

AMENDMENT NO. _____ Calendar No. _____

Purpose: To approve the Keystone XL Pipeline, to modify the definition of “full-time employee” in the Internal Revenue Code of 1986 for purposes of the employer mandate in the Patient Protection and Affordable Care Act, to repeal the individual mandate in such Act, to repeal the medical device excise tax, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions relating to small businesses, and to reform the process by which Federal agencies analyze and formulate new regulations and guidance documents, and for other purposes.

IN THE SENATE OF THE UNITED STATES—113th Cong., 2d Sess.

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.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. THUNE

Viz:

1 At the appropriate place, insert the following:

1 **DIVISION B—GOOD JOBS, GOOD**
 2 **WAGES, AND GOOD HOURS ACT**

3 **SEC. 101. SHORT TITLE; TABLE OF CONTENTS.**

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

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

DIVISION B—GOOD JOBS, GOOD WAGES, AND GOOD HOURS ACT

Sec. 101. Short title; table of contents.

TITLE I—ENERGY

Subtitle A—Keystone XL and Natural Gas Exportation

Sec. 111. Keystone XL permit approval.

Sec. 112. Expedited approval of exportation of natural gas to Ukraine and
 North Atlantic Treaty Organization member countries and
 Japan.

Subtitle B—Saving Coal Jobs

Sec. 120. 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 em-
 ployer health care coverage mandate.

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- 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.

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- 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.

1 **TITLE I—ENERGY**
 2 **Subtitle A—Keystone XL and**
 3 **Natural Gas Exportation**

4 **SEC. 111. KEYSTONE XL PERMIT APPROVAL.**

5 (a) IN GENERAL.—In accordance with clause 3 of
 6 section 8 of article I of the Constitution (delegating to
 7 Congress the power to regulate commerce with foreign na-
 8 tions), TransCanada Keystone Pipeline, L.P. is authorized
 9 to construct, connect, operate, and maintain pipeline fa-
 10 cilities for the import of crude oil and other hydrocarbons
 11 at the United States-Canada Border at Phillips County,
 12 Montana, in accordance with the application filed with the
 13 Department of State on May 4, 2012.

1 (b) PRESIDENTIAL PERMIT NOT REQUIRED.—Not-
2 withstanding Executive Order No. 13337 (3 U.S.C. 301
3 note), Executive Order No. 11423 (3 U.S.C. 301 note),
4 section 301 of title 3, United States Code, and any other
5 Executive order or provision of law, no presidential permit
6 shall be required for the facilities described in subsection
7 (a).

8 (c) ENVIRONMENTAL IMPACT STATEMENT.—The
9 final environmental impact statement issued by the Sec-
10 retary of State on August 26, 2011, the Final Evaluation
11 Report issued by the Nebraska Department of Environ-
12 mental Quality on January 3, 2013, and the Draft Supple-
13 mental Environmental Impact Statement issued on March
14 1, 2013, regarding the crude oil pipeline and appurtenant
15 facilities associated with the facilities described in sub-
16 section (a), shall be considered to satisfy—

17 (1) all requirements of the National Environ-
18 mental Policy Act of 1969 (42 U.S.C. 4321 et seq.);
19 and

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

24 (d) PERMITS.—Any Federal permit or authorization
25 issued before the date of enactment of this Act for the

1 facilities described in subsection (a), and the related facili-
2 ties in the United States shall remain in effect.

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

11 **SEC. 112. EXPEDITED APPROVAL OF EXPORTATION OF NAT-**
12 **URAL GAS TO UKRAINE AND NORTH ATLAN-**
13 **TIC TREATY ORGANIZATION MEMBER COUN-**
14 **TRIES AND JAPAN.**

15 (a) IN GENERAL.—In accordance with clause 3 of
16 section 8 of article I of the Constitution of the United
17 States (delegating to Congress the power to regulate com-
18 merce with foreign nations), Congress finds that exports
19 of natural gas produced in the United States to Ukraine,
20 member countries of the North Atlantic Treaty Organiza-
21 tion, and Japan is—

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

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

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

6 (c) EFFECTIVE DATE.—The amendment made by
7 subsection (b) shall apply to applications for the author-
8 ization to export natural gas under section 3 of the Nat-
9 ural Gas Act (15 U.S.C. 717b) that are pending on, or
10 filed on or after, the date of the enactment of this Act.

11 **Subtitle B—Saving Coal Jobs**

12 **SEC. 120. SHORT TITLE.**

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

15 **PART I—PROHIBITION ON ENERGY TAX**

16 **SEC. 121. PROHIBITION ON ENERGY TAX.**

17 (a) FINDINGS; PURPOSES.—

18 (1) FINDINGS.—Congress finds that—

19 (A) on June 25, 2013, President Obama
20 issued a Presidential memorandum directing
21 the Administrator of the Environmental Protec-
22 tion Agency to issue regulations relating to
23 power sector carbon pollution standards for ex-
24 isting coal fired power plants;

1 (B) the issuance of that memorandum cir-
2 cumvents Congress and the will of the people of
3 the United States;

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

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

13 (E) according to testimony on June 15,
14 2011, before the Committee on Environment
15 and Public Works of the Senate by Dr. Harvey
16 Brenner of Johns Hopkins University, “The
17 unemployment rate is well established as a risk
18 factor for elevated illness and mortality rates in
19 epidemiological studies performed since the
20 early 1980s. In addition to influences on mental
21 disorder, suicide and alcohol abuse and alco-
22 holism, unemployment is also an important risk
23 factor in cardiovascular disease and overall de-
24 creases in life expectancy.”;

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

5 (G) any major decision that would cost the
6 economy of the United States millions of dollars
7 and lead to serious negative health effects for
8 the people of the United States should be de-
9 bated and explicitly authorized by Congress, not
10 approved by a Presidential memorandum or
11 regulations; and

12 (H) any policy adopted by Congress should
13 make United States energy as clean as prac-
14 ticable, as quickly as practicable, without in-
15 creasing the cost of energy for struggling fami-
16 lies, seniors, low-income households, and small
17 businesses.

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

20 (A) to ensure that—

21 (i) a national energy tax is not im-
22 posed on the economy of the United
23 States; and

24 (ii) struggling families, seniors, low-
25 income households, and small businesses

1 do not experience skyrocketing electricity
2 bills and joblessness;

3 (B) to protect the people of the United
4 States, particularly families, seniors, and chil-
5 dren, from the serious negative health effects of
6 joblessness;

7 (C) to allow sufficient time for Congress to
8 develop and authorize an appropriate mecha-
9 nism to address the energy needs of the United
10 States and the potential challenges posed by se-
11 vere weather; and

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

15 (b) PRESIDENTIAL MEMORANDUM.—Notwith-
16 standing any other provision of law, the head of a Federal
17 agency shall not promulgate any regulation relating to
18 power sector carbon pollution standards or any substan-
19 tially similar regulation on or after June 25, 2013, unless
20 that regulation is explicitly authorized by an Act of Con-
21 gress.

1

PART II—PERMITS2 **SEC. 131. NATIONAL POLLUTANT DISCHARGE ELIMINATION**

3

SYSTEM.

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

7 “(s) **APPLICABILITY OF GUIDANCE.**—8 “(1) **DEFINITIONS.**—In this subsection:9 “(A) **GUIDANCE.**—

10 “(i) **IN GENERAL.**—The term ‘guid-
11 ance’ means draft, interim, or final guid-
12 ance issued by the Administrator.

13 “(ii) **INCLUSIONS.**—The term ‘guid-
14 ance’ includes—

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

18 “(II) the proposed guidance enti-
19 tled ‘Draft Guidance on Identifying
20 Waters Protected by the Clean Water
21 Act’ and dated April 28, 2011;

22 “(III) the final guidance pro-
23 posed by the Administrator and dated
24 July 21, 2011; and

25 “(IV) any other document or
26 paper issued by the Administrator

1 through any process other than the
2 notice and comment rulemaking proc-
3 ess.

4 “(B) NEW PERMIT.—The term ‘new per-
5 mit’ means a permit covering discharges from a
6 structure—

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

9 “(ii) for which an application is—

10 “(I) pending as of the date of en-
11 actment of this subsection; or

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

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

16 “(i) the Administrator; or

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

21 “(2) PERMITS.—

22 “(A) IN GENERAL.—Notwithstanding any
23 other provision of law, in making a determina-
24 tion whether to approve a new permit or a re-
25 newed permit, the permitting authority—

1 “(i) shall base the determination only
2 on compliance with regulations issued by
3 the Administrator or the permitting au-
4 thority; and

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

9 “(B) NEW PERMITS.—If the permitting
10 authority does not approve or deny an applica-
11 tion for a new permit by the date that is 270
12 days after the date of receipt of the application
13 for the new permit, the applicant may operate
14 as if the application were approved in accord-
15 ance with Federal law for the period of time for
16 which a permit from the same industry would
17 be approved.

18 “(C) SUBSTANTIAL COMPLETENESS.—In
19 determining whether an application for a new
20 permit or a renewed permit received under this
21 paragraph is substantially complete, the permit-
22 ting authority shall use standards for deter-
23 mining substantial completeness of similar per-
24 mits for similar facilities submitted in fiscal
25 year 2007.”.

1 (b) STATE PERMIT PROGRAMS.—

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

6 “(b) STATE PERMIT PROGRAMS.—

7 “(1) IN GENERAL.—At any time after the pro-
8 mulgation of the guidelines required by section
9 304(a)(2), the Governor of each State desiring to
10 administer a permit program for discharges into
11 navigable waters within the jurisdiction of the State
12 may submit to the Administrator—

13 “(A) a full and complete description of the
14 program the State proposes to establish and ad-
15 minister under State law or under an interstate
16 compact; and

17 “(B) a statement from the attorney gen-
18 eral (or the attorney for those State water pol-
19 lution control agencies that have independent
20 legal counsel), or from the chief legal officer in
21 the case of an interstate agency, that the laws
22 of the State, or the interstate compact, as ap-
23 plicable, provide adequate authority to carry out
24 the described program.

1 “(2) APPROVAL.—The Administrator shall ap-
2 prove each program for which a description is sub-
3 mitted under paragraph (1) unless the Adminis-
4 trator determines that adequate authority does not
5 exist—

6 “(A) to issue permits that—

7 “(i) apply, and ensure compliance
8 with, any applicable requirements of sec-
9 tions 301, 302, 306, 307, and 403;

10 “(ii) are for fixed terms not exceeding
11 5 years;

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

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

16 “(II) obtaining a permit by mis-
17 representation or failure to disclose
18 fully all relevant facts; and

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

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

1 “(B)(i) to issue permits that apply, and
2 ensure compliance with, all applicable require-
3 ments of section 308; or

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

7 “(C) to ensure that the public, and any
8 other State the waters of which may be af-
9 fected, receives notice of each application for a
10 permit and an opportunity for a public hearing
11 before a ruling on each application;

12 “(D) to ensure that the Administrator re-
13 ceives notice and a copy of each application for
14 a permit;

15 “(E) to ensure that any State (other than
16 the permitting State), whose waters may be af-
17 fected by the issuance of a permit may submit
18 written recommendations to the permitting
19 State and the Administrator with respect to any
20 permit application and, if any part of the writ-
21 ten recommendations are not accepted by the
22 permitting State, that the permitting State will
23 notify the affected State and the Administrator
24 in writing of the failure of the State to accept

1 the recommendations, including the reasons for
2 not accepting the recommendations;

3 “(F) to ensure that no permit will be
4 issued if, in the judgment of the Secretary of
5 the Army (acting through the Chief of Engi-
6 neers), after consultation with the Secretary of
7 the department in which the Coast Guard is op-
8 erating, anchorage and navigation of any of the
9 navigable waters would be substantially im-
10 paired by the issuance of the permit;

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

14 “(H) to ensure that any permit for a dis-
15 charge from a publicly owned treatment works
16 includes conditions to require the identification
17 in terms of character and volume of pollutants
18 of any significant source introducing pollutants
19 subject to pretreatment standards under section
20 307(b) into the treatment works and a program
21 to ensure compliance with those pretreatment
22 standards by each source, in addition to ade-
23 quate notice, which shall include information on
24 the quality and quantity of effluent to be intro-
25 duced into the treatment works and any antici-

1 pated impact of the change in the quantity or
2 quality of effluent to be discharged from the
3 publicly owned treatment works, to the permit-
4 ting agency of—

5 “(i) new introductions into the treat-
6 ment works of pollutants from any source
7 that would be a new source (as defined in
8 section 306(a)) if the source were dis-
9 charging pollutants;

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

15 “(iii) a substantial change in volume
16 or character of pollutants being introduced
17 into the treatment works by a source intro-
18 ducing pollutants into the treatment works
19 at the time of issuance of the permit; and

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

23 “(3) ADMINISTRATION.—Notwithstanding para-
24 graph (2), the Administrator may not disapprove or

1 withdraw approval of a program under this sub-
2 section on the basis of the following:

3 “(A) The failure of the program to incor-
4 porate or comply with guidance (as defined in
5 subsection (s)(1)).

6 “(B) The implementation of a water qual-
7 ity standard that has been adopted by the State
8 and approved by the Administrator under sec-
9 tion 303(c).”.

10 (2) CONFORMING AMENDMENTS.—

11 (A) Section 309 of the Federal Water Pol-
12 lution Control Act (33 U.S.C. 1319) is amend-
13 ed—

14 (i) in subsection (c)—

15 (I) in paragraph (1)(A), by strik-
16 ing “402(b)(8)” and inserting
17 “402(b)(2)(H)”; and

18 (II) in paragraph (2)(A), by
19 striking “402(b)(8)” and inserting
20 “402(b)(2)(H)”; and

21 (ii) in subsection (d), in the first sen-
22 tence, by striking “402(b)(8)” and insert-
23 ing “402(b)(2)(H)”.

24 (B) Section 402(m) of the Federal Water
25 Pollution Control Act (33 U.S.C. 1342(m)) is

1 amended in the first sentence by striking “sub-
2 section (b)(8) of this section” and inserting
3 “subsection (b)(2)(H)”.

4 (c) SUSPENSION OF FEDERAL PROGRAM.—Section
5 402(c) of the Federal Water Pollution Control Act (33
6 U.S.C. 1342(c)) is amended—

7 (1) by redesignating paragraph (4) as para-
8 graph (5); and

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

11 “(4) LIMITATION ON DISAPPROVAL.—Notwith-
12 standing paragraphs (1) through (3), the Adminis-
13 trator may not disapprove or withdraw approval of
14 a State program under subsection (b) on the basis
15 of the failure of the following:

16 “(A) The failure of the program to incor-
17 porate or comply with guidance (as defined in
18 subsection (s)(1)).

19 “(B) The implementation of a water qual-
20 ity standard that has been adopted by the State
21 and approved by the Administrator under sec-
22 tion 303(e).”.

23 (d) NOTIFICATION OF ADMINISTRATOR.—Section
24 402(d)(2) of the Federal Water Pollution Control Act (33
25 U.S.C. 1342(d)(2)) is amended—

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

4 “(2) OBJECTION BY ADMINISTRATOR.—

5 “(A) IN GENERAL.—Subject to subpara-
6 graph (C), no permit shall issue if—

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

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

18 (2) in the second sentence, by striking “When-
19 ever the Administrator” and inserting the following:

20 “(B) REQUIREMENTS.—If the Adminis-
21 trator”; and

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

23 “(C) EXCEPTION.—The Administrator
24 shall not object to or deny the issuance of a

1 permit by a State under subsection (b) or (s)
2 based on the following:

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

5 “(ii) The interpretation of the Admin-
6 istrator of a water quality standard that
7 has been adopted by the State and ap-
8 proved by the Administrator under section
9 303(e).”.

10 **SEC. 132. PERMITS FOR DREDGED OR FILL MATERIAL.**

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

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

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

17 “(a) PERMITS.—

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

19 and

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

22 “(2) DEADLINE FOR APPROVAL.—

23 “(A) PERMIT APPLICATIONS.—

24 “(i) IN GENERAL.—Except as pro-
25 vided in clause (ii), if an environmental as-

1 assessment or environmental impact state-
2 ment, as appropriate, is required under the
3 National Environmental Policy Act of
4 1969 (42 U.S.C. 4321 et seq.), the Sec-
5 retary shall—

6 “(I) begin the process not later
7 than 90 days after the date on which
8 the Secretary receives a permit appli-
9 cation; and

10 “(II) approve or deny an applica-
11 tion for a permit under this sub-
12 section not later than the latter of—

13 “(aa) if an agency carries
14 out an environmental assessment
15 that leads to a finding of no sig-
16 nificant impact, the date on
17 which the finding of no signifi-
18 cant impact is issued; or

19 “(bb) if an agency carries
20 out an environmental assessment
21 that leads to a record of decision,
22 15 days after the date on which
23 the record of decision on an envi-
24 ronmental impact statement is
25 issued.

1 “(ii) PROCESSES.—Notwithstanding
2 clause (i), regardless of whether the Sec-
3 retary has commenced an environmental
4 assessment or environmental impact state-
5 ment by the date described in clause (i)(I),
6 the following deadlines shall apply:

7 “(I) An environmental assess-
8 ment carried out under the National
9 Environmental Policy Act of 1969 (42
10 U.S.C. 4321 et seq.) shall be com-
11 pleted not later than 1 year after the
12 deadline for commencing the permit
13 process under clause (i)(I).

14 “(II) An environmental impact
15 statement carried out under the Na-
16 tional Environmental Policy Act of
17 1969 (42 U.S.C. 4321 et seq.) shall
18 be completed not later than 2 years
19 after the deadline for commencing the
20 permit process under clause (i)(I).

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

1 “(i) the application, and the permit
2 requested in the application, shall be con-
3 sidered to be approved;

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

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

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

12 “(c) AUTHORITY OF ADMINISTRATOR.—

13 “(1) IN GENERAL.—Subject to paragraphs (2)
14 through (4), until the Secretary has issued a permit
15 under this section, the Administrator is authorized
16 to prohibit the specification (including the with-
17 drawal of specification) of any defined area as a dis-
18 posal site, and deny or restrict the use of any de-
19 fined area for specification (including the withdrawal
20 of specification) as a disposal site, if the Adminis-
21 trator determines, after notice and opportunity for
22 public hearings, that the discharge of the materials
23 into the area will have an unacceptable adverse ef-
24 fect on municipal water supplies, shellfish beds or

1 fishery areas (including spawning and breeding
2 areas), wildlife, or recreational areas.

3 “(2) CONSULTATION.—Before making a deter-
4 mination under paragraph (1), the Administrator
5 shall consult with the Secretary.

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

10 “(4) AUTHORITY OF STATE PERMITTING PRO-
11 GRAMS.—This subsection shall not apply to any per-
12 mit if the State in which the discharge originates or
13 will originate does not concur with the determination
14 of the Administrator that the discharge will result in
15 an unacceptable adverse effect as described in para-
16 graph (1).”.

17 (c) STATE PROGRAMS.—Section 404(g)(1) of the
18 Federal Water Pollution Control Act (33 U.S.C.
19 1344(g)(1)) is amended in the first sentence by striking
20 “for the discharge” and inserting “for all or part of the
21 discharges”.

22 **SEC. 133. IMPACTS OF ENVIRONMENTAL PROTECTION**
23 **AGENCY REGULATORY ACTIVITY ON EMPLOY-**
24 **MENT AND ECONOMIC ACTIVITY.**

25 (a) DEFINITIONS.—In this section:

1 (1) ADMINISTRATOR.—The term “Adminis-
2 trator” means the Administrator of the Environ-
3 mental Protection Agency.

4 (2) COVERED ACTION.—The term “covered ac-
5 tion” means any of the following actions taken by
6 the Administrator under the Federal Water Pollu-
7 tion Control Act (33 U.S.C. 1251 et seq.):

8 (A) Issuing a regulation, policy statement,
9 guidance, response to a petition, or other re-
10 quirement.

11 (B) Implementing a new or substantially
12 altered program.

13 (3) MORE THAN A DE MINIMIS NEGATIVE IM-
14 PACT.—The term “more than a de minimis negative
15 impact” means the following:

16 (A) With respect to employment levels, a
17 loss of more than 100 jobs, except that any off-
18 setting job gains that result from the hypo-
19 thetical creation of new jobs through new tech-
20 nologies or government employment may not be
21 used in the job loss calculation.

22 (B) With respect to economic activity, a
23 decrease in economic activity of more than
24 \$1,000,000 over any calendar year, except that
25 any offsetting economic activity that results

1 from the hypothetical creation of new economic
2 activity through new technologies or govern-
3 ment employment may not be used in the eco-
4 nomic activity calculation.

5 (b) ANALYSIS OF IMPACTS OF ACTIONS ON EMPLOY-
6 MENT AND ECONOMIC ACTIVITY.—

7 (1) ANALYSIS.—Before taking a covered action,
8 the Administrator shall analyze the impact,
9 disaggregated by State, of the covered action on em-
10 ployment levels and economic activity, including esti-
11 mated job losses and decreased economic activity.

12 (2) ECONOMIC MODELS.—

13 (A) IN GENERAL.—In carrying out para-
14 graph (1), the Administrator shall use the best
15 available economic models.

16 (B) ANNUAL GAO REPORT.—Not later
17 than December 31st of each year, the Comp-
18 troller General of the United States shall sub-
19 mit to Congress a report on the economic mod-
20 els used by the Administrator to carry out this
21 subsection.

22 (3) AVAILABILITY OF INFORMATION.—With re-
23 spect to any covered action, the Administrator
24 shall—

1 (A) post the analysis under paragraph (1)
2 as a link on the main page of the public Inter-
3 net Web site of the Environmental Protection
4 Agency; and

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

9 (c) PUBLIC HEARINGS.—

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

17 (2) TIME, LOCATION, AND SELECTION.—

18 (A) IN GENERAL.—A public hearing re-
19 quired under paragraph (1) shall be held at a
20 convenient time and location for impacted resi-
21 dents.

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

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

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

10 (a) IN GENERAL.—The Secretary of the Army and
11 the Administrator of the Environmental Protection Agen-
12 cy may not—

13 (1) finalize, adopt, implement, administer, or
14 enforce the proposed guidance described in the no-
15 tice of availability and request for comments entitled
16 “EPA and Army Corps of Engineers Guidance Re-
17 garding Identification of Waters Protected by the
18 Clean Water Act” (EPA–HQ–OW–2011–0409) (76
19 Fed. Reg. 24479 (May 2, 2011)); and

20 (2) use the guidance described in paragraph
21 (1), any successor document, or any substantially
22 similar guidance made publicly available on or after
23 December 3, 2008, as the basis for any decision re-
24 garding the scope of the Federal Water Pollution

1 Control Act (33 U.S.C. 1251 et seq.) or any rule-
2 making.

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

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

10 (a) STATE WATER QUALITY STANDARDS.—Section
11 303(c)(4) of the Federal Water Pollution Control Act (33
12 U.S.C. 1313(c)(4)) is amended—

13 (1) by redesignating subparagraphs (A) and
14 (B) as clauses (i) and (ii), respectively, and indent-
15 ing appropriately;

16 (2) by striking “(4) The” and inserting the fol-
17 lowing:

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

20 “(A) IN GENERAL.—The”;

21 (3) by striking “The Administrator shall pro-
22 mulgate” and inserting the following:

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

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

1 “(C) STATE WATER QUALITY STAND-
2 ARDS.—Notwithstanding any other provision of
3 this paragraph, the Administrator may not pro-
4 mulgate a revised or new standard for a pollut-
5 ant in any case in which the State has sub-
6 mitted to the Administrator and the Adminis-
7 trator has approved a water quality standard
8 for that pollutant, unless the State concurs with
9 the determination of the Administrator that the
10 revised or new standard is necessary to meet
11 the requirements of this Act.”.

12 (b) FEDERAL LICENSES AND PERMITS.—Section
13 401(a) of the Federal Water Pollution Control Act (33
14 U.S.C. 1341(a)) is amended by adding at the end the fol-
15 lowing:

16 “(7) STATE OR INTERSTATE AGENCY DETER-
17 MINATION.—With respect to any discharge, if a
18 State or interstate agency having jurisdiction over
19 the navigable waters at the point at which the dis-
20 charge originates or will originate determines under
21 paragraph (1) that the discharge will comply with
22 the applicable provisions of sections 301, 302, 303,
23 306, and 307, the Administrator may not take any
24 action to supersede the determination.”.

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

3 Section 303(d) of the Federal Water Pollution Con-
4 trol Act (33 U.S.C. 1313(d)) is amended by striking para-
5 graph (2) and inserting the following:

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

8 “(A) IN GENERAL.—Each State shall sub-
9 mit to the Administrator from time to time,
10 with the first such submission not later than
11 180 days after the date of publication of the
12 first identification of pollutants under section
13 304(a)(2)(D), the waters identified and the
14 loads established under subparagraphs (A), (B),
15 (C), and (D) of paragraph (1).

16 “(B) APPROVAL OR DISAPPROVAL BY AD-
17 MINISTRATOR.—

18 “(i) IN GENERAL.—Not later than 30
19 days after the date of submission, the Ad-
20 ministrator shall approve the State identi-
21 fication and load or announce the disagree-
22 ment of the Administrator with the State
23 identification and load.

24 “(ii) APPROVAL.—If the Adminis-
25 trator approves the identification and load
26 submitted by the State under this sub-

1 section, the State shall incorporate the
2 identification and load into the current
3 plan of the State under subsection (e).

4 “(iii) DISAPPROVAL.—If the Adminis-
5 trator announces the disagreement of the
6 Administrator with the identification and
7 load submitted by the State under this
8 subsection, the Administrator shall submit,
9 not later than 30 days after the date that
10 the Administrator announces the disagree-
11 ment of the Administrator with the sub-
12 mission of the State, to the State the writ-
13 ten recommendation of the Administrator
14 of those additional waters that the Admin-
15 istrator identifies and such loads for such
16 waters as the Administrator believes are
17 necessary to implement the water quality
18 standards applicable to the waters.

19 “(C) ACTION BY STATE.—Not later than
20 30 days after receipt of the recommendation of
21 the Administrator, the State shall—

22 “(i) disregard the recommendation of
23 the Administrator in full and incorporate
24 its own identification and load into the

1 current plan of the State under subsection
2 (e);

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

9 “(iii) accept the recommendation of
10 the Administrator in part, identifying cer-
11 tain additional waters and certain addi-
12 tional loads proposed by the Administrator
13 to be added to the State’s identification
14 and load and incorporate the State’s iden-
15 tification and load as amended into the
16 current plan of the State under subsection
17 (e).

18 “(D) NONCOMPLIANCE BY ADMINIS-
19 TRATOR.—

20 “(i) IN GENERAL.—If the Adminis-
21 trator fails to approve the State identifica-
22 tion and load or announce the disagree-
23 ment of the Administrator with the State
24 identification and load within the time
25 specified in this subsection—

1 “(I) the identification and load of
2 the State shall be considered ap-
3 proved; and

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

8 “(ii) RECOMMENDATIONS NOT SUB-
9 MITTED.—If the Administrator announces
10 the disagreement of the Administrator with
11 the identification and load of the State but
12 fails to submit the written recommendation
13 of the Administrator to the State within 30
14 days as required by subparagraph
15 (B)(iii)—

16 “(I) the identification and load of
17 the State shall be considered ap-
18 proved; and

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

23 “(E) APPLICATION.—This section shall
24 apply to any decision made by the Adminis-

1 trator under this subsection issued on or after
2 March 1, 2013.”.

3 **Subtitle C—Point of Order Against**
4 **Taxes on Carbon**

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

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

14 (b) WAIVER AND APPEAL.—

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

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

1 **TITLE II—HEALTH**

2 **SEC. 201. FORTY HOURS IS FULL TIME.**

3 (a) DEFINITION OF FULL-TIME EMPLOYEE.—Section
4 4980H(c) of the Internal Revenue Code of 1986 is amend-
5 ed—

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

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

10 (b) EFFECTIVE DATE.—The amendments made by
11 subsection (a) shall apply to months beginning after De-
12 cember 31, 2013.

13 **SEC. 202. REPEAL OF THE INDIVIDUAL MANDATE.**

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

20 **SEC. 203. REPEAL OF MEDICAL DEVICE EXCISE TAX.**

21 (a) IN GENERAL.—Chapter 32 of the Internal Rev-
22 enue Code of 1986 is amended by striking subchapter E.

23 (b) CONFORMING AMENDMENTS.—

1 “(ii) LONG-TERM UNEMPLOYED INDI-
2 VIDUAL.—For purposes of this subpara-
3 graph, the term ‘long-term unemployed in-
4 dividual’ means, with respect to any em-
5 ployer, an individual who—

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

9 “(II) has been unemployed for 27
10 weeks or longer, as determined by the
11 Secretary of Labor, immediately be-
12 fore the date such employment be-
13 gins.”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 this section shall apply to months beginning after Decem-
16 ber 31, 2013.

17 **SEC. 205. EMPLOYEES WITH HEALTH COVERAGE UNDER**
18 **TRICARE OR THE VETERANS ADMINISTRA-**
19 **TION MAY BE EXEMPTED FROM EMPLOYER**
20 **MANDATE UNDER PATIENT PROTECTION AND**
21 **AFFORDABLE CARE ACT.**

22 (a) IN GENERAL.—Section 4980H(c)(2) of the Inter-
23 nal Revenue Code is amended by adding at the end the
24 following:

1 “(F) EXEMPTION FOR HEALTH COVERAGE
2 UNDER TRICARE OR THE VETERANS ADMINIS-
3 TRATION.—Solely for purposes of determining
4 whether an employer is an applicable large em-
5 ployer under this paragraph for any month, an
6 employer may elect not to take into account for
7 a month as an employee any individual who, for
8 such month, has medical coverage under—

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

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

18 (b) EFFECTIVE DATE.—The amendment made by
19 subsection (a) shall apply to months beginning after De-
20 cember 31, 2013.

21 **SEC. 206. PROHIBITION ON CERTAIN TAXES, FEES, AND**
22 **PENALTIES ENACTED UNDER THE AFFORD-**
23 **ABLE CARE ACT.**

24 No tax, fee, or penalty imposed or enacted under the
25 Patient Protection and Affordable Care Act shall be imple-

1 mented, administered, or enforced unless there has been
2 a certification by the Joint Committee on Taxation that
3 such provision would not have a direct or indirect eco-
4 nomic impact on individuals with an annual income of less
5 than \$200,000 or families with an annual income of less
6 than \$250,000.

7 **SEC. 207. REPEAL OF THE PATIENT PROTECTION AND AF-**
8 **FORDABLE CARE ACT.**

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

16 (b) HEALTH CARE-RELATED PROVISIONS IN THE
17 HEALTH CARE AND EDUCATION RECONCILIATION ACT OF
18 2010.—Effective as of the enactment of the Health Care
19 and Education Reconciliation Act of 2010 (Public Law
20 111–152), title I and subtitle B of title II of such Act
21 (including any provision amended under sections 201
22 through 205 of this Act) are repealed, and the provisions
23 of law amended or repealed by such title or subtitle, re-
24 spectively (including any provision amended under such

1 sections), are restored or revived as if such title and sub-
2 title had not been enacted.

3 **TITLE III—INCREASING EMPLOY-**
4 **MENT AND DECREASING GOV-**
5 **ERNMENT REGULATION**

6 **Subtitle A—Small Business Tax**
7 **Provisions**

8 **SEC. 301. PERMANENT EXTENSION OF INCREASED EXPENS-**
9 **ING LIMITATIONS AND TREATMENT OF CER-**
10 **TAIN REAL PROPERTY AS SECTION 179 PROP-**
11 **ERTY.**

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

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

18 (1) by striking subparagraph (C),

19 (2) by striking “, and” at the end of subpara-
20 graph (B) and inserting a period,

21 (3) by striking the comma at the end of sub-
22 paragraph (A) and inserting “, and”, and

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

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

4 (d) ELECTION.—Section 179(c)(2) of the Internal
5 Revenue Code of 1986 is amended by striking “and before
6 2014”.

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

9 (1) IN GENERAL.—Section 179(f)(1) of the In-
10 ternal Revenue Code of 1986 is amended by striking
11 “beginning in 2010, 2011, 2012, or 2013” and in-
12 serting “beginning after 2009”.

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

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

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

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

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

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

4 (b) CONFORMING AMENDMENTS.—

5 (1) The heading for section 1202 of the Inter-
6 nal Revenue Code of 1986 is amended by striking
7 “**PARTIAL**”.

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

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

14 (c) ADJUSTMENT OF GROSS ASSET THRESHOLD FOR
15 INFLATION.—Subsection (d) of section 1202 of the Inter-
16 nal Revenue Code of 1986 is amended by adding at the
17 end the following new paragraph:

18 “(4) ADJUSTMENT FOR INFLATION.—In the
19 case of any taxable year beginning after December
20 31, 2014, the \$50,000,000 amount in subpara-
21 graphs (A) and (B) of paragraph (1) shall be in-
22 creased by an amount equal to—

23 “(A) such dollar amount, multiplied by

24 “(B) the cost-of-living adjustment deter-
25 mined under section 1(f)(3) for the calendar

1 year in which the taxable year begins, by sub-
2 stituting ‘calendar year 2013’ for ‘calendar year
3 1992’ in subparagraph (B) thereof.

4 If any amount as increased under the preceding sen-
5 tence is not a multiple of \$1,000, such amount shall
6 be rounded to the nearest multiple of \$1,000.”.

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to stock acquired after December
9 31, 2013.

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

12 (a) IN GENERAL.—Clause (ii) of section
13 195(b)(1)(A) of the Internal Revenue Code of 1986 is
14 amended—

15 (1) by striking “\$5,000” and inserting
16 “\$10,000”, and

17 (2) by striking “\$50,000” and inserting
18 “\$60,000”.

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

22 “(3) ADJUSTMENT FOR INFLATION.—In the
23 case of any taxable year beginning after December
24 31, 2014, the \$10,000 and \$60,000 amounts in

1 paragraph (1)(A)(ii) shall each be increased by an
2 amount equal to—

3 “(A) such dollar amount, multiplied by

4 “(B) the cost-of-living adjustment deter-
5 mined under section 1(f)(3) for the calendar
6 year in which the taxable year begins, by sub-
7 stituting ‘calendar year 2013’ for ‘calendar year
8 1992’ in subparagraph (B) thereof.

9 If any amount as increased under the preceding sen-
10 tence is not a multiple of \$1,000, such amount shall
11 be rounded to the nearest multiple of \$1,000.”.

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

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

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

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

22 (2) by striking subparagraphs (B) and (C) and
23 redesignating subparagraphs (D) and (E) as sub-
24 paragraphs (B) and (C), respectively, and

1 (3) by striking “593(e)—” and all that follows
2 in subparagraph (B), as so redesignated, and insert-
3 ing “593(e), subparagraph (A) shall be applied with-
4 out regard to the phrase ‘5-year.’”.

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

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

11 (a) IN GENERAL.—Paragraph (4) of section 162(l)
12 of the Internal Revenue Code of 1986 is amended by strik-
13 ing “beginning before January 1, 2010” and all that fol-
14 lows and inserting “beginning—

15 “(A) before January 1, 2010, or

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

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

21 **SEC. 306. CLARIFICATION OF INVENTORY AND ACCOUNT-**
22 **ING RULES FOR SMALL BUSINESS.**

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

1 “(g) CERTAIN SMALL BUSINESS TAXPAYERS PER-
2 MITTED TO USE CASH ACCOUNTING METHOD WITHOUT
3 LIMITATION.—

4 “(1) IN GENERAL.—With respect to an eligible
5 taxpayer who uses the cash receipts and disburse-
6 ments method for any taxable year, such method
7 shall be deemed to clearly reflect income and the
8 taxpayer shall not be required to use an accrual
9 method.

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

13 “(A) for all prior taxable years beginning
14 after December 31, 2013, the taxpayer (or any
15 predecessor) met the gross receipts test of sec-
16 tion 448(c) (determined by substituting
17 ‘\$10,000,000’ for ‘\$5,000,000’ each place it ap-
18 pears), and

19 “(B) the taxpayer is not subject to section
20 447 or 448.”.

21 (b) INVENTORY RULES.—

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

1 “(c) SMALL BUSINESS TAXPAYERS NOT REQUIRED
2 TO USE INVENTORIES.—

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

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

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

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

17 “(B) any taxpayer described in section
18 448(b)(3) (determined by substituting
19 ‘\$10,000,000’ for ‘\$5,000,000’ each place it ap-
20 pears in subsections (b) and (c) of section
21 448).”.

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

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

4 “(7) EXCLUSION FROM INVENTORY RULES.—
5 Nothing in this section shall require the use of in-
6 ventories for any taxable year by a qualified tax-
7 payer (within the meaning of section 471(c)) who is
8 not required to use inventories under section 471 for
9 such taxable year.”.

10 (c) EFFECTIVE DATE AND SPECIAL RULES.—

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

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

18 (A) such change shall be treated as initi-
19 ated by the taxpayer; and

20 (B) such change shall be treated as made
21 with the consent of the Secretary of the Treas-
22 ury.

1 **Subtitle B—Regulatory**
2 **Accountability Act**

3 **SEC. 311. SHORT TITLE.**

4 This title may be cited as the “Regulatory Account-
5 ability Act of 2014”.

6 **SEC. 312. DEFINITIONS.**

7 Section 551 of title 5, United States Code, is amend-
8 ed—

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

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

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

14 “(15) ‘guidance’ means an agency statement of
15 general applicability and future effect, other than a
16 regulatory action, that sets forth a policy on a statu-
17 tory, regulatory or technical issue or an interpreta-
18 tion of a statutory or regulatory issue;

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

24 “(17) ‘Information Quality Act’ means section
25 515 of Public Law 106–554, the Treasury and Gen-

1 eral Government Appropriations Act for Fiscal Year
2 2001, and guidelines issued by the Administrator of
3 the Office of Information and Regulatory Affairs or
4 other agencies under that Act;

5 “(18) ‘major guidance’ means guidance that the
6 Administrator of the Office of Information and Reg-
7 ulatory Affairs finds is likely to lead to—

8 “(A) an annual cost on the economy of
9 \$100,000,000 or more, adjusted annually for
10 inflation;

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

15 “(C) significant adverse effects on competi-
16 tion, employment, investment, productivity, in-
17 novation, or on the ability of United States-
18 based enterprises to compete with foreign-based
19 enterprises in domestic and export markets;

20 “(19) ‘major rule’ means any rule that the Ad-
21 ministrators of the Office of Information and Regu-
22 latory Affairs determines is likely to impose—

23 “(A) an annual cost on the economy of
24 \$100,000,000 or more, adjusted annually for
25 inflation;

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

5 “(C) significant adverse effects on competi-
6 tion, employment, investment, productivity, in-
7 novation, or on the ability of United States-
8 based enterprises to compete with foreign-based
9 enterprises in domestic and export markets; and

10 “(20) ‘Office of Information and Regulatory Af-
11 fairs’ means the office established under section
12 3503 of chapter 35 of title 44 and any successor to
13 that office.”.

14 **SEC. 313. RULE MAKING.**

15 Section 553 of title 5, United States Code, is amend-
16 ed—

17 (1) in subsection (a), by striking “(a) This sec-
18 tion applies” and inserting “(a) APPLICABILITY.—
19 This section applies”; and

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

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

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

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

9 “(3) The specific nature and significance of the
10 problem the agency may address with a rule (includ-
11 ing the degree and nature of risks the problem poses
12 and the priority of addressing those risks compared
13 to other matters or activities within the jurisdiction
14 of the agency), whether the problem warrants new
15 agency action, and the countervailing risks that may
16 be posed by alternatives for new agency action.

17 “(4) Whether existing rules have created or
18 contributed to the problem the agency may address
19 with a rule and whether those rules could be amend-
20 ed or rescinded to address the problem in whole or
21 part.

22 “(5) Any reasonable alternatives for a new rule
23 or other response identified by the agency or inter-
24 ested persons, including not only responses that

1 mandate particular conduct or manners of compli-
2 ance, but also—

3 “(A) the alternative of no Federal re-
4 sponse;

5 “(B) amending or rescinding existing
6 rules;

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

10 “(D) potential responses that—

11 “(i) specify performance objectives
12 rather than conduct or manners of compli-
13 ance;

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

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

18 “(iv) incorporate other innovative al-
19 ternatives rather than agency actions that
20 specify conduct or manners of compliance.

21 “(6) Notwithstanding any other provision of
22 law—

23 “(A) the potential costs and benefits asso-
24 ciated with potential alternative rules and other
25 responses considered under paragraph (5), in-

1 including direct, indirect, and cumulative costs
2 and benefits and estimated impacts on jobs,
3 economic growth, innovation, and economic
4 competitiveness;

5 “(B) the means to increase the cost-effec-
6 tiveness of any Federal response; and

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

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

13 “(1) In the case of a rule making for a major
14 rule or high-impact rule, not later than 90 days be-
15 fore a notice of proposed rule making is published
16 in the Federal Register, an agency shall publish ad-
17 vance notice of proposed rule making in the Federal
18 Register.

19 “(2) In publishing advance notice under para-
20 graph (1), the agency shall—

21 “(A) include a written statement identi-
22 fying, at a minimum—

23 “(i) the nature and significance of the
24 problem the agency may address with a
25 rule, including data and other evidence and

1 information on which the agency expects to
2 rely for the proposed rule;

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

9 “(iii) preliminary information avail-
10 able to the agency concerning the other
11 considerations specified in subsection (b);

12 “(B) solicit written data, views or argu-
13 ments from interested persons concerning the
14 information and issues addressed in the ad-
15 vance notice; and

16 “(C) provide for a period of not fewer than
17 60 days for interested persons to submit such
18 written data, views, or arguments to the agen-
19 cy.

20 “(d) NOTICES OF PROPOSED RULE MAKING; DETER-
21 MINATIONS OF OTHER AGENCY COURSE.—Following com-
22 pletion of procedures under subsection (c), if applicable,
23 and consultation with the Administrator of the Office of
24 Information and Regulatory Affairs, the agency shall pub-
25 lish either a notice of proposed rule making or a deter-

1 mination of other agency course, in accordance with the
2 following:

3 “(1) A notice of proposed rule making shall in-
4 clude—

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

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

9 “(C) the terms of the proposed rule;

10 “(D) a description of information known to
11 the agency on the subject and issues of the pro-
12 posed rule, including—

13 “(i) a summary of information known
14 to the agency concerning the consider-
15 ations specified in subsection (b);

16 “(ii) a summary of additional infor-
17 mation the agency provided to and ob-
18 tained from interested persons under sub-
19 section (c); and

20 “(iii) information specifically identi-
21 fying all data, studies, models, and other
22 evidence or information considered or used
23 by the agency in connection with the deter-
24 mination by the agency to propose the
25 rule;

1 “(E)(i) a reasoned preliminary determina-
2 tion of need for the rule based on the informa-
3 tion described under subparagraph (D); and

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

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

13 “(G) a discussion of—

14 “(i) the alternatives to the proposed
15 rule, and other alternative responses, con-
16 sidered by the agency under subsection (b);

17 “(ii) the costs and benefits of those
18 alternatives, including all costs to be con-
19 sidered under subsection (b)(6);

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

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

24 “(H)(i) a statement of whether existing
25 rules have created or contributed to the prob-

1 lem the agency seeks to address with the pro-
2 posed rule; and

3 “(ii) if so, whether or not the agency pro-
4 poses to amend or rescind any such rules, and
5 why.

6 All information considered by the agency, and ac-
7 tions to obtain information by the agency, in connec-
8 tion with its determination to propose the rule, in-
9 cluding all information described by the agency
10 under subparagraph (D) and, at the discretion of
11 the President or the Administrator of the Office of
12 Information and Regulatory Affairs, information
13 provided by that Office in consultations with the
14 agency, shall be placed in the docket for the pro-
15 posed rule and made accessible to the public for the
16 public’s use when the notice of proposed rule making
17 is published.

18 “(2)(A) A notice of determination of other
19 agency course shall include a description of the al-
20 ternative response the agency determined to adopt.

21 “(B) If in its determination of other agency
22 course the agency makes a determination to amend
23 or rescind an existing rule, the agency need not un-
24 dertake additional proceedings under subsection (c)

1 before the agency publishes a notice of proposed rule
2 making to amend or rescind the existing rule.

3 All information considered by the agency, and ac-
4 tions to obtain information by the agency, in connec-
5 tion with its determination of other agency course,
6 including the information specified under paragraph
7 (1)(D) and, at the discretion of the President or the
8 Administrator of the Office of Information and Reg-
9 ulatory Affairs, information provided by that Office
10 in consultations with the agency, shall be placed in
11 the docket for the determination and made acces-
12 sible to the public for the public's use when the no-
13 tice of determination is published.

14 “(3) After notice of proposed rule making re-
15 quired by this section, the agency shall provide inter-
16 ested persons an opportunity to participate in the
17 rule making through submission of written data,
18 views, or arguments with or without opportunity for
19 oral presentation, except that—

20 “(A) if a hearing is required under para-
21 graph (4)(B) or subsection (e), reasonable op-
22 portunity for oral presentation shall be provided
23 under that requirement; or

24 “(B) when other than under subsection (e)
25 rules are required by statute or at the discre-

1 tion of the agency to be made on the record
2 after opportunity for an agency hearing, sec-
3 tions 556 and 557 shall apply, and paragraph
4 (4), requirements of subsection (e) to receive
5 comment outside of the procedures of sections
6 556 and 557, and the petition procedures of
7 subsection (e)(6) shall not apply.

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

12 “(4)(A) Within 30 days after publication of no-
13 tice of proposed rule making, a member of the public
14 may petition for a hearing in accordance with sec-
15 tion 556 to determine whether any evidence or other
16 information upon which the agency bases the pro-
17 posed rule fails to comply with of the Information
18 Quality Act.

19 “(B)(i) The agency may, upon review of the pe-
20 tition, determine without further process to exclude
21 from the rule making the evidence or other informa-
22 tion that is the subject of the petition and, if appro-
23 priate, withdraw the proposed rule. The agency shall
24 promptly publish any such determination.

1 “(ii) If the agency does not resolve the petition
2 under the procedures of clause (i), it shall grant any
3 such petition that presents a prima facie case that
4 evidence or other information upon which the agency
5 bases the proposed rule fails to comply with the In-
6 formation Quality Act, hold the requested hearing
7 not later than 30 days after receipt of the petition,
8 provide for a reasonable opportunity for cross-exam-
9 ination at the hearing, and decide the issues pre-
10 sented by the petition not later than 60 days after
11 receipt of the petition. The agency may deny any pe-
12 tition that it determines does not present such a
13 prima facie case.

14 “(C) There shall be no judicial review of the
15 agency’s disposition of issues considered and decided
16 or determined under subparagraph (B)(ii) until judi-
17 cial review of the agency’s final action. There shall
18 be no judicial review of an agency’s determination to
19 withdraw a proposed rule under subparagraph
20 (B)(i).

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

1 “(e) HEARINGS FOR HIGH-IMPACT RULES.—Fol-
2 lowing notice of a proposed rule making, receipt of com-
3 ments on the proposed rule, and any hearing held under
4 subsection (d)(4), and before adoption of any high-impact
5 rule, the agency shall hold a hearing in accordance with
6 sections 556 and 557, unless such hearing is waived by
7 all participants in the rule making other than the agency.
8 The agency shall provide a reasonable opportunity for
9 cross-examination at such hearing. The hearing shall be
10 limited to the following issues of fact, except that partici-
11 pants at the hearing other than the agency may waive de-
12 termination of any such issue:

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

15 “(2) Whether there is an alternative to the pro-
16 posed rule that would achieve the relevant statutory
17 objectives at a lower cost (including all costs to be
18 considered under subsection (b)(6)) than the pro-
19 posed rule.

20 “(3) If there is more than one alternative to the
21 proposed rule that would achieve the relevant statu-
22 tory objectives at a lower cost than the proposed
23 rule, which alternative would achieve the relevant
24 statutory objectives at the lowest cost.

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

8 “(5) Whether the evidence and other informa-
9 tion upon which the agency bases the proposed rule
10 meets the requirements of the Information Quality
11 Act.

12 “(6) Upon petition by an interested person who
13 has participated in the rule making, other issues rel-
14 evant to the rule making, unless the agency deter-
15 mines that consideration of the issues at the hearing
16 would not advance consideration of the rule or
17 would, in light of the nature of the need for agency
18 action, unreasonably delay completion of the rule
19 making. An agency shall grant or deny a petition
20 under this paragraph within 30 days after the re-
21 ceipt of the petition.

22 No later than 45 days before any hearing held under
23 this subsection or sections 556 and 557, the agency
24 shall publish in the Federal Register a notice speci-
25 fying the proposed rule to be considered at such

1 hearing, the issues to be considered at the hearing,
2 and the time and place for such hearing, except that
3 such notice may be issued not later than 15 days be-
4 fore a hearing held under subsection (d)(4)(B).

5 “(f) FINAL RULES.—(1) The agency shall adopt a
6 rule only following consultation with the Administrator of
7 the Office of Information and Regulatory Affairs to facili-
8 tate compliance with applicable rule making requirements.

9 “(2) The agency shall adopt a rule only on the basis
10 of the best reasonably obtainable scientific, technical, eco-
11 nomic, and other evidence and information concerning the
12 need for and consequences of the rule.

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

17 “(B) The agency may adopt a rule that is more costly
18 than the least costly alternative that would achieve the rel-
19 evant statutory objectives only if—

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

22 “(ii) the agency explains its reason for doing so
23 based on interests of public health, safety or welfare
24 (including protection of the environment) that are

1 clearly within the scope of the statutory provision
2 authorizing the rule.

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

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

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

12 “(iii) the agency’s reasoned final determination
13 that the benefits of the rule meet the relevant statu-
14 tory objectives and justify the rule’s costs (including
15 all costs to be considered under subsection (b)(6));

16 “(iv) the agency’s reasoned final determination
17 not to adopt any of the alternatives to the proposed
18 rule considered by the agency during the rule mak-
19 ing, including—

20 “(I) the agency’s reasoned final determina-
21 tion that no alternative considered achieved the
22 relevant statutory objectives with lower costs
23 (including costs to be considered under sub-
24 section (b)(6)) than the rule; or

1 “(II) the agency’s reasoned final deter-
2 mination that its adoption of a more costly rule
3 complies with paragraph (3)(B);

4 “(v) the agency’s reasoned final determina-
5 tion—

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

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

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

15 “(bb) whether and how the agency in-
16 tends to amend or rescind the existing rule
17 separate from adoption of the rule;

18 “(vi) the agency’s reasoned final determination
19 that the evidence and other information upon which
20 the agency bases the rule complies with of the Infor-
21 mation Quality Act; and

22 “(vii) for any major rule or high-impact rule,
23 the agency’s plan for review of the rule no less fre-
24 quently than every 10 years to determine whether,
25 based upon evidence, there remains a need for the

1 rule, whether the rule is in fact achieving statutory
2 objectives, whether the rule's benefits continue to
3 justify its costs, and whether the rule can be modi-
4 fied or rescinded to reduce costs while continuing to
5 achieve statutory objectives.

6 “(B) Review of a rule under a plan required by para-
7 graph (4)(G) shall take into account the factors and cri-
8 teria set forth in subsections (b) through (e) and this sub-
9 section.

10 “(C) All information considered by the agency in con-
11 nection with its adoption of the rule, and, at the discretion
12 of the President or the Administrator of the Office of In-
13 formation and Regulatory Affairs, information provided by
14 that Office in consultations with the agency, shall be
15 placed in the docket for the rule and made accessible to
16 the public for the public's use not later than the date on
17 which the rule is adopted.

18 “(g) EXCEPTIONS FROM NOTICE AND HEARING RE-
19 QUIREMENTS.—(1) Except when notice or hearing is re-
20 quired by statute, subsections (c) through (e) of this sec-
21 tion do not apply to interpretive rules, general statements
22 of policy, or rules of agency organization, procedure, or
23 practice.

24 “(2)(A) When the agency for good cause, based upon
25 evidence, finds (and incorporates the finding and a brief

1 statement of reasons therefor in the rules issued) that
2 compliance with subsection (c), (d), or (e) or requirements
3 to render final determinations under subsection (f) of this
4 section before the issuance of an interim rule is impracti-
5 cable or contrary to the public interest, including interests
6 of national security, such subsections or requirements to
7 render final determinations shall not apply to the agency's
8 adoption of an interim rule.

9 “(B) If, following compliance with subparagraph (A)
10 of this paragraph, the agency adopts an interim rule, it
11 shall commence proceedings that comply fully with sub-
12 sections (c) through (f) of this section immediately upon
13 publication of the interim rule. No less than 270 days
14 from publication of the interim rule (or 18 months in the
15 case of a major rule or high-impact rule), the agency shall
16 complete rule making under subsections (c) through (f)
17 of this subsection and take final action to adopt a final
18 rule or rescind the interim rule. If the agency fails to take
19 timely final action, the interim rule shall cease to have
20 the effect of law.

21 “(C) Other than in cases involving interests of na-
22 tional security, upon the agency's publication of an interim
23 rule without compliance with subsections (c), (d), or (e)
24 or requirements to render final determinations under sub-
25 section (f) of this section, an interested party may seek

1 immediate judicial review under chapter 7 of this title of
2 the agency's determination to adopt such interim rule. The
3 record on such review shall include all documents and in-
4 formation considered by the agency and any additional in-
5 formation presented by a party that the court determines
6 necessary to consider to assure justice.

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

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

18 “(1) a substantive rule which grants or recog-
19 nizes an exemption or relieves a restriction;

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

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

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

4 “(k) RULE MAKING GUIDELINES.—(1)(A) The Ad-
5 ministrator of the Office of Information and Regulatory
6 Affairs shall have authority to establish guidelines for the
7 assessment, including quantitative and qualitative assess-
8 ment, of the costs and benefits of potential, proposed, and
9 final rules and other economic issues or issues related to
10 risk that are relevant to rule making under this section
11 and other sections of this title. The rigor of cost-benefit
12 analysis required by such guidelines shall be commensu-
13 rate, in the Administrator’s determination, with the eco-
14 nomic impact of the rule.

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

21 “(2) The Administrator of the Office of Information
22 and Regulatory Affairs shall also have authority to issue
23 guidelines to promote coordination, simplification and har-
24 monization of agency rules during the rule making process
25 and otherwise. Such guidelines shall assure that each

1 agency avoids regulations that are inconsistent or incom-
2 patible with, or duplicative of, its other regulations and
3 those of other Federal agencies and drafts its regulations
4 to be simple and easy to understand, with the goal of mini-
5 mizing the potential for uncertainty and litigation arising
6 from such uncertainty.

7 “(3)(A) To ensure consistency in Federal rule mak-
8 ing, the Administrator of the Office of Information and
9 Regulatory Affairs shall—

10 “(i) issue guidelines and otherwise take action
11 to ensure that rule makings conducted in whole or
12 in part under procedures specified in provisions of
13 law other than those under this subchapter conform
14 to the fullest extent allowed by law with the proce-
15 dures set forth in this section; and

16 “(ii) issue guidelines for the conduct of hear-
17 ings under subsections (d)(4) and (e), including to
18 assure a reasonable opportunity for cross-examina-
19 tion.

20 “(B) Each agency shall adopt regulations for the con-
21 duct of hearings consistent with the guidelines issued
22 under this subparagraph.

23 “(4) The Administrator of the Office of Information
24 and Regulatory Affairs shall issue guidelines under the In-
25 formation Quality Act to apply in rule making proceedings

1 under this section and sections 556 and 557. In all cases,
2 the guidelines, and the Administrator’s specific determina-
3 tions regarding agency compliance with the guidelines,
4 shall be entitled to judicial deference.

5 “(l) RECORD.—The agency shall include in the record
6 for a rule making all documents and information consid-
7 ered by the agency during the proceeding, including, at
8 the discretion of the President or the Administrator of the
9 Office of Information and Regulatory Affairs, documents
10 and information communicated by that Office during con-
11 sultation with the agency.

12 “(m) EXEMPTION FOR MONETARY POLICY.—Noth-
13 ing in subsection (b)(6), subparagraph (F) through (G)
14 of subsection (d)(1), subsection (e), subsection (f)(3), or
15 clauses (iii) and (iv) of subsection (f)(4)(A) shall apply
16 to rule makings that concern monetary policy proposed or
17 implemented by the Board of Governors of the Federal
18 Reserve System or the Federal Open Market Committee.”.

19 **SEC. 314. AGENCY GUIDANCE; PROCEDURES TO ISSUE**
20 **MAJOR GUIDANCE; PRESIDENTIAL AUTHOR-**
21 **ITY TO ISSUE GUIDELINES FOR ISSUANCE OF**
22 **GUIDANCE.**

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

1 **“§ 553a. Agency guidance; procedures to issue major**
2 **guidance; authority to issue guidelines**
3 **for issuance of guidance**

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

6 “(1) make and document a reasoned determina-
7 tion that—

8 “(A) assures that such guidance is under-
9 standable and complies with relevant statutory
10 objectives and regulatory provisions;

11 “(B) identifies the costs and benefits (in-
12 cluding all costs to be considered during the
13 rule making under section 553(b) of this title)
14 of conduct conforming to such guidance and
15 assures that such benefits justify such costs;
16 and

17 “(C) describes alternatives to such guid-
18 ance and their costs and benefits (including all
19 costs to be considered during rule making
20 under section 553(b) of this title) and explains
21 why the agency rejected those alternatives; and

22 “(2) confer with the Administrator of the Office
23 of Information and Regulatory Affairs on the
24 issuance of such guidance to assure that the guid-
25 ance is reasonable, understandable, consistent with
26 relevant statutory and regulatory provisions and re-

1 requirements or practices of other agencies, does not
2 produce costs that are unjustified by the guidance's
3 benefits, and is otherwise appropriate.

4 “(b) AGENCY GUIDANCE.—

5 “(1) is not legally binding and may not be re-
6 lied upon by an agency as legal grounds for agency
7 action;

8 “(2) shall state in a plain, prominent and per-
9 manent manner that it is not legally binding; and

10 “(3) shall, at the time it is issued or upon re-
11 quest, be made available by the issuing agency to in-
12 terested persons and the public.

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

23 (b) TECHNICAL AND CONFORMING AMENDMENT.—

24 The table of sections for chapter 5 of title 5, United States

1 Code, is amended by inserting after the item relating to
2 section 553 the following:

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

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

6 Section 556 of title 5, United States Code, is amend-
7 ed by striking subsection (e) and inserting the following:

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

17 “(2) Notwithstanding paragraph (1) of this sub-
18 section, in a proceeding held under this section under sec-
19 tion 553(d)(4) or 553(e), the record for decision shall in-
20 clude any information that is part of the record of pro-
21 ceedings under section 553.

22 “(f) When an agency conducts rule making under this
23 section and section 557 directly after concluding pro-
24 ceedings upon an advance notice of proposed rule making

1 under section 553(c), the matters to be considered and
2 determinations to be made shall include, among other rel-
3 evant matters and determinations, the matters and deter-
4 minations described in subsections (b) and (f) of section
5 553.

6 “(g)(1) Upon receipt of a petition for a hearing under
7 this section, the agency shall grant the petition in the case
8 of any major rule, unless the agency reasonably deter-
9 mines that a hearing would not advance consideration of
10 the rule or would, in light of the need for agency action,
11 unreasonably delay completion of the rule making. The
12 agency shall publish its decision to grant or deny the peti-
13 tion when it renders the decision, including an explanation
14 of the grounds for decision. The information contained in
15 the petition shall in all cases be included in the adminis-
16 trative record.

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

21 **SEC. 316. ACTIONS REVIEWABLE.**

22 Section 704 of title 5, United States Code, is amend-
23 ed—

24 (1) by striking “Agency action made” and in-
25 serting “(a) Agency action made”; and

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

2 “(b)(1) Except as provided under paragraph (2) and
3 notwithstanding subsection (a), upon the agency’s publica-
4 tion of an interim rule without compliance with subsection
5 (c), (d), or (e) of section 553 or requirements to render
6 final determinations under subsection (f) of section 553,
7 an interested party may seek immediate judicial review
8 under this chapter of the agency’s determination to adopt
9 such rule on an interim basis. Review shall be limited to
10 whether the agency abused its discretion to adopt the in-
11 terim rule without compliance with subsection (c), (d), or
12 (e) of section 553 or without rendering final determina-
13 tions under subsection (f) of section 553.

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

16 “(c) For rules other than major rules and high-im-
17 pact rules, compliance with subsection (b)(6), subpara-
18 graphs (F) through (G) of subsection (d)(1), subsection
19 (f)(3), and clauses (iii) and (iv) of subsection (f)(4)(A) of
20 section 553 shall not be subject to judicial review. In all
21 cases, the determination that a rule is not a major rule
22 within the meaning of section 551(19)(A) or a high-impact
23 rule shall be subject to judicial review under section
24 706(a)(2)(A).

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

6 **SEC. 317. SCOPE OF REVIEW.**

7 Section 706 of title 5, United States Code is amend-
8 ed—

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

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

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

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

18 “(1) interpretation of an agency rule if the
19 agency did not comply with the procedures of section
20 553 or sections 556 and 557 to issue the interpreta-
21 tion;

22 “(2) determination of the costs and benefits or
23 other economic or risk assessment of the regulatory
24 action, if the agency failed to conform to guidelines
25 on such determinations and assessments established

1 by the Administrator of the Office of Information
2 and Regulatory Affairs under section 553(k); or

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

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

9 **SEC. 318. ADDED DEFINITION.**

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

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

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

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

16 “(3) ‘substantial evidence’ means such relevant
17 evidence as a reasonable mind might accept as ade-
18 quate to support a conclusion in light of the record
19 considered as a whole, taking into account whatever
20 in the record fairly detracts from the weight of the
21 evidence relied upon by the agency to support its de-
22 cision.”.

23 **SEC. 319. EFFECTIVE DATE.**

24 The amendments made by this title to—

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

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

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

7 (4) section 706(e) of title 5, United States
8 Code,

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

11 **TITLE IV—SUPPORTING KNOWL-**
12 **EDGE AND INVESTING IN**
13 **LIFELONG SKILLS**

14 **SEC. 401. SHORT TITLE.**

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

18 **SEC. 402. REFERENCES.**

19 Except as otherwise expressly provided, wherever in
20 this title an amendment or repeal is expressed in terms
21 of an amendment to, or repeal of, a section or other provi-
22 sion, the amendment or repeal shall be considered to be
23 made to a section or other provision of the Workforce In-
24 vestment Act of 1998 (29 U.S.C. 2801 et seq.).

1 **SEC. 403. APPLICATION TO FISCAL YEARS.**

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

5 **Subtitle A—Amendments to the**
6 **Workforce Investment Act of 1998**

7 **CHAPTER 1—WORKFORCE INVESTMENT**
8 **DEFINITIONS**

9 **SEC. 406. DEFINITIONS.**

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

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

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

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

18 (3) by redesignating paragraphs (1) through
19 (12) as paragraphs (3) through (14), and para-
20 graphs (14) through (23) as paragraphs (15)
21 through (24), respectively;

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

23 (5) by inserting after “In this title:” the fol-
24 lowing new paragraphs:

25 “(1) ACCRUED EXPENDITURES.—The term ‘ac-
26 crued expenditures’ means—

1 “(A) charges incurred by recipients of
2 funds under this title for a given period requir-
3 ing the provision of funds for goods or other
4 tangible property received;

5 “(B) charges incurred for services per-
6 formed by employees, contractors, subgrantees,
7 subcontractors, and other payees; and

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

13 “(2) ADMINISTRATIVE COSTS.—The term ‘ad-
14 ministrative costs’ means expenditures incurred by
15 State boards and local boards, direct recipients (in-
16 cluding State grant recipients under subtitle B and
17 recipients of awards under subtitles C and D), local
18 grant recipients, local fiscal agents or local grant
19 subrecipients, and one-stop operators in the per-
20 formance of administrative functions and in carrying
21 out activities under this title that are not related to
22 the direct provision of workforce investment activi-
23 ties (including services to participants and employ-
24 ers). Such costs include both personnel and non-per-

1 sonnel expenditures and both direct and indirect ex-
2 penditures.”;

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

6 (7) by amending paragraph (5) (as so redesign-
7 nated) to read as follows:

8 “(5) AREA CAREER AND TECHNICAL EDU-
9 CATION SCHOOL.—The term ‘area career and tech-
10 nical education school’ has the meaning given the
11 term in section 3(3) of the Carl D. Perkins Career
12 and Technical Education Act of 2006 (20 U.S.C.
13 2302(3)).”;

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

17 (9) in paragraph (10)(C) (as so redesignated),
18 by striking “not less than 50 percent of the cost of
19 the training” and inserting “a significant portion of
20 the cost of training, as determined by the local
21 board involved (or, in the case of an employer in
22 multiple local areas in the State, as determined by
23 the Governor), taking into account the size of the
24 employer and such other factors as the local board

1 or Governor, respectively, determines to be appro-
2 priate”;

3 (10) in paragraph (11) (as so redesignated)—

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

7 (B) in subparagraph (B)(iii)—

8 (i) by striking “134(d)(4)” and insert-
9 ing “134(e)(4)”;

10 (ii) by striking “intensive services de-
11 scribed in section 134(d)(3)” and inserting
12 “work ready services described in section
13 134(e)(2)”;

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

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

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

19 “(E)(i) is the spouse of a member of the
20 Armed Forces on active duty for a period of
21 more than 30 days (as defined in section
22 101(d)(2) of title 10, United States Code) who
23 has experienced a loss of employment as a di-
24 rect result of relocation to accommodate a per-

1 manent change in duty station of such member;

2 or

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

8 (11) in paragraph (12)(A) (as redesignated)—

9 (A) by striking “and” after the semicolon
10 and inserting “or”;

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

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

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

1 defined in section 101(16) of title 38, United
2 States Code) death or disability of the member;
3 and”;

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

7 (13) in paragraph (14) (as so redesignated)—

8 (A) in subparagraph (A), by striking “sec-
9 tion 122(e)(3)” and inserting “section 122”;

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

12 “(B) work ready services, means a provider
13 who is identified or awarded a contract as de-
14 scribed in section 117(d)(5)(C); or”;

15 (C) by striking subparagraph (C); and

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

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

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

23 (16) in paragraph (25)—

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

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

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

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

8 “(D) receives or is eligible to receive a free
9 or reduced price lunch under the Richard B.
10 Russell National School Lunch Act (42 U.S.C.
11 1751 et seq.);”;

12 (17) in paragraph (32), by striking “the Repub-
13 lic of the Marshall Islands, the Federated States of
14 Micronesia,”;

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

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

19 “(A) an at-risk youth who is a school drop-
20 out; or

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

1 (19) in paragraph (38), by striking
2 “134(a)(1)(A)” and inserting “134(a)(1)(B)”;

3 (20) in paragraph (41), by striking “, and the
4 term means such Secretary for purposes of section
5 503”;

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

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

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

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

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

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

23 (25) by adding at the end the following:

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

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

6 “(B) is a low-income individual; and

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

9 “(i) A secondary school dropout.

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

12 “(iii) A youth offender.

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

15 “(v) A migrant youth.

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

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

20 “(B) one or more industry or sector orga-
21 nizations, and other entities, that have the ca-
22 pability to help the State board or local board
23 determine the immediate and long-term skilled
24 workforce needs of in-demand industries or sec-

1 tors and other occupations important to the
2 State or local economy, respectively.

3 “(54) INDUSTRY-RECOGNIZED CREDENTIAL.—

4 The term ‘industry-recognized credential’ means a
5 credential that is sought or accepted by companies
6 within the industry sector involved, across multiple
7 States, as recognized, preferred, or required for re-
8 cruitment, screening, or hiring and is awarded for
9 completion of a program listed or identified under
10 subsection (d) or (i) of section 122, for the local
11 area involved.

12 “(55) PAY-FOR-PERFORMANCE CONTRACT

13 STRATEGY.—The term ‘pay-for-performance contract
14 strategy’ means a strategy in which a pay-for-per-
15 formance contract to provide a program of employ-
16 ment and training activities incorporates provisions
17 regarding—

18 “(A) the core indicators of performance de-
19 scribed in subclauses (I) through (IV) and (VI)
20 of section 136(b)(2)(A)(i);

21 “(B) a fixed amount that will be paid to
22 an eligible provider of such employment and
23 training activities for each program participant
24 who, within a defined timetable, achieves the
25 agreed-to levels of performance based upon the

1 core indicators of performance described in sub-
2 paragraph (A), and may include a bonus pay-
3 ment to such provider, which may be used to
4 expand the capacity of such provider;

5 “(C) the ability for an eligible provider to
6 recoup the costs of providing the activities for
7 a program participant who has not achieved
8 those levels, but for whom the provider is able
9 to demonstrate that such participant gained
10 specific competencies required for education
11 and career advancement that are, where fea-
12 sible, tied to industry-recognized credentials
13 and related standards, or State licensing re-
14 quirements; and

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

21 “(56) **RECOGNIZED POSTSECONDARY CREDEN-**
22 **TIAL.**—The term ‘recognized postsecondary creden-

23 tial’ means a credential awarded by a provider of
24 training services or postsecondary educational insti-
25 tution based on completion of all requirements for a

1 program of study, including coursework or tests or
2 other performance evaluations. The term means an
3 industry-recognized credential, a certificate of com-
4 pletion of a registered apprenticeship program, or an
5 associate or baccalaureate degree from an institution
6 described in section 122(a)(2)(A)(i).

7 “(57) REGISTERED APPRENTICESHIP PRO-
8 GRAM.—The term ‘registered apprenticeship pro-
9 gram’ means a program described in section
10 122(a)(2)(B).”.

11 **CHAPTER 2—STATEWIDE AND LOCAL** 12 **WORKFORCE INVESTMENT SYSTEMS**

13 **SEC. 411. PURPOSE.**

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

20 **SEC. 412. STATE WORKFORCE INVESTMENT BOARDS.**

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

22 (1) in subsection (b)—

23 (A) in paragraph (1)—

24 (i) by striking subparagraph (B);

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

3 (iii) in subparagraph (B) (as so reded-
4 igned)—

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

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

10 “(II) represent businesses, in-
11 cluding large and small businesses,
12 each of which has immediate and
13 long-term employment opportunities
14 in an in-demand industry or other oc-
15 cupation important to the State econ-
16 omy; and”;

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

19 “(iii) a State agency official respon-
20 sible for economic development; and”;

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

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

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

4 “(I) members of the State legis-
5 lature;

6 “(II) representatives of individ-
7 uals and organizations that have expe-
8 rience with respect to youth activities;

9 “(III) representatives of individ-
10 uals and organizations that have expe-
11 rience and expertise in the delivery of
12 workforce investment activities, in-
13 cluding chief executive officers of com-
14 munity colleges and community-based
15 organizations within the State;

16 “(IV) representatives of the lead
17 State agency officials with responsi-
18 bility for the programs and activities
19 that are described in section 121(b)
20 and carried out by one-stop partners;
21 or

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

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

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

3 “(3) MAJORITY.—A $\frac{2}{3}$ majority of the mem-
4 bers of the board shall be representatives described
5 in paragraph (1)(B)(i).”;

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

8 (3) by amending subsection (d) to read as fol-
9 lows:

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

12 “(1) STATE PLAN.—Consistent with section
13 112, the State board shall develop a State plan.

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

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

9 “(4) EMPLOYER ENGAGEMENT.—The State
10 board shall develop strategies, across local areas,
11 that meet the needs of employers and support eco-
12 nomic growth in the State by enhancing communica-
13 tion, coordination, and collaboration among employ-
14 ers, economic development entities, and service pro-
15 viders.

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

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

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

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

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

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

9 “(8) DEVELOPMENT OF PERFORMANCE MEAS-
10 URES.—The State board shall develop and ensure
11 continuous improvement of comprehensive State per-
12 formance measures, including State adjusted levels
13 of performance, as described under section 136(b).”;

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

16 (5) in subsection (e) (as so redesignated), by in-
17 serting “or participate in any action taken” after
18 “vote”;

19 (6) by inserting after subsection (e) (as so re-
20 designated), the following:

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

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

1 **SEC. 413. STATE PLAN.**

2 Section 112 (29 U.S.C. 2822)—

3 (1) in subsection (a)—

4 (A) by striking “127 or”; and

5 (B) by striking “5-year strategy” and in-
6 serting “3-year strategy”;

7 (2) in subsection (b)—

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

10 “(4) information describing—

11 “(A) the economic conditions in the State;

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

16 “(C) the knowledge and skills of the work-
17 force in the State; and

18 “(D) workforce development activities (in-
19 cluding education and training) in the State;”;

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

22 “(7) a description of the State criteria for de-
23 termining the eligibility of training services providers
24 in accordance with section 122, including how the
25 State will take into account the performance of pro-
26 viders and whether the training services relate to in-

1 demand industries and other occupations important
2 to the State economy;”;

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

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

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

14 “(i) an assurance that such processes use
15 quarterly wage records for performance meas-
16 ures described in section 136(b)(2)(A) that are
17 applicable to such programs or activities; or

18 “(ii) if such wage records are not being
19 used for the performance measures, an identi-
20 fication of the barriers to using such wage
21 records and a description of how the State will
22 address such barriers within 1 year of the ap-
23 proval of the plan;”;

1 (D) in paragraph (9), by striking “, includ-
2 ing comment by representatives of businesses
3 and representatives of labor organizations,”;

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

7 (F) by striking paragraph (12);

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

11 (H) in paragraph (12) (as so redesign-
12 ated), by striking “111(f)” and inserting
13 “111(e)”;

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

16 (J) in paragraph (14) (as so redesignated),
17 by striking “116(a)(5)” and inserting
18 “116(a)(3)”;

19 (K) in paragraph (16) (as so redesign-
20 ated)—

21 (i) in subparagraph (A)—

22 (I) in clause (ii)—

23 (aa) by striking “to dis-
24 located workers”; and

1 (bb) by inserting “and addi-
2 tional assistance” after “rapid
3 response activities”;

4 (II) in clause (iii), by striking
5 “134(d)(4)” and inserting
6 “134(e)(4)”;

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

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

11 “(iv) how the State will serve the em-
12 ployment and training needs of dislocated
13 workers (including displaced homemakers),
14 low-income individuals (including recipients
15 of public assistance such as supplemental
16 nutrition assistance program benefits pur-
17 suant to the Food and Nutrition Act of
18 2008 (7 U.S.C. 2011 et seq.)), long-term
19 unemployed individuals (including individ-
20 uals who have exhausted entitlement to
21 Federal and State unemployment com-
22 pensation), English learners, homeless in-
23 dividuals, individuals training for nontradi-
24 tional employment, youth (including out-of-
25 school youth and at-risk youth), older

1 workers, ex-offenders, migrant and sea-
2 sonal farmworkers, refugees and entrants,
3 veterans (including disabled and homeless
4 veterans), and Native Americans; and”;
5 and

6 (V) by adding at the end the fol-
7 lowing new clause:

8 “(v) how the State will—

9 “(I) consistent with section 188
10 and Executive Order No. 13217 (42
11 U.S.C. 12131 note), serve the employ-
12 ment and training needs of individuals
13 with disabilities; and

14 “(II) consistent with sections 504
15 and 508 of the Rehabilitation Act of
16 1973 (29 U.S.C. 794, 794d), include
17 the provision of outreach, intake, as-
18 sessments, and service delivery, the
19 development of performance measures,
20 the training of staff, and other as-
21 pects of accessibility for individuals
22 with disabilities to programs and serv-
23 ices under this subtitle;” and

24 (ii) in subparagraph (B), by striking
25 “to the extent practicable” and inserting

1 “in accordance with the requirements of
2 the Jobs for Veterans Act (Public Law
3 107–288) and the amendments made by
4 such Act”; and

5 (L) by striking paragraph (17) (as so re-
6 designated) and inserting the following:

7 “(17) a description of the strategies and serv-
8 ices that will be used in the State—

9 “(A) to more fully engage employers, in-
10 cluding small businesses and employers in in-
11 demand industries and occupations important
12 to the State economy;

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

15 “(C) to better coordinate workforce devel-
16 opment programs with economic development
17 activities;

18 “(18) a description of how the State board will
19 convene (or help to convene) industry or sector part-
20 nerships that lead to collaborative planning, resource
21 alignment, and training efforts across a targeted
22 cluster of multiple firms for a range of workers em-
23 ployed or potentially employed by the industry or
24 sector—

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

5 “(B) to address the immediate and long-
6 term skilled workforce needs of in-demand in-
7 dustries, small businesses, and other occupa-
8 tions important to the State economy; and

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

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

14 “(20) a description of the State strategy and
15 assistance to be provided by the State for encour-
16 aging regional cooperation within the State and
17 across State borders, as appropriate;

18 “(21) a description of the actions that will be
19 taken by the State to foster communication, coordi-
20 nation, and partnerships with nonprofit organiza-
21 tions (including public libraries, community, faith-
22 based, and philanthropic organizations) that provide
23 employment-related, training, and complementary
24 services, to enhance the quality and comprehensive-

1 ness of services available to participants under this
2 title;

3 “(22) a description of the process and method-
4 ology for determining—

5 “(A) one-stop partner program contribu-
6 tions for the costs of infrastructure of one-stop
7 centers under section 121(h)(1); and

8 “(B) the formula for allocating such infra-
9 structure funds to local areas under section
10 121(h)(3);

11 “(23) a description of the strategies and serv-
12 ices that will be used in the State to assist at-risk
13 youth and out-of-school youth in acquiring the edu-
14 cation and skills, credentials (including recognized
15 postsecondary credentials, such as industry-recog-
16 nized credentials), and employment experience to
17 succeed in the labor market, including—

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

21 “(B) dropout recovery activities that are
22 designed to lead to the attainment of a regular
23 secondary school diploma or its recognized
24 equivalent, or other State-recognized equivalent

1 (including recognized alternative standards for
2 individuals with disabilities); and

3 “(C) activities combining remediation of
4 academic skills, work readiness training, and
5 work experience, and including linkages to post-
6 secondary education and training and career-
7 ladder employment; and

8 “(24) a description of—

9 “(A) how the State will furnish employ-
10 ment, training, including training in advanced
11 manufacturing, supportive, and placement serv-
12 ices to veterans, including disabled and home-
13 less veterans;

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

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

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

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

1 **SEC. 414. LOCAL WORKFORCE INVESTMENT AREAS.**

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

3 (1) in subsection (a)—

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

6 “(1) IN GENERAL.—

7 “(A) PROCESS.—In order to receive an al-
8 lotment under section 132, a State, through the
9 State board, shall establish a process to des-
10 ignate local workforce investment areas within
11 the State. Such process shall—

12 “(i) support the statewide workforce
13 development system developed under sec-
14 tion 111(d)(2), enabling the system to
15 meet the workforce needs of the State and
16 its local areas;

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

19 “(iii) include consideration of com-
20 ments received on the designation through
21 the public comment process as described in
22 section 112(b)(9); and

23 “(iv) require the submission of an ap-
24 plication for approval under subparagraph
25 (B).

1 “(B) APPLICATION.—To obtain designa-
2 tion of a local area under this paragraph, a
3 local or regional board (or consortia of local or
4 regional boards) seeking to take responsibility
5 for the area under this Act shall submit an ap-
6 plication to a State board at such time, in such
7 manner, and containing such information as the
8 State board may require, including—

9 “(i) a description of the local area, in-
10 cluding the population that will be served
11 by the local area, and the education and
12 training needs of its employers and work-
13 ers;

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

16 “(I) service delivery areas (as de-
17 termined by the State);

18 “(II) labor market areas; and

19 “(III) economic development re-
20 gions;

21 “(iii) a description of the eligible pro-
22 viders of education and training, including
23 postsecondary educational institutions such
24 as community colleges, located in the local

1 area and available to meet the needs of the
2 local workforce;

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

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

8 “(C) PRIORITY.—In designating local
9 areas under this paragraph, a State board shall
10 give priority consideration to an area proposed
11 by an applicant demonstrating that a designa-
12 tion as a local area under this paragraph will
13 result in the reduction of overlapping service
14 delivery areas, local market areas, or economic
15 development regions.

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

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

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

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

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

5 “(2) TECHNICAL ASSISTANCE.—The Secretary
6 shall, if requested by the Governor of a State, pro-
7 vide the State with technical assistance in making
8 the determinations required under paragraph (1).
9 The Secretary shall not issue regulations governing
10 determinations to be made under paragraph (1).”;

11 (C) by striking paragraph (3);

12 (D) by striking paragraph (4);

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

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

18 (2) by amending subsection (b) to read as fol-
19 lows:

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

23 and

24 (3) in subsection (c)—

1 (A) in paragraph (1), by adding at the end
2 the following: “The State may require the local
3 boards for the designated region to prepare a
4 single regional plan that incorporates the ele-
5 ments of the local plan under section 118 and
6 that is submitted and approved in lieu of sepa-
7 rate local plans under such section.”; and

8 (B) in paragraph (2), by striking “employ-
9 ment statistics” and inserting “workforce and
10 labor market information”.

11 **SEC. 415. LOCAL WORKFORCE INVESTMENT BOARDS.**

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

13 (1) in subsection (b)—

14 (A) in paragraph (2)—

15 (i) in subparagraph (A)—

16 (I) by striking “include—” and
17 all that follows through “representa-
18 tives” and inserting “include rep-
19 resentatives”;

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

22 (III) by redesignating subclauses
23 (I) through (III) as clauses (i)
24 through (iii), respectively (and by

1 moving the margins of such clauses 2
2 ems to the left);

3 (IV) by striking clause (ii) (as so
4 redesignated) and inserting the fol-
5 lowing:

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

12 (V) by striking the semicolon at
13 the end of clause (iii) (as so redesign-
14 ated) and inserting “; and”; and

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

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

21 “(i) the superintendent or other em-
22 ployee of the local educational agency who
23 has primary responsibility for secondary
24 education, the presidents or chief executive
25 officers of postsecondary educational insti-

1 tutions (including a community college,
2 where such an entity exists), or adminis-
3 trators of local entities providing adult
4 education and family literacy education ac-
5 tivities;

6 “(ii) representatives of community-
7 based organizations (including organiza-
8 tions representing individuals with disabil-
9 ities and veterans, for a local area in which
10 such organizations are present); or

11 “(iii) representatives of veterans serv-
12 ice organizations.”;

13 (B) in paragraph (4)—

14 (i) by striking “A majority” and in-
15 serting “A $\frac{2}{3}$ majority”; and

16 (ii) by striking “(2)(A)(i)” and insert-
17 ing “(2)(A)”; and

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

20 (2) in subsection (c)—

21 (A) in paragraph (1), by striking subpara-
22 graph (C); and

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

1 (3) by amending subsection (d) to read as fol-
2 lows:

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

5 “(1) LOCAL PLAN.—Consistent with section
6 118, each local board, in partnership with the chief
7 elected official for the local area involved, shall de-
8 velop and submit a local plan to the Governor.

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

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

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

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

17 “(II) the immediate and long-
18 term skilled workforce needs of in-de-
19 mand industries and other occupa-
20 tions important to the local economy;

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

23 “(IV) workforce development ac-
24 tivities (including education and train-
25 ing) in the local area; and

1 “(ii) assist the Governor in developing
2 the statewide workforce and labor market
3 information system described in section
4 15(e) of the Wagner-Peyser Act (29 U.S.C.
5 491-2(e)).

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

11 “(3) EMPLOYER ENGAGEMENT.—The local
12 board shall meet the needs of employers and support
13 economic growth in the local area by enhancing com-
14 munication, coordination, and collaboration among
15 employers, economic development entities, and serv-
16 ice providers.

17 “(4) BUDGET AND ADMINISTRATION.—

18 “(A) BUDGET.—

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

23 “(ii) TRAINING RESERVATION.—In de-
24 veloping a budget under clause (i), the
25 local board shall reserve a percentage of

1 funds to carry out the activities specified
2 in section 134(c)(4). The local board shall
3 use the analysis conducted under para-
4 graph (2)(A)(i) to determine the appro-
5 priate percentage of funds to reserve under
6 this clause.

7 “(B) ADMINISTRATION.—

8 “(i) GRANT RECIPIENT.—The chief
9 elected official in a local area shall serve as
10 the local grant recipient for, and shall be
11 liable for any misuse of, the grant funds
12 allocated to the local area under section
13 133, unless the chief elected official
14 reaches an agreement with the Governor
15 for the Governor to act as the local grant
16 recipient and bear such liability.

17 “(ii) DESIGNATION.—In order to as-
18 sist in administration of the grant funds,
19 the chief elected official or the Governor,
20 where the Governor serves as the local
21 grant recipient for a local area, may des-
22 ignate an entity to serve as a local grant
23 subrecipient for such funds or as a local
24 fiscal agent. Such designation shall not re-
25 lieve the chief elected official or the Gov-

1 ernor of the liability for any misuse of
2 grant funds as described in clause (i).

3 “(iii) DISBURSAL.—The local grant
4 recipient or an entity designated under
5 clause (ii) shall disburse the grant funds
6 for workforce investment activities at the
7 direction of the local board, pursuant to
8 the requirements of this title. The local
9 grant recipient or entity designated under
10 clause (ii) shall disburse the funds imme-
11 diately on receiving such direction from the
12 local board.

13 “(C) STAFF.—The local board may employ
14 staff to assist in carrying out the functions de-
15 scribed in this subsection.

16 “(D) GRANTS AND DONATIONS.—The local
17 board may solicit and accept grants and dona-
18 tions from sources other than Federal funds
19 made available under this Act.

20 “(5) SELECTION OF OPERATORS AND PRO-
21 VIDERS.—

22 “(A) SELECTION OF ONE-STOP OPERA-
23 TORS.—Consistent with section 121(d), the
24 local board, with the agreement of the chief
25 elected official—

1 “(i) shall designate or certify one-stop
2 operators as described in section
3 121(d)(2)(A); and

4 “(ii) may terminate for cause the eli-
5 gibility of such operators.

6 “(B) IDENTIFICATION OF ELIGIBLE TRAIN-
7 ING SERVICE PROVIDERS.—Consistent with this
8 subtitle, the local board shall identify eligible
9 providers of training services described in sec-
10 tion 134(c)(4) in the local area, annually review
11 the outcomes of such eligible providers using
12 the criteria under section 122(b)(2), and des-
13 ignate such eligible providers in the local area
14 who have demonstrated the highest level of suc-
15 cess with respect to such criteria as priority eli-
16 gible providers for the program year following
17 the review.

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

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

4 “(A) ensuring the appropriate use and
5 management of the funds provided for local em-
6 ployment and training activities authorized
7 under section 134(b); and

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

11 “(7) NEGOTIATION OF LOCAL PERFORMANCE
12 MEASURES.—The local board, the chief elected offi-
13 cial, and the Governor shall negotiate and reach
14 agreement on local performance measures as de-
15 scribed in section 136(c).

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

21 (4) in subsection (e)—

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

1 (B) by striking “and the award of grants
2 or contracts to eligible providers of youth activi-
3 ties,”;

4 (5) in subsection (f)—

5 (A) in paragraph (1)(A), by striking “sec-
6 tion 134(d)(4)” and inserting “section
7 134(c)(4)”; and

8 (B) by striking paragraph (2) and insert-
9 ing the following:

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

17 (6) in subsection (g)(1), by inserting “or par-
18 ticipate in any action taken” after “vote”; and

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

20 **SEC. 416. LOCAL PLAN.**

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

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

24 (2) by amending subsection (b) to read as fol-
25 lows:

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

2 “(1) a description of the analysis of the local
3 area’s economic and workforce conditions conducted
4 under subclauses (I) through (IV) of section
5 117(d)(2)(A)(i), and an assurance that the local
6 board will use such analysis to carry out the activi-
7 ties under this subtitle;

8 “(2) a description of the one-stop delivery sys-
9 tem in the local area, including—

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

12 “(i) the continuous improvement of el-
13 igible providers of services through the sys-
14 tem; and

15 “(ii) that such providers meet the em-
16 ployment needs of local businesses and
17 participants; and

18 “(B) a description of how the local board
19 will facilitate access to services described in sec-
20 tion 117(d)(8) and provided through the one-
21 stop delivery system consistent with section
22 117(d)(8);

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

1 “(A) to more fully engage employers, in-
2 cluding small businesses and employers in in-
3 demand industries and occupations important
4 to the local economy;

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

7 “(C) to better coordinate workforce devel-
8 opment programs with economic development
9 activities; and

10 “(D) to better coordinate workforce devel-
11 opment programs with employment, training,
12 and literacy services carried out by nonprofit
13 organizations, including public libraries, as ap-
14 propriate;

15 “(4) a description of how the local board will
16 convene (or help to convene) industry or sector part-
17 nerships that lead to collaborative planning, resource
18 alignment, and training efforts across multiple firms
19 for a range of workers employed or potentially em-
20 ployed by a targeted industry or sector—

21 “(A) to encourage industry growth and
22 competitiveness and to improve worker training,
23 retention, and advancement in the targeted in-
24 dustry or sector;

1 “(B) to address the immediate and long-
2 term skilled workforce needs of in-demand in-
3 dustries, small businesses, and other occupa-
4 tions important to the local economy; and

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

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

10 “(6) a description of how the local board will
11 coordinate workforce investment activities carried
12 out in the local area with statewide workforce invest-
13 ment activities, as appropriate;

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

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

23 “(B) consistent with section 188 and Exec-
24 utive Order No. 13217 (42 U.S.C. 12131 note),
25 serve the employment and training needs of in-

1 individuals with disabilities, with a focus on em-
2 ployment that fosters independence and integra-
3 tion into the workplace; and

4 “(C) consistent with sections 504 and 508
5 of the Rehabilitation Act of 1973 (29 U.S.C.
6 794, 794d), include the provision of outreach,
7 intake, assessments, and service delivery, the
8 development of performance measures, the
9 training of staff, and other aspects of accessi-
10 bility for individuals with disabilities to pro-
11 grams and services under this subtitle;

12 “(8) a description of the local levels of perform-
13 ance negotiated with the Governor and chief elected
14 official pursuant to section 136(c), to be—

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

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

21 “(9) a description of the process used by the
22 local board, consistent with subsection (c), to provide
23 an opportunity for public comment prior to submis-
24 sion of the plan;

1 “(10) a description of how the local area will
2 serve the employment and training needs of dis-
3 located workers (including displaced homemakers),
4 low-income individuals (including recipients of public
5 assistance such as supplemental nutrition assistance
6 program benefits pursuant to the Food and Nutri-
7 tion Act of 2008 (7 U.S.C. 2011 et seq.)), long-term
8 unemployed individuals (including individuals who
9 have exhausted entitlement to Federal and State un-
10 employment compensation), English learners, home-
11 less individuals, individuals training for nontradi-
12 tional employment, youth (including out-of-school
13 youth and at-risk youth), older workers, ex-offend-
14 ers, migrant and seasonal farmworkers, refugees and
15 entrants, veterans (including disabled veterans and
16 homeless veterans), and Native Americans;

17 “(11) an identification of the entity responsible
18 for the disbursement of grant funds described in section
19 117(d)(4)(B)(iii), as determined by the chief elected
20 official or the Governor under such section;

21 “(12) a description of the strategies and serv-
22 ices that will be used in the local area to assist at-
23 risk youth and out-of-school youth in acquiring the
24 education and skills, credentials (including recog-
25 nized postsecondary credentials, such as industry-

1 recognized credentials), and employment experience
2 to succeed in the labor market, including—

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

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

12 “(C) activities combining remediation of
13 academic skills, work readiness training, and
14 work experience, and including linkages to post-
15 secondary education and training and career-
16 ladder employment;

17 “(13) a description of—

18 “(A) how the local area will furnish em-
19 ployment, training, including training in ad-
20 vanced manufacturing, supportive, and place-
21 ment services to veterans, including disabled
22 and homeless veterans;

23 “(B) the strategies and services that will
24 be used in the local area to assist in and expe-

1 dite reintegration of homeless veterans into the
2 labor force; and

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

5 “(14) a description of—

6 “(A) the duties assigned to the veteran
7 employment specialist consistent with the re-
8 quirements of section 134(f);

9 “(B) the manner in which the veteran em-
10 ployment specialist is integrated into the one-
11 stop career system described in section 121;

12 “(C) the date on which the veteran em-
13 ployment specialist was assigned; and

14 “(D) whether the veteran employment spe-
15 cialist has satisfactorily completed related train-
16 ing by the National Veterans’ Employment and
17 Training Services Institute; and

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

20 (3) in subsection (c)—

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

1 (B) in paragraph (2), by striking “, includ-
2 ing representatives of business and representa-
3 tives of labor organizations,”.

4 **SEC. 417. ESTABLISHMENT OF ONE-STOP DELIVERY SYS-**
5 **TEM.**

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

7 (1) in subsection (b)—

8 (A) by striking subparagraph (A) of para-
9 graph (1) and inserting the following:

10 “(A) ROLES AND RESPONSIBILITIES OF
11 ONE-STOP PARTNERS.—Each entity that carries
12 out a program or activities described in sub-
13 paragraph (B) shall—

14 “(i) provide access through a one-stop
15 delivery system to the program or activities
16 carried out by the entity, including making
17 the work ready services described in sec-
18 tion 134(c)(2) that are applicable to the
19 program or activities of the entity available
20 at one-stop centers (in addition to any
21 other appropriate locations);

22 “(ii) use a portion of the funds avail-
23 able to the program or activities of the en-
24 tity to maintain the one-stop delivery sys-
25 tem, including payment of the costs of in-

1 frastructure of one-stop centers in accord-
2 ance with subsection (h);

3 “‘(iii) enter into a local memorandum
4 of understanding with the local board, re-
5 lating to the operation of the one-stop de-
6 livery system, that meets the requirements
7 of subsection (c); and

8 “‘(iv) participate in the operation of
9 the one-stop delivery system consistent
10 with the terms of the memorandum of un-
11 derstanding, the requirements of this title,
12 and the requirements of the Federal laws
13 authorizing the program or activities car-
14 ried out by the entity.’”;

15 (B) in paragraph (1)(B)—

16 (i) by striking clauses (ii), (v), and
17 (vi);

18 (ii) by redesignating clauses (iii) and
19 (iv) as clauses (ii) and (iii), respectively;

20 (iii) by redesignating clauses (vii)
21 through (xii) as clauses (iv) through (ix),
22 respectively;

23 (iv) in clause (ii), as so redesignated,
24 by striking “adult education and literacy

1 activities” and inserting “adult education
2 and family literacy education activities”

3 (v) in clause (viii), as so redesignated,
4 by striking “and” at the end;

5 (vi) in clause (ix), as so redesignated,
6 by striking the period and inserting “;
7 and”; and

8 (vii) by adding at the end the fol-
9 lowing:

10 “(x) subject to subparagraph (C), pro-
11 grams authorized under part A of title IV
12 of the Social Security Act (42 U.S.C. 601
13 et seq.).”;

14 (C) by inserting after paragraph (1)(B)
15 the following:

16 “(C) DETERMINATION BY THE GOV-
17 ERNOR.—Each entity carrying out a program
18 described in subparagraph (B)(x) shall be con-
19 sidered to be a one-stop partner under this title
20 and carry out the required partner activities de-
21 scribed in subparagraph (A) unless the Gov-
22 ernor of the State in which the local area is lo-
23 cated provides the Secretary and Secretary of
24 Health and Human Services written notice of a
25 determination by the Governor that such an en-

1 “(v) employment, training, and lit-
2 eracy services carried out by public librar-
3 ies; and

4 “(vi) other appropriate Federal, State,
5 or local programs, including programs in
6 the private sector.”;

7 (2) in subsection (c)(2), by amending subpara-
8 graph (A) to read as follows:

9 “(A) provisions describing—

10 “(i) the services to be provided
11 through the one-stop delivery system con-
12 sistent with the requirements of this sec-
13 tion, including the manner in which the
14 services will be coordinated through such
15 system;

16 “(ii) how the costs of such services
17 and the operating costs of such system will
18 be funded, through cash and in-kind con-
19 tributions, to provide a stable and equi-
20 table funding stream for ongoing one-stop
21 system operations, including the funding of
22 the costs of infrastructure of one-stop cen-
23 ters in accordance with subsection (h);

24 “(iii) methods of referral of individ-
25 uals between the one-stop operator and the

1 one-stop partners for appropriate services
2 and activities, including referrals for train-
3 ing for nontraditional employment; and

4 “(iv) the duration of the memo-
5 randum of understanding and the proce-
6 dures for amending the memorandum dur-
7 ing the term of the memorandum, and as-
8 surances that such memorandum shall be
9 reviewed not less than once every 3-year
10 period to ensure appropriate funding and
11 delivery of services under the memo-
12 randum; and”;

13 (3) in subsection (d)—

14 (A) in the heading for paragraph (1), by
15 striking “DESIGNATION AND CERTIFICATION”
16 and inserting “LOCAL DESIGNATION AND CER-
17 TIFICATION”;

18 (B) in paragraph (2)—

19 (i) by striking “section 134(c)” and
20 inserting “subsection (e)”;

21 (ii) by amending subparagraph (A) to
22 read as follows:

23 “(A) shall be designated or certified as a
24 one-stop operator through a competitive proc-
25 ess; and”;

1 (iii) in subparagraph (B), by striking
2 clause (ii) and redesignating clauses (iii)
3 through (vi) as clauses (ii) through (v), re-
4 spectively; and

5 (C) in paragraph (3), by striking “voca-
6 tional” and inserting “career and technical”;

7 (4) by amending subsection (e) to read as fol-
8 lows:

9 “(e) ESTABLISHMENT OF ONE-STOP DELIVERY SYS-
10 TEM.—

11 “(1) IN GENERAL.—There shall be established
12 in a State that receives an allotment under section
13 132(b) a one-stop delivery system, which shall—

14 “(A) provide the work ready services de-
15 scribed in section 134(c)(2);

16 “(B) provide access to training services as
17 described in paragraph (4) of section 134(c),
18 including serving as the point of access to ca-
19 reer enhancement accounts for training services
20 to participants in accordance with paragraph
21 (4)(F) of such section;

22 “(C) provide access to the activities carried
23 out under section 134(d), if any;

1 “(D) provide access to programs and ac-
2 tivities carried out by one-stop partners that
3 are described in subsection (b); and

4 “(E) provide access to the data and infor-
5 mation described in subparagraphs (A) and (B)
6 of section 15(a)(1) of the Wagner-Peyser Act
7 (29 U.S.C. 491-2(a)(1)).

8 “(2) ONE-STOP DELIVERY.—At a minimum, the
9 one-stop delivery system—

10 “(A) shall make each of the programs,
11 services, and activities described in paragraph
12 (1) accessible at not less than one physical cen-
13 ter in each local area of the State; and

14 “(B) may also make programs, services,
15 and activities described in paragraph (1) avail-
16 able—

17 “(i) through a network of affiliated
18 sites that can provide one or more of the
19 programs, services, and activities to indi-
20 viduals; and

21 “(ii) through a network of eligible
22 one-stop partners—

23 “(I) in which each partner pro-
24 vides one or more of the programs,
25 services, and activities to such individ-

1 uals and is accessible at an affiliated
2 site that consists of a physical loca-
3 tion or an electronically- or techno-
4 logically-linked access point; and

5 “(II) that assures individuals
6 that information on the availability of
7 the work ready services will be avail-
8 able regardless of where the individ-
9 uals initially enter the statewide work-
10 force investment system, including in-
11 formation made available through an
12 access point described in subclause
13 (I).

14 “(3) SPECIALIZED CENTERS.—The centers and
15 sites described in paragraph (2) may have a speciali-
16 zation in addressing special needs.”; and

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

18 “(g) CERTIFICATION OF ONE-STOP CENTERS.—

19 “(1) IN GENERAL.—

20 “(A) IN GENERAL.—The State board shall
21 establish objective procedures and criteria for
22 certifying, at least once every 3 years, one-stop
23 centers for the purpose of awarding the one-
24 stop infrastructure funding described in sub-
25 section (h).

1 “(B) CRITERIA.—The criteria for certifi-
2 cation of a one-stop center under this sub-
3 section shall include—

4 “(i) meeting the expected levels of
5 performance for each of the corresponding
6 core indicators of performance as outlined
7 in the State plan under section 112;

8 “(ii) meeting minimum standards re-
9 lating to the scope and degree of service
10 integration achieved by the center, involv-
11 ing the programs provided by the one-stop
12 partners; and

13 “(iii) meeting minimum standards re-
14 lating to how the center ensures that eligi-
15 ble providers meet the employment needs
16 of local employers and participants.

17 “(C) EFFECT OF CERTIFICATION.—One-
18 stop centers certified under this subsection shall
19 be eligible to receive the infrastructure funding
20 authorized under subsection (h).

21 “(2) LOCAL BOARDS.—Consistent with the cri-
22 teria developed by the State, the local board may de-
23 velop, for certification referred to in paragraph
24 (1)(A), additional criteria or higher standards on the
25 criteria referred to in paragraph (1)(B) to respond

1 to local labor market and demographic conditions
2 and trends.

3 “(h) ONE-STOP INFRASTRUCTURE FUNDING.—

4 “(1) PARTNER CONTRIBUTIONS.—

5 “(A) PROVISION OF FUNDS.—Notwith-
6 standing any other provision of law, as deter-
7 mined under subparagraph (B), a portion of the
8 Federal funds provided to the State and areas
9 within the State under the Federal laws author-
10 izing the one-stop partner programs described
11 in subsection (b)(1)(B) and participating addi-
12 tional partner programs described in subsection
13 (b)(2)(B), for a fiscal year shall be provided to
14 the Governor by such partners to carry out this
15 subsection.

16 “(B) DETERMINATION OF GOVERNOR.—

17 “(i) IN GENERAL.—Subject to sub-
18 paragraph (C), the Governor, in consulta-
19 tion with the State board, shall determine
20 the portion of funds to be provided under
21 subparagraph (A) by each one-stop partner
22 and in making such determination shall
23 consider the proportionate use of the one-
24 stop centers in the State by each such
25 partner, the costs of administration for

1 purposes not related to one-stop centers
2 for each such partner, and other relevant
3 factors described in paragraph (3).

4 “(ii) SPECIAL RULE.—In those States
5 where the State constitution places policy-
6 making authority that is independent of
7 the authority of the Governor in an entity
8 or official with respect to the funds pro-
9 vided for adult education and family lit-
10 eracy education activities authorized under
11 title II and for postsecondary career and
12 technical education activities authorized
13 under the Carl D. Perkins Career and
14 Technical Education Act of 2006 (20
15 U.S.C. 2301 et seq.), the determination de-
16 scribed in clause (i) with respect to the
17 corresponding 2 programs shall be made
18 by the Governor with the appropriate enti-
19 ty or official with such independent policy-
20 making authority.

21 “(iii) APPEAL BY ONE-STOP PART-
22 NERS.—The Governor shall establish a
23 procedure for the one-stop partner admin-
24 istering a program described in subsection
25 (b) and subparagraph (A) to appeal a de-

1 termination regarding the portion of funds
2 to be provided under this paragraph on the
3 basis that such determination is incon-
4 sistent with the requirements described in
5 the State plan for the program or with the
6 requirements of this paragraph. Such pro-
7 cedure shall ensure prompt resolution of
8 the appeal.

9 “(C) LIMITATIONS.—

10 “(i) PROVISION FROM ADMINISTRA-
11 TIVE FUNDS.—The funds provided under
12 this paragraph by a one-stop partner shall
13 be provided only from funds available for
14 the costs of administration under the pro-
15 gram administered by such partner, and
16 shall be subject to the limitations with re-
17 spect to the portion of funds under such
18 program that may be used for administra-
19 tion.

20 “(ii) FEDERAL DIRECT SPENDING
21 PROGRAMS.—

22 “(I) IN GENERAL.—A program
23 that provides Federal direct spending
24 under section 250(c)(8) of the Bal-
25 anced Budget and Emergency Deficit

1 Control Act of 1985 (2 U.S.C.
2 900(c)(8)) shall not, for purposes of
3 this paragraph, be required to provide
4 more than the maximum amount de-
5 termined under subclause (II).

6 “(II) MAXIMUM AMOUNT.—The
7 maximum amount for the program is
8 the amount that bears the same rela-
9 tionship to the costs referred to in
10 paragraph (2) for the State as the use
11 of the one-stop centers by such pro-
12 gram bears to the use of such centers
13 by all one-stop partner programs in
14 the State.

15 “(2) ALLOCATION BY GOVERNOR.—From the
16 funds provided under paragraph (1), the Governor
17 shall allocate funds to local areas in accordance with
18 the formula established under paragraph (3) for the
19 purposes of assisting in paying the costs of infra-
20 structure of one-stop centers certified under sub-
21 section (g).

22 “(3) ALLOCATION FORMULA.—The State board
23 shall develop a formula to be used by the Governor
24 to allocate the funds provided under paragraph (1)
25 to local areas. The formula shall include such factors

1 as the State board determines are appropriate,
2 which may include factors such as the number of
3 centers in a local area that have been certified, the
4 population served by such centers, and the perform-
5 ance of such centers.

6 “(4) COSTS OF INFRASTRUCTURE.—For pur-
7 poses of this subsection, the term ‘costs of infra-
8 structure’ means the nonpersonnel costs that are
9 necessary for the general operation of a one-stop
10 center, including the rental costs of the facilities in-
11 volved, and the costs of utilities and maintenance,
12 and equipment (including assistive technology for in-
13 dividuals with disabilities).

14 “(i) OTHER FUNDS.—

15 “(1) IN GENERAL.—In addition to the funds
16 provided under subsection (h), a portion of funds
17 made available under Federal law authorizing the
18 one-stop partner programs described in subsection
19 (b)(1)(B) and participating additional partner pro-
20 grams described in subsection (b)(2)(B), or the
21 noncash resources available under such 2 types of
22 programs, shall be used to pay the costs relating to
23 the operation of the one-stop delivery system that
24 are not paid for from the funds provided under sub-
25 section (h), to the extent not inconsistent with the

1 Federal law involved. Such portion shall be used to
2 pay for costs including—

3 “(A) costs of infrastructure (as defined in
4 subsection (h)) that are in excess of the funds
5 provided under subsection (h);

6 “(B) common costs that are in addition to
7 the costs of infrastructure (as so defined); and

8 “(C) the costs of the provision of work
9 ready services applicable to each program.

10 “(2) DETERMINATION AND STANDARDS.—The
11 method for determining the appropriate portion of
12 funds and noncash resources to be provided by each
13 program under paragraph (1) shall be determined as
14 part of the memorandum of understanding under
15 subsection (c). The State board shall provide stand-
16 ards to facilitate the determination of appropriate
17 allocation of the funds and noncash resources to
18 local areas.”.

19 **SEC. 418. IDENTIFICATION OF ELIGIBLE PROVIDERS OF**
20 **TRAINING SERVICES.**

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

23 **“SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF**
24 **TRAINING SERVICES.**

25 “(a) ELIGIBILITY.—

1 “(1) IN GENERAL.—The Governor, after con-
2 sultation with the State board, shall establish cri-
3 teria and procedures regarding the eligibility of pro-
4 viders of training services described in section
5 134(c)(4) to receive funds provided under section
6 133(b) for the provision of such training services
7 and be included on the list of eligible providers of
8 training services described in subsection (d).

9 “(2) PROVIDERS.—Subject to the provisions of
10 this section, to be eligible to receive the funds and
11 be included on the list, the provider shall be—

12 “(A) a postsecondary educational institu-
13 tion that—

14 “(i) is eligible to receive Federal funds
15 under title IV of the Higher Education Act
16 of 1965 (20 U.S.C. 1070 et seq.); and

17 “(ii) provides a program that leads to
18 a recognized postsecondary credential;

19 “(B) an entity that carries out programs
20 under the Act of August 16, 1937 (commonly
21 known as the ‘National Apprenticeship Act’; 50
22 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.);
23 or

24 “(C) another public or private provider of
25 a program of training services.

1 “(3) INCLUSION IN LIST OF ELIGIBLE PRO-
2 VIDERS.—A provider described in subparagraph (A)
3 or (C) of paragraph (2) shall comply with the cri-
4 teria and procedures established under this sub-
5 section to be eligible to receive the funds and be in-
6 cluded on the list. A provider described in paragraph
7 (2)(B) shall be eligible to receive the funds and be
8 included on the list with respect to programs de-
9 scribed in paragraph (2)(B) for so long as the pro-
10 vider remains certified by the Secretary of Labor to
11 carry out the programs.

12 “(b) CRITERIA.—

13 “(1) IN GENERAL.—The criteria established by
14 the Governor pursuant to subsection (a) shall take
15 into account—

16 “(A) the performance of providers of train-
17 ing services with respect to the performance
18 measures described in section 136, measures for
19 other matters for which information is required
20 under paragraph (2), and other appropriate
21 measures of performance outcomes for those
22 participants receiving training services under
23 this subtitle;

1 “(B) whether the training programs of
2 such providers relate to in-demand industries or
3 occupations important to the local economy;

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

7 “(D) the ability of the providers to offer
8 programs that lead to a recognized postsec-
9 ondary credential, and the quality of such pro-
10 grams;

11 “(E) the performance of the providers as
12 reflected in the information such providers are
13 required to report to State agencies with re-
14 spect to other Federal and State programs
15 (other than the program carried out under this
16 subtitle), including one-stop partner programs;
17 and

18 “(F) such other factors as the Governor
19 determines are appropriate.

20 “(2) INFORMATION.—The criteria established
21 by the Governor shall require that a provider of
22 training services submit appropriate, accurate, and
23 timely information to the State for purposes of car-
24 rying out subsection (d), with respect to participants

1 receiving training services under this subtitle in the
2 applicable program, including—

3 “(A) information on recognized postsec-
4 ondary credentials received by such partici-
5 pants;

6 “(B) information on costs of attendance
7 for such participants;

8 “(C) information on the program comple-
9 tion rate for such participants; and

10 “(D) information on the performance of
11 the provider with respect to the performance
12 measures described in section 136 for such par-
13 ticipants.

14 “(3) RENEWAL.—The criteria established by
15 the Governor shall also provide for a review on the
16 criteria every 3 years and renewal of eligibility under
17 this section for providers of training services.

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

1 “(5) LIMITATION.—In carrying out the require-
2 ments of this subsection, no entity may disclose per-
3 sonally identifiable information regarding a student,
4 including a Social Security number, student identi-
5 fication number, or other identifier, without the
6 prior written consent of the parent or student in
7 compliance with section 444 of the General Edu-
8 cation Provisions Act (20 U.S.C. 1232g).

9 “(c) PROCEDURES.—The procedures established
10 under subsection (a) shall—

11 “(1) identify—

12 “(A) the application process for a provider
13 of training services to become eligible under
14 this section; and

15 “(B) the respective roles of the State and
16 local areas in receiving and reviewing applica-
17 tions and in making determinations of eligibility
18 based on the criteria established under this sec-
19 tion; and

20 “(2) establish a process, for a provider of train-
21 ing services to appeal a denial or termination of eli-
22 gibility under this section, that includes an oppor-
23 tunity for a hearing and prescribes appropriate time
24 limits to ensure prompt resolution of the appeal.

1 “(d) INFORMATION TO ASSIST PARTICIPANTS IN
2 CHOOSING PROVIDERS.—In order to facilitate and assist
3 participants under chapter 5 in choosing providers of
4 training services, the Governor shall ensure that an appro-
5 priate list of providers determined eligible under this sec-
6 tion in the State, including information provided under
7 subsection (b)(2) with respect to such providers, is pro-
8 vided to the local boards in the State and is made available
9 to such participants and to members of the public through
10 the one-stop delivery system in the State.

11 “(e) ENFORCEMENT.—

12 “(1) IN GENERAL.—The procedures established
13 under this section shall provide the following:

14 “(A) INTENTIONALLY SUPPLYING INAC-
15 CURATE INFORMATION.—Upon a determination,
16 by an individual or entity specified in the proce-
17 dures, that a provider of training services, or
18 individual providing information on behalf of
19 the provider, intentionally supplied inaccurate
20 information under this section, the eligibility of
21 such provider under this section shall be termi-
22 nated for a period of time that is not less than
23 2 years.

24 “(B) SUBSTANTIAL VIOLATIONS.—Upon a
25 determination, by an individual or entity speci-

1 fied in the procedures, that a provider of train-
2 ing services substantially violated any require-
3 ment under this title, the eligibility of such pro-
4 vider under this section shall be terminated for
5 a period of time that is not less than 10 years.

6 “(C) REPAYMENT.—A provider of training
7 services whose eligibility is terminated under
8 subparagraph (A) or (B) shall be liable for the
9 repayment of funds received under chapter 5
10 during a period of noncompliance described in
11 such subparagraph. For purposes of subpara-
12 graph (A), that period shall be considered to be
13 the period beginning on the date on which the
14 inaccurate information described in subpara-
15 graph (A) was supplied, and ending on the date
16 of the termination described in subparagraph
17 (A).

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

22 “(f) AGREEMENTS WITH OTHER STATES.—A State
23 may enter into an agreement with another State, on a re-
24 ciprocal basis, to permit eligible providers of training serv-

1 ices to accept career enhancement accounts provided in
2 the other State.

3 “(g) RECOMMENDATIONS.—In developing the criteria
4 (including requirements for related information) and pro-
5 cedures required under this section, the Governor shall so-
6 licit and take into consideration the recommendations of
7 local boards and providers of training services within the
8 State.

9 “(h) OPPORTUNITY TO SUBMIT COMMENTS.—Dur-
10 ing the development of the criteria and procedures, and
11 the list of eligible providers required under this section,
12 the Governor shall provide an opportunity for interested
13 members of the public to submit comments regarding such
14 criteria, procedures, and list.

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

17 “(1) IN GENERAL.—Providers of on-the-job
18 training or customized training shall not be subject
19 to the requirements of subsections (a) through (d).

20 “(2) COLLECTION AND DISSEMINATION OF IN-
21 FORMATION.—A one-stop operator in a local area
22 shall collect such performance information from on-
23 the-job training and customized training providers
24 as the Governor may require, determine whether the
25 providers meet such performance criteria as the Gov-

1 error may require, and disseminate information
2 identifying providers that meet the criteria as eligi-
3 ble providers, and the performance information,
4 through the one-stop delivery system. Providers de-
5 termined to meet the criteria shall be considered to
6 be identified as eligible under this section, to be pro-
7 viders of the training services involved.”.

8 **SEC. 419. GENERAL AUTHORIZATION.**

9 Chapter 5 of subtitle B of title I is amended—

10 (1) by striking the heading for chapter 5 and
11 inserting the following: “**EMPLOYMENT AND**
12 **TRAINING ACTIVITIES**”; and

13 (2) in section 131 (29 U.S.C. 2861)—

14 (A) by striking “paragraphs (1)(B) and
15 (2)(B) of”; and

16 (B) by striking “adults, and dislocated
17 workers,” and inserting “individuals”.

18 **SEC. 420. STATE ALLOTMENTS.**

19 Section 132 (29 U.S.C. 2862) is amended—

20 (1) by amending subsection (a) to read as fol-
21 lows:

22 “(a) IN GENERAL.—The Secretary shall—

23 “(1) reserve $\frac{1}{2}$ of 1 percent of the total amount
24 appropriated under section 137 for a fiscal year, of
25 which—

1 “(A) 50 percent shall be used to provide
2 technical assistance under section 170; and

3 “(B) 50 percent shall be used for evalua-
4 tions under section 172;

5 “(2) reserve 1 percent of the total amount ap-
6 propriated under section 137 for a fiscal year to
7 make grants to, and enter into contracts or coopera-
8 tive agreements with Indian tribes, tribal organiza-
9 tions, Alaska Native entities, Indian-controlled orga-
10 nizations serving Indians, or Native Hawaiian orga-
11 nizations to carry out employment and training ac-
12 tivities;

13 “(3) reserve not more than 25 percent of the
14 total amount appropriated under section 137 for a
15 fiscal year to carry out the Jobs Corps program
16 under subtitle C;

17 “(4) reserve not more than 3.5 percent of the
18 total amount appropriated under section 137 for a
19 fiscal year to—

20 “(A) make grants to State boards or local
21 boards to provide employment and training as-
22 sistance to workers affected by major economic
23 dislocations, such as plant closures, mass lay-
24 offs, or closures and realignments of military
25 installations; and

1 “(B) provide assistance to Governors of
2 States with an area that has suffered an emer-
3 gency or a major disaster (as such terms are
4 defined in paragraphs (1) and (2), respectively,
5 of section 102 of the Robert T. Stafford Dis-
6 aster Relief and Emergency Assistance Act (42
7 U.S.C. 5122)) to provide disaster relief employ-
8 ment in the area; and

9 “(5) from the remaining amount appropriated
10 under section 137 for a fiscal year (after reserving
11 funds under paragraphs (1) through (4)), make al-
12 lotments in accordance with subsection (b) of this
13 section.”; and

14 (2) by amending subsection (b) to read as fol-
15 lows:

16 “(b) WORKFORCE INVESTMENT FUND.—

17 “(1) RESERVATION FOR OUTLYING AREAS.—

18 “(A) IN GENERAL.—From the amount
19 made available under subsection (a)(5) for a
20 fiscal year, the Secretary shall reserve not more
21 than $\frac{1}{4}$ of 1 percent to provide assistance to
22 the outlying areas.

23 “(B) RESTRICTION.—The Republic of
24 Palau shall cease to be eligible to receive fund-
25 ing under this paragraph upon entering into an

1 agreement for extension of United States edu-
2 cational assistance under the Compact of Free
3 Association (approved by the Compact of Free
4 Association Amendments Act of 2003 (Public
5 Law 108–188) after the date of enactment of
6 the SKILLS Act.

7 “(2) STATES.—

8 “(A) IN GENERAL.—After determining the
9 amount to be reserved under paragraph (1), the
10 Secretary shall allot the remainder of the
11 amount referred to in subsection (a)(5) for a
12 fiscal year to the States pursuant to subpara-
13 graph (B) for employment and training activi-
14 ties and statewide workforce investment activi-
15 ties.

16 “(B) FORMULA.—Subject to subpara-
17 graphs (C) and (D), of the remainder—

18 “(i) 25 percent shall be allotted on the
19 basis of the relative number of unemployed
20 individuals in areas of substantial unem-
21 ployment in each State, compared to the
22 total number of unemployed individuals in
23 areas of substantial unemployment in all
24 States;

1 percent of the allotment percentage of
2 the State for fiscal year 2013; and

3 “(II) fiscal year 2018 and each
4 succeeding fiscal year, that is less
5 than 90 percent of the allotment per-
6 centage of the State for the fiscal year
7 preceding the fiscal year involved.

8 “(ii) MAXIMUM PERCENTAGE.—Sub-
9 ject to clause (i), the Secretary shall en-
10 sure that no State shall receive an allot-
11 ment under this paragraph for—

12 “(I) each of fiscal years 2015
13 through 2017, that is more than 130
14 percent of the allotment percentage of
15 the State for fiscal year 2013; and

16 “(II) fiscal year 2018 and each
17 succeeding fiscal year, that is more
18 than 130 percent of the allotment per-
19 centage of the State for the fiscal year
20 preceding the fiscal year involved.

21 “(D) SMALL STATE MINIMUM ALLOT-
22 MENT.—Subject to subparagraph (C), the Sec-
23 retary shall ensure that no State shall receive
24 an allotment under this paragraph for a fiscal
25 year that is less than $\frac{1}{5}$ of 1 percent of the re-

1 “(II) 70 percent of the lower liv-
2 ing standard income level.

3 “(iv) INDIVIDUAL.—The term ‘indi-
4 vidual’ means an individual who is age 16
5 or older.”.

6 **SEC. 421. WITHIN STATE ALLOCATIONS.**

7 Section 133 (29 U.S.C. 2863) is amended—

8 (1) by amending subsection (a) to read as fol-
9 lows:

10 “(a) RESERVATIONS FOR STATEWIDE WORKFORCE
11 INVESTMENT ACTIVITIES.—

12 “(1) STATEWIDE EMPLOYMENT AND TRAINING
13 ACTIVITIES.—The Governor of a State shall reserve
14 not more than 15 percent of the total amount allot-
15 ted to the State under section 132(b)(2) for a fiscal
16 year to carry out the statewide activities described in
17 section 134(a).

18 “(2) STATEWIDE RAPID RESPONSE ACTIVITIES
19 AND ADDITIONAL ASSISTANCE.—Of the amount re-
20 served under paragraph (1) for a fiscal year, the
21 Governor of the State shall reserve not more than
22 25 percent for statewide rapid response activities
23 and additional assistance described in section
24 134(a)(4).

1 “(3) STATEWIDE GRANTS FOR INDIVIDUALS
2 WITH BARRIERS TO EMPLOYMENT.—Of the amount
3 reserved under paragraph (1) for a fiscal year, the
4 Governor of the State shall reserve 15 percent to
5 carry out statewide activities described in section
6 134(a)(5).

7 “(4) STATE ADMINISTRATIVE COST LIMIT.—Not
8 more than 5 percent of the funds reserved under
9 paragraph (1) may be used by the Governor of the
10 State for administrative costs of carrying out the
11 statewide activities described in section 134(a).”;

12 (2) by amending subsection (b) to read as fol-
13 lows:

14 “(b) WITHIN STATE ALLOCATION.—

15 “(1) METHODS.—The Governor, acting in ac-
16 cordance with the State plan, and after consulting
17 with chief elected officials in the local areas in the
18 State, shall—

19 “(A) allocate the funds that are allotted to
20 the State under section 132(b)(2) and not re-
21 served under subsection (a), in accordance with
22 paragraph (2)(A); and

23 “(B) award the funds that are reserved by
24 the State under subsection (a)(3) through com-

1 petitive grants to eligible entities, in accordance
2 with section 134(a)(1)(C).

3 “(2) FORMULA ALLOCATIONS FOR THE WORK-
4 FORCE INVESTMENT FUND.—

5 “(A) ALLOCATION.—In allocating the
6 funds described in paragraph (1)(A) to local
7 areas, a State shall allocate—

8 “(i) 25 percent on the basis described
9 in section 132(b)(2)(B)(i);

10 “(ii) 25 percent on the basis described
11 in section 132(b)(2)(B)(ii);

12 “(iii) 25 percent on the basis de-
13 scribed in section 132(b)(2)(B)(iii); and

14 “(iv) 25 percent on the basis de-
15 scribed in section 132(b)(2)(B)(iv),

16 except that a reference in a section specified in
17 any of clauses (i) through (iv) to ‘each State’
18 shall be considered to refer to each local area,
19 and to ‘all States’ shall be considered to refer
20 to all local areas.

21 “(B) MINIMUM AND MAXIMUM PERCENT-
22 AGES.—

23 “(i) MINIMUM PERCENTAGE.—The
24 State shall ensure that no local area shall

1 receive an allocation under this paragraph
2 for—

3 “(I) each of fiscal years 2015
4 through 2017, that is less than 100
5 percent of the allocation percentage of
6 the local area for fiscal year 2013;
7 and

8 “(II) fiscal year 2018 and each
9 succeeding fiscal year, that is less
10 than 90 percent of the allocation per-
11 centage of the local area for the fiscal
12 year preceding the fiscal year in-
13 volved.

14 “(ii) MAXIMUM PERCENTAGE.—Sub-
15 ject to clause (i), the State shall ensure
16 that no local area shall receive an alloca-
17 tion for a fiscal year under this paragraph
18 for—

19 “(I) each of fiscal years 2015
20 through 2017, that is more than 130
21 percent of the allocation percentage of
22 the local area for fiscal year 2013;
23 and

24 “(II) fiscal year 2018 and each
25 succeeding fiscal year, that is more

1 than 130 percentage of the allocation
2 percentage of the local area for the
3 fiscal year preceding the fiscal year
4 involved.

5 “(C) DEFINITIONS.—For the purpose of
6 the formula specified in this paragraph, the
7 term ‘allocation percentage’—

8 “(i) used with respect to fiscal year
9 2013, means the percentage of the
10 amounts allocated to local areas under title
11 I of this Act, title V of the Older Ameri-
12 cans Act of 1965 (42 U.S.C. 3056 et seq.),
13 the Women in Apprenticeship and Non-
14 traditional Occupations Act (29 U.S.C.
15 2501 et seq.), sections 4103A and 4104 of
16 title 38, United States Code, and sections
17 1 through 14 of the Wagner-Peyser Act
18 (29 U.S.C. 49 et seq.), as such provisions
19 were in effect for fiscal year 2013, that is
20 received under such provisions by the local
21 area involved for fiscal year 2013; and

22 “(ii) used with respect to fiscal year
23 2017 or a succeeding fiscal year, means
24 the percentage of the amounts allocated to
25 local areas under this paragraph for the

1 fiscal year, that is received under this
2 paragraph by the local area involved for
3 the fiscal year.”;

4 (3) in subsection (c)—

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

7 “(1) IN GENERAL.—The Governor may, in ac-
8 cordance with this subsection, reallocate to eligible
9 local areas within the State amounts that are allo-
10 cated under subsection (b) for employment and
11 training activities and that are available for realloca-
12 tion.”;

13 (B) in paragraph (2), by striking “para-
14 graph (2)(A) or (3) of subsection (b) for such
15 activities” and inserting “subsection (b) for
16 such activities”;

17 (C) by amending paragraph (3) to read as
18 follows:

19 “(3) REALLOCATIONS.—In making reallocations
20 to eligible local areas of amounts available pursuant
21 to paragraph (2) for a program year, the Governor
22 shall allocate to each eligible local area within the
23 State an amount based on the relative amount allo-
24 cated to such local area under subsection (b)(2) for
25 such activities for such prior program year, as com-

1 reserved under paragraph (2) or (3) of section
2 133(a)—

3 “(i) shall be used to carry out the
4 statewide employment and training activi-
5 ties described in paragraph (2); and

6 “(ii) may be used to carry out any of
7 the statewide employment and training ac-
8 tivities described in paragraph (3).

9 “(B) STATEWIDE RAPID RESPONSE ACTIVI-
10 TIES AND ADDITIONAL ASSISTANCE.—Funds re-
11 served by a Governor for a State as described
12 in section 133(a)(2) shall be used to provide the
13 statewide rapid response activities and addi-
14 tional assistance described in paragraph (4).

15 “(C) STATEWIDE GRANTS FOR INDIVID-
16 UALS WITH BARRIERS TO EMPLOYMENT.—
17 Funds reserved by a Governor for a State as
18 described in section 133(a)(3) shall be used to
19 award statewide grants for individuals with bar-
20 riers to employment on a competitive basis, and
21 carry out other activities, as described in para-
22 graph (5).

23 “(2) REQUIRED STATEWIDE EMPLOYMENT AND
24 TRAINING ACTIVITIES.—A State shall use funds re-
25 ferred to in paragraph (1)(A) to carry out statewide

1 employment and training activities, which shall in-
2 clude—

3 “(A) disseminating the State list of eligible
4 providers of training services described in sec-
5 tion 122(d), information identifying eligible pro-
6 viders of on-the-job training and customized
7 training described in section 122(i), and per-
8 formance information and program cost infor-
9 mation described in section 122(b)(2);

10 “(B) supporting the provision of work
11 ready services described in subsection (c)(2) in
12 the one-stop delivery system;

13 “(C) implementing strategies and services
14 that will be used in the State to assist at-risk
15 youth and out-of-school youth in acquiring the
16 education and skills, recognized postsecondary
17 credentials, and employment experience to suc-
18 ceed in the labor market;

19 “(D) conducting evaluations under section
20 136(e) of activities authorized under this chap-
21 ter in coordination with evaluations carried out
22 by the Secretary under section 172;

23 “(E) providing technical assistance to local
24 areas that fail to meet local performance meas-
25 ures;

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

3 “(G) carrying out monitoring and over-
4 sight of activities carried out under this chap-
5 ter.

6 “(3) ALLOWABLE STATEWIDE EMPLOYMENT
7 AND TRAINING ACTIVITIES.—A State may use funds
8 referred to in paragraph (1)(A) to carry out state-
9 wide employment and training activities which may
10 include—

11 “(A) implementing innovative programs
12 and strategies designed to meet the needs of all
13 employers in the State, including small employ-
14 ers, which may include incumbent worker train-
15 ing programs, sectoral and industry cluster
16 strategies and partnership initiatives, career
17 ladder programs, micro-enterprise and entrepre-
18 neurial training and support programs, utiliza-
19 tion of effective business intermediaries, activi-
20 ties to improve linkages between the one-stop
21 delivery system in the State and all employers
22 (including small employers) in the State, and
23 other business services and strategies that bet-
24 ter engage employers in workforce investment
25 activities and make the workforce investment

1 system more relevant to the needs of State and
2 local businesses, consistent with the objectives
3 of this title;

4 “(B) providing incentive grants to local
5 areas—

6 “(i) for regional cooperation among
7 local boards (including local boards in a
8 designated region as described in section
9 116(e));

10 “(ii) for local coordination of activities
11 carried out under this Act; and

12 “(iii) for exemplary performance by
13 local areas on the local performance meas-
14 ures;

15 “(C) developing strategies for effectively
16 integrating programs and services among one-
17 stop partners;

18 “(D) carrying out activities to facilitate re-
19 mote access to services provided through a one-
20 stop delivery system, including facilitating ac-
21 cess through the use of technology;

22 “(E) incorporating pay-for-performance
23 contract strategies as an element in funding ac-
24 tivities under this section and providing tech-
25 nical support to local areas and eligible pro-

1 viders in order to carry out such a strategy,
2 which may involve providing assistance with
3 data collection and data entry requirements;

4 “(F) carrying out the State option under
5 subsection (f)(8); and

6 “(G) carrying out other activities author-
7 ized under this section that the State deter-
8 mines to be necessary to assist local areas in
9 carrying out activities described in subsection
10 (c) or (d) through the statewide workforce in-
11 vestment system.

12 “(4) STATEWIDE RAPID RESPONSE ACTIVITIES
13 AND ADDITIONAL ASSISTANCE.—A State shall use
14 funds reserved as described in section 133(a)(2)—

15 “(A) to carry out statewide rapid response
16 activities, which shall include provision of rapid
17 response activities, carried out in local areas by
18 the State or by an entity designated by the
19 State, working in conjunction with the local
20 boards and the chief elected officials in the local
21 areas; and

22 “(B) to provide additional assistance to
23 local areas that experience disasters, mass lay-
24 offs, or plant closings, or other events that pre-
25 cipitate substantial increases in the number of

1 unemployed individuals, carried out in local
2 areas by the State or by an entity designated
3 by the State, working in conjunction with the
4 local boards and the chief elected officials in the
5 local areas.

6 “(5) STATEWIDE GRANTS FOR INDIVIDUALS
7 WITH BARRIERS TO EMPLOYMENT.—

8 “(A) IN GENERAL.—Of the funds reserved
9 as described in section 133(a)(3), the Governor
10 of a State—

11 “(i) may reserve up to 5 percent to
12 provide technical assistance for, and con-
13 duct evaluations as described in section
14 136(e) of, the programs carried out under
15 this paragraph; and

16 “(ii) using the remainder, shall award
17 grants on a competitive basis to eligible en-
18 tities (that meet specific performance out-
19 comes and criteria established by the Gov-
20 ernor) described in subparagraph (B) to
21 carry out employment and training pro-
22 grams authorized under this paragraph for
23 individuals with barriers to employment.

1 “(B) ELIGIBLE ENTITY DEFINED.—For
2 purposes of this paragraph, the term ‘eligible
3 entity’ means an entity that—

4 “(i) is a—

5 “(I) local board or a consortium
6 of local boards;

7 “(II) nonprofit entity, for-profit
8 entity, or a consortium of nonprofit or
9 for-profit entities; or

10 “(III) consortium of the entities
11 described in subclauses (I) and (II);

12 “(ii) has a demonstrated record of
13 placing individuals into unsubsidized em-
14 ployment and serving hard-to-serve individ-
15 uals; and

16 “(iii) agrees to be reimbursed pri-
17 marily on the basis of meeting specified
18 performance outcomes and criteria estab-
19 lished by the Governor.

20 “(C) GRANT PERIOD.—

21 “(i) IN GENERAL.—A grant under
22 this paragraph shall be awarded for a pe-
23 riod of 1 year.

24 “(ii) GRANT RENEWAL.—A Governor
25 of a State may renew, for up to 4 addi-

1 tional 1-year periods, a grant awarded
2 under this paragraph.

3 “(D) ELIGIBLE PARTICIPANTS.—To be eli-
4 gible to participate in activities under this para-
5 graph, an individual shall be a low-income indi-
6 vidual age 16 or older.

7 “(E) USE OF FUNDS.—An eligible entity
8 receiving a grant under this paragraph shall use
9 the grant funds for programs of activities that
10 are designed to assist eligible participants in
11 obtaining employment and acquiring the edu-
12 cation and skills necessary to succeed in the
13 labor market. To be eligible to receive a grant
14 under this paragraph for an employment and
15 training program, an eligible entity shall submit
16 an application to a State at such time, in such
17 manner, and containing such information as the
18 State may require, including—

19 “(i) a description of how the strate-
20 gies and activities of the program will be
21 aligned with the State plan submitted
22 under section 112 and the local plan sub-
23 mitted under section 118, with respect to
24 the area of the State that will be the focus
25 of the program under this paragraph;

1 “(ii) a description of the educational
2 and skills training programs and activities
3 the eligible entity will provide to eligible
4 participants under this paragraph;

5 “(iii) how the eligible entity will col-
6 laborate with State and local workforce in-
7 vestment systems established under this
8 title in the provision of such programs and
9 activities;

10 “(iv) a description of the programs of
11 demonstrated effectiveness on which the
12 provision of such educational and skills
13 training programs and activities are based,
14 and a description of how such programs
15 and activities will improve education and
16 skills training for eligible participants;

17 “(v) a description of the populations
18 to be served and the skill needs of those
19 populations, and the manner in which eligi-
20 ble participants will be recruited and se-
21 lected as participants;

22 “(vi) a description of the private, pub-
23 lic, local, and State resources that will be
24 leveraged, with the grant funds provided,
25 for the program under this paragraph, and

1 how the entity will ensure the sustain-
2 ability of such program after grant funds
3 are no longer available;

4 “(vii) a description of the extent of
5 the involvement of employers in such pro-
6 gram;

7 “(viii) a description of the levels of
8 performance the eligible entity expects to
9 achieve with respect to the indicators of
10 performance for all individuals specified in
11 section 136(b)(2);

12 “(ix) a detailed budget and a descrip-
13 tion of the system of fiscal controls, and
14 auditing and accountability procedures,
15 that will be used to ensure fiscal soundness
16 for the program provided under this para-
17 graph; and

18 “(x) any other criteria the Governor
19 may require.”;

20 (2) by amending subsection (b) to read as fol-
21 lows:

22 “(b) LOCAL EMPLOYMENT AND TRAINING ACTIVI-
23 TIES.—Funds allocated to a local area under section
24 133(b)—

1 “(1) shall be used to carry out employment and
2 training activities described in subsection (c); and

3 “(2) may be used to carry out employment and
4 training activities described in subsection (d).”;

5 (3) by striking subsection (c);

6 (4) by redesignating subsections (d) and (e), as
7 subsections (c) and (d), respectively;

8 (5) in subsection (c) (as so redesignated)—

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

11 “(1) IN GENERAL.—Funds allocated to a local
12 area under section 133(b) shall be used—

13 “(A) to establish a one-stop delivery sys-
14 tem as described in section 121(e);

15 “(B) to provide the work ready services de-
16 scribed in paragraph (2) through the one-stop
17 delivery system in accordance with such para-
18 graph; and

19 “(C) to provide training services described
20 in paragraph (4) in accordance with such para-
21 graph.”;

22 (B) in paragraph (2)—

23 (i) in the heading, by striking “CORE
24 SERVICES” and inserting “WORK READY
25 SERVICES”;

1 (ii) in the matter preceding subpara-
2 graph (A)—

3 (I) by striking “(1)(A)” and in-
4 serting “(1)”;

5 (II) by striking “core services”
6 and inserting “work ready services”;
7 and

8 (III) by striking “who are adults
9 or dislocated workers”;

10 (iii) by redesignating subparagraph
11 (K) as subparagraph (V);

12 (iv) by redesignating subparagraphs
13 (B) through (J) as subparagraphs (C)
14 through (K), respectively;

15 (v) by inserting after subparagraph
16 (A) the following:

17 “(B) assistance in obtaining eligibility de-
18 terminations under the other one-stop partner
19 programs through activities, where appropriate
20 and consistent with the authorizing statute of
21 the one-stop partner program involved, such as
22 assisting in—

23 “(i) the submission of applications;

24 “(ii) the provision of information on
25 the results of such applications; and

1 “(iii) the provision of intake services
2 and information;”;

3 (vi) by amending subparagraph (E),
4 as so redesignated, to read as follows:

5 “(E) labor exchange services, including—

6 “(i) job search and placement assist-
7 ance, and where appropriate, career coun-
8 seling;

9 “(ii) appropriate recruitment services
10 for employers, including small employers,
11 in the local area, which may include serv-
12 ices described in this subsection, including
13 provision of information and referral to
14 specialized business services not tradition-
15 ally offered through the one-stop delivery
16 system; and

17 “(iii) reemployment services provided
18 to unemployment claimants, including
19 claimants identified as in need of such
20 services under the worker profiling system
21 established under section 303(j) of the So-
22 cial Security Act (42 U.S.C. 503(j));”;

23 (vii) in subparagraph (F), as so redesi-
24 gnated, by striking “employment statis-

1 ties” and inserting “workforce and labor
2 market”;

3 (viii) in subparagraph (G), as so re-
4 designated, by striking “and eligible pro-
5 viders of youth activities described in sec-
6 tion 123,”;

7 (ix) in subparagraph (H), as so redesi-
8 gnated, by inserting “under section 136”
9 after “local performance measures”;

10 (x) in subparagraph (J), as so redesi-
11 gnated, by inserting “and information re-
12 garding the administration of the work test
13 for the unemployment compensation sys-
14 tem” after “compensation”;

15 (xi) by amending subparagraph (K),
16 as so redesignated, to read as follows:

17 “(K) assistance in establishing eligibility
18 for programs of financial aid assistance for edu-
19 cation and training programs that are not fund-
20 ed under this Act and are available in the local
21 area;”; and

22 (xii) by inserting the following new
23 subparagraphs after subparagraph (K), as
24 so redesignated:

1 “(L) the provision of information from of-
2 ficial publications of the Internal Revenue Serv-
3 ice regarding Federal tax credits, available to
4 participants in employment and training activi-
5 ties, and relating to education, job training, and
6 employment;

7 “(M) comprehensive and specialized assess-
8 ments of the skill levels and service needs of
9 workers, which may include—

10 “(i) diagnostic testing and use of
11 other assessment tools; and

12 “(ii) in-depth interviewing and evalua-
13 tion to identify employment barriers and
14 appropriate employment goals;

15 “(N) development of an individual employ-
16 ment plan, to identify the employment goals,
17 appropriate achievement objectives, and appro-
18 priate combination of services for the partici-
19 pant;

20 “(O) group counseling;

21 “(P) individual counseling and career plan-
22 ning;

23 “(Q) case management;

24 “(R) short-term pre-career services, includ-
25 ing development of learning skills, communica-

1 tions skills, interviewing skills, punctuality, per-
2 sonal maintenance skills, and professional con-
3 duct, to prepare individuals for unsubsidized
4 employment or training;

5 “(S) internships and work experience;

6 “(T) literacy activities relating to basic
7 work readiness, information and communication
8 technology literacy activities, and financial lit-
9 eracy activities, if the activities involved are not
10 available to participants in the local area under
11 programs administered under the Adult Edu-
12 cation and Family Literacy Act (20 U.S.C.
13 9201 et seq.);

14 “(U) out-of-area job search assistance and
15 relocation assistance; and”;

16 (C) by amending paragraph (3) to read as
17 follows:

18 “(3) DELIVERY OF SERVICES.—The work ready
19 services described in paragraph (2) shall be provided
20 through the one-stop delivery system and may be
21 provided through contracts with public, private for-
22 profit, and private nonprofit service providers, ap-
23 proved by the local board.”; and

24 (D) in paragraph (4)—

1 (i) by amending subparagraph (A) to
2 read as follows:

3 “(A) IN GENERAL.—Funds described in
4 paragraph (1)(C) shall be used to provide train-
5 ing services to individuals who—

6 “(i) after an interview, evaluation, or
7 assessment, and case management, have
8 been determined by a one-stop operator or
9 one-stop partner, as appropriate, to—

10 “(I) be in need of training serv-
11 ices to obtain or retain employment;
12 and

13 “(II) have the skills and quali-
14 fications to successfully participate in
15 the selected program of training serv-
16 ices;

17 “(ii) select programs of training serv-
18 ices that are directly linked to the employ-
19 ment opportunities in the local area in-
20 volved or in another area in which the indi-
21 vidual receiving such services are willing to
22 commute or relocate; and

23 “(iii) who meet the requirements of
24 subparagraph (B).”;

1 (ii) in subparagraph (B)(i), by strik-
2 ing “Except” and inserting “Notwith-
3 standing section 479B of the Higher Edu-
4 cation Act of 1965 (20 U.S.C. 1087uu)
5 and except”;

6 (iii) by amending subparagraph (D) to
7 read as follows:

8 “(D) TRAINING SERVICES.—Training serv-
9 ices authorized under this paragraph may in-
10 clude—

11 “(i) occupational skills training;

12 “(ii) on-the-job training;

13 “(iii) skill upgrading and retraining;

14 “(iv) entrepreneurial training;

15 “(v) education activities leading to a
16 regular secondary school diploma or its
17 recognized equivalent in combination with,
18 concurrently or subsequently, occupational
19 skills training;

20 “(vi) adult education and family lit-
21 eracy education activities provided in con-
22 junction with other training services au-
23 thorized under this subparagraph;

24 “(vii) workplace training combined
25 with related instruction;

1 “(viii) occupational skills training that
2 incorporates English language acquisition;

3 “(ix) customized training conducted
4 with a commitment by an employer or
5 group of employers to employ an individual
6 upon successful completion of the training;
7 and

8 “(x) training programs operated by
9 the private sector.”;

10 (iv) by striking subparagraph (E) and
11 redesignating subparagraphs (F) and (G)
12 as subparagraphs (E) and (F), respec-
13 tively;

14 (v) in subparagraph (E) (as so redес-
15 igned)—

16 (I) in clause (ii)—

17 (aa) in the matter preceding
18 subclause (I), by striking “sub-
19 section (c)” and inserting “sec-
20 tion 121”;

21 (bb) in subclause (I), by
22 striking “section 122(e)” and in-
23 serting “section 122(d)” and by
24 striking “section 122(h)” and in-
25 serting “section 122(i)”; and

1 (cc) in subclause (II), by
2 striking “subsections (e) and
3 (h)” and inserting “subsections
4 (d) and (i)”; and
5 (II) by striking clause (iii) and
6 inserting the following:

7 “(iii) CAREER ENHANCEMENT AC-
8 COUNTS.—An individual who seeks train-
9 ing services and who is eligible pursuant to
10 subparagraph (A), may, in consultation
11 with a case manager, select an eligible pro-
12 vider of training services from the list or
13 identifying information for providers de-
14 scribed in clause (ii)(I). Upon such selec-
15 tion, the one-stop operator involved shall,
16 to the extent practicable, refer such indi-
17 vidual to the eligible provider of training
18 services, and arrange for payment for such
19 services through a career enhancement ac-
20 count.

21 “(iv) COORDINATION.—Each local
22 board may, through one-stop centers, co-
23 ordinate career enhancement accounts with
24 other Federal, State, local, or private job
25 training programs or sources to assist the

1 individual in obtaining training services
2 from (notwithstanding any provision of
3 this title) eligible providers for those pro-
4 grams and sources.

5 “(v) ASSISTANCE.—Each local board
6 may, through one-stop centers, assist indi-
7 viduals receiving career enhancement ac-
8 counts in obtaining funds (in addition to
9 the funds provided under this section)
10 from other programs and sources that will
11 assist the individual in obtaining training
12 services.”; and

13 (vi) in subparagraph (F) (as so redес-
14 igned)—

15 (I) in the subparagraph heading,
16 by striking “INDIVIDUAL TRAINING
17 ACCOUNTS” and inserting “CAREER
18 ENHANCEMENT ACCOUNTS”;

19 (II) in clause (i), by striking “in-
20 dividual training accounts” and in-
21 sserting “career enhancement ac-
22 counts”;

23 (III) in clause (ii)—

24 (aa) by striking “an indi-
25 vidual training account” and in-

1 serting “a career enhancement
2 account”;

3 (bb) by striking “subpara-
4 graph (F)” and inserting “sub-
5 paragraph (E)”;

6 (cc) in subclause (II), by
7 striking “individual training ac-
8 counts” and inserting “career en-
9 hancement accounts”;

10 (dd) in subclause (II), by
11 striking “or” after the semicolon;

12 (ee) in subclause (III), by
13 striking the period and inserting
14 “; or”; and

15 (ff) by adding at the end the
16 following:

17 “(IV) the local board determines
18 that it would be most appropriate to
19 award a contract to a postsecondary
20 educational institution that has been
21 identified as a priority eligible pro-
22 vider under section 117(d)(5)(B) in
23 order to facilitate the training of mul-
24 tiple individuals in in-demand indus-
25 tries or occupations important to the

1 State or local economy, that such con-
2 tract may be used to enable the ex-
3 pansion of programs provided by a
4 priority eligible provider, and that
5 such contract does not limit customer
6 choice.”;

7 (IV) in clause (iii), by striking
8 “adult or dislocated worker” and in-
9 serting “individual”; and

10 (V) in clause (iv)—

11 (aa) by redesignating sub-
12 clause (IV) as subclause (V); and

13 (bb) by inserting after sub-
14 clause (III) the following:

15 “(IV) Individuals with disabil-
16 ities.”;

17 (6) in subsection (d) (as so redesignated)—

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

20 “(1) DISCRETIONARY ONE-STOP DELIVERY AC-
21 TIVITIES.—

22 “(A) IN GENERAL.—Funds allocated to a
23 local area under section 133(b)(2) may be used
24 to provide, through the one-stop delivery sys-
25 tem—

1 “(i) customized screening and referral
2 of qualified participants in training serv-
3 ices to employers;

4 “(ii) customized employment-related
5 services to employers on a fee-for-service
6 basis;

7 “(iii) customer supports, including
8 transportation and child care, to navigate
9 among multiple services and activities for
10 special participant populations that face
11 multiple barriers to employment, including
12 individuals with disabilities;

13 “(iv) employment and training assist-
14 ance provided in coordination with child
15 support enforcement activities of the State
16 agency carrying out subtitle D of title IV
17 of the Social Security Act (42 U.S.C. 651
18 et seq.);

19 “(v) incorporation of pay-for-perform-
20 ance contract strategies as an element in
21 funding activities under this section;

22 “(vi) activities to facilitate remote ac-
23 cess to services provided through a one-
24 stop delivery system, including facilitating
25 access through the use of technology; and

1 “(vii) activities to carry out business
2 services and strategies that meet the work-
3 force investment needs of local area em-
4 ployers, as determined by the local board,
5 consistent with the local plan under section
6 118.”;

7 (B) by striking paragraphs (2) and (3);

8 and

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

10 “(2) INCUMBENT WORKER TRAINING PRO-
11 GRAMS.—

12 “(A) IN GENERAL.—The local board may
13 use funds allocated to a local area under section
14 133(b)(2) to carry out incumbent worker train-
15 ing programs in accordance with this para-
16 graph.

17 “(B) TRAINING ACTIVITIES.—The training
18 programs for incumbent workers under this
19 paragraph shall be carried out by the local area
20 in conjunction with the employers of such work-
21 ers for the purpose of assisting such workers in
22 obtaining the skills necessary to retain employ-
23 ment and avert layoffs.

24 “(C) EMPLOYER MATCH REQUIRED.—

1 “(i) IN GENERAL.—Employers partici-
2 pating in programs under this paragraph
3 shall be required to pay a proportion of the
4 costs of providing the training to the in-
5 cumbent workers of the employers. The
6 local board shall establish the required
7 payment toward such costs, which may in-
8 clude in-kind contributions.

9 “(ii) CALCULATION OF MATCH.—The
10 wages paid by an employer to a worker
11 while they are attending training may be
12 included as part of the required payment
13 of the employer.”; and

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

15 “(e) PRIORITY FOR PLACEMENT IN PRIVATE SECTOR
16 JOBS.—In providing employment and training activities
17 authorized under this section, the State board and local
18 board shall give priority to placing participants in jobs in
19 the private sector.

20 “(f) VETERAN EMPLOYMENT SPECIALIST.—

21 “(1) IN GENERAL.—Subject to paragraph (8), a
22 local board shall hire and employ one or more vet-
23 eran employment specialists to carry out employ-
24 ment, training, supportive, and placement services

1 under this subsection in the local area served by the
2 local board.

3 “(2) PRINCIPAL DUTIES.—A veteran employ-
4 ment specialist in a local area shall—

5 “(A) conduct outreach to employers in the
6 local area to assist veterans, including disabled
7 veterans, in gaining employment, including—

8 “(i) conducting seminars for employ-
9 ers; and

10 “(ii) in conjunction with employers,
11 conducting job search workshops, and es-
12 tablishing job search groups; and

13 “(B) facilitate the furnishing of employ-
14 ment, training, supportive, and placement serv-
15 ices to veterans, including disabled and home-
16 less veterans, in the local area.

17 “(3) HIRING PREFERENCE FOR VETERANS AND
18 INDIVIDUALS WITH EXPERTISE IN SERVING VET-
19 ERANS.—Subject to paragraph (8), a local board
20 shall, to the maximum extent practicable, employ
21 veterans or individuals with expertise in serving vet-
22 erans to carry out the services described in para-
23 graph (2) in the local area served by the local board.
24 In hiring an individual to serve as a veteran employ-

1 ment specialist, a local board shall give preference to
2 veterans and other individuals in the following order:

3 “(A) To service-connected disabled vet-
4 erans.

5 “(B) If no veteran described in subpara-
6 graph (A) is available, to veterans.

7 “(C) If no veteran described in subpara-
8 graph (A) or (B) is available, to any member of
9 the Armed Forces transitioning out of military
10 service.

11 “(D) If no veteran or member described in
12 subparagraph (A), (B), or (C) is available, to
13 any spouse of a veteran or a spouse of a mem-
14 ber of the Armed Forces transitioning out of
15 military service.

16 “(E) If no veteran or member described in
17 subparagraph (A), (B), or (C) is available and
18 no spouse described in paragraph (D) is avail-
19 able, to any other individuals with expertise in
20 serving veterans.

21 “(4) ADMINISTRATION AND REPORTING.—

22 “(A) IN GENERAL.—Each veteran employ-
23 ment specialist shall be administratively respon-
24 sible to the one-stop operator of the one-stop
25 center in the local area and shall provide, at a

1 minimum, quarterly reports to the one-stop op-
2 erator of such center and to the Assistant Sec-
3 retary for Veterans' Employment and Training
4 for the State on the specialist's performance,
5 and compliance by the specialist with Federal
6 law (including regulations), with respect to
7 the—

8 “(i) principal duties (including facili-
9 tating the furnishing of services) for vet-
10 erans described in paragraph (2); and

11 “(ii) hiring preferences described in
12 paragraph (3) for veterans and other indi-
13 viduals.

14 “(B) REPORT TO SECRETARY.—Each
15 State shall submit to the Secretary an annual
16 report on the qualifications used by each local
17 board in the State in making hiring determina-
18 tions for a veteran employment specialist and
19 the salary structure under which such specialist
20 is compensated.

21 “(C) REPORT TO CONGRESS.—The Sec-
22 retary shall submit to the Committee on Edu-
23 cation and the Workforce and the Committee
24 on Veterans' Affairs of the House of Represent-
25 atives and the Committee on Health, Edu-

1 cation, Labor, and Pensions and the Committee
2 on Veterans' Affairs of the Senate an annual
3 report summarizing the reports submitted
4 under subparagraph (B), and including sum-
5 maries of outcomes achieved by participating
6 veterans, disaggregated by local areas.

7 “(5) PART-TIME EMPLOYEES.—A part-time vet-
8 eran employment specialist shall perform the func-
9 tions of a veteran employment specialist under this
10 subsection on a halftime basis.

11 “(6) TRAINING REQUIREMENTS.—Each veteran
12 employment specialist described in paragraph (2)
13 shall satisfactorily complete training provided by the
14 National Veterans' Employment and Training Insti-
15 tute during the 3-year period that begins on the date
16 on which the employee is so assigned.

17 “(7) SPECIALIST'S DUTIES.—A full-time vet-
18 eran employment specialist shall perform only duties
19 related to employment, training, supportive, and
20 placement services under this subsection, and shall
21 not perform other non-veteran-related duties if such
22 duties detract from the specialist's ability to perform
23 the specialist's duties related to employment, train-
24 ing, supportive, and placement services under this
25 subsection.

1 “(8) STATE OPTION.—At the request of a local
2 board, a State may opt to assume the duties as-
3 signed to the local board under paragraphs (1) and
4 (3), including the hiring and employment of one or
5 more veteran employment specialists for placement
6 in the local area served by the local board.”.

7 **SEC. 423. PERFORMANCE ACCOUNTABILITY SYSTEM.**

8 Section 136 (29 U.S.C. 2871) is amended—

9 (1) in subsection (b)—

10 (A) by amending paragraphs (1) and (2)
11 to read as follows:

12 “(1) IN GENERAL.—For each State, the State
13 performance measures shall consist of—

14 “(A)(i) the core indicators of performance
15 described in paragraph (2)(A); and

16 “(ii) additional indicators of performance
17 (if any) identified by the State under paragraph
18 (2)(B); and

19 “(B) a State adjusted level of performance
20 for each indicator described in subparagraph
21 (A).

22 “(2) INDICATORS OF PERFORMANCE.—

23 “(A) CORE INDICATORS OF PERFORM-
24 ANCE.—

1 “(i) IN GENERAL.—The core indica-
2 tors of performance for the program of em-
3 ployment and training activities authorized
4 under sections 132(a)(2) and 134, the pro-
5 gram of adult education and family literacy
6 education activities authorized under title
7 II, and the program authorized under title
8 I of the Rehabilitation Act of 1973 (29
9 U.S.C. 720 et seq.), other than section 112
10 or part C of that title (29 U.S.C. 732,
11 741), shall consist of the following indica-
12 tors of performance (with performance de-
13 termined in the aggregate and as
14 disaggregated by the populations identified
15 in the State and local plan in each case):

16 “(I) The percentage and number
17 of program participants who are in
18 unsubsidized employment during the
19 second full calendar quarter after exit
20 from the program.

21 “(II) The percentage and number
22 of program participants who are in
23 unsubsidized employment during the
24 fourth full calendar quarter after exit
25 from the program.

1 tial (such as an industry-recog-
2 nized credential or a certificate
3 from a registered apprenticeship
4 program), a certificate from an
5 on-the-job training program, a
6 regular secondary school diploma
7 or its recognized equivalent, or
8 unsubsidized employment; and

9 “(bb) are achieving measur-
10 able basic skill gains toward such
11 a credential, certificate, diploma,
12 or employment.

13 “(VI) The percentage and num-
14 ber of program participants who ob-
15 tain unsubsidized employment in the
16 field relating to the training services
17 described in section 134(c)(4) that
18 such participants received.

19 “(ii) INDICATOR RELATING TO CRE-
20 DENTIAL.—For purposes of clause (i)(IV),
21 program participants who obtain a regular
22 secondary school diploma or its recognized
23 equivalent shall be included in the percent-
24 age counted as meeting the criterion under
25 such clause only if such participants (in

1 addition to obtaining such diploma or its
2 recognized equivalent), within 1 year after
3 exit from the program, have obtained or
4 retained employment, have been removed
5 from public assistance, or have begun an
6 education or training program leading to a
7 recognized postsecondary credential.

8 “(B) ADDITIONAL INDICATORS.—A State
9 may identify in the State plan additional indica-
10 tors for workforce investment activities author-
11 ized under this subtitle.”; and

12 (B) in paragraph (3)—

13 (i) in subparagraph (A)—

14 (I) in the heading, by striking

15 “AND CUSTOMER SATISFACTION INDI-
16 CATOR”;

17 (II) in clause (i), by striking

18 “and the customer satisfaction indi-
19 cator described in paragraph (2)(B)”;

20 (III) in clause (ii), by striking

21 “and the customer satisfaction indi-
22 cator of performance, for the first 3”
23 and inserting “, for all 3”;

24 (IV) in clause (iii)—

1 (aa) in the heading, by
2 striking “FOR FIRST 3 YEARS”;
3 and

4 (bb) by striking “and the
5 customer satisfaction indicator of
6 performance, for the first 3 pro-
7 gram years” and inserting “for
8 all 3 program years”;

9 (V) in clause (iv)—

10 (aa) by striking “or (v)”;

11 (bb) by striking subclause
12 (I) and redesignating subclauses
13 (II) and (III) as subclauses (I)
14 and (II), respectively; and

15 (cc) in subclause (I) (as so
16 redesignated)—

17 (AA) by inserting “,
18 such as unemployment rates
19 and job losses or gains in
20 particular industries” after
21 “economic conditions”; and

22 (BB) by inserting “,
23 such as indicators of poor
24 work experience, dislocation
25 from high-wage employment,

1 low levels of literacy or
2 English proficiency, dis-
3 ability status (including dis-
4 ability status among vet-
5 erans), and welfare depend-
6 ency,” after “program”;

7 (VI) by striking clause (v) and
8 redesignating clause (vi) as clause (v);
9 and

10 (VII) in clause (v) (as so redesign-
11 ated)—

12 (aa) by striking “described
13 in clause (iv)(II)” and inserting
14 “described in clause (iv)(I)”; and

15 (bb) by striking “or (v)”;
16 and

17 (ii) in subparagraph (B), by striking
18 “paragraph (2)(C)” and inserting “para-
19 graph (2)(B)”;

20 (2) in subsection (c)—

21 (A) by amending clause (i) of paragraph
22 (1)(A) to read as follows:

23 “(i) the core indicators of performance de-
24 scribed in subsection (b)(2)(A) for activities de-

1 scribed in such subsection, other than statewide
2 workforce investment activities; and”;

3 (B) in clause (ii) of paragraph (1)(A), by
4 striking “(b)(2)(C)” and inserting “(b)(2)(B)”;
5 and

6 (C) by amending paragraph (3) to read as
7 follows:

8 “(3) DETERMINATIONS.—In determining such
9 local levels of performance, the local board, the chief
10 elected official, and the Governor shall ensure such
11 levels are adjusted based on the specific economic
12 conditions (such as unemployment rates and job
13 losses or gains in particular industries), or demo-
14 graphic characteristics or other characteristics of the
15 population to be served, in the local area.”;

16 (3) in subsection (d)—

17 (A) in paragraph (1)—

18 (i) by striking “127 or”;

19 (ii) by striking “and the customer sat-
20 isfaction indicator” each place it appears;
21 and

22 (iii) in the last sentence, by inserting
23 before the period the following: “, and on
24 the amount and percentage of the State’s
25 annual allotment under section 132 the

1 State spends on administrative costs and
2 on the amount and percentage of its an-
3 nual allocation under section 133 each
4 local area in the State spends on adminis-
5 trative costs”;

6 (B) in paragraph (2)—

7 (i) by striking subparagraphs (A),
8 (B), and (D);

9 (ii) by redesignating subparagraph
10 (C) as subparagraph (A);

11 (iii) by redesignating subparagraph
12 (E) as subparagraph (B);

13 (iv) in subparagraph (B), as so redес-
14 igned—

15 (I) by striking “(excluding par-
16 ticipants who received only self-service
17 and informational activities)”;

18 (II) by striking “and” at the end;

19 (v) by striking subparagraph (F); and

20 (vi) by adding at the end the fol-
21 lowing:

22 “(C) with respect to each local area in the
23 State—

24 “(i) the number of individuals who re-
25 ceived work ready services described in sec-

1 tion 134(c)(2) and the number of individ-
2 uals who received training services de-
3 scribed in section 134(c)(4), during the
4 most recent program year and fiscal year,
5 and the preceding 5 program years,
6 disaggregated (for individuals who received
7 work ready services) by the type of entity
8 that provided the work ready services and
9 disaggregated (for individuals who received
10 training services) by the type of entity that
11 provided the training services, and the
12 amount of funds spent on each of the 2
13 types of services during the most recent
14 program year and fiscal year, and the pre-
15 ceding 5 fiscal years;

16 “(ii) the number of individuals who
17 successfully exited out of work ready serv-
18 ices described in section 134(c)(2) and the
19 number of individuals who exited out of
20 training services described in section
21 134(c)(4), during the most recent program
22 year and fiscal year, and the preceding 5
23 program years, disaggregated (for individ-
24 uals who received work ready services) by
25 the type of entity that provided the work

1 ready services and disaggregated (for indi-
2 viduals who received training services) by
3 the type of entity that provided the train-
4 ing services; and

5 “(iii) the average cost per participant
6 of those individuals who received work
7 ready services described in section
8 134(e)(2) and the average cost per partici-
9 pant of those individuals who received
10 training services described in section
11 134(e)(4), during the most recent program
12 year and fiscal year, and the preceding 5
13 program years, disaggregated (for individ-
14 uals who received work ready services) by
15 the type of entity that provided the work
16 ready services and disaggregated (for indi-
17 viduals who received training services) by
18 the type of entity that provided the train-
19 ing services; and

20 “(D) the amount of funds spent on train-
21 ing services and discretionary activities de-
22 scribed in section 134(d), disaggregated by the
23 populations identified under section
24 112(b)(16)(A)(iv) and section 118(b)(10).”;

1 (C) in paragraph (3)(A), by striking
2 “through publication” and inserting “through
3 electronic means”; and

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

5 “(4) DATA VALIDATION.—In preparing the re-
6 ports described in this subsection, each State shall
7 establish procedures, consistent with guidelines
8 issued by the Secretary, to ensure the information
9 contained in the reports is valid and reliable.

10 “(5) STATE AND LOCAL POLICIES.—

11 “(A) STATE POLICIES.—Each State that
12 receives an allotment under section 132 shall
13 maintain a central repository of policies related
14 to access, eligibility, availability of services, and
15 other matters, and plans approved by the State
16 board and make such repository available to the
17 public, including by electronic means.

18 “(B) LOCAL POLICIES.—Each local area
19 that receives an allotment under section 133
20 shall maintain a central repository of policies
21 related to access, eligibility, availability of serv-
22 ices, and other matters, and plans approved by
23 the local board and make such repository avail-
24 able to the public, including by electronic
25 means.”;

1 (4) in subsection (g)—

2 (A) in paragraph (1)—

3 (i) in subparagraph (A), by striking

4 “or (B)”; and

5 (ii) in subparagraph (B), by striking

6 “may reduce by not more than 5 percent,”

7 and inserting “shall reduce”; and

8 (B) by striking paragraph (2) and insert-

9 ing the following:

10 “(2) FUNDS RESULTING FROM REDUCED AL-

11 LOTMENTS.—The Secretary shall return to the

12 Treasury the amount retained, as a result of a re-

13 duction in an allotment to a State made under para-

14 graph (1)(B).”;

15 (5) in subsection (h)—

16 (A) in paragraph (1), by striking “or (B)”;

17 and

18 (B) in paragraph (2)—

19 (i) in subparagraph (A), by amending

20 the matter preceding clause (i) to read as

21 follows:

22 “(A) IN GENERAL.—If such failure con-

23 tinues for a second consecutive year, the Gov-

24 ernor shall take corrective actions, including the

1 development of a reorganization plan. Such
2 plan shall—”;

3 (ii) by redesignating subparagraphs
4 (B) and (C) as subparagraphs (C) and
5 (D), respectively;

6 (iii) by inserting after subparagraph
7 (A), the following:

8 “(B) REDUCTION IN THE AMOUNT OF
9 GRANT.—If such failure continues for a third
10 consecutive year, the Governor shall reduce the
11 amount of the grant that would (in the absence
12 of this subparagraph) be payable to the local
13 area under such program for the program year
14 after such third consecutive year. Such penalty
15 shall be based on the degree of failure to meet
16 local levels of performance.”;

17 (iv) in subparagraph (C)(i) (as so re-
18 designated), by striking “a reorganization
19 plan under subparagraph (A) may, not
20 later than 30 days after receiving notice of
21 the reorganization plan, appeal to the Gov-
22 ernor to rescind or revise such plan” and
23 inserting “corrective action under subpara-
24 graph (A) or (B) may, not later than 30
25 days after receiving notice of the action,

1 appeal to the Governor to rescind or revise
2 such action”; and

3 (v) in subparagraph (D) (as so reded-
4 icated), by striking “subparagraph (B)”
5 each place it appears and inserting “sub-
6 paragraph (C)”;

7 (6) in subsection (i)—

8 (A) in paragraph (1)—

9 (i) in subparagraph (B), by striking
10 “subsection (b)(2)(C)” and inserting “sub-
11 section (b)(2)(B)”;

12 (ii) in subparagraph (C), by striking
13 “(b)(3)(A)(vi)” and inserting
14 “(b)(3)(A)(v)”;

15 (B) in paragraph (2), by striking “the ac-
16 tivities described in section 502 concerning”;
17 and

18 (C) in paragraph (3), by striking “de-
19 scribed in paragraph (1) and in the activities
20 described in section 502” and inserting “and
21 activities described in this subsection”;

22 (7) by adding at the end the following new sub-
23 sections:

24 “(j) USE OF CORE INDICATORS FOR OTHER PRO-
25 GRAMS.—Consistent with the requirements of the applica-

1 ble authorizing laws, the Secretary shall use the core indi-
2 cators of performance described in subsection (b)(2)(A) to
3 assess the effectiveness of the programs described in sec-
4 tion 121(b)(1)(B) (in addition to the programs carried out
5 under chapter 5) that are carried out by the Secretary.

6 “(k) ESTABLISHING PAY-FOR-PERFORMANCE INCEN-
7 TIVES.—

8 “(1) IN GENERAL.—At the discretion of the
9 Governor of a State, a State may establish an incen-
10 tive system for local boards to implement pay-for-
11 performance contract strategies for the delivery of
12 employment and training activities in the local areas
13 served by the local boards.

14 “(2) IMPLEMENTATION.—A State that estab-
15 lishes a pay-for-performance incentive system shall
16 reserve not more than 10 percent of the total
17 amount allotted to the State under section 132(b)(2)
18 for a fiscal year to provide funds to local areas in
19 the State whose local boards have implemented a
20 pay-for-performance contract strategy.

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

1 **SEC. 424. AUTHORIZATION OF APPROPRIATIONS.**

2 Section 137 (29 U.S.C. 2872) is amended to read as
3 follows:

4 **“SEC. 137. AUTHORIZATION OF APPROPRIATIONS.**

5 “There are authorized to be appropriated to carry out
6 the activities described in section 132, \$5,945,639,000 for
7 fiscal year 2015 and each of the 6 succeeding fiscal
8 years.”.

9 **CHAPTER 3—JOB CORPS**

10 **SEC. 426. JOB CORPS PURPOSES.**

11 Paragraph (1) of section 141 (29 U.S.C. 2881(1))
12 is amended to read as follows:

13 “(1) to maintain a national Job Corps program
14 for at-risk youth, carried out in partnership with
15 States and communities, to assist eligible youth to
16 connect to the workforce by providing them with in-
17 tensive academic, career and technical education,
18 and service-learning opportunities, in residential and
19 nonresidential centers, in order for such youth to ob-
20 tain regular secondary school diplomas and recog-
21 nized postsecondary credentials leading to successful
22 careers in in-demand industries that will result in
23 opportunities for advancement;”.

24 **SEC. 427. JOB CORPS DEFINITIONS.**

25 Section 142 (29 U.S.C. 2882) is amended—

26 (1) in paragraph (2)—

1 (A) in the paragraph heading, by striking
2 “APPLICABLE ONE-STOP” and inserting “ONE-
3 STOP”;

4 (B) by striking “applicable”;

5 (C) by striking “customer service”; and

6 (D) by striking “intake” and inserting “as-
7 sessment”;

8 (2) in paragraph (4), by striking “before com-
9 pleting the requirements” and all that follows and
10 inserting “prior to becoming a graduate.”; and

11 (3) in paragraph (5), by striking “has com-
12 pleted the requirements” and all that follows and in-
13 serting the following: “who, as a result of participa-
14 tion in the Job Corps program, has received a reg-
15 ular secondary school diploma, completed the re-
16 quirements of a career and technical education and
17 training program, or received, or is making satisfac-
18 tory progress (as defined under section 484(c) of the
19 Higher Education Act of 1965 (20 U.S.C. 1091(c)))
20 toward receiving, a recognized postsecondary creden-
21 tial (including an industry-recognized credential)
22 that prepares individuals for employment leading to
23 economic self-sufficiency.”.

24 **SEC. 428. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.**

25 Section 144 (29 U.S.C. 2884) is amended—

1 (1) by amending paragraph (1) to read as fol-
2 lows:

3 “(1) not less than age 16 and not more than
4 age 24 on the date of enrollment;”;

5 (2) in paragraph (3)(B), by inserting “sec-
6 ondary” before “school”; and

7 (3) in paragraph (3)(E), by striking “voca-
8 tional” and inserting “career and technical edu-
9 cation and”.

10 **SEC. 429. RECRUITMENT, SCREENING, SELECTION, AND AS-**
11 **SIGNMENT OF ENROLLEES.**

12 Section 145 (29 U.S.C. 2885) is amended—

13 (1) in subsection (a)—

14 (A) in paragraph (2)(C)(i) by striking “vo-
15 cational” and inserting “career and technical
16 education and training”; and

17 (B) in paragraph (3)—

18 (i) by striking “To the extent prac-
19 ticable, the” and inserting “The”;

20 (ii) in subparagraph (A)—

21 (I) by striking “applicable”; and

22 (II) by inserting “and” after the
23 semicolon;

24 (iii) by striking subparagraphs (B)
25 and (C); and

1 (iv) by adding at the end the fol-
2 lowing:

3 “(B) organizations that have a dem-
4 onstrated record of effectiveness in placing at-
5 risk youth into employment.”;

6 (2) in subsection (b)—

7 (A) in paragraph (1)—

8 (i) in subparagraph (B), by inserting
9 “and agrees to such rules” after “failure
10 to observe the rules”; and

11 (ii) by amending subparagraph (C) to
12 read as follows:

13 “(C) the individual has passed a back-
14 ground check conducted in accordance with pro-
15 cedures established by the Secretary, which
16 shall include—

17 “(i) a search of the State criminal
18 registry or repository in the State where
19 the individual resides and each State where
20 the individual previously resided;

21 “(ii) a search of State-based child
22 abuse and neglect registries and databases
23 in the State where the individual resides
24 and each State where the individual pre-
25 viously resided;

1 “(iii) a search of the National Crime
2 Information Center;

3 “(iv) a Federal Bureau of Investiga-
4 tion fingerprint check using the Integrated
5 Automated Fingerprint Identification Sys-
6 tem; and

7 “(v) a search of the National Sex Of-
8 fender Registry established under the
9 Adam Walsh Child Protection and Safety
10 Act of 2006 (42 U.S.C. 16901 et seq.)”;
11 and

12 (B) by adding at the end the following new
13 paragraph:

14 “(3) INDIVIDUALS CONVICTED OF A CRIME.—
15 An individual shall be ineligible for enrollment if the
16 individual—

17 “(A) makes a false statement in connection
18 with the criminal background check described in
19 paragraph (1)(C);

20 “(B) is registered or is required to be reg-
21 istered on a State sex offender registry or the
22 National Sex Offender Registry established
23 under the Adam Walsh Child Protection and
24 Safety Act of 2006 (42 U.S.C. 16901 et seq.);
25 or

1 “(C) has been convicted of a felony con-
2 sisting of—

3 “(i) homicide;

4 “(ii) child abuse or neglect;

5 “(iii) a crime against children, includ-
6 ing child pornography;

7 “(iv) a crime involving rape or sexual
8 assault; or

9 “(v) physical assault, battery, or a
10 drug-related offense, committed within the
11 past 5 years.”;

12 (3) in subsection (c)—

13 (A) in paragraph (1)—

14 (i) by striking “2 years” and inserting
15 “year”; and

16 (ii) by striking “an assignment” and
17 inserting “a”; and

18 (B) in paragraph (2)—

19 (i) in the matter preceding subpara-
20 graph (A), by striking “, every 2 years,”;

21 (ii) in subparagraph (B), by striking
22 “and” at the end;

23 (iii) in subparagraph (C)—

24 (I) by inserting “the education
25 and training” after “including”; and

1 (II) by striking the period at the
2 end and inserting “; and”; and

3 (iv) by adding at the end the fol-
4 lowing:

5 “(D) the performance of the Job Corps
6 center relating to the indicators described in
7 paragraphs (1) and (2) in section 159(c), and
8 whether any actions have been taken with re-
9 spect to such center pursuant to section
10 159(f).”; and

11 (4) in subsection (d)—

12 (A) in paragraph (1)—

13 (i) in the matter preceding subpara-
14 graph (A), by striking “is closest to the
15 home of the enrollee, except that the” and
16 inserting “offers the type of career and
17 technical education and training selected
18 by the individual and, among the centers
19 that offer such education and training, is
20 closest to the home of the individual. The”;

21 (ii) by striking subparagraph (A); and

22 (iii) by redesignating subparagraphs
23 (B) and (C) as subparagraphs (A) and
24 (B), respectively; and

1 (B) in paragraph (2), by inserting “that
2 offers the career and technical education and
3 training desired by” after “home of the en-
4 rollee”.

5 **SEC. 430. JOB CORPS CENTERS.**

6 Section 147 (29 U.S.C. 2887) is amended—

7 (1) in subsection (a)—

8 (A) in paragraph (1)(A), by striking “voca-
9 tional” both places it appears and inserting
10 “career and technical”; and

11 (B) in paragraph (2)—

12 (i) in subparagraph (A)—

13 (I) by striking “subsections (c)
14 and (d) of section 303 of the Federal
15 Property and Administrative Services
16 Act of 1949 (41 U.S.C. 253)” and in-
17 serting “subsections (a) and (b) of
18 section 3304 of title 41, United States
19 Code”; and

20 (II) by striking “industry coun-
21 cil” and inserting “workforce coun-
22 cil”;

23 (ii) in subparagraph (B)(i)—

24 (I) by amending subclause (II) to
25 read as follows:

1 “(II) the ability of the entity to
2 offer career and technical education
3 and training that the workforce coun-
4 cil proposes under section 154(c);”;

5 (II) in subclause (III), by strik-
6 ing “is familiar with the surrounding
7 communities, applicable” and insert-
8 ing “demonstrates relationships with
9 the surrounding communities, employ-
10 ers, workforce boards,” and by strik-
11 ing “and” at the end;

12 (III) by amending subclause (IV)
13 to read as follows:

14 “(IV) the performance of the en-
15 tity, if any, relating to operating or
16 providing activities described in this
17 subtitle to a Job Corps center, includ-
18 ing the entity’s demonstrated effec-
19 tiveness in assisting individuals in
20 achieving the primary and secondary
21 indicators of performance described in
22 paragraphs (1) and (2) of section
23 159(c); and”;

24 (IV) by adding at the end the fol-
25 lowing new subclause:

1 “(V) the ability of the entity to
2 demonstrate a record of successfully
3 assisting at-risk youth to connect to
4 the workforce, including by providing
5 them with intensive academic, and ca-
6 reer and technical education and
7 training.”; and

8 (iii) in subparagraph (B)(ii)—

9 (I) by striking “, as appro-
10 priate”; and

11 (II) by striking “through (IV)”
12 and inserting “through (V)”;

13 (2) in subsection (b), by striking “In any year,
14 no more than 20 percent of the individuals enrolled
15 in the Job Corps may be nonresidential participants
16 in the Job Corps.”;

17 (3) by amending subsection (c) to read as fol-
18 lows:

19 “(c) CIVILIAN CONSERVATION CENTERS.—

20 “(1) IN GENERAL.—The Job Corps centers may
21 include Civilian Conservation Centers, operated
22 under an agreement between the Secretary of Labor
23 and the Secretary of Agriculture, that are located
24 primarily in rural areas. Such centers shall adhere
25 to all the provisions of this subtitle, and shall pro-

1 vide, in addition to education, career and technical
2 education and training, and workforce preparation
3 skills training described in section 148, programs of
4 work experience to conserve, develop, or manage
5 public natural resources or public recreational areas
6 or to develop community projects in the public inter-
7 est.

8 “(2) SELECTION PROCESS.—The Secretary
9 shall select an entity that submits an application
10 under subsection (d) to operate a Civilian Conserva-
11 tion Center on a competitive basis, as provided in
12 subsection (a).”; and

13 (4) by striking subsection (d) and inserting the
14 following:

15 “(d) APPLICATION.—To be eligible to operate a Job
16 Corps center under this subtitle, an entity shall submit
17 an application to the Secretary at such time, in such man-
18 ner, and containing such information as the Secretary may
19 require, including—

20 “(1) a description of the program activities that
21 will be offered at the center, including how the ca-
22 reer and technical education and training reflect
23 State and local employment opportunities, including
24 in in-demand industries;

1 “(2) a description of the counseling, placement,
2 and support activities that will be offered at the cen-
3 ter, including a description of the strategies and pro-
4 cedures the entity will use to place graduates into
5 unsubsidized employment upon completion of the
6 program;

7 “(3) a description of the demonstrated record
8 of effectiveness that the entity has in placing at-risk
9 youth into employment, including past performance
10 of operating a Job Corps center under this subtitle;

11 “(4) a description of the relationships that the
12 entity has developed with State and local workforce
13 boards, employers, State and local educational agen-
14 cies, and the surrounding communities in an effort
15 to promote a comprehensive statewide workforce in-
16 vestment system;

17 “(5) a description of the strong fiscal controls
18 the entity has in place to ensure proper accounting
19 of Federal funds, and a description of how the entity
20 will meet the requirements of section 159(a);

21 “(6) a description of the strategies and policies
22 the entity will utilize to reduce participant costs;

23 “(7) a description of the steps taken to control
24 costs in accordance with section 159(a)(3);

1 “(8) a detailed budget of the activities that will
2 be supported using funds under this subtitle;

3 “(9) a detailed budget of the activities that will
4 be supported using funds from non-Federal re-
5 sources;

6 “(10) an assurance the entity will comply with
7 the administrative cost limitation included in section
8 151(c);

9 “(11) an assurance the entity is licensed to op-
10 erate in the State in which the center is located; and

11 “(12) an assurance the entity will comply with
12 and meet basic health and safety codes, including
13 those measures described in section 152(b).

14 “(e) LENGTH OF AGREEMENT.—The agreement de-
15 scribed in subsection (a)(1)(A) shall be for not longer than
16 a 2-year period. The Secretary may renew the agreement
17 for 3 1-year periods if the entity meets the requirements
18 of subsection (f).

19 “(f) RENEWAL.—

20 “(1) IN GENERAL.—Subject to paragraph (2),
21 the Secretary may renew the terms of an agreement
22 described in subsection (a)(1)(A) for an entity to op-
23 erate a Job Corps center if the center meets or ex-
24 ceeds each of the indicators of performance de-
25 scribed in section 159(c)(1).

1 “(2) RECOMPETITION.—

2 “(A) IN GENERAL.—Notwithstanding para-
3 graph (1), the Secretary shall not renew the
4 terms of the agreement for an entity to operate
5 a Job Corps center if such center is ranked in
6 the bottom quintile of centers described in sec-
7 tion 159(f)(2) for any program year. Such enti-
8 ty may submit a new application under sub-
9 section (d) only if such center has shown sig-
10 nificant improvement on the indicators of per-
11 formance described in section 159(c)(1) over
12 the last program year.

13 “(B) VIOLATIONS.—The Secretary shall
14 not select an entity to operate a Job Corps cen-
15 ter if such entity or such center has been found
16 to have a systemic or substantial material fail-
17 ure that involves—

18 “(i) a threat to the health, safety, or
19 civil rights of program participants or
20 staff;

21 “(ii) the misuse of funds received
22 under this subtitle;

23 “(iii) loss of legal status or financial
24 viability, loss of permits, debarment from

1 receiving Federal grants or contracts, or
2 the improper use of Federal funds;

3 “(iv) failure to meet any other Fed-
4 eral or State requirement that the entity
5 has shown an unwillingness or inability to
6 correct, after notice from the Secretary,
7 within the period specified; or

8 “(v) an unresolved area of noncompli-
9 ance.

10 “(g) CURRENT GRANTEES.—Not later than 60 days
11 after the date of enactment of the SKILLS Act and not-
12 withstanding any previous grant award or renewals of
13 such award under this subtitle, the Secretary shall require
14 all entities operating a Job Corps center under this sub-
15 title to submit an application under subsection (d) to carry
16 out the requirements of this section.”.

17 **SEC. 431. PROGRAM ACTIVITIES.**

18 Section 148 (29 U.S.C. 2888) is amended—

19 (1) by amending subsection (a) to read as fol-
20 lows:

21 “(a) ACTIVITIES PROVIDED THROUGH JOB CORPS
22 CENTERS.—

23 “(1) IN GENERAL.—Each Job Corps center
24 shall provide enrollees with an intensive, well-orga-
25 nized, and supervised program of education, career

1 and technical education and training, work experi-
2 ence, recreational activities, physical rehabilitation
3 and development, and counseling. Each Job Corps
4 center shall provide enrollees assigned to the center
5 with access to work ready services described in sec-
6 tion 134(e)(2).

7 “(2) RELATIONSHIP TO OPPORTUNITIES.—

8 “(A) IN GENERAL.—The activities pro-
9 vided under this subsection shall be targeted to
10 helping enrollees, on completion of their enroll-
11 ment—

12 “(i) secure and maintain meaningful
13 unsubsidized employment;

14 “(ii) complete secondary education
15 and obtain a regular secondary school di-
16 ploma;

17 “(iii) enroll in and complete postsec-
18 ondary education or training programs, in-
19 cluding obtaining recognized postsecondary
20 credentials (such as industry-recognized
21 credentials and certificates from registered
22 apprenticeship programs); or

23 “(iv) satisfy Armed Forces require-
24 ments.

1 “(B) LINK TO EMPLOYMENT OPPORTUNI-
2 TIES.—The career and technical education and
3 training provided shall be linked to the employ-
4 ment opportunities in in-demand industries in
5 the State in which the Job Corps center is lo-
6 cated.”;

7 (2) in subsection (b)—

8 (A) in the subsection heading, by striking
9 “EDUCATION AND VOCATIONAL” and inserting
10 “ACADEMIC AND CAREER AND TECHNICAL
11 EDUCATION AND”;

12 (B) by striking “may” after “The Sec-
13 retary” and inserting “shall”; and

14 (C) by striking “vocational” each place it
15 appears and inserting “career and technical”;
16 and

17 (3) by amending paragraph (3) of subsection
18 (c) to read as follows:

19 “(3) DEMONSTRATION.—Each year, any oper-
20 ator seeking to enroll additional enrollees in an ad-
21 vanced career training program shall demonstrate,
22 before the operator may carry out such additional
23 enrollment, that—

1 “(A) participants in such program have
2 achieved a satisfactory rate of completion and
3 placement in training-related jobs; and

4 “(B) such operator has met or exceeded
5 the indicators of performance described in para-
6 graphs (1) and (2) of section 159(c) for the
7 previous year.”.

8 **SEC. 432. COUNSELING AND JOB PLACEMENT.**

9 Section 149 (29 U.S.C. 2889) is amended—

10 (1) in subsection (a), by striking “vocational”
11 and inserting “career and technical education and”;

12 (2) in subsection (b)—

13 (A) by striking “make every effort to ar-
14 range to”; and

15 (B) by striking “to assist” and inserting
16 “assist”; and

17 (3) by striking subsection (d).

18 **SEC. 433. SUPPORT.**

19 Subsection (b) of section 150 (29 U.S.C. 2890) is
20 amended to read as follows:

21 “(b) **TRANSITION ALLOWANCES AND SUPPORT FOR**
22 **GRADUATES.**—The Secretary shall arrange for a transi-
23 tion allowance to be paid to graduates. The transition al-
24 lowance shall be incentive-based to reflect a graduate’s
25 completion of academic, career and technical education or

1 training, and attainment of a recognized postsecondary
2 credential, including an industry-recognized credential.”.

3 **SEC. 434. OPERATIONS.**

4 Section 151 (29 U.S.C. 2891) is amended—

5 (1) in the header, by striking “**OPERATING**
6 **PLAN.**” and inserting “**OPERATIONS.**”;

7 (2) in subsection (a), by striking “IN GEN-
8 ERAL.—” and inserting “OPERATING PLAN.—”;

9 (3) by striking subsection (b) and redesignating
10 subsection (c) as subsection (b);

11 (4) by amending subsection (b) (as so redesign-
12 nated)—

13 (A) in the heading by inserting “OF OPER-
14 ATING PLAN” after “AVAILABILITY”; and

15 (B) by striking “subsections (a) and (b)”
16 and inserting “subsection (a)”; and

17 (5) by adding at the end the following new sub-
18 section:

19 “(c) ADMINISTRATIVE COSTS.—Not more than 10
20 percent of the funds allotted under section 147 to an enti-
21 ty selected to operate a Job Corps center may be used
22 by the entity for administrative costs under this subtitle.”.

23 **SEC. 435. COMMUNITY PARTICIPATION.**

24 Section 153 (29 U.S.C. 2893) is amended to read as
25 follows:

1 **“SEC. 153. COMMUNITY PARTICIPATION.**

2 “The director of each Job Corps center shall encour-
3 age and cooperate in activities to establish a mutually ben-
4 efcial relationship between Job Corps centers in the State
5 and nearby communities. Such activities may include the
6 use of any local workforce development boards established
7 under section 117 to provide a mechanism for joint discus-
8 sion of common problems and for planning programs of
9 mutual interest.”.

10 **SEC. 436. WORKFORCE COUNCILS.**

11 Section 154 (29 U.S.C. 2894) is amended to read as
12 follows:

13 **“SEC. 154. WORKFORCE COUNCILS.**

14 “(a) IN GENERAL.—Each Job Corps center shall
15 have a workforce council appointed by the Governor of the
16 State in which the Job Corps center is located.

17 “(b) WORKFORCE COUNCIL COMPOSITION.—

18 “(1) IN GENERAL.—A workforce council shall
19 be comprised of—

20 “(A) business members of the State board
21 described in section 111(b)(1)(B)(i);

22 “(B) business members of the local boards
23 described in section 117(b)(2)(A) located in the
24 State;

25 “(C) a representative of the State board
26 described in section 111(f); and

1 “(D) such other representatives and State
2 agency officials as the Governor may designate.

3 “(2) MAJORITY.—A $\frac{2}{3}$ majority of the mem-
4 bers of the workforce council shall be representatives
5 described in paragraph (1)(A).

6 “(c) RESPONSIBILITIES.—The responsibilities of the
7 workforce council shall be—

8 “(1) to review all the relevant labor market in-
9 formation, including related information in the State
10 plan described in section 112, to—

11 “(A) determine the in-demand industries
12 in the State in which enrollees intend to seek
13 employment after graduation;

14 “(B) determine the skills and education
15 that are necessary to obtain the employment
16 opportunities described in subparagraph (A);
17 and

18 “(C) determine the type or types of career
19 and technical education and training that will
20 be implemented at the center to enable the en-
21 rollees to obtain the employment opportunities;
22 and

23 “(2) to meet at least once a year to reevaluate
24 the labor market information, and other relevant in-
25 formation, to determine any necessary changes in

1 the career and technical education and training pro-
2 vided at the center.”.

3 **SEC. 437. TECHNICAL ASSISTANCE.**

4 Section 156 (29 U.S.C. 2896) is amended to read as
5 follows:

6 **“SEC. 156. TECHNICAL ASSISTANCE TO CENTERS.**

7 “(a) IN GENERAL.—From the funds reserved under
8 section 132(a)(3), the Secretary shall provide, directly or
9 through grants, contracts, or other agreements or ar-
10 rangements as the Secretary considers appropriate, tech-
11 nical assistance and training for the Job Corps program
12 for the purposes of improving program quality.

13 “(b) ACTIVITIES.—In providing training and tech-
14 nical assistance and for allocating resources for such as-
15 sistance, the Secretary shall—

16 “(1) assist entities, including those entities not
17 currently operating a Job Corps center, in devel-
18 oping the application described in section 147(d);

19 “(2) assist Job Corps centers and programs in
20 correcting deficiencies and violations under this sub-
21 title;

22 “(3) assist Job Corps centers and programs in
23 meeting or exceeding the indicators of performance
24 described in paragraphs (1) and (2) of section
25 159(c); and

1 “(4) assist Job Corps centers and programs in
2 the development of sound management practices, in-
3 cluding financial management procedures.”.

4 **SEC. 438. SPECIAL PROVISIONS.**

5 Section 158(c)(1) (29 U.S.C. 2989(c)(1)) is amended
6 by striking “title II of the Federal Property and Adminis-
7 trative Services Act of 1949 (40 U.S.C. 481 et seq.)” and
8 inserting “chapter 5 of title 40, United States Code,”.

9 **SEC. 439. PERFORMANCE ACCOUNTABILITY MANAGEMENT.**

10 Section 159 (29 U.S.C. 2899) is amended—

11 (1) in the section heading, by striking “**MAN-**
12 **AGEMENT INFORMATION**” and inserting “**PER-**
13 **FORMANCE ACCOUNTABILITY AND MANAGE-**
14 **MENT**”;

15 (2) in subsection (a)(3), by inserting before the
16 period at the end the following: “, or operating costs
17 for such centers result in a budgetary shortfall”;

18 (3) by striking subsections (c) through (g); and

19 (4) by inserting after subsection (b) the fol-
20 lowing:

21 “(c) INDICATORS OF PERFORMANCE.—

22 “(1) PRIMARY INDICATORS.—The annual pri-
23 mary indicators of performance for Job Corps cen-
24 ters shall include—

1 “(A) the percentage and number of enroll-
2 ees who graduate from the Job Corps center;

3 “(B) the percentage and number of grad-
4 uates who entered unsubsidized employment re-
5 lated to the career and technical education and
6 training received through the Job Corps center,
7 except that such calculation shall not include
8 enrollment in education, the military, or volun-
9 teer service;

10 “(C) the percentage and number of grad-
11 uates who obtained a recognized postsecondary
12 credential, including an industry-recognized cre-
13 dential or a certificate from a registered ap-
14 prenticeship program; and

15 “(D) the cost per successful performance
16 outcome, which is calculated by comparing the
17 number of graduates who were placed in unsub-
18 sidized employment or obtained a recognized
19 postsecondary credential, including an industry-
20 recognized credential, to total program costs,
21 including all operations, construction, and ad-
22 ministration costs at each Job Corps center.

23 “(2) SECONDARY INDICATORS.—The annual
24 secondary indicators of performance for Job Corps
25 centers shall include—

1 “(A) the percentage and number of grad-
2 uates who entered unsubsidized employment not
3 related to the career and technical education
4 and training received through the Job Corps
5 center;

6 “(B) the percentage and number of grad-
7 uates who entered into postsecondary education;

8 “(C) the percentage and number of grad-
9 uates who entered into the military;

10 “(D) the average wage of graduates who
11 are in unsubsidized employment—

12 “(i) on the first day of employment;

13 and

14 “(ii) 6 months after the first day;

15 “(E) the number and percentage of grad-
16 uates who entered unsubsidized employment
17 and were retained in the unsubsidized employ-
18 ment—

19 “(i) 6 months after the first day of
20 employment; and

21 “(ii) 12 months after the first day of
22 employment;

23 “(F) the percentage and number of enroll-
24 ees compared to the percentage and number of

1 enrollees the Secretary has established as tar-
2 gets in section 145(e)(1);

3 “(G) the cost per training slot, which is
4 calculated by comparing the program’s max-
5 imum number of enrollees that can be enrolled
6 in a Job Corps center at any given time during
7 the program year to the number of enrollees in
8 the same program year; and

9 “(H) the number and percentage of former
10 enrollees, including the number dismissed under
11 the zero tolerance policy described in section
12 152(b).

13 “(3) INDICATORS OF PERFORMANCE FOR RE-
14 CRUITERS.—The annual indicators of performance
15 for recruiters shall include the measurements de-
16 scribed in subparagraph (A) of paragraph (1) and
17 subparagraphs (F), (G), and (H) of paragraph (2).

18 “(4) INDICATORS OF PERFORMANCE OF CAREER
19 TRANSITION SERVICE PROVIDERS.—The annual indi-
20 cators of performance of career transition service
21 providers shall include the measurements described
22 in subparagraphs (B) and (C) of paragraph (1) and
23 subparagraphs, (B), (C), (D), and (E) of paragraph
24 (2).

1 “(d) ADDITIONAL INFORMATION.—The Secretary
2 shall collect, and submit in the report described in sub-
3 section (f), information on the performance of each Job
4 Corps center, and the Job Corps program, regarding—

5 “(1) the number and percentage of former en-
6 rollees who obtained a regular secondary school di-
7 ploma;

8 “(2) the number and percentage of former en-
9 rollees who entered unsubsidized employment;

10 “(3) the number and percentage of former en-
11 rollees who obtained a recognized postsecondary cre-
12 dential, including an industry-recognized credential;

13 “(4) the number and percentage of former en-
14 rollees who entered into military service; and

15 “(5) any additional information required by the
16 Secretary.

17 “(e) METHODS.—The Secretary shall collect the in-
18 formation described in subsections (c) and (d), using
19 methods described in section 136(f)(2) and consistent with
20 State law, by entering into agreements with the States to
21 access such data for Job Corps enrollees, former enrollees,
22 and graduates.

23 “(f) TRANSPARENCY AND ACCOUNTABILITY.—

24 “(1) REPORT.—The Secretary shall collect and
25 annually submit to the Committee on Education and

1 the Workforce of the House of Representatives and
2 the Committee on Health, Education, Labor and
3 Pensions of the Senate, and make available to the
4 public by electronic means, a report containing—

5 “(A) information on the performance of
6 each Job Corps center, and the Job Corps pro-
7 gram, on the performance indicators described
8 in paragraphs (1) and (2) of subsection (c);

9 “(B) a comparison of each Job Corps cen-
10 ter, by rank, on the performance indicators de-
11 scribed in paragraphs (1) and (2) of subsection
12 (c);

13 “(C) a comparison of each Job Corps cen-
14 ter, by rank, on the average performance of all
15 primary indicators described in paragraph (1)
16 of subsection (c);

17 “(D) information on the performance of
18 the service providers described in paragraphs
19 (3) and (4) of subsection (c) on the perform-
20 ance indicators established under such para-
21 graphs; and

22 “(E) a comparison of each service pro-
23 vider, by rank, on the performance of all service
24 providers described in paragraphs (3) and (4)

1 of subsection (c) on the performance indicators
2 established under such paragraphs.

3 “(2) ASSESSMENT.—The Secretary shall con-
4 duct an annual assessment of the performance of
5 each Job Corps center which shall include informa-
6 tion on the Job Corps centers that—

7 “(A) are ranked in the bottom 10 percent
8 on the performance indicator described in para-
9 graph (1)(C); or

10 “(B) have failed a safety and health code
11 review described in subsection (g).

12 “(3) PERFORMANCE IMPROVEMENT.—With re-
13 spect to a Job Corps center that is identified under
14 paragraph (2) or reports less than 50 percent on the
15 performance indicators described in subparagraph
16 (A), (B), or (C) of subsection (c)(1), the Secretary
17 shall develop and implement a 1 year performance
18 improvement plan. Such a plan shall require action
19 including—

20 “(A) providing technical assistance to the
21 center;

22 “(B) changing the management staff of
23 the center;

24 “(C) replacing the operator of the center;

1 “(D) reducing the capacity of the center;

2 or

3 “(E) closing the center.

4 “(4) CLOSURE OF JOB CORPS CENTERS.—Job
5 Corps centers that have been identified under para-
6 graph (2) for more than 4 consecutive years shall be
7 closed. The Secretary shall ensure—

8 “(A) that the proposed decision to close
9 the center is announced in advance to the gen-
10 eral public through publication in the Federal
11 Register and other appropriate means; and

12 “(B) the establishment of a reasonable
13 comment period, not to exceed 30 days, for in-
14 terested individuals to submit written comments
15 to the Secretary.

16 “(g) PARTICIPANT HEALTH AND SAFETY.—The Sec-
17 retary shall enter into an agreement with the General
18 Services Administration or the appropriate State agency
19 responsible for inspecting public buildings and safe-
20 guarding the health of disadvantaged students, to conduct
21 an in-person review of the physical condition and health-
22 related activities of each Job Corps center annually. Such
23 review shall include a passing rate of occupancy under
24 Federal and State ordinances.”.

1 **CHAPTER 4—NATIONAL PROGRAMS**

2 **SEC. 441. TECHNICAL ASSISTANCE.**

3 Section 170 (29 U.S.C. 2915) is amended—

4 (1) by striking subsection (b);

5 (2) by striking:

6 “(a) **GENERAL TECHNICAL ASSISTANCE.—**”;

7 (3) by redesignating paragraphs (1), (2), and
8 (3) as subsections (a), (b), and (c) respectively, and
9 moving such subsections 2 ems to the left, and con-
10 forming the casing style of the headings of such sub-
11 sections to the casing style of the heading of sub-
12 section (d), as added by paragraph (7) of this sec-
13 tion;

14 (4) in subsection (a) (as so redesignated)—

15 (A) by inserting “the training of staff pro-
16 viding rapid response services and additional
17 assistance, the training of other staff of recipi-
18 ents of funds under this title, assistance regard-
19 ing accounting and program operation practices
20 (when such assistance would not be duplicative
21 to assistance provided by the State), technical
22 assistance to States that do not meet State per-
23 formance measures described in section 136,”
24 after “localities,”; and

1 (B) by striking “from carrying out activi-
2 ties” and all that follows up to the period and
3 inserting “to implement the amendments made
4 by the SKILLS Act”;

5 (5) in subsection (b) (as so redesignated)—

6 (A) by striking “paragraph (1)” and in-
7 serting “subsection (a)”;

8 (B) by striking “, or recipient of financial
9 assistance under any of sections 166 through
10 169,”; and

11 (C) by striking “or grant recipient”;

12 (6) in subsection (c) (as so redesignated), by
13 striking “paragraph (1)” and inserting “subsection
14 (a)”;

15 (7) by inserting, after subsection (c) (as so re-
16 designated), the following:

17 “(d) BEST PRACTICES COORDINATION.—The Sec-
18 retary shall—

19 “(1) establish a system through which States
20 may share information regarding best practices with
21 regard to the operation of workforce investment ac-
22 tivities under this Act; and

23 “(2) evaluate and disseminate information re-
24 garding best practices and identify knowledge
25 gaps.”.

1 **SEC. 442. EVALUATIONS.**

2 Section 172 (29 U.S.C. 2917) is amended—

3 (1) in subsection (a), by striking “the Secretary
4 shall provide for the continuing evaluation of the
5 programs and activities, including those programs
6 and activities carried out under section 171” and in-
7 serting “the Secretary, through grants, contracts, or
8 cooperative agreements, shall conduct, at least once
9 every 5 years, an independent evaluation of the pro-
10 grams and activities funded under this Act”;

11 (2) by amending subsection (a)(4) to read as
12 follows:

13 “(4) the impact of receiving services and not re-
14 ceiving services under such programs and activities
15 on the community, businesses, and individuals;”;

16 (3) by amending subsection (c) to read as fol-
17 lows:

18 “(c) **TECHNIQUES.**—Evaluations conducted under
19 this section shall utilize appropriate and rigorous method-
20 ology and research designs, including the use of control
21 groups chosen by scientific random assignment methodolo-
22 gies, quasi-experimental methods, impact analysis and the
23 use of administrative data. The Secretary shall conduct
24 an impact analysis, as described in subsection (a)(4), of
25 the formula grant program under subtitle B not later than

1 2016, and thereafter shall conduct such an analysis not
2 less than once every 4 years.”;

3 (4) in subsection (e), by striking “the Com-
4 mittee on Labor and Human Resources of the Sen-
5 ate” and inserting “the Committee on Health, Edu-
6 cation, Labor, and Pensions of the Senate”;

7 (5) by redesignating subsection (f) as sub-
8 section (g) and inserting after subsection (e) the fol-
9 lowing:

10 “(f) REDUCTION OF AMOUNTS AUTHORIZED TO BE
11 APPROPRIATED FOR LATE REPORTING.—If a report re-
12 quired to be transmitted to Congress under this section
13 is not transmitted on or before the time period specified
14 for that report, amounts authorized to be appropriated
15 under this title shall be reduced by 10 percent for the fis-
16 cal year that begins after the date on which the final re-
17 port required under this section is required to be trans-
18 mitted and reduced by an additional 10 percent each sub-
19 sequent fiscal year until each such report is transmitted
20 to Congress.”; and

21 (6) by adding at the end, the following:

22 “(h) PUBLIC AVAILABILITY.—The results of the eval-
23 uations conducted under this section shall be made pub-
24 licly available, including by posting such results on the De-
25 partment’s website.”.

1 **CHAPTER 5—ADMINISTRATION**

2 **SEC. 446. REQUIREMENTS AND RESTRICTIONS.**

3 Section 181 (29 U.S.C. 2931) is amended—

4 (1) in subsection (b)(6), by striking “, including
5 representatives of businesses and of labor organiza-
6 tions,”;

7 (2) in subsection (c)(2)(A), in the matter pre-
8 ceding clause (i), by striking “shall” and inserting
9 “may”;

10 (3) in subsection (e)—

11 (A) by striking “training for” and insert-
12 ing “the entry into employment, retention in
13 employment, or increases in earnings of”; and

14 (B) by striking “subtitle B” and inserting
15 “this Act”;

16 (4) in subsection (f)(4), by striking
17 “134(a)(3)(B)” and inserting “133(a)(4)”; and

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

19 “(g) **SALARY AND BONUS LIMITATION.—**

20 “(1) **IN GENERAL.—**No funds provided under
21 this title shall be used by a recipient or subrecipient
22 of such funds to pay the salary and bonuses of an
23 individual, either as direct costs or indirect costs, at
24 a rate in excess of the rate prescribed in level II of

1 the Executive Schedule under section 5315 of title
2 5, United States Code.

3 “(2) VENDORS.—The limitation described in
4 paragraph (1) shall not apply to vendors providing
5 goods and services as defined in OMB Circular A–
6 133.

7 “(3) LOWER LIMIT.—In a case in which a State
8 is a recipient of such funds, the State may establish
9 a lower limit than is provided in paragraph (1) for
10 salaries and bonuses of those receiving salaries and
11 bonuses from a subrecipient of such funds, taking
12 into account factors including the relative cost of liv-
13 ing in the State, the compensation levels for com-
14 parable State or local government employees, and
15 the size of the organizations that administer the
16 Federal programs involved.

17 “(h) GENERAL AUTHORITY.—

18 “(1) IN GENERAL.—The Employment and
19 Training Administration of the Department of
20 Labor (referred to in this Act as the ‘Administra-
21 tion’) shall administer all programs authorized under
22 title I and the Wagner-Peyser Act (29 U.S.C. 49 et
23 seq.). The Administration shall be headed by an As-
24 sistant Secretary appointed by the President by and
25 with the advice and consent of the Senate. Except

1 for title II and the Rehabilitation Act of 1973 (29
2 U.S.C. 701 et seq.), the Administration shall be the
3 principal agency, and the Assistant Secretary shall
4 be the principal officer, of such Department for car-
5 rying out this Act.

6 “(2) QUALIFICATIONS.—The Assistant Sec-
7 retary shall be an individual with substantial experi-
8 ence in workforce development and in workforce de-
9 velopment management. The Assistant Secretary
10 shall also, to the maximum extent possible, possess
11 knowledge and have worked in or with the State or
12 local workforce investment system or have been a
13 member of the business community.

14 “(3) FUNCTIONS.—In the performance of the
15 functions of the office, the Assistant Secretary shall
16 be directly responsible to the Secretary or the Dep-
17 uty Secretary of Labor, as determined by the Sec-
18 retary. The functions of the Assistant Secretary
19 shall not be delegated to any officer not directly re-
20 sponsible, both with respect to program operation
21 and administration, to the Assistant Secretary. Any
22 reference in this Act to duties to be carried out by
23 the Assistant Secretary shall be considered to be a
24 reference to duties to be carried out by the Secretary
25 acting through the Assistant Secretary.”

1 **SEC. 447. PROMPT ALLOCATION OF FUNDS.**

2 Section 182 (29 U.S.C. 2932) is amended—

3 (1) in subsection (c)—

4 (A) by striking “127 or”; and

5 (B) by striking “, except that” and all that
6 follows and inserting a period; and

7 (2) in subsection (e)—

8 (A) by striking “sections 128 and 133”
9 and inserting “section 133”; and

10 (B) by striking “127 or”.

11 **SEC. 448. FISCAL CONTROLS; SANCTIONS.**

12 Section 184(a)(2) (29 U.S.C. 2934(a)(2)) is amend-
13 ed—

14 (1) by striking “(A)” and all that follows
15 through “Each” and inserting “Each”; and

16 (2) by striking subparagraph (B).

17 **SEC. 449. REPORTS TO CONGRESS.**

18 Section 185 (29 U.S.C. 2935) is amended—

19 (1) in subsection (c)—

20 (A) in paragraph (2), by striking “and”
21 after the semicolon;

22 (B) in paragraph (3), by striking the pe-
23 riod and inserting “; and”; and

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

25 “(4) shall have the option to submit or dissemi-
26 nate electronically any reports, records, plans, or

1 other data that are required to be collected or dis-
2 seminated under this title.”; and

3 (2) in subsection (e)(2), by inserting “and the
4 Secretary shall submit to the Committee on Edu-
5 cation and the Workforce of the House of Rep-
6 resentatives and the Committee on Health, Edu-
7 cation, Labor, and Pensions of the Senate,” after
8 “Secretary,”.

9 **SEC. 450. ADMINISTRATIVE PROVISIONS.**

10 Section 189 (29 U.S.C. 2939) is amended—

11 (1) in subsection (g)—

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

14 “(1) IN GENERAL.—Appropriations for any fis-
15 cal year for programs and activities carried out
16 under this title shall be available for obligation only
17 on the basis of a program year. The program year
18 shall begin on October 1 in the fiscal year for which
19 the appropriation is made.”; and

20 (B) in paragraph (2)—

21 (i) in the first sentence, by striking
22 “each State” and inserting “each recipient
23 (except as otherwise provided in this para-
24 graph)”;

1 (ii) in the second sentence, by striking

2 “171 or”;

3 (2) in subsection (i)—

4 (A) by striking paragraphs (2) and (3);

5 (B) by redesignating paragraph (4) as
6 paragraph (2);

7 (C) by amending paragraph (2)(A), as so
8 redesignated—

9 (i) in clause (i), by striking “; and”
10 and inserting a period at the end;

11 (ii) by striking “requirements of sub-
12 paragraph (B)” and all that follows
13 through “any of the statutory or regu-
14 latory requirements of subtitle B” and in-
15 sserting “requirements of subparagraph (B)
16 or (D), any of the statutory or regulatory
17 requirements of subtitle B”; and

18 (iii) by striking clause (ii); and

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

20 “(D) EXPEDITED PROCESS FOR EXTEND-
21 ING APPROVED WAIVERS TO ADDITIONAL
22 STATES.—The Secretary may establish an expe-
23 dited procedure for the purpose of extending to
24 additional States the waiver of statutory or reg-
25 ulatory requirements that have been approved

1 for a State pursuant to a request under sub-
2 paragraph (B), in lieu of requiring the addi-
3 tional States to meet the requirements of sub-
4 paragraphs (B) and (C). Such procedure shall
5 ensure that the extension of such a waiver to
6 additional States is accompanied by appropriate
7 conditions relating to the implementation of
8 such waiver.

9 “(E) EXTERNAL CONDITIONS.—The Sec-
10 retary shall not require or impose new or addi-
11 tional requirements, that are not specified
12 under this Act, on a State in exchange for pro-
13 viding a waiver to the State or a local area in
14 the State under this paragraph.”.

15 **SEC. 451. STATE LEGISLATIVE AUTHORITY.**

16 Section 191(a) (29 U.S.C. 2941(a)) is amended—

17 (1) by striking “consistent with the provisions
18 of this title” and inserting “consistent with State
19 law and the provisions of this title”; and

20 (2) by striking “consistent with the terms and
21 conditions required under this title” and inserting
22 “consistent with State law and the terms and condi-
23 tions required under this title”.

24 **SEC. 452. GENERAL PROGRAM REQUIREMENTS.**

25 Section 195 (29 U.S.C. 2945) is amended—

1 (1) in paragraph (7), by inserting at the end
2 the following:

3 “(D) Funds received under a program by a
4 public or private nonprofit entity that are not de-
5 scribed in subparagraph (B), such as funds privately
6 raised from philanthropic foundations, businesses, or
7 other private entities, shall not be considered to be
8 income under this title and shall not be subject to
9 the requirements of this paragraph.”;

10 (2) by striking paragraph (9);

11 (3) by redesignating paragraphs (10) through
12 (13) as paragraphs (9) through (12), respectively;
13 and

14 (4) by adding at the end the following new
15 paragraphs:

16 “(13) Funds provided under this title shall not
17 be used to establish or operate stand-alone fee-for-
18 service enterprises that compete with private sector
19 employment agencies within the meaning of section
20 701(c) of the Civil Rights Act of 1964 (42 U.S.C.
21 2000e(c)), except that for purposes of this para-
22 graph, such an enterprise does not include a one-
23 stop center.

24 “(14) Any report required to be submitted to
25 Congress, or to a Committee of Congress, under this

1 title shall be submitted to both the chairmen and
2 ranking minority members of the Committee on
3 Education and the Workforce of the House of Rep-
4 resentatives and the Committee on Health, Edu-
5 cation, Labor, and Pensions of the Senate.”.

6 **SEC. 453. FEDERAL AGENCY STAFF AND RESTRICTIONS ON**
7 **POLITICAL AND LOBBYING ACTIVITIES.**

8 Subtitle E of title I (29 U.S.C. 2931 et seq.) is
9 amended by adding at the end the following new sections:

10 **“SEC. 196. FEDERAL AGENCY STAFF.**

11 “The Director of the Office of Management and
12 Budget shall—

13 “(1) not later than 60 days after the date of
14 the enactment of the SKILLS Act—

15 “(A) identify the number of Federal gov-
16 ernment employees who, on the day before the
17 date of enactment of the SKILLS Act, worked
18 on or administered each of the programs and
19 activities that were authorized under this Act or
20 were authorized under a provision listed in sec-
21 tion ____ 71 of the SKILLS Act; and

22 “(B) identify the number of full-time
23 equivalent employees who on the day before
24 that date of enactment, worked on or adminis-
25 tered each of the programs and activities de-

1 “(i) publicity or propaganda purposes;

2 or

3 “(ii) the preparation, distribution, or

4 use of any kit, pamphlet, booklet, publica-

5 tion, electronic communication, radio, tele-

6 vision, or video presentation designed to

7 support or defeat the enactment of legisla-

8 tion before the Congress or any State or

9 local legislature or legislative body.

10 “(B) EXCEPTION.—Subparagraph (A)

11 shall not apply to—

12 “(i) normal and recognized executive-

13 legislative relationships;

14 “(ii) the preparation, distribution, or

15 use of the materials described in subpara-

16 graph (A)(ii) in presentation to the Con-

17 gress or any State or local legislature or

18 legislative body (except that this subpara-

19 graph does not apply with respect to such

20 preparation, distribution, or use in presen-

21 tation to the executive branch of any State

22 or local government); or

23 “(iii) such preparation, distribution,

24 or use of such materials, that are designed

25 to support or defeat any proposed or pend-

1 ing regulation, administrative action, or
2 order issued by the executive branch of any
3 State or local government.

4 “(2) SALARY PAYMENT RESTRICTION.—No
5 funds provided under this Act shall be used, or pro-
6 posed for use, to pay the salary or expenses of any
7 grant or contract recipient, or agent acting for such
8 recipient, related to any activity designed to influ-
9 ence the enactment or issuance of legislation, appro-
10 priations, regulations, administrative action, or an
11 Executive order proposed or pending before the Con-
12 gress or any State government, or a State or local
13 legislature or legislative body, other than for normal
14 and recognized executive-legislative relationships or
15 participation by an agency or officer of a State,
16 local, or tribal government in policymaking and ad-
17 ministrative processes within the executive branch of
18 that government.

19 “(b) POLITICAL RESTRICTIONS.—

20 “(1) IN GENERAL.—No funds received by a
21 participant of a program or activity under this Act
22 shall be used for—

23 “(A) any partisan or nonpartisan political
24 activity or any other political activity associated
25 with a candidate, or contending faction or

1 group, in an election for public or party office;
2 or

3 “(B) any activity to provide voters with
4 transportation to the polls or similar assistance
5 in connection with any such election.

6 “(2) RESTRICTION ON VOTER REGISTRATION
7 ACTIVITIES.—No funds under this Act shall be used
8 to conduct voter registration activities.

9 “(3) DEFINITION.—For the purposes of this
10 subsection, the term ‘participant’ includes any State,
11 local area, or government, nonprofit, or for-profit en-
12 tity receiving funds under this Act.”.

13 **CHAPTER 6—STATE UNIFIED PLAN**

14 **SEC. 456. STATE UNIFIED PLAN.**

15 Section 501 (20 U.S.C. 9271) is amended—

16 (1) by amending subsection (a) to read as fol-
17 lows:

18 “(a) GENERAL AUTHORITY.—The Secretary shall re-
19 ceive and approve State unified plans developed and sub-
20 mitted in accordance with this section.”;

21 (2) by amending subsection (b) to read as fol-
22 lows:

23 “(b) STATE UNIFIED PLAN.—

24 “(1) IN GENERAL.—A State may develop and
25 submit to the Secretary a State unified plan for 2

1 or more of the activities or programs set forth in
2 paragraph (2). The State unified plan shall cover
3 one or more of the activities or programs set forth
4 in subparagraphs (A) and (B) of paragraph (2) and
5 shall cover one or more of the activities or programs
6 set forth in subparagraphs (C) through (N) of para-
7 graph (2).

8 “(2) ACTIVITIES AND PROGRAMS.—For pur-
9 poses of paragraph (1), the term ‘activity or pro-
10 gram’ means any 1 of the following 14 activities or
11 programs:

12 “(A) Activities and programs authorized
13 under title I.

14 “(B) Activities and programs authorized
15 under title II.

16 “(C) Programs authorized under title I of
17 the Rehabilitation Act of 1973 (29 U.S.C. 710
18 et seq.).

19 “(D) Secondary career and technical edu-
20 cation programs authorized under the Carl D.
21 Perkins Career and Technical Education Act of
22 2006 (20 U.S.C. 2301 et seq.).

23 “(E) Postsecondary career and technical
24 education programs authorized under the Carl

1 D. Perkins Career and Technical Education Act
2 of 2006.

3 “(F) Activities and programs authorized
4 under title II of the Trade Act of 1974 (19
5 U.S.C. 2251 et seq.).

6 “(G) Programs and activities authorized
7 under the Act of August 16, 1937 (commonly
8 known as the ‘National Apprenticeship Act’; 50
9 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.).

10 “(H) Programs authorized under the Com-
11 munity Services Block Grant Act (42 U.S.C.
12 9901 et seq.).

13 “(I) Programs authorized under part A of
14 title IV of the Social Security Act (42 U.S.C.
15 601 et seq.).

16 “(J) Programs authorized under State un-
17 employment compensation laws (in accordance
18 with applicable Federal law).

19 “(K) Work programs authorized under sec-
20 tion 6(o) of the Food and Nutrition Act of
21 1977 (7 U.S.C. 2015(o)).

22 “(L) Activities and programs authorized
23 under title I of the Housing and Community
24 Development Act of 1974 (42 U.S.C. 5301 et
25 seq.).

1 “(M) Activities and programs authorized
2 under the Public Works and Economic Develop-
3 ment Act of 1965 (42 U.S.C. 3121 et seq.).

4 “(N) Activities authorized under chapter
5 41 of title 38, United States Code.”;

6 (3) by amending subsection (d) to read as fol-
7 lows:

8 “(d) APPROVAL.—

9 “(1) JURISDICTION.—In approving a State uni-
10 fied plan under this section, the Secretary shall—

11 “(A) submit the portion of the State uni-
12 fied plan covering an activity or program de-
13 scribed in subsection (b)(2) to the head of the
14 Federal agency who exercises administrative au-
15 thority over the activity or program for the ap-
16 proval of such portion by such Federal agency
17 head; or

18 “(B) coordinate approval of the portion of
19 the State unified plan covering an activity or
20 program described in subsection (b)(2) with the
21 head of the Federal agency who exercises ad-
22 ministrative authority over the activity or pro-
23 gram.

24 “(2) TIMELINE.—A State unified plan shall be
25 considered to be approved by the Secretary at the

1 end of the 90-day period beginning on the day the
2 Secretary receives the plan, unless the Secretary
3 makes a written determination, during the 90-day
4 period, that details how the plan is not consistent
5 with the requirements of the Federal statute author-
6 izing an activity or program described in subsection
7 (b)(2) and covered under the plan or how the plan
8 is not consistent with the requirements of subsection
9 (c)(3).

10 “(3) SCOPE OF PORTION.—For purposes of
11 paragraph (1), the portion of the State unified plan
12 covering an activity or program shall be considered
13 to include the plan described in subsection (c)(3)
14 and any proposal described in subsection (e)(2), as
15 that part and proposal relate to the activity or pro-
16 gram.”; and

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

18 “(e) ADDITIONAL EMPLOYMENT AND TRAINING
19 FUNDS.—

20 “(1) PURPOSE.—It is the purpose of this sub-
21 section to reduce inefficiencies in the administration
22 of federally funded State and local employment and
23 training programs.

24 “(2) IN GENERAL.—In developing a State uni-
25 fied plan for the activities or programs described in

1 subsection (b)(2), and subject to paragraph (4) and
2 to the State plan approval process under subsection
3 (d), a State may propose to consolidate the amount,
4 in whole or part, provided for the activities or pro-
5 grams covered by the plan into the Workforce In-
6 vestment Fund under section 132(b) to improve the
7 administration of State and local employment and
8 training programs.

9 “(3) REQUIREMENTS.—A State that has a
10 State unified plan approved under subsection (d)
11 with a proposal for consolidation under paragraph
12 (2), and that is carrying out such consolidation,
13 shall—

14 “(A) in providing an activity or program
15 for which an amount is consolidated into the
16 Workforce Investment Fund—

17 “(i) continue to meet the program re-
18 quirements, limitations, and prohibitions of
19 any Federal statute authorizing the activ-
20 ity or program; and

21 “(ii) meet the intent and purpose for
22 the activity or program; and

23 “(B) continue to make reservations and al-
24 lotments under subsections (a) and (b) of sec-
25 tion 133.

1 “(4) EXCEPTIONS.—A State may not consoli-
2 date an amount under paragraph (2) that is allo-
3 cated to the State under—

4 “(A) the Carl D. Perkins Career and Tech-
5 nical Education Act of 2006 (20 U.S.C. 2301
6 et seq.); or

7 “(B) title I of the Rehabilitation Act of
8 1973 (29 U.S.C. 710 et seq.).”.

9 **Subtitle B—Adult Education and**
10 **Family Literacy Education**

11 **SEC. 461. AMENDMENT.**

12 Title II (20 U.S.C. 9201 et seq.) is amended to read
13 as follows:

14 **“TITLE II—ADULT EDUCATION**
15 **AND FAMILY LITERACY EDU-**
16 **CATION**

17 **“SEC. 201. SHORT TITLE.**

18 “‘This title may be cited as the ‘Adult Education and
19 Family Literacy Education Act’.

20 **“SEC. 202. PURPOSE.**

21 “‘It is the purpose of this title to provide instructional
22 opportunities for adults seeking to improve their literacy
23 skills, including their basic reading, writing, speaking, and
24 mathematics skills, and support States and local commu-

1 nities in providing, on a voluntary basis, adult education
2 and family literacy education programs, in order to—

3 “(1) increase the literacy of adults, including
4 the basic reading, writing, speaking, and mathe-
5 matics skills, to a level of proficiency necessary for
6 adults to obtain employment and self-sufficiency and
7 to successfully advance in the workforce;

8 “(2) assist adults in the completion of a sec-
9 ondary school education (or its equivalent) and the
10 transition to a postsecondary educational institution;

11 “(3) assist adults who are parents to enable
12 them to support the educational development of their
13 children and make informed choices regarding their
14 children’s education including, through instruction in
15 basic reading, writing, speaking, and mathematics
16 skills; and

17 “(4) assist adults who are not proficient in
18 English in improving their reading, writing, speak-
19 ing, listening, comprehension, and mathematics
20 skills.

21 **“SEC. 203. DEFINITIONS.**

22 “In this title:

23 “(1) ADULT EDUCATION AND FAMILY LITERACY
24 EDUCATION PROGRAMS.—The term ‘adult education
25 and family literacy education programs’ means a se-

1 quence of academic instruction and educational serv-
2 ices below the postsecondary level that increase an
3 individual's ability to read, write, and speak English
4 and perform mathematical computations leading to a
5 level of proficiency equivalent to at least a secondary
6 school completion that is provided for individuals—

7 “(A) who are at least 16 years of age;

8 “(B) who are not enrolled or required to be
9 enrolled in secondary school under State law;

10 and

11 “(C) who—

12 “(i) lack sufficient mastery of basic
13 reading, writing, speaking, and mathe-
14 matics skills to enable the individuals to
15 function effectively in society;

16 “(ii) do not have a secondary school
17 diploma or its equivalent and have not
18 achieved an equivalent level of education;

19 or

20 “(iii) are English learners.

21 “(2) ELIGIBLE AGENCY.—The term ‘eligible
22 agency’—

23 “(A) means the primary entity or agency
24 in a State or an outlying area responsible for
25 administering or supervising policy for adult

1 education and family literacy education pro-
2 grams in the State or outlying area, respec-
3 tively, consistent with the law of the State or
4 outlying area, respectively; and

5 “(B) may be the State educational agency,
6 the State agency responsible for administering
7 workforce investment activities, or the State
8 agency responsible for administering community
9 or technical colleges.

10 “(3) ELIGIBLE PROVIDER.—The term ‘eligible
11 provider’ means an organization of demonstrated ef-
12 fectiveness that is—

13 “(A) a local educational agency;

14 “(B) a community-based or faith-based or-
15 ganization;

16 “(C) a volunteer literacy organization;

17 “(D) an institution of higher education;

18 “(E) a public or private educational agen-
19 cy;

20 “(F) a library;

21 “(G) a public housing authority;

22 “(H) an institution that is not described in
23 any of subparagraphs (A) through (G) and has
24 the ability to provide adult education, basic

1 skills, and family literacy education programs to
2 adults and families; or

3 “(I) a consortium of the agencies, organi-
4 zations, institutions, libraries, or authorities de-
5 scribed in any of subparagraphs (A) through
6 (H).

7 “(4) ENGLISH LANGUAGE ACQUISITION PRO-
8 GRAM.—The term ‘English language acquisition pro-
9 gram’ means a program of instruction—

10 “(A) designed to help English learners
11 achieve competence in reading, writing, speak-
12 ing, and comprehension of the English lan-
13 guage; and

14 “(B) that may lead to—

15 “(i) attainment of a secondary school
16 diploma or its recognized equivalent;

17 “(ii) transition to success in postsec-
18 ondary education and training; and

19 “(iii) employment or career advance-
20 ment.

21 “(5) FAMILY LITERACY EDUCATION PRO-
22 GRAM.—The term ‘family literacy education pro-
23 gram’ means an educational program that—

1 “(A) assists parents and students, on a
2 voluntary basis, in achieving the purpose of this
3 title as described in section 202; and

4 “(B) is of sufficient intensity in terms of
5 hours and of sufficient quality to make sustain-
6 able changes in a family, is evidence-based, and,
7 for the purpose of substantially increasing the
8 ability of parents and children to read, write,
9 and speak English, integrates—

10 “(i) interactive literacy activities be-
11 tween parents and their children;

12 “(ii) training for parents regarding
13 how to be the primary teacher for their
14 children and full partners in the education
15 of their children;

16 “(iii) parent literacy training that
17 leads to economic self-sufficiency; and

18 “(iv) an age-appropriate education to
19 prepare children for success in school and
20 life experiences.

21 “(6) GOVERNOR.—The term ‘Governor’ means
22 the chief executive officer of a State or outlying
23 area.

24 “(7) INDIVIDUAL WITH A DISABILITY.—

1 “(A) IN GENERAL.—The term ‘individual
2 with a disability’ means an individual with any
3 disability (as defined in section 3 of the Ameri-
4 cans with Disabilities Act of 1990).

5 “(B) INDIVIDUALS WITH DISABILITIES.—
6 The term ‘individuals with disabilities’ means
7 more than one individual with a disability.

8 “(8) ENGLISH LEARNER.—The term ‘English
9 learner’ means an adult or out-of-school youth who
10 has limited ability in reading, writing, speaking, or
11 understanding the English language, and—

12 “(A) whose native language is a language
13 other than English; or

14 “(B) who lives in a family or community
15 environment where a language other than
16 English is the dominant language.

17 “(9) INTEGRATED EDUCATION AND TRAIN-
18 ING.—The term ‘integrated education and training’
19 means services that provide adult education and lit-
20 eracy activities contextually and concurrently with
21 workforce preparation activities and workforce train-
22 ing for a specific occupation or occupational cluster.
23 Such services may include offering adult education
24 services concurrent with postsecondary education
25 and training, including through co-instruction.

1 “(10) INSTITUTION OF HIGHER EDUCATION.—

2 The term ‘institution of higher education’ has the
3 meaning given the term in section 101 of the Higher
4 Education Act of 1965.

5 “(11) LITERACY.—The term ‘literacy’ means an
6 individual’s ability to read, write, and speak in
7 English, compute, and solve problems at a level of
8 proficiency necessary to obtain employment and to
9 successfully make the transition to postsecondary
10 education.

11 “(12) LOCAL EDUCATIONAL AGENCY.—The
12 term ‘local educational agency’ has the meaning
13 given the term in section 9101 of the Elementary
14 and Secondary Education Act of 1965.

15 “(13) OUTLYING AREA.—The term ‘outlying
16 area’ has the meaning given the term in section 101
17 of this Act.

18 “(14) POSTSECONDARY EDUCATIONAL INSTITU-
19 TION.—The term ‘postsecondary educational institu-
20 tion’ means—

21 “(A) an institution of higher education
22 that provides not less than a 2-year program of
23 instruction that is acceptable for credit toward
24 a bachelor’s degree;

1 “(B) a tribally controlled community col-
2 lege; or

3 “(C) a nonprofit educational institution of-
4 fering certificate or apprenticeship programs at
5 the postsecondary level.

6 “(15) SECRETARY.—The term ‘Secretary’
7 means the Secretary of Education.

8 “(16) STATE.—The term ‘State’ means each of
9 the several States of the United States, the District
10 of Columbia, and the Commonwealth of Puerto Rico.

11 “(17) STATE EDUCATIONAL AGENCY.—The
12 term ‘State educational agency’ has the meaning
13 given the term in section 9101 of the Elementary
14 and Secondary Education Act of 1965.

15 “(18) WORKPLACE LITERACY PROGRAM.—The
16 term ‘workplace literacy program’ means an edu-
17 cational program that is offered in collaboration be-
18 tween eligible providers and employers or employee
19 organizations for the purpose of improving the pro-
20 ductivity of the workforce through the improvement
21 of reading, writing, speaking, and mathematics
22 skills.

23 **“SEC. 204. HOME SCHOOLS.**

24 “Nothing in this title shall be construed to affect
25 home schools, whether or not a home school is treated as

1 a home school or a private school under State law, or to
2 compel a parent engaged in home schooling to participate
3 in adult education and family literacy education activities
4 under this title.

5 **“SEC. 205. AUTHORIZATION OF APPROPRIATIONS.**

6 “There are authorized to be appropriated to carry out
7 this title, \$606,294,933 for fiscal year 2015 and for each
8 of the 6 succeeding fiscal years.

9 **“Subtitle A—Federal Provisions**

10 **“SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE**
11 **AGENCIES; ALLOTMENTS.**

12 “(a) RESERVATION OF FUNDS.—From the sums ap-
13 propriated under section 205 for a fiscal year, the Sec-
14 retary shall reserve 2.0 percent to carry out section 242.

15 “(b) GRANTS TO ELIGIBLE AGENCIES.—

16 “(1) IN GENERAL.—From the sums appro-
17 priated under section 205 and not reserved under
18 subsection (a) for a fiscal year, the Secretary shall
19 award a grant to each eligible agency having a State
20 plan approved under section 224 in an amount equal
21 to the sum of the initial allotment under subsection
22 (c)(1) and the additional allotment under subsection
23 (c)(2) for the eligible agency for the fiscal year, sub-
24 ject to subsections (f) and (g).

1 “(2) PURPOSE OF GRANTS.—The Secretary
2 may award a grant under paragraph (1) only if the
3 eligible agency involved agrees to expend the grant
4 in accordance with the provisions of this title.

5 “(c) ALLOTMENTS.—

6 “(1) INITIAL ALLOTMENTS.—From the sums
7 appropriated under section 205 and not reserved
8 under subsection (a) for a fiscal year, the Secretary
9 shall allot to each eligible agency having a State
10 plan approved under section 224—

11 “(A) \$100,000, in the case of an eligible
12 agency serving an outlying area; and

13 “(B) \$250,000, in the case of any other el-
14 igible agency.

15 “(2) ADDITIONAL ALLOTMENTS.—From the
16 sums appropriated under section 205, not reserved
17 under subsection (a), and not allotted under para-
18 graph (1), for a fiscal year, the Secretary shall allot
19 to each eligible agency that receives an initial allot-
20 ment under paragraph (1) an additional amount
21 that bears the same relationship to such sums as the
22 number of qualifying adults in the State or outlying
23 area served by the eligible agency bears to the num-
24 ber of such adults in all States and outlying areas.

1 “(d) QUALIFYING ADULT.—For the purpose of sub-
2 section (c)(2), the term ‘qualifying adult’ means an adult
3 who—

4 “(1) is at least 16 years of age;

5 “(2) is beyond the age of compulsory school at-
6 tendance under the law of the State or outlying
7 area;

8 “(3) does not have a secondary school diploma
9 or its recognized equivalent; and

10 “(4) is not enrolled in secondary school.

11 “(e) SPECIAL RULE.—

12 “(1) IN GENERAL.—From amounts made avail-
13 able under subsection (c) for the Republic of Palau,
14 the Secretary shall award grants to Guam, American
15 Samoa, the Commonwealth of the Northern Mariana
16 Islands, or the Republic of Palau to carry out activi-
17 ties described in this title in accordance with the
18 provisions of this title as determined by the Sec-
19 retary.

20 “(2) TERMINATION OF ELIGIBILITY.—Notwith-
21 standing any other provision of law, the Republic of
22 Palau shall be eligible to receive a grant under this
23 title until an agreement for the extension of United
24 States education assistance under the Compact of

1 Free Association for the Republic of Palau becomes
2 effective.

3 “(f) HOLD-HARMLESS PROVISIONS.—

4 “(1) IN GENERAL.—Notwithstanding subsection
5 (c) and subject to paragraph (2), for—

6 “(A) fiscal year 2015, no eligible agency
7 shall receive an allotment under this title that
8 is less than 90 percent of the allotment the eli-
9 gible agency received for fiscal year 2012 under
10 this title; and

11 “(B) fiscal year 2016 and each succeeding
12 fiscal year, no eligible agency shall receive an
13 allotment under this title that is less than 90
14 percent of the allotment the eligible agency re-
15 ceived for the preceding fiscal year under this
16 title.

17 “(2) RATABLE REDUCTION.—If, for any fiscal
18 year the amount available for allotment under this
19 title is insufficient to satisfy the provisions of para-
20 graph (1), the Secretary shall ratable reduce the
21 payments to all eligible agencies, as necessary.

22 “(g) REALLOTMENT.—The portion of any eligible
23 agency’s allotment under this title for a fiscal year that
24 the Secretary determines will not be required for the pe-
25 riod such allotment is available for carrying out activities

1 under this title, shall be available for reallocation from
2 time to time, on such dates during such period as the Sec-
3 retary shall fix, to other eligible agencies in proportion to
4 the original allotments to such agencies under this title
5 for such year.

6 **“SEC. 212. PERFORMANCE ACCOUNTABILITY SYSTEM.**

7 “Programs and activities authorized under this title
8 are subject to the performance accountability provisions
9 described in paragraphs (2)(A) and (3) of section 136(b)
10 and may, at a State’s discretion, include additional indica-
11 tors identified in the State plan approved under section
12 224.

13 **“Subtitle B—State Provisions**

14 **“SEC. 221. STATE ADMINISTRATION.**

15 “Each eligible agency shall be responsible for the fol-
16 lowing activities under this title:

17 “(1) The development, submission, implementa-
18 tion, and monitoring of the State plan.

19 “(2) Consultation with other appropriate agen-
20 cies, groups, and individuals that are involved in, or
21 interested in, the development and implementation
22 of activities assisted under this title.

23 “(3) Coordination and avoidance of duplication
24 with other Federal and State education, training,

1 corrections, public housing, and social service pro-
2 grams.

3 **“SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING RE-
4 QUIREMENT.**

5 “(a) STATE DISTRIBUTION OF FUNDS.—Each eligi-
6 ble agency receiving a grant under this title for a fiscal
7 year—

8 “(1) shall use not less than 82.5 percent of the
9 grant funds to award grants and contracts under
10 section 231 and to carry out section 225, of which
11 not more than 10 percent of such amount shall be
12 available to carry out section 225;

13 “(2) shall use not more than 12.5 percent of
14 the grant funds to carry out State leadership activi-
15 ties under section 223; and

16 “(3) shall use not more than 5 percent of the
17 grant funds, or \$65,000, whichever is greater, for
18 the administrative expenses of the eligible agency.

19 “(b) MATCHING REQUIREMENT.—

20 “(1) IN GENERAL.—In order to receive a grant
21 from the Secretary under section 211(b), each eligi-
22 ble agency shall provide, for the costs to be incurred
23 by the eligible agency in carrying out the adult edu-
24 cation and family literacy education programs for

1 which the grant is awarded, a non-Federal contribu-
2 tion in an amount that is not less than—

3 “(A) in the case of an eligible agency serv-
4 ing an outlying area, 12 percent of the total
5 amount of funds expended for adult education
6 and family literacy education programs in the
7 outlying area, except that the Secretary may
8 decrease the amount of funds required under
9 this subparagraph for an eligible agency; and

10 “(B) in the case of an eligible agency serv-
11 ing a State, 25 percent of the total amount of
12 funds expended for adult education and family
13 literacy education programs in the State.

14 “(2) NON-FEDERAL CONTRIBUTION.—An eligi-
15 ble agency’s non-Federal contribution required under
16 paragraph (1) may be provided in cash or in kind,
17 fairly evaluated, and shall include only non-Federal
18 funds that are used for adult education and family
19 literacy education programs in a manner that is con-
20 sistent with the purpose of this title.

21 **“SEC. 223. STATE LEADERSHIP ACTIVITIES.**

22 “(a) IN GENERAL.—Each eligible agency may use
23 funds made available under section 222(a)(2) for any of
24 the following adult education and family literacy education
25 programs:

1 “(1) The establishment or operation of profes-
2 sional development programs to improve the quality
3 of instruction provided pursuant to local activities
4 required under section 231(b).

5 “(2) The provision of technical assistance to eli-
6 gible providers of adult education and family literacy
7 education programs, including for the development
8 and dissemination of evidence based research in-
9 structional practices in reading, writing, speaking,
10 mathematics, and English language acquisition pro-
11 grams.

12 “(3) The provision of assistance to eligible pro-
13 viders in developing, implementing, and reporting
14 measurable progress in achieving the objectives of
15 this title.

16 “(4) The monitoring and evaluation of the qual-
17 ity of, and the improvement in, adult education and
18 literacy activities.

19 “(5) The provision of technology assistance, in-
20 cluding staff training, to eligible providers of adult
21 education and family literacy education programs,
22 including distance education activities, to enable the
23 eligible providers to improve the quality of such ac-
24 tivities.

1 “(6) The development and implementation of
2 technology applications or distance education, in-
3 cluding professional development to support the use
4 of instructional technology.

5 “(7) Coordination with other public programs,
6 including programs under title I of this Act, and
7 other welfare-to-work, workforce development, and
8 job training programs.

9 “(8) Coordination with existing support serv-
10 ices, such as transportation, child care, and other
11 assistance designed to increase rates of enrollment
12 in, and successful completion of, adult education and
13 family literacy education programs, for adults en-
14 rolled in such activities.

15 “(9) The development and implementation of a
16 system to assist in the transition from adult basic
17 education to postsecondary education.

18 “(10) Activities to promote workplace literacy
19 programs.

20 “(11) Other activities of statewide significance,
21 including assisting eligible providers in achieving
22 progress in improving the skill levels of adults who
23 participate in programs under this title.

1 “(12) Integration of literacy, instructional, and
2 occupational skill training and promotion of linkages
3 with employees.

4 “(b) COORDINATION.—In carrying out this section,
5 eligible agencies shall coordinate where possible, and avoid
6 duplicating efforts, in order to maximize the impact of the
7 activities described in subsection (a).

8 “(c) STATE-IMPOSED REQUIREMENTS.—Whenever a
9 State or outlying area implements any rule or policy relat-
10 ing to the administration or operation of a program au-
11 thorized under this title that has the effect of imposing
12 a requirement that is not imposed under Federal law (in-
13 cluding any rule or policy based on a State or outlying
14 area interpretation of a Federal statute, regulation, or
15 guideline), the State or outlying area shall identify, to eli-
16 gible providers, the rule or policy as being imposed by the
17 State or outlying area.

18 **“SEC. 224. STATE PLAN.**

19 “(a) 3-YEAR PLANS.—

20 “(1) IN GENERAL.—Each eligible agency desir-
21 ing a grant under this title for any fiscal year shall
22 submit to, or have on file with, the Secretary a 3-
23 year State plan.

1 “(2) STATE UNIFIED PLAN.—The eligible agen-
2 cy may submit the State plan as part of a State uni-
3 fied plan described in section 501.

4 “(b) PLAN CONTENTS.—The eligible agency shall in-
5 clude in the State plan or any revisions to the State plan—

6 “(1) an objective assessment of the needs of in-
7 dividuals in the State or outlying area for adult edu-
8 cation and family literacy education programs, in-
9 cluding individuals most in need or hardest to serve;

10 “(2) a description of the adult education and
11 family literacy education programs that will be car-
12 ried out with funds received under this title;

13 “(3) an assurance that the funds received under
14 this title will not be expended for any purpose other
15 than for activities under this title;

16 “(4) a description of how the eligible agency
17 will annually evaluate and measure the effectiveness
18 and improvement of the adult education and family
19 literacy education programs funded under this title
20 using the indicators of performance described in sec-
21 tion 136, including how the eligible agency will con-
22 duct such annual evaluations and measures for each
23 grant received under this title;

1 “(5) a description of how the eligible agency
2 will fund local activities in accordance with the
3 measurable goals described in section 231(d);

4 “(6) an assurance that the eligible agency will
5 expend the funds under this title only in a manner
6 consistent with fiscal requirements in section 241;

7 “(7) a description of the process that will be
8 used for public participation and comment with re-
9 spect to the State plan, which—

10 “(A) shall include consultation with the
11 State workforce investment board, the State
12 board responsible for administering community
13 or technical colleges, the Governor, the State
14 educational agency, the State board or agency
15 responsible for administering block grants for
16 temporary assistance to needy families under
17 title IV of the Social Security Act, the State
18 council on disabilities, the State vocational re-
19 habilitation agency, and other State agencies
20 that promote the improvement of adult edu-
21 cation and family literacy education programs,
22 and direct providers of such programs; and

23 “(B) may include consultation with the
24 State agency on higher education, institutions
25 responsible for professional development of

1 adult education and family literacy education
2 programs instructors, representatives of busi-
3 ness and industry, refugee assistance programs,
4 and faith-based organizations;

5 “(8) a description of the eligible agency’s strat-
6 egies for serving populations that include, at a min-
7 imum—

8 “(A) low-income individuals;

9 “(B) individuals with disabilities;

10 “(C) the unemployed;

11 “(D) the underemployed; and

12 “(E) individuals with multiple barriers to
13 educational enhancement, including English
14 learners;

15 “(9) a description of how the adult education
16 and family literacy education programs that will be
17 carried out with any funds received under this title
18 will be integrated with other adult education, career
19 development, and employment and training activities
20 in the State or outlying area served by the eligible
21 agency;

22 “(10) a description of the steps the eligible
23 agency will take to ensure direct and equitable ac-
24 cess, as required in section 231(c)(1), including—

1 “(A) how the State will build the capacity
2 of community-based and faith-based organiza-
3 tions to provide adult education and family lit-
4 eracy education programs; and

5 “(B) how the State will increase the par-
6 ticipation of business and industry in adult edu-
7 cation and family literacy education programs;

8 “(11) an assessment of the adequacy of the sys-
9 tem of the State or outlying area to ensure teacher
10 quality and a description of how the State or out-
11 lying area will use funds received under this subtitle
12 to improve teacher quality, including evidence-based
13 professional development to improve instruction; and

14 “(12) a description of how the eligible agency
15 will consult with any State agency responsible for
16 postsecondary education to develop adult education
17 that prepares students to enter postsecondary edu-
18 cation without the need for remediation upon com-
19 pletion of secondary school equivalency programs.

20 “(c) PLAN REVISIONS.—When changes in conditions
21 or other factors require substantial revisions to an ap-
22 proved State plan, the eligible agency shall submit the re-
23 visions of the State plan to the Secretary.

24 “(d) CONSULTATION.—The eligible agency shall—

1 “(1) submit the State plan, and any revisions to
2 the State plan, to the Governor, the chief State
3 school officer, or the State officer responsible for ad-
4 ministering community or technical colleges, or out-
5 lying area for review and comment; and

6 “(2) ensure that any comments regarding the
7 State plan by the Governor, the chief State school
8 officer, or the State officer responsible for admin-
9 istering community or technical colleges, and any re-
10 vision to the State plan, are submitted to the Sec-
11 retary.

12 “(e) PLAN APPROVAL.—The Secretary shall—

13 “(1) approve a State plan within 90 days after
14 receiving the plan unless the Secretary makes a writ-
15 ten determination within 30 days after receiving the
16 plan that the plan does not meet the requirements
17 of this section or is inconsistent with specific provi-
18 sions of this subtitle; and

19 “(2) not finally disapprove of a State plan be-
20 fore offering the eligible agency the opportunity,
21 prior to the expiration of the 30-day period begin-
22 ning on the date on which the eligible agency re-
23 ceived the written determination described in para-
24 graph (1), to review the plan and providing technical

1 assistance in order to assist the eligible agency in
2 meeting the requirements of this subtitle.

3 **“SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND**
4 **OTHER INSTITUTIONALIZED INDIVIDUALS.**

5 “(a) PROGRAM AUTHORIZED.—From funds made
6 available under section 222(a)(1) for a fiscal year, each
7 eligible agency shall carry out corrections education and
8 education for other institutionalized individuals.

9 “(b) USES OF FUNDS.—The funds described in sub-
10 section (a) shall be used for the cost of educational pro-
11 grams for criminal offenders in correctional institutions
12 and for other institutionalized individuals, including aca-
13 demic programs for—

14 “(1) basic skills education;

15 “(2) special education programs as determined
16 by the eligible agency;

17 “(3) reading, writing, speaking, and mathe-
18 matics programs;

19 “(4) secondary school credit or diploma pro-
20 grams or their recognized equivalent; and

21 “(5) integrated education and training.

22 “(c) PRIORITY.—Each eligible agency that is using
23 assistance provided under this section to carry out a pro-
24 gram for criminal offenders within a correctional institu-
25 tion shall give priority to serving individuals who are likely

1 to leave the correctional institution within 5 years of par-
2 ticipation in the program.

3 “(d) DEFINITIONS.—In this section:

4 “(1) CORRECTIONAL INSTITUTION.—The term
5 ‘correctional institution’ means any—

6 “(A) prison;

7 “(B) jail;

8 “(C) reformatory;

9 “(D) work farm;

10 “(E) detention center; or

11 “(F) halfway house, community-based re-
12 habilitation center, or any other similar institu-
13 tion designed for the confinement or rehabilita-
14 tion of criminal offenders.

15 “(2) CRIMINAL OFFENDER.—The term ‘crimi-
16 nal offender’ means any individual who is charged
17 with, or convicted of, any criminal offense.

18 **“Subtitle C—Local Provisions**

19 **“SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PRO-** 20 **VIDERS.**

21 “(a) GRANTS AND CONTRACTS.—From grant funds
22 made available under section 222(a)(1), each eligible agen-
23 cy shall award multi-year grants or contracts, on a com-
24 petitive basis, to eligible providers within the State or out-
25 lying area that meet the conditions and requirements of

1 this title to enable the eligible providers to develop, imple-
2 ment, and improve adult education and family literacy
3 education programs within the State.

4 “(b) LOCAL ACTIVITIES.—The eligible agency shall
5 require eligible providers receiving a grant or contract
6 under subsection (a) to establish or operate—

7 “(1) programs that provide adult education and
8 literacy activities;

9 “(2) programs that provide integrated edu-
10 cation and training activities; or

11 “(3) credit-bearing postsecondary coursework.

12 “(c) DIRECT AND EQUITABLE ACCESS; SAME PROC-
13 ESS.—Each eligible agency receiving funds under this title
14 shall ensure that—

15 “(1) all eligible providers have direct and equi-
16 table access to apply for grants or contracts under
17 this section; and

18 “(2) the same grant or contract announcement
19 process and application process is used for all eligi-
20 ble providers in the State or outlying area.

21 “(d) MEASURABLE GOALS.—The eligible agency shall
22 require eligible providers receiving a grant or contract
23 under subsection (a) to demonstrate—

24 “(1) the eligible provider’s measurable goals for
25 participant outcomes to be achieved annually on the

1 core indicators of performance described in section
2 136(b)(2)(A);

3 “(2) the past effectiveness of the eligible pro-
4 vider in improving the basic academic skills of adults
5 and, for eligible providers receiving grants in the
6 prior year, the success of the eligible provider receiv-
7 ing funding under this title in exceeding its perform-
8 ance goals in the prior year;

9 “(3) the commitment of the eligible provider to
10 serve individuals in the community who are the most
11 in need of basic academic skills instruction services,
12 including individuals with disabilities and individuals
13 who are low-income or have minimal reading, writ-
14 ing, speaking, and mathematics skills, or are English
15 learners;

16 “(4) the program is of sufficient intensity and
17 quality for participants to achieve substantial learn-
18 ing gains;

19 “(5) educational practices are evidence-based;

20 “(6) the activities of the eligible provider effec-
21 tively employ advances in technology, and delivery
22 systems including distance education;

23 “(7) the activities provide instruction in real-life
24 contexts, including integrated education and training
25 when appropriate, to ensure that an individual has

1 the skills needed to compete in the workplace and
2 exercise the rights and responsibilities of citizenship;

3 “(8) the activities are staffed by well-trained in-
4 structors, counselors, and administrators who meet
5 minimum qualifications established by the State;

6 “(9) the activities are coordinated with other
7 available resources in the community, such as
8 through strong links with elementary schools and
9 secondary schools, postsecondary educational institu-
10 tions, local workforce investment boards, one-stop
11 centers, job training programs, community-based
12 and faith-based organizations, and social service
13 agencies;

14 “(10) the activities offer flexible schedules and
15 support services (such as child care and transpor-
16 tation) that are necessary to enable individuals, in-
17 cluding individuals with disabilities or other special
18 needs, to attend and complete programs;

19 “(11) the activities include a high-quality infor-
20 mation management system that has the capacity to
21 report measurable participant outcomes (consistent
22 with section 136) and to monitor program perform-
23 ance;

24 “(12) the local communities have a dem-
25 onstrated need for additional English language ac-

1 quisition programs, and integrated education and
2 training programs;

3 “(13) the capacity of the eligible provider to
4 produce valid information on performance results,
5 including enrollments and measurable participant
6 outcomes;

7 “(14) adult education and family literacy edu-
8 cation programs offer rigorous reading, writing,
9 speaking, and mathematics content that are evidence
10 based; and

11 “(15) applications of technology, and services to
12 be provided by the eligible providers, are of sufficient
13 intensity and duration to increase the amount and
14 quality of learning and lead to measurable learning
15 gains within specified time periods.

16 “(e) SPECIAL RULE.—Eligible providers may use
17 grant funds under this title to serve children participating
18 in family literacy programs assisted under this part, pro-
19 vided that other sources of funds available to provide simi-
20 lar services for such children are used first.

21 **“SEC. 232. LOCAL APPLICATION.**

22 “Each eligible provider desiring a grant or contract
23 under this title shall submit an application to the eligible
24 agency containing such information and assurances as the
25 eligible agency may require, including—

1 “(1) a description of how funds awarded under
2 this title will be spent consistent with the require-
3 ments of this title;

4 “(2) a description of any cooperative arrange-
5 ments the eligible provider has with other agencies,
6 institutions, or organizations for the delivery of
7 adult education and family literacy education pro-
8 grams; and

9 “(3) each of the demonstrations required by
10 section 231(d).

11 **“SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.**

12 “(a) IN GENERAL.—Subject to subsection (b), of the
13 amount that is made available under this title to an eligi-
14 ble provider—

15 “(1) at least 95 percent shall be expended for
16 carrying out adult education and family literacy edu-
17 cation programs; and

18 “(2) the remaining amount shall be used for
19 planning, administration, personnel and professional
20 development, development of measurable goals in
21 reading, writing, speaking, and mathematics, and
22 interagency coordination.

23 “(b) SPECIAL RULE.—In cases where the cost limits
24 described in subsection (a) are too restrictive to allow for
25 adequate planning, administration, personnel develop-

1 ment, and interagency coordination, the eligible provider
2 may negotiate with the eligible agency in order to deter-
3 mine an adequate level of funds to be used for noninstruc-
4 tional purposes.

5 **“Subtitle D—General Provisions**

6 **“SEC. 241. ADMINISTRATIVE PROVISIONS.**

7 “Funds made available for adult education and fam-
8 ily literacy education programs under this title shall sup-
9 plement and not supplant other State or local public funds
10 expended for adult education and family literacy education
11 programs.

12 **“SEC. 242. NATIONAL ACTIVITIES.**

13 “The Secretary shall establish and carry out a pro-
14 gram of national activities that may include the following:

15 “(1) Providing technical assistance to eligible
16 entities, on request, to—

17 “(A) improve their fiscal management, re-
18 search-based instruction, and reporting require-
19 ments to carry out the requirements of this
20 title;

21 “(B) improve its performance on the core
22 indicators of performance described in section
23 136;

24 “(C) provide adult education professional
25 development; and

1 “(D) use distance education and improve
2 the application of technology in the classroom,
3 including instruction in English language acqui-
4 sition for English learners.

5 “(2) Providing for the conduct of research on
6 national literacy basic skill acquisition levels among
7 adults, including the number of adult English learn-
8 ers functioning at different levels of reading pro-
9 ficiency.

10 “(3) Improving the coordination, efficiency, and
11 effectiveness of adult education and workforce devel-
12 opment services at the national, State, and local lev-
13 els.

14 “(4) Determining how participation in adult
15 education, English language acquisition, and family
16 literacy education programs prepares individuals for
17 entry into and success in postsecondary education
18 and employment, and in the case of prison-based
19 services, the effect on recidivism.

20 “(5) Evaluating how different types of pro-
21 viders, including community and faith-based organi-
22 zations or private for-profit agencies measurably im-
23 prove the skills of participants in adult education,
24 English language acquisition, and family literacy
25 education programs.

1 “(6) Identifying model integrated basic and
2 workplace skills education programs, including pro-
3 grams for English learners coordinated literacy and
4 employment services, and effective strategies for
5 serving adults with disabilities.

6 “(7) Initiating other activities designed to im-
7 prove the measurable quality and effectiveness of
8 adult education, English language acquisition, and
9 family literacy education programs nationwide.”.

10 **Subtitle C—Amendments to the**
11 **Wagner-Peyser Act**

12 **SEC. 466. AMENDMENTS TO THE WAGNER-PEYSER ACT.**

13 Section 15 of the Wagner-Peyser Act (29 U.S.C. 491–
14 2) is amended to read as follows:

15 **“SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION**
16 **SYSTEM.**

17 “(a) SYSTEM CONTENT.—

18 “(1) IN GENERAL.—The Secretary of Labor
19 (referred to in this section as the ‘Secretary’), in ac-
20 cordance with the provisions of this section, shall
21 oversee the development, maintenance, and contin-
22 uous improvement of a nationwide workforce and
23 labor market information system that includes—

24 “(A) statistical data from cooperative sta-
25 tistical survey and projection programs and

1 data from administrative reporting systems
2 that, taken together, enumerate, estimate, and
3 project employment opportunities and condi-
4 tions at national, State, and local levels in a
5 timely manner, including statistics on—

6 “(i) employment and unemployment
7 status of national, State, and local popu-
8 lations, including self-employed, part-time,
9 and seasonal workers;

10 “(ii) industrial distribution of occupa-
11 tions, as well as current and projected em-
12 ployment opportunities, wages, benefits
13 (where data is available), and skill trends
14 by occupation and industry, with particular
15 attention paid to State and local condi-
16 tions;

17 “(iii) the incidence of, industrial and
18 geographical location of, and number of
19 workers displaced by, permanent layoffs
20 and plant closings; and

21 “(iv) employment and earnings infor-
22 mation maintained in a longitudinal man-
23 ner to be used for research and program
24 evaluation;

1 “(B) information on State and local em-
2 ployment opportunities, and other appropriate
3 statistical data related to labor market dynam-
4 ics, which—

5 “(i) shall be current and comprehen-
6 sive;

7 “(ii) shall meet the needs identified
8 through the consultations described in sub-
9 paragraphs (C) and (D) of subsection
10 (e)(1); and

11 “(iii) shall meet the needs for the in-
12 formation identified in section
13 121(e)(1)(E) of the Workforce Investment
14 Act of 1998 (29 U.S.C. 2841(e)(1)(E));

15 “(C) technical standards (which the Sec-
16 retary shall publish annually) for data and in-
17 formation described in subparagraphs (A) and
18 (B) that, at a minimum, meet the criteria of
19 chapter 35 of title 44, United States Code;

20 “(D) procedures to ensure compatibility
21 and additivity of the data and information de-
22 scribed in subparagraphs (A) and (B) from na-
23 tional, State, and local levels;

24 “(E) procedures to support standardization
25 and aggregation of data from administrative re-

1 porting systems described in subparagraph (A)
2 of employment-related programs;

3 “(F) analysis of data and information de-
4 scribed in subparagraphs (A) and (B) for uses
5 such as—

6 “(i) national, State, and local policy-
7 making;

8 “(ii) implementation of Federal poli-
9 cies (including allocation formulas);

10 “(iii) program planning and evalua-
11 tion; and

12 “(iv) researching labor market dynam-
13 ics;

14 “(G) wide dissemination of such data, in-
15 formation, and analysis in a user-friendly man-
16 ner and voluntary technical standards for dis-
17 semination mechanisms; and

18 “(H) programs of—

19 “(i) training for effective data dis-
20 semination;

21 “(ii) research and demonstration; and

22 “(iii) programs and technical assist-
23 ance.

24 “(2) INFORMATION TO BE CONFIDENTIAL.—

1 “(A) IN GENERAL.—No officer or em-
2 ployee of the Federal Government or agent of
3 the Federal Government may—

4 “(i) use any submission that is fur-
5 nished for exclusively statistical purposes
6 under the provisions of this section for any
7 purpose other than the statistical purposes
8 for which the submission is furnished;

9 “(ii) disclose to the public any publi-
10 cation or media transmittal of the data
11 contained in the submission described in
12 clause (i) that permits information con-
13 cerning an individual subject to be reason-
14 ably inferred by either direct or indirect
15 means; or

16 “(iii) permit anyone other than a
17 sworn officer, employee, or agent of any
18 Federal department or agency, or a con-
19 tractor (including an employee of a con-
20 tractor) of such department or agency, to
21 examine an individual submission described
22 in clause (i),

23 without the consent of the individual, agency, or
24 other person who is the subject of the submis-
25 sion or provides that submission.

1 “(B) IMMUNITY FROM LEGAL PROCESS.—
2 Any submission (including any data derived
3 from the submission) that is collected and re-
4 tained by a Federal department or agency, or
5 an officer, employee, agent, or contractor of
6 such a department or agency, for exclusively
7 statistical purposes under this section shall be
8 immune from the legal process and shall not,
9 without the consent of the individual, agency, or
10 other person who is the subject of the submis-
11 sion or provides that submission, be admitted
12 as evidence or used for any purpose in any ac-
13 tion, suit, or other judicial or administrative
14 proceeding.

15 “(C) RULE OF CONSTRUCTION.—Nothing
16 in this section shall be construed to provide im-
17 munity from the legal process for such submis-
18 sion (including any data derived from the sub-
19 mission) if the submission is in the possession
20 of any person, agency, or entity other than the
21 Federal Government or an officer, employee,
22 agent, or contractor of the Federal Government,
23 or if the submission is independently collected,
24 retained, or produced for purposes other than
25 the purposes of this Act.

1 “(b) SYSTEM RESPONSIBILITIES.—

2 “(1) IN GENERAL.—The workforce and labor
3 market information system described in subsection
4 (a) shall be planned, administered, overseen, and
5 evaluated through a cooperative governance struc-
6 ture involving the Federal Government and States.

7 “(2) DUTIES.—The Secretary, with respect to
8 data collection, analysis, and dissemination of work-
9 force and labor market information for the system,
10 shall carry out the following duties:

11 “(A) Assign responsibilities within the De-
12 partment of Labor for elements of the work-
13 force and labor market information system de-
14 scribed in subsection (a) to ensure that all sta-
15 tistical and administrative data collected is con-
16 sistent with appropriate Bureau of Labor Sta-
17 tistics standards and definitions.

18 “(B) Actively seek the cooperation of other
19 Federal agencies to establish and maintain
20 mechanisms for ensuring complementarity and
21 nonduplication in the development and oper-
22 ation of statistical and administrative data col-
23 lection activities.

1 “(C) Eliminate gaps and duplication in
2 statistical undertakings, with the systemization
3 of wage surveys as an early priority.

4 “(D) In collaboration with the Bureau of
5 Labor Statistics and States, develop and main-
6 tain the elements of the workforce and labor
7 market information system described in sub-
8 section (a), including the development of con-
9 sistent procedures and definitions for use by the
10 States in collecting the data and information
11 described in subparagraphs (A) and (B) of sub-
12 section (a)(1).

13 “(E) Establish procedures for the system
14 to ensure that—

15 “(i) such data and information are
16 timely;

17 “(ii) paperwork and reporting for the
18 system are reduced to a minimum; and

19 “(iii) States and localities are fully in-
20 volved in the development and continuous
21 improvement of the system at all levels.

22 “(c) NATIONAL ELECTRONIC TOOLS TO PROVIDE
23 SERVICES.—The Secretary is authorized to assist in the
24 development of national electronic tools that may be used
25 to facilitate the delivery of work ready services described

1 in section 134(c)(2) of the Workforce Investment Act of
2 1998 (29 U.S.C. 2864(c)(2)) and to provide workforce and
3 labor market information to individuals through the one-
4 stop delivery systems described in section 121 and through
5 other appropriate delivery systems.

6 “(d) COORDINATION WITH THE STATES.—

7 “(1) IN GENERAL.—The Secretary, working
8 through the Bureau of Labor Statistics and the Em-
9 ployment and Training Administration, shall regu-
10 larly consult with representatives of State agencies
11 carrying out workforce information activities regard-
12 ing strategies for improving the workforce and labor
13 market information system.

14 “(2) FORMAL CONSULTATIONS.—At least twice
15 each year, the Secretary, working through the Bu-
16 reau of Labor Statistics, shall conduct formal con-
17 sultations regarding programs carried out by the
18 Bureau of Labor Statistics with representatives of
19 each of the Federal regions of the Bureau of Labor
20 Statistics, elected (pursuant to a process established
21 by the Secretary) from the State directors affiliated
22 with State agencies that perform the duties de-
23 scribed in subsection (e)(1).

24 “(e) STATE RESPONSIBILITIES.—

1 “(1) IN GENERAL.—In order to receive Federal
2 financial assistance under this section, the Governor
3 of a State shall—

4 “(A) be responsible for the management of
5 the portions of the workforce and labor market
6 information system described in subsection (a)
7 that comprise a statewide workforce and labor
8 market information system;

9 “(B) establish a process for the oversight
10 of such system;

11 “(C) consult with State and local employ-
12 ers, participants, and local workforce invest-
13 ment boards about the labor market relevance
14 of the data to be collected and disseminated
15 through the statewide workforce and labor mar-
16 ket information system;

17 “(D) consult with State educational agen-
18 cies and local educational agencies concerning
19 the provision of workforce and labor market in-
20 formation in order to meet the needs of sec-
21 ondary school and postsecondary school stu-
22 dents who seek such information;

23 “(E) collect and disseminate for the sys-
24 tem, on behalf of the State and localities in the
25 State, the information and data described in

1 subparagraphs (A) and (B) of subsection
2 (a)(1);

3 “(F) maintain and continuously improve
4 the statewide workforce and labor market infor-
5 mation system in accordance with this section;

6 “(G) perform contract and grant respon-
7 sibilities for data collection, analysis, and dis-
8 semination for such system;

9 “(H) conduct such other data collection,
10 analysis, and dissemination activities as will en-
11 sure an effective statewide workforce and labor
12 market information system;

13 “(I) actively seek the participation of other
14 State and local agencies in data collection, anal-
15 ysis, and dissemination activities in order to en-
16 sure complementarity, compatibility, and useful-
17 ness of data;

18 “(J) participate in the development of, and
19 submit to the Secretary, an annual plan to
20 carry out the requirements and authorities of
21 this subsection; and

22 “(K) utilize the quarterly records described
23 in section 136(f)(2) of the Workforce Invest-
24 ment Act of 1998 (29 U.S.C. 2871(f)(2)) to as-

1 sist the State and other States in measuring
2 State progress on State performance measures.

3 “(2) RULE OF CONSTRUCTION.—Nothing in
4 this section shall be construed as limiting the ability
5 of a Governor to conduct additional data collection,
6 analysis, and dissemination activities with State
7 funds or with Federal funds from sources other than
8 this section.

9 “(f) NONDUPLICATION REQUIREMENT.—None of the
10 functions and activities carried out pursuant to this sec-
11 tion shall duplicate the functions and activities carried out
12 under the Carl D. Perkins Career and Technical Edu-
13 cation Act of 2006 (20 U.S.C. 2301 et seq.).

14 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
15 are authorized to be appropriated to carry out this section
16 \$60,153,000 for fiscal year 2015 and each of the 6 suc-
17 ceeding fiscal years.”.

18 **Subtitle D—Repeals and** 19 **Conforming Amendments**

20 **SEC. 471. REPEALS.**

21 The following provisions are repealed:

22 (1) Chapter 4 of subtitle B of title I, and sec-
23 tions 123, 155, 166, 167, 168, 169, 171, 173, 173A,
24 174, 192, 194, 502, 503, and 506 of the Workforce

1 Investment Act of 1998, as in effect on the day be-
2 fore the date of enactment of the SKILLS Act.

3 (2) Title V of the Older Americans Act of 1965
4 (42 U.S.C. 3056 et seq.).

5 (3) Sections 1 through 14 of the Wagner-
6 Peysner Act (29 U.S.C. 49 et seq.).

7 (4) The Twenty-First Century Workforce Com-
8 mission Act (29 U.S.C. 2701 note).

9 (5) Public Law 91–378, 16 U.S.C. 1701 et seq.
10 (popularly known as the “Youth Conservation Corps
11 Act of 1970”).

12 (6) Section 821 of the Higher Education
13 Amendments of 1998 (20 U.S.C. 1151).

14 (7) The Women in Apprenticeship and Non-
15 traditional Occupations Act (29 U.S.C. 2501 et
16 seq.).

17 (8) Sections 4103A and 4104 of title 38,
18 United States Code.

19 **SEC. 472. AMENDMENTS TO OTHER LAWS.**

20 (a) AMENDMENTS TO THE FOOD AND NUTRITION
21 ACT OF 2008.—

22 (1) DEFINITION.—Section 3(t) of the Food and
23 Nutrition Act of 2008 (7 U.S.C. 2012(t)) is amend-
24 ed—

1 (A) by striking “means (1) the agency”
2 and inserting the following: “means—
3 “(A) the agency”;
4 (B) by striking “programs, and (2) the
5 tribal” and inserting the following: “programs;
6 “(B) the tribal”; and
7 (C) by striking “this Act.” and inserting
8 the following: “this Act; and
9 “(C) in the context of employment and
10 training activities under section 6(d)(4), a State
11 board as defined in section 101 of the Work-
12 force Investment Act of 1998 (29 U.S.C.
13 2801).”.

14 (2) ELIGIBLE HOUSEHOLDS.—Section 5 of the
15 Food and Nutrition Act of 2008 (7 U.S.C. 2014) is
16 amended—

17 (A) in subsection (d)(14) by striking “sec-
18 tion 6(d)(4)(I)” and inserting “section
19 6(d)(4)(C)”, and

20 (B) in subsection (g)(3), in the first sen-
21 tence, by striking “constitutes adequate partici-
22 pation in an employment and training program
23 under section 6(d)” and inserting “allows the
24 individual to participate in employment and
25 training activities under section 6(d)(4)”.

1 imbursement to participants served
2 under this paragraph for—

3 “(aa) the actual costs of
4 transportation and other actual
5 costs (other than dependent care
6 costs) that are reasonably nec-
7 essary and directly related to the
8 individual participating in em-
9 ployment and training activities;
10 and

11 “(bb) the actual costs of
12 such dependent care expenses as
13 are determined by the State
14 agency to be necessary for the in-
15 dividual to participate in employ-
16 ment and training activities
17 (other than an individual who is
18 the caretaker relative of a de-
19 pendent in a family receiving
20 benefits under part A of title IV
21 of the Social Security Act (42
22 U.S.C. 601 et seq.) in a local
23 area where an employment, train-
24 ing, or education program under
25 title IV of that Act is in oper-

1 bility for, or the amount of bene-
2 fits on, need; and

3 “(bb) not be claimed as an
4 employment-related expense for
5 the purposes of the credit pro-
6 vided under section 21 of the In-
7 ternal Revenue Code of 1986 (26
8 U.S.C. 21).”.

9 (4) ADMINISTRATION.—Section 11(e)(19) of
10 the Food and Nutrition Act of 2008 (7 U.S.C.
11 2020(e)(11) is amended to read as follows:

12 “(S) the plans of the State agency for pro-
13 viding employment and training services under
14 section 6(d)(4);”.

15 (5) ADMINISTRATIVE COST-SHARING AND QUAL-
16 ITY CONTROL.—Section 16(h) of the Food and Nu-
17 trition Act of 2008 (7 U.S.C. 2025(h)) is amend-
18 ed—

19 (A) in paragraph (1)—

20 (i) in subparagraph (A), by striking
21 “carry out employment and training pro-
22 grams” and inserting “provide employment
23 and training services to eligible households
24 under section 6(d)(4)”; and

1 (ii) in subparagraph (D), by striking
2 “operating an employment and training
3 program” and inserting “providing employ-
4 ment and training services consistent with
5 section 6(d)(4)”;

6 (B) in paragraph (3)—

7 (i) by striking “participation in an
8 employment and training program” and in-
9 serting “the individual participating in em-
10 ployment and training activities”; and

11 (ii) by striking “section
12 6(d)(4)(I)(i)(II)” and inserting “section
13 6(d)(4)(C)(i)(II)”;

14 (C) in paragraph (4), by striking “for op-
15 erating an employment and training program”
16 and inserting “to provide employment and
17 training services”; and

18 (D) by striking paragraph (5) and insert-
19 ing the following:

20 “(E) MONITORING.—

21 “(i) IN GENERAL.—The Secretary, in
22 conjunction with the Secretary of Labor,
23 shall monitor each State agency respon-
24 sible for administering employment and
25 training services under section 6(d)(4) to

1 ensure funds are being spent effectively
2 and efficiently.

3 “(ii) ACCOUNTABILITY.—Each pro-
4 gram of employment and training receiving
5 funds under section 6(d)(4) shall be sub-
6 ject to the requirements of the perform-
7 ance accountability system, including hav-
8 ing to meet the State performance meas-
9 ures described in section 136 of the Work-
10 force Investment Act (29 U.S.C. 2871).”.

11 (6) RESEARCH, DEMONSTRATION, AND EVALUA-
12 TIONS.—Section 17 of the Food and Nutrition Act
13 of 2008 (7 U.S.C. 2026) is amended—

14 (A) in subsection (b)—

15 (i) in paragraph (1)(B)(iv)(III)(dd),
16 by striking “, (4)(F)(i), or (4)(K)” and in-
17 serting “or (4)”; and

18 (ii) by striking paragraph (3); and

19 (B) in subsection (g), in the first sentence
20 in the matter preceding paragraph (1)—

21 (i) by striking “programs established”
22 and inserting “activities provided to eligi-
23 ble households”; and

1 (ii) by inserting “, in conjunction with
2 the Secretary of Labor,” after “Sec-
3 retary”.

4 (7) MINNESOTA FAMILY INVESTMENT
5 PROJECT.—Section 22(b)(4) of the Food and Nutri-
6 tion Act of 2008 (7 U.S.C. 2031(b)(4)) is amended
7 by striking “equivalent to those offered under the
8 employment and training program”.

9 (b) AMENDMENTS TO SECTION 412 OF THE IMMI-
10 GRATION AND NATIONALITY ACT.—

11 (1) CONDITIONS AND CONSIDERATIONS.—Sec-
12 tion 412(a) of the Immigration and Nationality Act
13 (8 U.S.C. 1522(a)) is amended—

14 (A) in paragraph (1)—

15 (i) in subparagraph (A)(i), by striking
16 “make available sufficient resources for
17 employment training and placement” and
18 inserting “provide refugees with the oppor-
19 tunity to access employment and training
20 services, including job placement,”; and

21 (ii) in subparagraph (B)(ii), by strik-
22 ing “services;” and inserting “services pro-
23 vided through the Workforce Investment
24 Act of 1998 (29 U.S.C. 2801 et seq.);”;

1 (B) in paragraph (2)(C)(iii)(II), by insert-
2 ing “and training” after “employment”;

3 (C) in paragraph (6)(A)(ii)—

4 (i) by striking “insure” and inserting
5 “ensure”;

6 (ii) by inserting “and training” after
7 “employment”; and

8 (iii) by inserting after “available” the
9 following: “through the one-stop delivery
10 system under section 121 of the Workforce
11 Investment Act of 1998 (29 U.S.C.
12 2841)”; and

13 (D) in paragraph (9), by inserting “the
14 Secretary of Labor,” after “Education,”.

15 (2) PROGRAM OF INITIAL RESETTLEMENT.—
16 Section 412(b)(2) of such Act (8 U.S.C. 1522(b)(2))
17 is amended—

18 (A) by striking “orientation, instruction”
19 and inserting “orientation and instruction”; and

20 (B) by striking “, and job training for ref-
21 ugees, and such other education and training of
22 refugees, as facilitates” and inserting “for refu-
23 gees to facilitate”.

1 (3) PROJECT GRANTS AND CONTRACTS FOR
2 SERVICES FOR REFUGEES.—Section 412(c) of such
3 Act (8 U.S.C. 1522(c)) is amended—

4 (A) in paragraph (1)—

5 (i) in subparagraph (A)(i), by insert-
6 ing “and training” after “employment”;
7 and

8 (ii) by striking subparagraph (C);

9 (B) in paragraph (2)(B), by striking
10 “paragraph—” and all that follows through “in
11 a manner” and inserting “paragraph in a man-
12 ner”; and

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

14 “(C) In carrying out this section, the Director
15 shall ensure that employment and training services
16 are provided through the statewide workforce devel-
17 opment system, as appropriate, authorized by the
18 Workforce Investment Act of 1998 (29 U.S.C. 2801
19 et seq.). Such action may include—

20 “(i) making employment and training ac-
21 tivities described in section 134 of such Act (29
22 U.S.C. 2864) available to refugees; and

23 “(ii) providing refugees with access to a
24 one-stop delivery system established under sec-
25 tion 121 of such Act (29 U.S.C. 2841).”.

1 (4) CASH ASSISTANCE AND MEDICAL ASSIST-
2 ANCE TO REFUGEES.—Section 412(e) of such Act (8
3 U.S.C. 1522(e)) is amended—

4 (A) in paragraph (2)(A)(i), by inserting
5 “and training” after “providing employment”;
6 and

7 (B) in paragraph (3), by striking “The”
8 and inserting “Consistent with subsection
9 (c)(3), the”.

10 (c) AMENDMENTS RELATING TO THE SECOND
11 CHANCE ACT OF 2007.—

12 (1) FEDERAL PRISONER REENTRY INITIA-
13 TIVE.—Section 231 of the Second Chance Act of
14 2007 (42 U.S.C. 17541) is amended—

15 (A) in subsection (a)(1)(E)—

16 (i) by inserting “the Department of
17 Labor and” before “other Federal agen-
18 cies”; and

19 (ii) by inserting “State and local
20 workforce investment boards,” after “com-
21 munity-based organizations,”;

22 (B) in subsection (c)—

23 (i) in paragraph (2), by striking at
24 the end “and”;

1 (ii) in paragraph (3), by striking at
2 the end the period and inserting “; and”;
3 and

4 (iii) by adding at the end the fol-
5 lowing new paragraph:

6 “(D) to coordinate reentry programs with
7 the employment and training services provided
8 through the statewide workforce investment sys-
9 tem under subtitle B of title I of the Workforce
10 Investment Act of 1998 (29 U.S.C. 2811 et
11 seq.).”; and

12 (C) in subsection (d), by adding at the end
13 the following new paragraph:

14 “(F) INTERACTION WITH THE WORKFORCE
15 INVESTMENT SYSTEM.—

16 “(i) IN GENERAL.—In carrying out
17 this section, the Director shall ensure that
18 employment and training services, includ-
19 ing such employment and services offered
20 through reentry programs, are provided, as
21 appropriate, through the statewide work-
22 force investment system under subtitle B
23 of title I of the Workforce Investment Act
24 of 1998 (29 U.S.C. 2811 et seq.), which
25 may include—

1 (2) DUTIES OF THE BUREAU OF PRISONS.—
2 Section 4042(a) of title 18, United States Code, is
3 amended—

4 (A) by redesignating subparagraphs (D)
5 and (E), as added by section 231(d)(1)(C) of
6 the Second Chance Act of 2007 (Public Law
7 110–199; 122 Stat. 685), as paragraphs (6)
8 and (7), respectively, and adjusting the margin
9 accordingly;

10 (B) in paragraph (6), as so redesignated,
11 by redesignating clauses (i) and (ii) as subpara-
12 graphs (A) and (B), respectively, and adjusting
13 the margin accordingly;

14 (C) in paragraph (7), as so redesignated—

15 (i) in clause (ii), by striking “Employ-
16 ment” and inserting “Employment and
17 training services (as defined in paragraph
18 (6) of section 231(d) of the Second Chance
19 Act of 2007), including basic skills attain-
20 ment, consistent with such paragraph”;
21 and

22 (ii) by striking clause (iii); and

23 (D) by redesignating clauses (i), (ii), (iv),
24 (v), (vi), and (vii) as subparagraphs (A), (B),

1 (C), (D), (E), and (F), respectively, and adjust-
2 ing the margin accordingly.

3 (d) AMENDMENTS TO THE OMNIBUS CRIME CON-
4 TROL AND SAFE STREETS ACT OF 1968.—Section 2976
5 of the Omnibus Crime Control and Safe Streets Act of
6 1968 (42 U.S.C. 3797w) is amended—

7 (1) in subsection (b)—

8 (A) in paragraph (1), by striking “voca-
9 tional” and inserting “career and technical edu-
10 cation (as defined in section 3 of the Carl D.
11 Perkins Career and Technical Education Act of
12 2006 (20 U.S.C. 2302)) and training”;

13 (B) by redesignating paragraphs (4), (5),
14 (6), and (7) as paragraphs (5), (6), (7), and
15 (8), respectively; and

16 (C) by inserting after paragraph (3) the
17 following new paragraph:

18 “(D) coordinating employment and train-
19 ing services provided through the statewide
20 workforce investment system under subtitle B
21 of title I of the Workforce Investment Act of
22 1998 (29 U.S.C. 2811 et seq.), including a one-
23 stop delivery system under section 121 of such
24 Act (29 U.S.C. 2841), for offenders upon re-

1 lease from prison, jail, or a juvenile facility, as
2 appropriate;”;

3 (2) in subsection (d)(2), by inserting “, includ-
4 ing local workforce investment boards established
5 under section 117 of the Workforce Investment Act
6 of 1998 (29 U.S.C. 2832),” after “nonprofit organi-
7 zations”;

8 (3) in subsection (e)—

9 (A) in paragraph (3), by striking “victims
10 services, and employment services” and insert-
11 ing “and victim services”;

12 (B) by redesignating paragraphs (4) and
13 (5) as paragraphs (5) and (6), respectively; and

14 (C) by inserting after paragraph (3) the
15 following new paragraph:

16 “(D) provides employment and training
17 services through the statewide workforce invest-
18 ment system under subtitle B of title I of the
19 Workforce Investment Act of 1998 (29 U.S.C.
20 2811 et seq.), including a one-stop delivery sys-
21 tem under section 121 of such Act (29 U.S.C.
22 2841);”;

23 (4) in subsection (k)—

1 (A) in paragraph (1)(A), by inserting “, in
2 accordance with paragraph (2)” after “under
3 this section”;

4 (B) by redesignating paragraphs (2) and
5 (3) as paragraphs (3) and (4), respectively; and

6 (C) by inserting after paragraph (1) the
7 following new paragraph:

8 “(B) EMPLOYMENT AND TRAINING.—The
9 Attorney General shall require each grantee
10 under this section to measure the core indica-
11 tors of performance as described in section
12 136(b)(2)(A) of the Workforce Investment Act
13 of 1998 (29 U.S.C. 2871(b)(2)(A)) with respect
14 to the program of such grantee funded with a
15 grant under this section.”.

16 (e) CONFORMING AMENDMENTS TO TITLE 38,
17 UNITED STATES CODE.—Title 38, United States Code, is
18 amended—

19 (1) in section 3672(d)(1), by striking “disabled
20 veterans’ outreach program specialists under section
21 4103A” and inserting “veteran employment special-
22 ists appointed under section 134(f) of the Workforce
23 Investment Act of 1998”;

1 (2) in the table of sections at the beginning of
2 chapter 41, by striking the items relating to sections
3 4103A and 4104;

4 (3) in section 4102A—

5 (A) in subsection (b)—

6 (i) by striking paragraphs (5), (6),
7 and (7); and

8 (ii) by redesignating paragraph (8) as
9 paragraph (5);

10 (B) by striking subsections (c) and (h);

11 (C) by redesignating subsections (d), (e),
12 (f), and (g) as subsections (c), (d), (e), and (f);
13 and

14 (D) in subsection (e)(1) (as so redesign-
15 nated)—

16 (i) by striking “, including disabled
17 veterans’ outreach program specialists and
18 local veterans’ employment representatives
19 providing employment, training, and place-
20 ment services under this chapter in a
21 State”; and

22 (ii) by striking “for purposes of sub-
23 section (c)”; and

24 (4) in section 4104A—

1 (A) in subsection (b)(1), by striking sub-
2 paragraph (A) and inserting the following:

3 “(i) the appropriate veteran employ-
4 ment specialist (in carrying out the func-
5 tions described in section 134(f) of the
6 Workforce Investment Act of 1998);”; and

7 (B) in subsection (c)(1), by striking sub-
8 paragraph (A) and inserting the following:

9 “(i) collaborate with the appropriate
10 veteran employment specialist (as de-
11 scribed in section 134(f)) and the appro-
12 priate State boards and local boards (as
13 such terms are defined in section 101 of
14 the Workforce Investment Act of 1998 (29
15 U.S.C. 2801));”;

16 (5) in section 4109—

17 (A) in subsection (a), by striking “disabled
18 veterans’ outreach program specialists and local
19 veterans’ employment representative” and in-
20 sserting “veteran employment specialists ap-
21 pointed under section 134(f) of the Workforce
22 Investment Act of 1998”; and

23 (B) in subsection (d)(1), by striking “dis-
24 abled veterans’ outreach program specialists
25 and local veterans’ employment representatives”

1 and inserting “veteran employment specialists
 2 appointed under section 134(f) of the Work-
 3 force Investment Act of 1998”; and

4 (6) in section 4112(d)—

5 (A) in paragraph (1), by striking “disabled
 6 veterans’ outreach program specialist” and in-
 7 serting “veteran employment specialist ap-
 8 pointed under section 134(f) of the Workforce
 9 Investment Act of 1998”; and

10 (B) by striking paragraph (2) and redesignig-
 11 nating paragraph (3) as paragraph (2).

12 (f) COMPREHENSIVE ENVIRONMENTAL RESPONSE,
 13 COMPENSATION, AND LIABILITY ACT OF 1980.—Section
 14 104(k)(6)(A) of the Comprehensive Environmental Re-
 15 sponse, Compensation, and Liability Act of 1980 (42
 16 U.S.C. 9604(k)(6)(A)) is amended by striking “training,
 17 research, and” and inserting “research and”.

18 **SEC. 473. CONFORMING AMENDMENT TO TABLE OF CON-**
 19 **TENTS.**

20 The table of contents in section 1(b) is amended to
 21 read as follows:

22 “(b) TABLE OF CONTENTS.—The table of contents
 23 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

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“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

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“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.”.

1 **Subtitle E—Amendments to the**
2 **Rehabilitation Act of 1973**

3 **SEC. 476. FINDINGS.**

4 Section 2(a) of the Rehabilitation Act of 1973 (29
5 U.S.C. 701(a)) is amended—

6 (1) in paragraph (5), by striking “and” at the
7 end;

8 (2) in paragraph (6), by striking the period and
9 inserting “; and”; and

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

11 “(7) there is a substantial need to improve and
12 expand services for students with disabilities under
13 this Act.”.

14 **SEC. 477. REHABILITATION SERVICES ADMINISTRATION.**

15 (a) REHABILITATION SERVICES ADMINISTRATION.—

16 The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.)
17 is amended—

18 (1) in section 3(a) (29 U.S.C. 702(a))—

19 (A) by striking “Office of the Secretary”
20 and inserting “Department of Education”;

21 (B) by striking “President by and with the
22 advice and consent of the Senate” and inserting
23 “Secretary”; and

24 (C) by striking “, and the Commissioner
25 shall be the principal officer,”;

1 (2) by striking “Commissioner” each place it
2 appears (except in section 21) and inserting “Direc-
3 tor”;

4 (3) in section 12(c) (29 U.S.C. 709(c)), by
5 striking “Commissioner’s” and inserting “Direc-
6 tor’s”;

7 (4) in section 21 (29 U.S.C. 718)—

8 (A) in subsection (b)(1)—

9 (i) by striking “Commissioner” the
10 first place it appears and inserting “Direc-
11 tor of the Rehabilitation Services Adminis-
12 tration”;

13 (ii) by striking “(referred to in this
14 subsection as the ‘Director’)”; and

15 (iii) by striking “The Commissioner
16 and the Director” and inserting “Both
17 such Directors”; and

18 (B) by striking “the Commissioner and the
19 Director” each place it appears and inserting
20 “both such Directors”;

21 (5) in the heading for subparagraph (B) of sec-
22 tion 100(d)(2) (29 U.S.C. 720(d)(2)), by striking
23 “COMMISSIONER” and inserting “DIRECTOR”;

1 (6) in section 401(a)(1) (29 U.S.C. 781(a)(1)),
2 by inserting “of the National Institute on Disability
3 and Rehabilitation Research” after “Director”;

4 (7) in the heading for section 706 (29 U.S.C.
5 796d–1), by striking “**COMMISSIONER**” and insert-
6 ing “**DIRECTOR**”; and

7 (8) in the heading for paragraph (3) of section
8 723(a) (29 U.S.C. 796f–2(a)), by striking “**COMMIS-**
9 **SIONER**” and inserting “**DIRECTOR**”.

10 (b) **EFFECTIVE DATE; APPLICATION.**—The amend-
11 ments made by subsection (a) shall—

12 (1) take effect on the date of the enactment of
13 this Act; and

14 (2) apply with respect to the appointments of
15 Directors of the Rehabilitation Services Administra-
16 tion made on or after the date of enactment of this
17 Act, and the Directors so appointed.

18 **SEC. 478. DEFINITIONS.**

19 Section 7 of the Rehabilitation Act of 1973 (29
20 U.S.C. 705) is amended—

21 (1) by redesignating paragraphs (35) through
22 (39) as paragraphs (36) through (40), respectively;

23 (2) in subparagraph (A)(ii) of paragraph (36)
24 (as redesignated by paragraph (1)), by striking

1 “paragraph (36)(C)” and inserting “paragraph
2 (37)(C)”; and

3 (3) by inserting after paragraph (34) the fol-
4 lowing:

5 “(35)(A) The term ‘student with a disability’
6 means an individual with a disability who—

7 “(i) is not younger than 16 and not older
8 than 21;

9 “(ii) has been determined to be eligible
10 under section 102(a) for assistance under this
11 title; and

12 “(iii)(I) is eligible for, and is receiving,
13 special education under part B of the Individ-
14 uals with Disabilities Education Act (20 U.S.C.
15 1411 et seq.); or

16 “(II) is an individual with a disability, for
17 purposes of section 504.

18 “(B) The term ‘students with disabilities’
19 means more than 1 student with a disability.”.

20 **SEC. 479. CARRYOVER.**

21 Section 19(a)(1) of the Rehabilitation Act of 1973
22 (29 U.S.C. 716(a)(1)) is amended by striking “part B of
23 title VI,”.

1 **SEC. 480. TRADITIONALLY UNDERSERVED POPULATIONS.**

2 Section 21 of the Rehabilitation Act of 1973 (29
3 U.S.C. 718) is amended, in paragraphs (1) and (2)(A) of
4 subsection (b), and in subsection (c), by striking “VI,”.

5 **SEC. 481. STATE PLAN.**

6 Section 101(a) of the Rehabilitation Act of 1973 (29
7 U.S.C. 721(a)) is amended—

8 (1) in paragraph (10)—

9 (A) in subparagraph (B), by striking “on
10 the eligible individuals” and all that follows and
11 inserting “of information necessary to assess
12 the State’s performance on the core indicators
13 of performance described in section
14 136(b)(2)(A) of the Workforce Investment Act
15 of 1998 (29 U.S.C. 2871(b)(2)(A)).”; and

16 (B) in subparagraph (E)(ii), by striking “,
17 to the extent the measures are applicable to in-
18 dividuals with disabilities”;

19 (2) in paragraph (11)—

20 (A) in subparagraph (D)(i), by inserting
21 before the semicolon the following: “, which
22 may be provided using alternative means of
23 meeting participation (such as participation
24 through video conferences and conference
25 calls)”; and

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

1 “(G) COORDINATION WITH ASSISTIVE
2 TECHNOLOGY PROGRAMS.—The State plan shall
3 include an assurance that the designated State
4 unit and the lead agency or implementing entity
5 responsible for carrying out duties under the
6 Assistive Technology Act of 1998 (29 U.S.C.
7 3001 et seq.) have developed working relation-
8 ships and coordinate their activities.”;

9 (3) in paragraph (15)—

10 (A) in subparagraph (A)—

11 (i) in clause (i)—

12 (I) in subclause (II), by striking
13 “and” at the end;

14 (II) in subclause (III), by adding
15 “and” at the end; and

16 (III) by adding at the end the
17 following:

18 “(IV) students with disabilities,
19 including their need for transition
20 services;”;

21 (ii) by redesignating clauses (ii) and
22 (iii) as clauses (iii) and (iv), respectively;
23 and

24 (iii) by inserting after clause (i) the
25 following:

1 “(ii) include an assessment of the
2 transition services provided under this Act,
3 and coordinated with transition services
4 provided under the Individuals with Dis-
5 abilities Education Act (20 U.S.C. 1400 et
6 seq.), about the extent to which those 2
7 types of services meet the needs of individ-
8 uals with disabilities;”;

9 (B) in subparagraph (B)(ii), by striking
10 “and under part B of title VI”; and

11 (C) in subparagraph (D)—

12 (i) by redesignating clauses (iii), (iv),
13 and (v) as clauses (iv), (v), and (vi), re-
14 spectively;

15 (ii) by inserting after clause (ii) the
16 following:

17 “(iii) the methods to be used to im-
18 prove and expand vocational rehabilitation
19 services for students with disabilities, in-
20 cluding the coordination of services de-
21 signed to facilitate the transition of such
22 students from the receipt of educational
23 services in school to the receipt of voca-
24 tional rehabilitation services under this

1 title or to postsecondary education or em-
2 ployment;” and

3 (iii) in clause (v), as redesignated by
4 clause (i) of this subparagraph, by striking
5 “evaluation standards” and inserting “per-
6 formance standards”;

7 (4) in paragraph (22)—

8 (A) in the paragraph heading, by striking
9 “STATE PLAN SUPPLEMENT”;

10 (B) by striking “carrying out part B of
11 title VI, including”; and

12 (C) by striking “that part to supplement
13 funds made available under part B of”;

14 (5) in paragraph (24)—

15 (A) in the paragraph heading, by striking
16 “CONTRACTS” and inserting “GRANTS”; and

17 (B) in subparagraph (A)—

18 (i) in the subparagraph heading, by
19 striking “CONTRACTS” and inserting
20 “GRANTS”; and

21 (ii) by striking “part A of title VI”
22 and inserting “section 109A”; and

23 (6) by adding at the end the following:

24 “(25) COLLABORATION WITH INDUSTRY.—The
25 State plan shall describe how the designated State

1 agency will carry out the provisions of section 109A,
2 including—

3 “(A) the criteria such agency will use to
4 award grants under such section; and

5 “(B) how the activities carried out under
6 such grants will be coordinated with other serv-
7 ices provided under this title.

8 “(26) SERVICES FOR STUDENTS WITH DISABIL-
9 ITIES.—The State plan shall provide an assurance
10 satisfactory to the Secretary that the State—

11 “(A) has developed and implemented strat-
12 egies to address the needs identified in the as-
13 sessments described in paragraph (15), and
14 achieve the goals and priorities identified by the
15 State in that paragraph, to improve and expand
16 vocational rehabilitation services for students
17 with disabilities on a statewide basis in accord-
18 ance with paragraph (15); and

19 “(B) from funds reserved under section
20 110A, shall carry out programs or activities de-
21 signed to improve and expand vocational reha-
22 bilitation services for students with disabilities
23 that—

24 “(i) facilitate the transition of stu-
25 dents with disabilities from the receipt of

1 educational services in school, to the re-
2 ceipt of vocational rehabilitation services
3 under this title, including, at a minimum,
4 those services specified in the interagency
5 agreement required in paragraph (11)(D);

6 “(ii) improve the achievement of post-
7 school goals of students with disabilities,
8 including improving the achievement
9 through participation (as appropriate when
10 career goals are discussed) in meetings re-
11 garding individualized education programs
12 developed under section 614 of the Individ-
13 uals with Disabilities Education Act (20
14 U.S.C. 1414);

15 “(iii) provide career guidance, career
16 exploration services, job search skills and
17 strategies, and technical assistance to stu-
18 dents with disabilities;

19 “(iv) support the provision of training
20 and technical assistance to State and local
21 educational agencies and designated State
22 agency personnel responsible for the plan-
23 ning and provision of services to students
24 with disabilities; and

1 “(v) support outreach activities to stu-
2 dents with disabilities who are eligible for,
3 and need, services under this title.”.

4 **SEC. 482. SCOPE OF SERVICES.**

5 Section 103 of the Rehabilitation Act of 1973 (29
6 U.S.C. 723) is amended—

7 (1) in subsection (a), by striking paragraph
8 (15) and inserting the following:

9 “(15) transition services for students with dis-
10 abilities, that facilitate the achievement of the em-
11 ployment outcome identified in the individualized
12 plan for employment involved, including services de-
13 scribed in clauses (i) through (iii) of section
14 101(a)(26)(B);”;

15 (2) in subsection (b), by striking paragraph (6)
16 and inserting the following:

17 “(6)(A)(i) Consultation and technical assistance
18 services to assist State and local educational agen-
19 cies in planning for the transition of students with
20 disabilities from school to post-school activities, in-
21 cluding employment.

22 “(ii) Training and technical assistance de-
23 scribed in section 101(a)(26)(B)(iv).

24 “(B) Services for groups of individuals with dis-
25 abilities who meet the requirements of clauses (i)

1 and (iii) of section 7(35)(A), including services de-
2 scribed in clauses (i), (ii), (iii), and (v) of section
3 101(a)(26)(B), to assist in the transition from
4 school to post-school activities.”; and

5 (3) in subsection (b), by inserting at the end
6 the following:

7 “(7) The establishment, development, or im-
8 provement of assistive technology demonstration,
9 loan, reutilization, or financing programs in coordi-
10 nation with activities authorized under the Assistive
11 Technology Act of 1998 (29 U.S.C. 3001 et seq.) to
12 promote access to assistive technology for individuals
13 with disabilities and employers.”.

14 **SEC. 483. STANDARDS AND INDICATORS.**

15 (a) IN GENERAL.—Section 106 of the Rehabilitation
16 Act of 1973 (29 U.S.C. 726) is amended—

17 (1) in the section heading, by striking “**EVAL-**
18 **UATION STANDARDS**” and inserting “**PERFORM-**
19 **ANCE STANDARDS**”;

20 (2) by striking subsection (a) and inserting the
21 following:

22 “(a) STANDARDS AND INDICATORS.—The perform-
23 ance standards and indicators for the vocational rehabili-
24 tation program carried out under this title—

1 “(1) shall be subject to paragraphs (2)(A) and
2 (3) of section 136(b) of the Workforce Investment
3 Act of 1998 (29 U.S.C. 2871(b)); and

4 “(2) may, at a State’s discretion, include addi-
5 tional indicators identified in the State plan sub-
6 mitted under section 101.”; and

7 (3) in subsection (b)(2)(B), by striking clause
8 (i) and inserting the following:

9 “(i) on a biannual basis, review the
10 program improvement efforts of the State
11 and, if the State has not improved its per-
12 formance to acceptable levels, as deter-
13 mined by the Director, direct the State to
14 make revisions to the plan to improve per-
15 formance; and”.

16 (b) CONFORMING AMENDMENTS.—Section 107 of the
17 Rehabilitation Act of 1973 (29 U.S.C. 727) is amended—

18 (1) in subsections (a)(1)(B) and (b)(2), by
19 striking “evaluation standards” and inserting “per-
20 formance standards”; and

21 (2) in subsection (c)(1)(B), by striking “an
22 evaluation standard” and inserting “a performance
23 standard”.

1 **SEC. 484. EXPENDITURE OF CERTAIN AMOUNTS.**

2 Section 108(a) of the Rehabilitation Act of 1973 (29
3 U.S.C. 728(a)) is amended by striking “under part B of
4 title VI, or”.

5 **SEC. 485. COLLABORATION WITH INDUSTRY.**

6 The Rehabilitation Act of 1973 is amended by insert-
7 ing after section 109 (29 U.S.C. 728a) the following:

8 **“SEC. 109A. COLLABORATION WITH INDUSTRY.**

9 “(a) **ELIGIBLE ENTITY DEFINED.**—For the purposes
10 of this section, the term ‘eligible entity’ means a for-profit
11 business, alone or in partnership with one or more of the
12 following:

13 “(1) Community rehabilitation program pro-
14 viders.

15 “(2) Indian tribes.

16 “(3) Tribal organizations.

17 “(b) **AUTHORITY.**—A State shall use not less than
18 one-half of one percent of the payment the State receives
19 under section 111 for a fiscal year to award grants to eligi-
20 ble entities to pay for the Federal share of the cost of
21 carrying out collaborative programs, to create practical job
22 and career readiness and training programs, and to pro-
23 vide job placements and career advancement.

24 “(c) **AWARDS.**—Grants under this section shall—

25 “(1) be awarded for a period not to exceed 5
26 years; and

1 “(2) be awarded competitively.

2 “(d) APPLICATION.—To receive a grant under this
3 section, an eligible entity shall submit an application to
4 a designated State agency at such time, in such manner,
5 and containing such information as such agency shall re-
6 quire. Such application shall include, at a minimum—

7 “(1) a plan for evaluating the effectiveness of
8 the collaborative program;

9 “(2) a plan for collecting and reporting the
10 data and information described under subparagraphs
11 (A) through (C) of section 101(a)(10), as deter-
12 mined appropriate by the designated State agency;
13 and

14 “(3) a plan for providing for the non-Federal
15 share of the costs of the program.

16 “(e) ACTIVITIES.—An eligible entity receiving a grant
17 under this section shall use the grant funds to carry out
18 a program that provides one or more of the following:

19 “(1) Job development, job placement, and ca-
20 reer advancement services for individuals with dis-
21 abilities.

22 “(2) Training in realistic work settings in order
23 to prepare individuals with disabilities for employ-
24 ment and career advancement in the competitive
25 market.

1 “(3) Providing individuals with disabilities with
2 such support services as may be required in order to
3 maintain the employment and career advancement
4 for which the individuals have received training.

5 “(f) ELIGIBILITY FOR SERVICES.—An individual
6 shall be eligible for services provided under a program
7 under this section if the individual is determined under
8 section 102(a)(1) to be eligible for assistance under this
9 title.

10 “(g) FEDERAL SHARE.—The Federal share for a
11 program under this section shall not exceed 80 percent
12 of the costs of the program.”.

13 **SEC. 486. RESERVATION FOR EXPANDED TRANSITION**
14 **SERVICES.**

15 The Rehabilitation Act of 1973 is amended by insert-
16 ing after section 110 (29 U.S.C. 730) the following:

17 **“SEC. 110A. RESERVATION FOR EXPANDED TRANSITION**
18 **SERVICES.**

19 “Each State shall reserve not less than 10 percent
20 of the funds allotted to the State under section 110(a)
21 to carry out programs or activities under sections
22 101(a)(26)(B) and 103(b)(6).”.

23 **SEC. 487. CLIENT ASSISTANCE PROGRAM.**

24 Section 112(e)(1) of the Rehabilitation Act of 1973
25 (29 U.S.C. 732(e)(1)) is amended by redesignating sub-

1 paragraph (D) as subparagraph (E) and inserting after
2 subparagraph (C) the following:

3 “(D) The Secretary shall make grants to the protec-
4 tion and advocacy system serving the American Indian
5 Consortium under the Developmental Disabilities and Bill
6 of Rights Act of 2000 (42 U.S.C. 15001 et seq.) to provide
7 services in accordance with this section, as determined by
8 the Secretary. The amount of such grants shall be the
9 same as the amount provided to territories under this sub-
10 section.”.

11 **SEC. 488. RESEARCH.**

12 Section 204(a)(2)(A) of the Rehabilitation Act of
13 1973 (29 U.S.C. 764(a)(2)(A)) is amended by striking
14 “VI,”.

15 **SEC. 489. TITLE III AMENDMENTS.**

16 Title III of the Rehabilitation Act of 1973 (29 U.S.C.
17 771 et seq.) is amended—

18 (1) in section 301(a) (21 U.S.C. 771(a))—

19 (A) in paragraph (2), by inserting “and”
20 at the end;

21 (B) by striking paragraphs (3) and (4);

22 and

23 (C) by redesignating paragraph (5) as
24 paragraph (3);

25 (2) in section 302 (29 U.S.C. 772)—

- 1 (A) in subsection (g)—
- 2 (i) in the heading, by striking “AND
- 3 IN-SERVICE TRAINING”; and
- 4 (ii) by striking paragraph (3); and
- 5 (B) in subsection (h), by striking “section
- 6 306” and inserting “section 304”;
- 7 (3) in section 303 (29 U.S.C. 773)—
- 8 (A) in subsection (b)(1), by striking “sec-
- 9 tion 306” and inserting “section 304”; and
- 10 (B) in subsection (c)—
- 11 (i) in paragraph (4)—
- 12 (I) by amending subparagraph
- 13 (A)(ii) to read as follows:
- 14 “(ii) to coordinate activities and work
- 15 closely with the parent training and infor-
- 16 mation centers established pursuant to sec-
- 17 tion 671 of the Individuals with Disabil-
- 18 ities Education Act (20 U.S.C. 1471), the
- 19 community parent resource centers estab-
- 20 lished pursuant to section 672 of such Act
- 21 (29 U.S.C. 1472), and the eligible entities
- 22 receiving awards under section 673 of such
- 23 Act (20 U.S.C. 1473); and”; and

1 (II) in subparagraph (C), by in-
2 serting “, and demonstrate the capac-
3 ity for serving,” after “serve”; and
4 (ii) by adding at the end the fol-
5 lowing:

6 “(8) RESERVATION.—From the amount appro-
7 priated to carry out this subsection for a fiscal year,
8 20 percent of such amount or \$500,000, whichever
9 is less, shall be reserved to carry out paragraph
10 (6).”;

11 (4) by striking sections 304 and 305 (29 U.S.C.
12 774, 775); and

13 (5) by redesignating section 306 (29 U.S.C.
14 776) as section 304.

15 **SEC. 490. REPEAL OF TITLE VI.**

16 Title VI of the Rehabilitation Act of 1973 (29 U.S.C.
17 795 et seq.) is repealed.

18 **SEC. 491. TITLE VII GENERAL PROVISIONS.**

19 (a) PURPOSE.—Section 701(3) of the Rehabilitation
20 Act of 1973 (29 U.S.C. 796(3)) is amended by striking
21 “State programs of supported employment services receiv-
22 ing assistance under part B of title VI,”.

23 (b) CHAIRPERSON.—Section 705(b)(5) of the Reha-
24 bilitation Act of 1973 (29 U.S.C. 796d(b)(5)) is amended
25 to read as follows:

1 “(5) CHAIRPERSON.—The Council shall select a
2 chairperson from among the voting membership of
3 the Council.”.

4 **SEC. 492. AUTHORIZATIONS OF APPROPRIATIONS.**

5 The Rehabilitation Act of 1973 (29 U.S.C. 701 et
6 seq.) is further amended—

7 (1) in section 100 (29 U.S.C. 720)—

8 (A) in subsection (b)(1), by striking “such
9 sums as may be necessary for fiscal years 1999
10 through 2003” and inserting “\$3,066,192,000
11 for fiscal year 2015 and each of the 6 suc-
12 ceeding fiscal years”; and

13 (B) in subsection (d)(1)(B), by striking
14 “2003” and inserting “2021”;

15 (2) in section 110(c) (29 U.S.C. 730(c)), by
16 amending paragraph (2) to read as follows:

17 “(2) The sum referred to in paragraph (1) shall be,
18 as determined by the Secretary, not less than 1 percent
19 and not more than 1.5 percent of the amount referred to
20 in paragraph (1) for each of fiscal years 2015 through
21 2020.”;

22 (3) in section 112(h) (29 U.S.C. 732(h)), by
23 striking “such sums as may be necessary for fiscal
24 years 1999 through 2003” and inserting

1 “\$11,600,000 for fiscal year 2015 and each of the
2 6 succeeding fiscal years”;

3 (4) by amending subsection (a) of section 201
4 (29 U.S.C. 761(a)) to read as follows: “(a) There
5 are authorized to be appropriated \$103,125,000 for
6 fiscal year 2015 and each of the 6 succeeding fiscal
7 years to carry out this title.”;

8 (5) in section 302(i) (29 U.S.C. 772(i)), by
9 striking “such sums as may be necessary for each of
10 the fiscal years 1999 through 2003” and inserting
11 “\$33,657,000 for fiscal year 2015 and each of the
12 6 succeeding fiscal years”;

13 (6) in section 303(e) (29 U.S.C. 773(e)), by
14 striking “such sums as may be necessary for each of
15 the fiscal years 1999 through 2003” and inserting
16 “\$5,046,000 for fiscal year 2015 and each of the 6
17 succeeding fiscal years”;

18 (7) in section 405 (29 U.S.C. 785), by striking
19 “such sums as may be necessary for each of the fis-
20 cal years 1999 through 2003” and inserting
21 “\$3,081,000 for fiscal year 2015 and each of the 6
22 succeeding fiscal years”;

23 (8) in section 502(j) (29 U.S.C. 792(j)), by
24 striking “such sums as may be necessary for each of
25 the fiscal years 1999 through 2003” and inserting

1 “\$7,013,000 for fiscal year 2015 and each of the 6
2 succeeding fiscal years”;

3 (9) in section 509(l) (29 U.S.C. 794e(l)), by
4 striking “such sums as may be necessary for each of
5 the fiscal years 1999 through 2003” and inserting
6 “\$17,088,000 for fiscal year 2015 and each of the
7 6 succeeding fiscal years”;

8 (10) in section 714 (29 U.S.C. 796e-3), by
9 striking “such sums as may be necessary for each of
10 the fiscal years 1999 through 2003” and inserting
11 “\$22,137,000 for fiscal year 2015 and each of the
12 6 succeeding fiscal years”;

13 (11) in section 727 (29 U.S.C. 796f-6), by
14 striking “such sums as may be necessary for each of
15 the fiscal years 1999 through 2003” and inserting
16 “\$75,772,000 for fiscal year 2015 and each of the
17 6 succeeding fiscal years”; and

18 (12) in section 753 (29 U.S.C. 796l), by strik-
19 ing “such sums as may be necessary for each of the
20 fiscal years 1999 through 2003” and inserting
21 “\$32,239,000 for fiscal year 2015 and each of the
22 6 succeeding fiscal years”.

23 **SEC. 493. CONFORMING AMENDMENTS.**

24 Section 1(b) of the Rehabilitation Act of 1973 is
25 amended—

1 (1) by inserting after the item relating to sec-
2 tion 109 the following:

“Sec. 109A. Collaboration with industry.”;

3 (2) by inserting after the item relating to sec-
4 tion 110 the following:

“Sec. 110A. Reservation for expanded transition services.”;

5 (3) by striking the item related to section 304
6 and inserting the following:

“Sec. 304. Measuring of project outcomes and performance.”;

7 (4) by striking the items related to sections 305
8 and 306;

9 (5) by striking the items related to title VI; and

10 (6) by striking the item related to section 706
11 and inserting the following:

“Sec. 706. Responsibilities of the Director.”.

12 **Subtitle F—Studies by the**
13 **Comptroller General**

14 **SEC. 496. STUDY BY THE COMPTROLLER GENERAL ON EX-**
15 **HAUSTING FEDERAL PELL GRANTS BEFORE**
16 **ACCESSING WIA FUNDS.**

17 Not later than 12 months after the date of enactment
18 of this Act, the Comptroller General of the United States
19 shall complete and submit to the Committee on Education
20 and the Workforce of the House of Representatives and
21 the Committee on Health, Education, Labor, and Pen-
22 sions of the Senate a report that—

1 (1) evaluates the effectiveness of subparagraph
2 (B) of section 134(d)(4) of the Workforce Invest-
3 ment Act of 1998 (29 U.S.C. 2864(d)(4)(B)) (as
4 such subparagraph was in effect on the day before
5 the date of enactment of this Act), including—

6 (A) a review of the regulations and guid-
7 ance issued by the Secretary of Labor to State
8 and local areas on how to comply with such
9 subparagraph;

10 (B) a review of State policies to determine
11 how local areas are required to comply with
12 such subparagraph;

13 (C) a review of local area policies to deter-
14 mine how one-stop operators are required to
15 comply with such subparagraph; and

16 (D) a review of a sampling of individuals
17 receiving training services under section
18 134(d)(4) of the Workforce Investment Act of
19 1998 (29 U.S.C. 2864(d)(4)) to determine if,
20 before receiving such training services, such in-
21 dividuals have exhausted funds received through
22 the Federal Pell Grant program under title IV
23 of the Higher Education Act of 1965 (20
24 U.S.C. 1070 et seq.); and

1 (2) makes appropriate recommendations with
2 respect to the matters evaluated under paragraph
3 (1).

4 **SEC. 497. STUDY BY THE COMPTROLLER GENERAL ON AD-**
5 **MINISTRATIVE COST SAVINGS.**

6 (a) STUDY.—Not later than 12 months after the date
7 of the enactment of this Act, the Comptroller General of
8 the United States shall complete and submit to the Com-
9 mittee on Education and the Workforce of the House of
10 Representatives and the Committee on Health, Education,
11 Labor, and Pensions of the Senate a report that—

12 (1) determines the amount of administrative
13 costs at the Federal and State levels for the most re-
14 cent fiscal year for which satisfactory data are avail-
15 able for—

16 (A) each of the programs authorized under
17 the Workforce Investment Act of 1998 (29
18 U.S.C. 2801 et seq.) or repealed under section
19 __71, as such programs were in effect for such
20 fiscal year; and

21 (B) each of the programs described in sub-
22 paragraph (A) that have been repealed or con-
23 solidated on or after the date of enactment of
24 this Act;

1 (2) determines the amount of administrative
2 cost savings at the Federal and State levels as a re-
3 sult of repealing and consolidating programs by cal-
4 culating the differences in the amount of administra-
5 tive costs between subparagraph (A) and subpara-
6 graph (B) of paragraph (1); and

7 (3) estimates the administrative cost savings at
8 the Federal and State levels for a fiscal year as a
9 result of States consolidating amounts under section
10 501(e) of the Workforce Investment Act of 1998 (20
11 U.S.C. 9271(e)) to reduce inefficiencies in the ad-
12 ministration of federally-funded State and local em-
13 ployment and training programs.

14 (b) DEFINITION.—For purposes of this section, the
15 term “administrative costs” has the meaning given the
16 term in section 101 of the Workforce Investment Act of
17 1998 (29 U.S.C. 2801).