

1 Workforce Investment Act of 1998 (29 U.S.C. 2916(e)(8))
2 without further appropriation or fiscal year limitation.

3 **SEC. 210. WORKER TRANSITION.**

4 (a) ESTABLISHMENT OF FUND.—There is estab-
5 lished in the Treasury a separate account, to be known
6 as the “Worker Transition Fund”.

7 (b) AUCTION PROCEEDS.—The Administrator shall
8 deposit the proceeds of the auction conducted pursuant
9 to section 771(b)(6) of the Clean Air Act in the Worker
10 Transition Fund.

11 (c) AVAILABILITY OF AMOUNTS.—The amounts de-
12 posited in the Worker Transition Fund shall be used to
13 carry out part 2 of subtitle A of title III of division A.

14 **SEC. 211. STATE PROGRAMS FOR GREENHOUSE GAS RE-**
15 **DUCTION AND CLIMATE ADAPTATION.**

16 (a) DEFINITIONS.—In this section:

17 (1) ALASKA NATIVE VILLAGE.—The term
18 “Alaska Native village” means a federally recognized
19 Indian tribe located in the State of Alaska and listed
20 in the Bureau of Indian Affairs publication entitled
21 “Indian Entities Recognized and Eligible to Receive
22 Services from the United States Bureau of Indian
23 Affairs” (74 Fed. Reg. 40218 (Aug. 11, 2009)).

1 (2) ALLOWANCE.—The term “allowance”
2 means an emission allowance established under sec-
3 tion 721 of the Clean Air Act.

4 (3) INDIAN TRIBE.—The term “Indian tribe”
5 has the meaning given the term in section 4 of the
6 Indian Self-Determination and Education Assistance
7 Act (25 U.S.C. 450b).

8 (4) SCCR ACCOUNT.—The term “SCCR Ac-
9 count” means a State Climate Change Response Ac-
10 count established under subsection (d)(5).

11 (5) VINTAGE YEAR.—The term “vintage year”
12 has the meaning given that term in section 700 of
13 the Clean Air Act.

14 (b) REGULATIONS; COORDINATION.—

15 (1) REGULATIONS.—Not later than 2 years
16 after the date of enactment of this Act, the Adminis-
17 trator, or the heads of such Federal agencies as the
18 President may designate, shall promulgate regula-
19 tions to implement this section.

20 (2) COORDINATION.—If the President des-
21 ignates more than 1 Federal agency to implement
22 this section, the President shall require such agen-
23 cies to establish a memorandum of understanding
24 providing for coordination of rulemaking and other

1 implementing activities, in accordance with this sec-
2 tion.

3 (c) STATE CLIMATE CHANGE RESPONSE AND TRANS-
4 PORTATION FUND.—

5 (1) ESTABLISHMENT OF FUND.—There is es-
6 tablished in the Treasury a separate account, to be
7 known as the “State Climate Change Response and
8 Transportation Fund”.

9 (2) AUCTION PROCEEDS DEPOSITED TO
10 FUND.—The Administrator shall deposit the pro-
11 ceeds of the auction conducted pursuant to section
12 771(b)(7) of the Clean Air Act in the State Climate
13 Change Response and Transportation Fund.

14 (3) AVAILABILITY OF AMOUNTS.—All amounts
15 deposited in the State Climate Change Response and
16 Transportation Fund shall be available, without fur-
17 ther appropriation or fiscal year limitation, to carry
18 out this section.

19 (d) DISTRIBUTION OF ALLOWANCE PROCEEDS.—

20 (1) IN GENERAL.—The Administrator shall dis-
21 tribute, in accordance with this section, proceeds of
22 the auction of allowances allocated for the following
23 vintage year that have been deposited in the State
24 Climate Change Response and Transportation Fund
25 pursuant to subsection (c)(2).

1 (2) RESERVATION AND ALLOCATION.—The Ad-
2 ministrator shall—

3 (A) reserve 10 percent of the proceeds of
4 such allowances described in paragraph (1) for
5 distribution among coastal and Great Lakes
6 States in accordance with subsection (f);

7 (B) after consultation with the Secretary
8 of the Interior, reserve at least 1 percent of the
9 proceeds of those allowances for distribution to
10 Indian tribes in accordance with subsection (e);
11 and

12 (C) distribute the remaining proceeds of
13 those allowances to fund State and local govern-
14 ment programs for greenhouse gas reduction
15 and climate adaptation, with such remaining
16 proceeds divided equally between—

17 (i) funding of transportation grant
18 programs under subsection (g); and

19 (ii) funding of other programs admin-
20 istered by the States, with the proceeds to
21 be deposited in and administered through
22 the State Climate Change Response Ac-
23 counts established pursuant to paragraph
24 (5).

1 (3) FORMULA FOR DISTRIBUTION.—The Ad-
2 ministrators shall distribute the proceeds to be allo-
3 cated pursuant to paragraph (2)(C)(ii) ratably
4 among the States based on the product obtained by
5 multiplying—

6 (A) the population of a State; and

7 (B) the allocation factor for the State de-
8 termined under paragraph (4).

9 (4) STATE ALLOCATION FACTORS.—

10 (A) IN GENERAL.—Except as provided in
11 subparagraph (B), the allocation factor for a
12 State shall be the quotient obtained by divid-
13 ing—

14 (i) the per capita income of all indi-
15 viduals in the United States; by

16 (ii) the per capita income of all indi-
17 viduals in the State.

18 (B) LIMITATION.—

19 (i) MAXIMUM.—If the allocation fac-
20 tor for a State as calculated under sub-
21 paragraph (A) would exceed 1.2, the allo-
22 cation factor for such State shall be 1.2.

23 (ii) MINIMUM.—If the allocation fac-
24 tor for a State as calculated under sub-
25 paragraph (A) would be less than 0.8, the

1 allocation factor for such State shall be
2 0.8.

3 (C) PER CAPITA INCOME.—For purposes
4 of this paragraph, per capita income shall be—

5 (i) determined at 2-year intervals; and

6 (ii) subject to subparagraph (D),

7 equal to the average of the annual per cap-

8 ita incomes for the most recent period of

9 3 consecutive years for which satisfactory

10 data are available from the Department of

11 Commerce at the time such determination

12 is made.

13 (D) REVENUE DIRECTLY RESULTING FROM

14 A PRESIDENTIALLY DECLARED MAJOR DIS-

15 ASTER.—

16 (i) IN GENERAL.—For purposes of

17 this paragraph, per capita income from 1

18 or more of the sources described in clause

19 (ii) shall be reduced or excluded if the Sec-

20 retary of Commerce—

21 (I) (in consultation with the Ad-

22 ministrator and the heads of the de-

23 partments or agencies involved) deter-

24 mines that the income accrues to per-

25 sons as the result of a major disaster

1 designated by the President under the
2 Robert T. Stafford Disaster Relief
3 and Emergency Assistance Act (42
4 U.S.C. 5121 et seq.); and

5 (II) finds that the inclusion of 1
6 or more of the income sources, in
7 whole or in part, results in a transi-
8 tory, rather than a sustainable, in-
9 crease in a State's per capita income
10 level relative to the national average.

11 (ii) SOURCES OF INCOME.—The
12 sources of income referred to in clause (i)
13 are the following:

14 (I) Property and casualty insur-
15 ance (including homeowners and rent-
16 ers insurance).

17 (II) The National Flood Insur-
18 ance Program of the Federal Emer-
19 gency Management Agency.

20 (III) The Individual and Family
21 Grants Program of the Federal Emer-
22 gency Management Agency.

23 (IV) The Disaster Housing Pro-
24 gram of the Federal Emergency Man-
25 agement Agency.

1 (V) The Community Develop-
2 ment Block Grant Program of the De-
3 partment of Housing and Urban De-
4 velopment.

5 (VI) The Disaster Unemployment
6 Assistance Program of the Depart-
7 ment of Labor.

8 (VII) Any other source deter-
9 mined appropriate by the Adminis-
10 trator.

11 (5) STATE CLIMATE CHANGE RESPONSE AC-
12 COUNTS.—Each State shall establish a State Cli-
13 mate Change Response Account, to be administered
14 pursuant to State law, to receive and distribute the
15 amounts provided under paragraph (2)(C)(ii). State
16 regulations and implementing procedures relating to
17 such accounts shall require compliance with the pro-
18 visions of this section and all other applicable provi-
19 sions of Federal law.

20 (e) DISTRIBUTION TO INDIAN TRIBES.—

21 (1) IN GENERAL.—The Administrator, or the
22 heads of such Federal agencies as the President may
23 designate, shall promulgate regulations establishing
24 a program to distribute allowance proceeds to Indian
25 tribes, in accordance with the requirements of this

1 section, of which not less than 18 percent shall be
2 allocated to Alaska Native Villages for each year.

3 (2) USE OF PROCEEDS.—Allowance proceeds
4 distributed to Indian tribes shall be used exclu-
5 sively—

6 (A) in accordance with subsection (h); and

7 (B) in compliance with any approved tribal
8 climate change response plan.

9 (f) DISTRIBUTION TO COASTAL AND GREAT LAKES
10 STATES.—The Administrator, or the heads of such other
11 Federal agencies as the President may designate, shall dis-
12 tribute proceeds of emission allowances for coastal State
13 economic protection each fiscal year, in accordance with
14 section 384 of division A.

15 (g) DISTRIBUTION OF TRANSPORTATION GRANTS.—

16 (1) DISTRIBUTION OF TRANSPORTATION
17 GRANTS.—

18 (A) IN GENERAL.—The Secretary of
19 Transportation, in consultation with the Admin-
20 istrator, shall distribute the amounts allocated
21 for transportation grants each fiscal year in ac-
22 cordance with subsection (d)(2)(C)(i) as grants
23 to public transportation agencies (including des-
24 igned recipients (as defined in section
25 5307(a) and section 5340 of title 49, United

1 States Code)) and recipients and sub-recipients
2 (as defined in section 5311(a) of title 49,
3 United States Code).

4 (B) FORMULA.—In providing grants under
5 this subsection, the Secretary shall distribute—

6 (i) 80 percent of the funds in accord-
7 ance with the formula and conditions gov-
8 erning grants under section 5307 of title
9 49, United States Code;

10 (ii) 10 percent of the funds in accord-
11 ance with the formula and conditions gov-
12 erning grants under section 5311 of title
13 49, United States Code; and

14 (iii) 10 percent of the funds in accord-
15 ance with the formula and conditions gov-
16 erning grants under section 5340 of title
17 49, United States Code.

18 (h) USES OF ALLOWANCE PROCEEDS DEPOSITED TO
19 SCCR ACCOUNTS.—

20 (1) IN GENERAL.—States shall use allowance
21 proceeds deposited to SCCR Accounts under sub-
22 section (d)(2)(C)(ii) exclusively for the development
23 and implementation of projects, programs, or meas-
24 ures as described in this section to address climate
25 change by reducing emissions of greenhouse gases or

1 by building resilience to the impacts of climate
2 change, including impacts such as—

3 (A) extreme weather events, such as flood-
4 ing and tropical cyclones;

5 (B) more frequent heavy precipitation
6 events;

7 (C) water scarcity and adverse impacts on
8 water quality;

9 (D) stronger and longer heat waves;

10 (E) more frequent and severe droughts;

11 (F) rises in sea level;

12 (G) ecosystem disruption;

13 (H) increased wildfire risk;

14 (I) increased air pollution;

15 (J) effects on public health;

16 (K) impaired transportation systems and
17 infrastructure; and

18 (L) reduced productivity of agricultural or
19 ranching operations.

20 (2) REQUIREMENTS.—The allowance proceeds
21 received by each SCCR Account for each fiscal year
22 shall be used by the State exclusively to fund the fol-
23 lowing categories of activities, in compliance with the
24 provisions of approved State climate change re-
25 sponse plans:

1 (A) Grants to fund water system mitiga-
2 tion and adaptation partnerships in accordance
3 with section 381 of division A.

4 (B) Flood control, protection, prevention
5 and response programs and projects in accord-
6 ance with section 382 of division A.

7 (C) Programs or projects implemented by
8 State agencies as owners or operators of water
9 systems to address any ongoing or forecasted
10 climate-related impact on water quality, water
11 supply or reliability, for 1 or more of the pur-
12 poses listed in section 381(d) of division A.

13 (D) Programs or projects to reduce green-
14 house gas emissions through recycling or for in-
15 creasing recycling rates in accordance with sec-
16 tion 154 of division A.

17 (E) Programs and projects addressing ad-
18 verse impacts of climate change affecting agri-
19 culture or ranching activities.

20 (F) Programs or projects addressing air
21 pollution or air quality impacts caused or exac-
22 erbated by climate change.

23 (G) Programs or projects to reduce green-
24 house gas emissions that result in a decrease in
25 emissions of other air pollutants.

1 (3) DISTRIBUTION FOR LOCAL GOVERN-
2 MENTS.—Not less than 12.5 percent of the proceeds
3 deposited to SCCR Accounts shall be distributed by
4 each State to units of local government within such
5 State, to be used exclusively to support the cat-
6 egories of climate change response efforts listed in
7 paragraph (2).

8 (4) VULNERABLE POPULATIONS.—In deploying
9 allowance proceeds under this section, States and
10 units of local government shall ensure that programs
11 and projects are funded responding to impacts af-
12 fecting socially and economically vulnerable popu-
13 lations, including—

14 (A) persons of low-income (as defined in
15 title I of the Housing and Community Develop-
16 ment Act of 1974, (42 U.S.C. 5301 et seq.));

17 (B) members of socially disadvantaged
18 groups (as defined in section 2501(e)(2) of the
19 Food, Agriculture, Conservation, and Trade Act
20 of 1990 (7 U.S.C. 2279(e)(2)));

21 (C) individuals over 65 years of age and
22 under 5 years of age; and

23 (D) individuals with disabilities.

24 (5) INTENT OF CONGRESS.—It is the intent of
25 the Congress that allowances distributed to carry

1 out this section should be used to supplement, and
2 not replace, existing sources of funding used to ad-
3 dress and build resilience to the impacts of climate
4 change.

5 (i) STATE AND TRIBAL CLIMATE CHANGE RESPONSE
6 PLANS.—

7 (1) IN GENERAL.—The regulations promulgated
8 pursuant to subsection (b) shall include require-
9 ments for submission and approval of State and
10 tribal climate change response plans under this sec-
11 tion. Beginning with vintage year 2012, distribution
12 of allowance proceeds to a State pursuant to this
13 section shall be contingent on approval of a State
14 climate change response plan for such State that
15 meets the requirements of such regulations.

16 (2) REQUIREMENTS.—Regulations promulgated
17 under this section shall require, at minimum, that
18 State climate change response plans—

19 (A) assess and prioritize the vulnerability
20 of a State to a broad range of impacts of cli-
21 mate change, based on the best available
22 science;

23 (B) identify and prioritize specific cost-ef-
24 fective projects, programs, and measures to
25 mitigate and build resilience to current and pre-

1 dicted impacts of climate change, including
2 projects, programs, and measures within each
3 of the categories of activities listed in sub-
4 section (h)(2);

5 (C) include an assessment of potential for
6 carbon reduction through changes to land man-
7 agement policies (including enhancement or
8 protection of forest carbon sinks);

9 (D) ensure that the State fully considers
10 and undertakes, to the maximum extent prac-
11 ticable, initiatives that—

12 (i) protect or enhance natural eco-
13 system functions, including protection,
14 maintenance, or restoration of natural in-
15 frastructure such as wetlands, reefs, and
16 barrier islands to buffer communities from
17 floodwaters or storms, watershed protec-
18 tion to maintain water quality and ground-
19 water recharge, or floodplain restoration to
20 improve natural flood control capacity;

21 (ii) where appropriate, use non-
22 structural approaches, including practices
23 that use, enhance, or mimic the natural
24 hydrologic cycle processes of infiltration,
25 evapotranspiration, and use; or

1 (iii) where appropriate, protect for-
2 ested land via scientifically based ecological
3 restoration practices, including by reducing
4 fuel loads, restoring forest diversity, and
5 conducting research on pest mitigation;

6 (E) give consideration to impacts affecting
7 socially and economically vulnerable popu-
8 lations, including—

9 (i) persons of low-income (as defined
10 in title I of the Housing and Community
11 Development Act of 1974 (42 U.S.C. sec.
12 5301 et seq.));

13 (ii) members of socially disadvantaged
14 groups (as defined in section 2501(e)(2) of
15 the Food, Agriculture, Conservation, and
16 Trade Act of 1990 (7 U.S.C. 2279(e)(2)));

17 (iii) persons over 65 years of age and
18 under 5 years of age; and

19 (iv) persons with disabilities;

20 (F) use pre-disaster mitigation, emergency
21 response, and public insurance programs to
22 mitigate the impacts of climate change;

23 (G) be consistent with Federal conserva-
24 tion and environmental laws and, to the max-

1 imum extent practicable, avoid environmental
2 degradation; and

3 (H) be revised and resubmitted for ap-
4 proval not less frequently than every 5 years.

5 (3) TRIBAL CLIMATE CHANGE RESPONSE
6 PLANS.—Requirements for tribal climate change re-
7 sponse plans should include the requirements listed
8 in subparagraphs (A) through (H) of paragraph (2),
9 as appropriate, but may vary from those of State cli-
10 mate change response plans to the extent necessary
11 to account for the special circumstances of Indian
12 tribes.

13 (4) COORDINATION WITH PRIOR PLANNING EF-
14 FORTS.—In implementing this subsection, the Ad-
15 ministrator, or the heads of such Federal agencies
16 as the President may designate, shall—

17 (A) draw upon lessons learned and best
18 practices from preexisting State and tribal cli-
19 mate change response planning efforts;

20 (B) seek to avoid duplication of such ef-
21 forts; and

22 (C) ensure that the plans developed under
23 this section are developed in coordination with
24 State natural resources adaptation plans devel-
25 oped under section 369 of division A.

1 (j) REPORTING.—Not later than 1 year after each
2 date of receipt of allowance proceeds under this section,
3 and biennially thereafter until the value of any allowance
4 proceeds received under this section has been fully ex-
5 pended, each State or Indian tribe receiving allowance pro-
6 ceeds under this section shall submit to the Administrator,
7 or the heads of such Federal agencies as the President
8 may designate, a report that—

9 (1) provides a full accounting for the use by the
10 State or Indian tribe of allowance proceeds distrib-
11 uted under this section, including a description of
12 the projects, programs, or measures supported using
13 such proceeds;

14 (2) includes a report prepared by an inde-
15 pendent third party, in accordance with such regula-
16 tions as are promulgated by the Administrator or
17 the heads of such other Federal agencies as the
18 President may designate, evaluating the performance
19 of the projects, programs, or measures supported
20 under this section; and

21 (3) identifies any use by the State or Indian
22 tribe of allowance proceeds distributed under this
23 section for the reduction of flood and storm damage
24 and the effects of climate change on water and flood
25 protection infrastructure.

1 (k) AUDITING.—The Administrator, or the heads of
2 such Federal agencies as the President may designate,
3 shall have authority to conduct such audits or other review
4 of States implementation of and compliance with this sec-
5 tion as such Federal officials may in their discretion deter-
6 mine to be necessary or appropriate.

7 (l) ENFORCEMENT.—If the Administrator, or the
8 heads of such Federal agencies as the President may des-
9 ignate, determine that a State or Indian tribe is not in
10 compliance with this section, the Administrator or such
11 other agency head may withhold a quantity of the allow-
12 ance proceeds equal to up to twice the quantity of allow-
13 ance proceeds that the State or Indian tribe failed to use
14 in accordance with the requirements of this section, that
15 such State or Indian tribe would otherwise be eligible to
16 receive under this section in 1 or more later years. Allow-
17 ance proceeds withheld pursuant to this subsection shall
18 be distributed among the remaining States or Indian
19 tribes ratably in accordance with—

20 (1) the formula under subsection (d), in the
21 case of allowances withheld from a State; or

22 (2) in accordance with subsection (e), in the
23 case of allowance proceeds withheld from an Indian
24 tribe.