State or local legislature or legislative body, other than for normal and recognized

executive-legislative relationships or participation by an agency or officer of a State, local, or tribal government in policymaking and administrative processes within the executive branch of that government.

"(b) POLITICAL RESTRICTIONS.—

"(1) IN GENERAL.—No funds received by a participant of a program or activity under this Act shall be used for—

"(A) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office; or

"(B) any activity to provide voters with transportation to the polls or similar assistance in connection with any such election.

"(2) RESTRICTION ON VOTER REGISTRATION ACTIVITIES.—No funds under this Act shall be used to conduct voter registration activities.

"(3) DEFINITION.—For the purposes of this subsection, the term 'participant' includes any State, local area, or government, nonprofit, or for-profit entity receiving funds under this Act."

CHAPTER 6—STATE UNIFIED PLAN

SEC. 456. STATE UNIFIED PLAN.

Section 501 (20 U.S.C. 9271) is amended—

(1) by amending subsection (a) to read as follows:

"(a) GENERAL AUTHORITY.—The Secretary shall receive and approve State unified plans developed and submitted in accordance with this section.";

(2) by amending subsection (b) to read as follows:

"(b) STATE UNIFIED PLAN.—

"(1) IN GENERAL.—A State may develop and submit to the Secretary a State unified plan for 2 or more of the activities or programs set forth in paragraph (2). The State unified plan shall cover one or more of the activities or programs set forth in subparagraphs (A) and (B) of paragraph (2) and shall cover one or more of the activities or programs set forth in subparagraphs (C) through (N) of paragraph (2).

"(2) ACTIVITIES AND PROGRAMS.—For purposes of paragraph (1), the term 'activity or program' means any 1 of the following 14 activities or programs:

"(A) Activities and programs authorized under title I.

"(B) Activities and programs authorized under title II.

"(C) Programs authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 710 et seq.).

"(D) Secondary career and technical education programs authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.).

"(E) Postsecondary career and technical education programs authorized under the Carl D. Perkins Career and Technical Education Act of 2006.

"(F) Activities and programs authorized under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).

"(G) Programs and activities authorized under the Act of August 16, 1937 (commonly known as the 'National Apprenticeship Act'; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.).

"(H) Programs authorized under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.).

"(I) Programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(J) Programs authorized under State unemployment compensation laws (in accordance with applicable Federal law).

"(K) Work programs authorized under section 6(o) of the Food and Nutrition Act of 1977 (7 U.S.C. 2015(o)).

"(L) Activities and programs authorized under title I of the Housing and Community

Development Act of 1974 (42 U.S.C. 5301 et seq.).

“(M) Activities and programs authorized under the Public Works and Economic Development Act of 1965 (42 U.S.C. 3121 et seq.).

“(N) Activities authorized under chapter 41 of title 38, United States Code.”;

(3) by amending subsection (d) to read as follows:

“(d) APPROVAL.—

“(1) JURISDICTION.—In approving a State unified plan under this section, the Secretary shall—

“(A) submit the portion of the State unified plan covering an activity or program described in subsection (b)(2) to the head of the Federal agency who exercises administrative authority over the activity or program for the approval of such portion by such Federal agency head; or

“(B) coordinate approval of the portion of the State unified plan covering an activity or program described in subsection (b)(2) with the head of the Federal agency who exercises administrative authority over the activity or program.

“(2) TIMELINE.—A State unified plan shall be considered to be approved by the Secretary at the end of the 90-day period beginning on the day the Secretary receives the plan, unless the Secretary makes a written determination, during the 90-day period, that details how the plan is not consistent with the requirements of the Federal statute authorizing an activity or program described in subsection (b)(2) and covered under the plan or how the plan is not consistent with the requirements of subsection (c)(3).

“(3) SCOPE OF PORTION.—For purposes of paragraph (1), the portion of the State unified plan covering an activity or program shall be considered to include the plan described in subsection (c)(3) and any proposal described in subsection (e)(2), as that part and proposal relate to the activity or program.”; and

(4) by adding at the end the following:

“(e) ADDITIONAL EMPLOYMENT AND TRAINING FUNDS.—

“(1) PURPOSE.—It is the purpose of this subsection to reduce inefficiencies in the administration of federally funded State and local employment and training programs.

“(2) IN GENERAL.—In developing a State unified plan for the activities or programs described in subsection (b)(2), and subject to paragraph (4) and to the State plan approval process under subsection (d), a State may propose to consolidate the amount, in whole or part, provided for the activities or programs covered by the plan into the Workforce Investment Fund under section 132(b) to improve the administration of State and local employment and training programs.

“(3) REQUIREMENTS.—A State that has a State unified plan approved under subsection (d) with a proposal for consolidation under paragraph (2), and that is carrying out such consolidation, shall—

“(A) in providing an activity or program for which an amount is consolidated into the Workforce Investment Fund—

“(i) continue to meet the program requirements, limitations, and prohibitions of any Federal statute authorizing the activity or program; and

“(ii) meet the intent and purpose for the activity or program; and

“(B) continue to make reservations and allotments under subsections (a) and (b) of section 133.

“(4) EXCEPTIONS.—A State may not consolidate an amount under paragraph (2) that is allocated to the State under—

“(A) the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.); or

“(B) title I of the Rehabilitation Act of 1973 (29 U.S.C. 710 et seq.).”.

Subtitle B—Adult Education and Family Literacy Education

SEC. 461. AMENDMENT.

Title II (20 U.S.C. 9201 et seq.) is amended to read as follows:

“TITLE II—ADULT EDUCATION AND FAMILY LITERACY EDUCATION

“SEC. 201. SHORT TITLE.

“This title may be cited as the ‘Adult Education and Family Literacy Education Act’.

“SEC. 202. PURPOSE.

“It is the purpose of this title to provide instructional opportunities for adults seeking to improve their literacy skills, including their basic reading, writing, speaking, and mathematics skills, and support States and local communities in providing, on a voluntary basis, adult education and family literacy education programs, in order to—

“(1) increase the literacy of adults, including the basic reading, writing, speaking, and mathematics skills, to a level of proficiency necessary for adults to obtain employment and self-sufficiency and to successfully advance in the workforce;

“(2) assist adults in the completion of a secondary school education (or its equivalent) and the transition to a postsecondary educational institution;

“(3) assist adults who are parents to enable them to support the educational development of their children and make informed choices regarding their children’s education including, through instruction in basic reading, writing, speaking, and mathematics skills; and

“(4) assist adults who are not proficient in English in improving their reading, writing, speaking, listening, comprehension, and mathematics skills.

“SEC. 203. DEFINITIONS.

“In this title:

“(1) ADULT EDUCATION AND FAMILY LITERACY EDUCATION PROGRAMS.—The term ‘adult education and family literacy education programs’ means a sequence of academic instruction and educational services below the postsecondary level that increase an individual’s ability to read, write, and speak English and perform mathematical computations leading to a level of proficiency equivalent to at least a secondary school completion that is provided for individuals—

“(A) who are at least 16 years of age;

“(B) who are not enrolled or required to be enrolled in secondary school under State law; and

“(C) who—

“(i) lack sufficient mastery of basic reading, writing, speaking, and mathematics skills to enable the individuals to function effectively in society;

“(ii) do not have a secondary school diploma or its equivalent and have not achieved an equivalent level of education; or

“(iii) are English learners.

“(2) ELIGIBLE AGENCY.—The term ‘eligible agency’—

“(A) means the primary entity or agency in a State or an outlying area responsible for administering or supervising policy for adult education and family literacy education programs in the State or outlying area, respectively, consistent with the law of the State or outlying area, respectively; and

“(B) may be the State educational agency, the State agency responsible for administering workforce investment activities, or the State agency responsible for administering community or technical colleges.

“(3) ELIGIBLE PROVIDER.—The term ‘eligible provider’ means an organization of demonstrated effectiveness that is—

“(A) a local educational agency;

“(B) a community-based or faith-based organization;

“(C) a volunteer literacy organization;

“(D) an institution of higher education;

“(E) a public or private educational agency;

“(F) a library;

“(G) a public housing authority;

“(H) an institution that is not described in any of subparagraphs (A) through (G) and has the ability to provide adult education, basic skills, and family literacy education programs to adults and families; or

“(I) a consortium of the agencies, organizations, institutions, libraries, or authorities described in any of subparagraphs (A) through (H).

“(4) ENGLISH LANGUAGE ACQUISITION PROGRAM.—The term ‘English language acquisition program’ means a program of instruction—

“(A) designed to help English learners achieve competence in reading, writing, speaking, and comprehension of the English language; and

“(B) that may lead to—

“(i) attainment of a secondary school diploma or its recognized equivalent;

“(ii) transition to success in postsecondary education and training; and

“(iii) employment or career advancement.

“(5) FAMILY LITERACY EDUCATION PROGRAM.—The term ‘family literacy education program’ means an educational program that—

“(A) assists parents and students, on a voluntary basis, in achieving the purpose of this title as described in section 202; and

“(B) is of sufficient intensity in terms of hours and of sufficient quality to make sustainable changes in a family, is evidence-based, and, for the purpose of substantially increasing the ability of parents and children to read, write, and speak English, integrates—

“(i) interactive literacy activities between parents and their children;

“(ii) training for parents regarding how to be the primary teacher for their children and full partners in the education of their children;

“(iii) parent literacy training that leads to economic self-sufficiency; and

“(iv) an age-appropriate education to prepare children for success in school and life experiences.

“(6) GOVERNOR.—The term ‘Governor’ means the chief executive officer of a State or outlying area.

“(7) INDIVIDUAL WITH A DISABILITY.—

“(A) IN GENERAL.—The term ‘individual with a disability’ means an individual with any disability (as defined in section 3 of the Americans with Disabilities Act of 1990).

“(B) INDIVIDUALS WITH DISABILITIES.—The term ‘individuals with disabilities’ means more than one individual with a disability.

“(8) ENGLISH LEARNER.—The term ‘English learner’ means an adult or out-of-school youth who has limited ability in reading, writing, speaking, or understanding the English language, and—

“(A) whose native language is a language other than English; or

“(B) who lives in a family or community environment where a language other than English is the dominant language.

“(9) INTEGRATED EDUCATION AND TRAINING.—The term ‘integrated education and training’ means services that provide adult education and literacy activities contextually and concurrently with workforce preparation activities and workforce training for a specific occupation or occupational cluster. Such services may include offering adult education services concurrent with

postsecondary education and training, including through co-instruction.

“(10) INSTITUTION OF HIGHER EDUCATION.—The term ‘institution of higher education’ has the meaning given the term in section 101 of the Higher Education Act of 1965.

“(11) LITERACY.—The term ‘literacy’ means an individual’s ability to read, write, and speak in English, compute, and solve problems at a level of proficiency necessary to obtain employment and to successfully make the transition to postsecondary education.

“(12) LOCAL EDUCATIONAL AGENCY.—The term ‘local educational agency’ has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

“(13) OUTLYING AREA.—The term ‘outlying area’ has the meaning given the term in section 101 of this Act.

“(14) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term ‘postsecondary educational institution’ means—

“(A) an institution of higher education that provides not less than a 2-year program of instruction that is acceptable for credit toward a bachelor’s degree;

“(B) a tribally controlled community college; or

“(C) a nonprofit educational institution offering certificate or apprenticeship programs at the postsecondary level.

“(15) SECRETARY.—The term ‘Secretary’ means the Secretary of Education.

“(16) STATE.—The term ‘State’ means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

“(17) STATE EDUCATIONAL AGENCY.—The term ‘State educational agency’ has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

“(18) WORKPLACE LITERACY PROGRAM.—The term ‘workplace literacy program’ means an educational program that is offered in collaboration between eligible providers and employers or employee organizations for the purpose of improving the productivity of the workforce through the improvement of reading, writing, speaking, and mathematics skills.

“SEC. 204. HOME SCHOOLS.

“Nothing in this title shall be construed to affect home schools, whether or not a home school is treated as a home school or a private school under State law, or to compel a parent engaged in home schooling to participate in adult education and family literacy education activities under this title.

“SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to carry out this title, \$606,294,933 for fiscal year 2015 and for each of the 6 succeeding fiscal years.

“Subtitle A—Federal Provisions

“SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE AGENCIES; ALLOTMENTS.

“(a) RESERVATION OF FUNDS.—From the sums appropriated under section 205 for a fiscal year, the Secretary shall reserve 2.0 percent to carry out section 242.

“(b) GRANTS TO ELIGIBLE AGENCIES.—

“(1) IN GENERAL.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall award a grant to each eligible agency having a State plan approved under section 224 in an amount equal to the sum of the initial allotment under subsection (c)(1) and the additional allotment under subsection (c)(2) for the eligible agency for the fiscal year, subject to subsections (f) and (g).

“(2) PURPOSE OF GRANTS.—The Secretary may award a grant under paragraph (1) only if the eligible agency involved agrees to ex-

pend the grant in accordance with the provisions of this title.

“(c) ALLOTMENTS.—

“(1) INITIAL ALLOTMENTS.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall allot to each eligible agency having a State plan approved under section 224—

“(A) \$100,000, in the case of an eligible agency serving an outlying area; and

“(B) \$250,000, in the case of any other eligible agency.

“(2) ADDITIONAL ALLOTMENTS.—From the sums appropriated under section 205, not reserved under subsection (a), and not allotted under paragraph (1), for a fiscal year, the Secretary shall allot to each eligible agency that receives an initial allotment under paragraph (1) an additional amount that bears the same relationship to such sums as the number of qualifying adults in the State or outlying area served by the eligible agency bears to the number of such adults in all States and outlying areas.

“(d) QUALIFYING ADULT.—For the purpose of subsection (c)(2), the term ‘qualifying adult’ means an adult who—

“(1) is at least 16 years of age;

“(2) is beyond the age of compulsory school attendance under the law of the State or outlying area;

“(3) does not have a secondary school diploma or its recognized equivalent; and

“(4) is not enrolled in secondary school.

“(e) SPECIAL RULE.—

“(1) IN GENERAL.—From amounts made available under subsection (c) for the Republic of Palau, the Secretary shall award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Republic of Palau to carry out activities described in this title in accordance with the provisions of this title as determined by the Secretary.

“(2) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the Republic of Palau shall be eligible to receive a grant under this title until an agreement for the extension of United States education assistance under the Compact of Free Association for the Republic of Palau becomes effective.

“(f) HOLD-HARMLESS PROVISIONS.—

“(1) IN GENERAL.—Notwithstanding subsection (c) and subject to paragraph (2), for—

“(A) fiscal year 2015, no eligible agency shall receive an allotment under this title that is less than 90 percent of the allotment the eligible agency received for fiscal year 2012 under this title; and

“(B) fiscal year 2016 and each succeeding fiscal year, no eligible agency shall receive an allotment under this title that is less than 90 percent of the allotment the eligible agency received for the preceding fiscal year under this title.

“(2) RATABLE REDUCTION.—If, for any fiscal year the amount available for allotment under this title is insufficient to satisfy the provisions of paragraph (1), the Secretary shall ratably reduce the payments to all eligible agencies, as necessary.

“(g) REALLOTMENT.—The portion of any eligible agency’s allotment under this title for a fiscal year that the Secretary determines will not be required for the period such allotment is available for carrying out activities under this title, shall be available for reallocation from time to time, on such dates during such period as the Secretary shall fix, to other eligible agencies in proportion to the original allotments to such agencies under this title for such year.

“SEC. 212. PERFORMANCE ACCOUNTABILITY SYSTEM.

“Programs and activities authorized under this title are subject to the performance ac-

countability provisions described in paragraphs (2)(A) and (3) of section 136(b) and may, at a State’s discretion, include additional indicators identified in the State plan approved under section 224.

“Subtitle B—State Provisions

“SEC. 221. STATE ADMINISTRATION.

“Each eligible agency shall be responsible for the following activities under this title:

“(1) The development, submission, implementation, and monitoring of the State plan.

“(2) Consultation with other appropriate agencies, groups, and individuals that are involved in, or interested in, the development and implementation of activities assisted under this title.

“(3) Coordination and avoidance of duplication with other Federal and State education, training, corrections, public housing, and social service programs.

“SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING REQUIREMENT.

“(a) STATE DISTRIBUTION OF FUNDS.—Each eligible agency receiving a grant under this title for a fiscal year—

“(1) shall use not less than 82.5 percent of the grant funds to award grants and contracts under section 231 and to carry out section 225, of which not more than 10 percent of such amount shall be available to carry out section 225;

“(2) shall use not more than 12.5 percent of the grant funds to carry out State leadership activities under section 223; and

“(3) shall use not more than 5 percent of the grant funds, or \$65,000, whichever is greater, for the administrative expenses of the eligible agency.

“(b) MATCHING REQUIREMENT.—

“(1) IN GENERAL.—In order to receive a grant from the Secretary under section 211(b), each eligible agency shall provide, for the costs to be incurred by the eligible agency in carrying out the adult education and family literacy education programs for which the grant is awarded, a non-Federal contribution in an amount that is not less than—

“(A) in the case of an eligible agency serving an outlying area, 12 percent of the total amount of funds expended for adult education and family literacy education programs in the outlying area, except that the Secretary may decrease the amount of funds required under this subparagraph for an eligible agency; and

“(B) in the case of an eligible agency serving a State, 25 percent of the total amount of funds expended for adult education and family literacy education programs in the State.

“(2) NON-FEDERAL CONTRIBUTION.—An eligible agency’s non-Federal contribution required under paragraph (1) may be provided in cash or in kind, fairly evaluated, and shall include only non-Federal funds that are used for adult education and family literacy education programs in a manner that is consistent with the purpose of this title.

“SEC. 223. STATE LEADERSHIP ACTIVITIES.

“(a) IN GENERAL.—Each eligible agency may use funds made available under section 222(a)(2) for any of the following adult education and family literacy education programs:

“(1) The establishment or operation of professional development programs to improve the quality of instruction provided pursuant to local activities required under section 231(b).

“(2) The provision of technical assistance to eligible providers of adult education and family literacy education programs, including for the development and dissemination of evidence based research instructional practices in reading, writing, speaking, mathematics, and English language acquisition programs.

“(3) The provision of assistance to eligible providers in developing, implementing, and reporting measurable progress in achieving the objectives of this title.

“(4) The monitoring and evaluation of the quality of, and the improvement in, adult education and literacy activities.

“(5) The provision of technology assistance, including staff training, to eligible providers of adult education and family literacy education programs, including distance education activities, to enable the eligible providers to improve the quality of such activities.

“(6) The development and implementation of technology applications or distance education, including professional development to support the use of instructional technology.

“(7) Coordination with other public programs, including programs under title I of this Act, and other welfare-to-work, workforce development, and job training programs.

“(8) Coordination with existing support services, such as transportation, child care, and other assistance designed to increase rates of enrollment in, and successful completion of, adult education and family literacy education programs, for adults enrolled in such activities.

“(9) The development and implementation of a system to assist in the transition from adult basic education to postsecondary education.

“(10) Activities to promote workplace literacy programs.

“(11) Other activities of statewide significance, including assisting eligible providers in achieving progress in improving the skill levels of adults who participate in programs under this title.

“(12) Integration of literacy, instructional, and occupational skill training and promotion of linkages with employees.

“(b) COORDINATION.—In carrying out this section, eligible agencies shall coordinate where possible, and avoid duplicating efforts, in order to maximize the impact of the activities described in subsection (a).

“(c) STATE-IMPOSED REQUIREMENTS.—Whenever a State or outlying area implements any rule or policy relating to the administration or operation of a program authorized under this title that has the effect of imposing a requirement that is not imposed under Federal law (including any rule or policy based on a State or outlying area interpretation of a Federal statute, regulation, or guideline), the State or outlying area shall identify, to eligible providers, the rule or policy as being imposed by the State or outlying area.

“SEC. 224. STATE PLAN.

“(a) 3-YEAR PLANS.—

“(1) IN GENERAL.—Each eligible agency desiring a grant under this title for any fiscal year shall submit to, or have on file with, the Secretary a 3-year State plan.

“(2) STATE UNIFIED PLAN.—The eligible agency may submit the State plan as part of a State unified plan described in section 501.

“(b) PLAN CONTENTS.—The eligible agency shall include in the State plan or any revisions to the State plan—

“(1) an objective assessment of the needs of individuals in the State or outlying area for adult education and family literacy education programs, including individuals most in need or hardest to serve;

“(2) a description of the adult education and family literacy education programs that will be carried out with funds received under this title;

“(3) an assurance that the funds received under this title will not be expended for any purpose other than for activities under this title;

“(4) a description of how the eligible agency will annually evaluate and measure the effectiveness and improvement of the adult education and family literacy education programs funded under this title using the indicators of performance described in section 136, including how the eligible agency will conduct such annual evaluations and measures for each grant received under this title;

“(5) a description of how the eligible agency will fund local activities in accordance with the measurable goals described in section 231(d);

“(6) an assurance that the eligible agency will expend the funds under this title only in a manner consistent with fiscal requirements in section 241;

“(7) a description of the process that will be used for public participation and comment with respect to the State plan, which—

“(A) shall include consultation with the State workforce investment board, the State board responsible for administering community or technical colleges, the Governor, the State educational agency, the State board or agency responsible for administering block grants for temporary assistance to needy families under title IV of the Social Security Act, the State council on disabilities, the State vocational rehabilitation agency, and other State agencies that promote the improvement of adult education and family literacy education programs, and direct providers of such programs; and

“(B) may include consultation with the State agency on higher education, institutions responsible for professional development of adult education and family literacy education programs instructors, representatives of business and industry, refugee assistance programs, and faith-based organizations;

“(8) a description of the eligible agency's strategies for serving populations that include, at a minimum—

“(A) low-income individuals;

“(B) individuals with disabilities;

“(C) the unemployed;

“(D) the underemployed; and

“(E) individuals with multiple barriers to educational enhancement, including English learners;

“(9) a description of how the adult education and family literacy education programs that will be carried out with any funds received under this title will be integrated with other adult education, career development, and employment and training activities in the State or outlying area served by the eligible agency;

“(10) a description of the steps the eligible agency will take to ensure direct and equitable access, as required in section 231(c)(1), including—

“(A) how the State will build the capacity of community-based and faith-based organizations to provide adult education and family literacy education programs; and

“(B) how the State will increase the participation of business and industry in adult education and family literacy education programs;

“(11) an assessment of the adequacy of the system of the State or outlying area to ensure teacher quality and a description of how the State or outlying area will use funds received under this subtitle to improve teacher quality, including evidence-based professional development to improve instruction; and

“(12) a description of how the eligible agency will consult with any State agency responsible for postsecondary education to develop adult education that prepares students to enter postsecondary education without the need for remediation upon completion of secondary school equivalency programs.

“(c) PLAN REVISIONS.—When changes in conditions or other factors require substantial revisions to an approved State plan, the eligible agency shall submit the revisions of the State plan to the Secretary.

“(d) CONSULTATION.—The eligible agency shall—

“(1) submit the State plan, and any revisions to the State plan, to the Governor, the chief State school officer, or the State officer responsible for administering community or technical colleges, or outlying area for review and comment; and

“(2) ensure that any comments regarding the State plan by the Governor, the chief State school officer, or the State officer responsible for administering community or technical colleges, and any revision to the State plan, are submitted to the Secretary.

“(e) PLAN APPROVAL.—The Secretary shall—

“(1) approve a State plan within 90 days after receiving the plan unless the Secretary makes a written determination within 30 days after receiving the plan that the plan does not meet the requirements of this section or is inconsistent with specific provisions of this subtitle; and

“(2) not finally disapprove of a State plan before offering the eligible agency the opportunity, prior to the expiration of the 30-day period beginning on the date on which the eligible agency received the written determination described in paragraph (1), to review the plan and providing technical assistance in order to assist the eligible agency in meeting the requirements of this subtitle.

“SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND OTHER INSTITUTIONALIZED INDIVIDUALS.

“(a) PROGRAM AUTHORIZED.—From funds made available under section 222(a)(1) for a fiscal year, each eligible agency shall carry out corrections education and education for other institutionalized individuals.

“(b) USES OF FUNDS.—The funds described in subsection (a) shall be used for the cost of educational programs for criminal offenders in correctional institutions and for other institutionalized individuals, including academic programs for—

“(1) basic skills education;

“(2) special education programs as determined by the eligible agency;

“(3) reading, writing, speaking, and mathematics programs;

“(4) secondary school credit or diploma programs or their recognized equivalent; and

“(5) integrated education and training.

“(c) PRIORITY.—Each eligible agency that is using assistance provided under this section to carry out a program for criminal offenders within a correctional institution shall give priority to serving individuals who are likely to leave the correctional institution within 5 years of participation in the program.

“(d) DEFINITIONS.—In this section:

“(1) CORRECTIONAL INSTITUTION.—The term ‘correctional institution’ means any—

“(A) prison;

“(B) jail;

“(C) reformatory;

“(D) work farm;

“(E) detention center; or

“(F) halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders.

“(2) CRIMINAL OFFENDER.—The term ‘criminal offender’ means any individual who is charged with, or convicted of, any criminal offense.

“Subtitle C—Local Provisions

“SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PROVIDERS.

“(a) GRANTS AND CONTRACTS.—From grant funds made available under section 222(a)(1),

each eligible agency shall award multi-year grants or contracts, on a competitive basis, to eligible providers within the State or outlying area that meet the conditions and requirements of this title to enable the eligible providers to develop, implement, and improve adult education and family literacy education programs within the State.

“(b) **LOCAL ACTIVITIES.**—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to establish or operate—

“(1) programs that provide adult education and literacy activities;

“(2) programs that provide integrated education and training activities; or

“(3) credit-bearing postsecondary coursework.

“(c) **DIRECT AND EQUITABLE ACCESS; SAME PROCESS.**—Each eligible agency receiving funds under this title shall ensure that—

“(1) all eligible providers have direct and equitable access to apply for grants or contracts under this section; and

“(2) the same grant or contract announcement process and application process is used for all eligible providers in the State or outlying area.

“(d) **MEASURABLE GOALS.**—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to demonstrate—

“(1) the eligible provider's measurable goals for participant outcomes to be achieved annually on the core indicators of performance described in section 136(b)(2)(A);

“(2) the past effectiveness of the eligible provider in improving the basic academic skills of adults and, for eligible providers receiving grants in the prior year, the success of the eligible provider receiving funding under this title in exceeding its performance goals in the prior year;

“(3) the commitment of the eligible provider to serve individuals in the community who are the most in need of basic academic skills instruction services, including individuals with disabilities and individuals who are low-income or have minimal reading, writing, speaking, and mathematics skills, or are English learners;

“(4) the program is of sufficient intensity and quality for participants to achieve substantial learning gains;

“(5) educational practices are evidence-based;

“(6) the activities of the eligible provider effectively employ advances in technology, and delivery systems including distance education;

“(7) the activities provide instruction in real-life contexts, including integrated education and training when appropriate, to ensure that an individual has the skills needed to compete in the workplace and exercise the rights and responsibilities of citizenship;

“(8) the activities are staffed by well-trained instructors, counselors, and administrators who meet minimum qualifications established by the State;

“(9) the activities are coordinated with other available resources in the community, such as through strong links with elementary schools and secondary schools, postsecondary educational institutions, local workforce investment boards, one-stop centers, job training programs, community-based and faith-based organizations, and social service agencies;

“(10) the activities offer flexible schedules and support services (such as child care and transportation) that are necessary to enable individuals, including individuals with disabilities or other special needs, to attend and complete programs;

“(11) the activities include a high-quality information management system that has the capacity to report measurable partici-

pant outcomes (consistent with section 136) and to monitor program performance;

“(12) the local communities have a demonstrated need for additional English language acquisition programs, and integrated education and training programs;

“(13) the capacity of the eligible provider to produce valid information on performance results, including enrollments and measurable participant outcomes;

“(14) adult education and family literacy education programs offer rigorous reading, writing, speaking, and mathematics content that are evidence based; and

“(15) applications of technology, and services to be provided by the eligible providers, are of sufficient intensity and duration to increase the amount and quality of learning and lead to measurable learning gains within specified time periods.

“(e) **SPECIAL RULE.**—Eligible providers may use grant funds under this title to serve children participating in family literacy programs assisted under this part, provided that other sources of funds available to provide similar services for such children are used first.

“SEC. 232. LOCAL APPLICATION.

“Each eligible provider desiring a grant or contract under this title shall submit an application to the eligible agency containing such information and assurances as the eligible agency may require, including—

“(1) a description of how funds awarded under this title will be spent consistent with the requirements of this title;

“(2) a description of any cooperative arrangements the eligible provider has with other agencies, institutions, or organizations for the delivery of adult education and family literacy education programs; and

“(3) each of the demonstrations required by section 231(d).

“SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.

“(a) **IN GENERAL.**—Subject to subsection (b), of the amount that is made available under this title to an eligible provider—

“(1) at least 95 percent shall be expended for carrying out adult education and family literacy education programs; and

“(2) the remaining amount shall be used for planning, administration, personnel and professional development, development of measurable goals in reading, writing, speaking, and mathematics, and interagency coordination.

“(b) **SPECIAL RULE.**—In cases where the cost limits described in subsection (a) are too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination, the eligible provider may negotiate with the eligible agency in order to determine an adequate level of funds to be used for noninstructional purposes.

“Subtitle D—General Provisions

“SEC. 241. ADMINISTRATIVE PROVISIONS.

“Funds made available for adult education and family literacy education programs under this title shall supplement and not supplant other State or local public funds expended for adult education and family literacy education programs.

“SEC. 242. NATIONAL ACTIVITIES.

“The Secretary shall establish and carry out a program of national activities that may include the following:

“(1) Providing technical assistance to eligible entities, on request, to—

“(A) improve their fiscal management, research-based instruction, and reporting requirements to carry out the requirements of this title;

“(B) improve its performance on the core indicators of performance described in section 136;

“(C) provide adult education professional development; and

“(D) use distance education and improve the application of technology in the classroom, including instruction in English language acquisition for English learners.

“(2) Providing for the conduct of research on national literacy basic skill acquisition levels among adults, including the number of adult English learners functioning at different levels of reading proficiency.

“(3) Improving the coordination, efficiency, and effectiveness of adult education and workforce development services at the national, State, and local levels.

“(4) Determining how participation in adult education, English language acquisition, and family literacy education programs prepares individuals for entry into and success in postsecondary education and employment, and in the case of prison-based services, the effect on recidivism.

“(5) Evaluating how different types of providers, including community and faith-based organizations or private for-profit agencies measurably improve the skills of participants in adult education, English language acquisition, and family literacy education programs.

“(6) Identifying model integrated basic and workplace skills education programs, including programs for English learners coordinated literacy and employment services, and effective strategies for serving adults with disabilities.

“(7) Initiating other activities designed to improve the measurable quality and effectiveness of adult education, English language acquisition, and family literacy education programs nationwide.”

Subtitle C—Amendments to the Wagner-Peyser Act

SEC. 466. AMENDMENTS TO THE WAGNER-PEYSER ACT.

Section 15 of the Wagner-Peyser Act (29 U.S.C. 491-2) is amended to read as follows:

“SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.

“(a) **SYSTEM CONTENT.**—

“(1) **IN GENERAL.**—The Secretary of Labor (referred to in this section as the ‘Secretary’), in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide workforce and labor market information system that includes—

“(A) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems that, taken together, enumerate, estimate, and project employment opportunities and conditions at national, State, and local levels in a timely manner, including statistics on—

“(i) employment and unemployment status of national, State, and local populations, including self-employed, part-time, and seasonal workers;

“(ii) industrial distribution of occupations, as well as current and projected employment opportunities, wages, benefits (where data is available), and skill trends by occupation and industry, with particular attention paid to State and local conditions;

“(iii) the incidence of, industrial and geographical location of, and number of workers displaced by, permanent layoffs and plant closings; and

“(iv) employment and earnings information maintained in a longitudinal manner to be used for research and program evaluation;

“(B) information on State and local employment opportunities, and other appropriate statistical data related to labor market dynamics, which—

“(i) shall be current and comprehensive;

“(ii) shall meet the needs identified through the consultations described in subparagraphs (C) and (D) of subsection (e)(1); and

“(iii) shall meet the needs for the information identified in section 121(e)(1)(E) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(e)(1)(E));

“(C) technical standards (which the Secretary shall publish annually) for data and information described in subparagraphs (A) and (B) that, at a minimum, meet the criteria of chapter 35 of title 44, United States Code;

“(D) procedures to ensure compatibility and additivity of the data and information described in subparagraphs (A) and (B) from national, State, and local levels;

“(E) procedures to support standardization and aggregation of data from administrative reporting systems described in subparagraph (A) of employment-related programs;

“(F) analysis of data and information described in subparagraphs (A) and (B) for uses such as—

“(i) national, State, and local policy-making;

“(ii) implementation of Federal policies (including allocation formulas);

“(iii) program planning and evaluation; and

“(iv) researching labor market dynamics;

“(G) wide dissemination of such data, information, and analysis in a user-friendly manner and voluntary technical standards for dissemination mechanisms; and

“(H) programs of—

“(i) training for effective data dissemination;

“(ii) research and demonstration; and

“(iii) programs and technical assistance.

“(2) INFORMATION TO BE CONFIDENTIAL.—

“(A) IN GENERAL.—No officer or employee of the Federal Government or agent of the Federal Government may—

“(i) use any submission that is furnished for exclusively statistical purposes under the provisions of this section for any purpose other than the statistical purposes for which the submission is furnished;

“(ii) disclose to the public any publication or media transmittal of the data contained in the submission described in clause (i) that permits information concerning an individual subject to be reasonably inferred by either direct or indirect means; or

“(iii) permit anyone other than a sworn officer, employee, or agent of any Federal department or agency, or a contractor (including an employee of a contractor) of such department or agency, to examine an individual submission described in clause (i),

without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission.

“(B) IMMUNITY FROM LEGAL PROCESS.—Any submission (including any data derived from the submission) that is collected and retained by a Federal department or agency, or an officer, employee, agent, or contractor of such a department or agency, for exclusively statistical purposes under this section shall be immune from the legal process and shall not, without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

“(C) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to provide immunity from the legal process for such submission (including any data derived from the submission) if the submission is in the possession of any person, agency, or entity other than the Federal Government or an officer, employee, agent, or contractor of the

Federal Government, or if the submission is independently collected, retained, or produced for purposes other than the purposes of this Act.

“(b) SYSTEM RESPONSIBILITIES.—

“(1) IN GENERAL.—The workforce and labor market information system described in subsection (a) shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and States.

“(2) DUTIES.—The Secretary, with respect to data collection, analysis, and dissemination of workforce and labor market information for the system, shall carry out the following duties:

“(A) Assign responsibilities within the Department of Labor for elements of the workforce and labor market information system described in subsection (a) to ensure that all statistical and administrative data collected is consistent with appropriate Bureau of Labor Statistics standards and definitions.

“(B) Actively seek the cooperation of other Federal agencies to establish and maintain mechanisms for ensuring complementarity and non duplication in the development and operation of statistical and administrative data collection activities.

“(C) Eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority.

“(D) In collaboration with the Bureau of Labor Statistics and States, develop and maintain the elements of the workforce and labor market information system described in subsection (a), including the development of consistent procedures and definitions for use by the States in collecting the data and information described in subparagraphs (A) and (B) of subsection (a)(1).

“(E) Establish procedures for the system to ensure that—

“(i) such data and information are timely;

“(ii) paperwork and reporting for the system are reduced to a minimum; and

“(iii) States and localities are fully involved in the development and continuous improvement of the system at all levels.

“(c) NATIONAL ELECTRONIC TOOLS TO PROVIDE SERVICES.—The Secretary is authorized to assist in the development of national electronic tools that may be used to facilitate the delivery of work ready services described in section 134(c)(2) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(c)(2)) and to provide workforce and labor market information to individuals through the one-stop delivery systems described in section 121 and through other appropriate delivery systems.

“(d) COORDINATION WITH THE STATES.—

“(1) IN GENERAL.—The Secretary, working through the Bureau of Labor Statistics and the Employment and Training Administration, shall regularly consult with representatives of State agencies carrying out workforce information activities regarding strategies for improving the workforce and labor market information system.

“(2) FORMAL CONSULTATIONS.—At least twice each year, the Secretary, working through the Bureau of Labor Statistics, shall conduct formal consultations regarding programs carried out by the Bureau of Labor Statistics with representatives of each of the Federal regions of the Bureau of Labor Statistics, elected (pursuant to a process established by the Secretary) from the State directors affiliated with State agencies that perform the duties described in subsection (e)(1).

“(e) STATE RESPONSIBILITIES.—

“(1) IN GENERAL.—In order to receive Federal financial assistance under this section, the Governor of a State shall—

“(A) be responsible for the management of the portions of the workforce and labor mar-

ket information system described in subsection (a) that comprise a statewide workforce and labor market information system;

“(B) establish a process for the oversight of such system;

“(C) consult with State and local employers, participants, and local workforce investment boards about the labor market relevance of the data to be collected and disseminated through the statewide workforce and labor market information system;

“(D) consult with State educational agencies and local educational agencies concerning the provision of workforce and labor market information in order to meet the needs of secondary school and postsecondary school students who seek such information;

“(E) collect and disseminate for the system, on behalf of the State and localities in the State, the information and data described in subparagraphs (A) and (B) of subsection (a)(1);

“(F) maintain and continuously improve the statewide workforce and labor market information system in accordance with this section;

“(G) perform contract and grant responsibilities for data collection, analysis, and dissemination for such system;

“(H) conduct such other data collection, analysis, and dissemination activities as will ensure an effective statewide workforce and labor market information system;

“(I) actively seek the participation of other State and local agencies in data collection, analysis, and dissemination activities in order to ensure complementarity, compatibility, and usefulness of data;

“(J) participate in the development of, and submit to the Secretary, an annual plan to carry out the requirements and authorities of this subsection; and

“(K) utilize the quarterly records described in section 136(f)(2) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(f)(2)) to assist the State and other States in measuring State progress on State performance measures.

“(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as limiting the ability of a Governor to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this section.

“(f) NONDUPLICATION REQUIREMENT.—None of the functions and activities carried out pursuant to this section shall duplicate the functions and activities carried out under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.).

“(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$60,153,000 for fiscal year 2015 and each of the 6 succeeding fiscal years.”

Subtitle D—Repeals and Conforming Amendments

SEC. 471. REPEALS.

The following provisions are repealed:

(1) Chapter 4 of subtitle B of title I, and sections 123, 155, 166, 167, 168, 169, 171, 173, 173A, 174, 192, 194, 502, 503, and 506 of the Workforce Investment Act of 1998, as in effect on the day before the date of enactment of the SKILLS Act.

(2) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(3) Sections 1 through 14 of the Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(4) The Twenty-First Century Workforce Commission Act (29 U.S.C. 2701 note).

(5) Public Law 91–378, 16 U.S.C. 1701 et seq. (popularly known as the “Youth Conservation Corps Act of 1970”).

(6) Section 821 of the Higher Education Amendments of 1998 (20 U.S.C. 1151).

(7) The Women in Apprenticeship and Non-traditional Occupations Act (29 U.S.C. 2501 et seq.).

(8) Sections 4103A and 4104 of title 38, United States Code.

SEC. 472. AMENDMENTS TO OTHER LAWS.

(a) AMENDMENTS TO THE FOOD AND NUTRITION ACT OF 2008.—

(1) DEFINITION.—Section 3(t) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(t)) is amended—

(A) by striking “means (1) the agency” and inserting the following: “means—

“(A) the agency”;

(B) by striking “programs, and (2) the tribal” and inserting the following: “programs;

“(B) the tribal”;

(C) by striking “this Act.” and inserting the following: “this Act; and

“(C) in the context of employment and training activities under section 6(d)(4), a State board as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801).”.

(2) ELIGIBLE HOUSEHOLDS.—Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(A) in subsection (d)(14) by striking “section 6(d)(4)(I)” and inserting “section 6(d)(4)(C)”, and

(B) in subsection (g)(3), in the first sentence, by striking “constitutes adequate participation in an employment and training program under section 6(d)” and inserting “allows the individual to participate in employment and training activities under section 6(d)(4)”.

(3) ELIGIBILITY DISQUALIFICATIONS.—Section 6(d)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)(4)) is amended to read as follows:

“(D) EMPLOYMENT AND TRAINING.—

“(i) IMPLEMENTATION.—Each State agency shall provide employment and training services authorized under section 134 of the Workforce Investment Act of 1998 (29 U.S.C. 2864) to eligible members of households participating in the supplemental nutrition assistance program in gaining skills, training, work, or experience that will increase their ability to obtain regular employment.

“(ii) STATEWIDE WORKFORCE DEVELOPMENT SYSTEM.—Consistent with subparagraph (A), employment and training services shall be provided through the statewide workforce development system, including the one-stop delivery system authorized by the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

“(iii) REIMBURSEMENTS.—

“(I) ACTUAL COSTS.—The State agency shall provide payments or reimbursement to participants served under this paragraph for—

“(aa) the actual costs of transportation and other actual costs (other than dependent care costs) that are reasonably necessary and directly related to the individual participating in employment and training activities; and

“(bb) the actual costs of such dependent care expenses as are determined by the State agency to be necessary for the individual to participate in employment and training activities (other than an individual who is the caretaker relative of a dependent in a family receiving benefits under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in a local area where an employment, training, or education program under title IV of that Act is in operation, except that no such payment or reimbursement shall exceed the applicable local market rate.

“(II) SERVICE CONTRACTS AND VOUCHERS.—In lieu of providing reimbursements or payments for dependent care expenses under clause (i), a State agency may, at the option

of the State agency, arrange for dependent care through providers by the use of purchase of service contracts or vouchers or by providing vouchers to the household.

“(III) VALUE OF REIMBURSEMENTS.—The value of any dependent care services provided for or arranged under clause (ii), or any amount received as a payment or reimbursement under clause (i), shall—

“(aa) not be treated as income for the purposes of any other Federal or federally assisted program that bases eligibility for, or the amount of benefits on, need; and

“(bb) not be claimed as an employment-related expense for the purposes of the credit provided under section 21 of the Internal Revenue Code of 1986 (26 U.S.C. 21).”.

(4) ADMINISTRATION.—Section 11(e)(19) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(e)(11)) is amended to read as follows:

“(S) the plans of the State agency for providing employment and training services under section 6(d)(4);”.

(5) ADMINISTRATIVE COST-SHARING AND QUALITY CONTROL.—Section 16(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(h)) is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking “carry out employment and training programs” and inserting “provide employment and training services to eligible households under section 6(d)(4)”; and

(ii) in subparagraph (D), by striking “operating an employment and training program” and inserting “providing employment and training services consistent with section 6(d)(4);”.

(B) in paragraph (3)—

(i) by striking “participation in an employment and training program” and inserting “the individual participating in employment and training activities”; and

(ii) by striking “section 6(d)(4)(I)(ii)” and inserting “section 6(d)(4)(C)(i)(II)”;

(C) in paragraph (4), by striking “for operating an employment and training program” and inserting “to provide employment and training services”; and

(D) by striking paragraph (5) and inserting the following:

“(B) MONITORING.—

“(i) IN GENERAL.—The Secretary, in conjunction with the Secretary of Labor, shall monitor each State agency responsible for administering employment and training services under section 6(d)(4) to ensure funds are being spent effectively and efficiently.

“(ii) ACCOUNTABILITY.—Each program of employment and training receiving funds under section 6(d)(4) shall be subject to the requirements of the performance accountability system, including having to meet the State performance measures described in section 136 of the Workforce Investment Act (29 U.S.C. 2871).”.

(6) RESEARCH, DEMONSTRATION, AND EVALUATIONS.—Section 17 of the Food and Nutrition Act of 2008 (7 U.S.C. 2026) is amended—

(A) in subsection (b)—

(i) in paragraph (1)(B)(iv)(III)(dd), by striking “, (4)(F)(i), or (4)(K)” and inserting “or (4)”; and

(ii) by striking paragraph (3); and

(B) in subsection (g), in the first sentence in the matter preceding paragraph (1)—

(i) by striking “programs established” and inserting “activities provided to eligible households”; and

(ii) by inserting “, in conjunction with the Secretary of Labor,” after “Secretary”.

(7) MINNESOTA FAMILY INVESTMENT PROJECT.—Section 22(b)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2031(b)(4)) is amended by striking “equivalent to those offered under the employment and training program”.

(b) AMENDMENTS TO SECTION 412 OF THE IMMIGRATION AND NATIONALITY ACT.—

(1) CONDITIONS AND CONSIDERATIONS.—Section 412(a) of the Immigration and Nationality Act (8 U.S.C. 1522(a)) is amended—

(A) in paragraph (1)—

(i) in subparagraph (A)(i), by striking “make available sufficient resources for employment training and placement” and inserting “provide refugees with the opportunity to access employment and training services, including job placement,”; and

(ii) in subparagraph (B)(ii), by striking “services,” and inserting “services provided through the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.)”;.

(B) in paragraph (2)(C)(iii)(II), by inserting “and training” after “employment”;

(C) in paragraph (6)(A)(ii)—

(i) by striking “insure” and inserting “ensure”;

(ii) by inserting “and training” after “employment”; and

(iii) by inserting after “available” the following: “through the one-stop delivery system under section 121 of the Workforce Investment Act of 1998 (29 U.S.C. 2841)”; and

(D) in paragraph (9), by inserting “the Secretary of Labor,” after “Education,”.

(2) PROGRAM OF INITIAL RESETTLEMENT.—Section 412(b)(2) of such Act (8 U.S.C. 1522(b)(2)) is amended—

(A) by striking “orientation, instruction” and inserting “orientation and instruction”; and

(B) by striking “, and job training for refugees, and such other education and training of refugees, as facilitates” and inserting “for refugees to facilitate”.

(3) PROJECT GRANTS AND CONTRACTS FOR SERVICES FOR REFUGEES.—Section 412(c) of such Act (8 U.S.C. 1522(c)) is amended—

(A) in paragraph (1)—

(i) in subparagraph (A)(i), by inserting “and training” after “employment”; and

(ii) by striking subparagraph (C);

(B) in paragraph (2)(B), by striking “paragraph—” and all that follows through “in a manner” and inserting “paragraph in a manner”; and

(C) by adding at the end the following:

“(C) In carrying out this section, the Director shall ensure that employment and training services are provided through the statewide workforce development system, as appropriate, authorized by the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.). Such action may include—

“(i) making employment and training activities described in section 134 of such Act (29 U.S.C. 2864) available to refugees; and

“(ii) providing refugees with access to a one-stop delivery system established under section 121 of such Act (29 U.S.C. 2841).”.

(4) CASH ASSISTANCE AND MEDICAL ASSISTANCE TO REFUGEES.—Section 412(e) of such Act (8 U.S.C. 1522(e)) is amended—

(A) in paragraph (2)(A)(i), by inserting “and training” after “providing employment”; and

(B) in paragraph (3), by striking “The” and inserting “Consistent with subsection (c)(3), the”.

(c) AMENDMENTS RELATING TO THE SECOND CHANCE ACT OF 2007.—

(1) FEDERAL PRISONER REENTRY INITIATIVE.—Section 231 of the Second Chance Act of 2007 (42 U.S.C. 17541) is amended—

(A) in subsection (a)(1)(E)—

(i) by inserting “the Department of Labor and” before “other Federal agencies”; and

(ii) by inserting “State and local workforce investment boards,” after “community-based organizations,”;

(B) in subsection (c)—

(i) in paragraph (2), by striking at the end “and”;

(ii) in paragraph (3), by striking at the end the period and inserting “; and”; and

(iii) by adding at the end the following new paragraph:

“(D) to coordinate reentry programs with the employment and training services provided through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.)”; and

(C) in subsection (d), by adding at the end the following new paragraph:

“(F) INTERACTION WITH THE WORKFORCE INVESTMENT SYSTEM.—

“(i) IN GENERAL.—In carrying out this section, the Director shall ensure that employment and training services, including such employment and services offered through reentry programs, are provided, as appropriate, through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.), which may include—

“(I) making employment and training services available to prisoners prior to and immediately following the release of such prisoners; or

“(II) providing prisoners with access by remote means to a one-stop delivery system under section 121 of the Workforce Investment Act of 1998 (29 U.S.C. 2841) in the State in which the prison involved is located.

“(ii) SERVICE DEFINED.—In this paragraph, the term ‘employment and training services’ means those services described in section 134 of the Workforce Investment Act of 1998 (29 U.S.C. 2864) offered by the Bureau of Prisons, including—

“(I) the skills assessment described in subsection (a)(1)(A);

“(II) the skills development plan described in subsection (a)(1)(B); and

“(III) the enhancement, development, and implementation of reentry and skills development programs.”.

(2) DUTIES OF THE BUREAU OF PRISONS.—Section 4042(a) of title 18, United States Code, is amended—

(A) by redesignating subparagraphs (D) and (E), as added by section 231(d)(1)(C) of the Second Chance Act of 2007 (Public Law 110-199; 122 Stat. 685), as paragraphs (6) and (7), respectively, and adjusting the margin accordingly;

(B) in paragraph (6), as so redesignated, by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively, and adjusting the margin accordingly;

(C) in paragraph (7), as so redesignated—

(i) in clause (ii), by striking “Employment and training services (as defined in paragraph (6) of section 231(d) of the Second Chance Act of 2007), including basic skills attainment, consistent with such paragraph”; and

(ii) by striking clause (iii); and

(D) by redesignating clauses (i), (ii), (iv), (v), (vi), and (vii) as subparagraphs (A), (B), (C), (D), (E), and (F), respectively, and adjusting the margin accordingly.

(d) AMENDMENTS TO THE OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968.—Section 2976 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3797w) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking “vocational” and inserting “career and technical education (as defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302)) and training”; and

(B) by redesignating paragraphs (4), (5), (6), and (7) as paragraphs (5), (6), (7), and (8), respectively; and

(C) by inserting after paragraph (3) the following new paragraph:

“(D) coordinating employment and training services provided through the statewide

workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.), including a one-stop delivery system under section 121 of such Act (29 U.S.C. 2841), for offenders upon release from prison, jail, or a juvenile facility, as appropriate;”; and

(2) in subsection (d)(2), by inserting “, including local workforce investment boards established under section 117 of the Workforce Investment Act of 1998 (29 U.S.C. 2832),” after “nonprofit organizations”; and

(3) in subsection (e)—

(A) in paragraph (3), by striking “victims services, and employment services” and inserting “and victim services”; and

(B) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(C) by inserting after paragraph (3) the following new paragraph:

“(D) provides employment and training services through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.), including a one-stop delivery system under section 121 of such Act (29 U.S.C. 2841);”; and

(4) in subsection (k)—

(A) in paragraph (1)(A), by inserting “, in accordance with paragraph (2)” after “under this section”; and

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

(C) by inserting after paragraph (1) the following new paragraph:

“(B) EMPLOYMENT AND TRAINING.—The Attorney General shall require each grantee under this section to measure the core indicators of performance as described in section 136(b)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(b)(2)(A)) with respect to the program of such grantee funded with a grant under this section.”.

(e) CONFORMING AMENDMENTS TO TITLE 38, UNITED STATES CODE.—Title 38, United States Code, is amended—

(1) in section 3672(d)(1), by striking “disabled veterans’ outreach program specialists under section 4103A” and inserting “veteran employment specialists appointed under section 134(f) of the Workforce Investment Act of 1998”; and

(2) in the table of sections at the beginning of chapter 41, by striking the items relating to sections 4103A and 4104;

(3) in section 4102A—

(A) in subsection (b)—

(i) by striking paragraphs (5), (6), and (7); and

(ii) by redesignating paragraph (8) as paragraph (5);

(B) by striking subsections (c) and (h);

(C) by redesignating subsections (d), (e), (f), and (g) as subsections (c), (d), (e), and (f); and

(D) in subsection (e)(1) (as so redesignated)—

(i) by striking “, including disabled veterans’ outreach program specialists and local veterans’ employment representatives providing employment, training, and placement services under this chapter in a State”; and

(ii) by striking “for purposes of subsection (c)”; and

(4) in section 4104A—

(A) in subsection (b)(1), by striking subparagraph (A) and inserting the following:

“(i) the appropriate veteran employment specialist (in carrying out the functions described in section 134(f) of the Workforce Investment Act of 1998);”; and

(B) in subsection (c)(1), by striking subparagraph (A) and inserting the following:

“(i) collaborate with the appropriate veteran employment specialist (as described in section 134(f)) and the appropriate State boards and local boards (as such terms are

defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801));”; and

(5) in section 4109—

(A) in subsection (a), by striking “disabled veterans’ outreach program specialists and local veterans’ employment representative” and inserting “veteran employment specialists appointed under section 134(f) of the Workforce Investment Act of 1998”; and

(B) in subsection (d)(1), by striking “disabled veterans’ outreach program specialists and local veterans’ employment representatives” and inserting “veteran employment specialists appointed under section 134(f) of the Workforce Investment Act of 1998”; and

(6) in section 4112(d)—

(A) in paragraph (1), by striking “disabled veterans’ outreach program specialist” and inserting “veteran employment specialist appointed under section 134(f) of the Workforce Investment Act of 1998”; and

(B) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(f) COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT OF 1980.—Section 104(k)(6)(A) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9604(k)(6)(A)) is amended by striking “training, research, and” and inserting “research and”.

SEC. 473. CONFORMING AMENDMENT TO TABLE OF CONTENTS.

The table of contents in section 1(b) is amended to read as follows:

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

“Sec. 1. Short title; table of contents.

“TITLE I—WORKFORCE INVESTMENT SYSTEMS

“Subtitle A—Workforce Investment Definitions

“Sec. 101. Definitions.

“Subtitle B—Statewide and Local Workforce Investment Systems

“Sec. 106. Purpose.

“CHAPTER 1—STATE PROVISIONS

“Sec. 111. State workforce investment boards.

“Sec. 112. State plan.

“CHAPTER 2—LOCAL PROVISIONS

“Sec. 116. Local workforce investment areas.

“Sec. 117. Local workforce investment boards.

“Sec. 118. Local plan.

“CHAPTER 3—WORKFORCE INVESTMENT ACTIVITIES PROVIDERS

“Sec. 121. Establishment of one-stop delivery systems.

“Sec. 122. Identification of eligible providers of training services.

“CHAPTER 5—EMPLOYMENT AND TRAINING ACTIVITIES

“Sec. 131. General authorization.

“Sec. 132. State allotments.

“Sec. 133. Within State allocations.

“Sec. 134. Use of funds for employment and training activities.

“CHAPTER 6—GENERAL PROVISIONS

“Sec. 136. Performance accountability system.

“Sec. 137. Authorization of appropriations.

“Subtitle C—Job Corps

“Sec. 141. Purposes.

“Sec. 142. Definitions.

“Sec. 143. Establishment.

“Sec. 144. Individuals eligible for the Job Corps.

“Sec. 145. Recruitment, screening, selection, and assignment of enrollees.

“Sec. 146. Enrollment.

“Sec. 147. Job Corps centers.

"Sec. 148. Program activities.
 "Sec. 149. Counseling and job placement.
 "Sec. 150. Support.
 "Sec. 151. Operations.
 "Sec. 152. Standards of conduct.
 "Sec. 153. Community participation.
 "Sec. 154. Workforce councils.
 "Sec. 156. Technical assistance to centers.
 "Sec. 157. Application of provisions of Federal law.
 "Sec. 158. Special provisions.
 "Sec. 159. Performance accountability and management.
 "Sec. 160. General provisions.
 "Sec. 161. Authorization of appropriations.
 "Subtitle D—National Programs
 "Sec. 170. Technical assistance.
 "Sec. 172. Evaluations.
 "Subtitle E—Administration
 "Sec. 181. Requirements and restrictions.
 "Sec. 182. Prompt allocation of funds.
 "Sec. 183. Monitoring.
 "Sec. 184. Fiscal controls; sanctions.
 "Sec. 185. Reports; recordkeeping; investigations.
 "Sec. 186. Administrative adjudication.
 "Sec. 187. Judicial review.
 "Sec. 188. Nondiscrimination.
 "Sec. 189. Administrative provisions.
 "Sec. 190. References.
 "Sec. 191. State legislative authority.
 "Sec. 193. Transfer of Federal equity in State employment security real property to the States.
 "Sec. 195. General program requirements.
 "Sec. 196. Federal agency staff.
 "Sec. 197. Restrictions on lobbying and political activities.
 "Subtitle F—Repeals and Conforming Amendments
 "Sec. 199. Repeals.
 "Sec. 199A. Conforming amendments.
 "TITLE II—ADULT EDUCATION AND FAMILY LITERACY EDUCATION
 "Sec. 201. Short title.
 "Sec. 202. Purpose.
 "Sec. 203. Definitions.
 "Sec. 204. Home schools.
 "Sec. 205. Authorization of appropriations.
 "Subtitle A—Federal Provisions
 "Sec. 211. Reservation of funds; grants to eligible agencies; allotments.
 "Sec. 212. Performance accountability system.
 "Subtitle B—State Provisions
 "Sec. 221. State administration.
 "Sec. 222. State distribution of funds; matching requirement.
 "Sec. 223. State leadership activities.
 "Sec. 224. State plan.
 "Sec. 225. Programs for corrections education and other institutionalized individuals.
 "Subtitle C—Local Provisions
 "Sec. 231. Grants and contracts for eligible providers.
 "Sec. 232. Local application.
 "Sec. 233. Local administrative cost limits.
 "Subtitle D—General Provisions
 "Sec. 241. Administrative provisions.
 "Sec. 242. National activities.
 "TITLE III—WORKFORCE INVESTMENT-RELATED ACTIVITIES
 "Subtitle A—Wagner-Peyser Act
 "Sec. 301. Definitions.
 "Sec. 302. Functions.
 "Sec. 303. Designation of State agencies.
 "Sec. 304. Appropriations.
 "Sec. 305. Disposition of allotted funds.
 "Sec. 306. State plans.
 "Sec. 307. Repeal of Federal advisory council.
 "Sec. 308. Regulations.

"Sec. 309. Employment statistics.
 "Sec. 310. Technical amendments.
 "Sec. 311. Effective date.
 "Subtitle B—Linkages With Other Programs
 "Sec. 321. Trade Act of 1974.
 "Sec. 322. Veterans' employment programs.
 "Sec. 323. Older Americans Act of 1965.
 "Subtitle D—Application of Civil Rights and Labor-Management Laws to the Smithsonian Institution
 "Sec. 341. Application of civil rights and labor-management laws to the Smithsonian Institution.
 "TITLE IV—REHABILITATION ACT AMENDMENTS OF 1998
 "Sec. 401. Short title.
 "Sec. 402. Title.
 "Sec. 403. General provisions.
 "Sec. 404. Vocational rehabilitation services.
 "Sec. 405. Research and training.
 "Sec. 406. Professional development and special projects and demonstrations.
 "Sec. 407. National Council on Disability.
 "Sec. 408. Rights and advocacy.
 "Sec. 409. Employment opportunities for individuals with disabilities.
 "Sec. 410. Independent living services and centers for independent living.
 "Sec. 411. Repeal.
 "Sec. 412. Helen Keller National Center Act.
 "Sec. 413. President's Committee on Employment of People With Disabilities.
 "Sec. 414. Conforming amendments.
 "TITLE V—GENERAL PROVISIONS
 "Sec. 501. State unified plan.
 "Sec. 504. Privacy.
 "Sec. 505. Buy-American requirements.
 "Sec. 507. Effective date."

Subtitle E—Amendments to the Rehabilitation Act of 1973

SEC. 476. FINDINGS.

Section 2(a) of the Rehabilitation Act of 1973 (29 U.S.C. 701(a)) is amended—

- (1) in paragraph (5), by striking "and" at the end;
- (2) in paragraph (6), by striking the period and inserting "and"; and
- (3) by adding at the end the following:
 "(7) there is a substantial need to improve and expand services for students with disabilities under this Act."

SEC. 477. REHABILITATION SERVICES ADMINISTRATION.

(a) REHABILITATION SERVICES ADMINISTRATION.—The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended—

- (1) in section 3(a) (29 U.S.C. 702(a))—
 (A) by striking "Office of the Secretary" and inserting "Department of Education";
 (B) by striking "President by and with the advice and consent of the Senate" and inserting "Secretary"; and
 (C) by striking "and the Commissioner shall be the principal officer,";
- (2) by striking "Commissioner" each place it appears (except in section 21) and inserting "Director";
- (3) in section 12(c) (29 U.S.C. 709(c)), by striking "Commissioner's" and inserting "Director's";
- (4) in section 21 (29 U.S.C. 718)—
 (A) in subsection (b)(1)—
 (i) by striking "Commissioner" the first place it appears and inserting "Director of the Rehabilitation Services Administration";
 (ii) by striking "(referred to in this subsection as the 'Director')"; and
 (iii) by striking "The Commissioner and the Director" and inserting "Both such Directors"; and
 (B) by striking "the Commissioner and the Director" each place it appears and inserting "both such Directors";

(5) in the heading for subparagraph (B) of section 100(d)(2) (29 U.S.C. 720(d)(2)), by striking "COMMISSIONER" and inserting "DIRECTOR";

(6) in section 401(a)(1) (29 U.S.C. 781(a)(1)), by inserting "of the National Institute on Disability and Rehabilitation Research" after "Director";

(7) in the heading for section 706 (29 U.S.C. 796d-1), by striking "COMMISSIONER" and inserting "DIRECTOR"; and

(8) in the heading for paragraph (3) of section 723(a) (29 U.S.C. 796f-2(a)), by striking "COMMISSIONER" and inserting "DIRECTOR".

(b) EFFECTIVE DATE; APPLICATION.—The amendments made by subsection (a) shall—

(1) take effect on the date of the enactment of this Act; and

(2) apply with respect to the appointments of Directors of the Rehabilitation Services Administration made on or after the date of enactment of this Act, and the Directors so appointed.

SEC. 478. DEFINITIONS.

Section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705) is amended—

(1) by redesignating paragraphs (35) through (39) as paragraphs (36) through (40), respectively;

(2) in subparagraph (A)(ii) of paragraph (36) (as redesignated by paragraph (1)), by striking "paragraph (36)(C)" and inserting "paragraph (37)(C)"; and

(3) by inserting after paragraph (34) the following:

"(35)(A) The term 'student with a disability' means an individual with a disability who—

"(i) is not younger than 16 and not older than 21;

"(ii) has been determined to be eligible under section 102(a) for assistance under this title; and

"(iii)(I) is eligible for, and is receiving, special education under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); or

"(II) is an individual with a disability, for purposes of section 504.

"(B) The term 'students with disabilities' means more than 1 student with a disability."

SEC. 479. CARRYOVER.

Section 19(a)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 716(a)(1)) is amended by striking "part B of title VI."

SEC. 480. TRADITIONALLY UNDERSERVED POPULATIONS.

Section 21 of the Rehabilitation Act of 1973 (29 U.S.C. 718) is amended, in paragraphs (1) and (2)(A) of subsection (b), and in subsection (c), by striking "VI."

SEC. 481. STATE PLAN.

Section 101(a) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) is amended—

(1) in paragraph (10)—

(A) in subparagraph (B), by striking "on the eligible individuals" and all that follows and inserting "of information necessary to assess the State's performance on the core indicators of performance described in section 136(b)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(b)(2)(A))."; and

(B) in subparagraph (E)(ii), by striking "to the extent the measures are applicable to individuals with disabilities";

(2) in paragraph (11)—

(A) in subparagraph (D)(i), by inserting before the semicolon the following: "which may be provided using alternative means of meeting participation (such as participation through video conferences and conference calls)"; and

(B) by adding at the end the following:

"(G) COORDINATION WITH ASSISTIVE TECHNOLOGY PROGRAMS.—The State plan shall include an assurance that the designated State

unit and the lead agency or implementing entity responsible for carrying out duties under the Assistive Technology Act of 1998 (29 U.S.C. 3001 et seq.) have developed working relationships and coordinate their activities.”;

(3) in paragraph (15)—

(A) in subparagraph (A)—

(i) in clause (i)—

(I) in subclause (II), by striking “and” at the end;

(II) in subclause (III), by adding “and” at the end; and

(III) by adding at the end the following:

“(IV) students with disabilities, including their need for transition services.”;

(ii) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively; and

(iii) by inserting after clause (i) the following:

“(ii) include an assessment of the transition services provided under this Act, and coordinated with transition services provided under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), about the extent to which those 2 types of services meet the needs of individuals with disabilities.”;

(B) in subparagraph (B)(ii), by striking “and under part B of title VI”;

(C) in subparagraph (D)—

(i) by redesignating clauses (iii), (iv), and (v) as clauses (iv), (v), and (vi), respectively;

(ii) by inserting after clause (ii) the following:

“(iii) the methods to be used to improve and expand vocational rehabilitation services for students with disabilities, including the coordination of services designed to facilitate the transition of such students from the receipt of educational services in school to the receipt of vocational rehabilitation services under this title or to postsecondary education or employment.”; and

(iii) in clause (v), as redesignated by clause (i) of this subparagraph, by striking “evaluation standards” and inserting “performance standards”;

(4) in paragraph (22)—

(A) in the paragraph heading, by striking “STATE PLAN SUPPLEMENT”;

(B) by striking “carrying out part B of title VI, including”;

(C) by striking “that part to supplement funds made available under part B of”;

(5) in paragraph (24)—

(A) in the paragraph heading, by striking “CONTRACTS” and inserting “GRANTS”;

(B) in subparagraph (A)—

(i) in the subparagraph heading, by striking “CONTRACTS” and inserting “GRANTS”;

(ii) by striking “part A of title VI” and inserting “section 109A”;

(6) by adding at the end the following:

“(25) **COLLABORATION WITH INDUSTRY.**—The State plan shall describe how the designated State agency will carry out the provisions of section 109A, including—

“(A) the criteria such agency will use to award grants under such section; and

“(B) how the activities carried out under such grants will be coordinated with other services provided under this title.

“(26) **SERVICES FOR STUDENTS WITH DISABILITIES.**—The State plan shall provide an assurance satisfactory to the Secretary that the State—

“(A) has developed and implemented strategies to address the needs identified in the assessments described in paragraph (15), and achieve the goals and priorities identified by the State in that paragraph, to improve and expand vocational rehabilitation services for students with disabilities on a statewide basis in accordance with paragraph (15); and

“(B) from funds reserved under section 110A, shall carry out programs or activities

designed to improve and expand vocational rehabilitation services for students with disabilities that—

“(i) facilitate the transition of students with disabilities from the receipt of educational services in school, to the receipt of vocational rehabilitation services under this title, including, at a minimum, those services specified in the interagency agreement required in paragraph (11)(D);

“(ii) improve the achievement of post-school goals of students with disabilities, including improving the achievement through participation (as appropriate when career goals are discussed) in meetings regarding individualized education programs developed under section 614 of the Individuals with Disabilities Education Act (20 U.S.C. 1414);

“(iii) provide career guidance, career exploration services, job search skills and strategies, and technical assistance to students with disabilities;

“(iv) support the provision of training and technical assistance to State and local educational agencies and designated State agency personnel responsible for the planning and provision of services to students with disabilities; and

“(v) support outreach activities to students with disabilities who are eligible for, and need, services under this title.”.

SEC. 482. SCOPE OF SERVICES.

Section 103 of the Rehabilitation Act of 1973 (29 U.S.C. 723) is amended—

(1) in subsection (a), by striking paragraph (15) and inserting the following:

“(15) transition services for students with disabilities, that facilitate the achievement of the employment outcome identified in the individualized plan for employment involved, including services described in clauses (i) through (iii) of section 101(a)(26)(B);”;

(2) in subsection (b), by striking paragraph (6) and inserting the following:

“(6)(A)(i) Consultation and technical assistance services to assist State and local educational agencies in planning for the transition of students with disabilities from school to post-school activities, including employment.

“(ii) Training and technical assistance described in section 101(a)(26)(B)(iv).

“(B) Services for groups of individuals with disabilities who meet the requirements of clauses (i) and (iii) of section 7(35)(A), including services described in clauses (i), (ii), (iii), and (v) of section 101(a)(26)(B), to assist in the transition from school to post-school activities.”; and

(3) in subsection (b), by inserting at the end the following:

“(7) The establishment, development, or improvement of assistive technology demonstration, loan, reutilization, or financing programs in coordination with activities authorized under the Assistive Technology Act of 1998 (29 U.S.C. 3001 et seq.) to promote access to assistive technology for individuals with disabilities and employers.”.

SEC. 483. STANDARDS AND INDICATORS.

(a) **IN GENERAL.**—Section 106 of the Rehabilitation Act of 1973 (29 U.S.C. 726) is amended—

(1) in the section heading, by striking “EVALUATION STANDARDS” and inserting “PERFORMANCE STANDARDS”;

(2) by striking subsection (a) and inserting the following:

“(a) **STANDARDS AND INDICATORS.**—The performance standards and indicators for the vocational rehabilitation program carried out under this title—

“(1) shall be subject to paragraphs (2)(A) and (3) of section 136(b) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(b)); and

“(2) may, at a State’s discretion, include additional indicators identified in the State plan submitted under section 101.”; and

(3) in subsection (b)(2)(B), by striking clause (i) and inserting the following:

“(i) on a biannual basis, review the program improvement efforts of the State and, if the State has not improved its performance to acceptable levels, as determined by the Director, direct the State to make revisions to the plan to improve performance; and”.

(b) **CONFORMING AMENDMENTS.**—Section 107 of the Rehabilitation Act of 1973 (29 U.S.C. 727) is amended—

(1) in subsections (a)(1)(B) and (b)(2), by striking “evaluation standards” and inserting “performance standards”; and

(2) in subsection (c)(1)(B), by striking “an evaluation standard” and inserting “a performance standard”.

SEC. 484. EXPENDITURE OF CERTAIN AMOUNTS.

Section 108(a) of the Rehabilitation Act of 1973 (29 U.S.C. 728(a)) is amended by striking “under part B of title VI, or”.

SEC. 485. COLLABORATION WITH INDUSTRY.

The Rehabilitation Act of 1973 is amended by inserting after section 109 (29 U.S.C. 728a) the following:

“SEC. 109A. COLLABORATION WITH INDUSTRY.

“(a) **ELIGIBLE ENTITY DEFINED.**—For the purposes of this section, the term ‘eligible entity’ means a for-profit business, alone or in partnership with one or more of the following:

“(1) Community rehabilitation program providers.

“(2) Indian tribes.

“(3) Tribal organizations.

“(b) **AUTHORITY.**—A State shall use not less than one-half of one percent of the payment the State receives under section 111 for a fiscal year to award grants to eligible entities to pay for the Federal share of the cost of carrying out collaborative programs, to create practical job and career readiness and training programs, and to provide job placements and career advancement.

“(c) **AWARDS.**—Grants under this section shall—

“(1) be awarded for a period not to exceed 5 years; and

“(2) be awarded competitively.

“(d) **APPLICATION.**—To receive a grant under this section, an eligible entity shall submit an application to a designated State agency at such time, in such manner, and containing such information as such agency shall require. Such application shall include, at a minimum—

“(1) a plan for evaluating the effectiveness of the collaborative program;

“(2) a plan for collecting and reporting the data and information described under subparagraphs (A) through (C) of section 101(a)(10), as determined appropriate by the designated State agency; and

“(3) a plan for providing for the non-Federal share of the costs of the program.

“(e) **ACTIVITIES.**—An eligible entity receiving a grant under this section shall use the grant funds to carry out a program that provides one or more of the following:

“(1) Job development, job placement, and career advancement services for individuals with disabilities.

“(2) Training in realistic work settings in order to prepare individuals with disabilities for employment and career advancement in the competitive market.

“(3) Providing individuals with disabilities with such support services as may be required in order to maintain the employment and career advancement for which the individuals have received training.

“(f) **ELIGIBILITY FOR SERVICES.**—An individual shall be eligible for services provided under a program under this section if the individual is determined under section 102(a)(1) to be eligible for assistance under this title.

“(g) FEDERAL SHARE.—The Federal share for a program under this section shall not exceed 80 percent of the costs of the program.”

SEC. 486. RESERVATION FOR EXPANDED TRANSITION SERVICES.

The Rehabilitation Act of 1973 is amended by inserting after section 110 (29 U.S.C. 730) the following:

“SEC. 110A. RESERVATION FOR EXPANDED TRANSITION SERVICES.

“Each State shall reserve not less than 10 percent of the funds allotted to the State under section 110(a) to carry out programs or activities under sections 101(a)(26)(B) and 103(b)(6).”

SEC. 487. CLIENT ASSISTANCE PROGRAM.

Section 112(e)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 732(e)(1)) is amended by redesignating subparagraph (D) as subparagraph (E) and inserting after subparagraph (C) the following:

“(D) The Secretary shall make grants to the protection and advocacy system serving the American Indian Consortium under the Developmental Disabilities and Bill of Rights Act of 2000 (42 U.S.C. 15001 et seq.) to provide services in accordance with this section, as determined by the Secretary. The amount of such grants shall be the same as the amount provided to territories under this subsection.”

SEC. 488. RESEARCH.

Section 204(a)(2)(A) of the Rehabilitation Act of 1973 (29 U.S.C. 764(a)(2)(A)) is amended by striking “VI.”

SEC. 489. TITLE III AMENDMENTS.

Title III of the Rehabilitation Act of 1973 (29 U.S.C. 771 et seq.) is amended—

(1) in section 301(a) (21 U.S.C. 771(a))—

(A) in paragraph (2), by inserting “and” at the end;

(B) by striking paragraphs (3) and (4); and

(C) by redesignating paragraph (5) as paragraph (3);

(2) in section 302 (29 U.S.C. 772)—

(A) in subsection (g)—

(i) in the heading, by striking “AND IN-SERVICE TRAINING”; and

(ii) by striking paragraph (3); and

(B) in subsection (h), by striking “section 306” and inserting “section 304”;

(3) in section 303 (29 U.S.C. 773)—

(A) in subsection (b)(1), by striking “section 306” and inserting “section 304”; and

(B) in subsection (c)—

(i) in paragraph (4)—

(A) by amending subparagraph (A)(ii) to read as follows:

“(ii) to coordinate activities and work closely with the parent training and information centers established pursuant to section 671 of the Individuals with Disabilities Education Act (20 U.S.C. 1471), the community parent resource centers established pursuant to section 672 of such Act (29 U.S.C. 1472), and the eligible entities receiving awards under section 673 of such Act (20 U.S.C. 1473); and”;

(ii) in subparagraph (C), by inserting “, and demonstrate the capacity for serving,” after “serve”; and

(iii) by adding at the end the following:

“(8) RESERVATION.—From the amount appropriated to carry out this subsection for a fiscal year, 20 percent of such amount or \$500,000, whichever is less, shall be reserved to carry out paragraph (6).”;

(4) by striking sections 304 and 305 (29 U.S.C. 774, 775); and

(5) by redesignating section 306 (29 U.S.C. 776) as section 304.

SEC. 490. REPEAL OF TITLE VI.

Title VI of the Rehabilitation Act of 1973 (29 U.S.C. 795 et seq.) is repealed.

SEC. 491. TITLE VII GENERAL PROVISIONS.

(a) PURPOSE.—Section 701(3) of the Rehabilitation Act of 1973 (29 U.S.C. 796(3)) is

amended by striking “State programs of supported employment services receiving assistance under part B of title VI.”

(b) CHAIRPERSON.—Section 705(b)(5) of the Rehabilitation Act of 1973 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

“(5) CHAIRPERSON.—The Council shall select a chairperson from among the voting membership of the Council.”

SEC. 492. AUTHORIZATIONS OF APPROPRIATIONS.

The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is further amended—

(1) in section 100 (29 U.S.C. 720)—

(A) in subsection (b)(1), by striking “such sums as may be necessary for fiscal years 1999 through 2003” and inserting “\$3,066,192,000 for fiscal year 2015 and each of the 6 succeeding fiscal years”; and

(B) in subsection (d)(1)(B), by striking “2003” and inserting “2021”;

(2) in section 110(c) (29 U.S.C. 730(c)), by amending paragraph (2) to read as follows:

“(2) The sum referred to in paragraph (1) shall be, as determined by the Secretary, not less than 1 percent and not more than 1.5 percent of the amount referred to in paragraph (1) for each of fiscal years 2015 through 2020.”;

(3) in section 112(h) (29 U.S.C. 732(h)), by striking “such sums as may be necessary for fiscal years 1999 through 2003” and inserting “\$11,600,000 for fiscal year 2015 and each of the 6 succeeding fiscal years”;

(4) by amending subsection (a) of section 201 (29 U.S.C. 761(a)) to read as follows: “(a) There are authorized to be appropriated \$103,125,000 for fiscal year 2015 and each of the 6 succeeding fiscal years to carry out this title.”;

(5) in section 302(i) (29 U.S.C. 772(i)), by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting “\$33,657,000 for fiscal year 2015 and each of the 6 succeeding fiscal years”;

(6) in section 303(e) (29 U.S.C. 773(e)), by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting “\$5,046,000 for fiscal year 2015 and each of the 6 succeeding fiscal years”;

(7) in section 405 (29 U.S.C. 785), by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting “\$3,081,000 for fiscal year 2015 and each of the 6 succeeding fiscal years”;

(8) in section 502(j) (29 U.S.C. 792(j)), by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting “\$7,013,000 for fiscal year 2015 and each of the 6 succeeding fiscal years”;

(9) in section 509(l) (29 U.S.C. 794e(l)), by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting “\$17,088,000 for fiscal year 2015 and each of the 6 succeeding fiscal years”;

(10) in section 714 (29 U.S.C. 796e-3), by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting “\$22,137,000 for fiscal year 2015 and each of the 6 succeeding fiscal years”;

(11) in section 727 (29 U.S.C. 796f-6), by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting “\$75,772,000 for fiscal year 2015 and each of the 6 succeeding fiscal years”; and

(12) in section 753 (29 U.S.C. 796l), by striking “such sums as may be necessary for each of the fiscal years 1999 through 2003” and inserting “\$32,239,000 for fiscal year 2015 and each of the 6 succeeding fiscal years”.

SEC. 493. CONFORMING AMENDMENTS.

Section 1(b) of the Rehabilitation Act of 1973 is amended—

(1) by inserting after the item relating to section 109 the following:

“Sec. 109A. Collaboration with industry.”;

(2) by inserting after the item relating to section 110 the following:

“Sec. 110A. Reservation for expanded transition services.”;

(3) by striking the item related to section 304 and inserting the following:

“Sec. 304. Measuring of project outcomes and performance.”;

(4) by striking the items related to sections 305 and 306;

(5) by striking the items related to title VI; and

(6) by striking the item related to section 706 and inserting the following:

“Sec. 706. Responsibilities of the Director.”

Subtitle F—Studies by the Comptroller General

SEC. 496. STUDY BY THE COMPTROLLER GENERAL ON EXHAUSTING FEDERAL PELL GRANTS BEFORE ACCESSING WIA FUNDS.

Not later than 12 months after the date of enactment of this Act, the Comptroller General of the United States shall complete and submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report that—

(1) evaluates the effectiveness of subparagraph (B) of section 134(d)(4) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(d)(4)(B)) (as such subparagraph was in effect on the day before the date of enactment of this Act), including—

(A) a review of the regulations and guidance issued by the Secretary of Labor to State and local areas on how to comply with such subparagraph;

(B) a review of State policies to determine how local areas are required to comply with such subparagraph;

(C) a review of local area policies to determine how one-stop operators are required to comply with such subparagraph; and

(D) a review of a sampling of individuals receiving training services under section 134(d)(4) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(d)(4)) to determine if, before receiving such training services, such individuals have exhausted funds received through the Federal Pell Grant program under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and

(2) makes appropriate recommendations with respect to the matters evaluated under paragraph (1).

SEC. 497. STUDY BY THE COMPTROLLER GENERAL ON ADMINISTRATIVE COST SAVINGS.

(a) STUDY.—Not later than 12 months after the date of the enactment of this Act, the Comptroller General of the United States shall complete and submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report that—

(1) determines the amount of administrative costs at the Federal and State levels for the most recent fiscal year for which satisfactory data are available for—

(A) each of the programs authorized under the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.) or repealed under section 71, as such programs were in effect for such fiscal year; and

(B) each of the programs described in subparagraph (A) that have been repealed or consolidated on or after the date of enactment of this Act;

(2) determines the amount of administrative cost savings at the Federal and State levels as a result of repealing and consolidating programs by calculating the differences in the amount of administrative costs between subparagraph (A) and subparagraph (B) of paragraph (1); and

(3) estimates the administrative cost savings at the Federal and State levels for a fiscal year as a result of States consolidating amounts under section 501(e) of the Workforce Investment Act of 1998 (20 U.S.C. 9271(e)) to reduce inefficiencies in the administration of federally-funded State and local employment and training programs.

(b) DEFINITION.—For purposes of this section, the term “administrative costs” has the meaning given the term in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801).

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Ms. LANDRIEU. Mr. President, I would like to announce for the information of the Senate and the public that the oversight hearing scheduled before the Senate Committee on Energy and Natural Resources will now be held before the Subcommittee on Water and Power. The hearing will be held on Wednesday, April 16, 2014, at 1 p.m., at the East-West Center at the University of Hawaii, Manoa Campus, in Honolulu, Hawaii.

The purpose of the hearing is to examine the successes and challenges of meeting sustainability goals in Hawaii and the Pacific, including oversight of existing activities and Federal-Island partnerships in energy, water, land use, marine resources, and other sectors.

For further information, please contact Al Stayman at (202) 224-7865 or John Assini at (202) 224-9313.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. REED. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on April 2, 2014, at 10:15 a.m. in room SR-253 of the Russell Senate Office Building, to conduct a hearing entitled, “Examining the GM Recall and NHTSA’s Defect Investigation Process.”

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Mr. REED. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs be authorized to meet during the session of the Senate on April 2, 2014, at 10 a.m. in order to conduct a hearing entitled “Data Breach on the Rise: Protecting Personal Information From Harm.”

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. REED. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet during the session of the Senate on April 2, 2014, in room SD-628 of the Dirksen Senate Office Building, at 2:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON READINESS AND MANAGEMENT SUPPORT

Mr. REED. Mr. President, I ask unanimous consent that the Subcommittee on Readiness and Management Support of the Committee on Armed Services be authorized to meet during the session of the Senate on April 2, 2014, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SEAPOWER

Mr. REED. Mr. President, I ask unanimous consent that the Subcommittee on Seapower of the Committee on Armed Services be authorized to meet during the session of the Senate on April 2, 2014, at 9:15 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC FORCES

Mr. REED. Mr. President, I ask unanimous consent that the Subcommittee on Strategic Forces of the Committee on Armed Services be authorized to meet during the session of the Senate on April 2, 2014, at 2:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

Mr. KING. Mr. President, I ask unanimous consent that Braylin Cathey, a fellow in my office, be granted floor privileges for the remainder of the Congress.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MENENDEZ. Mr. President, I ask unanimous consent that Theresa Harrison, a legislative fellow in Senator SCHUMER’s office, be granted privileges of the floor for the duration of today’s session.

The PRESIDING OFFICER. Without objection, it is so ordered.

APOLOGIES TO PRESIDING OFFICER AND STAFF

Mr. REID. Mr. President, from time to time I have to express my apologies to everyone—staff, the Presiding Officer—but I just can’t come to the floor until we know what we are going to do tomorrow, and that takes a lot of time. That is what is going on while I am in my office.

So I apologize to everyone. I am sorry that things take so long, and it appears we are doing nothing, but there are things being done.

CONGRATULATING THE PENN STATE WRESTLING TEAM

Mr. REID. I ask unanimous consent that the Senate proceed to the consideration of S. Res. 409.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The bill clerk read as follows:

The resolution (S. Res. 409) congratulating the Penn State University wrestling team

for winning the 2014 National Collegiate Athletic Association Wrestling Championships.

There being no objection, the Senate proceeded to consider the resolution.

Mr. REID. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motions to reconsider be laid upon the table, with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 409) was agreed to.

The preamble was agreed to.

(The resolution, with its preamble, is printed in today’s RECORD under “Submitted Resolutions.”)

ORDERS FOR THURSDAY, APRIL 3, 2014

Mr. REID. I ask unanimous consent that when the Senate completes its business tonight, we adjourn until 9:30 a.m., Thursday, April 3, 2014; that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, and the time for the two leaders be reserved for their use later in the day; that following any leader remarks, the Senate resume consideration of H.R. 3979; and that all time during adjournment count postcloture on the Reed amendment to H.R. 3979.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. REID. Mr. President, we are doing our best to reach an agreement both on the unemployment insurance and some executive nominations during tomorrow’s session.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. REID. If there is no further business to come before the Senate, I ask unanimous consent that the Senate stand adjourned under the previous order.

There being no objection, the Senate, at 8:02 p.m., adjourned until Thursday, April 3, 2014, at 9:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 2, 2014:

DEPARTMENT OF STATE

TOMASZ P. MALINOWSKI, OF THE DISTRICT OF COLUMBIA, TO BE ASSISTANT SECRETARY OF STATE FOR DEMOCRACY, HUMAN RIGHTS, AND LABOR.

DEPARTMENT OF LABOR

PORTIA Y. WU, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF LABOR.

DEPARTMENT OF STATE

DEBORAH L. BIRX, OF MARYLAND, TO BE AMBASSADOR AT LARGE AND COORDINATOR OF UNITED STATES GOVERNMENT ACTIVITIES TO COMBAT HIV/AIDS GLOBALLY.