titled ''Budgetary Effects of PAYGO Legislation'' for this Act, submitted for printing in the Congressional Record by the Chairman of the Senate Budget Committee, provided that such statement has been submitted prior to the vote on passage.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2613. Mr. PORTMAN (for himself and Mr. JOHANNS) submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table.

SA 2614. Mr. PAUL (for himself and Mr. MCCONNELL) submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2615. Mr. INHOFE (for himself, Mr. MCCONNELL, Mr. VITTER, Mr. BLUNT, and Mr. CORNYN) submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2616. Mr. PORTMAN (for himself and Mr. TOOMEY) submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2617. Mr. COATS submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2618. Mrs. SHAHEEN (for herself, Mr. SCHATZ, Ms. HIRONO, Mr. BLUMENTHAL, Mr. WARNER, Mr. UDALL of New Mexico, Mr. COONS, Mr. BEGICH, Ms. LANDRIEU, Ms. BALDWIN, Mr. KAINE, Mr. FRANKEN, and Mr. MERKLEY) submitted an amendment intended to be proposed by her to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2619. Mr. PORTMAN submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2620. Mr. TOOMEY submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2621. Mr. PORTMAN submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2622. Mr. THUNE (for himself, Mr. CHAMBLISS, and Mrs. FISCHER) submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2623. Mr. McCONNELL (for himself and Mr. HATCH) submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2624. Mr. McCONNELL (for himself and Mr. HATCH) submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2625. Mr. McCONNELL (for himself and Mr. HATCH) submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

SA 2626. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1845, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2613. Mr. PORTMAN (for himself and Mr. JOHANNS) submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. DISQUALIFICATION ON RECEIPT OF DISABILITY INSURANCE BENEFITS IN A MONTH FOR WHICH UNEMPLOYMENT COMPENSATION IS RECEIVED.

(a) IN GENERAL.—Section 223(d)(4) of the Social Security Act (42 U.S.C. 423(d)(4)) is amended by adding at the end the following:

''(C)(i) If for any month an individual is entitled to unemployment compensation, such individual shall be deemed to have engaged in substantial gainful activity for such month.

''(ii) For purposes of clause (i), the term 'unemployment compensation' means—

''(I) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(II) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(b) TRIAL WORK PERIOD.—Section 222(c) of the Social Security Act (42 U.S.C. 422(c)) is amended by adding at the end the following:

''(6)(A) For purposes of this subsection, an individual shall be deemed to have rendered services in a month if the individual is entitled to unemployment compensation for such month.

''(B) For purposes of subparagraph (A), the term 'unemployment compensation' means—

''(i) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(ii) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(c) DATA MATCHING.—The Commissioner of Social Security shall implement the amendments made by this section using appropriate electronic data.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to months after December 2014.

SA 2614. Mr. PAUL (for himself and Mr. MCCONNELL) submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

DIVISION B—ECONOMIC FREEDOM ZONES

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This division may be cited as the ''Economic Freedom Zones Act of 2013''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.
TITLE I—PROHIBITION AGAINST A FEDERAL GOVERNMENT BAILOUT OF A STATE, CITY, OR MUNICIPALITY
Sec. 101. Prohibition of Federal Government Bailouts.
TITLE II—DESIGNATION OF ECONOMIC FREEDOM ZONES (EFZ)
Sec. 201. Eligibility requirements for Economic Freedom Zone Status.
Sec. 202. Area and regional requirements.
Sec. 203. Application and duration of designation.
TITLE III—FEDERAL TAX INCENTIVES
Sec. 301. Tax incentives related to Economic Freedom Zones.
TITLE IV—FEDERAL REGULATORY REDUCTIONS
Sec. 401. Suspension of certain laws and regulations.
TITLE V—EDUCATIONAL ENHANCEMENTS
Sec. 501. Educational opportunity tax credit.
Sec. 502. School choice through portability.
Sec. 503. Special economic freedom zone visas.
Sec. 504. Economic Freedom Zone educational savings accounts.
TITLE VI—COMMUNITY ASSISTANCE AND REBUILDING
Sec. 601. Nonapplication of Davis-Bacon.
Sec. 602. Economic Freedom Zone charitable tax credit.
TITLE VII—STATE AND COMMUNITY POLICY RECOMMENDATIONS
Sec. 701. Sense of the Senate concerning policy recommendations.

SEC. 2. DEFINITIONS.

In this division:

(1) CITY.—The term ''city'' means any unit of general local government that is classified as a municipality by the United States Census Bureau, or is a town or township as determined jointly by the Director of the Office of Management and Budget and the Secretary of the Treasury.

(2) COUNTY.—The term ''County'' means any unit of local general government that is classified as a county by the United States Census Bureau.

(3) ELIGIBLE ENTITY.—The term ''eligible entity'' means a State, municipality, zip code, or rural area.

(4) MUNICIPALITY.—The term ''municipality'' has the meaning given that term in section 101(40) of title 11, United States Code.

(5) RURAL AREA.—The term ''rural area'' means any area not in an urbanized area, as that term is defined by the Census Bureau.

(6) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

(7) ZIP CODE.—The term ''zip code'' means any area or region associated with or covered by a United States Postal zip code of not less than 5 digits.

TITLE I—PROHIBITION AGAINST A FEDERAL GOVERNMENT BAILOUT OF A STATE, CITY, OR MUNICIPALITY

SEC. 101. PROHIBITION OF FEDERAL GOVERNMENT BAILOUTS.

(a) DEFINITIONS.—In this section—

(1) the term ''credit rating'' has the meaning given that term in section 3(a)(60) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(60));

(2) the term ''credit rating agency'' has the meaning given that term in section 3(a)(61) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(61));

(3) the term ''Federal assistance'' means the use of any advances from the Federal Reserve credit facility or discount window that is not part of a program or facility with broad-based eligibility under section 13(3)(A) of the Federal Reserve Act (12 U.S.C. 343(3)(A)), Federal Deposit Insurance Corporation insurance, or guarantees for the purpose of—

(A) making a loan to, or purchasing any interest or debt obligation of, a municipality;

(B) purchasing the assets of a municipality;

(C) guaranteeing a loan or debt issuance of a municipality; or

(D) entering into an assistance arrangement, including a grant program, with an eligible entity;

(4) the term ''insolvent'' means, with respect to an eligible entity, a financial condition such that the eligible entity—

(A) has any debt that has been given a credit rating lower than a ''B'' by a nationally recognized statistical rating organization or a credit rating agency;

(B) is not paying its debts as they become due, unless such debts are the subject of a bona fide dispute; or

(C) is unable to pay its debts as they become due; and

(5) the term ''nationally recognized statistical rating organization'' has the meaning given that term in section 3(a)(62) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(62)).

(b) PROHIBITION OF FEDERAL GOVERNMENT BAILOUTS.—

(1) PROHIBITION OF FEDERAL ASSISTANCE.—Notwithstanding any other provision of law, no Federal assistance may be provided to an eligible entity (other than the assistance provided for in this division for an area that is designated as an Economic Free Zone).

(2) PROHIBITION OF FINANCIAL ASSISTANCE TO BANKRUPT OR INSOLVENT ELIGIBLE ENTITIES.—Except as provided in paragraph (1), the Federal Government may not provide financial assistance—

(A) to a municipality that is a debtor under chapter 9 of title 11, United States Code; or

(B) to State or municipality that is insolvent.

TITLE II—DESIGNATION OF ECONOMIC FREEDOM ZONES (EFZ)

SEC. 201. ELIGIBILITY REQUIREMENTS FOR ECONOMIC FREEDOM ZONE STATUS.

(a) IN GENERAL.—In order to be eligible for designation as an Economic Freedom Zone by the Secretary, an eligible entity shall meet one or more of the following requirements (in order of priority) and the requirements of section 202:

(1) ELIGIBLE CHAPTER 9 DEBTOR.—An eligible entity that satisfies the requirements under section 109(c) of title 11, United States Code.

(2) ELIGIBLE ENTITY AT RISK OF INSOLVENCY.—

(A) IN GENERAL.—An eligible entity that is at risk of insolvency, as described in subparagraph (B).

(B) REQUIREMENTS.—An eligible entity is at risk of insolvency if—

(i) an independent actuarial firm that has been engaged by the eligible entity and that does not have a conflict of interest with the eligible entity, including any previous relationship with the eligible entity, as determined by the Secretary—

(I) determines that the eligible entity is insolvent (as defined in section 101(a)(4)); and

(II) submits its analysis regarding the insolvency of the eligible entity to the Secretary; and

(ii) the Secretary has reviewed and approved the determination of insolvency by the actuarial firm.

(3) LOW ECONOMIC AND HIGH POVERTY ZONES.—

(A) IN GENERAL.—An eligible entity that is designated as a low economic or high poverty zone under subparagraph (B).

(B) DESIGNATION.—The Secretary, after reviewing supporting data as deemed appropriate, shall designate an eligible entity as a low economic or high poverty area if—

(i) the State or local government with jurisdiction over the entity certifies that—

(I) the entity is one of pervasive poverty, unemployment, and general distress;

(II) the average rate of unemployment within such entity during the most recent 3-month period for which data is available is at least 1.5 times the national unemployment rate for the period involved;

(III) during the most recent 3-month period, at least 30 percent of the area residents have incomes below the national poverty level; or

(IV) at least 70 percent of the are residents have incomes below 80 percent of the median income of households within the jurisdiction of the local government (as determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974); and

(ii) the Secretary determines that such a designation is appropriate.

(4) SPECIAL HIGH POVERTY REQUIREMENT FOR DESIGNATION.—An eligible entity shall be designated as a low economic or high poverty zone if the Secretary determines that—

(A) the State in which the entity is located within one of the 10 most impoverished States, as determined using United States Census Bureau data;

(B) the entity is one of pervasive poverty, unemployment, and general distress;

(C) the average rate of unemployment within such entity during the most recent 3-month period for which data is available is at least 1.25 times the national unemployment rate for the period involved;

(D) during the most recent 3-month period, at least 25 percent of the area residents have income below the national poverty level; or

(E) at least 65 percent of the residents have incomes below 80 percent of the median income of households within the jurisdiction of the local government (as determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974).

(b) REFUSAL TO GRANT STATUS.—The Secretary may refuse to designate an eligible entity as an Economic Freedom Zone if the Secretary determines that any requirement under this division, including any requirement under subsection (a)(2)(B), has not been satisfied.

SEC. 202. AREA AND REGIONAL REQUIREMENTS.

(a) IN GENERAL.—To be designated as an Economic Freedom Zone by the Secretary, an eligible entity shall—

(1) meet one or more of the requirements under section 201; and

(2) be an entity described in subsection (b).

(b) ENTITY DESCRIBED.—An entity is described in this subsection if such entity—

(1) is a metropolitan statistical area (as defined by the Director of the Office of Management and Budget) that—

(A) is located within the jurisdiction of a local government; and

(B) has a continuous boundary;

(2) is a non-metropolitan statistical area (as defined by the Director of the Office of Management and Budget) if (based on the following order of priority) such area—

(A) is an official county geographical area in any State that meets any of the eligibility requirements of section 201;

(B) is an official city geographical area in any State that meets any of the eligibility requirements of section 201; or

(C) is an official zip code geographical area in any State that meets any of the eligibility requirements of section 201; or

(3) is a zip code area that—

(A) is within a metropolitan statistical area; and

(B) meets other eligibility criteria as determined by the Secretary after consultation with the United States Census Bureau, the Bureau of Labor Statistics, and the Office of Management and Budget.

SEC. 203. APPLICATION AND DURATION OF DESIGNATION.

(a) APPLICATION.—The Secretary shall develop procedures to enable an eligible entity to submit to the Secretary an application for designation as an Economic Freedom Zone under this title.

(b) DURATION.—The designation by the Secretary of an eligible entity as a Economic Freedom Zone shall be for a period of 10 years.

TITLE III—FEDERAL TAX INCENTIVES

SEC. 301. TAX INCENTIVES RELATED TO ECONOMIC FREEDOM ZONES.

(a) IN GENERAL.—Chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subchapter:

"Subchapter Z—Economic Freedom Zones

''PART I—TAX INCENTIVES

''PART II—DEFINITIONS

"PART I—TAX INCENTIVES

''Sec. 1400V–1. Economic Freedom Zone individual flat tax.
''Sec. 1400V–2. Economic Freedom Zone corporate flat tax.
''Sec. 1400V–3. Zero percent capital gains rate.
''Sec. 1400V–4. Reduced payroll taxes.
''Sec. 1400V–5. Increase in expensing under section 179.

"SEC. 1400V–1. ECONOMIC FREEDOM ZONE INDIVIDUAL FLAT TAX.

''(a) IN GENERAL.—In the case of any individual whose principal residence (within the meaning of section 121) is located in an Economic Freedom Zone for the taxable year, in lieu of the tax imposed by section 1, there shall be imposed a tax equal to 5 percent of the taxable income of such taxpayer. For purposes of this title, the tax imposed by the preceding sentence shall be treated as a tax imposed by section 1.

''(b) JOINT RETURNS.—In the case of a joint return under section 6013, subsection (a) shall apply so long as either spouse has a principal residence (within the meaning of section 121) in an Economic Freedom Zone for the taxable year.

''(c) ALTERNATIVE MINIMUM TAX NOT TO APPLY.—The tax imposed by section 55 shall not apply to any taxpayer to whom subsection (a) applies.

"SEC. 1400V–2. ECONOMIC FREEDOM ZONE CORPORATE FLAT TAX.

''(a) IN GENERAL.—In the case of any corporation located in an Economic Freedom Zone for the taxable year, in lieu of the tax imposed by section 11, there shall be imposed a tax equal to 5 percent of the taxable income of such corporation. For purposes of this title, the tax imposed by the preceding sentence shall be treated as a tax imposed by section 11.

''(b) LIMITATION.—Subsection (a) shall not apply to any corporation for any taxable year if the adjusted gross income of such corporation for such taxable year exceeds $500,000,000.

''(c) LOCATED.—For purposes of this section, a corporation shall be considered to be located in an Economic Freedom Zone if—

''(1) not less than 10 percent of the total gross income of such corporation is derived from the active conduct of a trade or business within an Economic Freedom Zone, or

''(2) at least 25 percent of the employees of such corporation are residents of an Economic Freedom Zone.

''(d) ALTERNATIVE MINIMUM TAX NOT TO APPLY.—The tax imposed by section 55 shall not apply to any taxpayer to whom subsection (a) applies.

"SEC. 1400V–3. ZERO PERCENT CAPITAL GAINS RATE.

''(a) EXCLUSION.—Gross income shall not include qualified capital gain from the sale or exchange of—

''(1) any Economic Freedom Zone asset held for more than 5 years,

''(2) any real property located in an Economic Freedom Zone.

''(b) ECONOMIC FREEDOM ZONE ASSET.—For purposes of this section—

''(1) IN GENERAL.—The term 'Economic Freedom Zone asset' means—

''(A) any Economic Freedom Zone business stock,

''(B) any Economic Freedom Zone partnership interest, and

''(C) any Economic Freedom Zone business property.

''(2) ECONOMIC FREEDOM ZONE BUSINESS STOCK.—

''(A) IN GENERAL.—The term 'Economic Freedom Zone business stock' means any stock in a domestic corporation if—

''(i) such stock is acquired by the taxpayer, before the date on which such corporation no longer qualifies as an Economic Freedom Zone business due to the lapse of 1 or more Economic Freedom Zones, at its original issue (directly or through an underwriter) solely in exchange for cash,

''(ii) as of the time such stock was issued, such corporation was an Economic Freedom Zone business (or, in the case of a new corporation, such corporation was being organized for purposes of being an Economic Freedom Zone business), and

''(iii) during substantially all of the taxpayer's holding period for such stock, such corporation qualified as an Economic Freedom Zone business.

''(B) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this paragraph.

''(3) ECONOMIC FREEDOM ZONE PARTNERSHIP INTEREST.—The term 'Economic Freedom Zone partnership interest' means any capital or profits interest in a domestic partnership if—

''(A) such interest is acquired by the taxpayer, before the date on which such partnership no longer qualifies as an Economic Freedom Zone business due to the lapse of 1 or more Economic Freedom Zones, from the partnership solely in exchange for cash,

''(B) as of the time such interest was acquired, such partnership was an Economic Freedom Zone business (or, in the case of a new partnership, such partnership was being organized for purposes of being an Economic Freedom Zone business), and

''(C) during substantially all of the taxpayer's holding period for such interest, such partnership qualified as an Economic Freedom Zone business.

A rule similar to the rule of paragraph (2)(B) shall apply for purposes of this paragraph.

''(4) ECONOMIC FREEDOM ZONE BUSINESS PROPERTY.—

''(A) IN GENERAL.—The term 'Economic Freedom Zone business property' means tangible property if—

''(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after the date on such taxpayer qualifies as an Economic Freedom Zone business and before the date on which such taxpayer no longer qualifies as an Economic Freedom Zone business due to the lapse of 1 or more Economic Freedom Zones,

''(ii) the original use of such property in the Economic Freedom Zone commences with the taxpayer, and

''(iii) during substantially all of the taxpayer's holding period for such property, substantially all of the use of such property was in an Economic Freedom Zone business of the taxpayer.

''(B) SPECIAL RULE FOR BUILDINGS WHICH ARE SUBSTANTIALLY IMPROVED.—

''(i) IN GENERAL.—The requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as met with respect to—

''(I) property which is substantially improved by the taxpayer before the date on which such taxpayer no longer qualifies as an Economic Freedom Zone business due to the lapse of 1 or more Economic Freedom Zones, and

''(II) any land on which such property is located.

''(ii) SUBSTANTIAL IMPROVEMENT.—For purposes of clause (i), property shall be treated as substantially improved by the taxpayer only if, during any 24-month period beginning after the date on which the taxpayer qualifies as an Economic Freedom Zone business additions to basis with respect to such property in the hands of the taxpayer exceed the greater of—

''(I) an amount equal to the adjusted basis of such property at the beginning of such 24-month period in the hands of the taxpayer, or

''(II) $5,000.

''(5) TREATMENT OF ECONOMIC FREEDOM ZONE TERMINATION.—Except as otherwise provided in this subsection, the termination of the designation of the Economic Freedom Zone shall be disregarded for purposes of determining whether any property is an Economic Freedom Zone asset.

''(6) TREATMENT OF SUBSEQUENT PURCHASERS, ETC.—The term 'Economic Freedom Zone asset' includes any property which would be an Economic Freedom Zone asset but for paragraph (2)(A)(i), (3)(A), or (4)(A)(i) or (ii) in the hands of the taxpayer if such property was an Economic Freedom Zone asset in the hands of a prior holder.

''(7) 5-YEAR SAFE HARBOR.—If any property ceases to be an Economic Freedom Zone asset by reason of paragraph (2)(A)(iii), (3)(C), or (4)(A)(iii) after the 5-year period beginning on the date the taxpayer acquired such property, such property shall continue to be treated as meeting the requirements of such paragraph; except that the amount of gain to which subsection (a) applies on any sale or exchange of such property shall not exceed the amount which would be qualified capital gain had such property been sold on the date of such cessation.

''(c) ECONOMIC FREEDOM ZONE BUSINESS.—For purposes of this section, the term 'Economic Freedom Zone business' means any enterprise zone business (as defined in section 1397C), determined—

''(1) after the application of section 1400(e),

''(2) by substituting '80 percent' for '50 percent' in subsections (b)(2) and (c)(1) of section 1397C, and

''(3) by treating only areas that are Economic Freedom Zones as an empowerment zone or enterprise community.

''(d) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) QUALIFIED CAPITAL GAIN.—Except as otherwise provided in this subsection, the term 'qualified capital gain' means any gain recognized on the sale or exchange of—

''(A) a capital asset, or

''(B) property used in the trade or business (as defined in section 1231(b)).

''(2) CERTAIN GAIN NOT QUALIFIED.—The term 'qualified capital gain' shall not include any gain attributable to periods before the date on which the a business qualifies as an Economic Freedom Zone business or after the date that is 4 years after the date on which such business no longer qualifies as an Economic Freedom Zone business due to the lapse of 1 or more Economic Freedom Zones.

''(3) CERTAIN GAIN NOT QUALIFIED.—The term 'qualified capital gain' shall not include any gain which would be treated as ordinary income under section 1245 or under section 1250 if section 1250 applied to all depreciation rather than the additional depreciation.

''(4) INTANGIBLES NOT INTEGRAL PART OF ECONOMIC FREEDOM ZONE BUSINESS.—In the case of gain described in subsection (a)(1), the term 'qualified capital gain' shall not include any gain which is attributable to an intangible asset which is not an integral part of an Economic Freedom Zone business.

''(5) RELATED PARTY TRANSACTIONS.—The term 'qualified capital gain' shall not include any gain attributable, directly or indirectly, in whole or in part, to a transaction with a related person. For purposes of this paragraph, persons are related to each other if such persons are described in section 267(b) or 707(b)(1).

''(e) SALES AND EXCHANGES OF INTERESTS IN PARTNERSHIPS AND S CORPORATIONS WHICH ARE ECONOMIC FREEDOM ZONE BUSINESSES.—In the case of the sale or exchange of an interest in a partnership, or of stock in an S corporation, which was an Economic Freedom Zone business during substantially all of the period the taxpayer held such interest or stock, the amount of qualified capital gain shall be determined without regard to—

''(1) any gain which is attributable to an intangible asset which is not an integral part of an Economic Freedom Zone business, and

''(2) any gain attributable to periods before the date on which the a business qualifies as an Economic Freedom Zone business or after the date that is 4 years after the date on which such business no longer qualifies as an Economic Freedom Zone business due to the lapse of 1 or more Economic Freedom Zones.

"SEC. 1400V–4. REDUCED PAYROLL TAXES.

''(a) IN GENERAL.—

''(1) EMPLOYEES.—The rate of tax under 3101(a) (including for purposes of determining the applicable percentage under sections 3201(a) and 3211(a)(1)) shall be 4.2 percent for any remuneration received during any period in which the individual's principal residence (within the meaning of section 121) is located in an Economic Freedom Zone.

''(2) EMPLOYERS.—

''(A) IN GENERAL.—The rate of tax under section 3111(a) (including for purposes of determining the applicable percentage under sections 3221(a)) shall be 4.2 percent with respect to remuneration paid for qualified services during any period in which the employer is located in an Economic Freedom Zone.

''(B) QUALIFIED SERVICES.—For purposes of this section, the term 'qualified services' means services performed—

''(i) in a trade or business of a qualified employer, or

''(ii) in the case of a qualified employer exempt from tax under section 501(a) of the Internal Revenue Code of 1986, in furtherance of the activities related to the purpose or function constituting the basis of the employer's exemption under section 501 of such Code.

''(C) LOCATION OF EMPLOYER.—For purposes of this paragraph, the location of an employer shall be determined in the same manner as under section 1400V—2(c).

''(3) SELF-EMPLOYED INDIVIDUALS.—The rate of tax under section 1401(a) shall be 8.40 percent any taxable year in which such individual was located (determined under section 1400V—2(c) as if such individual were a corporation) in an Economic Freedom Zone.

''(b) TRANSFERS OF FUNDS.—-

''(1) TRANSFERS TO FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND.—There are hereby appropriated to the Federal Old-Age and Survivors Trust Fund and the Federal Disability Insurance Trust Fund established under section 201 of the Social Security Act (42 U.S.C. 401) amounts equal to the reduction in revenues to the Treasury by reason of the application of subsection (a). Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Trust Fund had such amendments not been enacted.

''(2) TRANSFERS TO SOCIAL SECURITY EQUIVALENT BENEFIT ACCOUNT.—There are hereby appropriated to the Social Security Equivalent Benefit Account established under section 15A(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n-1(a)) amounts equal to the reduction in revenues to the Treasury by reason of the application of paragraphs (1) and (2) of subsection (a). Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Account had such amendments not been enacted.

''(3) COORDINATION WITH OTHER FEDERAL LAWS.—For purposes of applying any provision of Federal law other than the provisions of the Internal Revenue Code of 1986, the rate of tax in effect under section 3101(a) shall be determined without regard to the reduction in such rate under this section.

''SEC. 1400V–5. INCREASE IN EXPENSING UNDER SECTION 179.

''(a) IN GENERAL.—In the case of an Economic Freedom Zone business, for purposes of section 179—

''(1) the limitation under section 179(b)(1) shall be increased by the lesser of—

''(A) 200 percent of the amount in effect under such section (determined without regard to this section), or

''(B) the cost of section 179 property which is Economic Freedom Zone business property placed in service during the taxable year, and

''(2) the amount taken into account under section 179(b)(2) with respect to any section 179 property which is Economic Freedom Zone business property shall be 50 percent of the cost thereof.

''(b) ECONOMIC FREEDOM ZONE BUSINESS PROPERTY.—For purposes of this section, the term 'Economic Freedom Zone business property' has the meaning given such term under section 1400V—3(b)(4), except that for purposes of subparagraph (A)(ii) thereof, if property is sold and leased back by the taxpayer within 3 months after the date such property was originally placed in service, such property shall be treated as originally placed in service not earlier than the date on which such property is used under the leaseback

''(c) RECAPTURE.—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified zone property which ceases to be used in an empowerment zone by an enterprise zone business.

''PART II—DEFINITIONS

''Sec. 1400V–6. Economic Freedom Zone.

''SEC. 1400V–6. ECONOMIC FREEDOM ZONE.

''For purposes of this subchapter, the term 'Economic Freedom Zone' means any area which is an Economic Freedom Zone under title II of the Economic Freedom Zone Act.''.

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 1 of such Code is amended by inserting after the item relating to subchapter Y the following new item:

''SUBCHAPTER Z—ECONOMIC FREEDOM ZONES''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

TITLE IV—FEDERAL REGULATORY REDUCTIONS

SEC. 401. SUSPENSION OF CERTAIN LAWS AND REGULATIONS.

(a) ENVIRONMENTAL PROTECTION AGENCY.—For each area designated as an Economic Freedom Zone under this Act, the Administrator of the Environmental Protection Agency shall not enforce, with respect to that Economic Freedom Zone, and the Economic Freedom Zone shall be exempt from compliance with—

(1) part D of the Clean Air Act (42 U.S.C. 7501 et seq.) (including any regulations promulgated under that part);

(2) section 402 of the Federal Water Pollution Control Act (33 U.S.C. 1342);

(3) sections 139, 168, 169, 326, and 327 of title 23, United States Code;

(4) section 304 of title 49, United States Code; and

(5) sections 1315 through 1320 of Public Law 112–141 (126 Stat. 549).

(b) DEPARTMENT OF THE INTERIOR.—

(1) WILD AND SCENIC RIVERS.—For each area designated as an Economic Freedom Zone under this Act, the Secretary of the Interior shall not enforce, with respect to that Economic Freedom Zone, and the Economic Freedom Zone shall be exempt from compliance with the Wild and Scenic Rivers Act (16 U.S.C. 1271 et seq.).

(2) NATIONAL HERITAGE AREAS.—For the period beginning on the date of enactment of this Act and ending on the date on which an area is removed from designation as an Economic Freedom Zone, any National Heritage Area located within that Economic Freedom Zone shall not be considered to be a National Heritage Area and any applicable Federal law (including regulations) relating to that National Heritage Area shall not apply.

TITLE V—EDUCATIONAL ENHANCEMENTS

SEC. 501. EDUCATIONAL OPPORTUNITY TAX CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 25D the following new section:

''SEC. 25E. CREDIT FOR QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified elementary and secondary education expenses of an eligible student.

''(b) LIMITATION.—The amount taken into account under subsection (a) with respect to any student for any taxable year shall not exceed $5,000.

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—The term 'qualified elementary and secondary education expenses' has the meaning given such term under section 530(b)(3).

''(2) ELIGIBLE STUDENT.—The term 'eligible student' means any student who—

''(A) is enrolled in, or attends, any public, private, or religious school (as defined in section 530(b)(3)(B)), and

''(B) whose principal residence (within the meaning of section 123) is located in an Economic Freedom Zone.

''(3) ECONOMIC FREEDOM ZONE.—The term 'Economic Freedom Zone' means any area which is an Economic Freedom Zone under title II of the Economic Freedom Zone Act.''.

(b) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 25D the following new item:

''Sec. 25E. Credit for qualified elementary and secondary education expenses.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures made in taxable years beginning after the date of the enactment of this Act.

SEC. 502. SCHOOL CHOICE THROUGH PORTABILITY.

(a) IN GENERAL.—Subpart 2 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331 et seq.) is amended by adding at the end the following:

''SEC. 1128. SCHOOL CHOICE THROUGH PORTABILITY.

''(a) AUTHORIZATION.—

''(1) IN GENERAL.—Notwithstanding sections 1124, 1124A, and 1125 and any other provision of law, and to the extent permitted under State law, a State educational agency may allocate grant funds under this subpart among the local educational agencies in the State based on the formula described in paragraph (2).

''(2) FORMULA.—A State educational agency may allocate grant funds under this subpart for a fiscal year among the local educational agencies in the State in proportion to the number of eligible children enrolled in public schools served by the local educational agency and enrolled in State-accredited private schools within the local educational agency's geographic jurisdiction, for the most recent fiscal year for which satisfactory data are available, compared to the number of such children in all such local educational agencies for that fiscal year.

''(b) ELIGIBLE CHILD.—

''(1) IN GENERAL.—In this section, the term 'eligible child' means a child—

''(A) from a family with an income below the poverty level, on the basis of the most recent satisfactory data published by the Department of Commerce; and

''(B) who resides in an Economic Freedom Zone as designated under title II of the Economic Freedom Zones Act of 2013.

''(2) CRITERIA OF POVERTY.—In determining the families with incomes below the poverty level for the purposes of paragraph (2), a State educational agency shall use the criteria of poverty used by the Census Bureau in compiling the most recent decennial census.

''(3) IDENTIFICATION OF ELIGIBLE CHILDREN.—On an annual basis, on a date to be determined by the State educational agency, each local educational agency that receives grant funding in accordance with subsection (a) shall inform the State educational agency of the number of eligible children enrolled in public schools served by the local educational agency and enrolled in State-accredited private schools within the local educational agency's geographic jurisdiction.

''(c) DISTRIBUTION TO SCHOOLS.—Each local educational agency that receives grant funding under subsection (a) shall distribute such funds to the public schools served by the local educational agency and State-accredited private schools with the local educational agency's geographic jurisdiction—

''(1) based on the number of eligible children enrolled in such schools; and

''(2) in the manner that would, in the absence of such Federal funds, supplement the funds made available from the non-Federal resources for the education of pupils participating in programs under this part, and not to supplant such funds.''.

(b) TABLE OF CONTENTS.—The table of contents in section 2 of the Elementary and Secondary Education Act of 1965 is amended by inserting after the item relating to section 1127 the following:

''Sec. 1128. School choice through portability.''.

SEC. 503. SPECIAL ECONOMIC FREEDOM ZONE VISAS.

(a) DEFINITIONS.—In this section:

(1) ABANDONED; DILAPIDATED.—The terms ''abandoned'' and ''dilapidated'' shall be defined by the States in accordance with the provisions of this division.

(2) FULL-TIME EMPLOYMENT.—The term ''full-time employment'' means employment in a position that requires at least 35 hours of service per week at any time, regardless of who fills the position.

(b) PURPOSE.—The purpose of this section is to facilitate increased investment and enhanced human capital in Economic Freedom Zones through the issuance of special regional visas.

(c) AUTHORIZATION.—The Secretary of Homeland Security, in collaboration with the Secretary of Labor, may issue Special Economic Freedom Zone Visas, in a number determined by the Governor of each State, in consultation with local officials in regions designated by the Secretary of Treasury as Economic Freedom Zones, to authorize qualified aliens to enter the United States for the purpose of—

(1) engaging in a new commercial enterprise (including a limited partnership)—

(A) in which such alien has invested, or is actively in the process of investing, capital in an amount not less than the amount specified in subsection (d); and

(B) which will benefit the region designated as an Economic Freedom Zone by creating full-time employment of not fewer than 5 United States citizens, aliens lawfully admitted for permanent residence, or other immigrants lawfully authorized to be employed in the United States (excluding the alien and the alien's immediate family);

(2) engaging in the purchase and renovation of dilapidated or abandoned properties or residences (as determined by State and local officials) in which such alien has invested, or is actively in the process of investing, in the ownership of such properties or residences; or

(3) residing and working in an Economic Freedom Zone.

(d) EFFECTIVE PERIOD.—A visa issued to an alien under this section shall expire on the later of—

(1) the date on which the relevant Economic Freedom Zone loses such designation; or

(2) the date that is 5 years after the date on which such visa was issued to such alien.

(e) CAPITAL AND EDUCATIONAL REQUIREMENTS.—

(1) NEW COMMERCIAL ENTERPRISES.—Except as otherwise provided under this section, the minimum amount of capital required to comply with subsection (c)(1)(A) shall be $50,000.

(2) RENOVATION OF DILAPIDATED OR ABANDONED PROPERTIES.—An alien is not in compliance with subsection (c)(2) unless the alien—

(A) purchases a dilapidated or abandoned property in an Economic Freedom Zone; and

(B) not later than 18 months after such purchase, invests not less than $25,000 to rebuild, rehabilitate, or repurpose the property.

(3) VERIFICATION.—A visa issued under subsection (c) shall not remain in effect for more than 2 years unless the Secretary of Homeland Security has verified that the alien has complied with the requirements described in subsection (c).

(4) EDUCATION AND SKILL REQUIREMENTS.—An alien is not in compliance with subsection (c)(3) unless the alien possesses—

(A) a bachelor's degree (or its equivalent) or an advanced degree;

(B) a degree or specialty certification that—

(i) is required for the job the alien will be performing; and

(ii) is specific to an industry or job that is so complex or unique that it can be performed only by an individual with the specialty certification;

(C)(i) the knowledge required to perform the duties of the job the alien will be performing; and

(ii) the nature of the specific duties is so specialized and complex that such knowledge is usually associated with attainment of a bachelor's or higher degree; or

(D) a skill or talent that would benefit the Economic Freedom Zone.

(f) ADDITIONAL PROVISIONS.—

(1) GEOGRAPHIC LIMITATION.—An alien who has been issued a visa under this section is not permitted to live or work outside of an Economic Freedom Zone.

(2) RESCISSION.—A visa issued under this section shall be rescinded if the visa holder resides or works outside of an Economic Freedom Zone or otherwise fails to comply with the provisions of this section.

(3) OTHER VISAS.—An alien who has been issued a visa under this section may apply for any other visa for which the alien is eligible in order to pursue employment outside of an Economic Freedom Zone.

(g) ADJUSTMENT OF STATUS.—The Secretary of Homeland Security may adjust the status of an alien who has been issued a visa under this section to that of an alien lawfully admitted for permanent residence, without numerical limitation, if the alien—

(1) has fully complied with the requirements set forth in this section for at least 5 years;

(2) submits a completed application to the Secretary; and

(3) is not inadmissible to the United States based on any of the factors set forth in section 212(a) of the Immigration and Nationality Act (8 U.S.C. 1182(a)).

SEC. 504. ECONOMIC FREEDOM ZONE EDUCATIONAL SAVINGS ACCOUNTS.

(a) IN GENERAL.—Part VIII of subchapter F of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

"SEC. 530A. ECONOMIC FREEDOM ZONE EDUCATIONAL SAVINGS ACCOUNTS.

''(a) IN GENERAL.—Except as provided in this section, an Economic Freedom Zone educational savings account shall be treated for purposes of this title in the same manner as a Coverdell education savings account.

''(b) DEFINITIONS.—For purposes of this section—

''(1) ECONOMIC FREEDOM ZONE EDUCATIONAL SAVINGS ACCOUNT.—The term 'Economic Freedom Zone educational savings account' means a trust created or organized in the United States exclusively for the purpose of paying the qualified education expenses (as defined in section 530(b)(2)) of an individual who is the designated beneficiary of the trust (and designated as an Economic Freedom Zone educational saving account at the time created or organized) and who is a qualified individual at the time such trust is established, but only if the written governing instrument creating the trust meets the following requirements:

''(A) No contribution will be accepted—

''(i) unless it is in cash,

''(ii) after the date on which such beneficiary attains age 25, or

''(iii) except in the case of rollover contributions, if such contribution would result in aggregate contributions for the taxable year exceeding $10,000.

''(B) No contribution shall be accepted at any time in which the designated beneficiary is not a qualified individual.

''(C) The trust meets the requirements of subparagraphs (B), (C), (D), and (E) of section 530(b)(1).

The age limitations in subparagraphs (A)(ii), subparagraph (E) of section 530(b)(1), and paragraphs (5) and (6) of section 530(d), shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).

''(2) QUALIFIED INDIVIDUAL.—The term 'qualified individual' means any individual whose principal residence (within the meaning of section 121) is located in an Economic Freedom Zone (as defined in section 1400V—6).

''(c) DEDUCTION FOR CONTRIBUTIONS.—

''(1) IN GENERAL.—There shall be allowed as a deduction under part VII of subchapter B of this chapter an amount equal to the aggregate amount of contributions made by the taxpayer to any Economic Freedom Zone educational savings account during the taxable year .

''(2) LIMITATION.—The amount of the deduction allowed under paragraph (1) for any taxpayer for any taxable year shall not exceed $40,000.

''(3) NO DEDUCTION FOR ROLLOVER CONTRIBUTIONS.—No deduction shall be allowed under paragraph (1) for any rollover contribution described in section 530(d)(5).

''(d) OTHER RULES.—

''(1) NO INCOME LIMIT.—In the case of an Economic Freedom Zone educational savings account, subsection (c) of section 530 shall not apply.

''(2) CHANGE IN BENEFICIARIES.—Notwithstanding paragraph (6) of section 530(b), a change in the beneficiary of an Economic Freedom Zone education savings account shall be treated as a distribution unless the new beneficiary is a qualified individual.''.

(b) CLERICAL AMENDMENT.—The table of sections for part VIII of subchapter F of chapter 1 of such Code is amended by adding at the end the following new item:

''Sec. 530A. Economic Freedom Zone educational savings accounts.''.

TITLE VI—COMMUNITY ASSISTANCE AND REBUILDING

SEC. 601. NONAPPLICATION OF DAVIS-BACON.

The wage rate requirements of subchapter IV of chapter 31 of title 40, United States Code (commonly referred to as the ''Davis-Bacon Act''), shall not apply with respect to any area designated as an Economic Freedom Zone under this Act.

SEC. 602. ECONOMIC FREEDOM ZONE CHARITABLE TAX CREDIT.

(a) IN GENERAL.—Section 170 is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

''(o) ELECTION TO TREAT CONTRIBUTIONS FOR ECONOMIC FREEDOM ZONE CHARITIES AS A CREDIT.—

''(1) IN GENERAL.—In the case of an individual, at the election of the taxpayer, so much of the deduction allowed under subsection (a) (determined without regard to this subsection) which is attributable to Economic Freedom Zone charitable contributions—

''(A) shall be allowed as a credit against the tax imposed by this chapter for the taxable year, and

''(B) shall not be allowed as a deduction for such taxable year under subsection (a).

Any amount allowable as a credit under this subsection shall be treated as a credit allowed under subpart A of part IV of subchapter A for purposes of this title.

''(2) AMOUNT ATTRIBUTABLE TO ECONOMIC FREEDOM ZONE CHARITABLE CONTRIBUTIONS.—For purposes of paragraph (1)—

''(A) IN GENERAL.—In any case in which the total charitable contributions of a taxpayer for a taxable year exceed the contribution base, the amount of Economic Freedom Zone charitable contributions taken into account under paragraph (1) shall be the amount which bears the same ratio to the total charitable contributions made by the taxpayer during such taxable year as the amount of the deduction allowed under subsection (a) (determined without regard to this subsection and after application of subsection (b)) bears to the total charitable contributions made by the taxpayer for such taxable year.

''(B) CARRYOVERS.—In the case of any contribution carried from a preceding taxable year under subsection (d), such amount shall be treated as attributable to an Economic Freedom Zone charitable contribution in the amount that bears the same ratio to the total amount carried from preceding taxable years under subsection (d) as the amount of Economic Freedom Zone charitable contributions not allowed as a deduction under subsection (a) (other than by reason of this subsection) for the preceding 5 taxable year bears to total amount carried from preceding taxable years under subsection (d).

''(3) ECONOMIC FREEDOM ZONE CHARITABLE CONTRIBUTION.—The term 'Economic Freedom Zone charitable contribution' means any contribution to a corporation, trust, or community chest fund, or foundation described in subsection (c)(2), but only if—

''(A) such entity is created or organized exclusively for—

''(i) religious purposes,

''(ii) educational purposes, or

''(iii) any of the following charitable purposes: providing educational scholarships, providing shelters for homeless individuals, or setting up or maintaining food banks,

''(B) the primary mission of such entity is serving individuals in an Economic Freedom Zone,

''(C) the entity maintains accountability to residents of such Economic Freedom Zone through their representation on any governing board of the entity or any advisory board to the entity, and

''(D) the entity is certified by the Secretary for purposes of this subsection.

Such term shall not include any contribution made to an entity described in the preceding sentence after the date in which the designation of the Economic Freedom Zone serviced by such entity lapses.

''(4) ECONOMIC FREEDOM ZONE.—The term 'Economic Freedom Zone' means any area which is an Economic Freedom Zone under title II of the Economic Freedom Zone Act.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

TITLE VII—STATE AND COMMUNITY POLICY RECOMMENDATIONS

SEC. 701. SENSE OF THE SENATE CONCERNING POLICY RECOMMENDATIONS.

It is the sense of the Senate that State and local governments should review and adopt the following policy recommendations:

(1) PENSION REFORM.—State and local governments should—

(A) implement reforms to address any fiscal shortfall in public pension funding, including utilizing accrual accounting methods, such as those reforms undertaken by the private sector pension funds; and

(B) restructure and renegotiate any public pension fund that is deemed to be insolvent or underfunded, including adopting defined contribution retirement systems.

(2) TAXES.—State and local governments should reduce jurisdictional tax rates below the national average in order to help facilitate capital investment and economic growth, particularly in combination with the provisions of this division.

(3) EDUCATION.—State and local governments should adopt school choice options to provide children and parents more educational choices, particularly in impoverished areas.

(4) COMMUNITIES.—State and local governments should adopt right-to-work laws to allow more competitiveness and more flexibility for businesses to expand.

(5) REGULATIONS.—State and local governments should streamline the regulatory burden on families and businesses, including streamlining the opportunities for occupational licensing.

(6) ABANDONED STRUCTURES.—State and local governments should consider the following options to reduce or fix areas with abandoned properties or residences:

(A) In the case of foreclosures, tax notifications should be sent to both the lien holder (if different than the homeowner) and the homeowner.

(B) Where State constitutions permit, property tax abatement or credits should be provided for individuals who purchase or invest in abandoned or dilapidated properties.

(C) Non-profit or charity demolition entities should be permitted or encouraged to help remove abandoned properties.

(D) Government or municipality fees and penalties should be limited, and be proportional to the outstanding tax amount and the ability to pay.

(E) The sale of tax liens to third parties should be reviewed, and where available, should prohibit the selling of tax liens below a certain threshold (for example the prohibition of the sale of tax liens to third parties under $1,000).

SA 2615. Mr. INHOFE (for himself, Mr. MCCONNELL, Mr. VITTER, Mr. BLUNT, and Mr. CORNYN) submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

On page 6, after line 11, add the following:

SEC. 7. ANALYSIS OF EMPLOYMENT EFFECTS UNDER THE CLEAN AIR ACT.

(a) FINDINGS.—Congress finds that—

(1) the Environmental Protection Agency has systematically distorted the true impact of the regulations of the Agency on job creation by using incomplete analyses to assess effects on employment and failing to take into account the cascading effects of a regulatory change across interconnected industries and markets nationwide;

(2) although in many instances, the Environmental Protection Agency has stated that the impact of certain regulations will result in net job creation, implementation of the regulations will actually require billions of dollars in compliance costs, resulting in reduced business profits and millions of actual job losses;

(3)(A) the analysis of the Environmental Protection Agency of the final rule of the Agency entitled ''National Emission Standards for Hazardous Air Pollutants From Coal- and Oil-Fired Electric Utility Steam Generating Units and Standards of Performance for Fossil-Fuel-Fired Electric Utility, Industrial-Commercial-Institutional, and Small Industrial-Commercial-Institutional Steam Generating Units'' (77 Fed. Reg. 9304 (Feb. 16, 2012)) estimated that implementation of the final rule would result in the creation of 46,000 temporary construction jobs and 8,000 net new permanent jobs; but

(B) a private study conducted by NERA Economic Consulting, using a ''whole economy'' model, estimated that implementation of the final rule described in subparagraph (A) would result in a negative impact on the income of workers in an amount equivalent to 180,000 to 215,000 lost jobs in 2015 and 50,000 to 85,000 lost jobs each year thereafter;

(4)(A) the analysis of the Environmental Protection Agency of the final rule of the Agency entitled ''Federal Implementation Plans: Interstate Transport of Fine Particulate Matter and Ozone and Correction of SIP Approvals'' (76 Fed. Reg. 48208 (Aug. 8, 2011)) estimated that implementation of the final rule would result in the creation of 700 jobs per year; but

(B) a private study conducted by NERA Economic Consulting estimated that implementation of the final rule described in subparagraph (A) would result in the elimination of a total of 34,000 jobs during the period beginning in calendar year 2013 and ending in calendar year 2037;

(5)(A) the analysis of the Environmental Protection Agency of the final rules of the Agency entitled ''National Emission Standards for Hazardous Air Pollutants for Major Sources: Industrial, Commercial, and Institutional Boilers and Process Heaters'' (76 Fed. Reg. 15608 (March 21, 2011)) and ''National Emission Standards for Hazardous Air Pollutants for Area Sources: Industrial, Commercial, and Institutional Boilers'' (76 Fed. Reg. 15554 (March 21, 2011)) estimated that implementation of the final rules would result in the creation of 2,200 jobs per year; but

(B) a private study conducted NERA Economic Consulting estimated that implementation of the final rules described in subparagraph (A) would result in the elimination of 28,000 jobs per year during the period beginning in calendar year 2013 and ending in calendar year 2037;

(6) implementation of certain rules of the Environmental Protection Agency that have not been updated or finalized as of the date of enactment of this Act, such as an update of the rules of the Agency relating to greenhouse gases and national ambient air quality standards, will result in significant and negative employment impacts, but the Agency has not yet fully studied or disclosed those impacts;

(7) in developing or updating any regulations after the date of enactment of this Act, the Environmental Protection Agency must be required to fully study the adverse impact those regulations will have on jobs and employment levels in the United States and disclose those impacts to the people of the United States before issuing a final rule; and

(8) although since 1977, section 321(a) of the Clean Air Act (42 U.S.C. 7621(a)) has required the Administrator of the Environmental Protection Agency to ''conduct continuing evaluations of potential loss or shifts of employment which may result from the administration or enforcement of the provision of [the Clean Air Act] and applicable implementation plans, including where appropriate, investigating threatened plant closures or reductions in employment allegedly resulting from such administration or enforcement'', the Environmental Protection Agency has failed to conduct any study that considers the impact of programs carried out under the Clean Air Act (42 U.S.C. 7401 et seq.) on jobs and changes in employment.

(b) PROHIBITION.—The Administrator of the Environmental Protection Agency shall not issue any final rule until the date on which the Administrator—

(1) completes a full economic analysis pursuant to section 321(a) of the Clean Air Act (42 U.S.C. 7621(a)); and

(2) establishes a process to update that analysis not less frequently than quarterly.

SA 2616. Mr. PORTMAN (for himself and Mr. TOOMEY) submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 7. AUTHORITY TO USE ANY DISCRETIONARY APPROPRIATIONS AVAILABLE TO THE SECRETARY OF LABOR TO CONDUCT IN-PERSON REEMPLOYMENT AND UNEMPLOYMENT INSURANCE ELIGIBILITY ASSESSMENTS FOR UNEMPLOYMENT INSURANCE BENEFICIARIES.

(a) AUTHORITY.—Notwithstanding any other provision of law, the Secretary of Labor may, for fiscal years 2014 through 2023, use any discretionary appropriations available to the Secretary to conduct in-person reemployment and unemployment insurance eligibility assessments for unemployment insurance beneficiaries.

(b) LIMITATION.—Amounts used in a fiscal year pursuant to the authority under subsection (a) may not exceed the following:

(1) $20,000,000 for fiscal year 2014.
(2) $25,000,000 for fiscal year 2015.
(3) $30,000,000 for fiscal year 2016.
(4) $35,000,000 for fiscal year 2017.
(5) $36,000,000 for fiscal year 2018.
(6) $37,000,000 for fiscal year 2019.
(7) $38,000,000 for fiscal year 2020.
(8) $39,000,000 for fiscal year 2021.
(9) $40,000,000 for fiscal year 2022.
(10) $41,000,000 for fiscal year 2023.

SEC. 8. DISQUALIFICATION ON RECEIPT OF DISABILITY INSURANCE BENEFITS IN A MONTH FOR WHICH UNEMPLOYMENT COMPENSATION IS RECEIVED.

(a) IN GENERAL.—Section 223(d)(4) of the Social Security Act (42 U.S.C. 423(d)(4)) is amended by adding at the end the following:

''(C)(i) If for any month an individual is entitled to unemployment compensation, such individual shall be deemed to have engaged in substantial gainful activity for such month.

''(ii) For purposes of clause (i), the term 'unemployment compensation' means—

''(I) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(II) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(b) TRIAL WORK PERIOD.—Section 222(c) of the Social Security Act (42 U.S.C. 422(c)) is amended by adding at the end the following:

''(6)(A) For purposes of this subsection, an individual shall be deemed to have rendered services in a month if the individual is entitled to unemployment compensation for such month.

''(B) For purposes of subparagraph (A), the term 'unemployment compensation' means—

''(i) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(ii) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(c) DATA MATCHING.—The Commissioner of Social Security shall implement the amendments made by this section using appropriate electronic data.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to months after December 2014.

SA 2617. Mr. COATS submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

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

(a) IN GENERAL.—Paragraph (1) of section 4001(h) of the Supplemental Appropriations Act, 2008 (Public Law 110-252; 26 U.S.C. 3304 note) is amended—

(1) in subparagraph (B), by striking ''has engaged in an active search for employment'' and inserting ''has actively engaged in a systematic and sustained effort to obtain employment''; and

(2) by amending subparagraph (D) to read as follows:

''(D) when requested by the State agency, has demonstrated active engagement in a systematic and sustained effort to obtain employment, as determined based on evidence (whether in electronic format or otherwise) satisfactory to the State agency.''.

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

SA 2618. Mrs. SHAHEEN (for herself, Mr. SCHATZ, Ms. HIRONO, Mr. BLUMENTHAL, Mr. WARNER, Mr. UDALL of New Mexico, Mr. COONS, Mr. BEGICH, Ms. LANDRIEU, Ms. BALDWIN, Mr. KAINE, Mr. FRANKEN, and Mr. MERKLEY) submitted an amendment intended to be proposed by her to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 7. REPEAL OF REDUCTIONS MADE BY BIPARTISAN BUDGET ACT OF 2013.

Section 403 of the Bipartisan Budget Act of 2013 is repealed as of the date of the enactment of such Act.

SEC. 8. TREATMENT OF FOREIGN CORPORATIONS MANAGED AND CONTROLLED IN THE UNITED STATES AS DOMESTIC CORPORATIONS.

(a) IN GENERAL.—Section 7701 of the Internal Revenue Code of 1986 is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

''(p) CERTAIN CORPORATIONS MANAGED AND CONTROLLED IN THE UNITED STATES TREATED AS DOMESTIC FOR INCOME TAX.—

''(1) IN GENERAL.—Notwithstanding subsection (a)(4), in the case of a corporation described in paragraph (2) if—

''(A) the corporation would not otherwise be treated as a domestic corporation for purposes of this title, but

''(B) the management and control of the corporation occurs, directly or indirectly, primarily within the United States,

then, solely for purposes of chapter 1 (and any other provision of this title relating to chapter 1), the corporation shall be treated as a domestic corporation.

''(2) CORPORATION DESCRIBED.—

''(A) IN GENERAL.—A corporation is described in this paragraph if—

''(i) the stock of such corporation is regularly traded on an established securities market, or

''(ii) the aggregate gross assets of such corporation (or any predecessor thereof), including assets under management for investors, whether held directly or indirectly, at any time during the taxable year or any preceding taxable year is $50,000,000 or more.

''(B) GENERAL EXCEPTION.—A corporation shall not be treated as described in this paragraph if—

''(i) such corporation was treated as a corporation described in this paragraph in a preceding taxable year,

''(ii) such corporation—

''(I) is not regularly traded on an established securities market, and

''(II) has, and is reasonably expected to continue to have, aggregate gross assets (including assets under management for investors, whether held directly or indirectly) of less than $50,000,000, and

''(iii) the Secretary grants a waiver to such corporation under this subparagraph.

''(3) MANAGEMENT AND CONTROL.—

''(A) IN GENERAL.—The Secretary shall prescribe regulations for purposes of determining cases in which the management and control of a corporation is to be treated as occurring primarily within the United States.

''(B) EXECUTIVE OFFICERS AND SENIOR MANAGEMENT.—Such regulations shall provide that—

''(i) the management and control of a corporation shall be treated as occurring primarily within the United States if substantially all of the executive officers and senior management of the corporation who exercise day-to-day responsibility for making decisions involving strategic, financial, and operational policies of the corporation are located primarily within the United States, and

''(ii) individuals who are not executive officers and senior management of the corporation (including individuals who are officers or employees of other corporations in the same chain of corporations as the corporation) shall be treated as executive officers and senior management if such individuals exercise the day-to-day responsibilities of the corporation described in clause (i).

''(C) CORPORATIONS PRIMARILY HOLDING INVESTMENT ASSETS.—Such regulations shall also provide that the management and control of a corporation shall be treated as occurring primarily within the United States if—

''(i) the assets of such corporation (directly or indirectly) consist primarily of assets being managed on behalf of investors, and

''(ii) decisions about how to invest the assets are made in the United States.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning on or after the date which is 2 years after the date of the enactment of this Act, whether or not regulations are issued under section 7701(p)(3) of the Internal Revenue Code of 1986, as added by this section.

SA 2619. Mr. PORTMAN submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 7. AUTHORITY TO USE ANY DISCRETIONARY APPROPRIATIONS AVAILABLE TO THE SECRETARY OF LABOR TO CONDUCT IN-PERSON REEMPLOYMENT AND UNEMPLOYMENT INSURANCE ELIGIBILITY ASSESSMENTS FOR UNEMPLOYMENT INSURANCE BENEFICIARIES.

(a) AUTHORITY.—Notwithstanding any other provision of law, the Secretary of Labor may, for fiscal years 2014 through 2023, use any discretionary appropriations available to the Secretary to conduct in-person reemployment and unemployment insurance eligibility assessments for unemployment insurance beneficiaries.

(b) LIMITATION.—Amounts used in a fiscal year pursuant to the authority under subsection (a) may not exceed the following:

(1) $20,000,000 for fiscal year 2014.

(2) $25,000,000 for fiscal year 2015.
(3) $30,000,000 for fiscal year 2016.
(4) $35,000,000 for fiscal year 2017.
(5) $36,000,000 for fiscal year 2018.
(6) $37,000,000 for fiscal year 2019.
(7) $38,000,000 for fiscal year 2020.
(8) $39,000,000 for fiscal year 2021.
(9) $40,000,000 for fiscal year 2022.
(10) $41,000,000 for fiscal year 2023.

SA 2620. Mr. TOOMEY submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

Strike sections 2 through 6 and insert the following:

SEC. 2. EXTENSION AND MODIFICATION OF THE EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM.

(a) EXTENSION.—Section 4007 of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

(1) in subsection (a)(2), by striking ''January 1, 2014'' and inserting ''January 1, 2015''; and

(2) by striking subsection (b) and inserting the following:

''(b) PAYMENT OF AMOUNTS REMAINING IN ACCOUNT.—

''(1) IN GENERAL.—Subject to paragraph (2), in the case of an individual who has amounts remaining in an account established under section 4002 as of the last day of the last week (as determined in accordance with the applicable State law) ending on or before January 1, 2015, the following rules shall apply:

''(A) Taking into account any augmentation under subparagraph (B), emergency unemployment compensation shall continue to be payable to such individual under this title for any week beginning after such last day as long as the individual meets the eligibility requirements of this title.

''(B) Augmentation under subsection (c), (d), and (e) of section 4002 may occur after such date as long as the requirements for such augmentation are otherwise met.

''(2) LIMIT ON COMPENSATION.—No compensation under this title shall be payable for any week beginning after October 3, 2015.''.

(b) MODIFICATIONS RELATING TO WEEKS OF EMERGENCY UNEMPLOYMENT COMPENSATION.—

(1) FIRST TIER.—Section 4002(b) of the Supplemental Appropriations Act, 2008 (26 U.S.C. 3304 note; Public Law 110–252) is amended—

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

''(1) IN GENERAL.—The amount established in an account under subsection (a) shall be equal to—

''(A) for an account established after December 28, 2013, and before March 30, 2014, the lesser of—

''(i) 54 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 14 times the individual's average weekly benefit amount for the benefit year;

''(B) for an account established after March 29, 2014, and before June 29, 2014, the lesser of—

''(i) 43 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 11 times the individual's average weekly benefit amount for the benefit year;

''(C) for an account established after June 28, 2014, and before September 27, 2014, the lesser of—

''(i) 27 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 7 times the individual's average weekly benefit amount for the benefit year; or

''(D) for an account established after September 26, 2014, and before January 1, 2015, the lesser of—

''(i) 16 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 4 times the individual's average weekly benefit amount for the benefit year.'';

(B) by striking paragraph (3); and

(C) by redesignating paragraph (3) as paragraph (2).

(2) SECOND TIER.—Section 4002(c)(1) of the Supplemental Appropriations Act, 2008 (26 U.S.C. 3304 note; Public Law 110–252) is amended by striking subparagraphs (A) and (B) and inserting the following:

''(A) for an account established under subsection (a) after December 28, 2013, and before March 30, 2014, the lesser of—

''(i) 54 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 14 times the individual's average weekly benefit amount for the benefit year;

''(B) for an account established under subsection (a) after March 29, 2014, and before June 29, 2014, the lesser of—

''(i) 43 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 11 times the individual's average weekly benefit amount for the benefit year;

''(C) for an account established under subsection (a) after June 28, 2014, and before September 27, 2014, the lesser of—

''(i) 27 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 7 times the individual's average weekly benefit amount for the benefit year; or

''(D) for an account established under subsection (a) after September 26, 2014, and before January 1, 2015, the lesser of—

''(i) 16 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 4 times the individual's average weekly benefit amount for the benefit year.''.

(3) THIRD TIER.—Section 4002(d) of the Supplemental Appropriations Act, 2008 (26 U.S.C. 3304 note; Public Law 110–252) is amended—

(A) in paragraph (1), by striking subparagraphs (A) and (B) and inserting the following:

''(A) for an account established under subsection (a) after December 28, 2013, and before March 30, 2014, the lesser of—

''(i) 35 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 9 times the individual's average weekly benefit amount for the benefit year;

''(B) for an account established under subsection (a) after March 29, 2014, and before June 29, 2014, the lesser of—

''(i) 27 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 7 times the individual's average weekly benefit amount for the benefit year;

''(C) for an account established under subsection (a) after June 28, 2014, and before September 27, 2014, the lesser of—

''(i) 20 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 5 times the individual's average weekly benefit amount for the benefit year;

''(D) for an account established under subsection (a) after September 26, 2014, and before January 1, 2015, the lesser of—

''(i) 12 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 3 times the individual's average weekly benefit amount for the benefit year.''; and (B) by striking paragraph (5).

(4) FOURTH TIER.—Section 4002(e) of the Supplemental Appropriations Act, 2008 (26 U.S.C. 3304 note; Public Law 110–252) is amended—

(A) in paragraph (1), by striking subparagraphs (A) and (B) and inserting the following:

''(A) for an account established under subsection (a) after December 28, 2013, and before March 30, 2014, the lesser of—

''(i) 39 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 10 times the individual's average weekly benefit amount for the benefit year;

''(B) for an account established under subsection (a) after March 29, 2014, and before June 29, 2014, the lesser of—

''(i) 27 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 7 times the individual's average weekly benefit amount for the benefit year;

''(C) for an account established under subsection (a) after June 28, 2014, and before September 27, 2014, the lesser of—

''(i) 20 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 5 times the individual's average weekly benefit amount for the benefit year; or

''(D) for an account established after September 26, 2014, and before January 1, 2015, the lesser of—

''(i) 12 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under such law; or

''(ii) 3 times the individual's average weekly benefit amount for the benefit year.''; and

(B) by striking paragraph (5).

(c) FUNDING.—Section 4004(e)(1) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

(1) in subparagraph (I), by striking ''and'' at the end;

(2) in subparagraph (J), by inserting ''and'' at the end; and

(3) by inserting after subparagraph (J) the following:

''(K) the amendments made by subsections (a) and (b) of section 2 of the Emergency Unemployment Compensation Extension Act;''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to weeks of unemployment beginning on or after December 29, 2013.

SEC. 3. DISQUALIFICATION ON RECEIPT OF DISABILITY INSURANCE BENEFITS IN A MONTH FOR WHICH UNEMPLOYMENT COMPENSATION IS RECEIVED.

(a) IN GENERAL.—Section 223(d)(4) of the Social Security Act (42 U.S.C. 423(d)(4)) is amended by adding at the end the following:

''(C)(i) If for any month an individual is entitled to unemployment compensation, such individual shall be deemed to have engaged in substantial gainful activity for such month.

''(ii) For purposes of clause (i), the term 'unemployment compensation' means—

''(I) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(II) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(b) TRIAL WORK PERIOD.—Section 222(c) of the Social Security Act (42 U.S.C. 422(c)) is amended by adding at the end the following:

''(6)(A) For purposes of this subsection, an individual shall be deemed to have rendered services in a month if the individual is entitled to unemployment compensation for such month.

''(B) For purposes of subparagraph (A), the term 'unemployment compensation' means—

''(i) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(ii) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(c) DATA MATCHING.—The Commissioner of Social Security shall implement the amendments made by this section using appropriate electronic data.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to months after December 2013.

SEC. 4. SOCIAL SECURITY NUMBER REQUIRED TO CLAIM THE REFUNDABLE PORTION OF THE CHILD TAX CREDIT.

(a) IN GENERAL.—Subsection (d) of section 24 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(5) IDENTIFICATION REQUIREMENT WITH RESPECT TO TAXPAYER—

''(A) IN GENERAL.—Paragraph (1) shall not apply to any taxpayer for any taxable year unless the taxpayer includes the taxpayer's Social Security number on the return of tax for such taxable year.

''(B) JOINT RETURNS.—In the case of a joint return, the requirement of subparagraph (A) shall be treated as met if the Social Security number of either spouse is included on such return.''.

(b) OMISSION TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Subparagraph (I) of section 6213(g)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

''(I) an omission of a correct Social Security number required under section 24(d)(5) (relating to refundable portion of child tax credit), or a correct TIN under section 24(e) (relating to child tax credit), to be included on a return,''.

(c) CONFORMING AMENDMENT.—Subsection (e) of section 24 of the Internal Revenue Code of 1986 is amended by inserting ''With Respect to Qualifying Children'' after ''Identification Requirement'' in the heading thereof,

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

SEC. 5. LIMITATION ON PAYMENT OF PORTION OF PREMIUM BY FEDERAL CROP INSURANCE CORPORATION.

Section 508(e) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)) is amended by adding at the end the following:

''(8) LIMITATION.—

''(A) IN GENERAL.—Notwithstanding any other provision of this title, the total amount of premium paid by the Corporation on behalf of a person or legal entity, directly or indirectly, with respect to all policies issued to the person or legal entity under this title for a crop year shall be limited to a maximum of $50,000.

''(B) RELATIONSHIP TO OTHER LAW.—To the maximum extent practicable, the Corporation shall carry out this paragraph in accordance with sections 1001 through 1001F of the Food Security Act of 1985 (7 U.S.C. 1308 et seq.).''.

SA 2621. Mr. PORTMAN submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 7. UNFUNDED MANDATES ACCOUNTABILITY.

(a) FINDINGS.—Congress finds the following:

(1) The public has a right to know the benefits and costs of regulation. Effective regulatory programs provide important benefits to the public, including protecting the environment, worker safety, and human health. Regulations also impose significant costs on individuals, employers, State, local, and tribal governments, diverting resources from other important priorities.

(2) Better regulatory analysis and review should improve the quality of agency decisions, increasing the benefits and reducing unwarranted costs of regulation.

(3) Disclosure and scrutiny of key information underlying agency decisions should make Government more accountable to the public it serves.

(b) REGULATORY IMPACT ANALYSES FOR CERTAIN RULES.—

(1) REGULATORY IMPACT ANALYSES FOR CERTAIN RULES.—Section 202 of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1532) is amended—

(A) by striking the section heading and inserting the following:

''SEC. 202. REGULATORY IMPACT ANALYSES FOR CERTAIN RULES.'';

(B) by redesignating subsections (b) and (c) as subsections (d) and (e), respectively;

(C) by striking subsection (a) and inserting the following:

''(a) DEFINITION.—In this section, the term 'cost' means the cost of compliance and any reasonably foreseeable indirect costs, including revenues lost as a result of an agency rule subject to this section.

''(b) IN GENERAL.—Before promulgating any proposed or final rule that may have an annual effect on the economy of $100,000,000 or more (adjusted for inflation), or that may result in the expenditure by State, local, and tribal governments, in the aggregate, of $100,000,000 or more (adjusted for inflation) in any 1 year, each agency shall prepare and publish in the Federal Register an initial and final regulatory impact analysis. The initial regulatory impact analysis shall accompany the agency's notice of proposed rulemaking and shall be open to public comment. The final regulatory impact analysis shall accompany the final rule.

''(c) CONTENT.—The initial and final regulatory impact analysis under subsection (b) shall include—

''(1)(A) an analysis of the anticipated benefits and costs of the rule, which shall be quantified to the extent feasible;

''(B) an analysis of the benefits and costs of a reasonable number of regulatory alternatives within the range of the agency's discretion under the statute authorizing the rule, including alternatives that—

''(i) require no action by the Federal Government; and

''(ii) use incentives and market-based means to encourage the desired behavior, provide information upon which choices can be made by the public, or employ other flexible regulatory options that permit the greatest flexibility in achieving the objectives of the statutory provision authorizing the rule; and

''(C) an explanation that the rule meets the requirements of section 205;

''(2) an assessment of the extent to which—

''(A) the costs to State, local and tribal governments may be paid with Federal financial assistance (or otherwise paid for by the Federal Government); and

''(B) there are available Federal resources to carry out the rule;

''(3) estimates of—

''(A) any disproportionate budgetary effects of the rule upon any particular regions of the Nation or particular State, local, or tribal governments, urban or rural or other types of communities, or particular segments of the private sector; and

''(B) the effect of the rule on job creation or job loss, which shall be quantified to the extent feasible; and

''(4)(A) a description of the extent of the agency's prior consultation with elected representatives (under section 204) of the affected State, local, and tribal governments;

''(B) a summary of the comments and concerns that were presented by State, local, or tribal governments either orally or in writing to the agency; and

''(C) a summary of the agency's evaluation of those comments and concerns.'';

(D) in subsection (d) (as redesignated by subparagraph (B)), by striking ''subsection (a)'' and inserting ''subsection (b)''; and

(E) in subsection (e) (as redesignated by subparagraph (B)), by striking ''subsection (a)'' each place that term appears and inserting ''subsection (b)''.

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for the Unfunded Mandates Reform Act of 1995 is amended by striking the item relating to section 202 and inserting the following:

''Sec. 202. Regulatory impact analyses for certain rules.''.

(c) LEAST BURDENSOME OPTION OR EXPLANATION REQUIRED.—Section 205 of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1535) is amended by striking section 205 and inserting the following:

''SEC. 205. LEAST BURDENSOME OPTION OR EXPLANATION REQUIRED.

''Before promulgating any proposed or final rule for which a regulatory impact analysis is required under section 202, the agency shall—

''(1) identify and consider a reasonable number of regulatory alternatives within the range of the agency's discretion under the statute authorizing the rule, including alternatives required under section 202(b)(1)(B); and

''(2) from the alternatives described under paragraph (1), select the least costly, most cost-effective, or least burdensome alternative that achieves the objectives of the statute.''.

(d) INCLUSION OF APPLICATION TO INDEPENDENT REGULATORY AGENCIES.—

(1) IN GENERAL.—Section 421(1) of the Congressional Budget and Impoundment Control

Act of 1974 (2 U.S.C. 658(1)) is amended by striking '', but does not include independent regulatory agencies''.

(2) EXEMPTION FOR MONETARY POLICY.—The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1501 et seq.) is amended by inserting after section 5 the following:

''SEC. 6. EXEMPTION FOR MONETARY POLICY.

''Nothing in title II, III, or IV shall apply to rules that concern monetary policy proposed or implemented by the Board of Governors of the Federal Reserve System or the Federal Open Market Committee.''.

(e) JUDICIAL REVIEW.—The Unfunded Mandates Reform Act of 1995 is amended by striking section 401 (2 U.S.C. 1571) and inserting the following:

''SEC. 401. JUDICIAL REVIEW.

''(a) IN GENERAL.—For any rule subject to section 202, a party aggrieved by final agency action is entitled to judicial review of an agency's analysis under and compliance with subsections (b)and (c)(1) of section 202 and section 205. The scope of review shall be governed by chapter 7 of title 5, United States Code.

''(b) JURISDICTION.—Each court having jurisdiction to review a rule subject to section 202 for compliance with section 553 of title 5, United States Code, or under any other provision of law, shall have jurisdiction to review any claims brought under subsection (a) of this section.

''(c) RELIEF AVAILABLE.—In granting relief in an action under this section, the court shall order the agency to take remedial action consistent with chapter 7 of title 5, United States Code, including remand and vacatur of the rule.''.

(f) EFFECTIVE DATE.—This section shall take effect 90 days after the date of enactment of this Act.

SA 2622. Mr. THUNE (for himself, Mr. CHAMBLISS, and Mrs. FISCHER) submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Solutions to Long-Term Unemployment Act''.

TITLE I—EXEMPTION FROM AFFORDABLE CARE ACT MANDATE FOR LONG-TERM UNEMPLOYED

SEC. 101. LONG-TERM UNEMPLOYED INDIVIDUALS NOT TAKEN INTO ACCOUNT FOR EMPLOYER HEALTH CARE COVERAGE MANDATE.

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

''(C) EXCEPTION FOR LONG-TERM UNEMPLOYED INDIVIDUALS.—The term 'full-time employee' shall not include any individual who is a long-term unemployed individual (as defined in section 3111(d)(3)) with respect to such employer.''.

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

TITLE II—EMPLOYER PAYROLL TAX HOLIDAY FOR LONG-TERM UNEMPLOYED

SEC. 201. EMPLOYER PAYROLL TAX HOLIDAY FOR LONG-TERM UNEMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Subsection (d) of section 3111 of the Internal Revenue Code of 1986 is amended to read as follows:

''(d) SPECIAL RULE FOR LONG-TERM UNEMPLOYED INDIVIDUALS.—

''(1) IN GENERAL.—Subsection (a) shall not apply to wages paid by a qualified employer with respect to employment during the applicable period of any long-term unemployed individual for services performed—

''(A) in a trade or business of such employer, or

''(B) in the case of an employer exempt from taxation under section 501(a), in furtherance of activities related to the purpose or function constituting the basis of the employer's exemption under section 501.

''(2) QUALIFIED EMPLOYER.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified employer' means any employer other than the United States, any State, or any political subdivision thereof, or any instrumentality of the foregoing.

''(B) TREATMENT OF EMPLOYEES OF POST-SECONDARY EDUCATIONAL INSTITUTIONS.—Notwithstanding subparagraph (A), the term 'qualified employer' includes any employer which is a public institution of higher education (as defined in section 101(b) of the Higher Education Act of 1965).

''(3) LONG-TERM UNEMPLOYED INDIVIDUAL.—For purposes of this subsection, the term 'long-term unemployed individual' means, with respect to any employer, an individual who—

''(A) begins employment with such employer after the date of the enactment of the Solutions to Long-Term Unemployment Act, and

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

''(4) APPLICABLE PERIOD.—The term 'applicable period' means the period beginning on the date of the enactment of the Solutions to Long-Term Unemployment Act, and ending on the earlier of—

''(A) the date that is 2 years after such date of enactment, or

''(B) the first day of the first month after the date on which the Secretary of Labor certifies that the total number of individuals in the United States who have been unemployed for 27 weeks or longer is less than 2,000,000.

''(5) ELECTION.—An employer may elect to have this subsection not apply. Such election shall be made in such manner as the Secretary may require.''.

(b) COORDINATION WITH WORK OPPORTUNITY CREDIT.—Section 51(c)(5) of the Internal Revenue Code of 1986 is amended to read as follows:

''(5) COORDINATION WITH PAYROLL TAX FORGIVENESS.—The term 'wages' shall not include any amount paid or incurred to a long-term unemployed individual (as defined in section 3111(d)(3)) during the 1-year period beginning on the hiring date of such individual by a qualified employer (as defined in section 3111(d)) unless such qualified employer makes an election not to have section 3111(d) apply.''.

(c) TRANSFERS TO FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND.—There are hereby appropriated to the Federal Old-Age and Survivors Trust Fund and the Federal Disability Insurance Trust Fund established under section 201 of the Social Security Act (42 U.S.C. 401) amounts equal to the reduction in revenues to the Treasury by reason of the amendments made by subsection (a). Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Trust Fund had such amendments not been enacted.

(d) APPLICATION TO RAILROAD RETIREMENT TAXES.—

(1) IN GENERAL.—Subsection (c) of section 3221 of the Internal Revenue Code of 1986 is amended to read as follows:

''(c) SPECIAL RULE FOR LONG-TERM UNEMPLOYED INDIVIDUALS.—

''(1) IN GENERAL.—In the case of compensation paid by an employer during the applicable period, with respect to having a long-term unemployed individual in the employer's employ for services rendered to such employer, the applicable percentage under subsection (a) shall be equal to the rate of tax in effect under section 3111(b) for the calendar year.

''(2) QUALIFIED EMPLOYER.—For purposes of this subsection, the term 'qualified employer' means any employer other than the United States, any State, or any political subdivision thereof, or any instrumentality of the foregoing.

''(3) LONG-TERM UNEMPLOYED INDIVIDUAL.—For purposes of this subsection, the term 'long-term unemployed individual' means, with respect to any employer, an individual who—

''(A) begins employment with such employer after the date of the enactment of the Solutions to Long-Term Unemployment Act, and

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

''(4) APPLICABLE PERIOD.—The term 'applicable period' means the period beginning on the date of the enactment of the Solutions to Long-Term Unemployment Act, and ending on the earlier of—

''(A) the date that is 2 years after such date of enactment, or

''(B) the first day of the first month after the date on which the Secretary of Labor certifies that the total number of individuals in the United States who have been unemployed for 27 weeks or longer is less than 2,000,000.

''(5) ELECTION.—An employer may elect to have this subsection not apply. Such election shall be made in such manner as the Secretary may require.''.

(2) TRANSFERS TO SOCIAL SECURITY EQUIVALENT BENEFIT ACCOUNT.—There are hereby appropriated to the Social Security Equivalent Benefit Account established under section 15A(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n-1(a)) amounts equal to the reduction in revenues to the Treasury by reason of the amendments made by paragraph (1). Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Account had such amendments not been enacted.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this subsection shall apply to wages paid after the date of the enactment of this Act.

(2) RAILROAD RETIREMENT TAXES.—The amendments made by subsection (d) shall apply to compensation paid after the date of the enactment of this Act.

TITLE III—EMPLOYMENT RELOCATION LOANS

SEC. 301. EMPLOYMENT RELOCATION LOANS.

(a) LOANS AUTHORIZED.—From amounts made available to carry out this section, the Secretary may issue loans, with the interest rates, terms, and conditions provided in this section, to long-term unemployed individuals selected from applications submitted under subsection (b)(1), in order to enable each selected individual to relocate to—

(1) a residence more than 50 miles away from the individual's initial residence, to

allow such individual to begin a new job for which the individual has received and accepted an offer of employment; or

(2) a residence in a State or metropolitan area that—

(A) is not the State or metropolitan area of the individual's initial residence; and

(B) has an unemployment rate that is 2 or more percentage points less than the unemployment rate of the State or metropolitan area, respectively, of the individual's initial residence.

(b) SELECTION PROCESS AND ELIGIBILITY.—

(1) APPLICATION.—A long-term unemployed individual who desires a loan under this section shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(2) LIMITED ELIGIBILITY.—A long-term unemployed individual may receive only 1 loan under this section.

(c) LOAN TERMS.—A loan issued under this section to a long-term unemployed individual shall be—

(1) in an amount of $10,000 or less; and

(2) evidenced by a note or other written agreement that—

(A) provides for repayment of the principal amount of the loan in installments over a 10-year period beginning on the date on which the loan is issued, except that no installments shall be required for the first year of the loan period;

(B) provides for interest to be calculated and accrue on the loan at the rate determined under subsection (d); and

(C) allows such individual to accelerate, without penalty, the repayment of the whole or any part of the loan.

(d) INTEREST RATE.—The interest rate for a loan issued under this section shall—

(1) be the rate equal to the high yield of the 10-year Treasury note auctioned at the final auction held prior to the date on which the loan is issued; and

(2) be a fixed interest rate for the period of the loan.

(e) LOAN FORGIVENESS.—Notwithstanding subsection (c)(2)(A), the Secretary may forgive the remaining amount of interest and principal due on a loan made under this section to a long-term unemployed individual for the purpose described in subsection (a)(1) in any case where the new job for which the individual relocates is eliminated within the first year of the individual's employment through no fault of the individual.

(f) DEFINITIONS.—In this section:

(1) INITIAL RESIDENCE.—The term ''initial residence'', when used with respect to a long-term individual applying for a loan under this section, means the location where the individual resides as of the day before the loan is issued.

(2) LONG-TERM UNEMPLOYED INDIVIDUAL.—The term ''long-term unemployed individual'' means an individual who resides in a State and who has been unemployed for 27 consecutive weeks or more, as determined by the Secretary.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Labor.

(4) STATES.—The term ''State'' means each of the several States of the United States and the District of Columbia.

(g) LIMITED AUTHORITY.—The Secretary's authority to issue loans under subsection (a) shall terminate on the earlier of—

(1) the date that is 2 years after the date of enactment of this Act; or

(2) the date that is 1 month after the date on which the Secretary determines that the total number of long-term unemployed individuals in the United States is less than 2,000,000.

TITLE IV—SUPPORTING KNOWLEDGE AND INVESTING IN LIFELONG SKILLS

SEC. 401. SHORT TITLE.

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

SEC. 402. REFERENCES.

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

SEC. 403. APPLICATION TO FISCAL YEARS.

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

Subtitle A—Amendment to the Workforce Investment Act of 1998

CHAPTER 1—WORKFORCE INVESTMENT DEFINITIONS

SEC. 406. DEFINITIONS.

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

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

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

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

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

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

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

''(1) ACCRUED EXPENDITURES.—The term 'accrued expenditures' means—

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

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

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

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

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

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

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

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

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

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

(A) in subparagraph (A)(ii)(II), by striking ''section 134(c)'' and inserting ''section 121(e)'';

(B) in subparagraph (B)(iii)—

(i) by striking ''134(d)(4)'' and inserting ''134(c)(4)''; and

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

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

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

(E) by adding at the end the following:

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

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

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

(A) by striking ''and'' after the semicolon and inserting ''or'';

(B) by striking ''(A)'' and inserting ''(A)(i)''; and

(C) by adding at the end the following:

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

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

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

(A) in subparagraph (A), by striking ''section 122(e)(3)'' and inserting ''section 122'';

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

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

(C) by striking subparagraph (C); and

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

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

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

(16) in paragraph (25)—

(A) in subparagraph (B), by striking ''higher of—'' and all that follows through clause (ii) and inserting ''poverty line for an equivalent period;'';

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(25) by adding at the end the following:

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

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

''(B) is a low-income individual; and

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

''(i) A secondary school dropout.

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

''(iii) A youth offender.

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

''(v) A migrant youth.

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

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

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

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

''(55) PAY-FOR-PERFORMANCE CONTRACT STRATEGY.—The term 'pay-for-performance contract strategy' means a strategy in which a pay-for-performance contract to provide a program of employment and training activities incorporates provisions regarding—

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

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

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

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

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

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

CHAPTER 2—STATEWIDE AND LOCAL WORKFORCE INVESTMENT SYSTEMS

SEC. 411. PURPOSE.

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

SEC. 412. STATE WORKFORCE INVESTMENT BOARDS.

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

(1) in subsection (b)—

(A) in paragraph (1)—

(i) by striking subparagraph (B);

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

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

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

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

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

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

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

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

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

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

''(I) members of the State legislature;

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

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

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

''(V) representatives of veterans service organizations.''; and

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

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

''(3) MAJORITY.—A ⅔ majority of the members of the board shall be representatives described in paragraph (1)(B)(i).'';

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

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

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

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

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

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

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

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

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

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

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

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

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

''(8) DEVELOPMENT OF PERFORMANCE MEASURES.—The State board shall develop and ensure continuous improvement of comprehensive State performance measures, including State adjusted levels of performance, as described under section 136(b).'';

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

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

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

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

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

SEC. 413. STATE PLAN.

Section 112 (29 U.S.C. 2822)—

(1) in subsection (a)—

(A) by striking ''127 or''; and

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

(2) in subsection (b)—

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

''(4) information describing—

''(A) the economic conditions in the State;

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

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

''(D) workforce development activities (including education and training) in the State;'';

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

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

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

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

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

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

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

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

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

(F) by striking paragraph (12);

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

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

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

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

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

(i) in subparagraph (A)—

(I) in clause (ii)—

(aa) by striking ''to dislocated workers''; and

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

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

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

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

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

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

''(v) how the State will—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

''(24) a description of—

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

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

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

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

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

SEC. 414. LOCAL WORKFORCE INVESTMENT AREAS.

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

(1) in subsection (a)—

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

''(1) IN GENERAL.—

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

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

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

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

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

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

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

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

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

''(II) labor market areas; and

''(III) economic development regions;

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

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

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

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

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

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

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

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

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

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

(C) by striking paragraph (3);

(D) by striking paragraph (4);

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

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

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

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

(3) in subsection (c)—

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

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

SEC. 415. LOCAL WORKFORCE INVESTMENT BOARDS.

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

(1) in subsection (b)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

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

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

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

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

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

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

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

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

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

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

''(iii) representatives of veterans service organizations.'';

(B) in paragraph (4)—

(i) by striking ''A majority'' and inserting ''A ⅔ majority''; and

(ii) by striking ''(2)(A)(i)'' and inserting ''(2)(A)''; and

(C) in paragraph (5), by striking ''(2)(A)(i)'' and inserting ''(2)(A)'';

(2) in subsection (c)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

''(4) BUDGET AND ADMINISTRATION.—

''(A) BUDGET.—

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

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

''(B) ADMINISTRATION.—

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

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

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

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

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

''(5) SELECTION OF OPERATORS AND PROVIDERS.—

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

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

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

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

''(C) IDENTIFICATION OF ELIGIBLE PROVIDERS OF WORK READY SERVICES.—If the one-stop operator does not provide the services described in section 134(c)(2) in the local area,

the local board shall identify eligible providers of such services in the local area by awarding contracts.

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

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

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

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

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

(4) in subsection (e)—

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

(B) by striking ''and the award of grants or contracts to eligible providers of youth activities,'';

(5) in subsection (f)—

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

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

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

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

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

SEC. 416. LOCAL PLAN.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

''(13) a description of—

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

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

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

''(14) a description of—

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

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

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

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

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

(3) in subsection (c)—

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

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

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

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

(1) in subsection (b)—

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

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

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

''(ii) use a portion of the funds available to the program or activities of the entity to

maintain the one-stop delivery system, including payment of the costs of infrastructure of one-stop centers in accordance with subsection (h);

''(iii) enter into a local memorandum of understanding with the local board, relating to the operation of the one-stop delivery system, that meets the requirements of subsection (c); and

''(iv) participate in the operation of the one-stop delivery system consistent with the terms of the memorandum of understanding, the requirements of this title, and the requirements of the Federal laws authorizing the program or activities carried out by the entity.'';

(B) in paragraph (1)(B)—

(i) by striking clauses (ii), (v), and (vi);

(ii) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively;

(iii) by redesignating clauses (vii) through (xii) as clauses (iv) through (ix), respectively;

(iv) in clause (ii), as so redesignated, by striking ''adult education and literacy activities'' and inserting ''adult education and family literacy education activities''

(v) in clause (viii), as so redesignated, by striking ''and'' at the end;

(vi) in clause (ix), as so redesignated, by striking the period and inserting ''; and''; and

(vii) by adding at the end the following:

''(x) subject to subparagraph (C), programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).'';

(C) by inserting after paragraph (1)(B) the following:

''(C) DETERMINATION BY THE GOVERNOR.—Each entity carrying out a program described in subparagraph (B)(x) shall be considered to be a one-stop partner under this title and carry out the required partner activities described in subparagraph (A) unless the Governor of the State in which the local area is located provides the Secretary and Secretary of Health and Human Services written notice of a determination by the Governor that such an entity shall not be considered to be such a partner and shall not carry out such required partner activities.''; and

(D) in paragraph (2)—

(i) in subparagraph (A)(i), by striking ''section 134(d)(2)'' and inserting ''section 134(c)(2)''; and

(ii) in subparagraph (B)—

(I) by striking clauses (i), (ii), and (v);

(II) in clause (iv), by striking ''and'' at the end;

(III) by redesignating clauses (iii) and (iv) as clauses (i) and (ii), respectively; and

(IV) by adding at the end the following:

''(iii) employment and training programs administered by the Commissioner of the Social Security Administration;

''(iv) employment and training programs carried out by the Administrator of the Small Business Administration;

''(v) employment, training, and literacy services carried out by public libraries; and

''(vi) other appropriate Federal, State, or local programs, including programs in the private sector.'';

(2) in subsection (c)(2), by amending subparagraph (A) to read as follows:

''(A) provisions describing—

''(i) the services to be provided through the one-stop delivery system consistent with the requirements of this section, including the manner in which the services will be coordinated through such system;

''(ii) how the costs of such services and the operating costs of such system will be funded, through cash and in-kind contributions, to provide a stable and equitable funding stream for ongoing one-stop system operations, including the funding of the costs of infrastructure of one-stop centers in accordance with subsection (h);

''(iii) methods of referral of individuals between the one-stop operator and the one-stop partners for appropriate services and activities, including referrals for training for nontraditional employment; and

''(iv) the duration of the memorandum of understanding and the procedures for amending the memorandum during the term of the memorandum, and assurances that such memorandum shall be reviewed not less than once every 3-year period to ensure appropriate funding and delivery of services under the memorandum; and'';

(3) in subsection (d)—

(A) in the heading for paragraph (1), by striking ''DESIGNATION AND CERTIFICATION'' and inserting ''LOCAL DESIGNATION AND CERTIFICATION'';

(B) in paragraph (2)—

(i) by striking ''section 134(c)'' and inserting ''subsection (e)'';

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

''(A) shall be designated or certified as a one-stop operator through a competitive process; and''; and

(iii) in subparagraph (B), by striking clause (ii) and redesignating clauses (iii) through (vi) as clauses (ii) through (v), respectively; and

(C) in paragraph (3), by striking ''vocational'' and inserting ''career and technical'';

(4) by amending subsection (e) to read as follows:

''(e) ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEM.—

''(1) IN GENERAL.—There shall be established in a State that receives an allotment under section 132(b) a one-stop delivery system, which shall—

''(A) provide the work ready services described in section 134(c)(2);

''(B) provide access to training services as described in paragraph (4) of section 134(c), including serving as the point of access to career enhancement accounts for training services to participants in accordance with paragraph (4)(F) of such section;

''(C) provide access to the activities carried out under section 134(d), if any;

''(D) provide access to programs and activities carried out by one-stop partners that are described in subsection (b); and

''(E) provide access to the data and information described in subparagraphs (A) and (B) of section 15(a)(1) of the Wagner-Peyser Act (29 U.S.C. 491–2(a)(1)).

''(2) ONE-STOP DELIVERY.—At a minimum, the one-stop delivery system—

''(A) shall make each of the programs, services, and activities described in paragraph (1) accessible at not less than one physical center in each local area of the State; and

''(B) may also make programs, services, and activities described in paragraph (1) available—

''(i) through a network of affiliated sites that can provide one or more of the programs, services, and activities to individuals; and

''(ii) through a network of eligible one-stop partners—

''(I) in which each partner provides one or more of the programs, services, and activities to such individuals and is accessible at an affiliated site that consists of a physical location or an electronically- or technologically-linked access point; and

''(II) that assures individuals that information on the availability of the work ready services will be available regardless of where the individuals initially enter the statewide workforce investment system, including information made available through an access point described in subclause (I).

''(3) SPECIALIZED CENTERS.—The centers and sites described in paragraph (2) may have a specialization in addressing special needs.''; and

(5) by adding at the end the following:

''(g) CERTIFICATION OF ONE-STOP CENTERS.—

''(1) IN GENERAL.—

''(A) IN GENERAL.—The State board shall establish objective procedures and criteria for certifying, at least once every 3 years, one-stop centers for the purpose of awarding the one-stop infrastructure funding described in subsection (h).

''(B) CRITERIA.—The criteria for certification of a one-stop center under this subsection shall include—

''(i) meeting the expected levels of performance for each of the corresponding core indicators of performance as outlined in the State plan under section 112;

''(ii) meeting minimum standards relating to the scope and degree of service integration achieved by the center, involving the programs provided by the one-stop partners; and

''(iii) meeting minimum standards relating to how the center ensures that eligible providers meet the employment needs of local employers and participants.

''(C) EFFECT OF CERTIFICATION.—One-stop centers certified under this subsection shall be eligible to receive the infrastructure funding authorized under subsection (h).

''(2) LOCAL BOARDS.—Consistent with the criteria developed by the State, the local board may develop, for certification referred to in paragraph (1)(A), additional criteria or higher standards on the criteria referred to in paragraph (1)(B) to respond to local labor market and demographic conditions and trends.

''(h) ONE-STOP INFRASTRUCTURE FUNDING.—

''(1) PARTNER CONTRIBUTIONS.—

''(A) PROVISION OF FUNDS.—Notwithstanding any other provision of law, as determined under subparagraph (B), a portion of the Federal funds provided to the State and areas within the State under the Federal laws authorizing the one-stop partner programs described in subsection (b)(1)(B) and participating additional partner programs described in subsection (b)(2)(B), for a fiscal year shall be provided to the Governor by such partners to carry out this subsection.

''(B) DETERMINATION OF GOVERNOR.—

''(i) IN GENERAL.—Subject to subparagraph (C), the Governor, in consultation with the State board, shall determine the portion of funds to be provided under subparagraph (A) by each one-stop partner and in making such determination shall consider the proportionate use of the one-stop centers in the State by each such partner, the costs of administration for purposes not related to one-stop centers for each such partner, and other relevant factors described in paragraph (3).

''(ii) SPECIAL RULE.—In those States where the State constitution places policy-making authority that is independent of the authority of the Governor in an entity or official with respect to the funds provided for adult education and family literacy education activities authorized under title II and for postsecondary career and technical education activities authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.), the determination described in clause (i) with respect to the corresponding 2 programs shall be made by the Governor with the appropriate entity or official with such independent policy-making authority.

''(iii) APPEAL BY ONE-STOP PARTNERS.—The Governor shall establish a procedure for the one-stop partner administering a program described in subsection (b) and subparagraph (A) to appeal a determination regarding the

portion of funds to be provided under this paragraph on the basis that such determination is inconsistent with the requirements described in the State plan for the program or with the requirements of this paragraph. Such procedure shall ensure prompt resolution of the appeal.

''(C) LIMITATIONS.—

''(i) PROVISION FROM ADMINISTRATIVE FUNDS.—The funds provided under this paragraph by a one-stop partner shall be provided only from funds available for the costs of administration under the program administered by such partner, and shall be subject to the limitations with respect to the portion of funds under such program that may be used for administration.

''(ii) FEDERAL DIRECT SPENDING PROGRAMS.—

''(I) IN GENERAL.—A program that provides Federal direct spending under section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(8)) shall not, for purposes of this paragraph, be required to provide more than the maximum amount determined under subclause (II).

''(II) MAXIMUM AMOUNT.—The maximum amount for the program is the amount that bears the same relationship to the costs referred to in paragraph (2) for the State as the use of the one-stop centers by such program bears to the use of such centers by all one-stop partner programs in the State.

''(2) ALLOCATION BY GOVERNOR.—From the funds provided under paragraph (1), the Governor shall allocate funds to local areas in accordance with the formula established under paragraph (3) for the purposes of assisting in paying the costs of infrastructure of one-stop centers certified under subsection (g).

''(3) ALLOCATION FORMULA.—The State board shall develop a formula to be used by the Governor to allocate the funds provided under paragraph (1) to local areas. The formula shall include such factors as the State board determines are appropriate, which may include factors such as the number of centers in a local area that have been certified, the population served by such centers, and the performance of such centers.

''(4) COSTS OF INFRASTRUCTURE.—For purposes of this subsection, the term 'costs of infrastructure' means the nonpersonnel costs that are necessary for the general operation of a one-stop center, including the rental costs of the facilities involved, and the costs of utilities and maintenance, and equipment (including assistive technology for individuals with disabilities).

''(i) OTHER FUNDS.—

''(1) IN GENERAL.—In addition to the funds provided under subsection (h), a portion of funds made available under Federal law authorizing the one-stop partner programs described in subsection (b)(1)(B) and participating additional partner programs described in subsection (b)(2)(B), or the noncash resources available under such 2 types of programs, shall be used to pay the costs relating to the operation of the one-stop delivery system that are not paid for from the funds provided under subsection (h), to the extent not inconsistent with the Federal law involved. Such portion shall be used to pay for costs including—

''(A) costs of infrastructure (as defined in subsection (h)) that are in excess of the funds provided under subsection (h);

''(B) common costs that are in addition to the costs of infrastructure (as so defined); and

''(C) the costs of the provision of work ready services applicable to each program.

''(2) DETERMINATION AND STANDARDS.—The method for determining the appropriate portion of funds and noncash resources to be provided by each program under paragraph (1) shall be determined as part of the memorandum of understanding under subsection (c). The State board shall provide standards to facilitate the determination of appropriate allocation of the funds and noncash resources to local areas.''.

SEC. 418. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.

Section 122 (29 U.S.C. 2842) is amended to read as follows:

''SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.

''(a) ELIGIBILITY.—

''(1) IN GENERAL.—The Governor, after consultation with the State board, shall establish criteria and procedures regarding the eligibility of providers of training services described in section 134(c)(4) to receive funds provided under section 133(b) for the provision of such training services and be included on the list of eligible providers of training services described in subsection (d).

''(2) PROVIDERS.—Subject to the provisions of this section, to be eligible to receive the funds and be included on the list, the provider shall be—

''(A) a postsecondary educational institution that—

''(i) is eligible to receive Federal funds under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and

''(ii) provides a program that leads to a recognized postsecondary credential;

''(B) an entity that carries out programs under the Act of August 16, 1937 (commonly known as the 'National Apprenticeship Act'; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.); or

''(C) another public or private provider of a program of training services.

''(3) INCLUSION IN LIST OF ELIGIBLE PROVIDERS.—A provider described in subparagraph (A) or (C) of paragraph (2) shall comply with the criteria and procedures established under this subsection to be eligible to receive the funds and be included on the list. A provider described in paragraph (2)(B) shall be eligible to receive the funds and be included on the list with respect to programs described in paragraph (2)(B) for so long as the provider remains certified by the Secretary of Labor to carry out the programs.

''(b) CRITERIA.—

''(1) IN GENERAL.—The criteria established by the Governor pursuant to subsection (a) shall take into account—

''(A) the performance of providers of training services with respect to the performance measures described in section 136, measures for other matters for which information is required under paragraph (2), and other appropriate measures of performance outcomes for those participants receiving training services under this subtitle;

''(B) whether the training programs of such providers relate to in-demand industries or occupations important to the local economy;

''(C) the need to ensure access to training services throughout the State, including in rural areas;

''(D) the ability of the providers to offer programs that lead to a recognized postsecondary credential, and the quality of such programs;

''(E) the performance of the providers as reflected in the information such providers are required to report to State agencies with respect to other Federal and State programs (other than the program carried out under this subtitle), including one-stop partner programs; and

''(F) such other factors as the Governor determines are appropriate.

''(2) INFORMATION.—The criteria established by the Governor shall require that a provider of training services submit appropriate, accurate, and timely information to the State for purposes of carrying out subsection (d), with respect to participants receiving training services under this subtitle in the applicable program, including—

''(A) information on recognized postsecondary credentials received by such participants;

''(B) information on costs of attendance for such participants;

''(C) information on the program completion rate for such participants; and

''(D) information on the performance of the provider with respect to the performance measures described in section 136 for such participants.

''(3) RENEWAL.—The criteria established by the Governor shall also provide for a review on the criteria every 3 years and renewal of eligibility under this section for providers of training services.

''(4) LOCAL CRITERIA.—A local board in the State may establish criteria in addition to the criteria established by the Governor, or may require higher levels of performance than required on the criteria established by the Governor, for purposes of determining the eligibility of providers of training services under this section in the local area involved.

''(5) LIMITATION.—In carrying out the requirements of this subsection, no entity may disclose personally identifiable information regarding a student, including a Social Security number, student identification number, or other identifier, without the prior written consent of the parent or student in compliance with section 444 of the General Education Provisions Act (20 U.S.C. 1232g).

''(c) PROCEDURES.—The procedures established under subsection (a) shall—

''(1) identify—

''(A) the application process for a provider of training services to become eligible under this section; and

''(B) the respective roles of the State and local areas in receiving and reviewing applications and in making determinations of eligibility based on the criteria established under this section; and

''(2) establish a process, for a provider of training services to appeal a denial or termination of eligibility under this section, that includes an opportunity for a hearing and prescribes appropriate time limits to ensure prompt resolution of the appeal.

''(d) INFORMATION TO ASSIST PARTICIPANTS IN CHOOSING PROVIDERS.—In order to facilitate and assist participants under chapter 5 in choosing providers of training services, the Governor shall ensure that an appropriate list of providers determined eligible under this section in the State, including information provided under subsection (b)(2) with respect to such providers, is provided to the local boards in the State and is made available to such participants and to members of the public through the one-stop delivery system in the State.

''(e) ENFORCEMENT.—

''(1) IN GENERAL.—The procedures established under this section shall provide the following:

''(A) INTENTIONALLY SUPPLYING INACCURATE INFORMATION.—Upon a determination, by an individual or entity specified in the procedures, that a provider of training services, or individual providing information on behalf of the provider, intentionally supplied inaccurate information under this section, the eligibility of such provider under this section shall be terminated for a period of time that is not less than 2 years.

''(B) SUBSTANTIAL VIOLATIONS.—Upon a determination, by an individual or entity specified in the procedures, that a provider of training services substantially violated any requirement under this title, the eligibility

of such provider under this section shall be terminated for a period of time that is not less than 10 years.

''(C) REPAYMENT.—A provider of training services whose eligibility is terminated under subparagraph (A) or (B) shall be liable for the repayment of funds received under chapter 5 during a period of noncompliance described in such subparagraph. For purposes of subparagraph (A), that period shall be considered to be the period beginning on the date on which the inaccurate information described in subparagraph (A) was supplied, and ending on the date of the termination described in subparagraph (A).

''(2) CONSTRUCTION.—Paragraph (1) shall be construed to provide remedies and penalties that supplement, but do not supplant, other civil and criminal remedies and penalties.

''(f) AGREEMENTS WITH OTHER STATES.—A State may enter into an agreement with another State, on a reciprocal basis, to permit eligible providers of training services to accept career enhancement accounts provided in the other State.

''(g) RECOMMENDATIONS.—In developing the criteria (including requirements for related information) and procedures required under this section, the Governor shall solicit and take into consideration the recommendations of local boards and providers of training services within the State.

''(h) OPPORTUNITY TO SUBMIT COMMENTS.—During the development of the criteria and procedures, and the list of eligible providers required under this section, the Governor shall provide an opportunity for interested members of the public to submit comments regarding such criteria, procedures, and list.

''(i) ON-THE-JOB TRAINING OR CUSTOMIZED TRAINING EXCEPTION.—

''(1) IN GENERAL.—Providers of on-the-job training or customized training shall not be subject to the requirements of subsections (a) through (d).

''(2) COLLECTION AND DISSEMINATION OF INFORMATION.—A one-stop operator in a local area shall collect such performance information from on-the-job training and customized training providers as the Governor may require, determine whether the providers meet such performance criteria as the Governor may require, and disseminate information identifying providers that meet the criteria as eligible providers, and the performance information, through the one-stop delivery system. Providers determined to meet the criteria shall be considered to be identified as eligible under this section, to be providers of the training services involved.''.

SEC. 419. GENERAL AUTHORIZATION.

Chapter 5 of subtitle B of title I is amended—

(1) by striking the heading for chapter 5 and inserting the following: ''**EMPLOYMENT AND TRAINING ACTIVITIES**''; and

(2) in section 131 (29 U.S.C. 2861)—

(A) by striking ''paragraphs (1)(B) and (2)(B) of''; and

(B) by striking ''adults, and dislocated workers,'' and inserting ''individuals''.

SEC. 420. STATE ALLOTMENTS.

Section 132 (29 U.S.C. 2862) is amended—

(1) by amending subsection (a) to read as follows:

''(a) IN GENERAL.—The Secretary shall—

''(1) reserve ½ of 1 percent of the total amount appropriated under section 137 for a fiscal year, of which—

''(A) 50 percent shall be used to provide technical assistance under section 170; and

''(B) 50 percent shall be used for evaluations under section 172;

''(2) reserve 1 percent of the total amount appropriated under section 137 for a fiscal year to make grants to, and enter into contracts or cooperative agreements with Indian tribes, tribal organizations, Alaska Native entities, Indian-controlled organizations serving Indians, or Native Hawaiian organizations to carry out employment and training activities;

''(3) reserve not more than 25 percent of the total amount appropriated under section 137 for a fiscal year to carry out the Jobs Corps program under subtitle C;

''(4) reserve not more than 3.5 percent of the total amount appropriated under section 137 for a fiscal year to—

''(A) make grants to State boards or local boards to provide employment and training assistance to workers affected by major economic dislocations, such as plant closures, mass layoffs, or closures and realignments of military installations; and

''(B) provide assistance to Governors of States with an area that has suffered an emergency or a major disaster (as such terms are defined in paragraphs (1) and (2), respectively, of section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)) to provide disaster relief employment in the area; and

''(5) from the remaining amount appropriated under section 137 for a fiscal year (after reserving funds under paragraphs (1) through (4)), make allotments in accordance with subsection (b) of this section.''; and

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

''(b) WORKFORCE INVESTMENT FUND.—

''(1) RESERVATION FOR OUTLYING AREAS.—

''(A) IN GENERAL.—From the amount made available under subsection (a)(5) for a fiscal year, the Secretary shall reserve not more than ¼ of 1 percent to provide assistance to the outlying areas.

''(B) RESTRICTION.—The Republic of Palau shall cease to be eligible to receive funding under this paragraph upon entering into an agreement for extension of United States educational assistance under the Compact of Free Association (approved by the Compact of Free Association Amendments Act of 2003 (Public Law 108–188) after the date of enactment of the SKILLS Act.

''(2) STATES.—

''(A) IN GENERAL.—After determining the amount to be reserved under paragraph (1), the Secretary shall allot the remainder of the amount referred to in subsection (a)(5) for a fiscal year to the States pursuant to subparagraph (B) for employment and training activities and statewide workforce investment activities.

''(B) FORMULA.—Subject to subparagraphs (C) and (D), of the remainder—

''(i) 25 percent shall be allotted on the basis of the relative number of unemployed individuals in areas of substantial unemployment in each State, compared to the total number of unemployed individuals in areas of substantial unemployment in all States;

''(ii) 25 percent shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of such individuals in all States;

''(iii) 25 percent shall be allotted on the basis of the relative number of individuals in each State who have been unemployed for 15 weeks or more, compared to the total number of individuals in all States who have been unemployed for 15 weeks or more; and

''(iv) 25 percent shall be allotted on the basis of the relative number of disadvantaged youth in each State, compared to the total number of disadvantaged youth in all States.

''(C) MINIMUM AND MAXIMUM PERCENTAGES.—

''(i) MINIMUM PERCENTAGE.—The Secretary shall ensure that no State shall receive an allotment under this paragraph for—

''(I) each of fiscal years 2015 through 2017, that is less than 100 percent of the allotment percentage of the State for fiscal year 2013; and

''(II) fiscal year 2018 and each succeeding fiscal year, that is less than 90 percent of the allotment percentage of the State for the fiscal year preceding the fiscal year involved.

''(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the Secretary shall ensure that no State shall receive an allotment under this paragraph for—

''(I) each of fiscal years 2015 through 2017, that is more than 130 percent of the allotment percentage of the State for fiscal year 2013; and

''(II) fiscal year 2018 and each succeeding fiscal year, that is more than 130 percent of the allotment percentage of the State for the fiscal year preceding the fiscal year involved.

''(D) SMALL STATE MINIMUM ALLOTMENT.—Subject to subparagraph (C), the Secretary shall ensure that no State shall receive an allotment under this paragraph for a fiscal year that is less than ⅕ of 1 percent of the remainder described in subparagraph (A) for the fiscal year.

''(E) DEFINITIONS.—For the purpose of the formula specified in this paragraph:

''(i) ALLOTMENT PERCENTAGE.—The term 'allotment percentage'—

''(I) used with respect to fiscal year 2013, means the percentage of the amounts allotted to States under title I of this Act, title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.), the Women in Apprenticeship and Nontraditional Occupations Act (29 U.S.C. 2501 et seq.), sections 4103A and 4104 of title 38, United States Code, and sections 1 through 14 of the Wagner-Peyser Act (29 U.S.C. 49 et seq.), as such provisions were in effect for fiscal year 2013, that is received under such provisions by the State involved for fiscal year 2013; and

''(II) used with respect to fiscal year 2017 or a succeeding fiscal year, means the percentage of the amounts allotted to States under this paragraph for the fiscal year, that is received under this paragraph by the State involved for the fiscal year.

''(ii) AREA OF SUBSTANTIAL UNEMPLOYMENT.—The term 'area of substantial unemployment' means any area that is of sufficient size and scope to sustain a program of workforce investment activities carried out under this subtitle and that has an average rate of unemployment of at least 7 percent for the most recent 12 months, as determined by the Secretary. For purposes of this clause, determinations of areas of substantial unemployment shall be made once each fiscal year.

''(iii) DISADVANTAGED YOUTH.—The term 'disadvantaged youth' means an individual who is not less than age 16 and not more than age 24 who receives an income, or is a member of a family that receives a total family income, that in relation to family size, does not exceed the higher of—

''(I) the poverty line; or

''(II) 70 percent of the lower living standard income level.

''(iv) INDIVIDUAL.—The term 'individual' means an individual who is age 16 or older.''.

SEC. 421. WITHIN STATE ALLOCATIONS.

Section 133 (29 U.S.C. 2863) is amended—

(1) by amending subsection (a) to read as follows:

''(a) RESERVATIONS FOR STATEWIDE WORKFORCE INVESTMENT ACTIVITIES.—

''(1) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—The Governor of a State shall reserve not more than 15 percent of the total amount allotted to the State under section 132(b)(2) for a fiscal year to carry out the statewide activities described in section 134(a).

''(2) STATEWIDE RAPID RESPONSE ACTIVITIES AND ADDITIONAL ASSISTANCE.—Of the amount reserved under paragraph (1) for a fiscal year, the Governor of the State shall reserve not more than 25 percent for statewide rapid response activities and additional assistance described in section 134(a)(4).

''(3) STATEWIDE GRANTS FOR INDIVIDUALS WITH BARRIERS TO EMPLOYMENT.—Of the amount reserved under paragraph (1) for a fiscal year, the Governor of the State shall reserve 15 percent to carry out statewide activities described in section 134(a)(5).

''(4) STATE ADMINISTRATIVE COST LIMIT.—Not more than 5 percent of the funds reserved under paragraph (1) may be used by the Governor of the State for administrative costs of carrying out the statewide activities described in section 134(a).'';

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

''(b) WITHIN STATE ALLOCATION.—

''(1) METHODS.—The Governor, acting in accordance with the State plan, and after consulting with chief elected officials in the local areas in the State, shall—

''(A) allocate the funds that are allotted to the State under section 132(b)(2) and not reserved under subsection (a), in accordance with paragraph (2)(A); and

''(B) award the funds that are reserved by the State under subsection (a)(3) through competitive grants to eligible entities, in accordance with section 134(a)(1)(C).

''(2) FORMULA ALLOCATIONS FOR THE WORKFORCE INVESTMENT FUND.—

''(A) ALLOCATION.—In allocating the funds described in paragraph (1)(A) to local areas, a State shall allocate—

''(i) 25 percent on the basis described in section 132(b)(2)(B)(i);

''(ii) 25 percent on the basis described in section 132(b)(2)(B)(ii);

''(iii) 25 percent on the basis described in section 132(b)(2)(B)(iii); and

''(iv) 25 percent on the basis described in section 132(b)(2)(B)(iv),

except that a reference in a section specified in any of clauses (i) through (iv) to 'each State' shall be considered to refer to each local area, and to 'all States' shall be considered to refer to all local areas.

''(B) MINIMUM AND MAXIMUM PERCENTAGES.—

''(i) MINIMUM PERCENTAGE.—The State shall ensure that no local area shall receive an allocation under this paragraph for—

''(I) each of fiscal years 2015 through 2017, that is less than 100 percent of the allocation percentage of the local area for fiscal year 2013; and

''(II) fiscal year 2018 and each succeeding fiscal year, that is less than 90 percent of the allocation percentage of the local area for the fiscal year preceding the fiscal year involved.

''(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the State shall ensure that no local area shall receive an allocation for a fiscal year under this paragraph for—

''(I) each of fiscal years 2015 through 2017, that is more than 130 percent of the allocation percentage of the local area for fiscal year 2013; and

''(II) fiscal year 2018 and each succeeding fiscal year, that is more than 130 percentage of the allocation percentage of the local area for the fiscal year preceding the fiscal year involved.

''(C) DEFINITIONS.—For the purpose of the formula specified in this paragraph, the term 'allocation percentage'—

''(i) used with respect to fiscal year 2013, means the percentage of the amounts allocated to local areas under title I of this Act, title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.), the Women in Apprenticeship and Nontraditional Occupations Act (29 U.S.C. 2501 et seq.), sections 4103A and 4104 of title 38, United States Code, and sections 1 through 14 of the Wagner-Peyser Act (29 U.S.C. 49 et seq.), as such provisions were in effect for fiscal year 2013, that is received under such provisions by the local area involved for fiscal year 2013; and

''(ii) used with respect to fiscal year 2017 or a succeeding fiscal year, means the percentage of the amounts allocated to local areas under this paragraph for the fiscal year, that is received under this paragraph by the local area involved for the fiscal year.'';

(3) in subsection (c)—

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

''(1) IN GENERAL.—The Governor may, in accordance with this subsection, reallocate to eligible local areas within the State amounts that are allocated under subsection (b) for employment and training activities and that are available for reallocation.'';

(B) in paragraph (2), by striking ''paragraph (2)(A) or (3) of subsection (b) for such activities'' and inserting ''subsection (b) for such activities'';

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

''(3) REALLOCATIONS.—In making reallocations to eligible local areas of amounts available pursuant to paragraph (2) for a program year, the Governor shall allocate to each eligible local area within the State an amount based on the relative amount allocated to such local area under subsection (b)(2) for such activities for such prior program year, as compared to the total amount allocated to all eligible local areas in the State under subsection (b)(2) for such activities for such prior program year.''; and

(D) in paragraph (4), by striking ''paragraph (2)(A) or (3) of''; and

(4) by adding at the end the following new subsection:

''(d) LOCAL ADMINISTRATIVE COST LIMIT.—Of the amount allocated to a local area under this section for a fiscal year, not more than 10 percent of the amount may be used by the local board involved for the administrative costs of carrying out local workforce investment activities in the local area under this chapter.''.

SEC. 422. USE OF FUNDS FOR EMPLOYMENT AND TRAINING ACTIVITIES.

Section 134 (29 U.S.C. 2864) is amended—

(1) by amending subsection (a) to read as follows:

''(a) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

''(1) IN GENERAL.—

''(A) DISTRIBUTION OF STATEWIDE ACTIVITIES.—Funds reserved by a Governor for a State as described in section 133(a)(1) and not reserved under paragraph (2) or (3) of section 133(a)—

''(i) shall be used to carry out the statewide employment and training activities described in paragraph (2); and

''(ii) may be used to carry out any of the statewide employment and training activities described in paragraph (3).

''(B) STATEWIDE RAPID RESPONSE ACTIVITIES AND ADDITIONAL ASSISTANCE.—Funds reserved by a Governor for a State as described in section 133(a)(2) shall be used to provide the statewide rapid response activities and additional assistance described in paragraph (4).

''(C) STATEWIDE GRANTS FOR INDIVIDUALS WITH BARRIERS TO EMPLOYMENT.—Funds reserved by a Governor for a State as described in section 133(a)(3) shall be used to award statewide grants for individuals with barriers to employment on a competitive basis, and carry out other activities, as described in paragraph (5).

''(2) REQUIRED STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—A State shall use funds referred to in paragraph (1)(A) to carry out statewide employment and training activities, which shall include—

''(A) disseminating the State list of eligible providers of training services described in section 122(d), information identifying eligible providers of on-the-job training and customized training described in section 122(i), and performance information and program cost information described in section 122(b)(2);

''(B) supporting the provision of work ready services described in subsection (c)(2) in the one-stop delivery system;

''(C) implementing strategies and services that will be used in the State to assist at-risk youth and out-of-school youth in acquiring the education and skills, recognized postsecondary credentials, and employment experience to succeed in the labor market;

''(D) conducting evaluations under section 136(e) of activities authorized under this chapter in coordination with evaluations carried out by the Secretary under section 172;

''(E) providing technical assistance to local areas that fail to meet local performance measures;

''(F) operating a fiscal and management accountability system under section 136(f); and

''(G) carrying out monitoring and oversight of activities carried out under this chapter.

''(3) ALLOWABLE STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—A State may use funds referred to in paragraph (1)(A) to carry out statewide employment and training activities which may include—

''(A) implementing innovative programs and strategies designed to meet the needs of all employers in the State, including small employers, which may include incumbent worker training programs, sectoral and industry cluster strategies and partnership initiatives, career ladder programs, micro-enterprise and entrepreneurial training and support programs, utilization of effective business intermediaries, activities to improve linkages between the one-stop delivery system in the State and all employers (including small employers) in the State, and other business services and strategies that better engage employers in workforce investment activities and make the workforce investment system more relevant to the needs of State and local businesses, consistent with the objectives of this title;

''(B) providing incentive grants to local areas—

''(i) for regional cooperation among local boards (including local boards in a designated region as described in section 116(c));

''(ii) for local coordination of activities carried out under this Act; and

''(iii) for exemplary performance by local areas on the local performance measures;

''(C) developing strategies for effectively integrating programs and services among one-stop partners;

''(D) carrying out activities to facilitate remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology;

''(E) incorporating pay-for-performance contract strategies as an element in funding activities under this section and providing technical support to local areas and eligible providers in order to carry out such a strategy, which may involve providing assistance with data collection and data entry requirements;

''(F) carrying out the State option under subsection (f)(8); and

''(G) carrying out other activities authorized under this section that the State determines to be necessary to assist local areas in

carrying out activities described in subsection (c) or (d) through the statewide workforce investment system.

''(4) STATEWIDE RAPID RESPONSE ACTIVITIES AND ADDITIONAL ASSISTANCE.—A State shall use funds reserved as described in section 133(a)(2)—

''(A) to carry out statewide rapid response activities, which shall include provision of rapid response activities, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials in the local areas; and

''(B) to provide additional assistance to local areas that experience disasters, mass layoffs, or plant closings, or other events that precipitate substantial increases in the number of unemployed individuals, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials in the local areas.

''(5) STATEWIDE GRANTS FOR INDIVIDUALS WITH BARRIERS TO EMPLOYMENT.—

''(A) IN GENERAL.—Of the funds reserved as described in section 133(a)(3), the Governor of a State—

''(i) may reserve up to 5 percent to provide technical assistance for, and conduct evaluations as described in section 136(e) of, the programs carried out under this paragraph; and

''(ii) using the remainder, shall award grants on a competitive basis to eligible entities (that meet specific performance outcomes and criteria established by the Governor) described in subparagraph (B) to carry out employment and training programs authorized under this paragraph for individuals with barriers to employment.

''(B) ELIGIBLE ENTITY DEFINED.—For purposes of this paragraph, the term 'eligible entity' means an entity that—

''(i) is a—

''(I) local board or a consortium of local boards;

''(II) nonprofit entity, for-profit entity, or a consortium of nonprofit or for-profit entities; or

''(III) consortium of the entities described in subclauses (I) and (II);

''(ii) has a demonstrated record of placing individuals into unsubsidized employment and serving hard-to-serve individuals; and

''(iii) agrees to be reimbursed primarily on the basis of meeting specified performance outcomes and criteria established by the Governor.

''(C) GRANT PERIOD.—

''(i) IN GENERAL.—A grant under this paragraph shall be awarded for a period of 1 year.

''(ii) GRANT RENEWAL.—A Governor of a State may renew, for up to 4 additional 1-year periods, a grant awarded under this paragraph.

''(D) ELIGIBLE PARTICIPANTS.—To be eligible to participate in activities under this paragraph, an individual shall be a low-income individual age 16 or older.

''(E) USE OF FUNDS.—An eligible entity receiving a grant under this paragraph shall use the grant funds for programs of activities that are designed to assist eligible participants in obtaining employment and acquiring the education and skills necessary to succeed in the labor market. To be eligible to receive a grant under this paragraph for an employment and training program, an eligible entity shall submit an application to a State at such time, in such manner, and containing such information as the State may require, including—

''(i) a description of how the strategies and activities of the program will be aligned with the State plan submitted under section 112 and the local plan submitted under section 118, with respect to the area of the State that will be the focus of the program under this paragraph;

''(ii) a description of the educational and skills training programs and activities the eligible entity will provide to eligible participants under this paragraph;

''(iii) how the eligible entity will collaborate with State and local workforce investment systems established under this title in the provision of such programs and activities;

''(iv) a description of the programs of demonstrated effectiveness on which the provision of such educational and skills training programs and activities are based, and a description of how such programs and activities will improve education and skills training for eligible participants;

''(v) a description of the populations to be served and the skill needs of those populations, and the manner in which eligible participants will be recruited and selected as participants;

''(vi) a description of the private, public, local, and State resources that will be leveraged, with the grant funds provided, for the program under this paragraph, and how the entity will ensure the sustainability of such program after grant funds are no longer available;

''(vii) a description of the extent of the involvement of employers in such program;

''(viii) a description of the levels of performance the eligible entity expects to achieve with respect to the indicators of performance for all individuals specified in section 136(b)(2);

''(ix) a detailed budget and a description of the system of fiscal controls, and auditing and accountability procedures, that will be used to ensure fiscal soundness for the program provided under this paragraph; and

''(x) any other criteria the Governor may require.'';

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

''(b) LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—Funds allocated to a local area under section 133(b)—

''(1) shall be used to carry out employment and training activities described in subsection (c); and

''(2) may be used to carry out employment and training activities described in subsection (d).'';

(3) by striking subsection (c);

(4) by redesignating subsections (d) and (e), as subsections (c) and (d), respectively;

(5) in subsection (c) (as so redesignated)—

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

''(1) IN GENERAL.—Funds allocated to a local area under section 133(b) shall be used—

''(A) to establish a one-stop delivery system as described in section 121(e);

''(B) to provide the work ready services described in paragraph (2) through the one-stop delivery system in accordance with such paragraph; and

''(C) to provide training services described in paragraph (4) in accordance with such paragraph.'';

(B) in paragraph (2)—

(i) in the heading, by striking ''CORE SERVICES'' and inserting ''WORK READY SERVICES'';

(ii) in the matter preceding subparagraph (A)—

(I) by striking ''(1)(A)'' and inserting ''(1)'';

(II) by striking ''core services'' and inserting ''work ready services''; and

(III) by striking ''who are adults or dislocated workers'';

(iii) by redesignating subparagraph (K) as subparagraph (V);

(iv) by redesignating subparagraphs (B) through (J) as subparagraphs (C) through (K), respectively;

(v) by inserting after subparagraph (A) the following:

''(B) assistance in obtaining eligibility determinations under the other one-stop partner programs through activities, where appropriate and consistent with the authorizing statute of the one-stop partner program involved, such as assisting in—

''(i) the submission of applications;

''(ii) the provision of information on the results of such applications; and

''(iii) the provision of intake services and information;'';

(vi) by amending subparagraph (E), as so redesignated, to read as follows:

''(E) labor exchange services, including—

''(i) job search and placement assistance, and where appropriate, career counseling;

''(ii) appropriate recruitment services for employers, including small employers, in the local area, which may include services described in this subsection, including provision of information and referral to specialized business services not traditionally offered through the one-stop delivery system; and

''(iii) reemployment services provided to unemployment claimants, including claimants identified as in need of such services under the worker profiling system established under section 303(j) of the Social Security Act (42 U.S.C. 503(j));'';

(vii) in subparagraph (F), as so redesignated, by striking ''employment statistics'' and inserting ''workforce and labor market'';

(viii) in subparagraph (G), as so redesignated, by striking ''and eligible providers of youth activities described in section 123,'';

(ix) in subparagraph (H), as so redesignated, by inserting ''under section 136'' after ''local performance measures'';

(x) in subparagraph (J), as so redesignated, by inserting ''and information regarding the administration of the work test for the unemployment compensation system'' after ''compensation'';

(xi) by amending subparagraph (K), as so redesignated, to read as follows:

''(K) assistance in establishing eligibility for programs of financial aid assistance for education and training programs that are not funded under this Act and are available in the local area;''; and

(xii) by inserting the following new subparagraphs after subparagraph (K), as so redesignated:

''(L) the provision of information from official publications of the Internal Revenue Service regarding Federal tax credits, available to participants in employment and training activities, and relating to education, job training, and employment;

''(M) comprehensive and specialized assessments of the skill levels and service needs of workers, which may include—

''(i) diagnostic testing and use of other assessment tools; and

''(ii) in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals;

''(N) development of an individual employment plan, to identify the employment goals, appropriate achievement objectives, and appropriate combination of services for the participant;

''(O) group counseling;

''(P) individual counseling and career planning;

''(Q) case management;

''(R) short-term pre-career services, including development of learning skills, communications skills, interviewing skills, punctuality, personal maintenance skills, and professional conduct, to prepare individuals for unsubsidized employment or training;

''(S) internships and work experience;

''(T) literacy activities relating to basic work readiness, information and communication technology literacy activities, and financial literacy activities, if the activities involved are not available to participants in the local area under programs administered under the Adult Education and Family Literacy Act (20 U.S.C. 2901 et seq.);

''(U) out-of-area job search assistance and relocation assistance; and''; and

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

''(3) DELIVERY OF SERVICES.—The work ready services described in paragraph (2) shall be provided through the one-stop delivery system and may be provided through contracts with public, private for-profit, and private nonprofit service providers, approved by the local board.'';

(D) in paragraph (4)—

(i) by amending subparagraph (A) to read as follows:

''(A) IN GENERAL.—Funds described in paragraph (1)(C) shall be used to provide training services to individuals who—

''(i) after an interview, evaluation, or assessment, and case management, have been determined by a one-stop operator or one-stop partner, as appropriate, to—

''(I) be in need of training services to obtain or retain employment; and

''(II) have the skills and qualifications to successfully participate in the selected program of training services;

''(ii) select programs of training services that are directly linked to the employment opportunities in the local area involved or in another area in which the individual receiving such services are willing to commute or relocate; and

''(iii) who meet the requirements of subparagraph (B).''; and

(ii) in subparagraph (B)(i), by striking ''Except'' and inserting ''Notwithstanding section 479B of the Higher Education Act of 1965 (20 U.S.C. 1087uu) and except'';

(iii) by amending subparagraph (D) to read as follows:

''(D) TRAINING SERVICES.—Training services authorized under this paragraph may include—

''(i) occupational skills training;

''(ii) on-the-job training;

''(iii) skill upgrading and retraining;

''(iv) entrepreneurial training;

''(v) education activities leading to a regular secondary school diploma or its recognized equivalent in combination with, concurrently or subsequently, occupational skills training;

''(vi) adult education and family literacy education activities provided in conjunction with other training services authorized under this subparagraph;

''(vii) workplace training combined with related instruction;

''(viii) occupational skills training that incorporates English language acquisition;

''(ix) customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training; and

''(x) training programs operated by the private sector.'';

(iv) by striking subparagraph (E) and redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively; and

(v) in subparagraph (E) (as so redesignated)—

(I) in clause (ii)—

(aa) in the matter preceding subclause (I), by striking ''subsection (c)'' and inserting ''section 121'';

(bb) in subclause (I), by striking ''section 122(e)'' and inserting ''section 122(d)'' and by striking ''section 122(h)'' and inserting ''section 122(i)''; and

(cc) in subclause (II), by striking ''subsections (e) and (h)'' and inserting ''subsections (d) and (i)''; and

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

''(iii) CAREER ENHANCEMENT ACCOUNTS.—An individual who seeks training services and who is eligible pursuant to subparagraph (A), may, in consultation with a case manager, select an eligible provider of training services from the list or identifying information for providers described in clause (ii)(I). Upon such selection, the one-stop operator involved shall, to the extent practicable, refer such individual to the eligible provider of training services, and arrange for payment for such services through a career enhancement account.

''(iv) COORDINATION.—Each local board may, through one-stop centers, coordinate career enhancement accounts with other Federal, State, local, or private job training programs or sources to assist the individual in obtaining training services from (notwithstanding any provision of this title) eligible providers for those programs and sources.

''(v) ASSISTANCE.—Each local board may, through one-stop centers, assist individuals receiving career enhancement accounts in obtaining funds (in addition to the funds provided under this section) from other programs and sources that will assist the individual in obtaining training services.''; and

(vi) in subparagraph (F) (as so redesignated)—

(I) in the subparagraph heading, by striking ''INDIVIDUAL TRAINING ACCOUNTS'' and inserting ''CAREER ENHANCEMENT ACCOUNTS'';

(II) in clause (i), by striking ''individual training accounts'' and inserting ''career enhancement accounts'';

(III) in clause (ii)—

(aa) by striking ''an individual training account'' and inserting ''a career enhancement account'';

(bb) by striking ''subparagraph (F)'' and inserting ''subparagraph (E)'';

(cc) in subclause (II), by striking ''individual training accounts'' and inserting ''career enhancement accounts'';

(dd) in subclause (II), by striking ''or'' after the semicolon;

(ee) in subclause (III), by striking the period and inserting ''; or''; and

(ff) by adding at the end the following:

''(IV) the local board determines that it would be most appropriate to award a contract to a postsecondary educational institution that has been identified as a priority eligible provider under section 117(d)(5)(B) in order to facilitate the training of multiple individuals in in-demand industries or occupations important to the State or local economy, that such contract may be used to enable the expansion of programs provided by a priority eligible provider, and that such contract does not limit customer choice.'';

(IV) in clause (iii), by striking ''adult or dislocated worker'' and inserting ''individual''; and

(V) in clause (iv)—

(aa) by redesignating subclause (IV) as subclause (V); and

(bb) by inserting after subclause (III) the following:

''(IV) Individuals with disabilities.'';

(6) in subsection (d) (as so redesignated)—

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

''(1) DISCRETIONARY ONE-STOP DELIVERY ACTIVITIES.—

''(A) IN GENERAL.—Funds allocated to a local area under section 133(b)(2) may be used to provide, through the one-stop delivery system—

''(i) customized screening and referral of qualified participants in training services to employers;

''(ii) customized employment-related services to employers on a fee-for-service basis;

''(iii) customer supports, including transportation and child care, to navigate among multiple services and activities for special participant populations that face multiple barriers to employment, including individuals with disabilities;

''(iv) employment and training assistance provided in coordination with child support enforcement activities of the State agency carrying out subtitle D of title IV of the Social Security Act (42 U.S.C. 651 et seq.);

''(v) incorporation of pay-for-performance contract strategies as an element in funding activities under this section;

''(vi) activities to facilitate remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology; and

''(vii) activities to carry out business services and strategies that meet the workforce investment needs of local area employers, as determined by the local board, consistent with the local plan under section 118.'';

(B) by striking paragraphs (2) and (3); and

(C) by adding at the end the following:

''(2) INCUMBENT WORKER TRAINING PROGRAMS.—

''(A) IN GENERAL.—The local board may use funds allocated to a local area under section 133(b)(2) to carry out incumbent worker training programs in accordance with this paragraph.

''(B) TRAINING ACTIVITIES.—The training programs for incumbent workers under this paragraph shall be carried out by the local area in conjunction with the employers of such workers for the purpose of assisting such workers in obtaining the skills necessary to retain employment and avert layoffs.

''(C) EMPLOYER MATCH REQUIRED.—

''(i) IN GENERAL.—Employers participating in programs under this paragraph shall be required to pay a proportion of the costs of providing the training to the incumbent workers of the employers. The local board shall establish the required payment toward such costs, which may include in-kind contributions.

''(ii) CALCULATION OF MATCH.—The wages paid by an employer to a worker while they are attending training may be included as part of the required payment of the employer.''; and

(7) by adding at the end the following:

''(e) PRIORITY FOR PLACEMENT IN PRIVATE SECTOR JOBS.—In providing employment and training activities authorized under this section, the State board and local board shall give priority to placing participants in jobs in the private sector.

''(f) VETERAN EMPLOYMENT SPECIALIST.—

''(1) IN GENERAL.—Subject to paragraph (8), a local board shall hire and employ one or more veteran employment specialists to carry out employment, training, supportive, and placement services under this subsection in the local area served by the local board.

''(2) PRINCIPAL DUTIES.—A veteran employment specialist in a local area shall—

''(A) conduct outreach to employers in the local area to assist veterans, including disabled veterans, in gaining employment, including—

''(i) conducting seminars for employers; and

''(ii) in conjunction with employers, conducting job search workshops, and establishing job search groups; and

''(B) facilitate the furnishing of employment, training, supportive, and placement services to veterans, including disabled and homeless veterans, in the local area.

''(3) HIRING PREFERENCE FOR VETERANS AND INDIVIDUALS WITH EXPERTISE IN SERVING VETERANS.—Subject to paragraph (8), a local

board shall, to the maximum extent practicable, employ veterans or individuals with expertise in serving veterans to carry out the services described in paragraph (2) in the local area served by the local board. In hiring an individual to serve as a veteran employment specialist, a local board shall give preference to veterans and other individuals in the following order:

''(A) To service-connected disabled veterans.

''(B) If no veteran described in subparagraph (A) is available, to veterans.

''(C) If no veteran described in subparagraph (A) or (B) is available, to any member of the Armed Forces transitioning out of military service.

''(D) If no veteran or member described in subparagraph (A), (B), or (C) is available, to any spouse of a veteran or a spouse of a member of the Armed Forces transitioning out of military service.

''(E) If no veteran or member described in subparagraph (A), (B), or (C) is available and no spouse described in paragraph (D) is available, to any other individuals with expertise in serving veterans.

''(4) ADMINISTRATION AND REPORTING.—

''(A) IN GENERAL.—Each veteran employment specialist shall be administratively responsible to the one-stop operator of the one-stop center in the local area and shall provide, at a minimum, quarterly reports to the one-stop operator of such center and to the Assistant Secretary for Veterans' Employment and Training for the State on the specialist's performance, and compliance by the specialist with Federal law (including regulations), with respect to the—

''(i) principal duties (including facilitating the furnishing of services) for veterans described in paragraph (2); and

''(ii) hiring preferences described in paragraph (3) for veterans and other individuals.

''(B) REPORT TO SECRETARY.—Each State shall submit to the Secretary an annual report on the qualifications used by each local board in the State in making hiring determinations for a veteran employment specialist and the salary structure under which such specialist is compensated.

''(C) REPORT TO CONGRESS.—The Secretary shall submit to the Committee on Education and the Workforce and the Committee on Veterans' Affairs of the House of Representatives and the Committee on Health, Education, Labor, and Pensions and the Committee on Veterans' Affairs of the Senate an annual report summarizing the reports submitted under subparagraph (B), and including summaries of outcomes achieved by participating veterans, disaggregated by local areas.

''(5) PART-TIME EMPLOYEES.—A part-time veteran employment specialist shall perform the functions of a veteran employment specialist under this subsection on a halftime basis.

''(6) TRAINING REQUIREMENTS.—Each veteran employment specialist described in paragraph (2) shall satisfactorily complete training provided by the National Veterans' Employment and Training Institute during the 3-year period that begins on the date on which the employee is so assigned.

''(7) SPECIALIST'S DUTIES.—A full-time veteran employment specialist shall perform only duties related to employment, training, supportive, and placement services under this subsection, and shall not perform other non-veteran-related duties if such duties detract from the specialist's ability to perform the specialist's duties related to employment, training, supportive, and placement services under this subsection.

''(8) STATE OPTION.—At the request of a local board, a State may opt to assume the duties assigned to the local board under paragraphs (1) and (3), including the hiring and employment of one or more veteran employment specialists for placement in the local area served by the local board.''.

SEC. 423. PERFORMANCE ACCOUNTABILITY SYSTEM.

Section 136 (29 U.S.C. 2871) is amended—

(1) in subsection (b)—

(A) by amending paragraphs (1) and (2) to read as follows:

''(1) IN GENERAL.—For each State, the State performance measures shall consist of—

''(A)(i) the core indicators of performance described in paragraph (2)(A); and

''(ii) additional indicators of performance (if any) identified by the State under paragraph (2)(B); and

''(B) a State adjusted level of performance for each indicator described in subparagraph (A).

''(2) INDICATORS OF PERFORMANCE.—

''(A) CORE INDICATORS OF PERFORMANCE.—

''(i) IN GENERAL.—The core indicators of performance for the program of employment and training activities authorized under sections 132(a)(2) and 134, the program of adult education and family literacy education activities authorized under title II, and the program authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), other than section 112 or part C of that title (29 U.S.C. 732, 741), shall consist of the following indicators of performance (with performance determined in the aggregate and as disaggregated by the populations identified in the State and local plan in each case):

''(I) The percentage and number of program participants who are in unsubsidized employment during the second full calendar quarter after exit from the program.

''(II) The percentage and number of program participants who are in unsubsidized employment during the fourth full calendar quarter after exit from the program.

''(III) The difference in the median earnings of program participants who are in unsubsidized employment during the second full calendar quarter after exit from the program, compared to the median earnings of such participants prior to participation in such program.

''(IV) The percentage and number of program participants who obtain a recognized postsecondary credential (such as an industry-recognized credential or a certificate from a registered apprenticeship program), or a regular secondary school diploma or its recognized equivalent (subject to clause (ii)), during participation in or within 1 year after exit from the program.

''(V) The percentage and number of program participants who, during a program year—

''(aa) are in an education or training program that leads to a recognized postsecondary credential (such as an industry-recognized credential or a certificate from a registered apprenticeship program), a certificate from an on-the-job training program, a regular secondary school diploma or its recognized equivalent, or unsubsidized employment; and

''(bb) are achieving measurable basic skill gains toward such a credential, certificate, diploma, or employment.

''(VI) The percentage and number of program participants who obtain unsubsidized employment in the field relating to the training services described in section 134(c)(4) that such participants received.

''(ii) INDICATOR RELATING TO CREDENTIAL.—For purposes of clause (i)(IV), program participants who obtain a regular secondary school diploma or its recognized equivalent shall be included in the percentage counted as meeting the criterion under such clause only if such participants (in addition to obtaining such diploma or its recognized equivalent), within 1 year after exit from the program, have obtained or retained employment, have been removed from public assistance, or have begun an education or training program leading to a recognized postsecondary credential.

''(B) ADDITIONAL INDICATORS.—A State may identify in the State plan additional indicators for workforce investment activities authorized under this subtitle.''; and

(B) in paragraph (3)—

(i) in subparagraph (A)—

(I) in the heading, by striking ''AND CUSTOMER SATISFACTION INDICATOR'';

(II) in clause (i), by striking ''and the customer satisfaction indicator described in paragraph (2)(B)'';

(III) in clause (ii), by striking ''and the customer satisfaction indicator of performance, for the first 3'' and inserting '', for all 3'';

(IV) in clause (iii)—

(aa) in the heading, by striking ''FOR FIRST 3 YEARS''; and

(bb) by striking ''and the customer satisfaction indicator of performance, for the first 3 program years'' and inserting ''for all 3 program years'';

(V) in clause (iv)—

(aa) by striking ''or (v)'';

(bb) by striking subclause (I) and redesignating subclauses (II) and (III) as subclauses (I) and (II), respectively; and

(cc) in subclause (I) (as so redesignated)—

(AA) by inserting '', such as unemployment rates and job losses or gains in particular industries'' after ''economic conditions''; and

(BB) by inserting '', such as indicators of poor work experience, dislocation from high-wage employment, low levels of literacy or English proficiency, disability status (including disability status among veterans), and welfare dependency,'' after ''program'';

(VI) by striking clause (v) and redesignating clause (vi) as clause (v); and

(VII) in clause (v) (as so redesignated),

(aa) by striking ''described in clause (iv)(II)'' and inserting ''described in clause (iv)(I)''; and

(bb) by striking ''or (v)''; and

(ii) in subparagraph (B), by striking ''paragraph (2)(C)'' and inserting ''paragraph (2)(B)'';

(2) in subsection (c)—

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

''(i) the core indicators of performance described in subsection (b)(2)(A) for activities described in such subsection, other than statewide workforce investment activities; and'';

(B) in clause (ii) of paragraph (1)(A), by striking ''(b)(2)(C)'' and inserting ''(b)(2)(B)''; and

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

''(3) DETERMINATIONS.—In determining such local levels of performance, the local board, the chief elected official, and the Governor shall ensure such levels are adjusted based on the specific economic conditions (such as unemployment rates and job losses or gains in particular industries), or demographic characteristics or other characteristics of the population to be served, in the local area.'';

(3) in subsection (d)—

(A) in paragraph (1)—

(i) by striking ''127 or'';

(ii) by striking ''and the customer satisfaction indicator'' each place it appears; and

(iii) in the last sentence, by inserting before the period the following: '', and on the amount and percentage of the State's annual allotment under section 132 the State spends on administrative costs and on the amount and percentage of its annual allocation

under section 133 each local area in the State spends on administrative costs'';

(B) in paragraph (2)—

(i) by striking subparagraphs (A), (B), and (D);

(ii) by redesignating subparagraph (C) as subparagraph (A);

(iii) by redesignating subparagraph (E) as subparagraph (B);

(iv) in subparagraph (B), as so redesignated—

(I) by striking ''(excluding participants who received only self-service and informational activities)''; and

(II) by striking ''and'' at the end;

(v) by striking subparagraph (F);

(vi) by adding at the end the following:

''(C) with respect to each local area in the State—

''(i) the number of individuals who received work ready services described in section 134(c)(2) and the number of individuals who received training services described in section 134(c)(4), during the most recent program year and fiscal year, and the preceding 5 program years, disaggregated (for individuals who received work ready services) by the type of entity that provided the work ready services and disaggregated (for individuals who received training services) by the type of entity that provided the training services, and the amount of funds spent on each of the 2 types of services during the most recent program year and fiscal year, and the preceding 5 fiscal years;

''(ii) the number of individuals who successfully exited out of work ready services described in section 134(c)(2) and the number of individuals who exited out of training services described in section 134(c)(4), during the most recent program year and fiscal year, and the preceding 5 program years, disaggregated (for individuals who received work ready services) by the type of entity that provided the work ready services and disaggregated (for individuals who received training services) by the type of entity that provided the training services; and

''(iii) the average cost per participant of those individuals who received work ready services described in section 134(c)(2) and the average cost per participant of those individuals who received training services described in section 134(c)(4), during the most recent program year and fiscal year, and the preceding 5 program years, disaggregated (for individuals who received work ready services) by the type of entity that provided the work ready services and disaggregated (for individuals who received training services) by the type of entity that provided the training services; and

''(D) the amount of funds spent on training services and discretionary activities described in section 134(d), disaggregated by the populations identified under section 112(b)(16)(A)(iv) and section 118(b)(10).'';

(C) in paragraph (3)(A), by striking ''through publication'' and inserting ''through electronic means''; and

(D) by adding at the end the following:

''(4) DATA VALIDATION.—In preparing the reports described in this subsection, each State shall establish procedures, consistent with guidelines issued by the Secretary, to ensure the information contained in the reports is valid and reliable.

''(5) STATE AND LOCAL POLICIES.—

''(A) STATE POLICIES.—Each State that receives an allotment under section 132 shall maintain a central repository of policies related to access, eligibility, availability of services, and other matters, and plans approved by the State board and make such repository available to the public, including by electronic means.

''(B) LOCAL POLICIES.—Each local area that receives an allotment under section 133 shall maintain a central repository of policies related to access, eligibility, availability of services, and other matters, and plans approved by the local board and make such repository available to the public, including by electronic means.'';

(4) in subsection (g)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking ''or (B)''; and

(ii) in subparagraph (B), by striking ''may reduce by not more than 5 percent,'' and inserting ''shall reduce''; and

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

''(2) FUNDS RESULTING FROM REDUCED ALLOTMENTS.—The Secretary shall return to the Treasury the amount retained, as a result of a reduction in an allotment to a State made under paragraph (1)(B).'';

(5) in subsection (h)—

(A) in paragraph (1), by striking ''or (B)''; and

(B) in paragraph (2)—

(i) in subparagraph (A), by amending the matter preceding clause (i) to read as follows:

''(A) IN GENERAL.—If such failure continues for a second consecutive year, the Governor shall take corrective actions, including the development of a reorganization plan. Such plan shall—'';

(ii) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;

(iii) by inserting after subparagraph (A), the following:

''(B) REDUCTION IN THE AMOUNT OF GRANT.—If such failure continues for a third consecutive year, the Governor shall reduce the amount of the grant that would (in the absence of this subparagraph) be payable to the local area under such program for the program year after such third consecutive year. Such penalty shall be based on the degree of failure to meet local levels of performance.'';

(iv) in subparagraph (C)(i) (as so redesignated), by striking ''a reorganization plan under subparagraph (A) may, not later than 30 days after receiving notice of the reorganization plan, appeal to the Governor to rescind or revise such plan'' and inserting ''corrective action under subparagraph (A) or (B) may, not later than 30 days after receiving notice of the action, appeal to the Governor to rescind or revise such action''; and

(v) in subparagraph (D) (as so redesignated), by striking ''subparagraph (B)'' each place it appears and inserting ''subparagraph (C)'';

(6) in subsection (i)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking ''subsection (b)(2)(C)'' and inserting ''subsection (b)(2)(B)''; and

(ii) in subparagraph (C), by striking ''(b)(3)(A)(vi)'' and inserting ''(b)(3)(A)(v)'';

(B) in paragraph (2), by striking ''the activities described in section 502 concerning''; and

(C) in paragraph (3), by striking ''described in paragraph (1) and in the activities described in section 502'' and inserting ''and activities described in this subsection''; and

(7) by adding at the end the following new subsections:

''(j) USE OF CORE INDICATORS FOR OTHER PROGRAMS.—Consistent with the requirements of the applicable authorizing laws, the Secretary shall use the core indicators of performance described in subsection (b)(2)(A) to assess the effectiveness of the programs described in section 121(b)(1)(B) (in addition to the programs carried out under chapter 5) that are carried out by the Secretary.

''(k) ESTABLISHING PAY-FOR-PERFORMANCE INCENTIVES.—

''(1) IN GENERAL.—At the discretion of the Governor of a State, a State may establish an incentive system for local boards to implement pay-for-performance contract strategies for the delivery of employment and training activities in the local areas served by the local boards.

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

''(3) EVALUATIONS.—A State described in paragraph (2) shall use funds reserved by the State under section 133(a)(1) to evaluate the return on investment of pay-for-performance contract strategies implemented by local boards in the State.''.

SEC. 424. AUTHORIZATION OF APPROPRIATIONS.

Section 137 (29 U.S.C. 2872) is amended to read as follows:

''SEC. 137. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out the activities described in section 132, $6,245,318,000 for fiscal year 2015 and each of the 6 succeeding fiscal years.''.

CHAPTER 3—JOB CORPS

SEC. 426. JOB CORPS PURPOSES.

Paragraph (1) of section 141 (29 U.S.C. 2881(1)) is amended to read as follows:

''(1) to maintain a national Job Corps program for at-risk youth, carried out in partnership with States and communities, to assist eligible youth to connect to the workforce by providing them with intensive academic, career and technical education, and service-learning opportunities, in residential and nonresidential centers, in order for such youth to obtain regular secondary school diplomas and recognized postsecondary credentials leading to successful careers in in-demand industries that will result in opportunities for advancement;''.

SEC. 427. JOB CORPS DEFINITIONS.

Section 142 (29 U.S.C. 2882) is amended—

(1) in paragraph (2)—

(A) in the paragraph heading, by striking ''APPLICABLE ONE-STOP'' and inserting ''ONE-STOP'';

(B) by striking ''applicable'';

(C) by striking ''customer service''; and

(D) by striking ''intake'' and inserting ''assessment'';

(2) in paragraph (4), by striking ''before completing the requirements'' and all that follows and inserting ''prior to becoming a graduate.''; and

(3) in paragraph (5), by striking ''has completed the requirements'' and all that follows and inserting the following: ''who, as a result of participation in the Job Corps program, has received a regular secondary school diploma, completed the requirements of a career and technical education and training program, or received, or is making satisfactory progress (as defined under section 484(c) of the Higher Education Act of 1965 (20 U.S.C. 1091(c))) toward receiving, a recognized postsecondary credential (including an industry-recognized credential) that prepares individuals for employment leading to economic self-sufficiency.''.

SEC. 428. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.

Section 144 (29 U.S.C. 2884) is amended—

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

''(1) not less than age 16 and not more than age 24 on the date of enrollment;'';

(2) in paragraph (3)(B), by inserting ''secondary'' before ''school''; and

(3) in paragraph (3)(E), by striking ''vocational'' and inserting ''career and technical education and''.

SEC. 429. RECRUITMENT, SCREENING, SELECTION, AND ASSIGNMENT OF ENROLLEES.

Section 145 (29 U.S.C. 2885) is amended—

(1) in subsection (a)—

(A) in paragraph (2)(C)(i) by striking ''vocational'' and inserting ''career and technical education and training''; and

(B) in paragraph (3)—

(i) by striking ''To the extent practicable, the'' and inserting ''The'';

(ii) in subparagraph (A)—

(I) by striking ''applicable''; and

(II) by inserting ''and'' after the semicolon;

(iii) by striking subparagraphs (B) and (C); and

(iv) by adding at the end the following:

''(B) organizations that have a demonstrated record of effectiveness in placing at-risk youth into employment.'';

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (B), by inserting ''and agrees to such rules'' after ''failure to observe the rules''; and

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

''(C) the individual has passed a background check conducted in accordance with procedures established by the Secretary, which shall include—

''(i) a search of the State criminal registry or repository in the State where the individual resides and each State where the individual previously resided;

''(ii) a search of State-based child abuse and neglect registries and databases in the State where the individual resides and each State where the individual previously resided;

''(iii) a search of the National Crime Information Center;

''(iv) a Federal Bureau of Investigation fingerprint check using the Integrated Automated Fingerprint Identification System; and

''(v) a search of the National Sex Offender Registry established under the Adam Walsh Child Protection and Safety Act of 2006 (42 U.S.C. 16901 et seq.).''; and

(B) by adding at the end the following new paragraph:

''(3) INDIVIDUALS CONVICTED OF A CRIME.—An individual shall be ineligible for enrollment if the individual—

''(A) makes a false statement in connection with the criminal background check described in paragraph (1)(C);

''(B) is registered or is required to be registered on a State sex offender registry or the National Sex Offender Registry established under the Adam Walsh Child Protection and Safety Act of 2006 (42 U.S.C. 16901 et seq.); or

''(C) has been convicted of a felony consisting of—

''(i) homicide;

''(ii) child abuse or neglect;

''(iii) a crime against children, including child pornography;

''(iv) a crime involving rape or sexual assault; or

''(v) physical assault, battery, or a drug-related offense, committed within the past 5 years.'';

(3) in subsection (c)—

(A) in paragraph (1)—

(i) by striking ''2 years'' and inserting ''year''; and

(ii) by striking ''an assignment'' and inserting ''a''; and

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking '', every 2 years,'';

(ii) in subparagraph (B), by striking ''and'' at the end; and

(iii) in subparagraph (C)—

(I) by inserting ''the education and training'' after ''including''; and

(II) by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(D) the performance of the Job Corps center relating to the indicators described in paragraphs (1) and (2) in section 159(c), and whether any actions have been taken with respect to such center pursuant to section 159(f).''; and

(4) in subsection (d)—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by striking ''is closest to the home of the enrollee, except that the'' and inserting ''offers the type of career and technical education and training selected by the individual and, among the centers that offer such education and training, is closest to the home of the individual. The'';

(ii) by striking subparagraph (A); and

(iii) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(B) in paragraph (2), by inserting ''that offers the career and technical education and training desired by'' after ''home of the enrollee''.

SEC. 430. JOB CORPS CENTERS.

Section 147 (29 U.S.C. 2887) is amended—

(1) in subsection (a)—

(A) in paragraph (1)(A), by striking ''vocational'' both places it appears and inserting ''career and technical''; and

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) by striking ''subsections (c) and (d) of section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253)'' and inserting ''subsections (a) and (b) of section 3304 of title 41, United States Code''; and

(II) by striking ''industry council'' and inserting ''workforce council'';

(ii) in subparagraph (B)(i)—

(I) by amending subclause (II) to read as follows:

''(II) the ability of the entity to offer career and technical education and training that the workforce council proposes under section 154(c);'';

(II) in subclause (III), by striking ''is familiar with the surrounding communities, applicable'' and inserting ''demonstrates relationships with the surrounding communities, employers, workforce boards,'' and by striking ''and'' at the end;

(III) by amending subclause (IV) to read as follows:

''(IV) the performance of the entity, if any, relating to operating or providing activities described in this subtitle to a Job Corps center, including the entity's demonstrated effectiveness in assisting individuals in achieving the primary and secondary indicators of performance described in paragraphs (1) and (2) of section 159(c); and''; and

(IV) by adding at the end the following new subclause:

''(V) the ability of the entity to demonstrate a record of successfully assisting at-risk youth to connect to the workforce, including by providing them with intensive academic, and career and technical education and training.''; and

(iii) in subparagraph (B)(ii)—

(I) by striking '', as appropriate''; and

(II) by striking ''through (IV)'' and inserting ''through (V)'';

(2) in subsection (b), by striking ''In any year, no more than 20 percent of the individuals enrolled in the Job Corps may be nonresidential participants in the Job Corps.'';

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

''(c) CIVILIAN CONSERVATION CENTERS.—

''(1) IN GENERAL.—The Job Corps centers may include Civilian Conservation Centers, operated under an agreement between the Secretary of Labor and the Secretary of Agriculture, that are located primarily in rural areas. Such centers shall adhere to all the provisions of this subtitle, and shall provide, in addition to education, career and technical education and training, and workforce preparation skills training described in section 148, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

''(2) SELECTION PROCESS.—The Secretary shall select an entity that submits an application under subsection (d) to operate a Civilian Conservation Center on a competitive basis, as provided in subsection (a).''; and

(4) by striking subsection (d) and inserting the following:

''(d) APPLICATION.—To be eligible to operate a Job Corps center under this subtitle, an entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(1) a description of the program activities that will be offered at the center, including how the career and technical education and training reflect State and local employment opportunities, including in in-demand industries;

''(2) a description of the counseling, placement, and support activities that will be offered at the center, including a description of the strategies and procedures the entity will use to place graduates into unsubsidized employment upon completion of the program;

''(3) a description of the demonstrated record of effectiveness that the entity has in placing at-risk youth into employment, including past performance of operating a Job Corps center under this subtitle;

''(4) a description of the relationships that the entity has developed with State and local workforce boards, employers, State and local educational agencies, and the surrounding communities in an effort to promote a comprehensive statewide workforce investment system;

''(5) a description of the strong fiscal controls the entity has in place to ensure proper accounting of Federal funds, and a description of how the entity will meet the requirements of section 159(a);

''(6) a description of the strategies and policies the entity will utilize to reduce participant costs;

''(7) a description of the steps taken to control costs in accordance with section 159(a)(3);

''(8) a detailed budget of the activities that will be supported using funds under this subtitle;

''(9) a detailed budget of the activities that will be supported using funds from non-Federal resources;

''(10) an assurance the entity will comply with the administrative cost limitation included in section 151(c);

''(11) an assurance the entity is licensed to operate in the State in which the center is located; and

''(12) an assurance the entity will comply with and meet basic health and safety codes, including those measures described in section 152(b).

''(e) LENGTH OF AGREEMENT.—The agreement described in subsection (a)(1)(A) shall be for not longer than a 2-year period. The Secretary may renew the agreement for 3 1-year periods if the entity meets the requirements of subsection (f).

''(f) RENEWAL.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary may renew the terms of an

agreement described in subsection (a)(1)(A) for an entity to operate a Job Corps center if the center meets or exceeds each of the indicators of performance described in section 159(c)(1).

''(2) RECOMPETITION.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), the Secretary shall not renew the terms of the agreement for an entity to operate a Job Corps center if such center is ranked in the bottom quintile of centers described in section 159(f)(2) for any program year. Such entity may submit a new application under subsection (d) only if such center has shown significant improvement on the indicators of performance described in section 159(c)(1) over the last program year.

''(B) VIOLATIONS.—The Secretary shall not select an entity to operate a Job Corps center if such entity or such center has been found to have a systemic or substantial material failure that involves—

''(i) a threat to the health, safety, or civil rights of program participants or staff;

''(ii) the misuse of funds received under this subtitle;

''(iii) loss of legal status or financial viability, loss of permits, debarment from receiving Federal grants or contracts, or the improper use of Federal funds;

''(iv) failure to meet any other Federal or State requirement that the entity has shown an unwillingness or inability to correct, after notice from the Secretary, within the period specified; or

''(v) an unresolved area of noncompliance.

''(g) CURRENT GRANTEES.—Not later than 60 days after the date of enactment of the SKILLS Act and notwithstanding any previous grant award or renewals of such award under this subtitle, the Secretary shall require all entities operating a Job Corps center under this subtitle to submit an application under subsection (d) to carry out the requirements of this section.''.

SEC. 431. PROGRAM ACTIVITIES.

Section 148 (29 U.S.C. 2888) is amended—

(1) by amending subsection (a) to read as follows:

''(a) ACTIVITIES PROVIDED THROUGH JOB CORPS CENTERS.—

''(1) IN GENERAL.—Each Job Corps center shall provide enrollees with an intensive, well-organized, and supervised program of education, career and technical education and training, work experience, recreational activities, physical rehabilitation and development, and counseling. Each Job Corps center shall provide enrollees assigned to the center with access to work ready services described in section 134(c)(2).

''(2) RELATIONSHIP TO OPPORTUNITIES.—

''(A) IN GENERAL.—The activities provided under this subsection shall be targeted to helping enrollees, on completion of their enrollment—

''(i) secure and maintain meaningful unsubsidized employment;

''(ii) complete secondary education and obtain a regular secondary school diploma;

''(iii) enroll in and complete postsecondary education or training programs, including obtaining recognized postsecondary credentials (such as industry-recognized credentials and certificates from registered apprenticeship programs); or

''(iv) satisfy Armed Forces requirements.

''(B) LINK TO EMPLOYMENT OPPORTUNITIES.—The career and technical education and training provided shall be linked to the employment opportunities in in-demand industries in the State in which the Job Corps center is located.''; and

(2) in subsection (b)—

(A) in the subsection heading, by striking ''EDUCATION AND VOCATIONAL'' and inserting ''ACADEMIC AND CAREER AND TECHNICAL EDUCATION AND'';

(B) by striking ''may'' after ''The Secretary'' and inserting ''shall''; and

(C) by striking ''vocational'' each place it appears and inserting ''career and technical''; and

(3) by amending paragraph (3) of subsection (c) to read as follows:

''(3) DEMONSTRATION.—Each year, any operator seeking to enroll additional enrollees in an advanced career training program shall demonstrate, before the operator may carry out such additional enrollment, that—

''(A) participants in such program have achieved a satisfactory rate of completion and placement in training-related jobs; and

''(B) such operator has met or exceeded the indicators of performance described in paragraphs (1) and (2) of section 159(c) for the previous year.''.

SEC. 432. COUNSELING AND JOB PLACEMENT.

Section 149 (29 U.S.C. 2889) is amended—

(1) in subsection (a), by striking ''vocational'' and inserting ''career and technical education and'';

(2) in subsection (b)—

(A) by striking ''make every effort to arrange to''; and

(B) by striking ''to assist'' and inserting ''assist''; and

(3) by striking subsection (d).

SEC. 433. SUPPORT.

Subsection (b) of section 150 (29 U.S.C. 2890) is amended to read as follows:

''(b) TRANSITION ALLOWANCES AND SUPPORT FOR GRADUATES.—The Secretary shall arrange for a transition allowance to be paid to graduates. The transition allowance shall be incentive-based to reflect a graduate's completion of academic, career and technical education or training, and attainment of a recognized postsecondary credential, including an industry-recognized credential.''.

SEC. 434. OPERATIONS.

Section 151 (29 U.S.C. 2891) is amended—

(1) in the header, by striking ''**OPERATING PLAN**.'' and inserting ''**OPERATIONS**.'';

(2) in subsection (a), by striking ''IN GENERAL.—'' and inserting ''OPERATING PLAN.—'';

(3) by striking subsection (b) and redesignating subsection (c) as subsection (b);

(4) by amending subsection (b) (as so redesignated)—

(A) in the heading by inserting ''OF OPERATING PLAN'' after ''AVAILABILITY''; and

(B) by striking ''subsections (a) and (b)'' and inserting ''subsection (a)''; and

(5) by adding at the end the following new subsection:

''(c) ADMINISTRATIVE COSTS.—Not more than 10 percent of the funds allotted under section 147 to an entity selected to operate a Job Corps center may be used by the entity for administrative costs under this subtitle.''.

SEC. 435. COMMUNITY PARTICIPATION.

Section 153 (29 U.S.C. 2893) is amended to read as follows:

''SEC. 153. COMMUNITY PARTICIPATION.

''The director of each Job Corps center shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers in the State and nearby communities. Such activities may include the use of any local workforce development boards established under section 117 to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.''.

SEC. 436. WORKFORCE COUNCILS.

Section 154 (29 U.S.C. 2894) is amended to read as follows:

''SEC. 154. WORKFORCE COUNCILS.

''(a) IN GENERAL.—Each Job Corps center shall have a workforce council appointed by the Governor of the State in which the Job Corps center is located.

''(b) WORKFORCE COUNCIL COMPOSITION.—

''(1) IN GENERAL.—A workforce council shall be comprised of—

''(A) business members of the State board described in section 111(b)(1)(B)(i);

''(B) business members of the local boards described in section 117(b)(2)(A) located in the State;

''(C) a representative of the State board described in section 111(f); and

''(D) such other representatives and State agency officials as the Governor may designate.

''(2) MAJORITY.—A ⅔ majority of the members of the workforce council shall be representatives described in paragraph (1)(A).

''(c) RESPONSIBILITIES.—The responsibilities of the workforce council shall be—

''(1) to review all the relevant labor market information, including related information in the State plan described in section 112, to—

''(A) determine the in-demand industries in the State in which enrollees intend to seek employment after graduation;

''(B) determine the skills and education that are necessary to obtain the employment opportunities described in subparagraph (A); and

''(C) determine the type or types of career and technical education and training that will be implemented at the center to enable the enrollees to obtain the employment opportunities; and

''(2) to meet at least once a year to reevaluate the labor market information, and other relevant information, to determine any necessary changes in the career and technical education and training provided at the center.''.

SEC. 437. TECHNICAL ASSISTANCE.

Section 156 (29 U.S.C. 2896) is amended to read as follows:

''SEC. 156. TECHNICAL ASSISTANCE TO CENTERS.

''(a) IN GENERAL.—From the funds reserved under section 132(a)(3), the Secretary shall provide, directly or through grants, contracts, or other agreements or arrangements as the Secretary considers appropriate, technical assistance and training for the Job Corps program for the purposes of improving program quality.

''(b) ACTIVITIES.—In providing training and technical assistance and for allocating resources for such assistance, the Secretary shall—

''(1) assist entities, including those entities not currently operating a Job Corps center, in developing the application described in section 147(d);

''(2) assist Job Corps centers and programs in correcting deficiencies and violations under this subtitle;

''(3) assist Job Corps centers and programs in meeting or exceeding the indicators of performance described in paragraph (1) and (2) of section 159(c); and

''(4) assist Job Corps centers and programs in the development of sound management practices, including financial management procedures.''.

SEC. 438. SPECIAL PROVISIONS.

Section 158(c)(1) (29 U.S.C. 2989(c)(1)) is amended by striking ''title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.)'' and inserting ''chapter 5 of title 40, United States Code,''.

SEC. 439. PERFORMANCE ACCOUNTABILITY MANAGEMENT.

Section 159 (29 U.S.C. 2899) is amended—

(1) in the section heading, by striking ''**MANAGEMENT INFORMATION**'' and inserting ''**PERFORMANCE ACCOUNTABILITY AND MANAGEMENT**'';

(2) in subsection (a)(3), by inserting before the period at the end the following: '', or operating costs for such centers result in a budgetary shortfall'';

(3) by striking subsections (c) through (g); and

(4) by inserting after subsection (b) the following:

''(c) INDICATORS OF PERFORMANCE.—

''(1) PRIMARY INDICATORS.—The annual primary indicators of performance for Job Corps centers shall include—

''(A) the percentage and number of enrollees who graduate from the Job Corps center;

''(B) the percentage and number of graduates who entered unsubsidized employment related to the career and technical education and training received through the Job Corps center, except that such calculation shall not include enrollment in education, the military, or volunteer service;

''(C) the percentage and number of graduates who obtained a recognized postsecondary credential, including an industry-recognized credential or a certificate from a registered apprenticeship program; and

''(D) the cost per successful performance outcome, which is calculated by comparing the number of graduates who were placed in unsubsidized employment or obtained a recognized postsecondary credential, including an industry-recognized credential, to total program costs, including all operations, construction, and administration costs at each Job Corps center.

''(2) SECONDARY INDICATORS.—The annual secondary indicators of performance for Job Corps centers shall include—

''(A) the percentage and number of graduates who entered unsubsidized employment not related to the career and technical education and training received through the Job Corps center;

''(B) the percentage and number of graduates who entered into postsecondary education;

''(C) the percentage and number of graduates who entered into the military;

''(D) the average wage of graduates who are in unsubsidized employment—

''(i) on the first day of employment; and

''(ii) 6 months after the first day;

''(E) the number and percentage of graduates who entered unsubsidized employment and were retained in the unsubsidized employment—

''(i) 6 months after the first day of employment; and

''(ii) 12 months after the first day of employment;

''(F) the percentage and number of enrollees compared to the percentage and number of enrollees the Secretary has established as targets in section 145(c)(1);

''(G) the cost per training slot, which is calculated by comparing the program's maximum number of enrollees that can be enrolled in a Job Corps center at any given time during the program year to the number of enrollees in the same program year; and

''(H) the number and percentage of former enrollees, including the number dismissed under the zero tolerance policy described in section 152(b).

''(3) INDICATORS OF PERFORMANCE FOR RECRUITERS.—The annual indicators of performance for recruiters shall include the measurements described in subparagraph (A) of paragraph (1) and subparagraphs (F), (G), and (H) of paragraph (2).

''(4) INDICATORS OF PERFORMANCE OF CAREER TRANSITION SERVICE PROVIDERS.—The annual indicators of performance of career transition service providers shall include the measurements described in subparagraphs (B) and (C) of paragraph (1) and subparagraphs, (B), (C), (D), and (E) of paragraph (2).

''(d) ADDITIONAL INFORMATION.—The Secretary shall collect, and submit in the report described in subsection (f), information on the performance of each Job Corps center, and the Job Corps program, regarding—

''(1) the number and percentage of former enrollees who obtained a regular secondary school diploma;

''(2) the number and percentage of former enrollees who entered unsubsidized employment;

''(3) the number and percentage of former enrollees who obtained a recognized postsecondary credential, including an industry-recognized credential;

''(4) the number and percentage of former enrollees who entered into military service; and

''(5) any additional information required by the Secretary.

''(e) METHODS.—The Secretary shall collect the information described in subsections (c) and (d), using methods described in section 136(f)(2) and consistent with State law, by entering into agreements with the States to access such data for Job Corps enrollees, former enrollees, and graduates.

''(f) TRANSPARENCY AND ACCOUNTABILITY.—

''(1) REPORT.—The Secretary shall collect and annually submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor and Pensions of the Senate, and make available to the public by electronic means, a report containing—

''(A) information on the performance of each Job Corps center, and the Job Corps program, on the performance indicators described in paragraphs (1) and (2) of subsection (c);

''(B) a comparison of each Job Corps center, by rank, on the performance indicators described in paragraphs (1) and (2) of subsection (c);

''(C) a comparison of each Job Corps center, by rank, on the average performance of all primary indicators described in paragraph (1) of subsection (c);

''(D) information on the performance of the service providers described in paragraphs (3) and (4) of subsection (c) on the performance indicators established under such paragraphs; and

''(E) a comparison of each service provider, by rank, on the performance of all service providers described in paragraphs (3) and (4) of subsection (c) on the performance indicators established under such paragraphs.

''(2) ASSESSMENT.—The Secretary shall conduct an annual assessment of the performance of each Job Corps center which shall include information on the Job Corps centers that—

''(A) are ranked in the bottom 10 percent on the performance indicator described in paragraph (1)(C); or

''(B) have failed a safety and health code review described in subsection (g).

''(3) PERFORMANCE IMPROVEMENT.—With respect to a Job Corps center that is identified under paragraph (2) or reports less than 50 percent on the performance indicators described in subparagraph (A), (B), or (C) of subsection (c)(1), the Secretary shall develop and implement a 1 year performance improvement plan. Such a plan shall require action including—

''(A) providing technical assistance to the center;

''(B) changing the management staff of the center;

''(C) replacing the operator of the center;

''(D) reducing the capacity of the center; or

''(E) closing the center.

''(4) CLOSURE OF JOB CORPS CENTERS.—Job Corps centers that have been identified under paragraph (2) for more than 4 consecutive years shall be closed. The Secretary shall ensure—

''(A) that the proposed decision to close the center is announced in advance to the general public through publication in the Federal Register and other appropriate means; and

''(B) the establishment of a reasonable comment period, not to exceed 30 days, for interested individuals to submit written comments to the Secretary.

''(g) PARTICIPANT HEALTH AND SAFETY.—The Secretary shall enter into an agreement with the General Services Administration or the appropriate State agency responsible for inspecting public buildings and safeguarding the health of disadvantaged students, to conduct an in-person review of the physical condition and health-related activities of each Job Corps center annually. Such review shall include a passing rate of occupancy under Federal and State ordinances.''.

CHAPTER 4—NATIONAL PROGRAMS

SEC. 441. TECHNICAL ASSISTANCE.

Section 170 (29 U.S.C. 2915) is amended—

(1) by striking subsection (b);

(2) by striking:

''(a) GENERAL TECHNICAL ASSISTANCE.—'';

(3) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c) respectively, and moving such subsections 2 ems to the left, and conforming the casing style of the headings of such subsections to the casing style of the heading of subsection (d), as added by paragraph (7) of this section;

(4) in subsection (a) (as so redesignated)—

(A) by inserting ''the training of staff providing rapid response services and additional assistance, the training of other staff of recipients of funds under this title, assistance regarding accounting and program operation practices (when such assistance would not be duplicative to assistance provided by the State), technical assistance to States that do not meet State performance measures described in section 136,'' after ''localities,''; and

(B) by striking ''from carrying out activities'' and all that follows up to the period and inserting ''to implement the amendments made by the SKILLS Act'';

(5) in subsection (b) (as so redesignated)—

(A) by striking ''paragraph (1)'' and inserting ''subsection (a)'';

(B) by striking '', or recipient of financial assistance under any of sections 166 through 169,''; and

(C) by striking ''or grant recipient'';

(6) in subsection (c) (as so redesignated), by striking ''paragraph (1)'' and inserting ''subsection (a)''; and

(7) by inserting, after subsection (c) (as so redesignated), the following:

''(d) BEST PRACTICES COORDINATION.—The Secretary shall—

''(1) establish a system through which States may share information regarding best practices with regard to the operation of workforce investment activities under this Act; and

''(2) evaluate and disseminate information regarding best practices and identify knowledge gaps.''.

SEC. 442. EVALUATIONS.

Section 172 (29 U.S.C. 2917) is amended—

(1) in subsection (a), by striking ''the Secretary shall provide for the continuing evaluation of the programs and activities, including those programs and activities carried out under section 171'' and inserting ''the Secretary, through grants, contracts, or cooperative agreements, shall conduct, at least once every 5 years, an independent evaluation of the programs and activities funded under this Act'';

(2) by amending subsection (a)(4) to read as follows:

''(4) the impact of receiving services and not receiving services under such programs and activities on the community, businesses, and individuals;'';

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

''(c) TECHNIQUES.—Evaluations conducted under this section shall utilize appropriate and rigorous methodology and research designs, including the use of control groups chosen by scientific random assignment methodologies, quasi-experimental methods, impact analysis and the use of administrative data. The Secretary shall conduct an impact analysis, as described in subsection (a)(4), of the formula grant program under subtitle B not later than 2016, and thereafter shall conduct such an analysis not less than once every 4 years.'';

(4) in subsection (e), by striking ''the Committee on Labor and Human Resources of the Senate'' and inserting ''the Committee on Health, Education, Labor, and Pensions of the Senate'';

(5) by redesignating subsection (f) as subsection (g) and inserting after subsection (e) the following:

''(f) REDUCTION OF AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR LATE REPORTING.—If a report required to be transmitted to Congress under this section is not transmitted on or before the time period specified for that report, amounts authorized to be appropriated under this title shall be reduced by 10 percent for the fiscal year that begins after the date on which the final report required under this section is required to be transmitted and reduced by an additional 10 percent each subsequent fiscal year until each such report is transmitted to Congress.''; and

(6) by adding at the end, the following:

''(h) PUBLIC AVAILABILITY.—The results of the evaluations conducted under this section shall be made publicly available, including by posting such results on the Department's website.''.

CHAPTER 5—ADMINISTRATION

SEC. 446. REQUIREMENTS AND RESTRICTIONS.

Section 181 (29 U.S.C. 2931) is amended—

(1) in subsection (b)(6), by striking '', including representatives of businesses and of labor organizations,'';

(2) in subsection (c)(2)(A), in the matter preceding clause (i), by striking ''shall'' and inserting ''may'';

(3) in subsection (e)—

(A) by striking ''training for'' and inserting ''the entry into employment, retention in employment, or increases in earnings of''; and

(B) by striking ''subtitle B'' and inserting ''this Act'';

(4) in subsection (f)(4), by striking ''134(a)(3)(B)'' and inserting ''133(a)(4)''; and

(5) by adding at the end the following:

''(g) SALARY AND BONUS LIMITATION.—

''(1) IN GENERAL.—No funds provided under this title shall be used by a recipient or subrecipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of the rate prescribed in level II of the Executive Schedule under section 5315 of title 5, United States Code.

''(2) VENDORS.—The limitation described in paragraph (1) shall not apply to vendors providing goods and services as defined in OMB Circular A–133.

''(3) LOWER LIMIT.—In a case in which a State is a recipient of such funds, the State may establish a lower limit than is provided in paragraph (1) for salaries and bonuses of those receiving salaries and bonuses from a subrecipient of such funds, taking into account factors including the relative cost of living in the State, the compensation levels for comparable State or local government employees, and the size of the organizations that administer the Federal programs involved.

''(h) GENERAL AUTHORITY.—

''(1) IN GENERAL.—The Employment and Training Administration of the Department of Labor (referred to in this Act as the 'Administration') shall administer all programs authorized under title I and the Wagner-Peyser Act (29 U.S.C. 49 et seq.). The Administration shall be headed by an Assistant Secretary appointed by the President by and with the advice and consent of the Senate. Except for title II and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), the Administration shall be the principal agency, and the Assistant Secretary shall be the principal officer, of such Department for carrying out this Act.

''(2) QUALIFICATIONS.—The Assistant Secretary shall be an individual with substantial experience in workforce development and in workforce development management. The Assistant Secretary shall also, to the maximum extent possible, possess knowledge and have worked in or with the State or local workforce investment system or have been a member of the business community.

''(3) FUNCTIONS.—In the performance of the functions of the office, the Assistant Secretary shall be directly responsible to the Secretary or the Deputy Secretary of Labor, as determined by the Secretary. The functions of the Assistant Secretary shall not be delegated to any officer not directly responsible, both with respect to program operation and administration, to the Assistant Secretary. Any reference in this Act to duties to be carried out by the Assistant Secretary shall be considered to be a reference to duties to be carried out by the Secretary acting through the Assistant Secretary.''.

SEC. 447. PROMPT ALLOCATION OF FUNDS.

Section 182 (29 U.S.C. 2932) is amended—

(1) in subsection (c)—

(A) by striking ''127 or''; and

(B) by striking '', except that'' and all that follows and inserting a period; and

(2) in subsection (e)—

(A) by striking ''sections 128 and 133'' and inserting ''section 133''; and

(B) by striking ''127 or''.

SEC. 448. FISCAL CONTROLS; SANCTIONS.

Section 184(a)(2) (29 U.S.C. 2934(a)(2)) is amended—

(1) by striking ''(A)'' and all that follows through ''Each'' and inserting ''Each''; and

(2) by striking subparagraph (B).

SEC. 449. REPORTS TO CONGRESS.

Section 185 (29 U.S.C. 2935) is amended—

(1) in subsection (c)—

(A) in paragraph (2), by striking ''and'' after the semicolon;

(B) in paragraph (3), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(4) shall have the option to submit or disseminate electronically any reports, records, plans, or other data that are required to be collected or disseminated under this title.''; and

(2) in subsection (e)(2), by inserting ''and the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate,'' after ''Secretary,''.

SEC. 450. ADMINISTRATIVE PROVISIONS.

Section 189 (29 U.S.C. 2939) is amended—

(1) in subsection (g)—

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

''(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities carried out under this title shall be available for obligation only on the basis of a program year. The program year shall begin on October 1 in the fiscal year for which the appropriation is made.''; and

(B) in paragraph (2)—

(i) in the first sentence, by striking ''each State'' and inserting ''each recipient (except as otherwise provided in this paragraph)''; and

(ii) in the second sentence, by striking ''171 or'';

(2) in subsection (i)—

(A) by striking paragraphs (2) and (3);

(B) by redesignating paragraph (4) as paragraph (2);

(C) by amending paragraph (2)(A), as so redesignated—

(i) in clause (i), by striking ''; and'' and inserting a period at the end;

(ii) by striking ''requirements of subparagraph (B)'' and all that follows through ''any of the statutory or regulatory requirements of subtitle B'' and inserting ''requirements of subparagraph (B) or (D), any of the statutory or regulatory requirements of subtitle B''; and

(iii) by striking clause (ii); and

(D) by adding at the end the following:

''(D) EXPEDITED PROCESS FOR EXTENDING APPROVED WAIVERS TO ADDITIONAL STATES.—The Secretary may establish an expedited procedure for the purpose of extending to additional States the waiver of statutory or regulatory requirements that have been approved for a State pursuant to a request under subparagraph (B), in lieu of requiring the additional States to meet the requirements of subparagraphs (B) and (C). Such procedure shall ensure that the extension of such a waiver to additional States is accompanied by appropriate conditions relating to the implementation of such waiver.

''(E) EXTERNAL CONDITIONS.—The Secretary shall not require or impose new or additional requirements, that are not specified under this Act, on a State in exchange for providing a waiver to the State or a local area in the State under this paragraph.''.

SEC. 451. STATE LEGISLATIVE AUTHORITY.

Section 191(a) (29 U.S.C. 2941(a)) is amended—

(1) by striking ''consistent with the provisions of this title'' and inserting ''consistent with State law and the provisions of this title''; and

(2) by striking ''consistent with the terms and conditions required under this title'' and inserting ''consistent with State law and the terms and conditions required under this title''.

SEC. 452. GENERAL PROGRAM REQUIREMENTS.

Section 195 (29 U.S.C. 2945) is amended—

(1) in paragraph (7), by inserting at the end the following:

''(D) Funds received under a program by a public or private nonprofit entity that are not described in subparagraph (B), such as funds privately raised from philanthropic foundations, businesses, or other private entities, shall not be considered to be income under this title and shall not be subject to the requirements of this paragraph.'';

(2) by striking paragraph (9);

(3) by redesignating paragraphs (10) through (13) as paragraphs (9) through (12), respectively;

(4) by adding at the end the following new paragraphs:

''(13) Funds provided under this title shall not be used to establish or operate standalone fee-for-service enterprises that compete with private sector employment agencies within the meaning of section 701(c) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(c)), except that for purposes of this paragraph, such an enterprise does not include a one-stop center.

''(14) Any report required to be submitted to Congress, or to a Committee of Congress, under this title shall be submitted to both the chairmen and ranking minority members of the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate.''.

SEC. 453. FEDERAL AGENCY STAFF AND RESTRICTIONS ON POLITICAL AND LOBBYING ACTIVITIES.

Subtitle E of title I (29 U.S.C. 2931 et seq.) is amended by adding at the end the following new sections:

"SEC. 196. FEDERAL AGENCY STAFF.

''The Director of the Office of Management and Budget shall—

''(1) not later than 60 days after the date of the enactment of the SKILLS Act—

''(A) identify the number of Federal government employees who, on the day before the date of enactment of the SKILLS Act, worked on or administered each of the programs and activities that were authorized under this Act or were authorized under a provision listed in section 401 of the SKILLS Act; and

''(B) identify the number of full-time equivalent employees who on the day before that date of enactment, worked on or administered each of the programs and activities described in subparagraph (A), on functions for which the authorizing provision has been repealed, or for which an amount has been consolidated (if such employee is in a duplicate position), on or after such date of enactment;

''(2) not later than 90 after such date of enactment, publish the information described in paragraph (1) on the Office of Management and Budget website; and

''(3) not later than 1 year after such date of enactment—

''(A) reduce the workforce of the Federal Government by the number of full-time equivalent employees identified under paragraph (1)(B); and

''(B) submit to Congress a report on how the Director carried out the requirements of subparagraph (A).

"SEC. 197. RESTRICTIONS ON LOBBYING AND POLITICAL ACTIVITIES.

''(a) LOBBYING RESTRICTIONS.—

''(1) PUBLICITY RESTRICTIONS.—

''(A) IN GENERAL.—Subject to subparagraph (B), no funds provided under this Act shall be used or proposed for use, for—

''(i) publicity or propaganda purposes; or

''(ii) the preparation, distribution, or use of any kit, pamphlet, booklet, publication, electronic communication, radio, television, or video presentation designed to support or defeat the enactment of legislation before the Congress or any State or local legislature or legislative body.

''(B) EXCEPTION.—Subparagraph (A) shall not apply to—

''(i) normal and recognized executive-legislative relationships;

''(ii) the preparation, distribution, or use of the materials described in subparagraph (A)(ii) in presentation to the Congress or any State or local legislature or legislative body (except that this subparagraph does not apply with respect to such preparation, distribution, or use in presentation to the executive branch of any State or local government); or

''(iii) such preparation, distribution, or use of such materials, that are designed to support or defeat any proposed or pending regulation, administrative action, or order issued by the executive branch of any State or local government.

''(2) SALARY PAYMENT RESTRICTION.—No funds provided under this Act shall be used, or proposed for use, to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence the enactment or issuance of legislation, appropriations, regulations, administrative action, or an executive order proposed or pending before the Congress or any State government, or a State or local legislature or legislative body, other than for normal and recognized executive-legislative relationships or participation by an agency or officer of a State, local, or tribal government in policymaking and administrative processes within the executive branch of that government.

''(b) POLITICAL RESTRICTIONS.—

''(1) IN GENERAL.—No funds received by a participant of a program or activity under this Act shall be used for—

''(A) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office; or

''(B) any activity to provide voters with transportation to the polls or similar assistance in connection with any such election.

''(2) RESTRICTION ON VOTER REGISTRATION ACTIVITIES.—No funds under this Act shall be used to conduct voter registration activities.

''(3) DEFINITION.—For the purposes of this subsection, the term 'participant' includes any State, local area, or government, nonprofit, or for-profit entity receiving funds under this Act.''.

CHAPTER 6—STATE UNIFIED PLAN

SEC. 456. STATE UNIFIED PLAN.

Section 501 (20 U.S.C. 9271) is amended—

(1) by amending subsection (a) to read as follows:

''(a) GENERAL AUTHORITY.—The Secretary shall receive and approve State unified plans developed and submitted in accordance with this section.'';

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

''(b) STATE UNIFIED PLAN.—

''(1) IN GENERAL.—A State may develop and submit to the Secretary a State unified plan for 2 or more of the activities or programs set forth in paragraph (2). The State unified plan shall cover one or more of the activities or programs set forth in subparagraphs (A) and (B) of paragraph (2) and shall cover one or more of the activities or programs set forth in subparagraphs (C) through (N) of paragraph (2).

''(2) ACTIVITIES AND PROGRAMS.—For purposes of paragraph (1), the term 'activity or program' means any 1 of the following 14 activities or programs:

''(A) Activities and programs authorized under title I.

''(B) Activities and programs authorized under title II.

''(C) Programs authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 710 et seq.).

''(D) Secondary career and technical education programs authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.).

''(E) Postsecondary career and technical education programs authorized under the Carl D. Perkins Career and Technical Education Act of 2006.

''(F) Activities and programs authorized under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).

''(G) Programs and activities authorized under the Act of August 16, 1937 (commonly known as the 'National Apprenticeship Act'; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.).

''(H) Programs authorized under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.).

''(I) Programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

''(J) Programs authorized under State unemployment compensation laws (in accordance with applicable Federal law).

''(K) Work programs authorized under section 6(o) of the Food and Nutrition Act of 1977 (7 U.S.C. 2015(o)).

''(L) Activities and programs authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.).

''(M) Activities and programs authorized under the Public Works and Economic Development Act of 1965 (42 U.S.C. 3121 et seq.).

''(N) Activities authorized under chapter 41 of title 38, United States Code.'';

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

''(d) APPROVAL.—

''(1) JURISDICTION.—In approving a State unified plan under this section, the Secretary shall—

''(A) submit the portion of the State unified plan covering an activity or program described in subsection (b)(2) to the head of the Federal agency who exercises administrative authority over the activity or program for the approval of such portion by such Federal agency head; or

''(B) coordinate approval of the portion of the State unified plan covering an activity or program described in subsection (b)(2) with the head of the Federal agency who exercises administrative authority over the activity or program.

''(2) TIMELINE.—A State unified plan shall be considered to be approved by the Secretary at the end of the 90-day period beginning on the day the Secretary receives the plan, unless the Secretary makes a written determination, during the 90-day period, that details how the plan is not consistent with the requirements of the Federal statute authorizing an activity or program described in subsection (b)(2) and covered under the plan or how the plan is not consistent with the requirements of subsection (c)(3).

''(3) SCOPE OF PORTION.—For purposes of paragraph (1), the portion of the State unified plan covering an activity or program shall be considered to include the plan described in subsection (c)(3) and any proposal described in subsection (e)(2), as that part and proposal relate to the activity or program.''; and

(4) by adding at the end the following:

''(e) ADDITIONAL EMPLOYMENT AND TRAINING FUNDS.—

''(1) PURPOSE.—It is the purpose of this subsection to reduce inefficiencies in the administration of federally funded State and local employment and training programs.

''(2) IN GENERAL.—In developing a State unified plan for the activities or programs described in subsection (b)(2), and subject to paragraph (4) and to the State plan approval process under subsection (d), a State may propose to consolidate the amount, in whole or part, provided for the activities or programs covered by the plan into the Workforce Investment Fund under section 132(b) to improve the administration of State and local employment and training programs.

''(3) REQUIREMENTS.—A State that has a State unified plan approved under subsection (d) with a proposal for consolidation under paragraph (2), and that is carrying out such consolidation, shall—

''(A) in providing an activity or program for which an amount is consolidated into the Workforce Investment Fund—

''(i) continue to meet the program requirements, limitations, and prohibitions of any Federal statute authorizing the activity or program; and

''(ii) meet the intent and purpose for the activity or program; and

''(B) continue to make reservations and allotments under subsections (a) and (b) of section 133.

''(4) EXCEPTIONS.—A State may not consolidate an amount under paragraph (2) that is allocated to the State under—

''(A) the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.); or

''(B) title I of the Rehabilitation Act of 1973 (29 U.S.C. 710 et seq.).''.

Subtitle B—Adult Education and Family Literacy Education

SEC. 461. AMENDMENT.

Title II (20 U.S.C. 9201 et seq.) is amended to read as follows:

''TITLE II—ADULT EDUCATION AND FAMILY LITERACY EDUCATION

''SEC. 201. SHORT TITLE.

''This title may be cited as the 'Adult Education and Family Literacy Education Act'.

''SEC. 202. PURPOSE.

''It is the purpose of this title to provide instructional opportunities for adults seeking to improve their literacy skills, including their basic reading, writing, speaking, and mathematics skills, and support States and local communities in providing, on a voluntary basis, adult education and family literacy education programs, in order to—

''(1) increase the literacy of adults, including the basic reading, writing, speaking, and mathematics skills, to a level of proficiency necessary for adults to obtain employment and self-sufficiency and to successfully advance in the workforce;

''(2) assist adults in the completion of a secondary school education (or its equivalent) and the transition to a postsecondary educational institution;

''(3) assist adults who are parents to enable them to support the educational development of their children and make informed choices regarding their children's education including, through instruction in basic reading, writing, speaking, and mathematics skills; and

''(4) assist adults who are not proficient in English in improving their reading, writing, speaking, listening, comprehension, and mathematics skills.

''SEC. 203. DEFINITIONS.

''In this title:

''(1) ADULT EDUCATION AND FAMILY LITERACY EDUCATION PROGRAMS.—The term 'adult education and family literacy education programs' means a sequence of academic instruction and educational services below the postsecondary level that increase an individual's ability to read, write, and speak English and perform mathematical computations leading to a level of proficiency equivalent to at least a secondary school completion that is provided for individuals—

''(A) who are at least 16 years of age;

''(B) who are not enrolled or required to be enrolled in secondary school under State law; and

''(C) who—

''(i) lack sufficient mastery of basic reading, writing, speaking, and mathematics skills to enable the individuals to function effectively in society;

''(ii) do not have a secondary school diploma or its equivalent and have not achieved an equivalent level of education; or

''(iii) are English learners.

''(2) ELIGIBLE AGENCY.—The term 'eligible agency'—

''(A) means the primary entity or agency in a State or an outlying area responsible for administering or supervising policy for adult education and family literacy education programs in the State or outlying area, respectively, consistent with the law of the State or outlying area, respectively; and

''(B) may be the State educational agency, the State agency responsible for administering workforce investment activities, or the State agency responsible for administering community or technical colleges.

''(3) ELIGIBLE PROVIDER.—The term 'eligible provider' means an organization of demonstrated effectiveness that is—

''(A) a local educational agency;

''(B) a community-based or faith-based organization;

''(C) a volunteer literacy organization;

''(D) an institution of higher education;

''(E) a public or private educational agency;

''(F) a library;

''(G) a public housing authority;

''(H) an institution that is not described in any of subparagraphs (A) through (G) and has the ability to provide adult education, basic skills, and family literacy education programs to adults and families; or

''(I) a consortium of the agencies, organizations, institutions, libraries, or authorities described in any of subparagraphs (A) through (H).

''(4) ENGLISH LANGUAGE ACQUISITION PROGRAM.—The term 'English language acquisition program' means a program of instruction—

''(A) designed to help English learners achieve competence in reading, writing, speaking, and comprehension of the English language; and

''(B) that may lead to—

''(i) attainment of a secondary school diploma or its recognized equivalent;

''(ii) transition to success in postsecondary education and training; and

''(iii) employment or career advancement.

''(5) FAMILY LITERACY EDUCATION PROGRAM.—The term 'family literacy education program' means an educational program that—

''(A) assists parents and students, on a voluntary basis, in achieving the purpose of this title as described in section 202; and

''(B) is of sufficient intensity in terms of hours and of sufficient quality to make sustainable changes in a family, is evidence-based, and, for the purpose of substantially increasing the ability of parents and children to read, write, and speak English, integrates—

''(i) interactive literacy activities between parents and their children;

''(ii) training for parents regarding how to be the primary teacher for their children and full partners in the education of their children;

''(iii) parent literacy training that leads to economic self-sufficiency; and

''(iv) an age-appropriate education to prepare children for success in school and life experiences.

''(6) GOVERNOR.—The term 'Governor' means the chief executive officer of a State or outlying area.

''(7) INDIVIDUAL WITH A DISABILITY.—

''(A) IN GENERAL.—The term 'individual with a disability' means an individual with any disability (as defined in section 3 of the Americans with Disabilities Act of 1990).

''(B) INDIVIDUALS WITH DISABILITIES.—The term 'individuals with disabilities' means more than one individual with a disability.

''(8) ENGLISH LEARNER.—The term 'English learner' means an adult or out-of-school youth who has limited ability in reading, writing, speaking, or understanding the English language, and—

''(A) whose native language is a language other than English; or

''(B) who lives in a family or community environment where a language other than English is the dominant language.

''(9) INTEGRATED EDUCATION AND TRAINING.—The term 'integrated education and training' means services that provide adult education and literacy activities contextually and concurrently with workforce preparation activities and workforce training for a specific occupation or occupational cluster. Such services may include offering adult education services concurrent with postsecondary education and training, including through co-instruction.

''(10) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 101 of the Higher Education Act of 1965.

''(11) LITERACY.—The term 'literacy' means an individual's ability to read, write, and speak in English, compute, and solve problems at a level of proficiency necessary to obtain employment and to successfully make the transition to postsecondary education.

''(12) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

''(13) OUTLYING AREA.—The term 'outlying area' has the meaning given the term in section 101 of this Act.

''(14) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term 'postsecondary educational institution' means—

''(A) an institution of higher education that provides not less than a 2-year program of instruction that is acceptable for credit toward a bachelor's degree;

''(B) a tribally controlled community college; or

''(C) a nonprofit educational institution offering certificate or apprenticeship programs at the postsecondary level.

''(15) SECRETARY.—The term 'Secretary' means the Secretary of Education.

''(16) STATE.—The term 'State' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

''(17) STATE EDUCATIONAL AGENCY.—The term 'State educational agency' has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

''(18) WORKPLACE LITERACY PROGRAM.—The term 'workplace literacy program' means an educational program that is offered in collaboration between eligible providers and employers or employee organizations for the purpose of improving the productivity of the workforce through the improvement of reading, writing, speaking, and mathematics skills.

''SEC. 204. HOME SCHOOLS.

''Nothing in this title shall be construed to affect home schools, whether or not a home school is treated as a home school or a private school under State law, or to compel a parent engaged in home schooling to participate in adult education and family literacy education activities under this title.

''SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this title, $606,294,933 for fiscal year 2015 and for each of the 6 succeeding fiscal years.

''Subtitle A—Federal Provisions

''SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE AGENCIES; ALLOTMENTS.

''(a) RESERVATION OF FUNDS.—From the sums appropriated under section 205 for a fiscal year, the Secretary shall reserve 2.0 percent to carry out section 242.

''(b) GRANTS TO ELIGIBLE AGENCIES.—

''(1) IN GENERAL.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall award a grant to each eligible agency having a State plan approved under section 224 in an amount equal to the sum of the initial allotment under subsection (c)(1) and the additional allotment under subsection (c)(2) for the eligible agency for the fiscal year, subject to subsections (f) and (g).

''(2) PURPOSE OF GRANTS.—The Secretary may award a grant under paragraph (1) only

if the eligible agency involved agrees to expend the grant in accordance with the provisions of this title.

''(c) ALLOTMENTS.—

''(1) INITIAL ALLOTMENTS.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall allot to each eligible agency having a State plan approved under section 224—

''(A) $100,000, in the case of an eligible agency serving an outlying area; and

''(B) $250,000, in the case of any other eligible agency.

''(2) ADDITIONAL ALLOTMENTS.—From the sums appropriated under section 205, not reserved under subsection (a), and not allotted under paragraph (1), for a fiscal year, the Secretary shall allot to each eligible agency that receives an initial allotment under paragraph (1) an additional amount that bears the same relationship to such sums as the number of qualifying adults in the State or outlying area served by the eligible agency bears to the number of such adults in all States and outlying areas.

''(d) QUALIFYING ADULT.—For the purpose of subsection (c)(2), the term 'qualifying adult' means an adult who—

''(1) is at least 16 years of age;

''(2) is beyond the age of compulsory school attendance under the law of the State or outlying area;

''(3) does not have a secondary school diploma or its recognized equivalent; and

''(4) is not enrolled in secondary school.

''(e) SPECIAL RULE.—

''(1) IN GENERAL.—From amounts made available under subsection (c) for the Republic of Palau, the Secretary shall award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Republic of Palau to carry out activities described in this title in accordance with the provisions of this title as determined by the Secretary.

''(2) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the Republic of Palau shall be eligible to receive a grant under this title until an agreement for the extension of United States education assistance under the Compact of Free Association for the Republic of Palau becomes effective.

''(f) HOLD-HARMLESS PROVISIONS.—

''(1) IN GENERAL.—Notwithstanding subsection (c) and subject to paragraph (2), for—

''(A) fiscal year 2015, no eligible agency shall receive an allotment under this title that is less than 90 percent of the allotment the eligible agency received for fiscal year 2012 under this title; and

''(B) fiscal year 2016 and each succeeding fiscal year, no eligible agency shall receive an allotment under this title that is less than 90 percent of the allotment the eligible agency received for the preceding fiscal year under this title.

''(2) RATABLE REDUCTION.—If, for any fiscal year the amount available for allotment under this title is insufficient to satisfy the provisions of paragraph (1), the Secretary shall ratable reduce the payments to all eligible agencies, as necessary.

''(g) REALLOTMENT.—The portion of any eligible agency's allotment under this title for a fiscal year that the Secretary determines will not be required for the period such allotment is available for carrying out activities under this title, shall be available for reallotment from time to time, on such dates during such period as the Secretary shall fix, to other eligible agencies in proportion to the original allotments to such agencies under this title for such year.

''SEC. 212. PERFORMANCE ACCOUNTABILITY SYSTEM.

''Programs and activities authorized under this title are subject to the performance accountability provisions described in paragraph (2)(A) and (3) of section 136(b) and may, at a State's discretion, include additional indicators identified in the State plan approved under section 224.

''Subtitle B—State Provisions

''SEC. 221. STATE ADMINISTRATION.

''Each eligible agency shall be responsible for the following activities under this title:

''(1) The development, submission, implementation, and monitoring of the State plan.

''(2) Consultation with other appropriate agencies, groups, and individuals that are involved in, or interested in, the development and implementation of activities assisted under this title.

''(3) Coordination and avoidance of duplication with other Federal and State education, training, corrections, public housing, and social service programs.

''SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING REQUIREMENT.

''(a) STATE DISTRIBUTION OF FUNDS.—Each eligible agency receiving a grant under this title for a fiscal year—

''(1) shall use not less than 82.5 percent of the grant funds to award grants and contracts under section 231 and to carry out section 225, of which not more than 10 percent of such amount shall be available to carry out section 225;

''(2) shall use not more than 12.5 percent of the grant funds to carry out State leadership activities under section 223; and

''(3) shall use not more than 5 percent of the grant funds, or $65,000, whichever is greater, for the administrative expenses of the eligible agency.

''(b) MATCHING REQUIREMENT.—

''(1) IN GENERAL.—In order to receive a grant from the Secretary under section 211(b), each eligible agency shall provide, for the costs to be incurred by the eligible agency in carrying out the adult education and family literacy education programs for which the grant is awarded, a non-Federal contribution in an amount that is not less than—

''(A) in the case of an eligible agency serving an outlying area, 12 percent of the total amount of funds expended for adult education and family literacy education programs in the outlying area, except that the Secretary may decrease the amount of funds required under this subparagraph for an eligible agency; and

''(B) in the case of an eligible agency serving a State, 25 percent of the total amount of funds expended for adult education and family literacy education programs in the State.

''(2) NON-FEDERAL CONTRIBUTION.—An eligible agency's non-Federal contribution required under paragraph (1) may be provided in cash or in kind, fairly evaluated, and shall include only non-Federal funds that are used for adult education and family literacy education programs in a manner that is consistent with the purpose of this title.

''SEC. 223. STATE LEADERSHIP ACTIVITIES.

''(a) IN GENERAL.—Each eligible agency may use funds made available under section 222(a)(2) for any of the following adult education and family literacy education programs:

''(1) The establishment or operation of professional development programs to improve the quality of instruction provided pursuant to local activities required under section 231(b).

''(2) The provision of technical assistance to eligible providers of adult education and family literacy education programs, including for the development and dissemination of evidence based research instructional practices in reading, writing, speaking, mathematics, and English language acquisition programs.

''(3) The provision of assistance to eligible providers in developing, implementing, and reporting measurable progress in achieving the objectives of this title.

''(4) The monitoring and evaluation of the quality of, and the improvement in, adult education and literacy activities.

''(5) The provision of technology assistance, including staff training, to eligible providers of adult education and family literacy education programs, including distance education activities, to enable the eligible providers to improve the quality of such activities.

''(6) The development and implementation of technology applications or distance education, including professional development to support the use of instructional technology.

''(7) Coordination with other public programs, including programs under title I of this Act, and other welfare-to-work, workforce development, and job training programs.

''(8) Coordination with existing support services, such as transportation, child care, and other assistance designed to increase rates of enrollment in, and successful completion of, adult education and family literacy education programs, for adults enrolled in such activities.

''(9) The development and implementation of a system to assist in the transition from adult basic education to postsecondary education.

''(10) Activities to promote workplace literacy programs.

''(11) Other activities of statewide significance, including assisting eligible providers in achieving progress in improving the skill levels of adults who participate in programs under this title.

''(12) Integration of literacy, instructional, and occupational skill training and promotion of linkages with employees.

''(b) COORDINATION.—In carrying out this section, eligible agencies shall coordinate where possible, and avoid duplicating efforts, in order to maximize the impact of the activities described in subsection (a).

''(c) STATE-IMPOSED REQUIREMENTS.—Whenever a State or outlying area implements any rule or policy relating to the administration or operation of a program authorized under this title that has the effect of imposing a requirement that is not imposed under Federal law (including any rule or policy based on a State or outlying area interpretation of a Federal statute, regulation, or guideline), the State or outlying area shall identify, to eligible providers, the rule or policy as being imposed by the State or outlying area.

''SEC. 224. STATE PLAN.

''(a) 3-YEAR PLANS.—

''(1) IN GENERAL.—Each eligible agency desiring a grant under this title for any fiscal year shall submit to, or have on file with, the Secretary a 3-year State plan.

''(2) STATE UNIFIED PLAN.—The eligible agency may submit the State plan as part of a State unified plan described in section 501.

''(b) PLAN CONTENTS.—The eligible agency shall include in the State plan or any revisions to the State plan—

''(1) an objective assessment of the needs of individuals in the State or outlying area for adult education and family literacy education programs, including individuals most in need or hardest to serve;

''(2) a description of the adult education and family literacy education programs that will be carried out with funds received under this title;

''(3) an assurance that the funds received under this title will not be expended for any purpose other than for activities under this title;

''(4) a description of how the eligible agency will annually evaluate and measure the effectiveness and improvement of the adult education and family literacy education programs funded under this title using the indicators of performance described in section 136, including how the eligible agency will conduct such annual evaluations and measures for each grant received under this title;

''(5) a description of how the eligible agency will fund local activities in accordance with the measurable goals described in section 231(d);

''(6) an assurance that the eligible agency will expend the funds under this title only in a manner consistent with fiscal requirements in section 241;

''(7) a description of the process that will be used for public participation and comment with respect to the State plan, which—

''(A) shall include consultation with the State workforce investment board, the State board responsible for administering community or technical colleges, the Governor, the State educational agency, the State board or agency responsible for administering block grants for temporary assistance to needy families under title IV of the Social Security Act, the State council on disabilities, the State vocational rehabilitation agency, and other State agencies that promote the improvement of adult education and family literacy education programs, and direct providers of such programs; and

''(B) may include consultation with the State agency on higher education, institutions responsible for professional development of adult education and family literacy education programs instructors, representatives of business and industry, refugee assistance programs, and faith-based organizations;

''(8) a description of the eligible agency's strategies for serving populations that include, at a minimum—

''(A) low-income individuals;

''(B) individuals with disabilities;

''(C) the unemployed;

''(D) the underemployed; and

''(E) individuals with multiple barriers to educational enhancement, including English learners;

''(9) a description of how the adult education and family literacy education programs that will be carried out with any funds received under this title will be integrated with other adult education, career development, and employment and training activities in the State or outlying area served by the eligible agency;

''(10) a description of the steps the eligible agency will take to ensure direct and equitable access, as required in section 231(c)(1), including—

''(A) how the State will build the capacity of community-based and faith-based organizations to provide adult education and family literacy education programs; and

''(B) how the State will increase the participation of business and industry in adult education and family literacy education programs;

''(11) an assessment of the adequacy of the system of the State or outlying area to ensure teacher quality and a description of how the State or outlying area will use funds received under this subtitle to improve teacher quality, including evidence-based professional development to improve instruction; and

''(12) a description of how the eligible agency will consult with any State agency responsible for postsecondary education to develop adult education that prepares students to enter postsecondary education without the need for remediation upon completion of secondary school equivalency programs.

''(c) PLAN REVISIONS.—When changes in conditions or other factors require substantial revisions to an approved State plan, the eligible agency shall submit the revisions of the State plan to the Secretary.

''(d) CONSULTATION.—The eligible agency shall—

''(1) submit the State plan, and any revisions to the State plan, to the Governor, the chief State school officer, or the State officer responsible for administering community or technical colleges, or outlying area for review and comment; and

''(2) ensure that any comments regarding the State plan by the Governor, the chief State school officer, or the State officer responsible for administering community or technical colleges, and any revision to the State plan, are submitted to the Secretary.

''(e) PLAN APPROVAL.—The Secretary shall—

''(1) approve a State plan within 90 days after receiving the plan unless the Secretary makes a written determination within 30 days after receiving the plan that the plan does not meet the requirements of this section or is inconsistent with specific provisions of this subtitle; and

''(2) not finally disapprove of a State plan before offering the eligible agency the opportunity, prior to the expiration of the 30-day period beginning on the date on which the eligible agency received the written determination described in paragraph (1), to review the plan and providing technical assistance in order to assist the eligible agency in meeting the requirements of this subtitle.

''SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND OTHER INSTITUTIONALIZED INDIVIDUALS.

''(a) PROGRAM AUTHORIZED.—From funds made available under section 222(a)(1) for a fiscal year, each eligible agency shall carry out corrections education and education for other institutionalized individuals.

''(b) USES OF FUNDS.—The funds described in subsection (a) shall be used for the cost of educational programs for criminal offenders in correctional institutions and for other institutionalized individuals, including academic programs for—

''(1) basic skills education;

''(2) special education programs as determined by the eligible agency;

''(3) reading, writing, speaking, and mathematics programs;

''(4) secondary school credit or diploma programs or their recognized equivalent; and

''(5) integrated education and training.

''(c) PRIORITY.—Each eligible agency that is using assistance provided under this section to carry out a program for criminal offenders within a correctional institution shall give priority to serving individuals who are likely to leave the correctional institution within 5 years of participation in the program.

''(d) DEFINITIONS.—In this section:

''(1) CORRECTIONAL INSTITUTION.—The term 'correctional institution' means any—

''(A) prison;

''(B) jail;

''(C) reformatory;

''(D) work farm;

''(E) detention center; or

''(F) halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders.

''(2) CRIMINAL OFFENDER.—The term 'criminal offender' means any individual who is charged with, or convicted of, any criminal offense.

''Subtitle C—Local Provisions

''SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PROVIDERS.

''(a) GRANTS AND CONTRACTS.—From grant funds made available under section 222(a)(1), each eligible agency shall award multi-year grants or contracts, on a competitive basis, to eligible providers within the State or outlying area that meet the conditions and requirements of this title to enable the eligible providers to develop, implement, and improve adult education and family literacy education programs within the State.

''(b) LOCAL ACTIVITIES.—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to establish or operate—

''(1) programs that provide adult education and literacy activities;

''(2) programs that provide integrated education and training activities; or

''(3) credit-bearing postsecondary coursework.

''(c) DIRECT AND EQUITABLE ACCESS; SAME PROCESS.—Each eligible agency receiving funds under this title shall ensure that—

''(1) all eligible providers have direct and equitable access to apply for grants or contracts under this section; and

''(2) the same grant or contract announcement process and application process is used for all eligible providers in the State or outlying area.

''(d) MEASURABLE GOALS.—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to demonstrate—

''(1) the eligible provider's measurable goals for participant outcomes to be achieved annually on the core indicators of performance described in section 136(b)(2)(A);

''(2) the past effectiveness of the eligible provider in improving the basic academic skills of adults and, for eligible providers receiving grants in the prior year, the success of the eligible provider receiving funding under this title in exceeding its performance goals in the prior year;

''(3) the commitment of the eligible provider to serve individuals in the community who are the most in need of basic academic skills instruction services, including individuals with disabilities and individuals who are low-income or have minimal reading, writing, speaking, and mathematics skills, or are English learners;

''(4) the program is of sufficient intensity and quality for participants to achieve substantial learning gains;

''(5) educational practices are evidence-based;

''(6) the activities of the eligible provider effectively employ advances in technology, and delivery systems including distance education;

''(7) the activities provide instruction in real-life contexts, including integrated education and training when appropriate, to ensure that an individual has the skills needed to compete in the workplace and exercise the rights and responsibilities of citizenship;

''(8) the activities are staffed by well-trained instructors, counselors, and administrators who meet minimum qualifications established by the State;

''(9) the activities are coordinated with other available resources in the community, such as through strong links with elementary schools and secondary schools, postsecondary educational institutions, local workforce investment boards, one-stop centers, job training programs, community-based and faith-based organizations, and social service agencies;

''(10) the activities offer flexible schedules and support services (such as child care and transportation) that are necessary to enable individuals, including individuals with disabilities or other special needs, to attend and complete programs;

''(11) the activities include a high-quality information management system that has

the capacity to report measurable participant outcomes (consistent with section 136) and to monitor program performance;

''(12) the local communities have a demonstrated need for additional English language acquisition programs, and integrated education and training programs;

''(13) the capacity of the eligible provider to produce valid information on performance results, including enrollments and measurable participant outcomes;

''(14) adult education and family literacy education programs offer rigorous reading, writing, speaking, and mathematics content that are evidence based; and

''(15) applications of technology, and services to be provided by the eligible providers, are of sufficient intensity and duration to increase the amount and quality of learning and lead to measurable learning gains within specified time periods.

''(e) SPECIAL RULE.—Eligible providers may use grant funds under this title to serve children participating in family literacy programs assisted under this part, provided that other sources of funds available to provide similar services for such children are used first.

''SEC. 232. LOCAL APPLICATION.

''Each eligible provider desiring a grant or contract under this title shall submit an application to the eligible agency containing such information and assurances as the eligible agency may require, including—

''(1) a description of how funds awarded under this title will be spent consistent with the requirements of this title;

''(2) a description of any cooperative arrangements the eligible provider has with other agencies, institutions, or organizations for the delivery of adult education and family literacy education programs; and

''(3) each of the demonstrations required by section 231(d).

''SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.

''(a) IN GENERAL.—Subject to subsection (b), of the amount that is made available under this title to an eligible provider—

''(1) at least 95 percent shall be expended for carrying out adult education and family literacy education programs; and

''(2) the remaining amount shall be used for planning, administration, personnel and professional development, development of measurable goals in reading, writing, speaking, and mathematics, and interagency coordination.

''(b) SPECIAL RULE.—In cases where the cost limits described in subsection (a) are too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination, the eligible provider may negotiate with the eligible agency in order to determine an adequate level of funds to be used for noninstructional purposes.

''Subtitle D—General Provisions

''SEC. 241. ADMINISTRATIVE PROVISIONS.

''Funds made available for adult education and family literacy education programs under this title shall supplement and not supplant other State or local public funds expended for adult education and family literacy education programs.

''SEC. 242. NATIONAL ACTIVITIES.

''The Secretary shall establish and carry out a program of national activities that may include the following:

''(1) Providing technical assistance to eligible entities, on request, to—

''(A) improve their fiscal management, research-based instruction, and reporting requirements to carry out the requirements of this title;

''(B) improve its performance on the core indicators of performance described in section 136;

''(C) provide adult education professional development; and

''(D) use distance education and improve the application of technology in the classroom, including instruction in English language acquisition for English learners.

''(2) Providing for the conduct of research on national literacy basic skill acquisition levels among adults, including the number of adult English learners functioning at different levels of reading proficiency.

''(3) Improving the coordination, efficiency, and effectiveness of adult education and workforce development services at the national, State, and local levels.

''(4) Determining how participation in adult education, English language acquisition, and family literacy education programs prepares individuals for entry into and success in postsecondary education and employment, and in the case of prison-based services, the effect on recidivism.

''(5) Evaluating how different types of providers, including community and faith-based organizations or private for-profit agencies measurably improve the skills of participants in adult education, English language acquisition, and family literacy education programs.

''(6) Identifying model integrated basic and workplace skills education programs, including programs for English learners coordinated literacy and employment services, and effective strategies for serving adults with disabilities.

''(7) Initiating other activities designed to improve the measurable quality and effectiveness of adult education, English language acquisition, and family literacy education programs nationwide.''.

Subtitle C—Amendments to the Wagner-Peyser Act

SEC. 466. AMENDMENTS TO THE WAGNER-PEYSER ACT.

Section 15 of the Wagner-Peyser Act (29 U.S.C. 491–2) is amended to read as follows:

''SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.

''(a) SYSTEM CONTENT.—

''(1) IN GENERAL.—The Secretary of Labor (referred to in this section as the 'Secretary'), in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide workforce and labor market information system that includes—

''(A) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems that, taken together, enumerate, estimate, and project employment opportunities and conditions at national, State, and local levels in a timely manner, including statistics on—

''(i) employment and unemployment status of national, State, and local populations, including self-employed, part-time, and seasonal workers;

''(ii) industrial distribution of occupations, as well as current and projected employment opportunities, wages, benefits (where data is available), and skill trends by occupation and industry, with particular attention paid to State and local conditions;

''(iii) the incidence of, industrial and geographical location of, and number of workers displaced by, permanent layoffs and plant closings; and

''(iv) employment and earnings information maintained in a longitudinal manner to be used for research and program evaluation;

''(B) information on State and local employment opportunities, and other appropriate statistical data related to labor market dynamics, which—

''(i) shall be current and comprehensive;

''(ii) shall meet the needs identified through the consultations described in subparagraphs (C) and (D) of subsection (e)(1); and

''(iii) shall meet the needs for the information identified in section 121(e)(1)(E) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(e)(1)(E));

''(C) technical standards (which the Secretary shall publish annually) for data and information described in subparagraphs (A) and (B) that, at a minimum, meet the criteria of chapter 35 of title 44, United States Code;

''(D) procedures to ensure compatibility and additivity of the data and information described in subparagraphs (A) and (B) from national, State, and local levels;

''(E) procedures to support standardization and aggregation of data from administrative reporting systems described in subparagraph (A) of employment-related programs;

''(F) analysis of data and information described in subparagraphs (A) and (B) for uses such as—

''(i) national, State, and local policymaking;

''(ii) implementation of Federal policies (including allocation formulas);

''(iii) program planning and evaluation; and

''(iv) researching labor market dynamics;

''(G) wide dissemination of such data, information, and analysis in a user-friendly manner and voluntary technical standards for dissemination mechanisms; and

''(H) programs of—

''(i) training for effective data dissemination;

''(ii) research and demonstration; and

''(iii) programs and technical assistance.

''(2) INFORMATION TO BE CONFIDENTIAL.—

''(A) IN GENERAL.—No officer or employee of the Federal Government or agent of the Federal Government may—

''(i) use any submission that is furnished for exclusively statistical purposes under the provisions of this section for any purpose other than the statistical purposes for which the submission is furnished;

''(ii) disclose to the public any publication or media transmittal of the data contained in the submission described in clause (i) that permits information concerning an individual subject to be reasonably inferred by either direct or indirect means; or

''(iii) permit anyone other than a sworn officer, employee, or agent of any Federal department or agency, or a contractor (including an employee of a contractor) of such department or agency, to examine an individual submission described in clause (i),

without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission.

''(B) IMMUNITY FROM LEGAL PROCESS.—Any submission (including any data derived from the submission) that is collected and retained by a Federal department or agency, or an officer, employee, agent, or contractor of such a department or agency, for exclusively statistical purposes under this section shall be immune from the legal process and shall not, without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

''(C) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to provide immunity from the legal process for such submission (including any data derived from the submission) if the submission is in the possession of any person, agency, or entity other than the Federal Government or an officer, employee, agent, or contractor of the Federal Government, or if the submission is

independently collected, retained, or produced for purposes other than the purposes of this Act.

''(b) SYSTEM RESPONSIBILITIES.—

''(1) IN GENERAL.—The workforce and labor market information system described in subsection (a) shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and States.

''(2) DUTIES.—The Secretary, with respect to data collection, analysis, and dissemination of workforce and labor market information for the system, shall carry out the following duties:

''(A) Assign responsibilities within the Department of Labor for elements of the workforce and labor market information system described in subsection (a) to ensure that all statistical and administrative data collected is consistent with appropriate Bureau of Labor Statistics standards and definitions.

''(B) Actively seek the cooperation of other Federal agencies to establish and maintain mechanisms for ensuring complementarity and nonduplication in the development and operation of statistical and administrative data collection activities.

''(C) Eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority.

''(D) In collaboration with the Bureau of Labor Statistics and States, develop and maintain the elements of the workforce and labor market information system described in subsection (a), including the development of consistent procedures and definitions for use by the States in collecting the data and information described in subparagraphs (A) and (B) of subsection (a)(1).

''(E) Establish procedures for the system to ensure that—

''(i) such data and information are timely;

''(ii) paperwork and reporting for the system are reduced to a minimum; and

''(iii) States and localities are fully involved in the development and continuous improvement of the system at all levels.

''(c) NATIONAL ELECTRONIC TOOLS TO PROVIDE SERVICES.—The Secretary is authorized to assist in the development of national electronic tools that may be used to facilitate the delivery of work ready services described in section 134(c)(2) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(c)(2)) and to provide workforce and labor market information to individuals through the one-stop delivery systems described in section 121 and through other appropriate delivery systems.

''(d) COORDINATION WITH THE STATES.—

''(1) IN GENERAL.—The Secretary, working through the Bureau of Labor Statistics and the Employment and Training Administration, shall regularly consult with representatives of State agencies carrying out workforce information activities regarding strategies for improving the workforce and labor market information system.

''(2) FORMAL CONSULTATIONS.—At least twice each year, the Secretary, working through the Bureau of Labor Statistics, shall conduct formal consultations regarding programs carried out by the Bureau of Labor Statistics with representatives of each of the Federal regions of the Bureau of Labor Statistics, elected (pursuant to a process established by the Secretary) from the State directors affiliated with State agencies that perform the duties described in subsection (e)(1).

''(e) STATE RESPONSIBILITIES.—

''(1) IN GENERAL.—In order to receive Federal financial assistance under this section, the Governor of a State shall—

''(A) be responsible for the management of the portions of the workforce and labor market information system described in subsection (a) that comprise a statewide workforce and labor market information system;

''(B) establish a process for the oversight of such system;

''(C) consult with State and local employers, participants, and local workforce investment boards about the labor market relevance of the data to be collected and disseminated through the statewide workforce and labor market information system;

''(D) consult with State educational agencies and local educational agencies concerning the provision of workforce and labor market information in order to meet the needs of secondary school and postsecondary school students who seek such information;

''(E) collect and disseminate for the system, on behalf of the State and localities in the State, the information and data described in subparagraphs (A) and (B) of subsection (a)(1);

''(F) maintain and continuously improve the statewide workforce and labor market information system in accordance with this section;

''(G) perform contract and grant responsibilities for data collection, analysis, and dissemination for such system;

''(H) conduct such other data collection, analysis, and dissemination activities as will ensure an effective statewide workforce and labor market information system;

''(I) actively seek the participation of other State and local agencies in data collection, analysis, and dissemination activities in order to ensure complementarity, compatibility, and usefulness of data;

''(J) participate in the development of, and submit to the Secretary, an annual plan to carry out the requirements and authorities of this subsection; and

''(K) utilize the quarterly records described in section 136(f)(2) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(f)(2)) to assist the State and other States in measuring State progress on State performance measures.

''(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as limiting the ability of a Governor to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this section.

''(f) NONDUPLICATION REQUIREMENT.—None of the functions and activities carried out pursuant to this section shall duplicate the functions and activities carried out under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.).

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $63,473,000 for fiscal year 2015 and each of the 6 succeeding fiscal years.''.

Subtitle D—Repeals and Conforming Amendments

SEC. 471. REPEALS.

The following provisions are repealed:

(1) Chapter 4 of subtitle B of title I, and sections 123, 155, 166, 167, 168, 169, 171, 173, 173A, 174, 192, 194, 502, 503, and 506 of the Workforce Investment Act of 1998, as in effect on the day before the date of enactment of the SKILLS Act.

(2) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(3) Sections 1 through 14 of the Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(4) The Twenty-First Century Workforce Commission Act (29 U.S.C. 2701 note).

(5) Public Law 91–378, 16 U.S.C. 1701 et seq. (popularly known as the ''Youth Conservation Corps Act of 1970'').

(6) Section 821 of the Higher Education Amendments of 1998 (20 U.S.C. 1151).

(7) The Women in Apprenticeship and Nontraditional Occupations Act (29 U.S.C. 2501 et seq.).

(8) Sections 4103A and 4104 of title 38, United States Code.

SEC. 472. AMENDMENT TO THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT OF 1980.

Section 104(k)(6)(A) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9604(k)(6)(A)) is amended by striking ''training, research, and'' and inserting ''research and''.

(a) AMENDMENTS TO THE FOOD AND NUTRITION ACT OF 2008.—

(1) DEFINITION.—Section 3(t) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(t)) is amended—

(A) by striking ''means (1) the agency'' and inserting the following: ''means—

''(A) the agency'';

(B) by striking ''programs, and (2) the tribal'' and inserting the following: ''programs;

''(B) the tribal'';

(C) by striking ''this Act.'' and inserting the following: ''this Act; and

''(C) in the context of employment and training activities under section 6(d)(4), a State board as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801).''.

(2) ELIGIBLE HOUSEHOLDS.—Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(A) in subsection (d)(14) by striking ''section 6(d)(4)(I)'' and inserting ''section 6(d)(4)(C)'', and

(B) in subsection (g)(3), in the first sentence, by striking ''constitutes adequate participation in an employment and training program under section 6(d)'' and inserting ''allows the individual to participate in employment and training activities under section 6(d)(4)''.

(3) ELIGIBILITY DISQUALIFICATIONS.—Section 6(d)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)(4)) is amended to read as follows:

''(D) EMPLOYMENT AND TRAINING.—

''(i) IMPLEMENTATION.—Each State agency shall provide employment and training services authorized under section 134 of the Workforce Investment Act of 1998 (29 U.S.C. 2864) to eligible members of households participating in the supplemental nutrition assistance program in gaining skills, training, work, or experience that will increase their ability to obtain regular employment.

''(ii) STATEWIDE WORKFORCE DEVELOPMENT SYSTEM.—Consistent with subparagraph (A), employment and training services shall be provided through the statewide workforce development system, including the one-stop delivery system authorized by the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

''(iii) REIMBURSEMENTS.—

''(I) ACTUAL COSTS.—The State agency shall provide payments or reimbursement to participants served under this paragraph for—

''(aa) the actual costs of transportation and other actual costs (other than dependent care costs) that are reasonably necessary and directly related to the individual participating in employment and training activities; and

''(bb) the actual costs of such dependent care expenses as are determined by the State agency to be necessary for the individual to participate in employment and training activities (other than an individual who is the caretaker relative of a dependent in a family receiving benefits under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in a local area where an employment, training, or education program under title IV of

that Act is in operation), except that no such payment or reimbursement shall exceed the applicable local market rate.

''(II) SERVICE CONTRACTS AND VOUCHERS.—In lieu of providing reimbursements or payments for dependent care expenses under clause (i), a State agency may, at the option of the State agency, arrange for dependent care through providers by the use of purchase of service contracts or vouchers or by providing vouchers to the household.

''(III) VALUE OF REIMBURSEMENTS.—The value of any dependent care services provided for or arranged under clause (ii), or any amount received as a payment or reimbursement under clause (i), shall—

''(aa) not be treated as income for the purposes of any other Federal or federally assisted program that bases eligibility for, or the amount of benefits on, need; and

''(bb) not be claimed as an employment-related expense for the purposes of the credit provided under section 21 of the Internal Revenue Code of 1986 (26 U.S.C. 21).''.

(4) ADMINISTRATION.—Section 11(e)(19) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(e)(11) is amended to read as follows:

''(S) the plans of the State agency for providing employment and training services under section 6(d)(4);''.

(5) ADMINISTRATIVE COST-SHARING AND QUALITY CONTROL.—Section 16(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(h)) is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking ''carry out employment and training programs'' and inserting ''provide employment and training services to eligible households under section 6(d)(4)''; and

(ii) in subparagraph (D), by striking ''operating an employment and training program'' and inserting ''providing employment and training services consistent with section 6(d)(4)'';

(B) in paragraph (3)—

(i) by striking ''participation in an employment and training program'' and inserting ''the individual participating in employment and training activities''; and

(ii) by striking ''section 6(d)(4)(I)(i)(II)'' and inserting ''section 6(d)(4)(C)(i)(II)'';

(C) in paragraph (4), by striking ''for operating an employment and training program'' and inserting ''to provide employment and training services''; and

(D) by striking paragraph (5) and inserting the following:

''(E) MONITORING.—

''(i) IN GENERAL.—The Secretary, in conjunction with the Secretary of Labor, shall monitor each State agency responsible for administering employment and training services under section 6(d)(4) to ensure funds are being spent effectively and efficiently.

''(ii) ACCOUNTABILITY.—Each program of employment and training receiving funds under section 6(d)(4) shall be subject to the requirements of the performance accountability system, including having to meet the State performance measures described in section 136 of the Workforce Investment Act (29 U.S.C. 2871).''.

(6) RESEARCH, DEMONSTRATION, AND EVALUATIONS.—Section 17 of the Food and Nutrition Act of 2008 (7 U.S.C. 2026) is amended—

(A) in subsection (b)—

(i) in paragraph (1)(B)(iv)(III)(dd), by striking '', (4)(F)(i), or (4)(K)'' and inserting ''or (4)''; and

(ii) by striking paragraph (3); and

(B) in subsection (g), in the first sentence in the matter preceding paragraph (1)—

(i) by striking ''programs established'' and inserting ''activities provided to eligible households''; and

(ii) by inserting '', in conjunction with the Secretary of Labor,'' after ''Secretary''.

(7) MINNESOTA FAMILY INVESTMENT PROJECT.—Section 22(b)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2031(b)(4)) is amended by striking ''equivalent to those offered under the employment and training program''.

(b) AMENDMENTS TO SECTION 412 OF THE IMMIGRATION AND NATIONALITY ACT.—

(1) CONDITIONS AND CONSIDERATIONS.—Section 412(a) of the Immigration and Nationality Act (8 U.S.C. 1522(a)) is amended—

(A) in paragraph (1)—

(i) in subparagraph (A)(i), by striking ''make available sufficient resources for employment training and placement'' and inserting ''provide refugees with the opportunity to access employment and training services, including job placement,''; and

(ii) in subparagraph (B)(ii), by striking ''services;'' and inserting ''services provided through the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.);'';

(B) in paragraph (2)(C)(iii)(II), by inserting ''and training'' after ''employment'';

(C) in paragraph (6)(A)(ii)—

(i) by striking ''insure'' and inserting ''ensure'';

(ii) by inserting ''and training'' after ''employment''; and

(iii) by inserting after ''available'' the following: ''through the one-stop delivery system under section 121 of the Workforce Investment Act of 1998 (29 U.S.C. 2841)''; and

(D) in paragraph (9), by inserting ''the Secretary of Labor,'' after ''Education,''.

(2) PROGRAM OF INITIAL RESETTLEMENT.—Section 412(b)(2) of such Act (8 U.S.C. 1522(b)(2)) is amended—

(A) by striking ''orientation, instruction'' and inserting ''orientation and instruction''; and

(B) by striking '', and job training for refugees, and such other education and training of refugees, as facilitates'' and inserting ''for refugees to facilitate''.

(3) PROJECT GRANTS AND CONTRACTS FOR SERVICES FOR REFUGEES.—Section 412(c) of such Act (8 U.S.C. 1522(c)) is amended—

(A) in paragraph (1)—

(i) in subparagraph (A)(i), by inserting ''and training'' after ''employment''; and

(ii) by striking subparagraph (C);

(B) in paragraph (2)(B), by striking ''paragraph—'' and all that follows through ''in a manner'' and inserting ''paragraph in a manner''; and

(C) by adding at the end the following:

''(C) In carrying out this section, the Director shall ensure that employment and training services are provided through the statewide workforce development system, as appropriate, authorized by the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.). Such action may include—

''(i) making employment and training activities described in section 134 of such Act (29 U.S.C. 2864) available to refugees; and

''(ii) providing refugees with access to a one-stop delivery system established under section 121 of such Act (29 U.S.C. 2841).''.

(4) CASH ASSISTANCE AND MEDICAL ASSISTANCE TO REFUGEES.—Section 412(e) of such Act (8 U.S.C. 1522(e)) is amended—

(A) in paragraph (2)(A)(i), by inserting ''and training'' after ''providing employment''; and

(B) in paragraph (3), by striking ''The'' and inserting ''Consistent with subsection (c)(3), the''.

(c) AMENDMENTS RELATING TO THE SECOND CHANCE ACT OF 2007.—

(1) FEDERAL PRISONER REENTRY INITIATIVE.—Section 231 of the Second Chance Act of 2007 (42 U.S.C. 17541) is amended—

(A) in subsection (a)(1)(E)—

(i) by inserting ''the Department of Labor and'' before ''other Federal agencies''; and

(ii) by inserting ''State and local workforce investment boards,'' after ''community-based organizations,'';

(B) in subsection (c)—

(i) in paragraph (2), by striking at the end ''and'';

(ii) in paragraph (3), by striking at the end the period and inserting ''; and''; and

(iii) by adding at the end the following new paragraph:

''(D) to coordinate reentry programs with the employment and training services provided through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.).''; and

(C) in subsection (d), by adding at the end the following new paragraph:

''(F) INTERACTION WITH THE WORKFORCE INVESTMENT SYSTEM.—

''(i) IN GENERAL.—In carrying out this section, the Director shall ensure that employment and training services, including such employment and services offered through reentry programs, are provided, as appropriate, through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.), which may include—

''(I) making employment and training services available to prisoners prior to and immediately following the release of such prisoners; or

''(II) providing prisoners with access by remote means to a one-stop delivery system under section 121 of the Workforce Investment Act of 1998 (29 U.S.C. 2841) in the State in which the prison involved is located.

''(ii) SERVICE DEFINED.—In this paragraph, the term 'employment and training services' means those services described in section 134 of the Workforce Investment Act of 1998 (29 U.S.C. 2864) offered by the Bureau of Prisons, including—

''(I) the skills assessment described in subsection (a)(1)(A);

''(II) the skills development plan described in subsection (a)(1)(B); and

''(III) the enhancement, development, and implementation of reentry and skills development programs.''.

(2) DUTIES OF THE BUREAU OF PRISONS.—Section 4042(a) of title 18, United States Code, is amended—

(A) by redesignating subparagraphs (D) and (E), as added by section 231(d)(1)(C) of the Second Chance Act of 2007 (Public Law 110–199; 122 Stat. 685), as paragraphs (6) and (7), respectively, and adjusting the margin accordingly;

(B) in paragraph (6), as so redesignated, by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively, and adjusting the margin accordingly;

(C) in paragraph (7), as so redesignated—

(i) in clause (ii), by striking ''Employment'' and inserting ''Employment and training services (as defined in paragraph (6) of section 231(d) of the Second Chance Act of 2007), including basic skills attainment, consistent with such paragraph'';

(ii) by striking clause (iii); and

(D) by redesignating clauses (i), (ii), (iv), (v), (vi), and (vii) as subparagraphs (A), (B), (C), (D), (E), and (F), respectively, and adjusting the margin accordingly.

(d) AMENDMENTS TO THE OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968.—Section 2976 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3797w) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''vocational'' and inserting ''career and technical education (as defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302)) and training'';

(B) by redesignating paragraphs (4), (5), (6), and (7) as paragraphs (5), (6), (7), and (8), respectively; and

(C) by inserting after paragraph (3) the following new paragraph:

''(D) coordinating employment and training services provided through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.), including a one-stop delivery system under section 121 of such Act (29 U.S.C. 2841), for offenders upon release from prison, jail, or a juvenile facility, as appropriate;'';

(2) in subsection (d)(2), by inserting '', including local workforce investment boards established under section 117 of the Workforce Investment Act of 1998 (29 U.S.C. 2832),'' after ''nonprofit organizations'';

(3) in subsection (e)—

(A) in paragraph (3), by striking ''victims services, and employment services'' and inserting ''and victim services'';

(B) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(C) by inserting after paragraph (3) the following new paragraph:

''(D) provides employment and training services through the statewide workforce investment system under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.), including a one-stop delivery system under section 121 of such Act (29 U.S.C. 2841);''; and

(4) in subsection (k)—

(A) in paragraph (1)(A), by inserting '', in accordance with paragraph (2)'' after ''under this section'';

(B) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(C) by inserting after paragraph (1) the following new paragraph:

''(B) EMPLOYMENT AND TRAINING.—The Attorney General shall require each grantee under this section to measure the core indicators of performance as described in section 136(b)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(b)(2)(A)) with respect to the program of such grantee funded with a grant under this section.''.

(e) CONFORMING AMENDMENTS TO TITLE 38, UNITED STATES CODE.—Title 38, United States Code, is amended—

(1) in section 3672(d)(1), by striking ''disabled veterans' outreach program specialists under section 4103A'' and inserting ''veteran employment specialists appointed under section 134(f) of the Workforce Investment Act of 1998'';

(2) in the table of sections at the beginning of chapter 41, by striking the items relating to sections 4103A and 4104;

(3) in section 4102A—

(A) in subsection (b)—

(i) by striking paragraphs (5), (6), and (7); and

(ii) by redesignating paragraph (8) as paragraph (5);

(B) by striking subsections (c) and (h);

(C) by redesignating subsections (d), (e), (f), and (g) as subsections (c), (d), (e), and (f); and

(D) in subsection (e)(1) (as so redesignated)—

(i) by striking '', including disabled veterans' outreach program specialists and local veterans' employment representatives providing employment, training, and placement services under this chapter in a State''; and

(ii) by striking ''for purposes of subsection (c)'';

(4) in section 4104A—

(A) in subsection (b)(1), by striking subparagraph (A) and inserting the following:

''(i) the appropriate veteran employment specialist (in carrying out the functions described in section 134(f) of the Workforce Investment Act of 1998);''; and

(B) in subsection (c)(1), by striking subparagraph (A) and inserting the following:

''(i) collaborate with the appropriate veteran employment specialist (as described in section 134(f)) and the appropriate State boards and local boards (as such terms are defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801));'';

(5) in section 4109—

(A) in subsection (a), by striking ''disabled veterans' outreach program specialists and local veterans' employment representative'' and inserting ''veteran employment specialists appointed under section 134(f) of the Workforce Investment Act of 1998''; and

(B) in subsection (d)(1), by striking ''disabled veterans' outreach program specialists and local veterans' employment representatives'' and inserting ''veteran employment specialists appointed under section 134(f) of the Workforce Investment Act of 1998''; and

(6) in section 4112(d)—

(A) in paragraph (1), by striking ''disabled veterans' outreach program specialist'' and inserting ''veteran employment specialist appointed under section 134(f) of the Workforce Investment Act of 1998''; and

(B) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

SEC. 473. CONFORMING AMENDMENT TO TABLE OF CONTENTS.

The table of contents in section 1(b) is amended to read as follows:

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

''Sec. 1. Short title; table of contents.

''TITLE I—WORKFORCE INVESTMENT SYSTEMS

''Subtitle A—Workforce Investment Definitions

''Sec. 101. Definitions.

''Subtitle B—Statewide and Local Workforce Investment Systems

''Sec. 106. Purpose.

''CHAPTER 1—STATE PROVISIONS

''Sec. 111. State workforce investment boards.

''Sec. 112. State plan.

''CHAPTER 2—LOCAL PROVISIONS

''Sec. 116. Local workforce investment areas.

''Sec. 117. Local workforce investment boards.

''Sec. 118. Local plan.

''CHAPTER 3—WORKFORCE INVESTMENT ACTIVITIES PROVIDERS

''Sec. 121. Establishment of one-stop delivery systems.

''Sec. 122. Identification of eligible providers of training services.

''CHAPTER 5—EMPLOYMENT AND TRAINING ACTIVITIES

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Subtitle E—Amendments to the Rehabilitation Act of 1973

SEC. 476. FINDINGS.

Section 2(a) of the Rehabilitation Act of 1973 (29 U.S.C. 701(a)) is amended—

(1) in paragraph (5), by striking ''and'' at the end;

(2) in paragraph (6), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(7) there is a substantial need to improve and expand services for students with disabilities under this Act.''.

SEC. 477. REHABILITATION SERVICES ADMINISTRATION.

(a) REHABILITATION SERVICES ADMINISTRATION.—The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended—

(1) in section 3(a) (29 U.S.C. 702(a))—

(A) by striking ''Office of the Secretary'' and inserting ''Department of Education'';

(B) by striking ''President by and with the advice and consent of the Senate'' and inserting ''Secretary''; and

(C) by striking '', and the Commissioner shall be the principal officer,'';

(2) by striking ''Commissioner'' each place it appears (except in section 21) and inserting ''Director'';

(3) in section 12(c) (29 U.S.C. 709(c)), by striking ''Commissioner's'' and inserting ''Director's'';

(4) in section 21 (29 U.S.C. 718)—

(A) in subsection (b)(1)—

(i) by striking ''Commissioner'' the first place it appears and inserting ''Director of the Rehabilitation Services Administration'';

(ii) by striking ''(referred to in this subsection as the 'Director')''; and

(iii) by striking ''The Commissioner and the Director'' and inserting ''Both such Directors''; and

(B) by striking ''the Commissioner and the Director'' each place it appears and inserting ''both such Directors'';

(5) in the heading for subparagraph (B) of section 100(d)(2) (29 U.S.C. 720(d)(2)), by striking ''COMMISSIONER'' and inserting ''DIRECTOR'';

(6) in section 401(a)(1) (29 U.S.C. 781(a)(1)), by inserting ''of the National Institute on Disability and Rehabilitation Research'' after ''Director'';

(7) in the heading for section 706 (29 U.S.C. 796d–1), by striking ''**COMMISSIONER**'' and inserting ''**DIRECTOR**''; and

(8) in the heading for paragraph (3) of section 723(a) (29 U.S.C. 796f–2(a)), by striking ''COMMISSIONER'' and inserting ''DIRECTOR''.

(b) EFFECTIVE DATE; APPLICATION.—The amendments made by subsection (a) shall—

(1) take effect on the date of the enactment of this Act; and

(2) apply with respect to the appointments of Directors of the Rehabilitation Services Administration made on or after the date of enactment of this Act, and the Directors so appointed.

SEC. 478. DEFINITIONS.

Section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705) is amended—

(1) by redesignating paragraphs (35) through (39) as paragraphs (36) through (40), respectively;

(2) in subparagraph (A)(ii) of paragraph (36) (as redesignated by paragraph (1)), by striking ''paragraph (36)(C)'' and inserting ''paragraph (37)(C)''; and

(3) by inserting after paragraph (34) the following:

''(35)(A) The term 'student with a disability' means an individual with a disability who—

''(i) is not younger than 16 and not older than 21;

''(ii) has been determined to be eligible under section 102(a) for assistance under this title; and

''(iii)(I) is eligible for, and is receiving, special education under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); or

''(II) is an individual with a disability, for purposes of section 504.

''(B) The term 'students with disabilities' means more than 1 student with a disability.''.

SEC. 479. CARRYOVER.

Section 19(a)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 716(a)(1)) is amended by striking ''part B of title VI,''.

SEC. 480. TRADITIONALLY UNDERSERVED POPULATIONS.

Section 21 of the Rehabilitation Act of 1973 (29 U.S.C. 718) is amended, in paragraphs (1) and (2)(A) of subsection (b), and in subsection (c), by striking ''VI,''.

SEC. 481. STATE PLAN.

Section 101(a) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) is amended—

(1) in paragraph (10)—

(A) in subparagraph (B), by striking ''on the eligible individuals'' and all that follows and inserting ''of information necessary to assess the State's performance on the core indicators of performance described in section 136(b)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(b)(2)(A)).''; and

(B) in subparagraph (E)(ii), by striking '', to the extent the measures are applicable to individuals with disabilities'';

(2) in paragraph (11)—

(A) in subparagraph (D)(i), by inserting before the semicolon the following: '', which may be provided using alternative means of meeting participation (such as participation through video conferences and conference calls)''; and

(B) by adding at the end the following:

''(G) COORDINATION WITH ASSISTIVE TECHNOLOGY PROGRAMS.—The State plan shall include an assurance that the designated State unit and the lead agency or implementing entity responsible for carrying out duties under the Assistive Technology Act of 1998 (29 U.S.C. 3001 et seq.) have developed working relationships and coordinate their activities.'';

(3) in paragraph (15)—

(A) in subparagraph (A)—

(i) in clause (i)—

(I) in subclause (II), by striking ''and'' at the end;

(II) in subclause (III), by adding ''and'' at the end; and

(III) by adding at the end the following:

''(IV) students with disabilities, including their need for transition services;'';

(ii) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively; and

(iii) by inserting after clause (i) the following:

''(ii) include an assessment of the transition services provided under this Act, and coordinated with transition services provided under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), about the extent to which those 2 types of services meet the needs of individuals with disabilities;''; and

(B) in subparagraph (B)(ii), by striking ''and under part B of title VI'';

(C) in subparagraph (D)—

(i) by redesignating clauses (iii), (iv), and (v) as clauses (iv), (v), and (vi), respectively;

(ii) by inserting after clause (ii) the following:

''(iii) the methods to be used to improve and expand vocational rehabilitation services for students with disabilities, including the coordination of services designed to facilitate the transition of such students from the receipt of educational services in school to the receipt of vocational rehabilitation services under this title or to postsecondary education or employment;''; and

(iii) in clause (v), as redesignated by clause (i) of this subparagraph, by striking ''evaluation standards'' and inserting ''performance standards'';

(4) in paragraph (22)—

(A) in the paragraph heading, by striking ''STATE PLAN SUPPLEMENT'';

(B) by striking ''carrying out part B of title VI, including''; and

(C) by striking ''that part to supplement funds made available under part B of'';

(5) in paragraph (24)—

(A) in the paragraph heading, by striking ''CONTRACTS'' and inserting ''GRANTS''; and

(B) in subparagraph (A)—

(i) in the subparagraph heading, by striking ''CONTRACTS'' and inserting ''GRANTS''; and

(ii) by striking ''part A of title VI'' and inserting ''section 109A''; and

(6) by adding at the end the following:

''(25) COLLABORATION WITH INDUSTRY.—The State plan shall describe how the designated State agency will carry out the provisions of section 109A, including—

''(A) the criteria such agency will use to award grants under such section; and

''(B) how the activities carried out under such grants will be coordinated with other services provided under this title.

''(26) SERVICES FOR STUDENTS WITH DISABILITIES.—The State plan shall provide an assurance satisfactory to the Secretary that the State—

''(A) has developed and implemented strategies to address the needs identified in the assessments described in paragraph (15), and achieve the goals and priorities identified by the State in that paragraph, to improve and expand vocational rehabilitation services for students with disabilities on a statewide basis in accordance with paragraph (15); and

''(B) from funds reserved under section 110A, shall carry out programs or activities designed to improve and expand vocational

rehabilitation services for students with disabilities that—

''(i) facilitate the transition of students with disabilities from the receipt of educational services in school, to the receipt of vocational rehabilitation services under this title, including, at a minimum, those services specified in the interagency agreement required in paragraph (11)(D);

''(ii) improve the achievement of post-school goals of students with disabilities, including improving the achievement through participation (as appropriate when career goals are discussed) in meetings regarding individualized education programs developed under section 614 of the Individuals with Disabilities Education Act (20 U.S.C. 1414);

''(iii) provide career guidance, career exploration services, job search skills and strategies, and technical assistance to students with disabilities;

''(iv) support the provision of training and technical assistance to State and local educational agencies and designated State agency personnel responsible for the planning and provision of services to students with disabilities; and

''(v) support outreach activities to students with disabilities who are eligible for, and need, services under this title.''.

SEC. 482. SCOPE OF SERVICES.

Section 103 of the Rehabilitation Act of 1973 (29 U.S.C. 723) is amended—

(1) in subsection (a), by striking paragraph (15) and inserting the following:

''(15) transition services for students with disabilities, that facilitate the achievement of the employment outcome identified in the individualized plan for employment involved, including services described in clauses (i) through (iii) of section 101(a)(26)(B);'';

(2) in subsection (b), by striking paragraph (6) and inserting the following:

''(6)(A)(i) Consultation and technical assistance services to assist State and local educational agencies in planning for the transition of students with disabilities from school to post-school activities, including employment.

''(ii) Training and technical assistance described in section 101(a)(26)(B)(iv).

''(B) Services for groups of individuals with disabilities who meet the requirements of clauses (i) and (iii) of section 7(35)(A), including services described in clauses (i), (ii), (iii), and (v) of section 101(a)(26)(B), to assist in the transition from school to post-school activities.''; and

(3) in subsection (b), by inserting at the end the following:

''(7) The establishment, development, or improvement of assistive technology demonstration, loan, reutilization, or financing programs in coordination with activities authorized under the Assistive Technology Act of 1998 (29 U.S.C. 3001 et seq.) to promote access to assistive technology for individuals with disabilities and employers.''.

SEC. 483. STANDARDS AND INDICATORS.

(a) IN GENERAL.—Section 106 of the Rehabilitation Act of 1973 (29 U.S.C. 726) is amended—

(1) in the section heading, by striking ''**EVALUATION STANDARDS**'' and inserting ''**PERFORMANCE STANDARDS**'';

(2) by striking subsection (a) and inserting the following:

''(a) STANDARDS AND INDICATORS.—The performance standards and indicators for the vocational rehabilitation program carried out under this title—

''(1) shall be subject to paragraphs (2)(A) and (3) of section 136(b) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(b)); and

''(2) may, at a State's discretion, include additional indicators identified in the State plan submitted under section 101.''; and

(3) in subsection (b)(2)(B), by striking clause (i) and inserting the following:

''(i) on a biannual basis, review the program improvement efforts of the State and, if the State has not improved its performance to acceptable levels, as determined by the Director, direct the State to make revisions to the plan to improve performance; and''.

(b) CONFORMING AMENDMENTS.—Section 107 of the Rehabilitation Act of 1973 (29 U.S.C. 727) is amended—

(1) in subsections (a)(1)(B) and (b)(2), by striking ''evaluation standards'' and inserting ''performance standards''; and

(2) in subsection (c)(1)(B), by striking ''an evaluation standard'' and inserting ''a performance standard''.

SEC. 484. EXPENDITURE OF CERTAIN AMOUNTS.

Section 108(a) of the Rehabilitation Act of 1973 (29 U.S.C. 728(a)) is amended by striking ''under part B of title VI, or''.

SEC. 485. COLLABORATION WITH INDUSTRY.

The Rehabilitation Act of 1973 is amended by inserting after section 109 (29 U.S.C. 728a) the following:

''SEC. 109A. COLLABORATION WITH INDUSTRY.

''(a) ELIGIBLE ENTITY DEFINED.—For the purposes of this section, the term 'eligible entity' means a for-profit business, alone or in partnership with one or more of the following:

''(1) Community rehabilitation program providers.

''(2) Indian tribes.

''(3) Tribal organizations.

''(b) AUTHORITY.—A State shall use not less than one-half of one percent of the payment the State receives under section 111 for a fiscal year to award grants to eligible entities to pay for the Federal share of the cost of carrying out collaborative programs, to create practical job and career readiness and training programs, and to provide job placements and career advancement.

''(c) AWARDS.—Grants under this section shall—

''(1) be awarded for a period not to exceed 5 years; and

''(2) be awarded competitively.

''(d) APPLICATION.—To receive a grant under this section, an eligible entity shall submit an application to a designated State agency at such time, in such manner, and containing such information as such agency shall require. Such application shall include, at a minimum—

''(1) a plan for evaluating the effectiveness of the collaborative program;

''(2) a plan for collecting and reporting the data and information described under subparagraphs (A) through (C) of section 101(a)(10), as determined appropriate by the designated State agency; and

''(3) a plan for providing for the non-Federal share of the costs of the program.

''(e) ACTIVITIES.—An eligible entity receiving a grant under this section shall use the grant funds to carry out a program that provides one or more of the following:

''(1) Job development, job placement, and career advancement services for individuals with disabilities.

''(2) Training in realistic work settings in order to prepare individuals with disabilities for employment and career advancement in the competitive market.

''(3) Providing individuals with disabilities with such support services as may be required in order to maintain the employment and career advancement for which the individuals have received training.

''(f) ELIGIBILITY FOR SERVICES.—An individual shall be eligible for services provided under a program under this section if the individual is determined under section 102(a)(1) to be eligible for assistance under this title.

''(g) FEDERAL SHARE.—The Federal share for a program under this section shall not exceed 80 percent of the costs of the program.''.

SEC. 486. RESERVATION FOR EXPANDED TRANSITION SERVICES.

The Rehabilitation Act of 1973 is amended by inserting after section 110 (29 U.S.C. 730) the following:

''SEC. 110A. RESERVATION FOR EXPANDED TRANSITION SERVICES.

''Each State shall reserve not less than 10 percent of the funds allotted to the State under section 110(a) to carry out programs or activities under sections 101(a)(26)(B) and 103(b)(6).''.

SEC. 487. CLIENT ASSISTANCE PROGRAM.

Section 112(e)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 732(e)(1)) is amended by redesignating subparagraph (D) as subparagraph (E) and inserting after subparagraph (C) the following:

''(D) The Secretary shall make grants to the protection and advocacy system serving the American Indian Consortium under the Developmental Disabilities and Bill of Rights Act of 2000 (42 U.S.C. 15001 et seq.) to provide services in accordance with this section, as determined by the Secretary. The amount of such grants shall be the same as the amount provided to territories under this subsection.''.

SEC. 488. RESEARCH.

Section 204(a)(2)(A) of the Rehabilitation Act of 1973 (29 U.S.C. 764(a)(2)(A)) is amended by striking ''VI,''.

SEC. 489. TITLE III AMENDMENTS.

Title III of the Rehabilitation Act of 1973 (29 U.S.C. 771 et seq.) is amended—

(1) in section 301(a) (21 U.S.C. 771(a))—

(A) in paragraph (2), by inserting ''and'' at the end;

(B) by striking paragraphs (3) and (4); and

(C) by redesignating paragraph (5) as paragraph (3);

(2) in section 302 (29 U.S.C. 772)—

(A) in subsection (g)—

(i) in the heading, by striking ''AND IN-SERVICE TRAINING''; and

(ii) by striking paragraph (3); and

(B) in subsection (h), by striking ''section 306'' and inserting ''section 304'';

(3) in section 303 (29 U.S.C. 773)—

(A) in subsection (b)(1), by striking ''section 306'' and inserting ''section 304''; and

(B) in subsection (c)—

(i) in paragraph (4)—

(I) by amending subparagraph (A)(ii) to read as follows:

''(ii) to coordinate activities and work closely with the parent training and information centers established pursuant to section 671 of the Individuals with Disabilities Education Act (20 U.S.C. 1471), the community parent resource centers established pursuant to section 672 of such Act (29 U.S.C. 1472), and the eligible entities receiving awards under section 673 of such Act (20 U.S.C. 1473); and''; and

(II) in subparagraph (C), by inserting '', and demonstrate the capacity for serving,'' after ''serve''; and

(ii) by adding at the end the following:

''(8) RESERVATION.—From the amount appropriated to carry out this subsection for a fiscal year, 20 percent of such amount or $500,000, whichever is less, shall be reserved to carry out paragraph (6).'';

(4) by striking sections 304 and 305 (29 U.S.C. 774, 775); and

(5) by redesignating section 306 (29 U.S.C. 776) as section 304.

SEC. 490. REPEAL OF TITLE VI.

Title VI of the Rehabilitation Act of 1973 (29 U.S.C. 795 et seq.) is repealed.

SEC. 491. TITLE VII GENERAL PROVISIONS.

(a) PURPOSE.—Section 701(3) of the Rehabilitation Act of 1973 (29 U.S.C. 796(3)) is

amended by striking ''State programs of supported employment services receiving assistance under part B of title VI,''.

(b) CHAIRPERSON.—Section 705(b)(5) of the Rehabilitation Act of 1973 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

''(5) CHAIRPERSON.—The Council shall select a chairperson from among the voting membership of the Council.''.

SEC. 492. AUTHORIZATIONS OF APPROPRIATIONS.

The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is further amended—

(1) in section 100 (29 U.S.C. 720)—

(A) in subsection (b)(1), by striking ''such sums as may be necessary for fiscal years 1999 through 2003'' and inserting ''$3,121,712,000 for fiscal year 2015 and each of the 6 succeeding fiscal years''; and

(B) in subsection (d)(1)(B), by striking ''2003'' and inserting ''2021'';

(2) in section 110(c) (29 U.S.C. 730(c)), by amending paragraph (2) to read as follows:

''(2) The sum referred to in paragraph (1) shall be, as determined by the Secretary, not less than 1 percent and not more than 1.5 percent of the amount referred to in paragraph (1) for each of fiscal years 2015 through 2020.'';

(3) in section 112(h) (29 U.S.C. 732(h)), by striking ''such sums as may be necessary for fiscal years 1999 through 2003'' and inserting ''$12,240,000 for fiscal year 2015 and each of the 6 succeeding fiscal years'';

(4) by amending subsection (a) of section 201 (29 U.S.C. 761(a)) to read as follows: ''(a) There are authorized to be appropriated $108,817,000 for fiscal year 2015 and each of the 6 succeeding fiscal years to carry out this title.'';

(5) in section 302(i) (29 U.S.C. 772(i)), by striking ''such sums as may be necessary for each of the fiscal years 1999 through 2003'' and inserting ''$35,515,000 for fiscal year 2015 and each of the 6 succeeding fiscal years'';

(6) in section 303(e) (29 U.S.C. 773(e)), by striking ''such sums as may be necessary for each of the fiscal years 1999 through 2003'' and inserting ''$5,325,000 for fiscal year 2015 and each of the 6 succeeding fiscal years'';

(7) in section 405 (29 U.S.C. 785), by striking ''such sums as may be necessary for each of the fiscal years 1999 through 2003'' and inserting ''$3,258,000 for fiscal year 2015 and each of the 6 succeeding fiscal years'';

(8) in section 502(j) (29 U.S.C. 792(j)), by striking ''such sums as may be necessary for each of the fiscal years 1999 through 2003'' and inserting ''$7,400,000 for fiscal year 2015 and each of the 6 succeeding fiscal years'';

(9) in section 509(l) (29 U.S.C. 794e(l)), by striking ''such sums as may be necessary for each of the fiscal years 1999 through 2003'' and inserting ''$18,031,000 for fiscal year 2015 and each of the 6 succeeding fiscal years'';

(10) in section 714 (29 U.S.C. 796e–3), by striking ''such sums as may be necessary for each of the fiscal years 1999 through 2003'' and inserting ''$23,359,000 for fiscal year 2015 and each of the 6 succeeding fiscal years'';

(11) in section 727 (29 U.S.C. 796f–6), by striking ''such sums as may be necessary for each of the fiscal years 1999 through 2003'' and inserting ''$79,953,000 for fiscal year 2015 and each of the 6 succeeding fiscal years''; and

(12) in section 753 (29 U.S.C. 796l), by striking ''such sums as may be necessary for each of the fiscal years 1999 through 2003'' and inserting ''$34,018,000 for fiscal year 2015 and each of the 6 succeeding fiscal years''.

SEC. 493. CONFORMING AMENDMENTS.

Section 1(b) of the Rehabilitation Act of 1973 is amended—

(1) by inserting after the item relating to section 109 the following:

''Sec. 109A. Collaboration with industry.'';

(2) by inserting after the item relating to section 110 the following:

''Sec. 110A. Reservation for expanded transition services.'';

(3) by striking the item related to section 304 and inserting the following:

''Sec. 304. Measuring of project outcomes and performance.'';

(4) by striking the items related to sections 305 and 306;

(5) by striking the items related to title VI; and

(6) by striking the item related to section 706 and inserting the following:

''Sec. 706. Responsibilities of the Director.''.

Subtitle F—Studies by the Comptroller General

SEC. 496. STUDY BY THE COMPTROLLER GENERAL ON EXHAUSTING FEDERAL PELL GRANTS BEFORE ACCESSING WIA FUNDS.

Not later than 12 months after the date of enactment of this Act, the Comptroller General of the United States shall complete and submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report that—

(1) evaluates the effectiveness of subparagraph (B) of section 134(d)(4) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(d)(4)(B)) (as such subparagraph was in effect on the day before the date of enactment of this Act), including—

(A) a review of the regulations and guidance issued by the Secretary of Labor to State and local areas on how to comply with such subparagraph;

(B) a review of State policies to determine how local areas are required to comply with such subparagraph;

(C) a review of local area policies to determine how one-stop operators are required to comply with such subparagraph; and

(D) a review of a sampling of individuals receiving training services under section 134(d)(4) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(d)(4)) to determine if, before receiving such training services, such individuals have exhausted funds received through the Federal Pell Grant program under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and

(2) makes appropriate recommendations with respect to the matters evaluated under paragraph (1).

SEC. 497. STUDY BY THE COMPTROLLER GENERAL ON ADMINISTRATIVE COST SAVINGS.

(a) STUDY.—Not later than 12 months after the date of the enactment of this Act, the Comptroller General of the United States shall complete and submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report that—

(1) determines the amount of administrative costs at the Federal and State levels for the most recent fiscal year for which satisfactory data are available for—

(A) each of the programs authorized under the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.) or repealed under section 401 of this Act, as such programs were in effect for such fiscal year; and

(B) each of the programs described in subparagraph (A) that have been repealed or consolidated on or after the date of enactment of this Act;

(2) determines the amount of administrative cost savings at the Federal and State levels as a result of repealing and consolidating programs by calculating the differences in the amount of administrative costs between subparagraph (A) and subparagraph (B) of paragraph (1); and

(3) estimates the administrative cost savings at the Federal and State levels for a fiscal year as a result of States consolidating amounts under section 501(e) of the Workforce Investment Act of 1998 (20 U.S.C. 9271(e)) to reduce inefficiencies in the administration of federally-funded State and local employment and training programs.

(b) DEFINITION.—For purposes of this section, the term ''administrative costs'' has the meaning given the term in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801).

TITLE V—OFFSET

SEC. 501. NONDEFENSE DISCRETIONARY SPENDING.

Section 251(c)(2)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''$492,356,000,000'' and inserting ''$482,356,000,000''.

SA 2623. Mr. MCCONNELL (for himself and Mr. HATCH) submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) IN GENERAL.—This Act may be cited as the ''Military Heroes Pension, Family Health Fairness, and Emergency Long-Term Unemployment Insurance Extension Act of 2014''.

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

Sec. 1. Short title; table of contents.

TITLE I—MILITARY HEROES' PENSIONS

Sec. 101. Repeal of reductions made by Bipartisan Budget Act of 2013.

TITLE II—FAMILY HEALTH FAIRNESS

Sec. 201. Delay in application of individual health insurance mandate.

TITLE III—UNEMPLOYMENT PROVISIONS

Sec. 301. Extension of emergency unemployment compensation program.

Sec. 302. Temporary extension of extended benefit provisions.

Sec. 303. Extension of funding for reemployment services and reemployment and eligibility assessment activities.

Sec. 304. Additional extended unemployment benefits under the railroad unemployment insurance act.

Sec. 305. Repeal of nonreduction rule under the emergency unemployment compensation program.

TITLE IV—OTHER PROVISIONS

Sec. 401. Disqualification on receipt of disability insurance benefits in a month for which unemployment compensation is received.

TITLE I—MILITARY HEROES' PENSIONS

SEC. 101. REPEAL OF REDUCTIONS MADE BY BIPARTISAN BUDGET ACT OF 2013.

Section 403 of the Bipartisan Budget Act of 2013 is repealed as of the date of the enactment of such Act.

TITLE II—FAMILY HEALTH FAIRNESS

SEC. 201. DELAY IN APPLICATION OF INDIVIDUAL HEALTH INSURANCE MANDATE.

(a) IN GENERAL.—Section 5000A(a) of the Internal Revenue Code of 1986 is amended by striking ''2013'' and inserting ''2014''.

(b) CONFORMING AMENDMENTS.—

(1) Section 5000A(c)(2)(B) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''2014'' in clause (i) and inserting ''2015'', and

(B) by striking ''2015'' in clauses (ii) and (iii) and inserting ''2016''.

(2) Section 5000A(c)(3)(B) of such Code is amended—

(A) by striking ''2014'' and inserting ''2015'', and

(B) by striking ''2015'' (prior to amendment by subparagraph (A)) and inserting ''2016''.

(3) Section 5000A(c)(3)(D) of such Code is amended—

(A) by striking ''2016'' and inserting ''2017'', and

(B) by striking ''2015'' and inserting ''2016''.

(4) Section 5000A(e)(1)(D) of such Code is amended—

(A) by striking ''2014'' and inserting ''2015'', and

(B) by striking ''2013'' and inserting ''2014''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 1501 of the Patient Protection and Affordable Care Act.

TITLE III—UNEMPLOYMENT PROVISIONS

SEC. 301. EXTENSION OF EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM.

(a) EXTENSION.—Section 4007(a)(2) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended by striking ''January 1, 2014'' and inserting ''January 1, 2015''.

(b) FUNDING.—Section 4004(e)(1) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

(1) in subparagraph (I), by striking ''and'' at the end;

(2) in subparagraph (J), by inserting ''and'' at the end; and

(3) by inserting after subparagraph (J) the following:

''(K) the amendment made by section 301(a) of the Military Heroes Pension, Family Health Fairness, and Emergency Long-Term Unemployment Insurance Extension Act of 2014;''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Taxpayer Relief Act of 2012 (Public Law 112–240).

SEC. 302. TEMPORARY EXTENSION OF EXTENDED BENEFIT PROVISIONS.

(a) IN GENERAL.—Section 2005 of the Assistance for Unemployed Workers and Struggling Families Act, as contained in Public Law 111–5 (26 U.S.C. 3304 note), is amended—

(1) by striking ''December 31, 2013'' each place it appears and inserting ''December 31, 2014''; and

(2) in subsection (c), by striking ''June 30, 2014'' and inserting ''June 30, 2015''.

(b) EXTENSION OF MATCHING FOR STATES WITH NO WAITING WEEK.—Section 5 of the Unemployment Compensation Extension Act of 2008 (Public Law 110–449; 26 U.S.C. 3304 note) is amended by striking ''June 30, 2014'' and inserting ''June 30, 2015''.

(c) EXTENSION OF MODIFICATION OF INDICATORS UNDER THE EXTENDED BENEFIT PROGRAM.—Section 203 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) is amended—

(1) in subsection (d), by striking ''December 31, 2013'' and inserting ''December 31, 2014''; and

(2) in subsection (f)(2), by striking ''December 31, 2013'' and inserting ''December 31, 2014''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Taxpayer Relief Act of 2012 (Public Law 112–240).

SEC. 303. EXTENSION OF FUNDING FOR REEMPLOYMENT SERVICES AND REEMPLOYMENT AND ELIGIBILITY ASSESSMENT ACTIVITIES.

(a) IN GENERAL.—Section 4004(c)(2)(A) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended by striking ''through fiscal year 2014'' and inserting ''through fiscal year 2015''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Taxpayer Relief Act of 2012 (Public Law 112–240).

SEC. 304. ADDITIONAL EXTENDED UNEMPLOYMENT BENEFITS UNDER THE RAILROAD UNEMPLOYMENT INSURANCE ACT.

(a) EXTENSION.—Section 2(c)(2)(D)(iii) of the Railroad Unemployment Insurance Act (45 U.S.C. 352(c)(2)(D)(iii)) is amended—

(1) by striking ''June 30, 2013'' and inserting ''June 30, 2014''; and

(2) by striking ''December 31, 2013'' and inserting ''December 31, 2014''.

(b) CLARIFICATION ON AUTHORITY TO USE FUNDS.—Funds appropriated under either the first or second sentence of clause (iv) of section 2(c)(2)(D) of the Railroad Unemployment Insurance Act shall be available to cover the cost of additional extended unemployment benefits provided under such section 2(c)(2)(D) by reason of the amendments made by subsection (a) as well as to cover the cost of such benefits provided under such section 2(c)(2)(D), as in effect on the day before the date of enactment of this Act.

(c) FUNDING FOR ADMINISTRATION.—Out of any funds in the Treasury not otherwise appropriated, there are appropriated to the Railroad Retirement Board $250,000 for administrative expenses associated with the payment of additional extended unemployment benefits provided under section 2(c)(2)(D) of the Railroad Unemployment Insurance Act by reason of the amendments made by subsection (a), to remain available until expended.

SEC. 305. REPEAL OF NONREDUCTION RULE UNDER THE EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM.

(a) IN GENERAL.—Subsection (g) of section 4001 of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is repealed.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to weeks of unemployment beginning on or after the date of the enactment of this Act.

(c) PERMITTING A SUBSEQUENT AGREEMENT.—Nothing in title IV of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) shall preclude a State whose agreement under such title was terminated from entering into a subsequent agreement under such title on or after the date of the enactment of this Act if the State, taking into account the application of the amendment made by subsection (a), would otherwise meet the requirements for an agreement under such title.

TITLE IV—OTHER PROVISIONS

SEC. 401. DISQUALIFICATION ON RECEIPT OF DISABILITY INSURANCE BENEFITS IN A MONTH FOR WHICH UNEMPLOYMENT COMPENSATION IS RECEIVED.

(a) IN GENERAL.—Section 223(d)(4) of the Social Security Act (42 U.S.C. 423(d)(4)) is amended by adding at the end the following:

''(C)(i) If for any month an individual is entitled to unemployment compensation, such individual shall be deemed to have engaged in substantial gainful activity for such month.

''(ii) For purposes of clause (i), the term 'unemployment compensation' means—

''(I) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(II) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(b) TRIAL WORK PERIOD.—Section 222(c) of the Social Security Act (42 U.S.C. 422(c)) is amended by adding at the end the following:

''(6)(A) For purposes of this subsection, an individual shall be deemed to have rendered services in a month if the individual is entitled to unemployment compensation for such month.

''(B) For purposes of subparagraph (A), the term 'unemployment compensation' means—

''(i) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(ii) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(c) DATA MATCHING.—The Commissioner of Social Security shall implement the amendments made by this section using appropriate electronic data.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to months after March 2014.

SA 2624. Mr. MCCONNELL (for himself and Mr. HATCH) submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) IN GENERAL.—This Act may be cited as the ''Military Heroes Pension, Family Health Fairness, and Emergency Long-Term Unemployment Insurance Extension Act of 2014''.

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

Sec. 1. Short title; table of contents.

TITLE I—MILITARY HEROES' PENSIONS

Sec. 101. Repeal of reductions made by Bipartisan Budget Act of 2013.

TITLE II—FAMILY HEALTH FAIRNESS

Sec. 201. Delay in application of individual health insurance mandate.

TITLE III—UNEMPLOYMENT PROVISIONS

Sec. 301. Extension of emergency unemployment compensation program.

Sec. 302. Temporary extension of extended benefit provisions.

Sec. 303. Extension of funding for reemployment services and reemployment and eligibility assessment activities.

Sec. 304. Additional extended unemployment benefits under the railroad unemployment insurance act.

Sec. 305. Repeal of nonreduction rule under the emergency unemployment compensation program.

TITLE IV—OTHER PROVISIONS

Sec. 401. Disqualification on receipt of disability insurance benefits in a month for which unemployment compensation is received.

TITLE I—MILITARY HEROES' PENSIONS

SEC. 101. REPEAL OF REDUCTIONS MADE BY BIPARTISAN BUDGET ACT OF 2013.

Section 403 of the Bipartisan Budget Act of 2013 is repealed as of the date of the enactment of such Act.

TITLE II—FAMILY HEALTH FAIRNESS

SEC. 201. DELAY IN APPLICATION OF INDIVIDUAL HEALTH INSURANCE MANDATE.

(a) IN GENERAL.—Section 5000A(a) of the Internal Revenue Code of 1986 is amended by striking ''2013'' and inserting ''2014''.

(b) CONFORMING AMENDMENTS.—

(1) Section 5000A(c)(2)(B) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''2014'' in clause (i) and inserting ''2015'', and

(B) by striking ''2015'' in clauses (ii) and (iii) and inserting ''2016''.

(2) Section 5000A(c)(3)(B) of such Code is amended—

(A) by striking ''2014'' and inserting ''2015'', and

(B) by striking ''2015'' (prior to amendment by subparagraph (A)) and inserting ''2016''.

(3) Section 5000A(c)(3)(D) of such Code is amended—

(A) by striking ''2016'' and inserting ''2017'', and

(B) by striking ''2015'' and inserting ''2016''.

(4) Section 5000A(e)(1)(D) of such Code is amended—

(A) by striking ''2014'' and inserting ''2015'', and

(B) by striking ''2013'' and inserting ''2014''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 1501 of the Patient Protection and Affordable Care Act.

TITLE III—UNEMPLOYMENT PROVISIONS

SEC. 301. EXTENSION OF EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM.

(a) EXTENSION.—Section 4007(a)(2) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended by striking ''January 1, 2014'' and inserting ''October 1, 2014''.

(b) FUNDING.—Section 4004(e)(1) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

(1) in subparagraph (I), by striking ''and'' at the end;

(2) in subparagraph (J), by inserting ''and'' at the end; and

(3) by inserting after subparagraph (J) the following:

''(K) the amendment made by section 301(a) of the Military Heroes Pension, Family Health Fairness, and Emergency Long-Term Unemployment Insurance Extension Act of 2014;''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Taxpayer Relief Act of 2012 (Public Law 112–240).

SEC. 302. TEMPORARY EXTENSION OF EXTENDED BENEFIT PROVISIONS.

(a) IN GENERAL.—Section 2005 of the Assistance for Unemployed Workers and Struggling Families Act, as contained in Public Law 111–5 (26 U.S.C. 3304 note), is amended—

(1) by striking ''December 31, 2013'' each place it appears and inserting ''September 30, 2014''; and

(2) in subsection (c), by striking ''June 30, 2014'' and inserting ''March 31, 2015''.

(b) EXTENSION OF MATCHING FOR STATES WITH NO WAITING WEEK.—Section 5 of the Unemployment Compensation Extension Act of 2008 (Public Law 110–449; 26 U.S.C. 3304 note) is amended by striking ''June 30, 2014'' and inserting ''March 31, 2015''.

(c) EXTENSION OF MODIFICATION OF INDICATORS UNDER THE EXTENDED BENEFIT PROGRAM.—Section 203 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) is amended—

(1) in subsection (d), by striking ''December 31, 2013'' and inserting ''September 30, 2014''; and

(2) in subsection (f)(2), by striking ''December 31, 2013'' and inserting ''September 30, 2014''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Taxpayer Relief Act of 2012 (Public Law 112–240).

SEC. 303. EXTENSION OF FUNDING FOR REEMPLOYMENT SERVICES AND REEMPLOYMENT AND ELIGIBILITY ASSESSMENT ACTIVITIES.

(a) IN GENERAL.—Section 4004(c)(2)(A) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended by striking ''through fiscal year 2014'' and inserting ''through the third quarter of fiscal year 2015''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Taxpayer Relief Act of 2012 (Public Law 112–240).

SEC. 304. ADDITIONAL EXTENDED UNEMPLOYMENT BENEFITS UNDER THE RAILROAD UNEMPLOYMENT INSURANCE ACT.

(a) EXTENSION.—Section 2(c)(2)(D)(iii) of the Railroad Unemployment Insurance Act (45 U.S.C. 352(c)(2)(D)(iii)) is amended—

(1) by striking ''June 30, 2013'' and inserting ''March 31, 2014''; and

(2) by striking ''December 31, 2013'' and inserting ''September 30, 2014''.

(b) CLARIFICATION ON AUTHORITY TO USE FUNDS.—Funds appropriated under either the first or second sentence of clause (iv) of section 2(c)(2)(D) of the Railroad Unemployment Insurance Act shall be available to cover the cost of additional extended unemployment benefits provided under such section 2(c)(2)(D) by reason of the amendments made by subsection (a) as well as to cover the cost of such benefits provided under such section 2(c)(2)(D), as in effect on the day before the date of enactment of this Act.

(c) FUNDING FOR ADMINISTRATION.—Out of any funds in the Treasury not otherwise appropriated, there are appropriated to the Railroad Retirement Board $187,500 for administrative expenses associated with the payment of additional extended unemployment benefits provided under section 2(c)(2)(D) of the Railroad Unemployment Insurance Act by reason of the amendments made by subsection (a), to remain available until expended.

SEC. 305. REPEAL OF NONREDUCTION RULE UNDER THE EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM.

(a) IN GENERAL.—Subsection (g) of section 4001 of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is repealed.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to weeks of unemployment beginning on or after the date of the enactment of this Act.

(c) PERMITTING A SUBSEQUENT AGREEMENT.—Nothing in title IV of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) shall preclude a State whose agreement under such title was terminated from entering into a subsequent agreement under such title on or after the date of the enactment of this Act if the State, taking into account the application of the amendment made by subsection (a), would otherwise meet the requirements for an agreement under such title.

TITLE IV—OTHER PROVISIONS

SEC. 401. DISQUALIFICATION ON RECEIPT OF DISABILITY INSURANCE BENEFITS IN A MONTH FOR WHICH UNEMPLOYMENT COMPENSATION IS RECEIVED.

(a) IN GENERAL.—Section 223(d)(4) of the Social Security Act (42 U.S.C. 423(d)(4)) is amended by adding at the end the following:

''(C)(i) If for any month an individual is entitled to unemployment compensation, such individual shall be deemed to have engaged in substantial gainful activity for such month.

''(ii) For purposes of clause (i), the term 'unemployment compensation' means—

''(I) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(II) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(b) TRIAL WORK PERIOD.—Section 222(c) of the Social Security Act (42 U.S.C. 422(c)) is amended by adding at the end the following:

''(6)(A) For purposes of this subsection, an individual shall be deemed to have rendered services in a month if the individual is entitled to unemployment compensation for such month.

''(B) For purposes of subparagraph (A), the term 'unemployment compensation' means—

''(i) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(ii) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(c) DATA MATCHING.—The Commissioner of Social Security shall implement the amendments made by this section using appropriate electronic data.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to months after March 2014.

SA 2625. Mr. MCCONNELL (for himself and Mr. HATCH) submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) IN GENERAL.—This Act may be cited as the ''Military Heroes Pension, Family Health Fairness, and Emergency Long-Term Unemployment Insurance Extension Act of 2014''.

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

Sec. 1. Short title; table of contents.

TITLE I—MILITARY HEROES' PENSIONS

Sec. 101. Repeal of reductions made by Bipartisan Budget Act of 2013.

TITLE II—FAMILY HEALTH FAIRNESS

Sec. 201. Delay in application of individual health insurance mandate.

TITLE III—UNEMPLOYMENT PROVISIONS

Sec. 301. Extension of emergency unemployment compensation program.

Sec. 302. Temporary extension of extended benefit provisions.

Sec. 303. Extension of funding for reemployment services and reemployment and eligibility assessment activities.

Sec. 304. Additional extended unemployment benefits under the railroad unemployment insurance act.

Sec. 305. Repeal of nonreduction rule under the emergency unemployment compensation program.

TITLE IV—OTHER PROVISIONS

Sec. 401. Disqualification on receipt of disability insurance benefits in a month for which unemployment compensation is received.

TITLE I—MILITARY HEROES' PENSIONS

SEC. 101. REPEAL OF REDUCTIONS MADE BY BIPARTISAN BUDGET ACT OF 2013.

Section 403 of the Bipartisan Budget Act of 2013 is repealed as of the date of the enactment of such Act.

TITLE II—FAMILY HEALTH FAIRNESS

SEC. 201. DELAY IN APPLICATION OF INDIVIDUAL HEALTH INSURANCE MANDATE.

(a) IN GENERAL.—Section 5000A(a) of the Internal Revenue Code of 1986 is amended by striking ''2013'' and inserting ''2014''.

(b) CONFORMING AMENDMENTS.—

(1) Section 5000A(c)(2)(B) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''2014'' in clause (i) and inserting ''2015'', and

(B) by striking ''2015'' in clauses (ii) and (iii) and inserting ''2016''.

(2) Section 5000A(c)(3)(B) of such Code is amended—

(A) by striking ''2014'' and inserting ''2015'', and

(B) by striking ''2015'' (prior to amendment by subparagraph (A)) and inserting ''2016''.

(3) Section 5000A(c)(3)(D) of such Code is amended—

(A) by striking ''2016'' and inserting ''2017'', and

(B) by striking ''2015'' and inserting ''2016''.

(4) Section 5000A(e)(1)(D) of such Code is amended—

(A) by striking ''2014'' and inserting ''2015'', and

(B) by striking ''2013'' and inserting ''2014''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 1501 of the Patient Protection and Affordable Care Act.

TITLE III—UNEMPLOYMENT PROVISIONS

SEC. 301. EXTENSION OF EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM.

(a) EXTENSION.—Section 4007 of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended to read as follows:

''APPLICABILITY

''SEC. 4007. (a) IN GENERAL.—Except as provided in subsection (b), an agreement entered into under this title shall apply to weeks of unemployment—

''(1) beginning after the date on which such agreement is entered into; and

''(2) ending on or before July 1, 2014.

''(b) TRANSITION FOR AMOUNT REMAINING IN ACCOUNT.—

''(1) IN GENERAL.—Subject to paragraphs (2) and (3), in the case of an individual who has amounts remaining in an account established under section 4002 as of the last day of the last week (as determined in accordance with the applicable State law) ending on or before July 1, 2014, emergency unemployment compensation shall continue to be payable to such individual from such amounts for any week beginning after such last day for which the individual meets the eligibility requirements of this title.

''(2) NO AUGMENTATION AFTER JULY 1, 2014.—If the amount established in an individual's account under subsection (b)(1) is exhausted after July 1, 2014, then subsections (c), (d) and (e) of section 4002 shall not apply and such account shall not be augmented under such section, regardless of whether such individual's State is in an extended benefit period (as determined under paragraph (2) of such subsection (c), (d), or (e) (as the case may be)).

''(3) TERMINATION.—No compensation under this title shall be payable for any week beginning after September 30, 2014.''.

(b) FUNDING.—Section 4004(e)(1) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

(1) in subparagraph (I), by striking ''and'' at the end;

(2) in subparagraph (J), by inserting ''and'' at the end; and

(3) by inserting after subparagraph (J) the following:

''(K) the amendment made by section 301(a) of the Military Heroes Pension, Family Health Fairness, and Emergency Long-Term Unemployment Insurance Extension Act of 2014;''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Taxpayer Relief Act of 2012 (Public Law 112–240).

SEC. 302. TEMPORARY EXTENSION OF EXTENDED BENEFIT PROVISIONS.

(a) IN GENERAL.—Section 2005 of the Assistance for Unemployed Workers and Struggling Families Act, as contained in Public Law 111–5 (26 U.S.C. 3304 note), is amended—

(1) by striking ''December 31, 2013'' each place it appears and inserting ''June 30, 2014''; and

(2) in subsection (c), by striking ''June 30, 2014'' and inserting ''December 31, 2014''.

(b) EXTENSION OF MATCHING FOR STATES WITH NO WAITING WEEK.—Section 5 of the Unemployment Compensation Extension Act of 2008 (Public Law 110–449; 26 U.S.C. 3304 note) is amended by striking ''June 30, 2014'' and inserting ''December 31, 2014''.

(c) EXTENSION OF MODIFICATION OF INDICATORS UNDER THE EXTENDED BENEFIT PROGRAM.—Section 203 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) is amended—

(1) in subsection (d), by striking ''December 31, 2013'' and inserting ''June 30, 2014''; and

(2) in subsection (f)(2), by striking ''December 31, 2013'' and inserting ''June 30, 2014''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Taxpayer Relief Act of 2012 (Public Law 112–240).

SEC. 303. EXTENSION OF FUNDING FOR REEMPLOYMENT SERVICES AND REEMPLOYMENT AND ELIGIBILITY ASSESSMENT ACTIVITIES.

(a) IN GENERAL.—Section 4004(c)(2)(A) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended by striking ''through fiscal year 2014'' and inserting ''through the second quarter of fiscal year 2015''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Taxpayer Relief Act of 2012 (Public Law 112–240).

SEC. 304. ADDITIONAL EXTENDED UNEMPLOYMENT BENEFITS UNDER THE RAILROAD UNEMPLOYMENT INSURANCE ACT.

(a) EXTENSION.—Section 2(c)(2)(D)(iii) of the Railroad Unemployment Insurance Act (45 U.S.C. 352(c)(2)(D)(iii)) is amended—

(1) by striking ''June 30, 2013'' and inserting ''December 31, 2013''; and

(2) by striking ''December 31, 2013'' and inserting ''June 30, 2014''.

(b) CLARIFICATION ON AUTHORITY TO USE FUNDS.—Funds appropriated under either the first or second sentence of clause (iv) of section 2(c)(2)(D) of the Railroad Unemployment Insurance Act shall be available to cover the cost of additional extended unemployment benefits provided under such section 2(c)(2)(D) by reason of the amendments made by subsection (a) as well as to cover the cost of such benefits provided under such section 2(c)(2)(D), as in effect on the day before the date of enactment of this Act.

(c) FUNDING FOR ADMINISTRATION.—Out of any funds in the Treasury not otherwise appropriated, there are appropriated to the Railroad Retirement Board $125,000 for administrative expenses associated with the payment of additional extended unemployment benefits provided under section 2(c)(2)(D) of the Railroad Unemployment Insurance Act by reason of the amendments made by subsection (a), to remain available until expended.

SEC. 305. REPEAL OF NONREDUCTION RULE UNDER THE EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM.

(a) IN GENERAL.—Subsection (g) of section 4001 of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is repealed.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to weeks of unemployment beginning on or after the date of the enactment of this Act.

(c) PERMITTING A SUBSEQUENT AGREEMENT.—Nothing in title IV of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) shall preclude a State whose agreement under such title was terminated from entering into a subsequent agreement under such title on or after the date of the enactment of this Act if the State, taking into account the application of the amendment made by subsection (a), would otherwise meet the requirements for an agreement under such title.

TITLE IV—OTHER PROVISIONS

SEC. 401. DISQUALIFICATION ON RECEIPT OF DISABILITY INSURANCE BENEFITS IN A MONTH FOR WHICH UNEMPLOYMENT COMPENSATION IS RECEIVED.

(a) IN GENERAL.—Section 223(d)(4) of the Social Security Act (42 U.S.C. 423(d)(4)) is amended by adding at the end the following:

''(C)(i) If for any month an individual is entitled to unemployment compensation, such individual shall be deemed to have engaged in substantial gainful activity for such month.

''(ii) For purposes of clause (i), the term 'unemployment compensation' means—

''(I) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(II) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(b) TRIAL WORK PERIOD.—Section 222(c) of the Social Security Act (42 U.S.C. 422(c)) is amended by adding at the end the following:

''(6)(A) For purposes of this subsection, an individual shall be deemed to have rendered services in a month if the individual is entitled to unemployment compensation for such month.

''(B) For purposes of subparagraph (A), the term 'unemployment compensation' means—

''(i) 'regular compensation', 'extended compensation', and 'additional compensation' (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act (26 U.S.C. 3304 note)); and

''(ii) trade adjustment assistance under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).''.

(c) DATA MATCHING.—The Commissioner of Social Security shall implement the amendments made by this section using appropriate electronic data.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to months after March 2014.

SA 2626. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1845, to provide for

the extension of certain unemployment benefits, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. ACCOUNTABILITY THROUGH ELECTRONIC VERIFICATION.

(a) SHORT TITLE.—This section may be cited as the ''Accountability Through Electronic Verification Act''.

(b) PERMANENT REAUTHORIZATION.—Section 401(b) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (division C of Public Law 104–208; 8 U.S.C. 1324a note) is amended by striking ''Unless the Congress otherwise provides, the Secretary of Homeland Security shall terminate a pilot program on September 30, 2015.''.

(c) MANDATORY USE OF E-VERIFY.—Section 402 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended—

(1) in subsection (e)—

(A) in paragraph (1)—

(i) by amending subparagraph (A) to read as follows:

''(A) EXECUTIVE DEPARTMENTS AND AGENCIES.—Each department and agency of the Federal Government shall participate in E-Verify by complying with the terms and conditions set forth in this section.''; and

(ii) in subparagraph (B), by striking '', that conducts hiring in a State'' and all that follows and inserting ''shall participate in E-Verify by complying with the terms and conditions set forth in this section.'';

(B) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively; and

(C) by inserting after paragraph (1) the following:

''(2) UNITED STATES CONTRACTORS.—Any person, employer, or other entity that enters into a contract with the Federal Government shall participate in E-Verify by complying with the terms and conditions set forth in this section.

''(3) DESIGNATION OF CRITICAL EMPLOYERS.—Not later than 7 days after the date of the enactment of this paragraph, the Secretary of Homeland Security shall—

''(A) conduct an assessment of employers that are critical to the homeland security or national security needs of the United States;

''(B) designate and publish a list of employers and classes of employers that are deemed to be critical pursuant to the assessment conducted under subparagraph (A); and

''(C) require that critical employers designated pursuant to subparagraph (B) participate in E-Verify by complying with the terms and conditions set forth in this section not later than 30 days after the Secretary makes such designation.''.

(2) by redesignating subsection (f) as subsection (g); and

(3) by inserting after subsection (e) the following:

''(f) MANDATORY PARTICIPATION IN E-VERIFY.—

''(1) IN GENERAL.—Subject to paragraphs (2) and (3), all employers in the United States shall participate in E-Verify, with respect to all employees recruited, referred, or hired by such employer on or after the date that is 1 year after the date of the enactment of this subsection.

''(2) USE OF CONTRACT LABOR.—Any employer who uses a contract, subcontract, or exchange to obtain the labor of an individual in the United States shall certify in such contract, subcontract, or exchange that the employer uses E-Verify. If such certification is not included in a contract, subcontract, or exchange, the employer shall be deemed to have violated paragraph (1).

''(3) INTERIM MANDATORY PARTICIPATION.—

''(A) IN GENERAL.—Before the date set forth in paragraph (1), the Secretary of Homeland Security shall require any employer or class of employers to participate in E-Verify, with respect to all employees recruited, referred, or hired by such employer if the Secretary has reasonable cause to believe that the employer is or has been engaged in a material violation of section 274A of the Immigration and Nationality Act (8 U.S.C. 1324a).

''(B) NOTIFICATION.—Not later than 14 days before an employer or class of employers is required to begin participating in E-Verify pursuant to subparagraph (A), the Secretary shall provide such employer or class of employers with—

''(i) written notification of such requirement; and

''(ii) appropriate training materials to facilitate compliance with such requirement.''.

(d) CONSEQUENCES OF FAILURE TO PARTICIPATE.—

(1) IN GENERAL.—Section 402(e)(5) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note), as redesignated by subsection (c)(1)(B), is amended to read as follows:

''(5) CONSEQUENCES OF FAILURE TO PARTICIPATE.—If a person or other entity that is required to participate in E-Verify fails to comply with the requirements under this title with respect to an individual—

''(A) such failure shall be treated as a violation of section 274A(a)(1)(B) with respect to such individual; and

''(B) a rebuttable presumption is created that the person or entity has violated section 274A(a)(1)(A).''.

(2) PENALTIES.—Section 274A of the Immigration and Nationality Act (8 U.S.C. 1324a) is amended—

(A) in subsection (e)—

(i) in paragraph (4)—

(I) in subparagraph (A), in the matter preceding clause (i), by inserting '', subject to paragraph (10),'' after ''in an amount'';

(II) in subparagraph (A)(i), by striking ''not less than $250 and not more than $2,000'' and inserting ''not less than $2,500 and not more than $5,000'';

(III) in subparagraph (A)(ii), by striking ''not less than $2,000 and not more than $5,000'' and inserting ''not less than $5,000 and not more than $10,000'';

(IV) in subparagraph (A)(iii), by striking ''not less than $3,000 and not more than $10,000'' and inserting ''not less than $10,000 and not more than $25,000''; and

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

''(B) may require the person or entity to take such other remedial action as is appropriate.'';

(ii) in paragraph (5)—

(I) by inserting '', subject to paragraphs (10) through (12),'' after ''in an amount'';

(II) by striking ''$100'' and inserting ''$1,000'';

(III) by striking ''$1,000'' and inserting ''$25,000'';

(IV) by striking ''the size of the business of the employer being charged, the good faith of the employer'' and inserting ''the good faith of the employer being charged''; and

(V) by adding at the end the following: ''Failure by a person or entity to utilize the employment eligibility verification system as required by law, or providing information to the system that the person or entity knows or reasonably believes to be false, shall be treated as a violation of subsection (a)(1)(A).''; and

(iii) by adding at the end the following:

''(10) EXEMPTION FROM PENALTY.—In the case of imposition of a civil penalty under paragraph (4)(A) with respect to a violation of subsection (a)(1)(A) or (a)(2) for hiring or continuation of employment or recruitment or referral by person or entity and in the case of imposition of a civil penalty under paragraph (5) for a violation of subsection (a)(1)(B) for hiring or recruitment or referral by a person or entity, the penalty otherwise imposed may be waived or reduced if the violator establishes that the violator acted in good faith.

''(11) AUTHORITY TO DEBAR EMPLOYERS FOR CERTAIN VIOLATIONS.—

''(A) IN GENERAL.—If a person or entity is determined by the Secretary of Homeland Security to be a repeat violator of paragraph (1)(A) or (2) of subsection (a), or is convicted of a crime under this section, such person or entity may be considered for debarment from the receipt of Federal contracts, grants, or cooperative agreements in accordance with the debarment standards and pursuant to the debarment procedures set forth in the Federal Acquisition Regulation.

''(B) DOES NOT HAVE CONTRACT, GRANT, AGREEMENT.—If the Secretary of Homeland Security or the Attorney General wishes to have a person or entity considered for debarment in accordance with this paragraph, and such an person or entity does not hold a Federal contract, grant or cooperative agreement, the Secretary or Attorney General shall refer the matter to the Administrator of General Services to determine whether to list the person or entity on the List of Parties Excluded from Federal Procurement, and if so, for what duration and under what scope.

''(C) HAS CONTRACT, GRANT, AGREEMENT.—If the Secretary of Homeland Security or the Attorney General wishes to have a person or entity considered for debarment in accordance with this paragraph, and such person or entity holds a Federal contract, grant or cooperative agreement, the Secretary or Attorney General shall advise all agencies or departments holding a contract, grant, or cooperative agreement with the person or entity of the Government's interest in having the person or entity considered for debarment, and after soliciting and considering the views of all such agencies and departments, the Secretary or Attorney General may waive the operation of this paragraph or refer the matter to any appropriate lead agency to determine whether to list the person or entity on the List of Parties Excluded from Federal Procurement, and if so, for what duration and under what scope.

''(D) REVIEW.—Any decision to debar a person or entity under in accordance with this paragraph shall be reviewable pursuant to part 9.4 of the Federal Acquisition Regulation.''; and

(B) in subsection (f)—

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

''(1) CRIMINAL PENALTY.—Any person or entity which engages in a pattern or practice of violations of subsection (a)(1) or (2) shall be fined not more than $15,000 for each unauthorized alien with respect to which such a violation occurs, imprisoned for not less than 1 year and not more than 10 years, or both, notwithstanding the provisions of any other Federal law relating to fine levels.''; and

(ii) in paragraph (2), by striking ''Attorney General'' each place it appears and inserting ''Secretary of Homeland Security''.

(e) PREEMPTION; LIABILITY.—Section 402 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note), as amended by this section, is further amended by adding at the end the following:

''(h) LIMITATION ON STATE AUTHORITY.—

''(1) PREEMPTION.—A State or local government may not prohibit a person or other entity from verifying the employment authorization of new hires or current employees through E-Verify.

''(2) LIABILITY.—A person or other entity that participates in E-Verify may not be held liable under any Federal, State, or local law for any employment-related action taken with respect to the wrongful termination of an individual in good faith reliance on information provided through E-Verify.''.

(f) EXPANDED USE OF E-VERIFY.—Section 403(a)(3)(A) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended to read as follows:

''(A) IN GENERAL.—

''(i) BEFORE HIRING.—The person or other entity may verify the employment eligibility of an individual through E-Verify before the individual is hired, recruited, or referred if the individual consents to such verification. If an employer receives a tentative nonconfirmation for an individual, the employer shall comply with procedures prescribed by the Secretary, including—

''(I) providing the individual employees with private, written notification of the finding and written referral instructions;

''(II) allowing the individual to contest the finding; and

''(III) not taking adverse action against the individual if the individual chooses to contest the finding.

''(ii) AFTER EMPLOYMENT OFFER.—The person or other entity shall verify the employment eligibility of an individual through E-Verify not later than 3 days after the date of the hiring, recruitment, or referral, as the case may be.

''(iii) EXISTING EMPLOYEES.—Not later than 3 years after the date of the enactment of the Accountability Through Electronic Verification Act, the Secretary shall require all employers to use E-Verify to verify the identity and employment eligibility of any individual who has not been previously verified by the employer through E-Verify.''.

(g) REVERIFICATION.—Section 403(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended by adding at the end the following:

''(5) REVERIFICATION.—Each person or other entity participating in E-Verify shall use the E-Verify confirmation system to reverify the work authorization of any individual not later than 3 days after the date on which such individual's employment authorization is scheduled to expire (as indicated by the Secretary or the documents provided to the employer pursuant to section 274A(b) of the Immigration and Nationality Act (8 U.S.C. 1324a(b))), in accordance with the procedures set forth in this subsection and section 402.''.

(h) HOLDING EMPLOYERS ACCOUNTABLE.—

(1) CONSEQUENCES OF NONCONFIRMATION.—Section 403(a)(4)(C) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended to read as follows:

''(C) CONSEQUENCES OF NONCONFIRMATION.—

''(i) TERMINATION AND NOTIFICATION.—If the person or other entity receives a final nonconfirmation regarding an individual, the employer shall immediately—

''(I) terminate the employment, recruitment, or referral of the individual; and

''(II) submit to the Secretary any information relating to the individual that the Secretary determines would assist the Secretary in enforcing or administering United States immigration laws.

''(ii) CONSEQUENCE OF CONTINUED EMPLOYMENT.—If the person or other entity continues to employ, recruit, or refer the individual after receiving final nonconfirmation, a rebuttable presumption is created that the employer has violated section 274A of the Immigration and Nationality Act (8 U.S.C. 1324a).''.

(2) INTERAGENCY NONCONFIRMATION REPORT.—Section 405 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended by adding at the end the following:

''(c) INTERAGENCY NONCONFIRMATION REPORT.—

''(1) IN GENERAL.—The Director of U.S. Citizenship and Immigration Services shall submit a weekly report to the Assistant Secretary of Immigration and Customs Enforcement that includes, for each individual who receives final nonconfirmation through E-Verify—

''(A) the name of such individual;

''(B) his or her Social Security number or alien file number;

''(C) the name and contact information for his or her current employer; and

''(D) any other critical information that the Assistant Secretary determines to be appropriate.

''(2) USE OF WEEKLY REPORT.—The Secretary of Homeland Security shall use information provided under paragraph (1) to enforce compliance of the United States immigration laws.''.

(i) INFORMATION SHARING.—The Commissioner of Social Security, the Secretary of Homeland Security, and the Secretary of the Treasury shall jointly establish a program to share information among such agencies that may or could lead to the identification of unauthorized aliens (as defined in section 274A(h)(3) of the Immigration and Nationality Act), including any no-match letter and any information in the earnings suspense file.

(j) FORM I–9 PROCESS.—Not later than 9 months after date of the enactment of this Act, the Secretary of Homeland Security shall submit a report to Congress that contains recommendations for—

(1) modifying and simplifying the process by which employers are required to complete and retain a Form I–9 for each employee pursuant to section 274A of the Immigration and Nationality Act (8 U.S.C. 1324a); and

(2) eliminating the process described in paragraph (1).

(k) ALGORITHM.—Section 404(d) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended to read as follows:

''(d) DESIGN AND OPERATION OF SYSTEM.—E-Verify shall be designed and operated—

''(1) to maximize its reliability and ease of use by employers;

''(2) to insulate and protect the privacy and security of the underlying information;

''(3) to maintain appropriate administrative, technical, and physical safeguards to prevent unauthorized disclosure of personal information;

''(4) to respond accurately to all inquiries made by employers on whether individuals are authorized to be employed;

''(5) to register any times when E-Verify is unable to receive inquiries;

''(6) to allow for auditing use of the system to detect fraud and identify theft;

''(7) to preserve the security of the information in all of the system by—

''(A) developing and using algorithms to detect potential identity theft, such as multiple uses of the same identifying information or documents;

''(B) developing and using algorithms to detect misuse of the system by employers and employees;

''(C) developing capabilities to detect anomalies in the use of the system that may indicate potential fraud or misuse of the system; and

''(D) auditing documents and information submitted by potential employees to employers, including authority to conduct interviews with employers and employees;

''(8) to confirm identity and work authorization through verification of records maintained by the Secretary, other Federal departments, States, the Commonwealth of the Northern Mariana Islands, or an outlying possession of the United States, as determined necessary by the Secretary, including—

''(A) records maintained by the Social Security Administration;

''(B) birth and death records maintained by vital statistics agencies of any State or other jurisdiction in the United States;

''(C) passport and visa records (including photographs) maintained by the Department of State; and

''(D) State driver's license or identity card information (including photographs) maintained by State department of motor vehicles;

''(9) to electronically confirm the issuance of the employment authorization or identity document; and

''(10) to display the digital photograph that the issuer placed on the document so that the employer can compare the photograph displayed to the photograph on the document presented by the employee or, in exceptional cases, if a photograph is not available from the issuer, to provide for a temporary alternative procedure, specified by the Secretary, for confirming the authenticity of the document.''.

(l) IDENTITY THEFT.—Section 1028 of title 18, United States Code, is amended—

(1) in subsection (a)(7), by striking ''of another person'' and inserting ''that is not his or her own''; and

(2) in subsection (b)(3)—

(A) in subparagraph (B), by striking ''or'' at the end;

(B) in subparagraph (C), by adding ''or'' at the end; and

(C) by adding at the end the following:

''(D) to facilitate or assist in harboring or hiring unauthorized workers in violation of section 274, 274A, or 274C of the Immigration and Nationality Act (8 U.S.C. 1324, 1324a, and 1324c).''.

(m) SMALL BUSINESS DEMONSTRATION PROGRAM.—Section 403 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

''(d) SMALL BUSINESS DEMONSTRATION PROGRAM.—Not later than 9 months after the date of the enactment of the Accountability Through Electronic Verification Act, the Director of U.S. Citizenship and Immigration Services shall establish a demonstration program that assists small businesses in rural areas or areas without internet capabilities to verify the employment eligibility of newly hired employees solely through the use of publicly accessible internet terminals.''.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Mr. MARKEY. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs be authorized to meet during the session of the Senate on January 8, 2014, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.